

**STAFF REPORT FOR CALENDAR ITEM NO.: 12  
FOR THE MEETING OF: July 9, 2015**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture (the CM/GC) to modify the Trade Work Subcontract with Crown Corr, Inc., (CCI) for TG08.2R: Exterior Awning (TG08.2R) in an amount of \$35,262,150, thereby increasing authorized Direct Costs by \$35,262,150 and increasing the authorized Construction Services Fixed Fee by \$1,234,175, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B. The award amount is for the construction services portion of a design-build contract for the Exterior Awning of the Transbay Transit Center (TTC). The design has been completed, and a fair and reasonable total cost for construction services has been developed, negotiated and agreed upon.

**EXPLANATION:**

In January 2013, the Exterior Awning system was redesigned from glass to aluminum in accordance with Risk and Vulnerability Assessment recommendations and as a cost savings measure. TG08.2 was originally issued for bid on November 7, 2013. Although four firms were prequalified, no bids were received on the January 30, 2014, bid due date. After a significant outreach effort to potential bidders, including those previously qualified, the CM/GC determined, in conjunction with TJPA staff and the Construction Management Oversight (CMO) consultant, that a collaborative design-build procurement methodology would provide the best opportunity to procure the Exterior Awning system with the most competition and at the best price.

Under the collaborative design-build procurement methodology (sometimes referred to in the construction industry as a design-assist procurement), bidders were required to submit a technical qualifications proposal and a price proposal for evaluation by the TJPA's Selection Committee (consisting of representatives from the TJPA, CM/GC, design team, CMO consultant, and Program Management/Program Controls consultant). The price proposal consisted of the sum of (1) a fixed lump sum amount for design services; (2) a Construction Fee percentage multiplied by estimated construction costs (provided in the bid documents); and (3) a Construction Overhead percentage multiplied by estimated construction costs. The solicitation identified those costs that should be included in the Construction Fee percentage and in the Construction Overhead percentage. The TJPA received concurrence from the Federal Transit Administration (FTA) that this collaborative design-build approach was an acceptable procurement methodology under applicable FTA procurement principles.

On November 13, 2014, the TJPA Board awarded the design services portion of the design-build contract for the Exterior Awning to CCI, the bidder offering the best value to the TJPA, in the amount of \$1,750,000. Along with the \$1,750,000 lump sum design services amount, CCI's price proposal included a Construction Fee of 18% and a Construction Overhead percentage of 12%.

Upon award, CCI worked collaboratively with the entire TJPA team, including the TJPA's design professionals, the CM/GC, and other affected trade subcontractors, to provide approaches and alternatives for the design of the Exterior Awning system consistent with the original design

intent, certain performance specifications, and the TJPA’s budget. The estimated construction cost (exclusive of the Construction Fee and Construction Overhead) provided to CCI in the solicitation was \$30 million. This estimate, determined following discussions with prequalified bidders who did not submit bids for the original package, was based on a revised design that included over a 20,000 square foot reduction in surface area, optimized panel configurations resulting in fewer unique panels, and greater flexibility in the specifications and design criteria. Although design changes were made, the revised design maintained the original design intent and all performance and RVA criteria.

In addition, the design team worked with Dr. Roger Penrose, a world renowned mathematician and scholar and creator of the Penrose non-repeating tiling pattern, to create a seamless expanse of the Penrose Pattern, both horizontally and vertically, within each of the TTC’s individual structural bays. Dr. Penrose, who did not require any compensation to work with the design team or to use his pattern, has endorsed the final design and tiling pattern. In keeping with the educational and technological themes that are integral to the TTC design, the Penrose pattern will be highlighted to the public in informational materials.

To incentivize CCI to provide the best value to the TJPA, the TJPA offered CCI a 50% share in any cost savings, *i.e.*, the delta between the final cost of construction submitted by CCI at the completion of the design phase as compared to the \$30 million estimated construction costs provided to CCI in the solicitation.

Throughout the design process, CCI provided cost estimates and schedule information to the TJPA. Anticipated construction costs were reviewed and evaluated by the TJPA team on an “open book” basis, requiring CCI to submit cost estimates and proposals from its vendors and material suppliers to the TJPA for review. A Total Construction Cost has been negotiated with CCI in conformance with the detailed schedule set forth in the solicitation. The Total Construction Cost includes all direct construction costs for the fabrication and installation of the Exterior Awning system plus the Construction Fee and Construction Overhead costs based on the percentages submitted in CCI’s proposal.

The Total Construction Costs consists of the following items:

<b>Cost Elements</b>	<b>Cost</b>
Direct construction costs	\$23,265,909
Construction Fee (12% x direct construction costs)	\$2,791,909
Construction Overhead (18% x direct construction costs)	\$4,187,863
Shared savings ( $[\$30,000,000 - \$23,265,909 = \$6,734,091] \times 50\%$ )	\$3,367,046
Continuous Penrose pattern (including fee and overhead %)	\$1,137,232
Additional awning row at select locations (including fee and overhead %)	\$942,981
Cost reduction for trailer space and reduced retention	(\$262,438)
5% reduction of shared savings for payment in full of savings with first billing	(\$168,352)
<b>Total Construction Cost</b>	<b>\$35,262,150</b>

The scope of work under this package includes designing and constructing the Exterior Awning system to meet the specified performance requirements and design criteria and intent for the construction cost of \$35,262,150, as negotiated.

