

**STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: May 14, 2020**

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) for Program Management/Program Controls (PMPC) services, to exercise the remaining option to extend the Agreement term by four years (July 1, 2020 through June 30, 2024); increasing the budget by \$14,600,000 for a not-to-exceed total contract amount of \$50,597,000 to support the advancement of the Transbay Program (Program) Phase 2/Downtown Rail Extension (DTX) to ready-for-procurement status; and other amendments.

SUMMARY:

A team led by URS has been providing PMPC services to the TJPA for the Program since 2004 under two separate consecutive agreements executed in 2004 and 2014. To date, seven 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 \$35,997,000, and extend the term from June 30, 2018 to June 30, 2020. As described in this staff report, the prior amendments to the Agreement have allowed for ongoing Phase 1 services to continue through the closeout period for Phase 1 of the Program, standing up the Salesforce Transit Center operations including tenant improvement review, and for limited services for Phase 2. Board-approved Phase 2 services have included design review; stakeholder coordination; and program controls functions—updating the Phase 2 budget and schedule, cost monitoring, and cash flow planning.

In July 2018, the San Francisco County Transportation Authority (SFCTA) allocated about \$9.7 million in Prop K funds to the TJPA to fund draft submittals to bring the Phase 2 design to a 30% level of completion. Following TJPA Board approval, staff issued notice to proceed with the limited Phase 2 scope to the PMPC consultant. At that time, staff noted their intent to release later that year a request for proposals for the more comprehensive PMPC services that would be needed to complete the Phase 2 design, secure funding, and construct the project. However, in October 2018, the SFCTA suspended the Prop K funding agreement with the TJPA to allow for an evaluation of the management and delivery of Phase 1 and a review of alternative oversight and governance models for the management and delivery of Phase 2/DTX. Work on the Phase 2 scope was put on hold until further action from the SFCTA.

The SFCTA completed their review of the Program in October 2019 and has proposed forming an executive steering committee that would make recommendations directly to the TJPA Board and support the TJPA in bringing Phase 2 to ready-for-procurement status. The new governance structure and a specific work program for Phase 2 are described in the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU) between the TJPA, Metropolitan Transportation Commission (MTC), SFCTA, Caltrain, California High-Speed Rail Authority (CHSRA), and the City (Mayor's Office) for the development of Phase 2. The MOU was approved by the TJPA Board on April 9, 2020. Execution of the MOU is pending signatures by all parties.

On April 28, 2020, the SFCTA allocated funding to resume work in accordance with the work program described in the MOU. Staff will require the assistance of a program management consultant to undertake the work scope. There is a remaining option in the Agreement to extend the term for Phase 2 services for an additional four years. The current PMPC team is composed of staff with extensive experience on the Program and in-depth technical knowledge of Phase 2; therefore, staff recommends amending the Agreement by exercising the extension option to allow the existing team led by URS, an AECOM Company, to support the TJPA and stakeholders to advance Phase 2. In accordance with the MOU, the PMPC team would work to prepare the required programmatic documentation and support TJPA staff in requesting entry into the Federal Transportation Administration's (FTA) New Starts funding program, and manage the design team's efforts to advance the design. TJPA, at the recommendation of peer reviewers from the American Public Transportation Association, will be moving some functions in-house, including the project controls functions; PMPC staff would provide limited, as-needed support to the TJPA project controls staff as required by the Program.

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. Seven 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 which was approved in July 22, 2019 as well as ongoing coordination with Caltrain, CHSRA, 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, and extended the contract term to a total of five years and six months, through December 31, 2019. Note that in October 2018, the SFCTA suspended the Prop K funding agreement with the TJPA; this affected not only the design work authorized under Amendment No. 4 but also the Program administrative work being done by PMPC staff. Funds allocated for PMPC services remaining in the Phase 2 task order budget under Amendment No. 4 were de-obligated. Approximately \$370,000 was expended prior to de-obligation in November 2018. \$5.4 million remains in PMPC contract budget amount for Phase 2.
- Amendment No. 5, authorized by the TJPA Board on December 13, 2018, increased the budget by \$720,000 for a not-to-exceed total contract amount of \$34,750,000, to allow for continued PMPC support to complete Phase 1.
- Amendment No. 6, executed by the TJPA Executive Director on August 9, 2019, increased the budget by \$750,000 for a not-to-exceed total contract amount of \$35,500,000, to allow the PMPC team to provide continued support to complete Phase 1 and limited Phase 2 support.
- Amendment No. 7, executed by the TJPA Executive Director on January 10, 2020, increased the budget by \$497,000 for a not-to-exceed total contract amount of \$35,997,000, and extended the contract through June 30, 2020, to allow for continued PMPC support to complete Phase 1.

