

**STAFF REPORT FOR CALENDAR ITEM NO.: 15.4  
FOR THE MEETING OF: March 12, 2020**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Authorizing the Executive Director to execute Amendment No. 15 to Contract No. 07-04-TTC-000, Professional Design Services for the Transbay Transit Center Building and Related Structures, with Pelli Clarke Pelli Architects, Inc. (PCPA) to increase the contract amount by \$2,000,000 from \$160,360,000 to \$162,360,000 for services for coordination, design review, and other activities related to the development of Parcel F, located adjacent to the Salesforce Transit Center, which will be paid in full by F4 Transbay Partners, LLC (F4) under an existing escrow agreement established as part of the Purchase and Sale Agreement between the TJPA and F4.

**EXPLANATION:**

In June 2016, F4 purchased Parcel F from the TJPA for \$160 million. Parcel F is located mid-block on Howard Street between First, Second, Howard, and Natoma Streets next to the Salesforce Transit Center and its retail area along Natoma Street; this parcel is the last remaining development parcel next to the transit center, which allows for a pedestrian bridge to Salesforce Park. The northern portion of Parcel F sits over the transit center train box. Three cylindrical vent shafts, one existing shaft and two openings for future shafts for the Downtown Rail Extension Project, will protrude vertically through the train box roof; the tops of these shafts must be approximately 12 feet above any structures built around the shafts. F4 wishes to relocate the vent shafts to maximize development potential of the Parcel F site.

The TJPA and its design consultant team, led by PCPA, is required to coordinate with the Parcel F development team to ensure that design and construction activities for Parcel F do not adversely impact operation of the Salesforce Transit Center. PCPA is also required to review the design of Parcel F's pedestrian bridge to Salesforce Park and Parcel F's proposal to relocate the vent shafts. Should the vent shaft relocation prove to be feasible, a separate agreement for the relocation of the vent shafts will be presented to the TJPA Board for consideration.

**CONTRACT HISTORY:**

On May 15, 2008, the TJPA Board adopted Resolution No. 08-025, which authorized the TJPA Executive Director to execute on behalf of the TJPA Agreement No. 07-04-TTC-000 with PCPA for design and design-related services for the Transbay Transit Center Building and Related Structures (the Agreement). To date, fourteen amendments to the Agreement have been executed, as described in this report.

In December 2008, the TJPA established the Structural and Seismic Review Committee (SSRC), an independent panel of structural, geotechnical, and seismic experts providing oversight of the structural design of the transit center and guidance to the Department of Building Inspection (DBI) in their review of the transit center design for code compliance. The SSRC requested that the design team undertake additional studies and analyses to demonstrate the performance of the

structural design. Amendment No. 1, approved by the TJPA Board on April 9, 2009, and Amendment No. 1A, approved by the TJPA Board on July 31, 2009, addressed this added scope of work and added \$850,000 to the Agreement amount.

The Agreement contemplated a "top-down" construction methodology to maximize the funding available in 2008. The above-grade levels would be constructed on a pile supported foundation to allow for initial bus operations (Phase 1), and the below-grade levels for rail operations would be excavated and constructed beneath the structure in a second phase (Phase 2). However, on January 28, 2010, the Federal Railroad Administration announced the award of \$2.25 billion in ARRA (American Recovery and Reinvestment Act) funding to the State of California including \$400 million to the TJPA for the construction of the rail levels of the transit center. The ARRA funds allowed the Program to change the sequence of design and construction from "top-down" to "bottom-up." On October 14, 2010, the TJPA Board approved Amendment No. 2 to the Agreement to incorporate the "bottom-up" sequence for design and construction, to clarify the scope of Phase 1 and Phase 2 construction, and to increase the Additional Services amount to \$30,000,000 to reflect these and other known additional services.

In spring 2011, the TJPA reviewed the layout and organization of retail programs in the transit center to improve the program massing and circulation. In July 2011, the TJPA initiated an update of the Program's risk and vulnerability assessment (RVA) and design guidance criteria. The updates were completed in 2012, allowing PCPA to complete the transit center construction documents. Additional design reviews by the SSRC, DBI, Caltrans, and the transit operators also entailed further study and required design revisions. Three amendments were subsequently approved in 2012.