The scope of work recommended for award is for all construction services related to the Exterior Awning system, including all labor, materials, equipment, tools, transportation, disposal fees, incidentals and any other costs/fees necessary to complete the fabrication and installation of the Exterior Awning system in accordance with the Contract Documents. All necessary work from mobilization to handover to the next Trade Subcontractor will be included in this scope of work. The TG08.2R trade package has a Small Business Enterprise (SBE) utilization goal of 5%, which applies to the construction services portion of the package. CCI currently has a commitment of 1% SBE participation but will continue to seek other opportunities for small business participation during the construction phase.

TJPA's current budget for the construction phase services of TG08.2R is \$33,968,627. It is recommended to fund the \$1,293,523 balance between the award amount and the current TG0.82R budget from the Program Reserve. The current available Program Reserve is \$8,264,730. After the award of TG0.82R, the remaining balance in the Program Reserve will be \$6,971,207.

This Trade Work Subcontract is anticipated to be funded by land sales and residual bridge loan/TIFIA proceeds.

**RECOMMENDATION:**

TJPA staff recommends that the TJPA Board authorize amending Contract No. 08-04-CMGC-000, authorizing the CM/GC to modify the Trade Work Subcontract with Crown Corr, Inc., in the amount of \$35,262,150 for the construction services for TG08.2R: Exterior Awning, thereby increasing the authorized Direct Costs by \$35,262,150 and increasing the authorized Construction Services Fixed Fee by \$1,234,175, 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 3.5% of Direct Costs (Contract, Section 00 05 20, ¶5.01); and

WHEREAS, On July 30, 2014, the CM/GC issued a Request for Proposals (RFP) for TG08.2R: Exterior Awning (TG08.2R) for the Transbay Transit Center Program to design and potentially construct the complete Exterior Awning system (the W-1 system) in accordance with the Contract Documents; and

WHEREAS, Under TG08.2R, the Trade Subcontractor will perform all Exterior Awning system design and potentially construction-related activities for the Transbay Transit Center; and

WHEREAS, On June 3, 2015, negotiations for the construction services under TG08.2R were successfully completed with Crown Corr, Inc.; and

WHEREAS, Funds for the initial NTPs for this Trade Work Subcontract are available from land sales; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the CM/GC to modify the Trade Work Subcontract with Crown Corr, Inc., for construction services for the Exterior Awning system as set forth in TG08.2R in an amount of \$35,262,150; and be it

FURTHER RESOLVED, That upon modification of the Trade Work Subcontract with Crown Corr, 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 the Trade Work Subcontract to Crown Corr, Inc., for TG08.2R by increasing the authorized Direct Costs by \$35,262,150, and increasing the authorized Construction Services Fixed Fee by \$1,234,175 (Direct Costs of \$35,262,150 multiplied by the Construction Services Fee of 3.5%) 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 July 9, 2015.

\_\_\_\_\_  
Secretary, Transbay Joint Powers Authority

**AGREEMENT**  
**AMENDMENT NO. 56**  
**BETWEEN**  
**TRANSBAY JOINT POWERS AUTHORITY**  
**AND**  
**WEBCOR/OBAYASHI JOINT VENTURE**

THIS AMENDMENT for AGREEMENT is entered into as of the 9<sup>th</sup> day of July, 2015, by and between the TRANSBAY JOINT POWERS AUTHORITY (TJPA) and Webcor/Obayashi Joint Venture (the CM/GC). By this Amendment No. 56 the TJPA and the CM/GC hereby modify the Agreement dated March 17, 2009 (the Agreement), only to the extent expressly provided in this Amendment No. 56. 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 (the 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.** On November 14, 2014, the TJPA Board approved the award of Trade Work Subcontract TG08.2R to Crown Corr, Inc. for performance of Exterior Awning design services.

**D.** On June 3, 2015, successful negotiations were completed with Crown Corr, Inc. for the construction services portion of Trade Work Subcontract TG08.2R.

**E.** Based on the TJPA's staff recommendation, the CM/GC shall modify the Trade Work Subcontract with Crown Corr, Inc. for exterior awning construction services, as set forth under TG08.2R, for an amount of \$35,262,150.

**Terms and Conditions**

**1.** By this Amendment, the TJPA authorizes an increase in the CM/GC's scope of work and the value of the Contract Sum by \$36,496,324 (Trade Package Direct Costs of \$35,262,150 and CM/GC Fixed Fee, calculated at 3.5 percent of Direct Costs, of \$1,234,175), and the award of Trade Work Subcontract No. TG08.2R to Crown Corr, Inc. for performance of Exterior Awning construction services.

**2.** The detailed scope of work and schedule incorporated by this Amendment is provided in the Contract Bid Documents dated June 16, 2014, and all associated Addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 56 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