Amendment No. 8 would increase the budget for PMPC services overall by \$14,600,000 and exercise the remaining four years of the option to allow for continued PMPC support for Phase 2 through June 2024 to support the advancement of Phase 2 to a ready-for-procurement status, in accordance with the MOU. The amendment would also update the description of assigned Key Personnel and increase the maximum individual direct rate under the Agreement. The total amount of the budget for PMPC services for Phase 2 is hence \$20,000,000 by combining the remaining budget under Amendment No. 4 (\$5,400,000) and the proposed additional budget under this Amendment No. 8 (\$14,600,000).

Continuation of Phase 2 PMPC Services

The following PMPC support is needed to advance Phase 2 to a ready-for-procurement status and support obtaining federal funding:

Program Management and Documentation—\$7.24 million (36.2%)

- **Program Management:** Manage program scope of work and provide staff planning, supervision, and support for the PMPC team.
- **Program Implementation Plans:** Prepare a phasing study to review opportunities for phasing Phase 2; obtain feedback from other agencies on their experiences with alternative project delivery methods; convene an industry sounding review to obtain

feedback from contractors on the DTX design; update the contract packaging report; update the project delivery method report; perform a risk management exercise including workshops and a report; set up and conduct a value engineering review including a workshop and report; and perform a constructability review.

- **Program Documentation:** Prepare a configuration management plan; update the program management plan, procedures, and policies; update the design criteria, and prepare a preliminary hazard analysis.

Design Management—\$3.49 million (17.5%)

- **Design Consultant Management:** Manage the project scope, design schedule, budgets and contracting during design.
- **Design Decision Tracking:** Develop and maintain a design decision tracking system to facilitate timely decision-making and document major design decisions.
- **Design Submittal Reviews:** Provide limited design submittal reviews per the approved staffing plan.

Program Controls, Cost Monitoring and Accounting—\$1.93 million (9.7%)

Working with TJPA program controls, finance staff, and financial consultants, provide limited support to TJPA staff in the following areas:

- **Cash Flow Planning:** Analyze, prepare, and maintain current and projected cash flow requirements as well as planned contract commitments for Phase 2 of the Program.
- **Cost Accounting Technical Support and Budgeting:** Analyze budgets; analyze variances; and forecast total Phase 2 costs.
- **Cost Monitoring, Forecasting and Reporting:** Analyze project and Phase 2 cost information, including encumbrances, commitments, contingency usage, actual expenditures, trends, forecasts, and variance information.
- **Scheduling:** Update the Phase 2 schedule twice a month to incorporate changes to the design schedule and/or program meetings.
- **Peer Review of Design Team Construction Cost Estimating:** Perform a peer review of the construction cost estimate prepared by the design team.
- **Ridership Study:** Update the 2018 ridership study to support the TJPA's estimate of operator passenger facility charge revenue for the funding plan.

Document Management and Other Support—\$5.34 (26.7%)

Administrative support would include:

- **Project Coordination:** Provide project coordination services including preparation of a third-party agreement plan; support of TJPA's efforts to acquire access to the public right-of-way through street vacations and easements; update quarterly mitigation monitoring reports; coordination with stakeholders for meetings on design-related matters, and management of the advance utility relocation package through design and construction.
- **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.
- **New Starts Application:** Provide limited support to TJPA staff to prepare the letter requesting entry into the FTA's New Starts funding program and request entry to the Engineering Phase.

