

STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: September 11, 2014

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture (the CM/GC) to award a Trade Work Subcontract to Transbay Fire Protection, Inc. (Transbay) as the responsible bidder submitting the lowest responsive bid in the amount of \$6,860,000 for TG10.5: Fire Suppression (TG10.5), thereby increasing authorized Direct Costs by \$6,860,000 and increasing the authorized Construction Services Fixed Fee by \$521,360, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

EXPLANATION:

On October 17, 2013, the CM/GC issued a Request for Qualifications (RFQ) for TG10.5. On November 15, 2013, five firms responded to the RFQ. On December 3, 2013, a Selection Committee consisting of representatives from the TJPA, CM/GC, Construction Management Oversight (CMO) consultant, and Program Management/Program Controls (PMPC) consultant reviewed and scored each firm's qualifications for technical merit. Based on its evaluation, the Selection Committee determined the following bidders to be qualified and free of conflicts of interest:

- Allied Fire Protection
- Cosco Fire Protection, Inc.
- Transbay Fire Protection, Inc.
- Wolverine Fire Protection Company

On January 30, 2014, the TG10.5 package was issued for bid. A pre-bid conference was held on February 11, 2014. Six addenda were issued during the bid period to provide clarifications, respond to bidders' questions, and provide updated specifications, drawings and sketches. While only a few of these Addenda were specific to this trade package alone, Addenda #2 through #6 were issued to all packages currently in the bidding phase for the purpose of providing the 100% issued for construction (IFC) set of drawings, related architect's supplemental instructions (ASI), and value engineering (VE) items to all bidders. The Addenda are described below:

- Addendum #1 added the landscape and site utility drawings and specifications to all bidding trade packages for general reference and extended the bid date to May 21, 2014, to allow bidders time to review the added drawings and specifications.
- Addendum #2 added the 100% IFC set of drawings and specifications to all bidding trade packages for general reference and extended the bid date to June 17, 2014, to allow bidders time to review the IFC set.
- Addendum #3 extended the bid date to August 19, 2014, at the bidders' request, to allow bidders additional time to assimilate the changes issued in Addendum #2.

- Addendum #4 incorporated three ASIs to the IFC set as follows: ASI 117 (general coordination of bidding documents to respond to bidders questions), ASI 118 (incorporation of secondary mitigation value engineering items), and ASI 119 (incorporation of secondary mitigation value engineering items).
- Addendum #5 incorporated three ASIs to the IFC set as follows: ASI 120 (incorporation of changes to glazing packages and responses to bidders' questions), ASI 121 (moving the physical security information monitoring system from one bid package to another), and ASI 122 (incorporation of secondary mitigation value engineering items).
- Addendum #6 was an administrative addendum to officially incorporate into the Contract Documents all responses to bidders' questions during the bid period.

The scope of work under this package includes constructing the complete fire protection and fire suppression systems for the Transbay Transit Center. The primary system elements include equipment, panels, pumps, valves, gauges, prefabricated tanks, sprinkler heads, and piping distribution. This Trade Subcontractor shall be responsible for certain design and hydraulic calculations and coordination.

The scope of work includes all labor, materials, equipment, tools, transportation, disposal fees, incidentals and any other costs/fees necessary to complete work in accordance with the Contract Documents. All necessary work from mobilization to handover to the next Trade Subcontractor is included in the scope of work.

Bidders had the option of submitting VE proposals prior to the bid date. No VE proposals were submitted. To ensure the best value for the bid scope, TJPA included in the package one deductive alternate that is part of the total bid, and thus was a factor in determining the lowest responsible bid. This alternate reconfigures the Beale Street space as an open air lobby rather than an enclosed space. This reconfiguration correspondingly reduces the sprinkler coverage as appropriate to an open air area. There were no additive alternates.

On August 19, 2014, four bids were received, opened and evaluated. Below is a summary of the bid result:

Bidder Name	Allied Fire Protection	Cosco Fire Protection, Inc.	Transbay Fire Protection, Inc.	Wolverine Fire Protection Co.
Base Bid Amount	\$8,875,200	\$10,675,000	\$6,860,000	\$10,740,000
Deductive Alternate No. 4: Delete Beale Street Lobby	\$(5,000)	\$(2,400)	\$(4,000)	\$(83,000)
Total Base Bid Less Alternate	\$8,870,200	\$10,672,600	\$6,856,000	\$10,657,000

Transbay submitted the lowest responsive bid, based on the total bid amount for the bid selection. The recommended award amount is \$6,860,000. Deductive Alternate No. 4 was not accepted.

Transbay's bid indicated 5% Small Business Enterprise (SBE) participation, including one SBE firm certified by the San Francisco Contract Monitoring Division and appearing to meet the SBE

goal. However, since the proposed SBE firm is a supplier, rather than a contractor, only 60% of the value counts towards SBE participation. This reduced the calculated SBE participation to 3%, below the 5% SBE goal on the package. On September 5, 2014, in accordance with TJPA Board Policy No. 15, Small Business Enterprise Program Plan, Transbay Fire Protection submitted an administrative reconsideration request noting an error in the subcontractor information submitted with its bid. The corrected information includes an increase in the SBE supplier's amount (without increasing the total bid price), bringing the revised SBE participation to 5.4%, exceeding the set SBE goal on the package. The second lowest bidder, indicated SBE participation of 3% in its bid.

TJPA's budget for TG10.5 is \$7,089,682 (which includes \$68,293 in design contingency and \$599,778 in escalation), and the CM/GC's estimate is \$9,027,391. Transbay's bid is fair and reasonable.

