

**STAFF REPORT FOR CALENDAR ITEM NO.: 17  
FOR THE MEETING OF: July 12, 2018**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Authorize the Executive Director to execute Amendment No. 04 to Agreement No. 03-02-DTX ENGR-002, Engineering Design Services for Caltrain Downtown Extension Project Term 3 (2011-2019), between the Transbay Joint Powers Authority (TJPA) and Parsons Transportation Group (Parsons) (Term 3 Agreement) to extend the term of the Term 3 Agreement by two (2) years (2019–2021) and increase the contract amount by \$15.5 million, for a total contract amount of \$22.3 million.

**EXPLANATION:**

Phase 2 of the Transbay Program (Program), which comprises mainly the Downtown Rail Extension (DTX) project, continues to require a multi-disciplinary engineering design team to provide engineering services on behalf of the TJPA; assist in planning, engineering/designing, managing, and implementing this large and complex public infrastructure project; and provide other related professional services. Parsons has been providing these services, including completing the 30% Preliminary Engineering (PE) for the DTX’s original scope (approved in 2004 and analyzed in the 2004 Final EIS/EIR), and on-call technical support under an initial three-year agreement commencing in 2005; two subsequent three-year renewals, executed in 2008 and 2011; an amendment executed in 2014 extending the contract duration another three years, through June 2017; and an amendment executed in 2017 extending the contract duration another two years, through June 2019. Through February 2018, Parsons has incurred \$31,222,136, as summarized in the table below:

<b>Term</b>	<b>Award Date</b>	<b>Award Amount</b>	<b>Total Expended</b>	<b>Remaining Amount</b>	<b>Notes</b>
Term 1 (2005-2008)	12/16/2004	\$23,035,142	\$13,811,557	\$0	Closed; Contractor completed Conceptual Engineering
Term 2 (2008-2011)	6/20/2008	\$11,910,000	\$11,161,792	\$0	Closed; Contractor completed PE on the 2004 Final EIS/EIR elements
Term 3 (2011-2014)	6/9/2011	\$4,200,000	See below	See below	See below
Amend. No. 1 to Term 3 (2014-2017)	6/12/2014	no additional funds authorized			Term extended
Amend. No. 2 to Term 3 (2014-2017)	5/12/2015	no additional funds authorized			Updated Key Personnel
Amend. No. 3 to Term 3 (2017-2019)	5/11/2017	\$2,600,000	\$6,248,787	\$551,213	Open
<b>Total</b>			<b>\$31,222,136</b>	<b>\$551,213</b>	

Since completion of 30% PE in 2010, several elements of the DTX were proposed for refinement to accommodate high-speed train requirements and update the design to current standards. These proposed refinements, as well as other refinements being proposed for Phase 2, are evaluated in a Supplemental Environmental Impact Statement/ Environmental Impact Report (SEIS/EIR).

In June 2016, the TJPA Board directed the Executive Director to proceed with bringing the Phase 2 design, as described in the SEIS/EIR, to the 30% level of completion. Staff submitted a funding request to the San Francisco County Transportation Authority (SFCTA) for the funding necessary to undertake this effort. Concurrent with its review of the funding request, the SFCTA Board of Commissioners requested that the scope of the design work be reduced to only those elements of the Phase 2 project that would not be impacted by the results of the City's Rail Alignment and Benefits (RAB) Study, which was then underway. The SFCTA also requested that Parsons study options to reduce impacts to city streets as result of Phase 2 cut-and-cover construction. Therefore, the original funding request was modified, and a second funding request for a tunneling study was submitted to the SFCTA in January 2017. The SFCTA Board approved both funding requests at its April 11, 2017, meeting.

On May 11, 2017, the TJPA Board approved Amendment No. 03 to the Agreement, which incorporated the scope of engineering work agreed to with SFCTA, i.e., DTX tunnel elements north of the intersection of Second and Townsend Streets and the study of tunneling options. Amendment No. 03 extended the term of the Agreement and increased the compensation amount. At that time, staff indicated that additional design and engineering scope items beyond what was covered in the amendment would be presented to the Board for its consideration at the appropriate time. The Amendment No. 03 work was completed in May 2018.

