

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 May 19, 2017

Re: Agenda Items

Agenda Item 5 – Review of Proposed TJPA Fiscal Year Budget

TJPA staff presented draft capital and operating fiscal year 2017-18 budgets to the TJPA Board at the Board meeting of May 11, 2017. The draft capital budget is \$407,419,900, and the draft operating budget is \$15,093,100. The capital budget is conservative in that it is based upon the Phase 1 Program Budget of \$2.259 billion, rather than the Estimate at Completion of \$2.150 billion. Both budgets are expected to be further refined prior to final presentation for approval at the June TJPA Board meeting. Specific details on both budgets are attached in the TJPA Board Staff Report.

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

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, and draws of up to \$65 million through June 2017. Here are the commitments to-date:

Scope/Trade Package/Contract	Type¹	Committed
Various Logistics Packages	NTP/CCO	\$16,354,763
TG07.2 Superstructure Concrete	CCO	863,757
TG07.6 Concrete Topping Slabs/Rails/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	14,375,033
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	30,172,320
TG13.2 Roofing/Waterproofing	NTP	3,097,600
TG16.0 - Interiors/Finishes	NTP	11,324,678
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

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

Public Art Program	Artist Contract	785,500
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	293,885
Total		\$156,798,683

Draw Requests

Based upon the above commitments, three draws totaling \$36 million have been approved and processed as of May 5:

Scope/Contract	City Financing Total	Less Retention	Draws
Transit Center Construction	\$35,059,385.88	\$(1,405,091.99)	\$33,654,293.89
Legal Services	380,094.31	-	380,094.31
Art Program	785,500	-	785,500
Bus Storage Lease & Permits	40,205	-	40,205
Total	\$36,265,185.19	\$(1,405,091.99)	\$34,860,093.20

The City has also paid costs of issuance of \$890,217, leaving a current project fund balance of \$249,689.80 available before the next draw. A cash flow projection for future draws is attached, and shows that projected disbursements by July 2017 equal approximately \$76 million. TJPA requests that the CRC approve an incremental increase in the authorized draw amount to this \$76 million, as the next CRC meeting is in July.

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	214,500	Summer 2017
SFPUC Permanent Power	NTP	1,750,000	Summer 2017
Bus Storage Construction	NTP	2,023,000	May-17
Various Bus Storage costs (Permits, Construction Admin, etc.)	Other	195,000	Summer 2017
CMGC Commissioning	NTP	50,000	Summer 2017
Legal Services	RFS	1,600,000	May-17
Transit Center Design Team Construction Administration	NTP	1,850,000	May-17
Total		\$7,682,500	

As noted at previous CRC meetings, in Summer 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 less than \$125 million, under the planned \$150 million use of City Financing proceeds. In the interim, TJPA is requesting an incremental increase to \$175 million based on the attached commitment schedule, as the next CRC meeting is in July.

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

On December 8, 2016, the TJPA Board of Directors authorized the Executive Director to award a contract 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. On January 30, 2017, the TJPA and Attorney amended the Agreement to provide that the Attorney could subcontract work with TJPA’s prior consent and approval, and to include the Peninsula Corridor Joint Powers Board and the Alameda-Contra Costa Transit District as parties to be represented by the Attorney along with the TJPA.

At the May 11, 2017 Board meeting, TJPA staff recommended increasing the maximum compensation in the Agreement by \$1,500,000 to a total of \$2 million. It is anticipated that the maximum compensation may be increased in the future as the need arises. As noted in the original staff report from December 8, 2016, the 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 will be used to fund these expenditures, which are being tracked separately from other legal costs. The funding source is City Financing proceeds.

Previously Presented

Staff notes for the CRC that the amendment to the contract with Parsons Transportation Group for Downtown Extension engineering previously described for the CRC was presented to the TJPA Board for approval in the amount of \$2.6 million at the May 11, 2017 Board meeting. The funding source is a Proposition K grant allocation.

In addition, the Physical Security Information Management (PSIM) System and Emergency Communication System/Mass Notification System (ECS/MNS) Integration Services contract previously described for the CRC is anticipated to be presented to the TJPA Board for approval in June, in an amount not anticipated to exceed the budgeted amount of \$6 million. The funding source will be City Financing proceeds, at least initially.

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

The following are new construction change orders (CCOs) since the March 22 CRC meeting:

TG07.2 – Structural Concrete

COR 311408 – W-Systems Impact to Structural Concrete Package - \$3,300,000

This change order relates to the addition of the Design-Build aspect of the TG8.11 Glass Curtain Wall trade package as it interfaces with the base scope of the TG7.2 concrete. The revised design included several embeds at the concrete curbs not shown on the Contract Documents. As the design portion of the TG8.11 trade subcontract was not complete due to delays in procurement, the TG7.2 concrete subcontractor had to block out curbs, then go back and install embeds, and reconfigure openings and curb heights as information became available. Shop drawings were redrawn and re-coordinated as the revisions to the curtain wall system solidified. As this change effected all of the W-2 and W-3 curbs, there was a significant amount of impact. These costs are associated with the

direct cost only and do not consider the delays and inefficiency that have also been requested by the TG7.2 subcontractor. This CCO request to the Cost Review Committee is for a not to exceed (NTE) amount of \$3,300,000.

