

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

MINUTES

Thursday, July 9, 2015
1 Dr. Carlton B. Goodlett Place, Room 416
San Francisco, CA

REGULAR MEETING
9:30 a.m.

BOARD OF DIRECTORS

Greg Harper, Chair
Mohammed Nuru, Vice Chair
Jane Kim
Marian Lee
Edward Reiskin
Bijan Sartipi

Executive Director
Maria Ayerdi-Kaplan

Secretary
Nila Gonzales

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9:30 – REGULAR MEETING

ORDER OF BUSINESS

1. Call to Order

Chair Harper called the meeting to order at 9:30 a.m.

2. Roll Call

Present: Jane Kim
Marian Lee
Ed Reiskin
Bijan Sartipi
Mohammed Nuru
Greg Harper

3. Communications

Secretary Gonzales announced that the TJPA Board of Directors would not convene in the month of August and an official cancellation notice would be distributed.

Chair Harper stated he spoke with some Board members regarding the project transitioning from construction into operations as well as Phase 2 and suggested that discussions should possibly start in the Fall. He also stated he plans to have meetings with Directors Kim, Lee, and Sartipi before then to get their input.

4. Board of Director's New and Old Business

None.

5. Executive Director's Report

- Construction Update
- Quarterly Project Labor Agreement (PLA) Report

Executive Director Ayerdi-Kaplan reported that the Transbay Transit Center was featured on the cover of Engineering News Record's June 29, 2015 edition. She also reported that the Northern California Carpenters again featured the Transbay Transit Center and the success of the Project Labor Agreement and how it is being copied by other agencies. Additionally, she announced that Turner Construction, Union Bank and City of San Francisco were kicking off Turner's annual construction management training program on August 4th in San Francisco. The program specifically targets local, minority-owned, women-owned, disabled veteran owned, disadvantaged and small emerging businesses.

She also provided an update on Parcel F. Regarding Chair Harper's suggestion to discuss operations in the Fall, she stated the plan has been to bring the final Phase 1 budget approval in September and then in the Fall timeframe the Operations and Maintenance report, the draft Retail Request for Proposals and the Quality Assurance/Quality Controls procedures.

Steve Rule, Turner Construction, presented the Construction Update.

Dennis Turchon, TJPA Senior Construction Manager, presented the Quarterly PLA Report.

6. Citizens Advisory Committee (CAC) Update

Ted Olsson, TJPA CAC Chair, reported that the last CAC meeting was excellent and focused on finances, estimates, and Phase 2 considerations. He expressed his appreciation for the presentation given on the Penrose awning and noted Dr. Penrose was one of the brightest physicists, who was Steven Hawkins mentor, whose contribution to the project provides a very unique, important, educational opportunity. He also stated that he offered to take the designers to the Exploratorium and to the Academy of Sciences to see how it can best be displayed and demonstrate the various techniques and technologies that have gone into the design and construction. Additionally, he offered to participate in any fundraising activities.

7. Public Comment

Paul Pendergast, Pendergast Consulting Group, provided comments regarding the Transbay Transit Center's Small Business program that received recognition on June 16, 2015 by the San Francisco Small Business Network. Additionally, he stated that Executive Director Ayerdi-Kaplan would be recognized on July 14, 2015 by the Golden Gate Business Association, the nation's oldest and largest Lesbian Gay Bisexual Transgender (LGBT) Chamber of Commerce, for her leadership and specifically for being the first public works project in the United States to do a specific outreach to the LGBT Chamber of Commerce on September 26, 2013.

THE FOLLOWING MATTERS BEFORE THE TRANSBAY JOINT POWERS AUTHORITY ARE RECOMMENDED FOR ACTION AS STATED BY THE EXECUTIVE DIRECTOR OR THE CHAIR.

REGULAR CALENDAR

At the direction of the Board, Items 8, 11, 12, 13, and 14 were called together. Items 10, 15, 16, and 17 were called next due to losing quorum at 11:30am. Item 9 was called last.

