

**STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: December 13, 2018**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute an amendment to the Professional Services Agreement 13-02-PMPC-000 (Agreement) between the Transbay Joint Powers Authority (TJPA) and URS Corporation (URS) to increase the budget for Phase 1 Program Management/Program Controls (PMPC) services by \$720,000 for a not-to-exceed total contract amount of \$34,750,000 to support the completion of Phase 1 through June 2019.

SUMMARY:

A team led by URS has been providing PMPC services to the TJPA for the Transbay Program (Program) since 2004 under consecutive agreements executed in 2004 and 2014. To date, four amendments to the current Agreement have been executed to update Key Personnel, cumulatively increase the total compensation under the Agreement from \$21,760,000 to \$34,030,000, and extend the term from June 30, 2018, to December 31, 2019, as described in detail in this staff report. Ongoing services include project management, risk management and project controls, budget and schedule monitoring, stakeholder and agency coordination, operations support, and document control. The most recently approved amendment, Amendment No. 4 executed in July 2018, slated \$200,000 for Phase 1 project closeout activities through the end of January 2019 and anticipated that services related to Phase 1 would not be needed beyond that date.

However, some trade work is still outstanding and will delay completion of construction, which is now anticipated to occur in spring 2019, with Phase 1 project closeout shortly thereafter. Consequently, staff anticipates needing PMPC support through June 2019 to support Phase 1 closeout. Additionally, since July, several unexpected developments have affected the Phase 1 schedule: the closure of the transit center in September for structural steel investigations related to fissures in steel beams in the bus deck ceiling over Fremont Street and a lawsuit filed by Webcor/Obayashi Joint Venture, the Construction Manager/General Contractor (CM/GC), on October 16, 2018. PMPC staff have been assisting the TJPA with these issues, including providing structural peer review for the temporary shoring systems related to the steel beams and support to TJPA's legal counsel related to the CM/GC's lawsuit and construction claims. Staff anticipates needing this ongoing support from PMPC staff as well as assistance with the ongoing tenant improvement design review process—work that was originally to be done by TJPA's inhouse staff before the beam fissures were discovered.

Beginning in January 2019, it is anticipated that appropriate PMPC staff would be retained on a half-time basis (or less), with one exception, the document control manager, who would remain full-time.

EXPLANATION:

Contract History

In September 2013, following a formal procurement process, the TJPA selected a URS-led team, with Hatch Mott MacDonald (now Mott MacDonald), EPC Consultants and others, to continue in their role as the TJPA's PMPC consultant. In June 2014, the TJPA Board authorized the Executive Director to execute the Agreement with URS for a maximum compensation of \$21,760,000 and a term of four years, through June 30, 2018. Four amendments to the Agreement have been executed, as follows:

- Amendment No. 1, executed by the TJPA Executive Director on February 9, 2016, updated PMPC Key Personnel.
- Amendment No. 2, authorized by the TJPA Board on March 9, 2017, increased the compensation under the Agreement by \$5,400,000 (\$3.64 million for Phase 1 and \$1.76 million for Phase 2), for a not to exceed amount of \$27,160,000. The expiration date of the Agreement remained June 30, 2018, based on the CM/GC's construction schedule at the time, which showed substantial completion of Phase 1 on December 22, 2017. The Phase 1 scope of work authorized under Amendment No. 2 included additional archaeological investigations, quality control/quality assurance services, safety and security consulting, IT consulting, O&M revenue enhancing and asset manager procurement consulting and support. Phase 2 work completed under this amendment included managing the work necessary to develop a delivery plan and funding plan for Phase 2, which included completing the 30% PE drawings for Phase 2 components north of Townsend Street; completing a study of tunneling methodologies to evaluate whether impacts to surface streets along the DTX alignment could be reduced; updating the right-of-way cost estimate; updating the ridership study; performing a risk assessment; and updating the Program cost estimate. The PMPC team also continued to support development of the Supplemental Environmental Impact Statement/Environmental Impact Report as well as ongoing coordination with Caltrain, the California High-Speed Rail Authority, and the City, including the Planning Department on the Rail Alignment and Benefits Study.
- Amendment No. 3, executed by the TJPA Executive Director and effective June 1, 2018, extended the PMPC team's period of performance by 146 days to November 23, 2018, and increased the contract amount by \$1.1 million to \$28,260,000 to provide Phase 1 project closeout and commencement of operations support as a result of the CM/GC's extended schedule for construction completion.
- Amendment No. 4, authorized by the TJPA Board on July 12, 2018, increased the budget by \$5.77 million (based on assumed \$200,000 of additional funding for continued Phase 1 services through the end of January 2019 and \$5.57 million for Phase 2 services through December 31, 2019) for a total not to exceed amount of \$34,030,000. Note that in October 2018, the San Francisco County Transportation Authority suspended its allocation of approximately \$9.7 million in Prop K funds for the approved Phase 2 scope of work; this affects not only the design work authorized under Amendment No. 4 but also the Program administrative work being done by PMPC staff.

