

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 August 31, 2017

Re: Agenda Items

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

Commitments

At the May 19, 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 \$175 million in City Financing proceeds, and draws of up to \$90 million through August 2017. Here are the commitments through August 18; they represent a \$5 million increase since May:

| Scope/Trade Package/Contract | Type ¹ | Committed |
|---|-------------------|----------------------|
| Transit Center Design Team Construction Admin | NTP | \$1,850,000 |
| Various Logistics Packages | NTP / CCOs | 16,354,763 |
| TG07.2 Superstructure Concrete | CCO | 961,995 |
| TG07.6 Concrete Topping Slabs/Rails/Joints | NTP | 9,656,637 |
| 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 | 20,000,000 |
| TG12.1 Civil/Sitework at Grade | NTP | 6,755,479 |
| TG13.1 Roof Park Landscaping & Irrigation | NTP | 30,088,888 |
| TG13.2 Roofing/Waterproofing | NTP | 3,394,701 |
| TG16.0 - Interiors/Finishes | NTP | 11,324,678 |
| TG16.8 Fireproofing/Intumescent Spray | NTP | 1,848,936 |
| TG18.1 Bus Ramps | NTP | 5,220,650 |
| Physical Security Information Management System | NTP | 284,056 |
| SFPUC Permanent Power | Power Agreement | 1,079,859 |
| Seyfarth Shaw – Construction Counsel | RFS | 200,000 |
| Jones Day – Millennium Tower Counsel | RFS | 2,000,000 |
| Public Art Program | Artist Contracts | 855,500 |
| Bus Storage Construction | NTP | 19,585,720 |
| Bus Storage Design Team Construction Admin | NTP | 417,176 |
| Bus Storage Construction Management | NTP | 104,000 |
| Other Bus Storage costs, incl. permits | Other | 328,769 |
| Total | | \$161,799,240 |

¹ NTP – Notice to Proceed. CCO – Contract Change Order. RFS – Request for Services

Draw Requests

Based upon the above commitments, six draws totaling \$73 million have been approved and processed as of August 17:

| Scope/Contract | Amount |
|--|---------------------|
| Transit Center Construction (net of retention) | \$62,689,275 |
| Bus Storage Construction (net of retention) | 4,923,413 |
| Legal Services | 1,733,259 |
| PUC Permanent Power | 1,079,859 |
| Art Program | 855,500 |
| Bus Storage Lease & Permits | 111,465 |
| Total | \$71,392,771 |

The City has also paid costs of issuance of \$890,217, leaving a current project fund balance of \$717,012 available before the next draw. A projection for future draws and commitments will be provided at the CRC meeting, and the TJPA team may request an increase to the currently authorized disbursement amount of \$90 million.

Upcoming Commitments

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

| Scope/Trade Package/Contract | Type | Estimated Amt. | Timing |
|---|-------------|-----------------------|---------------|
| Artwork | NTP/CCOs | 100,000 | Fall 2017 |
| Bus Storage Construction | NTP | 2,023,000 | Fall 2017 |
| Various Bus Storage costs (Permits, Construction Admin, etc.) | Other | 136,000 | Fall 2017 |
| CMGC Commissioning | NTP | 50,000 | Fall 2017 |
| Legal Services | RFS | 1,600,000 | Fall 2017 |
| Total | | \$3,909,000 | |

As noted at previous CRC meetings, the City is in the process of issuing the first tranche of Mello-Roos Community Facilities District bonds for the Transbay projects. Issuance is currently anticipated in the latter half of September. Upon availability of proceeds, TJPA plans to reverse some of the appropriations above, for a decrease in commitments of \$34 million. This would bring commitments down to well under the planned \$150 million use of City Financing proceeds.

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

Professional Services Contract Amendments above the \$250,000 Threshold and/or to be funded with City Financing

Jones Day

As previously reported, the TJPA Board of Directors authorized the award of a contract in December 2016 to Jones Day to provide services to TJPA related to the 301 Mission litigation. The term of the contract is five years, with the option to extend for up to three years. The initial compensation was set at \$500,000, with the understanding that the contract would be amended periodically to increase the compensation as appropriate. In May, the maximum compensation was increased to \$2 million. TJPA staff anticipate that another request for an increase will be brought to the TJPA Board at its September or October Board meetings, likely in the \$1.5 – 2 million range.

We continue to anticipate that the maximum compensation may be increased in the future as the need arises. Hourly rates are blended, which saves money on higher-level attorneys, and it is anticipated that a large portion of the costs of the 301 Mission litigation will ultimately be

reimbursed by insurance companies for the TJPA's contractors and/or by the contractors themselves with a duty to indemnify TJPA. As to budget, Program Reserve is being used to fund these expenditures, which are being tracked separately from other legal costs. The funding source is City Financing proceeds.

