



# 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 April 5, 2018

**Re:** Agenda Items 7-9

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## **Agenda Item 7 – Funding Sources for Tenant Improvements**

At the November 2017 Cost Review Committee (CRC) meeting, the CRC discussed TJPA’s request to utilize approximately \$36 million in City Financing to fund base building improvements and tenant improvement (TI) allowances. While no formal action was taken, the CRC provided an indication that it would be comfortable with use of up to \$25 million in City Financing for these costs, and would further consider whether to fund the balance of \$11 million for building improvements and TI allowances.

At the February 2018 CRC meeting, the CRC held additional discussion regarding the use of City Financing for base building improvements and TI. TJPA and transit operators SFMTA and AC Transit continue to request the use of City Financing to fund all of the base/tenant improvements. Below is a schedule of anticipated commitments and expenditures for the estimated approximately \$36 million for these costs:

<b>Estimated Schedule</b>	<b>Estimated Commitment</b>	<b>Estimated Cash Flow</b>
1Q 2018	\$4,038,689	\$1,202,729
2Q 2018	1,594,207	2,471,982
3Q 2018	14,471,670	8,949,381
4Q 2018	8,707,848	5,591,374
1Q 2019	3,015,560	5,591,374
2Q 2019	-	1,141,259
3Q 2019	-	-
4Q 2019	3,659,290	3,460,030
1Q 2020	-	384,448
<b>Total</b>	<b>\$35,487,263</b>	<b>\$35,487,263</b>

TJPA requests that the CRC take formal action approving the use of up to \$25 million for these costs at this time, with the funding for the remaining balance to be tabled for further discussion later in calendar year 2018 as bids are received by the asset manager.

## **Agenda Item 8 – Expenditures and Commitments of Proceeds of the City Financing that Require CRC Approval**

### Commitments

The CRC has previously given 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 \$145 million. As stated above, the CRC gave an informal indication that it

would take a future approval action for up to \$25 million of City Financing proceeds to be spent on base building improvements and tenant improvement allowances necessary for retail at the transit center. The commitments through March 28 are shown below, representing an approximately \$2 million increase since the previous meeting.

<b>Scope/Trade Package/Contract</b>	<b>Type<sup>1</sup></b>	<b>Committed</b>
Transit Center Design Team Construction Admin	NTP	\$1,663,000
Various Logistics Packages	NTP / CCOs	16,354,763
TG07.2 Superstructure Concrete	CCO	961,995
TG07.3 Miscellaneous Metals	CCOs	133,155
TG07.6 Concrete Topping Slabs/Rails/Joints	NTP	10,471,645
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	15,483,683
TG12.1 Civil/Sitework at Grade	NTP	5,940,471
TG13.1 Roof Park Landscaping & Irrigation	NTP/CCO	11,560,188
TG13.2 Roofing/Waterproofing	NTP	3,097,935
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
Enhanced Commissioning	NTP	50,000
Physical Security Information Management System	NTP	2,339,681
SFPUC Permanent Power	Power Agreement	1,079,859
Seyfarth Shaw / Jones Day; Construction/ Litigation Counsel	RFS	4,537,559
Public Art Program	Artist Contracts	855,500
Bus Storage Construction	NTP	22,746,723
Bus Storage Construction Admin & Construction Mgmt	NTP	528,993
Other Bus Storage costs, incl. permits	Other	448,301
Base Bldg Improvements: Amtrak/Greyhound space design	Other	113,868
<b>Subtotal</b>		<b>\$146,249,015</b>
Costs of Issuance		1,177,314
<b>Total</b>		<b>\$147,426,329</b>

#### Draw Requests

TJPA draws totaling \$103 million, as reported at the February CRC meeting, remain unchanged. Draws on the City Financing are not currently being requested, as TJPA is utilizing bond proceeds from the

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

Community Facilities District prior to reverting back to use of City Financing. An updated cash flow projection for project costs will be provided at that time.

**Agenda Item 9 – 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**

**Program Management and Program Controls Professional Services (Agreement No. 13-02-PMPC-000):**

In July 2014, following a formal procurement process, TJPA and URS (now AECOM) entered into an agreement for AECOM to continue in its role as TJPA's Program Management/Program Controls (PMPC) consultant. PMPC services include project management, design management, budget and scheduling monitoring, risk management, stakeholder and agency coordination, document control, and program-wide quality assurance/quality control. The original contract amount of \$21,760,000 was based on services for Phase 1 through December 2017. Between July 2014 and March 2017, two contract amendments were approved. The first changed key personnel only and did not affect the contract value. The second amendment increased the original contract amount by \$5,400,000, for a revised contract value of \$27,160,000. That contract amendment addressed the following scope changes:

- Extension of services from January 2018 through June 2018: \$2,100,000
- Continued support services for Phase 2: \$1,760,000
- Additional work not anticipated during original negotiations: \$1,540,000  
\$5,400,000

