

File No. 101197

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: October 20, 2010

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement *                         |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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Completed by: Victor Young

Date: October 15, 2010

Completed by: Victor Young

Date: \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



1 [Contract Approval - Municipal Transportation Agency - Capital Program Controls System  
2 Procurement and Related Support Services - Not to Exceed \$22,268,541]

3 **Resolution approving the Municipal Transportation Agency Contract No. CS-156,**  
4 **Agency Capital Program Controls System Procurement and Related Support Services,**  
5 **to Hill International as negotiated for an amount not to exceed \$22,268,541 for a term**  
6 **not to exceed eight years, with expenditures limited to \$13,481,000 pending receipt and**  
7 **certification of additional funding.**

8  
9 WHEREAS, The Final Environmental Impact Statement/Environment Impact Report  
10 (Final EIR/EIR) for the two-phase of the Third Street Light Rail Project (the "Project") was  
11 completed in November 1998; and,

12 WHEREAS, The former Public Transportation Commission approved Resolution No.  
13 99-009 on January 19, 1999, which adopted the environmental findings pursuant to the  
14 California Environmental Quality Act (CEQA) for the Project, including mitigation measures as  
15 set forth in the Project's Final Environmental Impact Report and Mitigation Monitoring Report;  
16 and,

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

19 WHEREAS, The anticipated complexity of the Central Subway Project, in proximity to  
20 sensitive urban structures and facilities, poses significant coordination, management, design  
21 and construction challenges to the City; and,

22 WHEREAS, The City does not have the specialized expertise or staff resources to  
23 provide project controls for a project of this size and intricacy; and,

24 WHEREAS, The SFMTA conducted a competitive selection process for a qualified  
25 consultant to develop and implement a Capital Program Controls System, to train SFMTA

FILE NO.

RESOLUTION NO.

1 staff in its use, and to provide related services to the Central Subway Project, and Hill  
2 International, Inc. was selected as the most qualified proposer; and,

3 WHEREAS, Staff and Hill International have engaged in a detailed contract negotiation  
4 to determine the costs and resources necessary to provide the Agency Program Controls  
5 System and Related Support Services; and,

6 WHEREAS, The City engineer's estimate for the costs for a Capital Program Controls  
7 System and Related Support Services was \$22,000,000; and,

8 WHEREAS, The negotiated total amount for the contract work during the eight year  
9 term is not to exceed \$22,268,541; and,

10 WHEREAS, Hill International has represented that it has the requisite experience,  
11 expertise, resources and staff to provide a Capital Program Controls System and related  
12 services; and,

13 WHEREAS, The Capital Program Controls System will benefit the Central Subway  
14 Project and other SFMTA capital projects by providing the SFMTA an integrated complex  
15 capital project financing, budgeting, payment accounting, design and construction scheduling,  
16 cost estimating, document control, and claim management system, and related software to be  
17 integrated to existing systems; and,

18 WHEREAS, The Central Subway Project will provide \$10,000,000 in funding for the  
19 Capital Program Controls System and related professional services for the Central Subway  
20 Project, and other current SFMTA capital projects will provide an additional \$3,481,000 in  
21 certified funding for Capital Program Controls System services for those projects; and,

22 WHEREAS, Other SFMTA capital projects will provide funding for Capital Programs  
23 Control System services provided to those projects, which amounts are not yet programmed  
24 but are expected to total \$8,787,541, for a total contract amount not to exceed \$22,268,541  
25 for the Capital Program Controls System; and,

FILE NO.

RESOLUTION NO.

1           WHEREAS, On August 3, 2010. the SFMTA Board of Directors by Resolution No. 10-  
2   117 authorized award of Contract CS-156 for Agency Capital Program Controls System  
3   Procurement and Related Support Services to Hill International, Inc., in an amount not to  
4   exceed \$22,268,541 and a term not to exceed eight years; and,

5           WHEREAS, Services provided under this contract are subject to and contingent upon  
6   approval of the Civil Service Commission; now, therefore, be it

7           RESOLVED, That the Board of Supervisors approves San Francisco Municipal  
8   Transportation Agency Contract No. CS-156 for Agency Capital Program Controls System  
9   Procurement and Related Support Services awarded to the Hill International, Inc., in an  
10   amount not to exceed \$22,268,541 and a term not to exceed eight years, with expenditure  
11   limited to \$13,481,000 pending receipt and certification of additional funding, said additional  
12   expenditures to be exercised by the SFMTA without further action by the Board of  
13   Supervisors.

