

# 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  
Sara DeBord, Chief Financial Officer, TJPA

**Date:** For the Committee Meeting of March 6, 2017

**Re:** Agenda Items

**Agenda Item 5 – Expenditures and Commitments of Proceeds of the City Financing that Require CRC Approval**

Commitments

At the February 17, 2017 Cost Review Committee (CRC) meeting, the committee gave authorization for TJPA to issue commitments (budget appropriations) for various construction, construction administration, and legal costs of up to \$150 million in City Financing proceeds. Here are the commitments to-date:

Scope/Trade Package/Contract	Type <sup>1</sup>	Committed
Various Logistics Packages	NTP	\$16,354,763
TG07.6 Concrete Topping Slabs/Crash Rails/Expansion Joints	NTP	9,754,875
TG08.2 Exterior Awning	NTP	9,646,200
TG08.6 Metal Ceilings	NTP	4,599,540
TG08.11 Glass Curtain Walls/Skylights	NTP	18,526,500
TG10.3 Heating Ventilation Air Conditioning	NTP	499,264
TG12.1 Civil/Sitework at Grade	NTP	6,755,479
TG13.1 Roof Park Landscaping & Irrigation	NTP	30,172,320
TG13.2 Roofing/Waterproofing	NTP	3,097,600
TG16.0 - Interiors/Finishes	NTP	6,324,678
TG16.8 Fireproofing/Intumescent Spray	NTP	1,880,848
TG18.1 Bus Ramps	NTP	5,220,650
TG10.3 Heating Ventilation Air Conditioning	CCO	117,841
TG08.6 Metal Ceilings	CCO	249,554
Jones Day – Millennium Tower Counsel	RFS	500,000
<b>Total</b>		<b>\$113,700,112</b>

Draw Requests

Based upon the above commitments, one draw has been approved and processed as of March 1:

Scope/Trade Package	City Financing Total	Less Retention	Draw
TG08.2 Exterior Awning	\$479,282.90	\$ -	\$479,282.90
TG16.0 Interiors/Finishes	2,155,022.05	(215,502.21)	1,939,519.84
TG18.1 Bus Ramp	172,969.19	(8,648.46)	164,320.73
Logistics Package TG05.10 Temp Site Facilities	879,860.10	-	879,860.10
<b>Total</b>	<b>\$3,687,134.24</b>	<b>\$(224,150.67)</b>	<b>\$3,462,983.57</b>

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

The City also had costs of issuance, and the first draw was for the minimum \$5 million borrowing amount from Wells Fargo. It is anticipated that Disbursement Request No. 2 will be submitted in March for approximately \$9.54 million.

Upcoming Commitments

As shown in the attached commitment and cash flow schedule, total commitments of the City Financing would reach an estimated \$168.8 million in June of 2017, with issuance of the following NTPs, CCOs or RFS:

Scope/Trade Package/Contract	Type	Estimated Amt.	Timing
TG07.6 Concrete Topping Slabs/Crash Rails/Expansion Joints	NTP	\$2,000,000	March-17
TG10.4 Electrical, Communications, Security & Networks	NTP	20,000,000	March-17
TG13.1 Roof Park Landscaping & Irrigation	CCO	420,000	March-17
TG16.0 - Interiors/Finishes	NTP	5,000,000	March-17
Artwork, including SFAC transfer	NTP/CCOs	1,000,000	March-17
SFPUC Permanent Power	NTP	1,750,000	March-17
Bus Storage Construction	NTP	21,608,720	March-17
Various Bus Storage costs (Permits, Construction Admin, etc.)	NTP	591,156	April-17
CMGC Commissioning	NTP	200,000	April-17
Legal Services	RFS	1,800,000	Mar– Jun-17
<b>Total</b>		<b>\$54,369,876</b>	

Previous Commitments: \$113,700,112  
 New Commitments (through June): 54,369,876  
 Total Commitments (through June): \$168,819,988

Based on the estimated cash flow at this time, it is anticipated that \$65.4 million in actual draws would be requested through June.

In July 2017, the City will issue the first tranche of Mello-Roos Community Facilities District bonds for the Transbay projects. Net bond proceeds are projected to be between \$110 – 133 million, depending upon the bond rating. Upon availability of proceeds, TJPA plans to reverse some of the appropriations above, for a net decrease in commitments of \$35.5 million. This would bring commitments down to \$133.4 million, under the planned \$150 million use of City Financing proceeds, and commitments would not be expected to increase materially after that.

TJPA and SFPW staff request authorization to make the above listed commitments, and request that future draws based upon those commitments be approved, assuming TJPA’s proper submission of appropriate documentation.

The Transit Center Project Team anticipates executing or recommending the following professional services contract awards/amendments requiring CRC action between March - May 2017.

**Agenda Item 6 – Opportunity to Comment on Contracts, Change Orders and Contract Amendments that Require CRC Review**

Master Lessee

TJPA will provide further detail on this ongoing procurement at the CRC meeting.