Amendment No. 5 would increase the budget for Phase 1 PMPC services by \$720,000 to allow for continued PMPC support through June 2019 to complete Phase 1.

Continuation of Phase 1 Services

The following PMPC support is needed to complete Phase 1:

Phase 1 Closeout—No additional funding is required; cost covered by Amendment No. 4. The CM/GC's schedule currently shows final completion of transit center construction in May 2019. The CM/GC still has a number of outstanding trade packages to complete, and closeout will be delayed by the closure of the transit center for the investigation, testing, and repair of the structural steel beams. Trade work remaining includes reinstallation of MEP systems and fireproofing in the affected areas, installation of ceiling panels, commissioning, and final inspection. PMPC services associated with Phase 1 closeout include final budget reconciliation, all Program level reports required to close out Phase 1, and as-needed assistance to the TJPA with facility acceptance, systems acceptance, turnover of operations and maintenance materials, warranties, and file turnover.

Retail Tenant Improvements & Operations—\$90,000

Staff needs additional support to expedite approvals of retail tenant design and construction documents as well as general facility readiness support. The PMPC team, with its history on the Program and expertise in the design development process, would represent the TJPA's interests, working with the asset manager, to ensure the retail tenant designs follow the established retail tenant improvement design guidelines and to develop and implement the landlord base building work packages that are required to support retail tenant work. This work was originally planned to be undertaken by TJPA inhouse staff before the fissures in the beams were discovered.

Claims Analysis Resolution and Support—\$95,000

Staff also needs ongoing support relative to Webcor's recent lawsuit. This work would include assisting TJPA's legal counsel in the review, analysis, and resolution of the lawsuit and any claims associated with implementation of the Program.

Program Controls, Cost Monitoring and Accounting—\$190,000

Working with TJPA finance staff and financial consultants, PMPC staff would support TJPA staff in the following areas:

- **Risk Management:** Prepare and update a monthly Phase 1 status report that summarizes the cost estimate to complete the project. This report includes current actual costs spent to date, approved change orders, and an estimated cost to complete each trade package (risk/exposure). The estimate for each trade package is based on both known costs, those that have been submitted for review by the CM/GC to the TJPA's Construction Management Oversight consultant (Turner Construction), and an estimate for any unknown risks based on the amount of remaining work. The risk/exposure is then reviewed, and a final risk/exposure report is prepared.
- **Cash Flow Planning:** Analyze, prepare, and maintain current and projected cash flow requirements as well as planned contract commitments for the Program.
- **Cost Accounting Technical Support and Budgeting:** Develop, maintain, and analyze budgets; track actual commitments, costs and encumbrances; analyze variances; and forecast total Program costs.
- **Cost Monitoring, Forecasting and Reporting:** Collect and analyze project and Program cost information, including encumbrances, commitments, contingency usage, actual

expenditures, trends, forecasts and variance information; produce reports to satisfy the requirements of funding partners and other stakeholders.

- **Cost Control:** Monitor cost performance and take corrective actions to keep the Program scope within the approved budget, following established procedures and policies for change order and contingency usage approval, budget changes, change management, trend forecasting, and variance notification.