**Item 3**  
**File 10-1197**

**Department(s):**  
San Francisco Municipal Transportation Agency (SFMTA)

## **EXECUTIVE SUMMARY**

### **Legislative Objective**

- The proposed resolution would authorize an agreement between the San Francisco Municipal Transportation Agency (SFMTA) and Hill International for Hill International to provide a Capital Program Controls System and Related Support Services, for the SFMTA's Central Subway Project and various other SFMTA projects, (a) for a term of eight years, (b) in an amount not-to-exceed \$22,268,541, and (c) limiting actual expenditures to currently available funds, or \$13,481,000, pending the certification by the Controller of additional available funds.

### **Key Points**

- The Central Subway Project is the second phase of the Third Street Light Rail Transit Project, which would construct three new subway stations and one surface station for the SFMTA to provide rail service to the Financial District and Chinatown.
- According to the SFMTA, the SFMTA does not have the "experience or expertise in project controls, with specialties in transit, tunneling, and underground construction scheduling and estimating, to design, implement, maintain, and train SFMTA staff in the use of a project controls system" for the Central Subway Project. In addition, the SFMTA recognizes that its other transit projects face the same shortcomings and, as a result, the Capital Program Controls System will be utilized by other SFMTA projects.
- Subsequent to a competitive Request for Proposal (RFP) process, the SFMTA has recommended the award of the proposed agreement with Hill International for Hill International to provide a Capital Program Controls System, which includes capital project budgeting, financing, contractor payments, project design and construction scheduling, and contract claims management.

### **Fiscal Impacts**

- The proposed agreement would be funded with 80 percent in Federal grants and 20 percent from Proposition K funds. Currently, the SFMTA has \$13,481,000 in available Federal grants and Proposition K funds. However, the SFMTA anticipates receiving additional Federal and local funds totaling \$8,787,541 (\$22,268,541 total estimated project costs less \$13,481,000 in available funds) throughout the duration of the agreement, which is estimated to be completed by October 31, 2018. As the SFMTA receives additional funding, such funding will be subject to certification by the Controller.

### **Recommendation**

- Approve the proposed resolution.

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

City Charter Section 9.118 (b) requires any agreement which would result in anticipated expenditures of \$10,000,000 or more by the City and County be approved by the Board of Supervisors.

**Background**

The Central Subway Project is the second phase of the Third Street Light Rail Transit Project. Phase 1, the T-Third line, began revenue service in April 2007, restoring light rail service to the Third Street corridor in eastern San Francisco. Phase 2, the Central Subway Project, will extend the Third Street line by constructing three new subway stations and one surface station in order for the SFMTA to provide rail service to the Financial District and Chinatown.

The Central Subway design consists of both (a) in-street surface light rail in the southern portion of the system and (b) subway operations, through twin bore tunnels, with three new subway stations at (i) Moscone/Yerba Buena, (ii) Union Square/Market Street, and (iii) Chinatown. Design engineering work for the Central Subway Project began in January 2010. Relocation of utility services for the Central Subway Project also began in January of 2010. According to a memorandum to the Board of Supervisors dated August 24, 2010, from Mr. Nathaniel Ford, Sr., Executive Director/CEO of the SFMTA, the Central Subway Project will be completed in 2018, at which point revenue-generating light rail and subway service is scheduled to begin.

According to the SFMTA's August 2010 monthly report, the total estimated cost for the Central Subway Project is \$1,578,300,000. As of July 31, 2010, project expenditures totaled \$68,300,000, or approximately 4.3 percent of the total estimated project costs. According to the SFMTA's August 2010 monthly report, \$155,900,000, or 9.9 percent of the total estimated project costs of \$1,578,300,000, has been previously appropriated by the Board of Supervisors.