Bus Storage Construction

The Bus Storage facility will be used primarily by AC Transit for weekday layovers between peak hour commutes. Bounded by Second, Third, Perry, and Stillman streets below the Interstate 80 west approach

to the Bay Bridge, the facility will include 49 bus stalls, AC Transit offices, storage, and restrooms. A visual and sound barrier wall will screen portions of the facility from adjacent residential properties. The project is subject to oversight by the California Department of Transportation (Caltrans) because of its location on state right-of-way, under the freeway. The project was advertised in January 2017 with bids opened on March 1, 2017. The low bid was \$21,608,720 from Ghilotti Construction. The budget was \$20,020,000, so the TJPA Board will be asked for approval to utilize Program Reserve in the amount of \$1,588,720. This was an “A+B” bid and Ghilotti Construction’s bid on the time portion was 281 days. Therefore, the construction is expected to complete in summer 2018. *As noted above, this work would be funded with City Financing proceeds.*

Construction Change Orders above the \$250,000 threshold

There are no new change orders to be presented since the February 17 CRC meeting. One change order previously presented has a slight increase between the amount previously presented to the CRC (\$425,000) and the final negotiated amount (\$425,742). This CCO (No. 1043) is for costs related to the seismic upgrades to the access trestle needed to erect the structural steel. The access trestle bracing modifications were necessary to meet the 475-year seismic event design criteria. The access trestle provided to the TG07.1 structural steel subcontractor met the requirements for the 475-year seismic event design criteria, but when a portion of the trestle was removed by the subcontractor in order to erect steel, the access trestle became unstable and as a result new seismic bracing was required. On July 13, 2016, the Dispute Resolution Advisor recommended that the TG07.1 subcontractor be compensated for the seismic upgrades to the access trestle. Subsequent to the February CRC meeting, additional merited work was identified which should be included in the final price. This merited work amount increased the requested CCO amount to \$425,742. Therefore, this CCO is being brought back to the CRC for its concurrence as its agreed-upon amount exceeds the previously presented not-to-exceed amount. The funding source for this CCO is TIFIA Loan proceeds.

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

**Transbay Transit Center Program  
Commitments v. Cash Flow  
City Financing Proceeds**

<b>Commitments</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>
Transit Center Construction	83,018,662	30,181,449	30,170,000	200,000	-	-	(35,992,320)	-	-	50,000	-	-	-	-	-	-	-	-
Bus Storage Construction	-	-	21,608,720	591,156	-	-	297,595	-	-	-	-	-	-	-	104,000	-	-	30,000
Legal Services	-	500,000	1,300,000	-	-	1,250,000	230,000	2,200,000	-	-	-	-	-	680,000	-	-	-	-
<b>Total Commitments by month</b>	<b>83,018,662</b>	<b>30,681,449</b>	<b>53,078,720</b>	<b>791,156</b>	<b>-</b>	<b>1,250,000</b>	<b>(35,464,725)</b>	<b>2,200,000</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680,000</b>	<b>104,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
<b>Cumulative Commitments</b>	<b>83,018,662</b>	<b>113,700,112</b>	<b>166,778,832</b>	<b>167,569,988</b>	<b>167,569,988</b>	<b>168,819,988</b>	<b>133,355,263</b>	<b>135,555,263</b>	<b>135,555,263</b>	<b>135,605,263</b>	<b>135,605,263</b>	<b>135,605,263</b>	<b>135,605,263</b>	<b>136,285,263</b>	<b>136,389,263</b>	<b>136,389,263</b>	<b>136,389,263</b>	<b>136,419,263</b>
<b>Cash Flow</b>																		
Transit Center Construction	-	-	13,002,626	23,016,657	11,221,119	16,164,455	12,177,843	6,592,096	2,775,771	3,728,478	2,097,458	2,190,608	1,838,666	1,607,626	1,532,725	887,125	320,954	-
Bus Storage Construction	-	-	-	125,660	233,406	442,652	657,398	861,144	2,046,871	2,046,871	2,046,871	2,046,871	2,046,871	2,046,871	2,076,871	2,077,596	2,077,596	666,623
Legal Services	-	-	88,462	276,003	330,000	471,500	492,500	492,500	492,500	492,500	492,500	492,500	492,500	492,500	492,500	180,000	180,000	180,000
<b>Projected Cash Flow by month</b>	<b>-</b>	<b>-</b>	<b>13,091,087</b>	<b>23,418,320</b>	<b>11,784,525</b>	<b>17,078,607</b>	<b>13,327,741</b>	<b>7,945,740</b>	<b>5,315,142</b>	<b>6,267,849</b>	<b>4,636,829</b>	<b>4,729,979</b>	<b>4,378,037</b>	<b>4,146,997</b>	<b>4,102,096</b>	<b>3,144,721</b>	<b>2,578,550</b>	<b>846,623</b>
<b>Cumulative Cash Flow</b>	<b>-</b>	<b>-</b>	<b>13,091,087</b>	<b>36,509,408</b>	<b>48,293,933</b>	<b>65,372,540</b>	<b>78,700,281</b>	<b>86,646,021</b>	<b>91,961,164</b>	<b>98,229,013</b>	<b>102,865,842</b>	<b>107,595,821</b>	<b>111,973,859</b>	<b>116,120,856</b>	<b>120,222,953</b>	<b>123,367,674</b>	<b>125,946,224</b>	<b>126,792,847</b>
<b>Cum. Commitment Less Cash</b>	<b>83,018,662</b>	<b>113,700,112</b>	<b>153,687,744</b>	<b>131,060,580</b>	<b>119,276,055</b>	<b>103,447,448</b>	<b>54,654,981</b>	<b>48,909,241</b>	<b>43,594,099</b>	<b>37,376,250</b>	<b>32,739,421</b>	<b>28,009,441</b>	<b>23,631,404</b>	<b>20,164,406</b>	<b>16,166,310</b>	<b>13,021,589</b>	<b>10,443,038</b>	<b>9,626,415</b>