Document Management and Other Support—\$185,000

Administrative support would include:

- **Structural and Seismic Review Committee Consulting Services:** Assist, as needed, in the review of work related to the structural steel investigations.
- **Status Reporting/Technical Editing:** Prepare monthly and other regular or one-time reports of Program, project, and contract status as required by the TJPA, funding agencies, and other Program stakeholders; coordinate editing and production of other Program documents.
- **Document Control:** Implement the document control management plan, including coordinating, documenting, managing, controlling, and distributing correspondence, reports, memoranda, submittals, drawings, contract documents, and other Program documents; maintain an accessible record of all Program documents; maintain the Program library of all official documents.
- **FTA Record of Decision:** Complete necessary coordination with the Federal Transit Administration (FTA) and stakeholders to document, disseminate and record the FTA's Record of Decision regarding the Supplemental Environmental Impact Statement/ Environmental Impact Report.

Other Direct Costs—\$160,000

Direct costs include office rent (includes PMPC and CMO trailers), program management software license renewal, and contingency.

With the exception of the document control manager, it is anticipated that PMPC staff would be retained on a half-time basis (or less) from January through June 2019. The extended Phase 1 activities would be funded from the Program Reserve in the approved Phase 1 Baseline Budget.

RECOMMENDATION:

Authorize the Executive Director to execute an amendment to the Professional Services Agreement 13-02-PMPC-000 (Agreement) between the Transbay Joint Powers Authority and URS Corporation to increase the budget for Phase 1 Program Management/Program Controls services by \$720,000 for a not-to-exceed total contract amount of \$34,750,000 to support the completion of Phase 1 through June 2019.

ENCLOSURES:

1. Resolution
2. Amendment

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On September 26, 2013, following a formal procurement process, the TJPA received a proposal by a URS-led team for Program Management/Program Controls (PMPC) services and negotiated a scope of services with URS for a period of four years from the effective date at an amount not to exceed \$21,760,000; and

WHEREAS, On June 12, 2014, the TJPA Board of Directors authorized the Executive Director to execute Professional Services Agreement No. 13-02-PMPC-000 for PMPC services (Agreement) with URS, in an amount not to exceed \$21,760,000 and a term of four years; and

WHEREAS, On March 9, 2017, the TJPA Board authorized the Executive Director to execute an amendment to the Agreement in an amount not to exceed \$5.4 million, for a total not to exceed amount of \$27,160,000, with no extension to the term of the Agreement; and

WHEREAS, On June 1, 2018, to accommodate the CM/GC's construction schedule, the TJPA extended the term of the Agreement by 146 calendar days and increased the compensation by \$1.1 million for a not to exceed amount of \$28,260,000; and

WHEREAS, On July 12, 2018, the TJPA Board authorized the Executive Director to execute an amendment to the Agreement to extend the term of the Agreement, and to increase the compensation by an amount not to exceed \$5.77 million (based on an assumed \$200,000 for continued Phase 1 services through the end of January 2019 and \$5.57 million for Phase 2 services through December 31, 2019), for a total not to exceed amount of \$34,030,000; and

WHEREAS, Additional PMPC services will be needed to close out Phase 1, which is now expected in May 2019, and to support staff in the investigation, testing, and repair of the structural steel beams in the transit center; provide services related to retail tenant improvements and operations; assist staff and the TJPA's legal counsel with claims management and responding to a lawsuit filed by Webcor/Obayashi Joint Venture; and provide ongoing program controls, cost monitoring, and accounting services; consequently, PMPC services on Phase 1 tasks will extend through June 2018, which requires an amendment to the Agreement to increase the compensation; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute an amendment to Agreement No. 13-02-PMPC-000 to increase the maximum compensation amount by a not-to-exceed amount of \$ \$720,000 for a not-to-exceed total contract amount of \$34,750,000 to support the completion of Phase 1.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of December 13, 2018.