8. Presentation of Phase 1 Program and Fiscal Year 2015-16 Budget Updates.

TJPA Senior Program Manager Mark Zabaneh and Construction Manager/General Contractor Steve Humphreys of Webcor/Obayashi presented the item.

Director Reiskin questioned why the Interiors/Finishes memo states there are 55 different wall types and asked the designer to explain. Randy Volenec of Pelli Clarke Pelli Architects stated the building is large and unique with a great variety of conditions and it has been designed as maintenance friendly as possible with reinforcing some walls with steel plates to meet blast criteria which were all done for the long term benefits of the building as well as the efficiency in constructing. Director Reiskin inquired why the constructability review did not discover this as a productivity impact. Mr. Humphreys stated he could not specifically recall this issue but there have been many conversations with the design team throughout the process and these are the types of issues that get discussed; however, the issue here is this is a very unique building which is largely the reason why there is a difference between the estimate and the bid. Director Reiskin queried why the 100% Construction Documents (CDs) were completed in May 2013 but the bid documents were not complete until April 2015 and why there were big differences in the 100% CDs and the final bid documents. Mr. Volenec stated the 100% CDs were submitted to the San Francisco Department of Building Inspection, San Francisco Public Utilities Commission and other stakeholders; therefore, the 100% CDs underwent careful analysis by various entities and the review and comment process occurred during this time. Director Reiskin stated the delays appear to have resulted in hitting the higher period of construction costs and added cost to the work because of changes in sequence. Mr. Humphreys replied that it is not as much change in sequence but rather that the subcontractors are needed on board now to coordinate. Director Reiskin questioned whether the Glazing package that has \$3.8 million to comply with the Design Guidance Criteria generated from the Risk and Vulnerability Assessment (RVA), which is above standard, should be reconsidered. Executive Director Ayerdi-Kaplan requested security expert, Denise Sines of AECOM, respond to the inquiry. Ms. Sines provided context to support the recommendation and confirmed that she does not recommend changing the criteria. Chair Harper inquired if the RVA could be revisited at this time and stated that he has always had concerns regarding the RVA. Mr. Humphreys indicated the systems are completely engineered and designed so if there were changes it would cause additional costs and delays. Director Reiskin stated it appeared the delay and complexity of design are responsible for a significant part of the cost escalation and questioned the accountability of the designer regarding the fixed budget limit. Mr. Zabaneh explained the process to update the fixed budget limit. Michael McKeeman of Seyfarth Shaw, TJPA Counsel, explained the contractual obligations of the designer.

Chair Harper stated he believes there was bad estimating from the beginning. Vice Chair Nuru expressed his concurrence with Director Reiskin and Chair Harper and questioned if there was any opportunity at this point to scrub or Value Engineer (VE) anything. Mr. Humphreys responded that multiple VE efforts have already been done. Vice Chair Nuru questioned who has final approval and Mr. Humphreys replied that TJPA has final approval. Mr. Humphreys stated it is too late to realize reduction in scope or VE ideas that would change significant dollars. Vice Chair Nuru stated that additional vetting of options be looked at before the final budget is brought for approval and Mr. Humphreys agreed that the team would continue to do so. Director Kim concurred with the other Board members comments and expressed concern regarding the budget increase for Phase 1 taking from Phase 2. She urged the team to make the difficult decisions that need to be made to stay within a finite budget.

Director Reiskin inquired why the City & County of San Francisco was the only stakeholder participating in the efforts to resolve the budget issue since it is a Regional project. Sara Gigliotti, TJPA Chief Financial Officer, responded by listing the funders and amounts contributed to date. Director Reiskin specifically asked about additional contributions from funding partners and Ms. Gigliotti clarified that the request to the City & County of San Francisco is for financing assistance against revenues that will be coming to the project from taxes in the future.

Chair Harper confirmed that AC Transit has already contributed their share and he inquired whether Webcor/Obayashi can confirm a maximum cost. Executive Director Ayerdi-Kaplan confirmed that in reply to an inquiry from Vice Chair Nuru regarding Guaranteed Maximum Price, a response will be presented at the September Board meeting. Chair Harper also suggested the level above the rail level be looked at as a rental opportunity for potential revenue.

