

# 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 22, 2017

**Re:** Agenda Items

## Agenda Item 5 – Status of Expenditures and Commitments of Proceeds of the City Financing

### Commitments

At the March 6, 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 \$169 million in City Financing proceeds. Here are the commitments to-date:

Scope/Trade Package/Contract	Type <sup>1</sup>	Committed
Various Logistics Packages	NTP/CCO	\$16,354,763
TG07.2 Superstructure Concrete	CCO	863,757
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/CCO	4,849,094
TG08.11 Glass Curtain Walls/Skylights	NTP	14,075,033
TG10.3 Heating Ventilation Air Conditioning	NTP/CCO	617,105
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
Seyfarth Shaw – Construction Counsel	RFS	200,000
Jones Day – Millennium Tower Counsel	RFS	500,000
<b>Total</b>		<b>\$110,612,402</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 \$10.9 million.

Upcoming Commitments

The following NTPs, CCOs or RFS are planned for issuance using City Financing:

Scope/Trade Package/Contract	Type	Estimated Amt.	Timing
TG07.3 Miscellaneous Metals	CCO	\$100,000	March-17
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	1,600,000	Mar– Jun-17
<b>Total</b>		<b>\$54,269,876</b>	

Previous Commitments: \$110,612,402  
 New Commitments (through June): 54,269,876  
 Total Commitments (through June): \$164,882,278

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 unless City Financing proceeds are used to fund tenant improvements in the Transit Center as a capital expenditure.

TJPA and SFPW staff believe it is the best use of public funds to fund these tenant improvements as part of the Phase 1 capital budget. The cost of funds is much higher if these costs are transferred to the future operating budget.

**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.

Construction Change Orders above the \$250,000 Threshold

The following are new change orders since the March 6 CRC meeting:

- a. TG10.4 – Electrical

Change Order Request (COR) 311553 – Added Stairwell Lighting per RFI T-5585.1 - \$390,000

The scope to be procured under this COR is part of the original buyout and has been included in the budget but was not included in any previously awarded trade package. The trade package 10.4 subcontractor will provide additional labor, material, and equipment associated with installing 112 additional F6A light fixtures in all the stairwells throughout the project as outlined in RFI T-

5585.1. The stairwells on the project are unique in that they have multiple intermediate landings between levels, more than typical stairwells. The number of lights required to meet code in the stairwell was not clearly specified or noted on both the electrical and architectural contract drawings. This CCO request to the Cost Review Committee is for an amount not to exceed \$390,000.

b. TG10.2 – Plumbing

COR 311301 – Connection to Sewer Mains per RFI T-5029 - \$800,000

This COR was previously presented in the February 2017 CRC meeting. The previously presented amount of \$450,000 has increased by \$350,000 due to a change in the complexity of the scope of work. After further discussion of the scope of work, items that add to the complexity include: requirement of completing work on weeknights due to road closure restrictions during the daytime; trouble faced with shoring due to existing utility lines in the road; unknown conditions of the substrate; overtime and additional cost of traffic control officers; a compatible flex joint; and SFPUC's recommendation to use TV cameras to record existing sewer mains on Natoma and Minna Street. This CCO request to the Cost Review Committee is for an amount not to exceed \$800,000.

Construction Change Orders utilizing City Financing

a. TG07.3 – Miscellaneous Metal

COR 311344 – Roof Park Rail Revision - \$100,000

Trade package TG07.3 subcontractor is requesting funds for the double rail posts at the roof park rails. During the roof park rail mock-up review, the design team accepted the contractor's request to utilize a panelized system of park railing sections rather than having to field weld the horizontal rails to the prior section's vertical post. By panelizing the sections of railings in their shop, the subcontractor would be able to avoid field work including welding, finish grinding, galvanized painting, and finish painting of the welded connections of railing. This design revised the post from single to double. The design team accepted the revision in order to facilitate the manufacturing and speed of the railing installation by the subcontractor. TJPA has agreed to fund the additional material costs after the credit from the reduced field work has been applied. This change has been categorized as Schedule Mitigation. This CCO request to the Cost Review Committee is for an amount not to exceed \$100,000.