The budget and contract expiration date of June 2018 for PMPC services in Contract Amendment No. 2 were based on a Substantial Completion date of December 2017 in the construction schedule. As the Construction Manager/General Contractor (CM/GC) has not met the Substantial Completion milestone and has indicated that it anticipates Substantial Completion in June 2018, TJPA has updated the forecasted level of effort for PMPC services for Phase 1 through December 2018. The updated forecast anticipates continued project management, budget and scheduling monitoring, risk management, and other PMPC services necessary for the close-out of Phase 1 of the Transbay Program. Phase 2 PMPC services will be needed through June 2019 to manage completion of the balance of the 30% preliminary engineering (PE) design documents for the Downtown Rail Extension (DTX) alignment, which will also incorporate recommendations to minimize cut and cover work from the recently completed Tunnel Options Report and SFCTA Peer Review Panel Report on the DTX rail operations study.

Staff is negotiating an amendment to the AECOM contract and will be recommending approval to the TJPA Board in April or May for amounts not-to-exceed the below:

- Phase 1 extension of services through December 2018: \$1,500,000
- Phase 2 extension of services through June 2019: \$3,700,000  
\$5,200,000

There is still a balance in the Phase 1 PMPC budget and so a draw from Program Reserve is not being requested. The Phase 2 services fall under the Phase 2 budget and will be covered with Phase 2 funding sources.

Construction Management Oversight Services (Agreement No. 09-08-CMO-000):

In June 2010, following a formal Request for Proposals process, TJPA awarded a contract to Turner Construction Company, for Construction Management Oversight (CMO) services for a lump sum amount of \$38,500,000. The CMO agreement included the following services: preconstruction services for the transit center; monitoring and documenting the progress of the CM/GC; providing project communication, documentation, record keeping, cost and schedule management, technical support, environmental monitoring oversight, coordination with other agencies; administration of the CM/GC and demolition contracts; progress reporting; and quality assurance services (testing and inspection). These services are necessary for any construction project, and on a federally funded project must be performed by a contractor that is independent of the contractor performing the construction work.

The original agreement had a term of six years with options to extend for an additional three one-year periods. Between July 2014 and June 2016, four contract amendments were issued, summarized in the table below:

<u>Date</u>	<u>Modification No.</u>	<u>Description</u>	<u>Amount</u>	<u>Cumulative Total</u>
6/10/2010	Original Contract		\$ 38,500,000	
7/1/2014	Amendment No. 1	Revised Calculation of Charges	\$ -	\$ 38,500,000
7/9/2015	Amendment No. 2	Amended Article 5, Compensation	\$ 7,480,000	\$ 45,980,000
9/10/2015	Amendment No. 3	Amended Article 5, Compensation	\$ 11,200,000	\$ 57,180,000
6/9/2016	Amendment No. 4	Extended contract duration by two years, revised overhead and maximum billing rate, revised fee	\$ 15,320,000	\$ 72,500,000

Note that this contract was entered into prior to the official incorporation of the train box into the Phase 1 schedule. Two of the three options were exercised per the Board's action in June 2016, extending the term through June 30, 2018. There is one option year left on the agreement.

The addition of approximately 7-8 months of unanticipated construction activities requires the CMO contractor to perform its required duties beyond the date anticipated at the last amendment. A one-year extension and an increase of \$2.5 million is recommended by TJPA staff, which will come from Program Reserve.

Information Technology Support Services (Agreement No. 13-01-ITSS-002):

In July 2013, following a competitive process, TJPA awarded a contract to Decision Consultants Inc. (DCI), a Disadvantaged Business Enterprise, for IT support. In September 2015, the TJPA IT Manager left to seek other employment opportunities, and DCI took over maintaining network systems, email accounts, helpdesk, and other technology support services to support TJPA staff and onsite consultants, in lieu of filling the staff vacancy. The TJPA Board approved a contract increase from \$100,000 to \$260,000, and an extension from July 2016 to July 2018 in June 2016.

TJPA conducted a search in late 2017 for a Senior IT Manager to develop and implement the IT strategy for the transit center, coordinating with the operational needs of the facility, and ensure that all necessary systems are in place. At this time, a viable candidate has not been identified, and staff is proposing to the TJPA Board that DCI be utilized as an interim chief information officer until such time as appropriate staff is hired. This will increase the DCI contract by one year, and \$250,000.

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:

**Transit Center**

TG04.2 – UR-Mission St. AWSS

*COR CR T-383.A– Traction Power - \$6,500,000*

This change order had been previously submitted to the CRC for a not-to-exceed (NTE) of \$5,500,000, but has increased to \$6,500,000 after additional scope was added. Increased scope includes additional work required by San Francisco Municipal Transportation Agency (SFMTA). Some requirements include T-trench pavement restoration, providing standby crews for SFMTA to access existing vaults facilities, installing temporary reflective striping tape, and coordination with SFMTA for cable reassignment. This change has been categorized as Scope Procurement. This CCO request to the Cost Review Committee is for an NTE amount of \$6,500,000.