According to an August 24, 2010 memorandum from Mr. Ford, the Central Subway Project will be designed and constructed through seven interrelated construction contracts. The SFMTA recognizes that it does not have the "experience or expertise in project controls, with specialties in transit, tunneling, and underground construction scheduling and estimating, to design, implement, maintain, and train SFMTA staff in the use of a project controls system for the Third Street Light Rail Program, Central Subway Phase 2." In addition, the SFMTA recognizes that its other projects face the same shortcomings. Thus, the SFMTA has requested to procure a needed Capital Program Controls System which would track SFMTA's capital project budgeting, financing, contractor payments, project design, construction scheduling, and contract claims management.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize an agreement between the SFMTA and Hill International, Inc. to provide a Capital Program Controls System and Related Support Services, for (a) a maximum term of eight years, estimated to commence on November 1, 2010 and end on October 31, 2018, (b) an amount not to exceed \$22,268,541, and (c) limiting actual expenditures to currently available funds, or \$13,481,000, pending the certification by the Controller of additional available funds.

On September 15, 2009, the SFMTA issued a Request for Proposals (RFP) for: (1) services to establish independent project controls operations for the Central Subway Project, (2) specify the hardware and software requirements to establish an integrated program/project controls system, (3) integrate the new Capital Program Controls System (CPCS) to existing City finance, timekeeping, and payroll systems, (4) streamline existing capital project management business and related workflow processes with the implemented CPCS, (5) provide training to SFMTA staff to use the project controls system for the Central Subway Project and other SFMTA capital projects, and (6) provide operations and maintenance manuals.

On January 8, 2010, two firms, Hill International, Inc. and The Shaw Group, Inc., submitted proposals that were evaluated by a technical selection committee comprised of members from various SFMTA divisions, other City departments, and the San Francisco County Transportation Authority. Additionally, these two firms were asked to provide a software demonstration to the technical selection committee.

Table 1 below shows the results of the technical selection committee's scoring of the two written proposals and oral presentations.

|                            | Hill International, Inc. | The Shaw Group, Inc. |
|----------------------------|--------------------------|----------------------|
| Step 1 - Written Proposal  | 37.84                    | 38.04                |
| Step 2 - Oral Presentation | 45.18                    | 36.71                |
| <b>Total Score</b>         | <b>83.02</b>             | <b>74.75</b>         |

As shown in Table 1 above, Hill International received the highest score of 83.02 points out of a total score of 100 points. After negotiations between the SFMTA and Hill International regarding the scope of services, including a 26 percent Small Business Enterprise participation goal for this contract, the SFMTA is recommending that an agreement be awarded to Hill International.

The SFMTA estimates a commencement date of November 1, 2010 and a completion date of October 31, 2018, or a term of approximately eight years. Under the proposed agreement, Hill International will provide the SFMTA with a project management and software system (the "Capital Program Controls System" or "CPCS"), the purpose of which is to track SFMTA's capital project budgeting, financing, contractor payments, project design, construction scheduling, and contract claims management. According to Mr. Ford, the CPCS will be initially implemented on the Central Subway Project and then on all subsequent SFMTA capital



projects, such as the infrastructure projects on Hyde Street and Powell Street, the Islais Creek Motor Coach Maintenance Facility, and the Sunset Tunnel signal rehabilitation.