Quality—\$510,000 (2.6%)

- **Quality Management Plan and On-Going Support:** Update the quality management plan and provide limited support to the TJPA's quality Program for audits.
- **CADD Compliance:** Update the Program CADD standards and provide high-level CADD reviews of design team submittals to confirm compliance with the CADD standards.

Other Direct Costs and Contingency—\$1.49 (7.5%)

Direct costs include office operations, program management support costs and contingency.

Initial Phase 2 activities would be funded by local Prop K funds allocated by the SFCTA, as approved by the SFCTA Board of Commissioners on April 28, 2020. Other sources of funding include Regional Measure 3 bridge toll funds allocated by MTC and bond sales currently being undertaken by the TJPA.

Updates to Key Personnel and rate cap

Amendment No. 8 amends Section 5.b. of the Agreement to update the personnel proposed for the remaining Key Personnel position(s). Further, the Appendix B rate cap of \$125 shall be amended to \$152 based upon actual consumer price indexing adjusted from 2014.

RECOMMENDATION:

Staff recommends that the Board authorize the Executive Director to execute Amendment No. 8 to the Professional Services Agreement 13-02-PMPC-000 between the Transbay Joint Powers Authority and URS Corporation to exercise the remaining option to extend the contract term for an additional four years (July 1, 2020 – June 30, 2024); increase the maximum contract amount by \$14,600,000 for a not-to-exceed total contract amount of \$50,597,000 to support the advancement of Phase 2; amend the Key Personnel; and amend the Basis for Reimbursement of Contractor Direct Labor Costs.

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 through December 31, 2019, 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, On October 23, 2018, the San Francisco County Transportation Authority (SFCTA) suspended the Prop K funding agreement with the TJPA to allow for an evaluation of the management and delivery of the Transit Center Project and a review of alternative oversight and governance models for the management and delivery of Phase 2/Downtown Rail Extension. Work on the Phase 2 scope was put on hold until further action from the SFCTA; and

WHEREAS, On December 13, 2018, the TJPA Board authorized the Executive Director to execute an amendment to the Agreement to increase the maximum compensation amount by \$720,000 for a not-to-exceed total contract amount of \$34,750,000 to support the completion of Phase 1; and

WHEREAS, On August 9, 2019, the Executive Director executed an amendment to increase the maximum compensation amount by \$750,000 for a not-to-exceed total contract amount of \$35,500,000 to support the completion of Phase 1 and limited Phase 2 support; and

WHEREAS, On January 10, 2020, the Executive Director executed an amendment to increase the maximum compensation amount by \$497,000 for a not-to-exceed total contract amount of \$35,997,000 and to extend the term of the Agreement to June 30, 2020; and

WHEREAS, On April 9, 2020, the TJPA Board approved the San Francisco Peninsula Rail Program Memorandum of Understanding (MOU) with the Metropolitan Transportation Commission, SFCTA, Caltrain, California High-Speed Rail Authority, and City (Mayor's Office), which describes a new organizational structure and work program for Phase 2; and

WHEREAS, The SFCTA, on April 28, 2020, allocated funding to recommence work on Phase 2 of the Transbay Program under the terms of the MOU; and

WHEREAS, PMPC services will be needed to support staff to advance Phase 2 toward ready-for-procurement status; prepare programmatic documentation to support staff in requesting federal funding; and provide support to TJPA's program controls, cost monitoring, and accounting services, and consequently, the TJPA's need for PMPC services for Phase 2 tasks will extend through June 2024; and

WHEREAS, The URS-led PMPC team is well prepared to assist the TJPA with the work program, which requires an amendment to the Agreement to increase the compensation and exercise the remaining option to extend the term of the Agreement; 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 exercise the remaining option to extend the term of the Agreement by four years (July 1, 2020 through June 30, 2024); increase the budget by \$14,600,000 for a not-to-exceed total contract amount of \$50,597,000 to support advancement of Phase 2; amend the Key Personnel; and amend the Basis for Reimbursement of Contractor Direct Labor Costs.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of May 14, 2020.

