

**STAFF REPORT FOR CALENDAR ITEM NO.: 10
FOR THE MEETING OF: June 12, 2014**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to amend Agreement No. 03-02-DTX ENGR-002, *Engineering Design Services for Caltrain Downtown Extension Project Term 3 (2011-2014)* between the Transbay Joint Powers Authority (TJPA) and Parsons Transportation Group (Parsons) to extend the agreement by three years (2014 – 2017) with no change to the maximum amount under the contract.

EXPLANATION:

The DTX Project requires a multi-disciplinary engineering design team to provide preliminary engineering services on behalf of the TJPA, assist in planning, managing, and implementing this large and complex public infrastructure project, and other related professional services.

In 2004, Parsons was selected through a competitive procurement process as the highest ranked team to provide the necessary services. On December 16, 2004, the TJPA Board of Directors authorized the Executive Director to execute an Engineering Design Professional Services Agreement with Parsons for an initial three year term (2005 – 2008) (Term 1), with the option to renew the agreement for an additional six years, and a maximum compensation of \$23,035,142 (Agreement No. 03-02-DTX ENGR-000). Term 1 was effective February 14, 2005, and was subsequently amended to extend through June 2008. Through Term 1, \$13,811,557 was expended.

On June 20, 2008, the TJPA Board authorized the Executive Director to renew the agreement with Parsons for an additional three year term (2008 – 2011) (Term 2) and a maximum compensation of \$10,710,000 (Agreement No. 03-02-DTX ENGR-001). On October 14, 2010, the TJPA Board authorized the Executive Director to execute Amendment No. 1 to the Term 2 agreement, increasing the maximum compensation by \$1,210,000 to a total of \$11,910,000 and allowing for Parsons to continue providing on-going support for the Transit Center design interface and interfaces with CHSRA, Caltrain, and FRA. Of this amount, only \$11,363,325 was incurred.

On June 9, 2011, the TJPA Board authorized the Executive Director to renew the agreement with Parsons for an additional three year term (Term 3) and a maximum compensation of \$4,200,000 (Agreement No. 03-02-DTX ENGR-002). Through April 2014, only \$1,393,712 has been incurred.

Although the Term 3 agreement with Parsons is coming to a close, TJPA continues to require the professional services and Parsons has not expended all of the previously authorized funds under the Term 3 Agreement. In particular, the TJPA anticipates that it will require continued engineering and support services related to the DTX over the next three years, including the following:

- Reviewing and responding to the City and County of San Francisco Planning Department proposals relating to the railyard and other items;
- Conducting due diligence investigation of public-private partnership (P3) and other potential procurement methods and funding mechanisms for the DTX;
- Refining the Phase 2 Budget by providing cost estimating and risk management services;

- Providing drawings, reports and alternative solutions in support of the Supplemental EIS/EIR document preparation;
- Providing engineering drawings and specifications for a Phase 2 design/build contract;
- Providing continued Preliminary Engineering Services for the Project; and
- Continuing to interface with and review documents produced by Caltrain, the California High Speed Rail Authority ("CHSRA"), and the Federal Railroad Administration ("FRA").

Staff believes that it would be inefficient and not cost effective to engage in a new competitive procurement process to select a consultant to provide these continuing engineering services. The services will require a detailed understanding of the design work completed to date, and the detailed and particular requirements and agreements reached with the TJPA's partners, including Caltrain and CHSRA. The time investment that would be required for a new engineering firm to review all the necessary materials and information prepared to date would more than exceed the TJPA's available budget for the services, and would significantly slow the TJPA's ability to timely receive the services, which could jeopardize the TJPA's ability to move the DTX project forward as efficiently as possible.

Under the TJPA Board's Procurement Policy, the Board has authority over modifications to the TJPA's architectural/engineering services contracts where the change would cumulatively increase the contract duration in excess of 10 percent.

This extension of the Parsons contract term would not increase the maximum authorized compensation under the contract; thus, there is no impact to the Phase 2 budget. If this Amendment is approved, staff will continue to negotiate with Parsons regarding scopes of work, and cost and fee for each notice to proceed to achieve terms that are favorable to the TJPA. The scope of services to be performed under this Amendment will continue to be authorized by the TJPA on an as needed and as funded basis via written notices to proceed.

