



Agenda Item No. 2

To: Building and Operating Committee/Committee of the Whole
Meeting of March 27, 2008

From: Ewa Z. Bauer, Deputy District Engineer
Denis J. Mulligan, District Engineer
Celia G. Kupersmith, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO CONTRACT NO. 2006-B-1, GOLDEN GATE BRIDGE SEISMIC RETROFIT PHASE IIIA, NORTH ANCHORAGE HOUSING/NORTH PYLON, TO SHIMMICK CONSTRUCTION COMPANY, INC./OBAYASHI CORPORATION, JOINT VENTURE**

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve the following actions relative to Contract No. 2006-B-1, *Golden Gate Bridge Seismic Retrofit Phase IIIA, North Anchorage Housing/North Pylon*:

1. Authorize award of Contract No. 2006-B-1, *Golden Gate Bridge Seismic Retrofit Phase IIIA, North Anchorage Housing/North Pylon* to Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture, in the amount of \$82,320,672;
2. Authorize a contingency fund for Contract No. 2006-B-1, in an amount of \$8,232,067, equal to 10% of the contract award, upon receiving Federal Highway Administration (FHWA) concurrence with the award recommendation; and,
3. Approve a FY 07/08 capital budget increase for this project in the amount of \$69,231,219 for a total Phase IIIA Project budget of \$119,231,219 to be financed with \$112,447,958 of federal funds and \$6,783,261 from District reserves, and amend the FY 07/08 Bridge Division Capital Budget accordingly, subject to the concurrence of the Finance-Auditing Committee at its meeting of March 28, 2008, and contingent on receiving FHWA/ California Department of Transportation (Caltrans) confirmation that the \$112,447,958 in federal funding previously approved for the Phase IIIA Project remains unchanged.

Summary

Contract No. 2006-B-1, *Golden Gate Bridge Seismic Retrofit Phase IIIA, North Anchorage Housing/North Pylon*, involves construction of the seismic retrofit of the North Anchorage Housing and North Pylon, including strengthening the North Anchorage Housing and North Pylon foundations and external walls; strengthening the North Anchorage Housing internal concrete frame

system; replacing, under continuous traffic, the Anchorage Housing concrete roof that serves also as a bridge roadway and sidewalks; and performing various modifications to utilities.

This contract was advertised for construction bids for the second time on October 2, 2007. On February 19, 2008, the following three bids were received, opened and publicly read:

| | BIDDER'S NAME | TOTAL BID PRICE |
|----|--|------------------------|
| 1. | Shimmick Construction Company, Inc./ Obayashi Corporation JV Hayward, CA | \$82,320,672.00 |
| 2. | California Engineering/Disney, a Joint Venture Pleasanton, CA | \$86,347,777.10 |
| 3. | Kiewit /Traylor, JV Concord, CA | \$91,683,018.06 |

The Engineer's Estimate was \$87,118,797.25. The competition for the Contract has been found to be satisfactory in view of the fact that there were 71 planholders and the District received three bids from major construction companies. The bids range from 6 percent below the Engineer's Estimate, for the low bid, to 5 percent above the Engineer's Estimate, for the third low bid, which indicates competitive bidding.

The bids were reviewed by the District Engineer, Legal Counsel and the DBE Program Administrator. The apparent low bidder is Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture, of Hayward, California, with a bid price of \$82,320,672. The bid proposal from Shimmick/Obayashi has been found to be responsive, and the bidder has been found to be responsible. The bidder has submitted its bid in accordance with the requirements of Contract No. 2006-B-1 and, in particular, has complied with the following:

1. The low bidder has met all requirements of the advertisement and proposal, including participation in the mandatory job walk-through by the low bidder's assigned Project Manager and senior cost estimator, furnishing a properly executed bid bond, and completing required bid forms, including: "Schedule of Prices," "List of Subcontractors," "Non-collusion Affidavit," and "Bidder's Statement of Qualifications and Business References."
2. As required by Section SP2-1.071, "Secure Storage of Bid Documentation," of the Special Provisions, the low bidder submitted and placed in escrow with the District a complete estimating/bid documentation.
3. Based on the submitted "Bidder's Statement of Qualifications and Business References" and reference checks, staff has determined that the low bidder and its team have the requisite quality, fitness and capacity to satisfactorily perform the Contract work.
4. The low bidder complied with the Disadvantaged Business Enterprise (DBE) Program requirements applicable to Contract No. 2006-B-1. This is a FHWA-assisted contract, and it complies with Caltrans race-neutral DBE process; there is no specific DBE contract goal.