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

**Agenda Item No. 5**

**Transbay Transit Center Program  
Phase 1 Commitments  
Summary**

	Estimate at Completion (EAC)	Committed to Date	Remaining Commitment	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
<b>CONSTRUCTION</b>									
Temporary Terminal	\$ 20,729,570	\$ 20,729,570	\$ -						
Demolition	\$ 15,481,399	\$ 15,481,399	\$ -						
Utility Relocation	\$ 32,037,992	\$ 32,037,992	\$ -						
TTC & Ramp Construction	\$ 1,366,083,665	\$ 1,278,354,682	\$ 87,728,983	\$ 6,698,235	\$ 15,422,333	\$ 3,157,761	\$ 984,000	\$ 61,466,654	\$ -
Artwork	\$ 2,178,000	\$ -	\$ 2,178,000	\$ 1,000,000	\$ 1,178,000				
Bus Storage Construction	\$ 21,608,720	\$ -	\$ 21,608,720	\$ 21,608,720					
CM/GC Costs (Reimbursable Construction Expenses)	\$ 23,123,101	\$ 21,363,100	\$ 1,760,001	\$ 40,001	\$ 40,001	\$ 200,000	\$ 60,000	\$ 1,060,000	\$ 60,000
<b>SUBTOTAL CONSTRUCTION</b>	<b>\$ 1,481,242,447</b>	<b>\$ 1,367,966,743</b>	<b>\$ 113,275,704</b>	<b>\$ 29,346,956</b>	<b>\$ 16,640,334</b>	<b>\$ 3,357,761</b>	<b>\$ 1,044,000</b>	<b>\$ 62,526,654</b>	<b>\$ 60,000</b>
<b>SOFT COSTS</b>									
Design	\$ 178,738,809	\$ 170,571,159	\$ 8,167,650	\$ 569,510	\$ 1,608,659	\$ 450,500	\$ 3,086,912	\$ 803,075	\$ -
Right of Way (ROW) & ROW Support	\$ 76,367,958	\$ 76,367,958	\$ -						
Construction Management (including SFPW)	\$ 75,794,800	\$ 68,620,700	\$ 7,174,100		\$ 1,225,000			\$ 5,697,498	
Program Management	\$ 103,838,953	\$ 98,998,953	\$ 4,840,000					\$ 4,840,000	
Pre-Construction	\$ 30,680,691	\$ 30,680,691	\$ -						
TJPA Administration and Other Professional Svcs (incl. Financing costs)	\$ 129,962,831	\$ 114,209,856	\$ 15,752,975	\$ 2,637,923	\$ 451,378	\$ 472,246	\$ 1,788,750	\$ 757,908	\$ 2,819,050
Other Owner's Costs	\$ 5,172,964	\$ 357,288	\$ 4,815,676	\$ 4,000	\$ 1,916,173	\$ 304,000	\$ 254,000	\$ 4,000	\$ 743,000
<b>SUBTOTAL SOFT COSTS</b>	<b>\$ 600,557,006</b>	<b>\$ 559,806,605</b>	<b>\$ 40,750,401</b>	<b>\$ 3,211,433</b>	<b>\$ 5,201,210</b>	<b>\$ 1,226,746</b>	<b>\$ 5,129,662</b>	<b>\$ 12,102,481</b>	<b>\$ 3,562,050</b>
CM/GC Contingency	\$ 32,125,682	\$ -	\$ 32,125,682	\$ -	\$ -	\$ 2,333,333	\$ 2,333,333	\$ 2,333,333	\$ 4,187,614
Construction Contingency (Program Level)	\$ 36,074,864	\$ -	\$ 36,074,864	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 7,326,819	\$ 4,000,000	\$ 4,000,000
<b>SUBTOTAL CONTINGENCIES</b>	<b>\$ 68,200,546</b>	<b>\$ -</b>	<b>\$ 68,200,546</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>	<b>\$ 6,333,333</b>	<b>\$ 9,660,152</b>	<b>\$ 6,333,333</b>	<b>\$ 8,187,614</b>
<b>Totals</b>	<b>\$ 2,150,000,000</b>	<b>\$ 1,927,773,348</b>	<b>\$ 222,226,651</b>	<b>\$ 32,558,389</b>	<b>\$ 25,841,544</b>	<b>\$ 10,917,840</b>	<b>\$ 15,833,815</b>	<b>\$ 80,962,469</b>	<b>\$ 11,809,664</b>
<b>Cumulative Commitments</b>		<b>\$ 1,927,773,348</b>		<b>\$ 1,960,331,737</b>	<b>\$ 1,986,173,281</b>	<b>\$ 1,997,091,122</b>	<b>\$ 2,012,924,936</b>	<b>\$ 2,093,887,405</b>	<b>\$ 2,105,697,069</b>