Amendment No. 3 to the Agreement (approved by the TJPA Board on April 12, 2012) amended specific contract language to require that the geotechnical consultant of PCPA be directly liable to TJPA for "negligent" errors and omissions, as opposed to directly liable to TJPA for "any" errors and omissions.

Amendment No. 4 to the Agreement (executed by the Executive Director on June 29, 2012) increased the Additional Services amount by \$5,985,778 to address specific changes in the basis of design arising from the SSRC, retail, and operator reviews and to provide capacity for ongoing studies and analyses in support of the RVA process to continue on a time and materials basis.

Amendment No. 5 (executed by the Executive Director on September 14, 2012) increased the Additional Services amount to \$50,000,000 to address anticipated costs associated with conforming the design to the revised design guidance criteria as well as other items not related to the RVA.

Amendment Nos. 6–13, executed by the Executive Director, between March 31, 2016, and April 10, 2019, revised the fee schedule for basic services and incrementally increased the amount for Additional Services to \$62,571,782 to cover a variety of services from PCPA, including extended construction administration, assistance with procurement and onboarding of the asset manager, fountain design and consultation, enhanced sustainability and LEED consulting,

monitoring of 301 Mission, assistance with procurement documents for network services, and SAFETY Act designation consulting.

Amendment No. 14, executed on July 29, 2019, extended the Agreement and schedule of services date to December 31, 2020.

**RECOMMENDATION:**

Staff recommends that the TJPA Board authorize Amendment No. 15 to Contract No. 07-04-TTC-000, Professional Design Services for the Transbay Transit Center Building and Related Structures, with PCPA, pursuant to the terms and conditions of Amendment No. 15 to increase the contract amount by \$2,000,000 from \$160,360,000 to \$162,360,000 for services for coordination, design review, and other activities related to the development of Parcel F in general, design and construction of the pedestrian bridge between Parcel F and Salesforce Park and the possible relocation of vent shafts. These services will be paid in full by F4 under an existing escrow agreement established as part of the Purchase and Sale Agreement between the TJPA and F4.

**ENCLOSURES:**

1. Resolution
2. Amendment

**TRANSBAY JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS**

**Resolution No. \_\_\_\_\_**

WHEREAS, On May 15, 2008, the TJPA Board adopted Resolution No. 08-025, which authorized the TJPA Executive Director to execute on behalf of the TJPA Agreement No. 07-04-TTC-000 with Pelli Clarke Pelli Architects, Inc. (PCPA) for design services in connection with the design and construction of the Transbay Transit Center Building and Related Structures (the Agreement); and

WHEREAS, On April 9, 2009, the TJPA Board approved Amendment No. 1 to the Agreement for physical tests to evaluate drilled piers and to evaluate means of constructing the shoring walls which form the perimeter of the excavation for the transit center in an amount not to exceed \$5,000,000; and

WHEREAS, On July 31, 2009, the TJPA Board approved Amendment No. 1A to the Agreement to reduce the scope of Amendment No. 1 to plan, monitor, and analyze the test results in an amount not to exceed \$850,000; and

WHEREAS, An August 25, 2009, update to the risk and vulnerability assessment (RVA) established design guidance criteria for the transit center design; and

WHEREAS, Following the award of \$400 million in federal American Recovery and Reinvestment Act funding to the TJPA by the Federal Railroad Administration for the construction of the rail levels of the transit center, the TJPA Board approved Amendment No. 2 to the Agreement to incorporate the "bottom-up" sequence for design and construction, to clarify the scope of Phase 1 and Phase 2 construction, and to increase the Additional Services amount to \$30,000,000 to reflect these and other known additional services; and

WHEREAS, On April 12, 2012, the TJPA Board approved Amendment No. 3 to the Agreement to add specific contract language to require that the geotechnical consultant be directly liable to TJPA for negligent errors and omissions; and