TG10.4 – Electrical

*COR 312695 – E2 Pylon Louvers and Frosted Lens - \$595,000*

This COR had previously been submitted to the CRC for an NTE amount of \$580,000, but has increased to \$595,000 after the final COR submission, which includes final invoices for the additional louvers and frosted lens at a slightly greater amount than what was projected. This change order is part of a \$1.4 million value engineering item, and the project will still achieve savings of approximately \$805,000 for this scope of work. This change has been categorized as Scope Procurement. This CCO request to the Cost Review Committee is for a net NTE amount of \$595,000.

*COR 311155-1 – ASI 143 – Incorporation of Phase 1.5 Converge Network Package- \$1,200,000*

This change order had been previously submitted to the CRC for an NTE of \$300,000, but has increased to \$1,200,000 after the final change order request was submitted. ASI 143 was issued by TJPA to accommodate for the projected Phase 1.5 Converged IP Network needs. This change incorporates items such as the Grand Hall Scheduling Board and its associated conduits, cabling, and IDF Room; expansion of the WAP system; expansion and relocation of the Distributed Antenna System (DAS) Antennas; and equipment changes to optimize current technologies. Additional Request for Information (RFI) were submitted after the ASI was issued that added additional power and data to the impacted rooms. The costs of the RFIs were included in the cost proposal in addition to ASI 143 scope. This change has been categorized as Scope Procurement. This CCO request to the Cost Review Committee is for an NTE amount of \$1,200,000.

TG05.10 – Temporary Facilities

*COR – Additional Temporary Facilities for Phased Completion (for June-August, 2018) - \$3,350,000*

This COR is for the anticipated closeout of the Temporary Facilities trade package and the anticipated general conditions support past May 2018, in follow up to the previous request at the February 2018 CRC meeting. That request covered five months past the Construction Manager/General Contractor (CM/GC) contractual Substantial Completion date of December 2017, and this request aligns with the current schedule that the CM/GC is representing for Substantial Completion—June 2018. The original COR was for additional temporary facilities, quality assurance and quality control surveying, traffic control, jobsite gate monitoring and maintenance. This request includes the same services, which are now expected to continue until August 2018. Ultimate responsibility for these costs is disputed, as is the cause of the delays. TJPA and the

CM/GC thus are requesting use of CM/GC Contingency to ensure timely payment to the subcontractors while this dispute is resolved. This change has been categorized as Scope Procurement. This request to the committee is for an NTE amount of \$3,350,000.

### **Bus Storage Facility**

#### *CCOs #36, 37, 42, 44, 45 – Additional Miscellaneous Electrical Items and modifications related to the Administration building*

Due to code compliance issues, requests from the transit operators, and various errors and omissions, the following miscellaneous electrical and various modifications related to the AC Transit administrative trailer are being added: LED upgrades, additional conduit, beacons, PG&E feeder, additional electrified hardware for interior doors, prep for added card readers, providing two 3-ton HVAC units in lieu of one 2.5-ton HVAC unit, revised electrical panel design, and additional lockers in the administrative building. The NTE amount requested for these new CCOs adds up to \$115,422. These changes have been categorized as Owner Requested (originated by the transit operators) and Errors & Omissions for the individual items on the log.

#### *CCOs #30, 31, 32, 34, 35, 39, 40 – Miscellaneous site work modifications in various locations*

Due to various conflicting grade issue and existing site condition conflicts, modifications are required to site work elements such as drainage systems, restaking MSE and retaining walls, added paving and barrier modifications and added scope to the site. The NTE amount requested for these new CCOs adds up to \$182,284. These changes have been categorized as Owner Requested and Changed Conditions for the individual items on the log.

#### *CCOs #28, 33, 38 – Miscellaneous changes related to schedule mitigation*

Due to various needs to maintain schedule from TJPA impacts along with unexpected needs of various construction activities that were not identified in the contract documents, mitigations have been identified such as premium time for falsework removal as there were additional restrictions from SFMTA, site work stage construction requiring certain areas to be freed for owner activities sooner than per contract or R/W conflicts with construction limits. The NTE amount requested for these new CCOs adds up to \$35,750. These changes have been categorized as Owner Requested and Changed Conditions for the individual items on the log.

#### *CCO #41 – Repair High Mast Feeder*

Existing High Mast lighting is a safety element of the Bus Storage Facility, but one of the existing light structures was found to be inoperable. After an investigation, it was found that the conduit/conductor feeder to the High Mast light was damaged at 2<sup>nd</sup> street. This change order is to repair the feeder line. The NTE amount requested for this CCO is \$40,000. This change has been categorized as Owner Requested.

#### *CCO #43 – Additional Soundsorb Cladding*

The contractor is requesting a change order to cover the soundsorb cladding quantities that are claimed to be above the contract amount. The top of the wall did not change as it is tied to the Stillman street grade, but the barrier elevation on the BSF side is lower than per contract and has created additional quantities of cladding as per the contractor's claim. This potential change has not had a determination of merit yet. The NTE amount requested for this item is \$26,000. This change has been categorized as a Changed Condition for the log.

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