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

The following are new change order requests (CORs) and construction change orders (CCOs) since the last CRC meeting:

WOJV – Minor Procurement Change Orders

COR 311821 - ASI 128 - Roof Park Restaurant Handrail IPE Wood Cap - \$42,000

TG07.3 trade subcontractor, Olson Steel, was issued a \$30,000 allowance in CCO 0220 to provide ipe (Brazilian Walnut) wood as part of Architect's Supplemental Instructions (ASI) 128. After extensive discussions, Webcor/Obayashi Joint Venture (WOJV) established that the trade subcontractor was unable to perform this scope due to a lack of vendors. WOJV identified other suppliers, but the total cost was estimated at around \$72,000, with the lowest quote from Webcor Interiors Group. Olson Steel is to credit back their allowance of \$30,000 to WOJV for this scope of work in a future change order, thus this request to the Cost Review Committee is for a Not-To-Exceed (NTE) amount of \$42,000 for the difference between the actual cost and the allowance.

TG07.2 – Structural Concrete

COR 310937 – Comprehensive Curb revisions - \$800,000

This COR is for various revisions to curbs due to Requests for Information (RFIs) and ASIs issued after the bid documents. These modifications included revisions to door openings at ground, second, and bus deck levels. Some modifications were at elevator and escalator locations. There are also elevation changes in curbs not called out on bid documents and revised on various RFIs and captured in ASI 141. Previous reporting to the committee on curb issues was documented as COR 310608 for \$400,000, but that COR has now been voided and encapsulated into COR 311408 which includes all entitled W2 Blockouts and curtainwall system revisions and has already been presented to the CRC for an NTE of \$3.3 million. This new COR captures all other curb issues not related to blockouts and thus includes a significantly increased amount of merited changes beyond the original COR 310608 request to the CRC. The NTE amount requested for this new COR is \$800,000 to incorporate all curb additions and revisions not related to blockouts. This change has been categorized as Owner Requested.

COR - Escalator Issues - \$310,000

This COR is for installing concrete support beams and revising the escalator pits. The contract drawings did not include support beams for certain escalators, which were required due to the length of the trusses. Modifications to the escalator pits were also needed due to the custom size of escalators. This change has been categorized as Errors & Omissions, since the original scope was infeasible. This CCO request amount was previously approved for \$280,000. The request to the Cost Review Committee is for a revised NTE amount of \$310,000 due to RFI-related revisions.

COR - ASI 141 Revisions - \$900,000

This COR is for revisions associated with ASI 141. Partition walls with steel plates increased the size of rebar yet decreased the spacing which added more rebar. All other revisions to rebar sizes and spacing were due to RFIs and ASIs that have not been previously priced. This change has been categorized as Errors & Omissions. This is an estimate and the scope is currently being reviewed; however, the request to the Cost Review Committee is for an NTE amount of \$900,000.

TG07.3 – Miscellaneous Metals

COR 311347 – Roof Park Restaurant Cable Guardrail Continuity Plate per RFI T-5041.1- \$97,000

TG07.3 trade contractor, Olson Steel, is to perform all work, labor, and equipment to re-engineer, re-detail and field-cut a total of 69 locations with custom angled continuity plates per RFI T-5041.1. Per the RFI, the design team accepted changes to the Roof Park Restaurant Cable Guardrails due to a deficient structural design. The trade subcontractor proposed a solution and provided engineering studies, which the design team verified. The proposal was determined to be the most effective design solution with the least cost impact. This change has been categorized as Error & Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$97,000.

TG07.6 – Topping Slabs & Bus Crash Rail

C T-449 - TG07.2 & TG07.6 Curb Extension at Elevator Fronts for All Elevator Shafts - 375,000

TG 07.2 trade subcontractor Shimmick and TG 07.6 trade subcontractor Concrete North are to provide labor, equipment and material to furnish and install curb extensions in front of all elevator shafts throughout the entire Transit Center. Changes are outlined in RFI's T-5396, T-5490, T-5961, T-6177, T-6220, T-6220.1, T-6546, T-6559. This work includes irregular or premium shift hours, installation and layout of steel reinforcement, embedment, concrete pouring, formwork, scanning, and testing. This scope is necessary to ensure that the elevator shafts meet the fire rating required by building code. This change has been categorized as Coordination issue. This CCO request to the Cost Review Committee is for an NTE amount of \$375,000.