Findings from the tunnel options study indicate that there are feasible options for reducing cut-and-cover construction along the DTX alignment, which would reduce surface impacts, but would require location-specific planning and design studies. Additionally, preliminary findings from the recently completed RAB Study indicate that the City's preferred rail alignment, which was presented to the TJPA Board in June 2018, is consistent with the proposed refinement to the DTX, as described in the SEIS/EIR. With these studies completed, the TJPA now plans to update the design to include the results of the recently completed tunnel options study, rail operations analysis review completed by SFCTA, and continue work on the 30% design on the balance of the Phase 2 elements in the SEIS/EIR that were not included in Amendment No. 03 scope to bring the DTX to a full 30% design level. This work will include continued study to a 30% design level of the following: a new design for the mined tunnel portion of the DTX using a combination of a tunnel boring machine and sequential excavation method mining, a design for a mined crossing of Howard Street to further reduce construction impacts within the extent of the throat structure, and design work to examine the impacts of an additional platform at the Fourth and Townsend Street Station. In addition to the 30% design scope, the design consultant will coordinate with the transit center design team, City agencies, and the program management team to support development of New Starts Program documentation. The design consultant will also prepare design and bid documents for an advanced utility relocation construction contract package and provide engineering support during utility relocation construction.

The TJPA has submitted a funding request to the SFCTA for these design studies and expects the SFCTA Board to approve the request at its July 24, 2018, meeting. The SFCTA funding request is only sufficient to cover draft submittals for the 30% design effort. It is anticipated that the balance of the funds required to complete the 30% design studies will be funded by Regional Measure 3 (RM-3), which received voter approval on June 5, 2018. TJPA staff have met with Metropolitan Transportation Commission (MTC) regarding this request and MTC has indicated its support. A request for funds will be submitted to MTC once the RM-3 funding application guidelines are released.

Parsons is well-positioned to provide the necessary engineering services. Staff recommends extending the term of the Term 3 Agreement by two years (2019–2021) and increasing the contract amount by \$15.5 million to allow the work described above to proceed, all as consistent with funding partner conditions. A notice to proceed (NTP) would be issued to Parsons for a portion of the engineering-related work once the SFCTA funding is approved, and another NTP issued for the balance of the 30% design effort and advance package preparation once funds are secured from MTC. Another amendment to the contract will be necessary after completion of the 30% design effort and advance package preparation to increase the contract value to complete bid documents.

### **Contract History**

In 2004, Parsons was selected through a competitive procurement process as the highest ranked team to provide engineering and design services for the DTX. On December 16, 2004, the TJPA Board authorized the Executive Director to execute an engineering design professional services agreement with Parsons for an initial three-year term (2005–2008) (Term 1), with the option to renew the agreement for an additional six years, and a maximum compensation amount of \$23,035,142 (Agreement No. 03-02-DTX ENGR-000). Term 1 was subsequently amended to extend through June 2008. Through Term 1, \$13,811,557 was expended on the Conceptual Engineering phase of design for both the current alignment as well as a loop track alignment, which resulted from in-depth value management (VM) studies to identify areas where project cost and schedule efficiencies could be achieved. This VM work informed the ongoing Conceptual Engineering effort, and provided inputs to the next phase, Preliminary Engineering. Term 1 was closed upon expiration of the period of performance.

On June 20, 2008, the TJPA Board authorized the Executive Director to renew the agreement for an additional three-year term (2008–2011) (Term 2) and maximum compensation of \$10,710,000 (Agreement No. 03-02-DTX ENGR-001) to perform Preliminary Engineering. In July 2010, Parsons delivered the 30% Preliminary Engineering Report and Plans for the Locally Preferred Alternative alignment—including a u-wall and at-grade trackwork with the southern project limit on the north side of Mission Bay Drive.

On October 14, 2010, the TJPA Board authorized the Executive Director to execute Amendment No. 1 to the Term 2 Agreement, increasing the maximum compensation by \$1,200,000 to a total of \$11,910,000, which allowed Parsons to continue providing ongoing support for the transit center design interface and interfaces with California High-Speed Rail Authority (CHSRA), Caltrain, and Federal Railroad Administration (FRA). Of this amount, \$11,161,792 was expended on ongoing support for coordination with outside agencies and delivery of the 30%

Preliminary Engineering Report and Plans for a tunnel-to-tunnel connection with CHSRA at Sixth Street. The Term 2 Agreement was closed upon expiration of the period of performance.

