



Transbay Transit Center

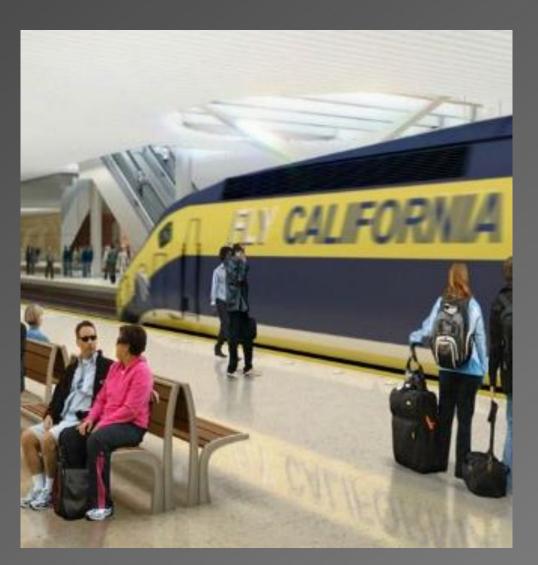






### Agenda

- Budget Background
- Cost Estimate
- MTC Cost Review





## **Budget Background**



## Phase 2 Budget Background

March 2008: TJPA Board approved a budget of \$2.996B Budget Assumptions

- Scope:
  - Caltrain Downtown Extension (DTX)
  - Transit Center below grade train box and station (top down)
  - Tail Tracks
- Delivery Method
  - Design Bid Build
- Schedule
  - Construction begins 2011
  - Testing and commissioning 2017
  - Caltrain operations 2018
- Escalation: 4%



## Phase 2 Budget Cost Estimate Summary

Itam Description	Program Phase 2		
Item Description	TC	DTX	Total
Construction Cost	\$ 474 m	\$1,426 m	\$1,900 m
Construction Contingency	\$ 47.5 m	\$ 142.5 m	\$ 190 m
Subtotal-Construction	\$521.5 m	\$1568.5 m	\$2,090 m
ROW			\$ 209 m
Programwide Costs			\$545 m
Program Reserve			\$ 152 m
Total			\$ 2,996 m

• Estimate prepared in December \$2007



## 2010 Revised Phase 2 Baseline Budget

May 2010: Received \$400M ARRA funding and reallocated the train box scope to Phase 1. Revised Baseline Budget: \$2.596B

#### **Budget Assumptions**

- Revised Scope:
  - Caltrain Downtown Extension (DTX)
  - Transit Center below grade station fit-out only (bottom up)
  - Tail Tracks
- Delivery Method
  - Design Bid Build
- Schedule
  - Construction begins 2011
  - Testing and commissioning 2017
  - Caltrain operations 2018



## **Cost Estimate**



## Phase 2 Cost Estimate History

- July 2010: DTX 30% Preliminary Engineering Estimate Completed by Parsons
  - DTX Construction Estimate: \$1.17B
  - Year of Operation: 2017
- June 2012: TTC 50% Construction Drawings Estimate Completed by PCPA
  - Train Box Fit-out including the Intercity Bus Facility
     Construction Estimate: \$257M
  - Train Box Below Grade Extension Construction Estimate: \$114M
  - Total TTC Phase 2 Construction Estimate: \$371M



## 2013 Combined Phase 2 Cost Estimate Revision

#### Major Revisions since the 2008 Budget:

- Deleted Tail Tracks
- Added Train Box Extension and widened existing Throat Structure
- Added Above Grade Intercity Bus Facility
- Added Tunnel Stub Box under the U-wall to accommodate Grade Separation (CCSF Goal)
- TJPA increased contribution to Railyard reconfiguration
- Increased ROW acquisition Budget
- Revise Train Operations date to 2024
- Revise escalation from 4% to 3%



### Phase 2 Cost Estimate Escalation History

2008 Phase 2 budget assumption: 4% escalation

2013 Revised assumption: 3% escalation

- CPI 10 yr average: 2.4%
- HSR: 2% 2013-15; 3% 2016 & beyond
- MTC Plan Bay Area: 2.2%



#### **Phase 2 Cost Estimate**

YEAR OF EXPENDITURE DOLLARS (X\$000)	COST
Construction Cost (DTX& TTC):	\$1,777,802
Design Contingency:	\$206,000
Construction Contingency:	\$141,000
Subtotal Construction:	\$2,124,802
ROW	\$299,874
Programwide Costs	\$397,971
Program Reserve	\$182,085
Total Project Cost	\$3,004,731

• Estimate Date: October 2013

Delivery Method: DBB

• Year of Operation: 2024





Increase escalation: 3% \_\_\_\_\_\_ 5%

Increase contractor fee: 5% 10%

Increase project contingency: 23% \_\_\_\_\_\_ 27%

#### Add missing/added scope items:

- Townsend Street traffic decking
- Turnback/MOW tracks
- Temporary utility relocation

Review productivity rates in final design.

### Transbay Transit Center

#### **MTC Cost Review**

#### **Annual Escalation Rate**

- Current estimate assumes 3% annual escalation rate to year of expenditure
- Caltrans California Highway Construction Cost Index exceeds 3% annual escalation assumptions
- Recommended escalation rate: 5%/year
- Impact to estimate: \$433 million

### Transbay Transit Center

#### **MTC Cost Review**

#### **Contractor Fee/Profit**

- Current estimate assumes 5% contractor fee/profit
- Given project complexity and risk, level of competition, and market outlook, bidders are likely to include a higher fee/profit
- Recommended assumed contractor fee/profit: 10%
- Impact to estimate: \$100 million



#### **Other Cost Items**

Item	Impact to Estimate (\$ millions)	
Project Contingency	93	Recommend 27% contingency for current design stage (vs. 24% used)
Missing Items	58	Three non-minor items not included in 30% design and estimate, costs should be added
Indirect Costs	_	Rate of 26% used in estimate appears reasonable
Unit Rates/ Schedule	_	Appear reasonable
Labor Productivity	—/TBD	Some assumptions warrant further review due to project location and complexity



# Summary of Potential Adjustments to Phase 2 Cost Estimate

Item	(\$ millions)
TJPA Base Estimate (YOE)	\$3,005
Escalation (using 5%, instead of 3%)	\$433
Fee adjustment (assuming 10%, instead of 5%)	\$100
Contingency (using 27%, instead of 24%)	\$93
Missing items	\$58
Total Adjustments	\$684
Add BART/Muni Pedestrian Connector	\$120-310
Total Adjusted Estimate	\$3,809-3,999

11