Based on the DBE Program Administrator's evaluation of the submitted "List of Subcontractors" and supporting forms, a DBE certified company will be engaged to perform subcontracted Contract electrical work, with the anticipated participation of 4.25 percent. In conformance with the DBE process applicable to this Contract, the successful bidder is required to submit the "Local Agency Bidder – DBE (Construction Contracts) Information" form after the Contract award. This form will be the basis for determining the final expected DBE participation on Contract No. 2006-B-1.

Based on the above findings, staff recommends that Contract No. 2006-B-1 be awarded to Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture, for an amount of \$82,320,672.00, and that a 10 percent contingency in the amount of \$8,232,067 be established for this contract. The District has requested and is awaiting FHWA's concurrence with this award recommendation.

The three bids presented in this report are a result of the second bid solicitation for Contract 2006-B-1 that was initiated on October 2, 2007. The first bid solicitation that took place from January 31, 2007 to May 31, 2007, resulted in two bids, which significantly exceeded the Engineer's Estimate and subsequently rejected by the Board of Directors. The amount of the apparent low bid of the first bid solicitation was \$95,832,929. Prior to the re-bidding of Contract 2006-B-1, some of the contract conditions were revised. The re-bidding resulted in decreasing the low bid price by \$13,512,257.

Fiscal Impact

This project is included in the FY 07/08 Bridge Division Capital Budget at a total cost of \$50,000,000 and is 100% federally funded. A capital budget increase in the amount of \$69,231,219 funded with \$62,447,958 federal funds and \$6,783,261 District funds is required to fully fund this project at the proposed budget of \$119,231,219.

The complexity of the project has been reflected in the estimated total project cost. The table below presents the items which comprise the budget.

| BUDGET ITEM | COST |
|--|--------------|
| Contract No.2006-B-1 (District hired construction contractor) | \$82,320,672 |
| Contract No.2006-B-1 Contingency (10%) | \$8,232,067 |
| Supplemental Work (increasing length of the foundation micropiles due to in-situ testing of the piles; compensating the Contractor for impacts to the work due to cancellation of work on the roadway ordered by the Engineer for public convenience or because of the low visibility; overrun in quantities of removed contaminated soil; and Partnering Sessions and Dispute Review Board fees) | \$2,170,000 |
| Construction Zone Enforcement Enhancement Program | \$2,250,000 |

| BUDGET ITEM | COST |
|--|----------------------|
| (provided by California Highway Patrol) | |
| Security Guards (hired by the District) | \$400,000 |
| Seismic Instrumentation (provided by California Strong Motion Instrumentation Program agency) | \$200,000 |
| Hazardous Material Disposal Fees (paid by the District) | \$225,000 |
| Staging Areas (leased by the District from the Presidio Trust) | \$350,000 |
| Construction Engineering Services by Consultants | \$10,600,000 |
| District Construction Engineering (salaries plus benefits) | \$5,700,219 |
| District Indirect Cost Allocation Program (ICAP) | \$6,783,261 |
| TOTAL PROJECT COST | \$119,231,219 |

Prior to advertising Contract No. 2006-B-1 for construction bids on October 2, 2007, the District obtained FHWA/Caltrans authorization to proceed with this advertisement. This authorization included the approval of federal funds for the Phase IIIA Project in the amount of \$112,447,958. The District has submitted a request to Caltrans and FHWA and is awaiting confirmation that the amount of funding previously approved for the Phase IIIA Project remains unchanged and is available to finance the project.

Contingent upon receiving the FHWA/Caltrans confirmation regarding the federal funding, it is recommended that the total Phase IIIA Project budget in the amount of \$119,231,219 be financed with the \$112,447,958 of federal funding previously approved for the Phase IIIA Project and with \$6,783,261 from District reserves. It is also recommended that the Fiscal Year Bridge Capital Expenditures Budget be amended to reflect the proposed Phase IIIA Project budget