**Project Commitments v. Cash Flow**

Commitments	\$ 1,960,331,737	\$ 1,986,173,281	\$ 1,997,091,122	\$ 2,012,924,936	\$ 2,093,887,405	\$ 2,105,697,069
Cash Flow	1,690,442,158	1,739,032,545	1,780,768,553	1,827,651,694	1,880,962,849	1,922,954,748
Balance	\$ 269,889,579	\$ 247,140,736	\$ 216,322,568	\$ 185,273,243	\$ 212,924,556	\$ 182,742,321

**Agenda Item No. 5**

Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000						
\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 137,000	\$ -	\$ 481,994	\$ 251,602	\$ 1,000,000						\$ 30,000
\$ 586,945	\$ 571,360	\$ 545,382	\$ 559,917	\$ 560,240	\$ 1,284,818	\$ 539,521	\$ 524,849	\$ 549,266	\$ 546,701	\$ 556,721
\$ 354,000	\$ 354,000	\$ 354,000	\$ 178,503	\$ 175,000	\$ 100,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -
\$ 1,077,945	\$ 925,360	\$ 1,381,376	\$ 990,022	\$ 1,735,240	\$ 1,384,818	\$ 589,521	\$ 549,849	\$ 549,266	\$ 546,701	\$ 586,721
\$ 4,187,614	\$ 4,187,614	\$ 4,187,614	\$ 4,187,614	\$ 4,187,614						
\$ 3,126,586	\$ 3,940,834	\$ 2,505,695	\$ 2,280,599	\$ 894,331						
\$ 7,314,200	\$ 8,128,448	\$ 6,693,309	\$ 6,468,213	\$ 5,081,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,452,145	\$ 9,113,808	\$ 8,134,685	\$ 7,518,235	\$ 6,877,184	\$ 1,384,818	\$ 589,521	\$ 549,849	\$ 549,266	\$ 546,701	\$ 586,721
\$ 2,114,149,214	\$ 2,123,263,022	\$ 2,131,397,706	\$ 2,138,915,941	\$ 2,145,793,125	\$ 2,147,177,943	\$ 2,147,767,464	\$ 2,148,317,312	\$ 2,148,866,579	\$ 2,149,413,279	\$ 2,150,000,000

\$ 2,114,149,214	\$ 2,123,263,022	\$ 2,131,397,706	\$ 2,138,915,941	\$ 2,145,793,125	\$ 2,147,177,943	\$ 2,147,767,464	\$ 2,148,317,312	\$ 2,148,866,579	\$ 2,149,413,279	\$ 2,150,000,000	\$ 2,150,000,000
1,961,226,441	1,994,823,221	2,026,059,672	2,058,859,602	2,084,216,871	2,098,658,924	2,116,165,425	2,128,232,181	2,134,741,281	2,145,183,126	2,149,420,000	2,150,000,000
\$ 152,922,772	\$ 128,439,800	\$ 105,338,035	\$ 80,056,339	\$ 61,576,254	\$ 48,519,019	\$ 31,602,039	\$ 20,085,131	\$ 14,125,298	\$ 4,230,153	\$ 580,000	\$ (0)

