

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: May 14, 2015**

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 Associated Terrazzo Company, Inc. (Associated) as the responsible bidder submitting the lowest responsive bid in the amount of \$1,156,400 for TG16.3: Terrazzo (TG16.3), thereby increasing authorized Direct Costs by \$1,156,400, and increasing the authorized Construction Services Fixed Fee by \$40,474, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

EXPLANATION:

On August 1, 2014, the CM/GC issued a Request for Qualifications (RFQ) for TG16.3. On August 28, 2014, six firms responded to the RFQ. On September 9, 2014, 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:

- American Terrazzo Company
- Associated Terrazzo Company, Inc.
- Corradini Corporation
- T.B. Penick & Sons, Inc.

On February 17, 2015, the TG16.3 package was issued for bid. A pre-bid conference was held on March 10, 2015. Three addenda to TG16.3 were issued during the bid period to provide clarifications, respond to bidders' questions, and provide updated specifications, drawings, and sketches. Only Addenda #2 and #3 were specific to the TG16.3 package. The addenda are briefly described as follows:

- Addendum #1 incorporated Field Order 35 (updated Specification Divisions 00/01, dated 02/11/2015) and Architect's Supplemental Instruction 130 (Ground Level Landscape/Civil/Utility drawing coordination and responses to bidders' questions) into the IFC set.
- Addendum #2 extended the bid date from April 14 to April 21, 2015, at the bidders' request.
- Addendum #3 was an administrative addendum to officially incorporate into the Contract Documents all responses to TG16.3 bidders' questions during the bid period.

The scope of work under this package includes furnishing and installing the terrazzo flooring at stair landings and in the Grand Hall, which is part of the artwork program for the Transbay Transit Center. The major items of work for this package consist of:

- Epoxy terrazzo flooring
- Terrazzo epoxy crack suppression system

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 hand over to the next trade subcontractor is included in the scope of work. Julie Chang, the artist designing the Grand Hall terrazzo floor, will be greatly involved in coordination with the trade subcontractor to ensure proper placement and coloration of her final design.

Bidders had the option of submitting value engineering (VE) proposals prior to the bid date. No VE proposals were submitted. No deductive or additive alternates were included in the bid documents. On April 21, 2015, four bids were received, opened, and evaluated. Below is a summary of the bid results:

	American Terrazzo Company	Associated Terrazzo Company, Inc.	Corradini Corporation	T.B. Penick & Sons, Inc.
Bid Amount	\$1,747,000	\$1,156,400	\$1,983,300	\$1,854,811

Associated, which is a Small Business Enterprise (SBE) firm, submitted the lowest responsive bid based on its Bid Amount of \$1,156,400. Associated's bid includes 65% SBE participation, exceeding the 19% SBE goal on the package. No bid protests were received during the bid protest period, which ended on April 28, 2015.

As the awarded direct work has exceeded \$910 million, the construction services fixed fee percentage is reduced to 3.5 percent, under the terms of the CM/GC contract. TJPA's budget for TG16.3 is \$2,841,022 (which includes \$38,541 in design contingency and \$250,995 in escalation), and the CM/GC's estimate is \$1,950,517. The initial Notice to Proceed for this Trade Work Subcontract is anticipated to be funded by land sales.

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 Associated Terrazzo Company, Inc. as the responsible bidder submitting the lowest responsive bid in the amount of \$1,156,400 for TG16.3: Terrazzo, thereby increasing the authorized Direct Costs by \$1,156,400, and increasing the authorized Construction Services Fixed Fee by \$40,474, 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 February 17, 2015, the CM/GC issued an Invitation for Bids for TG16.3: Terrazzo (TG16.3) for the Transbay Transit Center Program to furnish and install the terrazzo floor in the Grand Hall in accordance with the Contract Documents; and

WHEREAS, Under TG16.3, the Trade Subcontractor will perform all terrazzo construction-related activities for the Transbay Transit Center; and

WHEREAS, On April 21, 2015, four bids were received and opened publicly; and

WHEREAS, CM/GC and TJPA have determined that Associated Terrazzo Company, Inc. (Associated) is the responsible bidder submitting the lowest responsive bid, with a Base Bid Amount of \$1,156,400; and

WHEREAS, Funds for the initial Notice to Proceed 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 execute a Trade Work Subcontract for TG16.3 with Associated as the responsible bidder submitting the lowest responsive bid in the contract amount of \$1,156,400; and be it

FURTHER RESOLVED, That upon award of the Trade Work Subcontract to Associated, 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 awarded to Associated for TG16.3 by increasing authorized Direct Costs by \$1,156,400, and increasing the authorized Construction Services Fixed Fee by \$40,474 (Direct Costs of \$1,156,400 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 May 14, 2015.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 52
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI JOINT VENTURE

THIS AMENDMENT for AGREEMENT is entered into as of the 14th day of May, 2015, by and between the TRANSBAY JOINT POWERS AUTHORITY (TJPA) and Webcor/Obayashi Joint Venture (CM/GC). By this Amendment No. 52, 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. 52. 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, 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 TG16.3: Terrazzo package on February 17, 2015, and received and publicly opened four bids on April 21, 2015.

D. Associated Terrazzo Company, Inc., was the responsible bidder submitting the lowest responsive bid in the amount of \$1,156,400.

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 \$1,196,874 (Trade Package Direct Costs of \$1,156,400 and CM/GC Fixed Fee, calculated at 3.5 percent of Direct Costs, of \$40,474) and the award of Trade Subcontract No. TG16.3 to Associated Terrazzo Company, Inc., for performance of the construction of TG16.3 Terrazzo.

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

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 52 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