On June 9, 2011, the TJPA Board authorized the Executive Director to renew the agreement for an additional three-year term (2011–2014) (Term 3) and a maximum compensation of \$4,200,000 (Agreement No. 03-02-DTX ENGR-002) for ongoing engineering support including coordination with the transit center design team, structural engineering studies in support of Phase 2 property acquisition, and provisions for the Central Subway light rail crossing of the DTX at Fourth Street.

On June 12, 2014, the TJPA Board authorized the Executive Director to renew the Term 3 Agreement (Amendment No. 1 to Agreement No. 03-02-DTX ENGR-002) for an additional three-year term with no increase to the contract dollar amount. A second amendment to the Term 3 Agreement was executed on May 12, 2015, to incorporate a change to the Key Personnel listed in the Agreement.

On May 11, 2017, the TJPA Board authorized the Executive Director to renew the Term 3 Agreement (Amendment No. 03 to Agreement No. 03-02-DTX ENGR-002), which extended the term by an additional two years (2017–2019), increased the contract amount by \$2.6 million, for a total contract amount of \$6.8 million, and updated the assigned Key Personnel. Through February 2018, \$6,248,787 has been incurred for the following: a study of opportunities to reduce surface impacts due to Phase 2 construction, updating of DTX tunnel elements north of Townsend Street to the 30% design level, support of the SFCTA's rail operations peer review, ongoing coordination with the RAB Study and other outside agencies, progress drawing sets for coordination with the rail operators, a refinement study and a mezzanine sizing study for the Fourth and Townsend Street Station, conceptual sketches for the tunnel stub, an update to the East Bay connection technical memorandum to reflect the train box extension, cost estimating, and support for the development of the SEIS/EIR.

### **Continued Engineering Services**

With the approval for continued funding by the SFCTA and from RM-3, Parsons will be able to update the design to include the results of the recently completed tunnel options study, rail operations analysis peer review completed by SFCTA, and continue work on the 30% design on the balance of the Phase 2 elements in the SEIS/EIR that were not included in Amendment No. 03 scope, to bring the DTX to a full 30% design level and other work as described above.

Amendment No. 04 would increase the maximum authorized compensation under the Term 3 Agreement by \$15.5 million, for a total Term 3 amount of \$22.3 million. As of February 2018, \$551,213 remains in the Term 3 authorized budget, and staff anticipates that the remainder as well as the \$15.5 million being requested will be expended in completing PE of the Phase 2 scope. The scope of services to be performed under Amendment No. 04 will continue to be authorized by the TJPA on an as-needed and as-funded basis via written NTPs; staff will continue to negotiate with Parsons regarding specific scopes of work, cost, and fee for each NTP with terms that are beneficial to the TJPA. The 30% design effort and advance package preparation are anticipated to be complete in December 2019. Additional scope items beyond this, comprising continued engineering services and coordination with outside agencies, will

require an additional amendment to the Term 3 Agreement at the appropriate time to increase the contract value.

The Amendment No. 04 scope of work is anticipated to be funded by the SFCTA, pending approval of the TJPA's Proposition K funding request by the SFCTA Board, and by MTC, pending approval of an RM-3 funding request.

**RECOMMENDATION:**

Staff recommends that the Board authorize the Executive Director to execute Amendment No. 04 to Agreement No. 03-02-DTX ENGR-002, Engineering Design Services for Caltrain Downtown Extension Project Term 3 (2017-2019), to extend the Term 3 agreement by two years (July 2019–June 2021) and to increase the maximum amount under the Term 3 Agreement by \$15.5 million for a total amount of \$22.3 million.

**ENCLOSURES:**

1. Resolution
2. Amendment No. 04

**TRANSBAY JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS**

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

WHEREAS, On December 16, 2004, the Transbay Joint Powers Authority (TJPA) Board of Directors (TJPA Board) unanimously resolved to authorize the Executive Director to execute a Professional Services Agreement for Engineering Design Services for the Caltrain Downtown Extension (the Downtown Rail Extension or DTX) project with Parsons Transportation Group, Inc. (Agreement) for an initial three-year term (2005–2008) (Term 1), with the option to renew the Agreement for an additional six years and a maximum compensation of \$23,035,142, of which \$13,811,557 was expended; and

WHEREAS, the TJPA Board authorized the Executive Director to execute renewed agreements with Parsons for engineering design services each for a term of three years in 2008 (Term 2), with a maximum compensation of \$11,910,000, of which \$11,161,792 was expended, and in 2011 (Term 3), with a maximum compensation of \$4,200,000; and

