

# Memorandum

**To:** Cost Review Committee

**From:** Ron Alameida, Director of Design & Construction for the Transbay Transit Center, SF Public Works  
Dennis Turchon, Senior Construction Manager, TJPA  
Mary Pryor, TJPA Finance Advisor

**Date:** For the Committee Meeting of December 10, 2018

**Re:** Agenda Items 7-8

**Agenda Item 7 – Expenditures and Commitments of Proceeds of the City Financing that Require CRC Approval**

Commitments

The Cost Review Committee (CRC) has previously given authorization for Transbay Joint Powers Authority (TJPA) to issue commitments (budget appropriations) for various construction, construction administration, and legal costs of up to \$175 million in City Financing proceeds and draws of up to \$145 million. In addition, in April 2018, the CRC authorized the use of up to \$25 million in City Financing proceeds to issue commitments (budget appropriations) for base building and tenant improvements.

The commitments through November 20, 2018 are shown below; they represent a \$6.3 million increase since August 29, 2018, primarily attributable to Transit Center design team construction administration, logistics packages, legal costs, and base building improvements.

Scope/Trade Package/Contract	Type <sup>1</sup>	Committed
Transit Center Design Team Construction Admin	NTP	2,676,058
Various Logistics Packages	NTP / CCOs	17,052,657
TG07.2 Superstructure Concrete	CCO	961,995
TG07.3 Miscellaneous Metals	CCOs	133,155
TG07.6 Concrete Topping Slabs/Rails/Joints	NTP	10,558,686
TG08.2 Exterior Awning	NTP	9,646,200
TG08.6 Metal Ceilings	NTP/CCO	4,849,094
TG08.11 Glass Curtain Walls/Skylights	NTP	14,375,033
TG10.3 Heating Ventilation Air Conditioning	NTP/CCO	617,105
TG10.4 Electrical/Communications	NTP	15,483,683
TG12.1 Civil/Sitework at Grade	NTP	5,823,078
TG13.1 Roof Park Landscaping & Irrigation	NTP/CCO	11,560,188
TG13.2 Roofing/Waterproofing	NTP	2,996,305
TG16.0 - Interiors/Finishes	NTP	11,324,678

<sup>1</sup> NTP – Notice to Proceed. CCO – Contract Change Order. RFS – Request for Services.

TG16.8 Fireproofing/Intumescent Spray	NTP	1,848,936
TG18.1 Bus Ramps	NTP	5,220,650
Enhanced Commissioning	NTP	50,000
WOJV Procurement	CCO	103,500
Physical Security Information Management System	NTP	2,299,209
SFPUC Permanent Power	Power Agreement	1,079,859
Elevator/Escalator Capitalized Maintenance	NTP	406,426
Transit Center Permits and Fees	Other	132,183
Seyfarth Shaw / Jones Day; Constr / Litigation Counsel	RFS	12,084,530
Public Art Program	Artist Contracts	886,550
Bus Storage Construction	NTP	23,717,604
Bus Storage Constr Admin & Constr Management	NTP	528,993
Other Bus Storage costs, incl. permits	Other	535,398
Base Building Improvements	Other	1,505,856
<b>Subtotal</b>		<b>\$158,457,610</b>
Issuance Costs	Financing	1,181,314
<b>Total with Issuance Costs</b>		<b>\$159,638,924</b>
<b>CRC Authorizations to Date</b>		<b>\$200,000,000</b>
<b>Available Balance for Commitments</b>		<b>\$40,361,076</b>

In the upcoming months, TJPA anticipates the following commitments of City Financing, including commitments for tenant improvements:

<b>Scope/Trade Package/Contract</b>	<b>Planned Commitment</b>	<b>New CRC Authorization</b>
Construction CCOs	\$9,970,000	
Pelli (Warranty Support and Extended CA)	\$1,287,000	
PMPC	\$400,000	
301 Mission Legal (Jones Day and Legal Bench)	\$3,246,945	
Base / Tenant Improvements	\$23,494,144	
Peer Review Panel	\$510,000	Yes
<b>Total Planned Commitments</b>	<b>\$38,908,089</b>	
<b>Available CRC Authorized Balance for Commitments</b>	<b>\$40,361,076</b>	
<b>Remaining Balance for Commitments</b>	<b>\$1,452,987</b>	

The TJPA requests the CRC's authorization to commit City Financing funds for the Peer Review. Agenda Item 8 provides additional information for the anticipated change orders and contract amendments that are included in the table above.

## Expenditures

To date, TJPA has received and spent \$103,000,000 in City Financing funds. TJPA anticipates that while access to the City Financing funds will be needed for contract commitments, no additional funds will be needed for payments. This is contingent upon the City completing its second issuance of Community Facilities District (CFD) bonds early in calendar year 2019. On November 29, 2018, the Budget and Finance Committee forwarded the second CFD Bond issuance item to the full San Francisco Board of Supervisors.

Due to changes in the schedules for both the Transit Center construction project and the bond issuances, the TJPA will be able to discontinue its draws of City Financing funds and instead use CFD Bond proceeds for upcoming project costs. Following discussions with the San Francisco City Controller and Office of Public Finance staff, the TJPA plans to use proceeds from the second CFD Bond issuance for project costs rather than using the full amount of the second bond issuance for repayment of the City Financing, as had been originally planned in 2016. This allows TJPA to limit its draws on the City Financing to \$103,000,000. It is anticipated that the full repayment of the City Financing will occur with the third CFD bond issuance, as originally planned.

## **Agenda Item 8 - Opportunity to Comment on Contracts, Change Orders and Contract Amendments that Require CRC Review**

### Peer Review Panel

As a result of the fissures discovered on September 25, 2018, TJPA staff engaged an independent expert to review the Temporary Shoring System and planned to engage a panel of technical experts to participate in an independent review of the Permanent Reinforcement Fix, the TJPA's findings with respect to the cause of the fissures, and such other related matters as appropriate. On October 4, 2018, the Mayors of the City and County of San Francisco and the City of Oakland urged the Metropolitan Transportation Commission (MTC) to facilitate an independent peer review panel. MTC was willing to engage such a panel in lieu of the TJPA, and MTC has already started to facilitate the independent peer review panel; the panel's work is on-going.

MTC has requested that the TJPA reimburse MTC for certain fees related to the peer review panel, for an amount not to exceed \$510,000. TJPA staff anticipates that these costs ultimately will be paid by the party or parties found responsible for the fissure. Thus, the TJPA expects to seek reimbursement of these costs from that party or parties. At the November 8, 2018 Board meeting, the TJPA approved the agreement with MTC and a transfer of Program Reserves to fund the effort. TJPA is requesting to fund this work with City Financing proceeds prior to possible reimbursement by the party or parties responsible for the fissures.

### Construction Change Orders above the \$250,000 Threshold and/or to be funded with City Financing

#### **Transit Center**

There are no new requests for change orders related to the transit center. Construction Change Orders (CCOs) continue to be issued against previously reviewed and approved budgets for the transit center. In follow-up to the previously authorized amount of \$17,414,000 by the CRC for closeout CCOs, please refer to the attachment that provides a ledger and brief description of each CCO drawing down on the authorization.

**Bus Storage Facility (BSF)**

The CRC previously authorized \$3,365,905 for CCOs related to the bus storage facility. Of the authorized amount, the current CCOs approved to date totals \$2,108,884. It is anticipated that the total amount for all change orders (including pending issues) will not exceed \$3.1 million. The Request to the CRC is to authorize general closeout usage, independent of specific scope for the remaining capacity within the authorization.

The attached change order logs provide further detail on all CCOs presented to the CRC to-date.