Public Comment:

Jim Patrick, Patrick & Company, expressed his discontent regarding the Project Labor Agreement because he feels it is a contributor to the cost increase and although it is too late for Phase 1, it should not be done for Phase 2.

9. Presentation of Bus Storage by Alameda-Contra Costa Transit District (AC Transit).

Linda Morris, AC Transit Senior Transportation Planner, presented the item.

Director Reiskin stated he appreciated the presentation but it did not answer the question of what can be mitigated since the Bus Storage is being considered as a way to mitigate the budget needs. He suggested that there appears to be temporary options that need to be looked at because timing is the issue.

Director Lee requested opening day needs be presented prior to the updated Phase 1 budget approval.

10. Adoption of two-month extension of Fiscal Year 2014-15 Budget for August and September 2015 in an amount not to exceed \$26,298,605 for August and \$26,270,004 for September.

No public comment.

RESOLUTION 15-024

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

11. Approving an Amendment to Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to execute a Trade Work subcontract with Gordon Ball as the responsible bidder submitting the lowest responsive bid in the amount of \$16,765,000 for TG12.1: Civil/Site Work at Grade/Ground Level Landscaping, thereby increasing authorized Direct Costs by \$16,765,000, and the authorized Construction Services Fixed Fee by \$586,775.

No public comment.

RESOLUTION 15-025

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

12. Approving an Amendment to Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to modify the Trade Work subcontract with Crown Corr for the construction services portion of a design-build contract for TG08.2R: Exterior Awning in an amount of \$35,262,150, thereby increasing authorized Direct Costs by \$35,262,150 and the authorized Construction Services Fixed Fee by \$1,234,175.

TJPA Senior Program Manager Mark Zabaneh and Fred Clarke of Pelli Clarke Pelli Architects presented the item.

Public Comment:

Roland Lebrun stated to delete or defer the awning.

RESOLUTION 15-026

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

13. Approving an Amendment to Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to execute a Trade Work subcontract with Skanska USA Building as the responsible bidder submitting the lowest responsive bid in the amount of \$39,026,000 for TG16.0: Interiors/Finishes, thereby increasing authorized Direct Costs by \$39,026,000, and the authorized Construction Services Fixed Fee by \$1,365,910.

No public comment.

RESOLUTION 15-027

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

14. Approving an Amendment to Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to modify the Trade Work subcontract with Crown Corr for the construction services portion of a design-build contract for TG08.11R: Glass Curtain Walls and Skylights in an amount of \$59,710,396, thereby increasing authorized Direct Costs by \$59,710,396 and the authorized Construction Services Fixed Fee by \$2,089,864.

No public comment.

RESOLUTION 15-028

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

15. Authorizing the Executive Director to execute Amendment 2 to the Professional Services Agreement with Turner Construction Company to provide construction management oversight services by increasing the fixed fee amount by \$7,480,000, for a total fixed fee of \$45,980,000.

No public comment.

RESOLUTION 15-029

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

16. Authorizing the Executive Director to execute amendments to extend Agreements for State Advocacy Services with Mercury LLC and Townsend Public Affairs for one year each and additional compensation of \$108,000 each.

No public comment.

RESOLUTION 15-030

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

17. Approving the Minutes of the June 19, 2015 meeting.

No public comment.

On motion to approve:

ADOPTED: AYES – Kim, Lee, Reiskin, Nuru, and Harper

ADJOURN – Chair Harper adjourned the meeting at 11:40 a.m.

A recording of the meeting is on file in the office of the Secretary to the Transbay Joint Powers Authority Board of Directors.

Nila Gonzales
Board Secretary

The Ethics Commission of the City and County of San Francisco has asked us to remind individuals that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [Campaign and Gov't Conduct Code, Article II, Chapter 1, § 2.100, et seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102, telephone (415) 252-3100, fax (415) 252-3124 and web site: www.sfethics.org.