According to data provided by Mr. Arthur Wong, Construction Manager of the Central Subway Project, the estimated total cost of the proposed agreement is \$22,268,541. As shown in Table 2 below, approximately 77 percent of the estimated total project costs of \$22,268,541, or \$17,112,873, consists of staffing services and technical support. The proposed agreement allocates 124,340 hours of staffing and support services, with hourly rates ranging from \$20.00 per hour to \$135.58 per hour. The \$17,112,873 allocated for staffing services and technical support includes an assumed profit of 7.5 percent for the contractor and subcontractors and an annual two percent cost of living adjustment, while the hourly rates listed above represent only labor costs.

| <b>Item</b>   | <b>Estimated Cost</b> |
|---|-----------------------|
| System Startup                                      | \$ 151,312            |
| System Business Analysis                            | 443,868               |
| System Design                                       | 329,684               |
| System Development                                  | 864,624               |
| System Validation                                   | 265,176               |
| System Deployment                                   | 445,048               |
| Software Allowance                                  | 1,050,000             |
| Software Customization Allowance                    | 480,000               |
| Supplemental Software Allowance                     | 1,022,000             |
| Surety Bonds <sup>1</sup> - Hill (Prime Contractor) | 53,548                |
| Surety Bonds - Stellar (Partner/Subcontractor)      | 50,408                |
| Staffing Services and Technical Support             | 17,112,873            |
| <b>Total</b>  | <b>\$ 22,268,541</b>  |

The proposed resolution would authorize the SFMTA to expend the total not-to-exceed amount of \$22,268,541, but the SFMTA can only incur expenditures from the currently available funds of \$13,481,000, which has been certified by the Controller. As the SFMTA receives the additional funds of up to \$8,787,541 (\$22,268,541 less \$13,481,000), such additional funds will be subject to the Controller’s certification.

SFMTA’s priorities will focus on the Central Subway Project by (1) developing project controls, (2) training SFMTA and other City agency staff in the use of project controls systems, and (3) providing any support services for the program controls during the design, construction, and close-out phases of the Central Subway Project.

<sup>1</sup> The contractor and subcontractor are required to obtain surety bonds, which ensure that the insurer of the bonds will find a substitute contractor and/or subcontractor in the event that the project cannot be completed by the original contractor and/or subcontractor.

## FISCAL IMPACT

The proposed agreement between the SFMTA and Hill International has a not-to-exceed amount of \$22,268,541, over a term not to exceed eight years. According to the August 24, 2010 memorandum from Mr. Ford, the Capital Program Controls System initially being procured for the Central Subway Project will eventually be used for other SFMTA capital projects, such as the infrastructure projects on Hyde Street and Powell Street, the Islais Creek Motor Coach Maintenance Facility, and the Sunset Tunnel signal rehabilitation.

As of the writing of this report, the SFMTA has identified \$13,481,000 in funds previously appropriated by the Board of Supervisors for the subject agreement. Based on data provided by the SFMTA, Table 3 below identifies the funding sources.

| Source of Funds                  | Amount               |
|----------------------------------|----------------------|
| Federal Grant Funds (80 Percent) | \$ 10,784,800        |
| Proposition K Funds (20 Percent) | 2,696,200            |
| <b>Total</b>                     | <b>\$ 13,481,000</b> |

As shown in Table 3 above, the SFMTA has received \$10,784,800 in grants from the Federal government and \$2,696,200 in matching local funds from the Proposition K Sales Tax Fund, which is administered by the San Francisco County Transportation Authority<sup>2</sup>, for a total of \$13,481,000 in available funds certified by the Controller. No City General Fund monies would be expended to fund the subject agreement between the SFMTA and Hill International.

As previously noted, an additional \$8,787,541 is needed to fully fund the not-to-exceed amount of \$22,268,541 under the agreement with Hill International (\$22,268,541 total estimated project costs less \$13,481,000 in available funding).

Mr. Wong advises that under the not-to-exceed \$22,268,541 agreement between the SFMTA and Hill International, Hill International will provide services based on the availability of the funds as certified by the Controller.

## RECOMMENDATION

Approve the proposed resolution.

<sup>2</sup> The San Francisco County Transportation Authority administers the Proposition K half-cent local transportation Sales Tax program. The Authority also prepares the Strategic Plan to guide the timing of Proposition K expenditures and maximize leveraging.