WHEREAS, On June 12, 2014, the TJPA Board authorized the Executive Director to renew the Term 3 Agreement for an additional three-year term (2014–2017) with no increase to the contract maximum; and

WHEREAS, On May 11, 2017, the TJPA Board authorized the Executive Director to extend the Term 3 Agreement for an additional two-year term (2017–2019) and increase the maximum compensation to \$6,800,000, of which \$6,248,787 has been incurred (through February 2018); and

WHEREAS, Parsons has completed and delivered the studies, drawings, reports, and other deliverables outlined in the initial authorization under the renewed Term 3 Agreement for less than the contract amount; and

WHEREAS, The TJPA wishes Parsons to provide design services for 30% Preliminary Engineering for the Phase 2 elements modified or added in the Supplemental Environmental Impact Statement/ Environmental Impact Report, including engineering drawings that were outside the scope of Amendment No. 03 to the Agreement; provide engineering design work to examine the impacts of adding an additional platform at the Fourth and Townsend Street Station, continue providing technical support to the TJPA in interfacing with and reviewing documents produced by the City and County of San Francisco, Caltrain, the California High-Speed Rail Authority, and the Federal Railroad Administration; conduct due diligence investigation of alternative delivery methods and other potential funding mechanisms for Phase 2; provide design services for a feasibility study to review opportunities to reduce surface impacts due to Phase 2 construction; provide engineering design work and bid documents for advanced construction packages; support the TJPA in preparing New Starts Program documentation; and

WHEREAS, The TJPA has determined that Parsons is well qualified to continue to perform the scope of services in a cost-effective manner; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Amendment No. 4 to the Term 3 Agreement to extend the term for an additional two years (July 2019–June 2021) and increase the amount by \$15,500,000 for a total not-to-exceed contract amount of \$22,300,000 to allow Parsons to performed needed continuing engineering services, subject to approval of additional funding from the San Francisco County Transportation Authority and Metropolitan Transportation Commission.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 12, 2018.

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Secretary, Transbay Joint Powers Authority

**Amendment No. 04**  
**Agreement No. 03-02-DTX ENGR-002 between**  
**the Transbay Joint Powers Authority and**  
**Parsons Transportation Group, Inc.**

THIS AMENDMENT to AGREEMENT is entered into as of the \_\_\_\_ day of July 2018 by and between the TRANSBAY JOINT POWERS AUTHORITY (“TJPA”) and Parsons Transportation Group, Inc. (the “Contractor”).

By this Amendment No. 04 the TJPA and the Contractor hereby modify Agreement No. 03-02-DTX ENGR-002, Engineering Design Services for Caltrain Downtown Extension Project Term 3, dated June 9, 2011, as amended by Amendment No. 01, dated June 12, 2014, Amendment No. 02, dated May 12, 2015 (the "Agreement"), Amendment No. 03, dated May 11, 2017, only to the extent expressly provided in this Amendment No. 04. All other terms and conditions of the Agreement shall remain in full force and effect.

**Recitals**

- A. On December 16, 2004, the TJPA Board of Directors authorized an agreement (Agreement No. 03-02-DTX ENGR-000) with Contractor for professional engineering design services for the Caltrain Downtown Extension Project (the “Project”). The Agreement included a term of three years (2005–2008) (“Term 1”) with options for two three-year extensions.
- B. On June 20, 2008, the TJPA Board of Directors authorized an agreement (Agreement No. 03-02-DTX ENGR-001) exercising the TJPA’s option to have the Contractor continue professional engineering design services for the Project for a second term of three (3) years (2008–2011) (“Term 2”).
- C. On June 9, 2011, the TJPA Board of Directors authorized the Agreement (Agreement No. 03-02-DTX ENGR-002) exercising the TJPA’s option to have the Contractor continue professional engineering design services for the Project for a third term of three (3) years (2011–2014) (“Term 3”) at a cost not to exceed \$4,200,000.
- D. On June 12, 2014, the TJPA Board authorized Amendment No. 1 to the Agreement, exercising the TJPA’s option to have the Contractor continue professional engineering design services for the Project for three (3) years (2014–2017) with no increase to the contract maximum.
- E. On May 12, 2015, the TJPA Executive Director authorized Amendment No. 2 to the Agreement, replacing the Key Personnel Project Manager.
- F. On May 11, 2017, the TJPA Board authorized Amendment No. 03 to the Agreement, extending the term for two (2) years (2017–2019) to have the Contractor perform design services to complete and update certain elements of the 30% Preliminary Engineering and conduct other Phase 2 studies at a cost not-to-exceed \$6,800,000.
- G. By this Amendment No. 04 to the Agreement, the TJPA authorizes an additional two-year extension of Term 3 (2019–2021) to have the Contractor perform design services to complete and update the design to include the results of the recently completed tunnel options study, rail operations analysis review completed by the San Francisco County Transportation Authority (“SFCTA”), and continue work on the 30% design on the balance of the Phase 2 elements in the Supplemental Environmental Impact Statement/Environmental Impact Report (“SEIS/EIR”) that were not included in Amendment No. 03 scope, in order to bring the Downtown Extension (“DTX”) to a full