TG8.11R – Glass Curtain Wall & Skylights

CCO No. 0378 – Glazing Door Hardware Package - \$480,000

The scope to be procured under this CCO is part of the original buyout and is included in the budget but was not included in any previously awarded trade package. It includes furnishing and installing the following: electrified openings per the design team contract documents' performance expectations; exit devices with Quiet Electric Latch Retraction; power supplies with the proper amperage dependent on the number of devices and auto operators; Electric Power Transfer; pivot hinges; and all stainless steel components. At the time of award of this trade package, the TG8.11R Design-Build trade subcontractor, Crown Corr, proposed W2 swing doors as stainless steel-clad aluminum doors with standard hardware, in lieu of the all glass doors with specified glass door hardware, as a value engineering offer saving of approximately \$1,475,000. The proposal was accepted, but the design team then provided recommendations for the minimum hardware required to meet the quality and performance objectives found in the original specifications. The goal of the recommendations is to aid in future maintenance and operation costs. This CCO request to the Cost Review Committee at the last meeting was \$450,000, but the request is being increased to an NTE amount of \$480,000 at this time. The net savings from the value engineering, including the \$480,000 cost of this CCO, is \$995,000. This change has been categorized as Scope Procurement.

TG10.2 – Plumbing

COR 310734 – ASI -138 - \$660,000

The TG10.2 trade subcontractor, Desert Mechanical Inc., is to provide all labor, equipment, and materials to complete work associated with plumbing changes issued in ASI 138. ASI 138 incorporates RFI and Questions on Bid Documents (QBD) responses up to July 31, 2015 to suit Project Bidding requirements, to address remaining DBI/SFFD review comments, to address Virtual Building Model review comments from WOJV, and other items in accordance with owner requests. Scope includes adding gray water bypass, adding and rerouting vent, gray water, vent, storm, and inlet lines; capturing revisions throughout the building due to DBI comments, and installing pipe insulation as required. This change has been categorized as Errors & Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$660,000.

TG10.4 – Electrical

COR 311826 - Fire Management System Changes- \$500,000

The TG10.4 trade subcontractor, Fisk Electric, is to provide labor, equipment, and material associated with incorporating Fire Management Systems (FMS) changes as outlined by RFI T-6077, T-6083, T-6089, T-6090, T-6091, T-6092, T-6093, T-6572, T-6084, T-6084.1, T-6569, and T-6422. This work includes revising programming to reflect the zoning changes, changes made to the visual notification system, changes made to generator monitoring, revisions to the quantity and locations of the strobes, synchronization, smoke and heat detector clarifications, paging clarifications, and other device changes. Items addressed in FMS RFIs were raised when the FMS submittal was sent to the San Francisco Fire Department (SFFD) for review. The changes agreed upon in discussions were documented in the submitted RFIs. This change has been categorized as Code Compliance. This CCO request to the Cost Review Committee is for an NTE amount of \$500,000.

COR 311394 – E2 Pylon Beacon Power per RFI T-4988 - \$600,000

This COR had been previously submitted to the CRC for an NTE of \$350,000, but has increased to \$600,000 after the scope became more well-defined. Fisk Electric is to provide labor, equipment, and material associated with installing specified beacon, and 120V power conduit and wire for the E2 Pylon as outlined in RFI T-2414, RFI T-2975, T-4528, T-4570, T-4582, T-4988, and T-4988.1. This work includes purchasing the updated beacon, installing conduit and wire for the 120V circuiting, purchasing and installing additional panel boards, and programming the strobes to be synchronized with the fire management system. The details of the beacon design were not completed at the time of bid due to incomplete information for the Mass Notification System (MNS). Original landscape and telecom drawings included detail for the security pylons on the roof top level, but electrical drawings and specifications didn't include any product data, power requirements, or circuiting information. Scope was provided in as the MNS decisions were made. This change has been categorized as Scope Procurement. This CCO request to the Cost Review Committee is for an NTE amount of \$600,000.

COR 311034 - SFPUC Switchgear and Cabling Additional Work-- \$300,000

This COR is for completion of the remainder of the San Francisco Public Utilities Commission's (SFPUC) outlined scope in the main electrical rooms. This work includes premium time required to complete related wire pulling work at night, wire rerouting, fiber connection, purchase and install of dialer, equipment programming, and equipment program download and testing. This scope is required to prepare the equipment in the two rooms for permanent power. This change has been categorized as Scope Procurement. This CCO request to the Cost Review Committee is for an NTE amount of \$300,000, which will be reimbursed by SFPUC.

COR 311110 - TG10.4 ASI 141 Electrical Changes - \$325,000

This COR incorporates electrical changes issued in ASI 141. ASI 141 incorporates RFI and QBD responses up to December 18, 2015 to suit Project Bidding requirements, to incorporate Design Change Request (DCR) 0046, DCR 0048, DCR 0049, DCR 0050, DCR 0051, and other items in accordance with owner requests. Scope includes deleting ECS equipment, moving sign locations, deleting TVM/AVM machines, adding electric hot water heaters at added eyewash stations, Beale Street lobby deletion, revising gondola pull box locations, revising lighting layout, and incorporating door changes. This change has been categorized as Errors & Omissions. This CCO request to the Cost Review Committee is for a net NTE amount of \$325,000.