**FORM SFEC-126:  
NOTIFICATION OF CONTRACT APPROVAL  
(S.F. Campaign and Governmental Conduct Code § 1.126)**

|   |   |
|---|---|
| <b>City Elective Officer Information</b> <i>(Please print clearly.)</i> |   |
| Name of City elective officer(s):<br>Members, SF Board of Supervisors   | City elective office(s) held:<br>Members, SF Board of Supervisors |

|  |
|--|
| <b>Contractor Information</b> <i>(Please print clearly.)</i> |
| Name of contractor: Hill International, Inc.                 |

*Please list the names of*

*(1) members of the contractor's board of directors;*

CEO – Irvin E. Richter F.CMAA  
 CFO – John Fanelli III C.P.A.  
 COO – David L. Richter  
 CAO – Ronald F. Emma  
 Director - CAMILLE S. ANDREWS  
 Director - BRIAN W. CLYMER  
 Director - WILLIAM J. DOYLE  
 Director - ALAN S. FELLHEIMER  
 Director - STEVEN M. KRAMER

*(2) the contractor's chief executive officer, chief financial officer and chief operating officer;*

CEO – Irvin E. Richter F.CMAA  
 CFO – John Fanelli III C.P.A.  
 COO – David L. Richter

*(3) any person who has an ownership of 20 percent or more in the contractor;*

Irvin E. Richter F.CMAA

*(4) any subcontractor listed in the bid or contract; and*

Acumen Building Enterprise, Inc  
 Baines Group, Inc.  
 CM Pros  
 Ecosys  
 North American Infrastructure (formerly Jacobs Civil)  
 Kal Krishnan Consulting Services, Inc.  
 M. Lee Corp.  
 PACO Group, Inc.  
 4U Services, Inc. d/b/a Stellar Services

*(5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

None

|   |  |
|---|--|
| Contractor address: 303 Lippincott Centre, Marlton NJ 08053 |  |
|---|--|

|   |                                  |
|---|----------------------------------|
| Date that contract was approved: <span style="background-color: #cccccc; border: 1px solid black; padding: 2px;"> </span> | Amount of contract: \$22,268,541 |
|---|----------------------------------|

Describe the nature of the contract that was approved:

The Contract consist of two tasks generally described below:

Task 1 - provide program controls services to the SFMTA capital projects including Central Subway Project; participate during the Agency Capital Program Controls System (CPCS) implementation for the Central Subway Project and the Agency; provide training for the use of the implemented CPCS to Agency staff. Services provided are based upon negotiated annual work-plans for the 8 year contract term.

Task 2 - specify, develop, integrate and implement an enterprise-level project management systems (CPCS) for SFMTA capital projects including the Central Subway; install and configure the proposed CPCS solution; support SFMTA in reengineering the capital program management and controls related business practices (similar to industry best practices); fully integrate system internally along with the Agency's financial and other relevant systems of record.

Comments:

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

**Filer Information** *(Please print clearly.)*

Name of filer: Angela Calvillo, Clerk of the Board

Contact telephone number:

( 415 ) 554-5184

Address: 1 Dr. Carlton B Goodlett Pl, San Francisco , CA 94102

E-mail: board.of.supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

S:\ALL FORMS\2008\Form SFEC-126 Contractors doing business with the City 11.08.doc

Gavin Newsom | Mayor

Tom Nolan | Chairman

Jerry Lee | Vice-Chairman

Cameron Beach | Director

Cheryl Brinkman | Director

Malcolm Heinicke | Director

Bruce Oka | Director

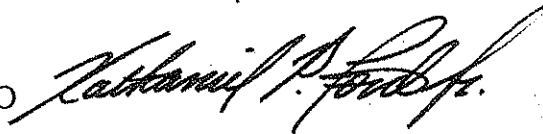
Nathaniel P. Ford Sr. | Executive Director/CEO

## MEMORANDUM

CS Memorandum No. 0469

DATE: August 24, 2010

TO: Honorable Members of the Board of Supervisors

FROM: Nathaniel P. Ford Sr.  
Executive Director/CEO

SUBJECT: Request for Approval of Contract CS-156 between the SFMTA and Hill International, Inc. for Agency Capital Program Controls System Procurement and Related Support Services for the Central Subway

The San Francisco Municipal Transportation Agency (SFMTA) requests approval of Contract CS-156 between the SFMTA and Hill International, Inc. ("the Consultant") for Agency Capital Program Controls System Procurement and Related Support Services for an amount not to exceed \$22,268,541 and for a term not to exceed eight years. The purpose of the contract is to procure a capital program controls system and to secure program/ project controls and other services for the Central Subway Project and other SFMTA capital projects.