No bid protests were received during the bid protest period, which ended on August 26, 2014. This Trade Work Subcontract is anticipated to be funded by land sales proceeds and a Proposition K grant.

RECOMMENDATION:

TJPA staff recommends that the TJPA Board authorize amending Contract No. 08-04-CMGC-000, authorizing the CM/GC to execute a Trade Work Subcontract with Transbay Fire Protection, Inc., as the responsible bidder submitting the lowest responsive bid in the amount of \$6,860,000 for TG10.5: Fire Suppression, thereby increasing the authorized Direct Costs by \$6,860,000 and increasing the authorized Construction Services Fixed Fee by \$521,360, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

ENCLOSURES:

1. Resolution
2. Contract Modification

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On March 12, 2009, the Transbay Joint Powers Authority (TJPA) awarded a contract to Webcor/Obayashi Joint Venture as Construction Manager/General Contractor (the CM/GC) for the Transbay Transit Center Building and Related Structures (Contract No. 08-04-CMGC-000 or the Contract). Under the Contract, the CM/GC must competitively procure Trade Subcontractors. The Contract provides for the incorporation of Trade Packages by amendment to (a) authorize award of a Trade Work Subcontract; (b) authorize the associated increase in allowable Direct Costs under the Contract; and (c) authorize the CM/GC to charge a Construction Services Fixed Fee invoiced at a rate of 7.6% of Direct Costs (Contract, Section 00 05 20, ¶5.01); and

WHEREAS, On January 30, 2014, the CM/GC issued an Invitation for Bids for TG10.5: Fire Suppression Package (TG10.5) for the entire Transbay Transit Center Program to construct the complete fire suppression systems in accordance with the Contract Documents; and

WHEREAS, Under TG10.5, the Trade Subcontractor will perform all fire suppression systems construction-related activities for the entire Transbay Transit Center Program; and

WHEREAS, On August 19, 2014, four bids were received and opened publicly; and

WHEREAS, CM/GC and TJPA have determined that Transbay Fire Protection, Inc., is the responsible bidder submitting the lowest responsive bid, with a bid of \$6,860,000; and

WHEREAS, Funds for this Trade Work Subcontract are available from land sales and Proposition K funds; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the CM/GC to execute a Trade Work subcontract for TG10.5 with Transbay Fire Protection, Inc. as the responsible bidder submitting the lowest responsive bid in the contract amount of \$6,860,000; and be it

FURTHER RESOLVED, That upon award of the Trade Work Subcontract to Transbay Fire Protection, Inc., the Trade Work Subcontract shall be deemed part of the Contract Documents under Contract No. 08-04-CMGC-000; and be it

FURTHER RESOLVED, That Contract No. 08-04-CMGC-000 is hereby modified to incorporate the authorized amount of Trade Work Subcontract awarded to Transbay Fire Protection, Inc., for TG10.5 by increasing the authorized Direct Costs by \$6,860,000, and increasing the authorized Construction Services Fixed Fee by \$521,360 (Direct Costs of \$6,860,000 multiplied by the Construction Services Fee of 7.6%) under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of September 11, 2014.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 39
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI JOINT VENTURE

THIS AMENDMENT for AGREEMENT is entered into as of the _____ day of _____, 2014, by and between the TRANSBAY JOINT POWERS AUTHORITY (TJPA) and Webcor/Obayashi Joint Venture (CM/GC). By this Amendment No. 39, the TJPA and the CM/GC hereby modify the Agreement dated March 17, 2009 (Agreement), only to the extent expressly provided in this Amendment No. 39. All other terms and conditions of the Agreement shall remain in full force and effect.

Recitals

A. On March 12, 2009, the TJPA Board awarded the Agreement to the CM/GC to perform pre-construction and construction services for the Transbay Transit Center Building and Related Structures Project (Project).

B. As detailed in the Agreement, the CM/GC is required to procure construction services through the award of Trade Packages, at which time TJPA shall adjust the value of the Contract Sum to reflect the amount of the awarded Trade Work Subcontract plus the proportionate CM/GC's Construction Services Fixed Fee in accordance with Article 5.01 of the Agreement.

C. The CM/GC issued an Invitation for Bids for TG10.5 Fire Suppression package on January 30, 2014, and received and publicly opened four bids on August 19, 2014.

D. Transbay Fire Protection, Inc. was the responsible bidder submitting the lowest responsive bid in the amount of \$6,856,000, which consists of a Base Bid of \$6,860,000 and above-the-line Deductive Alternate No. 4 (Deductive Alternate No. 4 for -\$4,000 was not accepted and is not part of the current award).

Terms and Conditions

1. By this Amendment, TJPA authorizes an increase in the CM/GC scope of work and the value of the Contract Sum by \$7,381,360 (Trade Package Direct Costs of \$6,860,000 and CM/GC Fixed Fee, calculated at 7.6 percent of Direct Costs, of \$521,360) and the award of Trade Subcontract No. TG10.5 to Transbay Fire Protection, Inc. for performance of the construction of TG10.5 Fire Suppression.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Contract Documents dated September 23, 2013, and all associated Addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 39 on the day first mentioned above.

TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan
Executive Director

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____
Adopted: _____
Attest:

Secretary, TJPA Board

Approved as to Form:

By: _____
TJPA Legal Counsel

WEBCOR/OBAYASHI, JOINT VENTURE

Authorized Signature

Printed Name

Title