

THIS PRINT COVERS CALENDAR ITEM NO. :

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Central Subway

BRIEF DESCRIPTION:

Approving Amendments No. 1 and No. 4 to Contract CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$1,010,600 for the designs to lower the Chinatown Station, and \$6,323,936 for the additional work necessary to provide engineering services through completion of Project construction, for a total amended contract amount not to exceed \$47,900,606; and requesting the Board of Supervisors' retroactive approval of Amendment No. 1 to the Contract and approval of Amendment No. 4 to the Contract.

SUMMARY:

- In 2010, the City awarded Contract CS-155-2 (Contract) to Central Subway Design Group (CSDG) to design three stations for the Central Subway Project, not to exceed \$39,949,959, for a ten-year term with a two-year extension option.
- During construction, CSDG provides engineering support services to interpret design documents, provide direction to the construction contractor, review contractor submittals, and inspect completed work.
- The Contract has been modified three times to compensate CSDG for additional work to address unexpected site conditions and design changes required by the City.
- Amendment No.1 increased the contract amount by \$1,010,600 to compensate for additional design work to lower the Chinatown Station.
- Amendment No. 4 increases the contract amount \$6,323,936 to compensate for engineering and design services needed to support stations construction for the extended Project construction period.
- Both amendments require the Board of Supervisors' approval under Charter Section 9.118(b).

ENCLOSURES:

1. SFMTAB Resolution
2. CS-155-2 Contract, Amendment No. 1
3. CS-155-2 Contract, Amendment No. 4

APPROVALS:

DATE

DIRECTOR _____

SECRETARY _____

ASSIGNED SFMTAB CALENDAR DATE: June 5, 2018

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PURPOSE

Approving Amendments No. 1 and No. 4 to Contract CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$1,010,600 for the design lowering the Chinatown Station, and \$6,323,936 for additional work necessary to provide engineering services through completion of Project construction; and requesting the Board of Supervisors' retroactive approval of Amendment No. 1 to the Contract and approval of Amendment No. 4 to the Contract.

STRATEGIC GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action supports the following SFMTA Strategic Plan Goal and Objectives:

Strategic Plan Goal 3 – Improve the environment and quality of life in San Francisco

Objective 3.1: Reduce the Agency's and the transportation system's resource consumption, emissions, waste and noise.

Objective 3.2: Increase the transportation system's positive impact to the economy.

Objective 3.3: Allocate capital resources effectively.

Objective 3.4: Deliver services efficiently.

Objective 3.5: Reduce capital and operating structural deficits.

This item will support the following Transit First Policy Principles:

1. Improves the safe and efficient movement of people and goods.
2. Improves public transit as an attractive alternative to travel by private automobile.
8. Allocates transit investments to meet the demand for public transit generated by new public and private commercial and residential developments.
9. Promotes the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.

DESCRIPTION

Contract and Contracted Services

On December 1, 2009, the SFMTA Board of Directors awarded Contract CS-155-2 (Contract) to Central Subway Design Group (CSDG) a joint venture between Parsons Brinkerhoff, Inc. (now called WSP), Michael Willis Architecture, Inc., and Kwan Henmi Architecture, Inc. (now called DLR Group), to design three underground stations for the Central Subway Project, for an amount not to exceed \$39,949,959, for a ten-year base term, and an option to extend the term an additional two years. On March 2, 2010, the Board of Supervisors approved the SFMTA's award of the Contract to CSDG.

Under the Contract, CSDG provides the following services:

1. Validate preliminary (conceptual) designs and complete final designs for the Yerba Buena/Moscone Station, Union Square/Market Street Station, and Chinatown Station.
2. Prepare bid documents (construction designs and specifications) and provide bid support services including conforming contract drawings and specifications

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3. Coordinate utility work
4. Verify construction costs and schedules
5. Review contract change order requests
6. Review and respond to contractor submittals, requests for information (RFIs), requests for substitution, and contract claims
7. Conduct site visits and observations to verify design compliance and/or assist in resolving issues
8. Update design drawings and specifications as needed to memorialize approved project changes
9. Witness and approve factory testing of manufactured equipment and materials
10. Provide on-going geotechnical investigation and engineering services
11. Provide on-going engineering and quality assurance services for the mining at Chinatown Station
12. Provide site surveying
13. Perform (and review others') cost estimates and scheduling

Items 1-3, described above, have been completed. CSDG will continue to provide the engineering services described in Items 4-13, through the completion of the stations construction. In addition, CSDG will assemble operations and maintenance manuals, and will prepare as-built contract specifications and design documents when construction is complete.

The Contract is structured on a cost reimbursement model, as are most engineering services contracts for complex projects. The parties estimated the number of hours CSDG would need to spend on various categories of work, with contract costs estimated by multiplying those hours by the hourly rates of the personnel assigned to perform the work and by an audited rate for overhead. The parties also negotiated a separate fixed fee that covers CSDG's profit and costs not covered as allowed overhead; the fixed fee is paid pro rata to hours worked with each progress payment. Design services during construction are accounted under Task 16 in the Contract, the proposed Amendment No. 4 will add approximately 30,000 hours to Task 16.