The scope of work necessitated by the City Planning Department's railyard proposal was not anticipated in the TJPA's Phase 2 budget. The TJPA is working with its funding partners to identify funding for the work. This Amendment to extend the Term 3 agreement is a necessary pre-condition to allow Parsons to perform that work, after a source of funding is confirmed.

RECOMMENDATION:

Staff recommends that the Board authorize the Executive Director to amend Agreement No. 03-02-DTX ENGR-002, *Engineering Design Services for Caltrain Downtown Extension Project Term 3 (2011-2014)*, to extend the agreement by three years (2014 – 2017) with no change to the maximum amount under the contract.

ENCLOSURES:

1. Resolution
2. Amendment

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On December 16, 2004, the Transbay Joint Powers Authority (TJPA) Board of Directors unanimously resolved to authorize the Executive Director to execute a Professional Services Agreement for Engineering Design Services for the Caltrain Downtown Extension project with Parsons Transportation Group, Inc. (Contractor) for an initial three year term (2005 – 2008) (Term 1), with the option to renew the agreement for an additional six years, and a maximum compensation of \$23,035,142, of which \$13,811,557 was expended; and

WHEREAS, The Effective Date of Term 1 was February 14, 2005, and in February 2008, Term was extended to June 2008; and

WHEREAS, On June 20, 2008, the TJPA Board of Directors authorized the Executive Director to execute a renewed agreement with Parsons for engineering design services for a second term (2008 – 2011) (Term 2) of three years at a total cost not to exceed \$10,710,000 which was expended in full; and

WHEREAS, On October 14, 2010, the TJPA Board of Directors authorized the Executive Director to execute Amendment No. 1 to the Term 2 agreement with Parsons for a maximum compensation of \$1,210,000, of which \$663,325 was expended; and

WHEREAS, On June 9, 2011, the TJPA Board of Directors authorized the Executive Director to execute a renewed Agreement with Parsons for engineering design services for a third term (2011 – 2014) (Term 3) of three years at a total cost not to exceed \$4,200,000; and

WHEREAS, Parsons has completed and delivered the studies, drawings, reports and other deliverables outlined in the initial authorization under the renewed Term 3 agreement for less than the contract amount; and

WHEREAS, The TJPA wishes Parsons to provide continuing technical support to the TJPA in interfacing with and reviewing documents produced by Caltrain, the California High Speed Rail Authority (CHSRA), and the Federal Railroad Administration (FRA); reviewing and responding to City and County of San Francisco planning proposals relating to the railyard and other items; conducting due diligence investigation of public-private-partnerships (P3) and other potential funding mechanisms for the DTX; refining the Phase 2 Budget by providing cost estimating and risk management services; providing drawings, reports and alternative solutions in support of the SEIS/EIR document preparation; providing engineering drawings and specifications for a Phase 2 design/build contract if needed; providing continued Preliminary Engineering Services for the Project, and other related services as required; and

WHEREAS, The TJPA has determined that Parsons is well qualified to continue to perform the scope of services in a cost effective manner; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorize the Executive Director to execute Amendment No. 1 to the Term 3 Agreement for Engineering Design Services for the Caltrain Downtown Extension project with Parsons for an additional three years (2014 – 2017) to allow Parsons to perform needed continuing engineering services in an amount not to exceed the base contract amount of \$4,200,000.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 12, 2014.

Secretary, Transbay Joint Powers Authority

AGREEMENT NO. 03-02-DTX ENGR-002
AMENDMENT NO. 01
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
PARSONS TRANSPORTATION GROUP, INC.

THIS AMENDMENT to AGREEMENT is entered into as of the 12th day of June, 2014 by and between the TRANSBAY JOINT POWERS AUTHORITY (“TJPA”) and Parsons Transportation Group, Inc. (the “Contractor”).

By this Amendment No. 01 the TJPA and the Contractor hereby modify Agreement No. 03-02-DTX ENGR-002, *Engineering Design Services for Caltrain Downtown Extension Project Term 3 (2011-2014)*, dated June 9, 2011 (the "Agreement"), only to the extent expressly provided in this Amendment No. 01. All other terms and conditions of the Agreement shall remain in full force and effect.