**Agenda Item No. 5**

**Transbay Transit Center Program  
Phase 1 Cash Flow  
Summary**

<b>PAYMENT DATES*:</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>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>
<b>Construction (Net of Retention)</b>													
Temporary Terminal	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolition	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Relocation	129,493	129,493	-	250,000	400,000	800,000	900,000	900,000	800,000	400,000	306,585	-	-
TTC & Ramp Construction	32,300,130	34,003,111	29,667,788	28,217,194	26,984,647	26,248,699	22,891,083	18,179,713	16,059,448	13,037,980	10,464,879	9,178,248	7,580,493
Artwork Construction	88,195	174,509	309,223	347,001	340,144	324,683	234,068	159,048	115,622	44,367	27,023	14,117	-
Bus Storage Construction	-	-	269,566	431,094	646,641	862,188	2,083,621	2,083,621	2,083,621	2,083,621	2,083,621	2,083,621	2,083,621
CM/GC Costs (Reimbursables)	40,001	40,001	200,000	60,000	1,060,000	60,000	60,000	60,000	60,000	60,000	60,000	-	-
Retention Releases	-	4,136,597	1,610,911	4,511,361	14,154,712	1,948,669	1,041,171	1,588,519	1,681,466	7,364,739	2,746,526	392,437	5,163,554
<b>Subtotal Construction</b>	<b>32,557,819</b>	<b>38,483,711</b>	<b>32,057,487</b>	<b>33,816,651</b>	<b>43,586,144</b>	<b>30,244,238</b>	<b>27,209,943</b>	<b>22,970,901</b>	<b>20,800,157</b>	<b>22,990,707</b>	<b>15,688,634</b>	<b>11,668,423</b>	<b>14,827,668</b>
<b>Soft Costs</b>													
Design	683,323	1,610,519	830,221	715,196	773,212	683,340	752,874	597,933	838,583	605,822	781,770	289,398	289,398
Right of Way & ROW Support	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Management	880,100	880,100	895,100	850,100	920,100	895,100	920,100	920,100	920,100	920,100	920,100	920,100	920,100
Program Management	900,000	800,000	466,500	466,500	467,000	480,000	480,000	480,000	433,333	433,332	433,333	350,000	350,000
Pre-Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
TJPA Administration & Other Svcs	1,805,611	979,885	1,038,439	1,084,974	1,113,344	1,206,133	1,125,011	1,108,926	1,082,947	1,089,232	1,089,556	1,114,133	1,069,336
Other Owner's Costs	4,000	1,836,173	114,927	289,567	118,021	295,474	469,567	466,474	468,021	292,524	285,928	100,000	50,000
<b>Subtotal Soft Costs</b>	<b>4,273,034</b>	<b>6,106,677</b>	<b>3,345,188</b>	<b>3,406,338</b>	<b>3,391,677</b>	<b>3,560,047</b>	<b>3,747,551</b>	<b>3,573,433</b>	<b>3,742,985</b>	<b>3,341,011</b>	<b>3,510,687</b>	<b>2,773,630</b>	<b>2,678,833</b>
CM/GC Contingency	-	-	2,333,333	2,333,333	2,333,333	4,187,614	4,187,614	4,187,614	4,187,614	4,187,614	4,187,614	-	-
Construction Contingency	-	4,000,000	4,000,000	7,326,819	4,000,000	4,000,000	3,126,586	2,864,832	2,505,695	2,280,599	1,970,334	-	-
Program Reserve (no use assumes saved)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal Contingencies</b>	<b>-</b>	<b>4,000,000</b>	<b>6,333,333</b>	<b>9,660,152</b>	<b>6,333,333</b>	<b>8,187,614</b>	<b>7,314,200</b>	<b>7,052,446</b>	<b>6,693,309</b>	<b>6,468,213</b>	<b>6,157,948</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>36,830,853</b>	<b>48,590,388</b>	<b>41,736,008</b>	<b>46,883,140</b>	<b>53,311,155</b>	<b>41,991,899</b>	<b>38,271,694</b>	<b>33,596,780</b>	<b>31,236,450</b>	<b>32,799,931</b>	<b>25,357,269</b>	<b>14,442,053</b>	<b>17,506,501</b>
<b>Cumulative Cash Flow</b>	<b>36,830,853</b>	<b>85,421,241</b>	<b>127,157,249</b>	<b>174,040,389</b>	<b>227,351,544</b>	<b>269,343,443</b>	<b>307,615,137</b>	<b>341,211,917</b>	<b>372,448,367</b>	<b>405,248,298</b>	<b>430,605,566</b>	<b>445,047,620</b>	<b>462,554,120</b>