TG07.3 – Miscellaneous Metals

COR 311306 – Bent Plate Embed and Stainless Steel (SS) Base Plate from ASI 128 for Roof Park Restaurant - \$60,000

The scope under this Change Order Request (COR) is part of the original scope procurement and has been included in the budget but was not included in any previously awarded trade package. The scope to be procured under this COR is related to revisions made in Architect's Supplemental Instructions (ASI) 128, Addendum 4 issued by the design team. Request For Information (RFI) T-3701 was also issued to clarify the type of connection detail for the stainless steel base plate to the bent plate (a bent plate is a connection between two beams or between a beam and a column). This CCO request to the Cost Review Committee is for an NTE amount of \$60,000.

TG8.6R – Metal Ceilings

CR T-207.1 - ASI 140 Drop-in Span Aluminum Enclosure - \$480,000

The scope under this Change Request (CR) is part of the original scope procurement and has been included in the budget but was not included in any previously awarded trade package. The scope to be procured under this CR is due to acceptance of the value engineering design recognized in trade package 18.1, Bus Ramp, for a credit of \$1.5 million. The value engineering consisted of replacing an orthotropic concrete structure for exposed steel beams. Included in the credit is an estimate for the scope of work defined in CR T-207.1 as an aluminum enclosure to wrap the exposed steel at Frame 5 of the Bus Ramp project. The estimate has been increased by \$30,000 from the previous amount submitted to the CRC of \$450,000 to reflect the current anticipated final CCO amount. This CCO request to the Cost Review Committee is for a revised NTE amount of \$480,000.

TG8.11 – Glass Curtain Wall & Skylights

COR 311445 - W-12 Perimeter Expansion Joint Infill Plate - \$270,000

The scope of work for this COR includes the installation and furnishing of a stainless steel, non-slip, infill plate at the expansion joint of the W-12 system at the roof top. The bid drawings initially showed paving or soil to be installed at the expansion joint. Upon the submittal of the W-12 shop drawings, the designer indicated that a stainless steel infill plate is necessary at the expansion joint, adding work and material to TG8.11 subcontractor package. This change has been categorized as Errors and Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$270,000.

COR 311449 - W-13 Frame Modifications - \$912,000

The scope of this work includes the structural frame revisions to the W-13 Glass Floor system at the Ground Level and structural changes for the W-12 Glass Floor at the roof park level to meet the blast criteria requirements. The TG8.11 Glass Curtain Wall Trade contractor is to provide the W-13 Glass Floor at the ground floor level of the light column, which is to resist uplift for blast requirements. During the shop design review process, the basis of design was found to be insufficient for this criteria. During the shop drawing phase, the framing was revised. The cost of this change is for the revisions to the frame and subsequent bracing to the structure for additional support of the frame. This change has been categorized as Errors and Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$912,000.

TG10.2 – Plumbing

COR 311439 – DBI Venting Requirements per RFI T-5141 - \$500,000

The TG10.2 trade subcontractor is to provide labor and equipment to revise vent lines as outlined in various RFIs. This scope includes, but is not limited to, increasing the vent line throughout the building, rerouting vent lines at specified areas, and reworking the vent lines in areas where work was completed. The vent line design became a concern when the San Francisco Department of Building Inspection stated on numerous occasions that the venting system did not meet the 2010 California Plumbing Code. This change has been categorized as Errors and Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$500,000.

TG10.4 – Electrical

COR 311394 – E2 Pylon Beacon Power per RFI T-4988 - \$350,000

The scope covered by this COR is part of the original scope and has been included in the budget but was not included in any previously awarded trade package. The TG10.4 trade subcontractor is to provide labor and equipment associated with installing the specified beacon, purchasing additional panel boards, programming the strobes for synchronicity with the Fire Management System and the 120V power conduit and wire for the E2 Pylon as outlined in various RFIs. Multiple RFIs were submitted requesting the missing information, but the information was being held because the Mass Notification System (MNS) was not fully designed. Scope was provided in the submitted RFIs as the MNS decisions were made. This CCO request to the Cost Review Committee is for an NTE amount of \$350,000.

TG13.1 – Rooftop Park Landscaping and Irrigation

CR T-172 – Landscape Changes per ASI 137 - \$100,000

The scope to be procured under this CR is part of the original buyout and has been included in the budget but was not included in any previously awarded trade package. ASI 137 updated sheet L1-4606 to include pipe and associated fittings at stair 601, roof park earth mound. The change adds 60 linear feet (LF) of solid 4” drainpipe, 160 LF of perforated 4” drainpipe, 2 dual cleanouts, 3 catch basins and 2 cleanouts. Also included with ASI 137 are restaurant-area planting updates and clarifications to the planting schedule on pages L-0006 and L-0007. The delta quantity of trees is zero, although 11 trees changed species. Previously, this CR had an NTE of \$20,000 for only the irrigation system changes due to ASI 137. The estimate has been increased due to the addition of the Bus Precast Module for the installation of the Gondola from Mission Plaza. \$20,000 will be funded by the TJPA for the irrigation system changes while \$80,000 will be funded by the owner of Salesforce Tower as a reimbursable for the Bus Precast Module. This CCO request to the Cost Review Committee is for an NTE amount of \$100,000.

TG13.2 – Roofing/Waterproofing

COR 310989 (CR T-336) - Add FC 4 Layers and revision to INS-14 per ASI 138 - \$300,000

The scope of work under this COR is related to revisions made in ASI 138. As the TG13.2 trade subcontractor was originally contracted only through ASI 128, the only insulation initially specified per the Contract Documents was 1 ½” extruded polystyrene with a density of 60pcf., changes were made adding additional clarification to insulation at non-wheel and wheel load locations. This ultimately replaced material INS-2 (1 ½” thick) with INS-14 (2” thick) which has a higher density of 100pcf. This change has been categorized as Errors and Omissions. This CCO request to the Cost Review Committee is for an NTE amount of \$300,000.

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