WHEREAS, On June 29, 2012, the TJPA executed Amendment No. 4 to the Agreement to increase the Additional Services amount by \$5,985,778 to address specific changes in the basis of design arising from review comments from transit operators, the Structural and Seismic Review Committee, and retail consultants and for studies and analyses by PCPA and its design team in support of the RVA update process; and

WHEREAS, On September 14, 2012, the TJPA executed Amendment No. 5 to increase the Additional Services amount to \$50,000,000 to address anticipated costs associated with conforming the design to the revised design guidance criteria as well as other items not related to the RVA; and

WHEREAS, Amendments 6–13, executed by the TJPA, between March 31, 2016, and April 10, 2019, revised the fee schedule for basic services and incrementally increased the amount for Additional Services to \$62,571,782 to cover a variety of services from PCPA, including extended construction administration, assistance with procurement and onboarding of the asset manager, fountain design and consultation, enhanced sustainability and LEED consulting, monitoring of 301 Mission, assistance with procurement documents for network services, and SAFETY Act designation consulting; and

WHEREAS, On July 29, 2019, the TJPA executed Amendment 14, extending the Agreement and schedule of services date to December 31, 2020; and

WHEREAS, During design of the transit center, an existing vent shaft and two openings for future vents to be constructed during Phase 2 of the Transbay Program were located on the northern portion of Parcel F, which sits over the transit center train box; and

WHEREAS, In June 2016, F4 Transbay Partners, LLC (F4) purchased Parcel F from the TJPA; and

WHEREAS, Parcel F is next to the Salesforce Transit Center and will include ground-plane improvements and a pedestrian bridge to Salesforce Park, and F4 wishes to relocate the vent shafts to maximize development potential of the Parcel F site; and

WHEREAS, The TJPA and its design consultant team led by PCPA are required to coordinate with the Parcel F development team to ensure that design and construction activities for Parcel F do not adversely impact operation of the Salesforce Transit Center; and

WHEREAS, PCPA is also required to review the design of Parcel F's pedestrian bridge to Salesforce Park and their proposal to relocate the vent shafts; and

WHEREAS, PCPA's services for coordination, design review, and related services for Parcel F will be authorized in writing by the TJPA and paid for in full by F4 under an existing escrow agreement established as part of the Purchase and Sale Agreement between the TJPA and F4; now, therefore, be it

RESOLVED, That the TJPA Board authorizes the Executive Director to execute Amendment No. 15 to the Agreement to increase the contract amount under the Agreement by \$2,000,000 from \$160,360,000 to \$162,360,000 for services for coordination, design review, and other activities related to the development of Parcel F, if and to the extent such services are authorized in writing by the TJPA.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of March 12, 2020.

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Secretary, Transbay Joint Powers Authority

**AGREEMENT**  
**AMENDMENT NO. 15**  
**BETWEEN**  
**TRANSBAY JOINT POWERS AUTHORITY**  
**AND**  
**PELLI CLARKE PELLI ARCHITECTS, INC.**

This Amendment is entered into as of March \_\_\_\_, 2020, by and between the Transbay Joint Powers Authority (the "TJPA") and Pelli Clarke Pelli Architects, Inc. (the "Architect"). By this Amendment No. 15, the TJPA and the Architect hereby modify Agreement No. 07-04-TTC-000, dated May 15, 2008 (the "Agreement"), as previously amended by Amendments 1A through 14, only to the extent expressly provided in this Amendment No. 15. All other terms and conditions of the Agreement shall remain in full force and effect.

