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Memorandum

Agenda Item 6

TO: Bay Area Headquarters Authority

DATE: April 10, 2013

FR: Executive Director

W. I. 9130

RE: Contract Amendment - Seismic Retrofit, Phase 1: McCarthy Building Companies, Inc. (\$1,500,000 and \$150,000 contingency)

This item would authorize the Executive Director or his designee to negotiate and enter into a contract amendment with McCarthy Building Companies, Inc. ("McCarthy") for construction services in an amount not to exceed \$1,500,000 for early work related to the seismic retrofit and hard demolition; and to maintain an owner's contingency of \$150,000 to be used at the Executive Director or his designee's determination.

Background

On March 28, 2012, BAHA authorized the Executive Director or his designee to enter into a contract with McCarthy for preconstruction services related to the renovation of the 390 Main Street building. These services include estimating, constructability reviews, and scheduling during design. On November 28, 2012, BAHA authorized the construction contract for the soft demolition work, which includes hazardous materials abatement, removal of existing equipment, demolition of non-structural partitions, and relocation of utilities. Work started January 2013.

The other construction packages, designed by BAHA's consultant Architect / Engineer, Perkins + Will ("P+W"), will be presented to BAHA for approval in the following phases:

1. Seismic Retrofit and Hard Demolition: Includes the seismic retrofit and structural demolition of slabs for the atrium.
2. Mechanical / Electrical / Plumbing: Includes rehabilitation of the existing mechanical system, upgrades to the electrical distribution, and upgrades to the plumbing system
3. Core and Shell and Interiors: Includes modifications to the building exterior and the build-out of the agency floors.

Early Funds for Seismic Retrofit and Hard Demolition:

McCarthy is preparing to bid out the seismic retrofit and hard demolition work and submit its Guaranteed Maximum Price for BAHA approval in June for a July 2013 construction start. Since soft demolition work is scheduled to be completed in May 2013, this would leave a two month gap between construction phases. With a two month gap, BAHA would either lose McCarthy's key personnel to other projects and pay for remobilization later, or pay the cost of general conditions to retain their services despite no work being performed (approximately \$260,000 over two months).

McCarthy has prepared a price to begin work early related to the seismic retrofit and hard demolition that McCarthy intends to self-perform. The scope of the early work includes preparing shop drawings, procuring reinforcing bars and beginning installation, and constructing formwork. The cost of this work is \$1,500,000, which has been evaluated by BAHA's construction management team, Harris and Associates, Inc., and deemed reasonable based on current market rates for similar work. Staff recommends a contingency be authorized in the amount of \$150,000.

Construction Schedule

Attached is the current construction schedule through close out. The current plan assumes the existing tenant relocates by December 2013. However, an alternate schedule is shown which assumes the existing tenant relocates by April 2014 and delays the schedule by a minimum of four months.

Recommendation

Staff recommends the Authority authorize the Executive Director or his designee to negotiate and amend the existing contract with McCarthy for construction services related to early seismic retrofit and hard demolition in an amount not to exceed \$1,500,000. Staff also recommends that the owner's contingency be amended to add \$150,000 to be used at the Executive Director's, or his designee's determination.



Steve Heminger

Attachments

SH:sw

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REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Contract Amendment

Consultant: McCarthy Building Companies, Inc. (San Francisco)

Work Project Title: 390 Main Street Renovation and Retrofit, Construction Manager at Risk

Purpose of Project: Provide Construction Manager at Risk (CMAR) services for the BAHA Facility renovation and retrofit

Brief Scope of Work: Early work for Seismic Retrofit and Hard Demolition at 390 Main Street in San Francisco, which will serve as the Regional Agency Facility Headquarters.

Project Cost Not to Exceed: \$1,500,000 with an additional owner's contingency of \$150,000 to be used at BAHA's sole discretion (this amendment)

\$5,500,916 with an additional owner's contingency of \$550,000 to be used at BAHA's sole discretion (total before this amendment)

\$7,000,916 with an additional owner's contingency of \$700,000 to be used at BAHA's sole discretion (Total Authorized Contract after this amendment)

Funding Source: BAHA Capital Funds

Fiscal Impact: Project costs for FY 2012-13 are consistent with funds budgeted for the program.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with McCarthy Building Companies, Inc. to provide construction services described above and in the Executive Director's memorandum dated April 10, 2013 and the Treasurer and Auditor is directed to set aside funds in the amount of \$1,500,000 for such contract amendment and an additional amount of \$150,000 for an owner's contingency.

BAHA Chair: _____
Amy Rein Worth

Approved: Date: April 10, 2013

Attachment A
 390 Main Street: Construction Schedule
 April 10, 2013