\*Assumes contractors are paid the following month after work performed, net of retention. Retention release timing based on CM/GC projected cash flow.

**Agenda Item No. 5**

**Transbay Transit Center Program  
Phase 1 Cash Flow  
Summary**

<b>PAYMENT DATES*:</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sept-18 to Aug-19</b>	<b>Remaining Total</b>	<b>Actuals To Date</b>	<b>Estimate At Completion</b>
<b>Construction (Net of Retention)</b>								
Temporary Terminal	-	-	-	-	-	-	20,729,570	20,729,570
Demolition	-	-	-	-	-	-	15,481,399	15,481,399
Utility Relocation	-	-	-	-	-	5,015,571	27,022,421	32,037,992
TTC & Ramp Construction	4,813,075	1,479,011	892,400	942,416	-	282,940,313	1,025,717,137	1,308,657,450
Artwork Construction	-	-	-	-	-	2,178,000	-	2,178,000
Bus Storage Construction	2,083,621	2,083,621	646,641	-	-	21,608,720	-	21,608,720
CM/GC Costs (Reimbursables)	-	-	-	-	-	1,760,001	21,363,100	23,123,101
Retention Releases	2,622,236	639,076	6,683,719	1,140,522	-	57,426,215	-	57,426,215
<b>Subtotal Construction</b>	<b>9,518,932</b>	<b>4,201,708</b>	<b>8,222,760</b>	<b>2,082,938</b>	<b>-</b>	<b>370,928,820</b>	<b>1,110,313,627</b>	<b>1,481,242,447</b>
<b>Soft Costs</b>								
Design	331,060	276,060	239,818	235,948	580,000	11,114,475	167,624,334	178,738,809
Right of Way & ROW Support	-	-	-	-	-	-	76,367,957	76,367,957
Construction Management	920,100	735,251	685,251	614,451	-	14,716,353	61,078,447	75,794,800
Program Management	350,000	350,000	350,000	350,000	-	7,939,999	95,898,953	103,838,952
Pre-Construction	-	-	-	-	-	-	30,680,691	30,680,691
TJPA Administration & Other Svcs	921,665	946,081	944,016	953,537	-	18,672,825	111,290,007	129,962,832
Other Owner's Costs	25,000	-	-	-	-	4,815,676	357,288	5,172,964
<b>Subtotal Soft Costs</b>	<b>2,547,825</b>	<b>2,307,392</b>	<b>2,219,084</b>	<b>2,153,936</b>	<b>580,000</b>	<b>57,259,328</b>	<b>543,297,678</b>	<b>600,557,006</b>
CM/GC Contingency	-	-	-	-	-	32,125,682	-	32,125,682
Construction Contingency	-	-	-	-	-	36,074,865	-	36,074,865
Program Reserve (no use assumes saved)	-	-	-	-	-	-	-	-
<b>Subtotal Contingencies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,200,547</b>	<b>-</b>	<b>68,200,547</b>
<b>Totals</b>	<b>12,066,756</b>	<b>6,509,100</b>	<b>10,441,845</b>	<b>4,236,874</b>	<b>580,000</b>	<b>496,388,695</b>	<b>1,653,611,305</b>	<b>2,150,000,000</b>
<b>Cumulative Cash Flow</b>	<b>474,620,877</b>	<b>481,129,976</b>	<b>491,571,821</b>	<b>495,808,695</b>	<b>496,388,695</b>			

\*Assumes contractors are paid the following mon