**Recitals**

- A.** On May 15, 2008, the TJPA Board adopted Resolution No. 08-025, which authorized the TJPA Executive Director to execute on behalf of the TJPA the Agreement, Agreement No. 07-04-TTC-000, with the Architect for design services in connection with the design and construction of the Transit Center Building and Related Structures (the "Project").
- B.** On April 9, 2009, the TJPA Board approved Amendment No. 1 to the Agreement, for services associated with prototype testing of the shoring wall and buttress ("SW/B Tests").
- C.** On July 31, 2009, the TJPA Board approved Amendment No. 1A to the Agreement, clarifying roles and responsibilities among the TJPA, the Architect, the Architect's subconsultant Arup, and the Construction Manager/General Contractor Webcor/Obayashi for the SW/B Tests.
- D.** On October 14, 2010, the TJPA Board approved Amendment No. 2 to the Agreement, incorporating the "bottom-up" construction sequence into the schedule, scope, and Fixed Budget Limit for the design, and increasing the Additional Services amount to \$30,000,000.
- E.** On April 12, 2012, the TJPA Board approved Amendment No. 3 to the Agreement, to clarify that the Architect's subconsultant Arup is directly liable to TJPA for negligent errors and omissions for its provision of geotechnical services under the Agreement.
- F.** On June 29, 2012, the Executive Director executed Amendment No. 4 to the Agreement to increase the Additional Services amount by \$5,985,778 from \$30,000,000 to \$35,985,778.
- G.** On October 11, 2012, the TJPA Board approved Amendment No. 5 to the Agreement to increase the Additional Services amount by \$14,014,222 from \$35,985,778 to \$50,000,000.
- H.** On March 31, 2015, the Executive Director executed Amendment No. 6 to the Agreement to increase the Additional Services amount by transferring \$4,211,782 from Basic Services to Additional Services, increasing Additional Services from \$50,000,000 to \$54,211,782.

**I.** On May 6, 2016, the Executive Director executed Amendment No. 7 to the Agreement to increase the Additional Services amount by \$2,000,000 from \$54,211,782 to \$56,211,782.

**J.** On June 23, 2017, the Executive Director executed Amendment No. 8 to the Agreement to increase the Additional Services amount by \$200,000 from \$56,211,782 to \$56,411,782.

**K.** On November 30, 2017, the Executive Director executed Amendment No. 9 to the Agreement to increase the Additional Services amount by \$350,000 from \$56,411,782 to \$56,761,782.

**L.** On June 4, 2018, the Executive Director executed Amendment No. 10 to the Agreement to increase the Additional Services amount by \$300,000 from \$56,761,782 to \$57,061,782.

**M.** On July 1, 2018, the Executive Director executed Amendment No. 11 to the Agreement to increase the Additional Services amount by \$210,000 from \$57,061,782 to \$57,271,782.

**N.** On September 30, 2018, the Executive Director executed Amendment No. 12 to the Agreement to increase the Additional Services amount by \$1,300,000 from \$57,271,782 to \$58,571,782.

**O.** On April 10, 2019, the Executive Director executed Amendment No. 13 to the Agreement to increase the Additional Services amount by \$4,000,000 from \$58,571,782 to \$62,571,782.

**P.** On July 29, 2019, the Executive Director executed Amendment No. 14 to the Agreement, extending the Agreement and schedule of services date to December 31, 2020.

**Q.** By this Amendment No. 15, the TJPA and the Architect propose to increase the Agreement amount by \$2,000,000 from \$160,360,000 to \$162,360,000 to address anticipated costs for services for coordination, design review, and other activities related to the development of Parcel F, if and to the extent that such services are authorized in writing by the TJPA. These services will be paid in full by F4 Transbay Partners, LLC (F4) under an existing escrow agreement established as part of the Purchase and Sale Agreement between the TJPA and F4.

**R.** Other than the provisions expressly modified by this Amendment No. 15, or any prior Amendments, all terms and conditions of the Agreement remain in full force and effect.

## **Modified Terms and Conditions**

### **8.2. Additional Services.**

Paragraph 8.2 of the Agreement (as previously modified by Amendments 4–13) is hereby further modified to increase the Additional Services amount by \$2,000,000.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 15 on the day first mentioned above.

TRANSBAY JOINT POWERS  
AUTHORITY

PELLI CLARKE PELLI ARCHITECTS,  
INC.

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Mark Zabaneh  
Executive Director

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Fred W. Clarke, III  
Executive Vice President and  
Senior Principal

Approved as to form:

Pelli Clarke Pelli Architects, Inc.  
1056 Chapel Street  
New Haven, CT 06501  
203-777-2515

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TJPA Legal Counsel

Federal Employer ID Number:  
06-1228461