Prior Amendments to the Contract

The Contract has been modified three times to address unexpected site conditions and design changes required by the City. The three amendments increased the contract amount by \$1,626,722, for a total amended contract amount not to exceed \$41,576,670.

Amendment No. 1

On December 21, 2011, the Director of Transportation approved Amendment No. 1 to the Contract for \$1,010,600 to compensate CSDG for additional design work necessary to lower the Chinatown Station. A peer review of draft final designs of the Chinatown Station identified risks that the excavation of the station might impact the Mandarin Tower building in Chinatown. To avoid those potential impacts, the SFMTA and CSDG agreed to dig the Chinatown Station 25 feet deeper.

Amendment No. 1 should have been presented to the SFMTA Board and then to the Board of

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Supervisors for their approval, but was not due to staff misunderstanding of the Director of Transportation's contract approval authority.

Amendment No. 2

On June 28, 2016, the Director of Transportation approved Amendment No. 2 to the Contract for \$484,053 to compensate CSDG for additional work in the design of the plaza above the Chinatown Station.

Amendment No. 3

On November 17, 2016, the Director of Transportation approved Amendment No. 3 to the Contract for \$132,069 to compensate CSDG for additional design work required by the relocation of the tunnel boring machine retrieval shaft in North Beach.

Delay of Project Construction Requires Extending Construction Support Services

Tutor Perini Corporation (TPC), under Contract 1300, is the construction contractor for the Central Subway's stations, trackway, and control systems. Contract 1300 required that the work under that contract be substantially complete by February 18, 2018. But the work under Contract 1300 has been delayed by 15 months, due in part to unexpected site conditions, and contractor delays. Project staff currently anticipate that TPC will bring the work under Contract 1300 to substantial completion by May 31, 2019. Additional funding for CSDG to provide design services during construction is necessary to provide additional field engineering during the mining of Chinatown Station, and due to increases in the number of contractor requests for information (RFIs) seeking clarification of project designs and specifications and contractor change order requests (CORs). TPC has submitted approximately 3,000 RFIs to date; a large percentage of those RFIs have been unnecessary and even frivolous. TPC has also submitted approximately 1,500 contract change order requests (CORs) to date, the majority of which have been rejected as unmerited. Irrespective of whether a RFI and COR is or is not merited, however, CSDG must review and prepare a response to each RFI and COR. Due to the large number of RFI's TPC has submitted, CSDG has exceeded the number of hours allocated in the Contract for construction support services by approximately 60 percent, while the construction of the stations is only 70 percent complete. It is necessary, therefore, to increase the contract amount and hours allocated to construction support services.

The SFMTA's Contract Compliance Office has determined that CSDG has met the 30% Small Business Enterprise participation goal that the SFMTA established for the Contract.

STAKEHOLDER ENGAGEMENT

Contract Amendment No.4 extends the level of design and construction support services, and increasing the scope does not have any negative impact to the community; hence, no community outreach was performed.

ALTERNATIVES CONSIDERED

Disapproval of Amendment No. 1 retroactively would render that amendment void, which would likely negatively impact CSDG's willingness to continue to provide construction support engineering services to the Central Subway Project, which are necessary for the successful completion of the Project.

Disapproval of Amendment No. 4 will preclude CSDG's participation in reviewing the remaining construction work for the Central Subway Project. It is important that CSDG, as the designers of record for the stations, continue to be retained to provide design services during construction. Loss of CSDG's services would likely cause significant delays to the completion of the Central Subway Project, as the SFMTA would not otherwise have the expertise to respond to contractor inquiries as to stations designs and specifications.

FUNDING IMPACT

The Central Subway project is funded with Federal Transit Administration (FTA) New Starts, Federal Congestion Management & Air Quality (CMAQ), State Transportation Bond Proposition 1A and 1B, State Regional Improvement Program, State Transportation Congestion Relief Program (TCRP), and Prop K Half-Cent Local Sales Tax funds. Contract CS-155-2 Modification #4 will not increase the total project cost of \$1.578B. Existing funds will be used to pay for the additional cost. The breakdown of the funding sources and their amounts is as follows:

Source	TOTAL
5309 New Starts	\$942,200,000
CMAQ3	\$41,025,000
Prop 1A High Speed Rail Connectivity	\$61,308,000
Prop 1B- MTC	\$87,895,815
Prop 1B-SFMTA	\$219,896,185
RIP-SF/Other	\$74,248,000
TCRP	\$14,000,000
Prop K	\$137,727,000
	\$1,578,300,000

ENVIRONMENTAL REVIEW

On April 27, 2018, the SFMTA, under authority delegated by the Planning Department, determined that Amendment No. 4 to the Contract is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated by reference.