Secretary, Transbay Joint Powers Authority

Amendment No. 08
Agreement No. 13-02-PMPC-000 between
the Transbay Joint Powers Authority and
URS Corporation

This AMENDMENT No. 08 to AGREEMENT 13-02-PMPC-000 is entered into as of _____, 2020, 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. 08, 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. 08. 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. On December 13, 2018, the TJPA Board of Directors adopted Resolution No. 18-051, which authorized the Executive Director to execute an amendment to the Agreement (Amendment No. 05) to increase the compensation by an amount not to exceed \$720,000 for Phase 1 services for a total not to exceed amount of \$34,750,000.

- G. On August 9, 2019, the TJPA Executive Director executed Amendment No. 06 to the Agreement, increasing the compensation under the Agreement by an amount not to exceed \$750,000 for a total not to exceed amount of \$35,500,000, with no extension of time.
- H. On January 10, 2020, the TJPA Executive Director executed Amendment No. 07 to extend the term of the Agreement to June 30, 2020, and increase the compensation under the Agreement by an amount not to exceed \$497,000 for a total not to exceed amount of \$35,997,000.
- I. The TJPA and the Contractor wish to amend the Agreement to exercise the remaining option to extend the term of the Agreement for an additional four (4) years from July 1, 2020 to June 30, 2024; make changes to Key Personnel and Staffing,; increase the compensation under the Agreement by \$14,600,000 for a total not-to-exceed contract amount of \$50,597,000 to support advancement of Phase 2; and amend Appendix B, Basis for Reimbursement of Contractor Direct Labor Costs.
- J. The TJPA and Contractor intend that this Amendment No. 08 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

Term of the Agreement

Article 3 of the Agreement, Term of the Agreement is hereby modified to extend the term of the Agreement, as provided below:

~~“Subject to Section 2, the term of this Agreement shall not exceed six (6) years ten (10) years from the Effective Date of Agreement, as described in Section 4. provided that the TJPA shall have the right to extend this Agreement for four (4) additional years at the identical terms set forth in this Agreement except for any agreement terms that are modified by the parties. In order to renew the Agreement, the TJPA shall give written notice of its intent to renew the contract not later than 90 days before the expiration of the then current contract.”~~

Key Personnel and Staffing

Article 5.b. of the Agreement, Key Personnel and Staffing, is hereby modified as provided below:

~~“The Contractor agrees to commit and assign *the Program Manager Mark O’Dell* to manage this Program for the Contractor and to serve as the single official contact on behalf of the Contractor in all matters related to the Program for the duration of the Contract.”~~

1. Principal-in-Charge: Jon Porterfield
2. ~~Program Manager: Mark O'Dell,~~
3. ~~Project Manager, Transbay Transit Center: Ray Quesada, and~~
4. ~~Program/Project Controls Manager: Cathy Westcott.~~

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 Five Million Nine Hundred Ninety Seven Thousand Dollars (\$35,997,000)~~ **Fifty Million Five Hundred Ninety-Seven Thousand Dollars (\$50,597,000)**. 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 Three Million Five Hundred Six Thousand Dollars (\$33,506,000)~~ **Forty-Seven Million Two Hundred Eighty-Seven Thousand Dollars (\$47,287,000)** and the Contract Fee shall not exceed ~~Two Million Four Hundred Ninety One Thousand Dollars (\$2,491,000)~~ **Three Million Three Hundred Ten Thousand Dollars (\$3,310,000)**.

Appendix B

Appendix B, Basis for Reimbursement of Contractor Direct Labor Costs, Article I.D. of the Agreement, is hereby modified as provided below:

Notwithstanding the above, at no time will any individual direct rate exceed ~~one hundred twenty five dollars (\$125)~~ **one hundred fifty-two dollars (\$152)** per hour.

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

The individuals executing this Amendment No. 08 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. 08 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. _____
Adopted: _____
Attest:

URS Corporation dba
URS Corporation Americas
300 California Street, Suite 600
San Francisco, CA 94104
Phone: (415) 796-8100
Tax Identification No.: 94-1716908

Secretary, TJPA Board

Approved as to Form by:

TJPA Legal Counsel