30% design level. This work will include continued study to a 30% design level of the following: a new design for the mined tunnel portion of the DTX using a combination of a tunnel boring machine and sequential excavation method mining, a design for a mined crossing of Howard Street to further reduce construction impacts within the extent of the throat structure, and design work to examine the impacts of an additional platform at the Fourth and Townsend Street Station. In addition to the 30% design scope, the Contractor will coordinate with the transit center design team, City agencies, rail operators, and the program management team to support development of New Starts Program documentation. The Contractor will also prepare design and bid documents for an advanced utility relocation construction contract package and provide engineering support during utility relocation construction.

- H. Contractor represents and warrants that it is qualified to perform the services required by the TJPA as set forth under the Agreement and this Amendment No. 04.
- I. The TJPA and Contractor intend that the Agreement and this Amendment No. 04 comply with the regulations of the United States Department of Transportation (“USDOT”).

Now, THEREFORE, the parties agree as follows:

### **Terms and Conditions**

#### **General**

The Contractor shall provide technical support as needed and as authorized through Notices to Proceed (“NTPs”) by the TJPA that describe period of performance, corresponding fee, and the authorized scope, which may include, but is not limited to, the following:

- a. Perform design services to complete and update the design to include the results of the recently completed tunnel options study, rail operations analysis review completed by SFCTA, and continue work on the 30% design on the balance of the Phase 2 elements in the SEIS/EIR that were not included in Amendment No. 03 scope to bring the DTX to a full 30% design level;
- b. Perform engineering design work on a new design for the mined tunnel portion of the DTX using a combination of a tunnel boring machine and sequential excavation method mining, a design for a mined crossing of Howard Street to further reduce construction impacts within the extent of the throat structure, and design work to examine the impacts of an additional platform at the Fourth and Townsend Street Station;
- c. Continue providing technical support to the TJPA in interfacing with and reviewing documents produced by Caltrain, the California High-Speed Rail Authority, and the Federal Railroad Administration;
- d. Coordinate with the transit center design team, City agencies, and the program management team to support development of New Starts Program.

#### **Responsibilities and Liabilities**

The Contractor shall remain responsible in accordance with the terms of the Agreement as modified by this Amendment No. 04 for all services described under the Agreement. Nothing in this Amendment No. 04 shall modify or abrogate the rights and responsibilities under the Agreement, including all indemnification and insurance coverage requirements.

**Fee Structure**

This Amendment No. 04 authorizes services for an additional two (2) years (July 2019– June 2021). This Amendment No. 04 increases the not-to-exceed amount under the Agreement by \$15,500,000 to a total of \$22,300,000.

The TJPA shall compensate the Contractor as provided for in the Agreement. Under no circumstances shall the TJPA be responsible for compensation under Amendment No. 04 that would cause the Agreement to exceed the amount of \$22,300,000.

All other provisions of the Agreement shall remain in full force and effect.

**TRANSBAY JOINT POWERS  
AUTHORITY**

**CONTRACTOR  
Parsons Transportation Group, Inc.**

\_\_\_\_\_  
Mark Zabaneh  
Executive Director

\_\_\_\_\_  
Signature

Transbay Joint Powers Authority  
Board of Directors  
Resolution No. \_\_\_\_\_

\_\_\_\_\_  
Printed Name

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Tax Identification Number

Attest:

\_\_\_\_\_  
Secretary, TJPA Board

**Approved as to Form by:**

\_\_\_\_\_  
TJPA Legal Counsel