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OTHER APPROVALS RECEIVED OR STILL REQUIRED

The proposed Amendment No. 4 to the Contract requires approval by the Board of Supervisors under Charter Section 9.118(b), as the original contract was subject to the Board of Supervisors approval and the value of the amendment exceeds \$500,000. The Amendment No. 1 to the Contract requires retroactive approval by the Board of Supervisors under Charter Section 9.118(b), as the original contract was subject to the Board of Supervisors approval and the value of the amendment exceeded \$500,000.

The City Attorney's Office has reviewed this calendar item.

RECOMMENDATION

SFMTA staff recommends that the SFMTA Board of Directors approve Amendments No. 1 and No. 4 to Contract CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$1,010,600 for designs to lower the Chinatown Station, and \$6,323,936 for additional work necessary to provide engineering services through completion of Project construction, for a total amended contract amount not to exceed \$47,900,606; and request the Board of Supervisors' retroactive approval of Amendment No. 1 to the Contract and approval of Amendment No. 4 to the Contract.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Design and construction of the 1.75-mile Central Subway (Central Subway Project) is Phase 2 of the Third Street Light Rail Transit Project; and,

WHEREAS, On December 1, 2009, the SFMTA Board of Directors awarded Contract CS-155-2 (Contract) to Central Subway Design Group (CSDG) to design three subway stations for the Central Subway Project, for an amount not to exceed \$39,949,959, including \$4,890,707 in optional work, for a ten-year term with an option to extend the term two years; and,

WHEREAS, On March 2, 2010, the Board of Supervisors approved the award of the Contract to CSDG; and,

WHEREAS, The Contract has been modified three times to compensate CSDG for additional work required to address unexpected site conditions and design changes required by the City. The three amendments increased the total contract amount by \$1,626,722, for a total amended contract amount not to exceed \$41,576,670; and,

WHEREAS, CSDG provides engineering support services construction to interpret design documents, answer questions and provide direction to the construction contractor, review contractor submittals, and inspect completed work; and,

WHEREAS, Construction of the Central Subway Project has been delayed 15 months beyond the original substantial completion date; and,

WHEREAS, Amendment No. 4 to the Contract provides compensation to CSDG so that the City may continue to receive CSDG's engineering and design services, which are necessary to support the construction of the Central Subway stations; and,

WHEREAS, Amendment No. 1 to the Contract provides compensation to CSDG for design work necessary to lower the Chinatown Station approximately by 25 feet to avoid impacts to the Mandarin Tower in Chinatown; and,

WHEREAS, Due to staff misunderstanding of the Director of Transportation's authority to approve contracts, Amendment No. 1 was not presented to the SFMTA Board of Directors for approval, nor to the Board of Supervisors for approval; and,

WHEREAS, With the approval of Amendments No. 1 and No. 4 to the Contract, the revised base and optional contract amounts for the final design of the Central Subway stations, construction support and other related services shall not exceed \$47,107,363 and \$793,243, respectively; and,

WHEREAS, The Central Subway Final Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (Central Subway SEIS/SEIR) evaluated the environmental impacts of the Central Subway project, including construction of the subway stations. On August 7, 2008, the San Francisco Planning Commission certified the Final SEIR (Case No. 1996.281E). On August 19, 2008 the SFMTA Board of Directors approved Resolution 08-150 adopting Central Subway Project Alternative 3B as the Locally Preferred Alternative, the CEQA Findings, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Plan; and,

WHEREAS, The environmental review determination is on file with the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; and,

WHEREAS, As to Amendment No. 4 to the Contract, on April 27, 2018, the SFMTA, under authority delegated by the Planning Department, determined that Amendment No. 4 to the Contract is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination regarding Amendment No. 4 to the Contract is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now therefore be it

RESOLVED, The SFMTA Board of Directors approves retroactively Amendment No. 1 to CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$1,010,600 to compensate CSDG for additional design work necessary to lower the Chinatown Station; and be it further

RESOLVED, The SFMTA Board of Directors requests that the Board of Supervisors retroactively approve Amendment No. 1 to CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$1,010,600 to compensate CSDG for additional design work necessary to lower the Chinatown Station; and be it further

RESOLVED, The SFMTA Board of Directors approves Amendment No. 4 to CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$6,323,936 for additional work necessary to provide engineering services through completion of Project construction, for a total contract amount not to exceed \$47,900,606; and be it further

RESOLVED, The SFMTA Board of Directors requests that the Board of Supervisors approves Amendment No. 4 to CS-155-2, Architectural and Engineering Services for the Final Design and Construction of the Central Subway Project, with the Central Subway Design Group to increase the contract amount by \$6,323,936 for additional work necessary to provide engineering services through completion of Project construction, for a total contract amount not to exceed \$47,900,606.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 5, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency