

**Memorandum**

**Agenda Item 4a**

TO: Bay Area Headquarters Authority

DATE: June 15, 2016

FR: Executive Director

W. I. 9130

RE: Contract Amendment – Construction Services: McCarthy Building Companies, Inc. (\$5,000,000)

This memorandum seeks Authority approval of a contract amendment with McCarthy Building Companies, Inc. (McCarthy) to fund construction services for the retrofit and renovation of 375 Beale Street, in an amount not to exceed \$5,000,000 to the current contract Guaranteed Maximum Price (GMP) of \$113,920,916, for a total GMP of \$118,920,916.

**Background**

In November 2014, BAHA budgeted \$7,000,000 in contingency in the project budget. The contingency was budgeted to account for unknown costs that might come up during the course of construction. Although budgeted, these funds were not assigned to a specific contractor or consultant to provide maximum flexibility in their use. At this time, staff is requesting the amount of \$5,000,000 be allocated to the McCarthy construction contract. Impacts realized by the project include: modifications to the fire/life safety system required by Office of State Fire Marshal (OSFM); delays to construction; and design changes. BAHA's authorization would allow staff to encumber budgeted funds to McCarthy's contract to cover these costs.

Staff is currently reviewing McCarthy's claim submittal(s) for additional costs in excess of the total project budget for general administration, mobilization and additional scope of work associated with the project delays. BAHA has disputed many of these claims. Staff is currently working towards a path of verifying the completion of all outstanding punch list items, validating the claims, and working towards a final disposition of the contract.

Attachment A includes a summary of McCarthy and its project team's small business and disadvantaged business enterprise status.

**Recommendation**

Staff recommends that the Authority authorize the Executive Director to negotiate and enter into a contract amendment with McCarthy in an amount not to exceed \$5,000,000 for construction services.

  
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Steve Heminger

SH:SW

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# Attachment A

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	McCarthy Building Companies, Inc.	Project Management			X			X
Subcontractor	Critchfield Mechanical, Inc.	Mechanical			X			X
Subcontractor	Redwood Electric Group, Inc.	Electrical			X			X
Subcontractor	Pan Pacific Mechanical	Plumbing			X			X
Subcontractor	Transbay Fire Protection	Fire Sprinkler			X			X
Subcontractor	Jerry Thompson & Sons Painting, Inc.	Paint			X			X
Subcontractor	Vista Environmental Consulting	Environmental Testing			X	X	1122921	
Subcontractor	Shooter & Butts	Landscaping			X	X	1577860	
Subcontractor	Glazier Iron Works	Steel			X			X
Subcontractor	ALCAL Specialty Contracting, Inc.	Glazing			X			X
Subcontractor	Novum Structures California LP	Atrium Enclosure			X			X
Subcontractor	Alliance Roofing Company, Inc.	Roofing and Waterproofing			X			X
Subcontractor	CM&B Inc., dba Mauck Sheet Metal	Flashing and Sheetmetal			X			X
Subcontractor	The Smith Company, Inc.	Overhead Coiling Doors			X			X
Subcontractor	California Drywall CO	Drywall			X			X
Subcontractor	Pro Installations, Inc., dba Prospectra Contract Flooring	Flooring			X			X
Subcontractor	Spacetone Acoustics, Inc.	Ceilings			X			X
Subcontractor	George E. Masker	Painting			X			X
Subcontractor	Dow Diversified, Inc.	Lab Casework			X			X
Subcontractor	Ascent Elevator Services, Inc.	Elevators			X			X
Subcontractor	Silverado Contractors, Inc.	Demolition			X			X

\*Denotes certification by the California Unified Certification Program (CUCP).

\*\*Denotes certification by the State of California.

## REQUEST FOR AUTHORITY APPROVAL

### Summary of Proposed Contract Amendment

Consultant:	McCarthy Building Companies, Inc. San Francisco, CA
Work Project Title:	Contract Amendment - McCarthy Building Companies, Inc. for Construction Services
Purpose of Project:	Renovation and retrofit of 375 Beale Street
Brief Scope of Work:	Provide Construction Manager at Risk (CMAR) services for the BAHA Facility renovation and retrofit
Project Cost Not to Exceed:	This amendment: \$5,000,000. Current contract before this amendment: \$113,920,916. Maximum contract amount after this amendment: \$118,920,916.
Funding Source:	BAHA FY 2015-16 Capital Budget
Fiscal Impact:	Funding is included in BAHA's FY 2015-2016 Capital Budget.
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with McCarthy Building Companies, Inc. for construction services as described above and in the Executive Director's memorandum dated June 15, 2016 and the Treasurer and Auditor is directed to set aside funds in the amount of \$5,000,000 for such contract amendment.
BAHA Chair:	<hr/> Dave Cortese
Approved:	Date: June 22, 2016