Secretary, Transbay Joint Powers Authority

Amendment No. 05
Agreement No. 13-02-PMPC-000 between
the Transbay Joint Powers Authority and
URS Corporation

This AMENDMENT No. 05 to AGREEMENT 13-02-PMPC-000 is entered into as of _____, 2018, by and between the TRANSBAY JOINT POWERS AUTHORITY (“TJPA”) and URS CORPORATION, a Nevada Corporation, dba URS Corporation Americas (the “Contractor”).

By this Amendment No. 05, the TJPA and the Contractor hereby modify Agreement No. 13-02-PMPC-000, dated July 1, 2014 as previously amended (“Agreement”), only to the extent expressly provided in this Amendment No. 05. All other terms and conditions of the Agreement shall remain in full force and effect.

Recitals

- A. On June 12, 2014, the TJPA Board of Directors adopted Resolution No. 14-016, which authorized the Executive Director to execute an agreement in an amount not to exceed \$21,760,000 for Program Management/Program Controls services by Contractor for a term not to exceed four (4) years from the Effective Date of the Agreement (July 1, 2014), and provides that the TJPA shall have the right to extend the Agreement for two (2) additional consecutive three (3) year terms.
- B. On February 9, 2016, the Executive Director executed an amendment to the Agreement (Amendment No. 01) to update the project’s Key Personnel listed in the Agreement.
- C. On March 9, 2017, The TJPA Board of Directors adopted Resolution No. 17-010, which authorized the Executive Director to execute an amendment to the Agreement (Amendment No. 02) to increase the maximum compensation under the Agreement to \$27,160,000 to accommodate additional services from the Contractor.
- D. Effective June 1, 2018, the Executive Director executed Amendment No. 03 to the Agreement to accommodate the extended schedule for Phase 1 construction completion, increasing the maximum compensation to \$28,260,000 and extending the period of performance by 146 calendar days to November 23, 2018.
- E. On July 12, 2018, the TJPA Board of Directors adopted Resolution No. 18-033, which authorized the Executive Director to execute an amendment to the Agreement (Amendment No. 04) to extend the term of the Agreement to December 31, 2019, and increase the compensation by an amount not to exceed \$5.77 million (based on assumed \$0.2 million for Phase 1 services and \$5.57 million for Phase 2 services) for a total not to exceed amount of \$34,030,000.
- F. The TJPA and the Contractor wish to amend the Agreement to increase the maximum compensation under the Agreement to accommodate extended PMPC Phase 1 services through June 2019.

G. The TJPA and Contractor intend that this Amendment No. 05 to the Agreement complies with the regulations of the United States Department of Transportation (“USDOT”).

Now, THEREFORE, the parties agree as follows:

Terms and Conditions

Compensation

Article 8.a. of the Agreement, Compensation / Generally, is hereby modified to increase the maximum compensation for work to be performed, as provided below:

The maximum amount payable under this Agreement ("Contract Limit") shall not exceed ~~Thirty-Four Million Thirty Thousand Dollars (\$34,030,000)~~ **Thirty-Four Million Seven Hundred Fifty Thousand Dollars (\$34,750,000)**. The Contract Limit includes (a) the allowable actual costs of services ("Contract Costs") plus (b) the Contractor's fee for the period of this Agreement ("Contract Fee"). The Contract Costs shall not exceed ~~Thirty-One Million Nine Hundred Ninety One Thousand Eight Hundred Dollars (\$31,991,800)~~ **Thirty-Two Million Three Hundred Eighteen Thousand Dollars (\$32,318,000)** and the Contract Fee shall not exceed ~~Two Million Thirty Eight Thousand Two Hundred Dollars (\$2,038,200)~~ **Two Million Four Hundred Thirty-Two Thousand Dollars (\$2,432,000)**.

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

The individuals executing this Amendment No. 05 to the Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 05 on the day first mentioned above.

**TRANSBAY JOINT POWERS
AUTHORITY**

**CONTRACTOR
URS CORPORATION**

Mark Zabaneh
Executive Director

Jon Porterfield
Vice President

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____

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San Francisco, CA 94104
Phone: (415) 796-8100
Tax Identification No.: 94-1716908

Adopted: _____

Attest:

Secretary, TJPA Board

Approved as to Form by:

TJPA Legal Counsel