TG13.1 – Rooftop Park Landscaping and Irrigation

COR 311740 – Contract Grow Monthly Maintenance and Storage - \$300,000

The TG 13.1 trade subcontractor, McGuire & Hester, maintained the rooftop park trees for a one (1) year grow/acclimatization period per contract. This one year period began once the plants were secured within their designated climate zones on an approved property. The bid package included a monthly maintenance and storage line item listed at \$25,000 per month. Trees were delivered to the approved grow yard throughout the month of March in 2016; thus the one year period has been completed, and so the monthly rate has been initiated as of April 2017 per COR 311740. This change has been currently categorized as Scope Procurement. The CCO request to the Cost Review Committee is for an NTE amount of \$300,000, which will cover twelve months through March 2018.

COR 311561 - Shoe Design Changes at Bus Fountain - \$350,000

This COR is for a revised bus fountain glass wall shoe per RFI T- 3989 and submittals TG1301-153, TG 1301-158.1. This RFI identified that the bus fountain required a redesign due to constructability and blast criteria issues. The RFI response replaced the ½” diameter x 6” long embedded studs with two ½” diameter x 18” long Deformed Bar Anchors (DBAs) at 12” on center. It also added two more continuous welds along both ends of the glass wall shoes, roughly 1,000 linear feet. Also added were aluminum shims, setting blocks, 4”x4” x 3/8” continuous steel angles, and a through bolted screw with washers and nut. This change has been categorized as Errors & Omissions. The CCO request to the Cost Review Committee is for an NTE amount of \$350,000.

COR 311373 – Revisions at Stair 401 per RFI T-5329.1 - \$30,000

This COR is for additional concrete reinforcement per RFI T- 5329.1, which encapsulated changes to the rebar layout at Stair 401 requiring stronger reinforcement by installing rebar similar to that of Stairs 203 and 204 per RFI 5018. This addition of rebar included #5 longitudinal bars at 6” on center, and #3 closed stirrups at 12” on center at the top tread of the stairs. This was memorialized in RFI’s T-5329, T-5329.1, and T-5018. This cost is only for the extra labor and material for the added rebar to Stair 401. This change has been categorized as Errors & Omissions. The CCO request to the Cost Review Committee is for an NTE amount of \$30,000.

COR 311562 – Change to Glass Type for Bus Glass Wall - \$100,000

This COR revises the glass for the bus glass wall along the rooftop fountain. The original supplier of the glass, Viracon, explained that the glass specified at the time of bid cannot be produced. A new supplier for the acceptable glass for this scope has been found (Northwestern Industries), but there is a cost difference between the two suppliers. This change has been categorized as Errors & Omissions. The CCO request to the Cost Review Committee is for an NTE amount of \$100,000.

TG14.1B – Escalators

CR T-462 - Addition of LED skirt lighting and other emergency backup elements to all escalators - \$280,000

The TG 14.1B trade subcontractor, Schindler, is to furnish and install the following for all escalators: LED skirt lighting that will also activate emergency evacuation lighting systems and backup elements at all escalators, 90 minute breaker, step down transformer, additional conduits and specified candela information that is code complaint. During the escalator coordination meetings, it was established that the candela rating for the handrail lights on all the escalators on the project were insufficient and considered not bright enough. In addition to increasing the candela rating it was also decided to add LED skirt lighting at the feet level on all the escalators. Additional scope of work also includes the installation of an efficient emergency lighting system with a 90-minute duration that would activate in the event of an evacuation. This change has been categorized as Scope Gap Procurement and a Code Compliance issue. The CCO request to the Cost Review Committee is for an NTE amount of \$280,000.

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

Agreement for Construction-Related Payment

On October 10, 2008, the TJPA and the owners of 301 Mission entered into an Easement Agreement, under which the TJPA agreed to, (1) construct a temporary wall on the boundary between 301 Mission and the Project during the construction of the Project to allow the TJPA to use a five-foot strip of 301 Mission for the construction of the Project, and (2) at its sole expense, replace the temporary wall with a permanent wall in accordance with the drawings and specifications set forth in the Easement Agreement, restoring any ancillary improvements at 301 Mission that the TJPA's contractor removed during construction. The agreement gives the developer the option to have TJPA build the permanent wall or build the wall itself at the TJPA's cost.

The 301 Mission owner has decided to construct the permanent wall and other improvements itself. As such, 301 Mission will bear full responsibility for obtaining any permits or other approvals that may be necessary for that construction and bear all responsibility and liability for the permanent wall. In fulfillment of TJPA's obligation under the Easement Agreement, the TJPA shall pay \$1,159,694 to the 301 Mission owners. TJPA requests the concurrence of the Cost Review Committee for this payment to 301 Mission for an NTE amount of \$1,160,000.