Recitals

- A.** On December 16, 2004, the TJPA Board of Directors authorized an agreement (Agreement No. 03-02-DTX ENGR-000) with Contractor for professional engineering design services for the Caltrain Downtown Extension Project (the “Project”). The agreement included a term of three years (2005 – 2008) (“Term 1”) with an option for a second six-year term.
- B.** On June 20, 2008, the TJPA Board of Directors authorized an agreement (Agreement No. 03-02-DTX ENGR-001) exercising the TJPA’s option to have the Contractor continue professional engineering design services for the Project for a second term of three (3) years (2008 – 2011) (“Term 2”).
- C.** On June 9, 2011, the TJPA Board of Directors authorized the Agreement (Agreement No. 03-02-DTX ENGR-002) exercising the TJPA’s option to have the Contractor continue professional engineering design services for the Project for a third term of three (3) years (2011 – 2014) (“Term 3”) at a cost not to exceed \$4,200,000.
- D.** To date, the Contractor has not expended all of the authorized funds under the Agreement.
- E.** By this Amendment No. 01 to the Agreement, the TJPA authorizes a three year extension of Term 3 (2014 – 2017) to have the Contractor continue to provide technical support to the TJPA in interfacing with and reviewing documents produced by Caltrain, the California High Speed Rail Authority (“CHRSA”), and the Federal Railroad Administration (“FRA”); review and respond to City and County of San Francisco planning proposals relating to the railyard and other items; conduct due diligence investigation of public-private partnership models (“P3”) and other potential funding mechanisms for the DTX; refine the Phase 2 Budget by providing cost estimating and risk management services; provide continued Preliminary Engineering Services for the Project; and other related services as required.
- F.** Contractor represents and warrants that it is qualified to perform the services required by TJPA as set forth under the Agreement and this Amendment No. 01.
- G.** TJPA and Contractor intend that the Agreement and this Amendment No. 01 comply with the regulations of the United States Department of Transportation (“USDOT”).

Now, THEREFORE, the parties agree as follows:

Terms and Conditions

General

The Contractor shall provide technical support as-needed and as authorized through Notices to Proceed (“NTPs”) by the TJPA including, but not necessarily limited to, the following:

- a.** Reviewing and responding to City planning proposals relating to the railyard and other items;
- b.** Conducting due diligence investigation of P3 and other potential procurement methods and funding mechanisms for the DTX;
- c.** Refining the Phase 2 Budget by providing cost estimating and risk management services;
- d.** Providing drawings, reports and alternative solutions in support of the SEIS/EIR document preparation;
- e.** Providing engineering drawings and specifications for a Phase 2 design/build contract;
- f.** Providing continued Preliminary Engineering Services for the Project; and
- g.** Continue to interface with and review documents produced by Caltrain, the California High Speed Rail Authority (“CHRSA”), and the Federal Railroad Administration (“FRA”).

Responsibilities and Liabilities

The Contractor shall remain responsible in accordance with the terms of the Agreement as modified by this Amendment No. 01 for all services described under Agreement. Nothing in this Amendment No. 01 shall modify or abrogate the rights and responsibilities under the Agreement, including all indemnification and insurance coverage requirements.

Fee Structure

This Amendment No. 01 authorizes services for an additional three (3) years (2014 – 2017). This Amendment No. 01 does not increase the not to exceed amount under the Agreement of \$4,200,000.

The TJPA shall authorize the Contractor to engage in services as provided in the Agreement. In particular, services shall be authorized by the TJPA under NTPs describing the authorized scope, period of performance, and corresponding fee.

The TJPA shall compensate the Contractor as provided in the Agreement. TJPA shall not be liable or responsible for any direct payment to the Contractor's subconsultants. Under no circumstances shall the TJPA be responsible for compensation under Amendment No. 01 that would increase the not to exceed amount under the Agreement of \$4,200,000.

In no event shall the TJPA be liable for interest or late charges for any late payments.

All other provisions of the Agreement shall remain in full force and effect.

TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan
Executive Director

CONTRACTOR
Parsons Transportation Group, Inc.

Signature

Printed Name