**Background**

The Third Street Light Rail Transit (LRT) Project is the most significant capital investment in generations for the SFMTA. Phase 1 of the 6.9-mile two-phase project, the T-Third line, began revenue service in April 2007, restoring light rail service to the heavily transit-dependent Third Street corridor in eastern San Francisco for the first time in 50 years.

Phase 2, the Central Subway Project, will extend the new Third Street line by constructing three new subway stations and one surface station to provide rail service to the Financial District and Chinatown. The extended light rail line will serve regional destinations such as Union Square, the Moscone Convention Center, Yerba Buena and AT&T Park, and will connect directly to BART and Caltrain, the Bay Area's two largest regional-commuter rail services.

The primary purpose of the Third Street LRT Project is to provide residents with faster, more reliable and more comfortable transit service. Chinatown and the Financial District are two of the most congested and heavily developed areas in San Francisco. The Planning Department projects that by 2030, the population along the corridor of the Third Street Line and the proposed Central Subway alignment will increase 26 percent and employment will increase 61 percent, factors that are larger than the

growth in population and employment anticipated for the City as a whole. The SFMTA estimates that the Central Subway will serve 56,000 riders in its first year of operation in 2016, increasing to 76,000 daily riders projected for 2030.

### **Project Design and Construction**

The Central Subway design consists of a short portion of in-street surface light rail in the southern portion of the system that transitions into subway operation for most of the alignment. Twin bore tunnels are proposed for the subway, with three new subway stations serving the Moscone/Yerba Buena, Union Square/Market Street and Chinatown areas. The Union Square/Market Street Station will interconnect with the existing BART/Muni Powell Street Station. The Project received Federal Transit Administration (FTA) approval to begin the Final Design engineering work in January 2010. Construction is scheduled to begin in early 2010. The start of revenue operation is scheduled for 2018.

The SFMTA plans to construct the tunnels using a deep tunneling approach with Tunnel Boring Machines (TBMs), which compared to other tunneling methods will reduce surface disruption during construction, allow for a more direct alignment and shorten the construction period. The Central Subway tunnels will pass under the existing BART/Muni Market Street subway tunnels over 100 feet below the ground surface. Most of the alignment will be located under existing street right-of-way. Because the tunnels will follow public street right-of-ways, the City will only need to obtain three easements.

Subway station construction methods will vary. The Moscone/Yerba Buena Station will be constructed using traditional top-down cut-and-cover construction. The Union Square/Market Street Station is located in a very constricted area, and will most likely be constructed using a combination of cut and cover and mined sequential excavation methods. Chinatown Station, also located in a very constricted area, will be constructed using mined sequential excavation. The subway stations will have center-platforms with passenger end-loading and are designed to accommodate high-floor two-car trains. Whenever feasible, off-street properties have been identified for primary station access. The air space above the Moscone/Yerba Buena Station and the Chinatown Station may present Transit Oriented Development (TOD) opportunities.

### **Purpose, Scope and Services Provided Under the Contract**

The Central Subway Project poses significant and complex design, construction and coordination challenges to the City. The Central Subway Project will be designed and constructed in seven interrelated construction contracts. The City does not have the specialized expertise or staff resources to implement a program/ project controls system and provide all necessary program/ project controls services for the Central Subway Project and other SFMTA capital projects. Given the substantial capital investment in the Central Subway and the target project completion schedule of 2018, it is in the best interest of the City to engage a qualified consultant with specific

experience and expertise in project controls with specialties in transit, tunneling, and underground construction scheduling and estimating to design, implement, maintain and train SFMTA staff in the use of a project controls system for the Third Street Light Rail Program, Central Subway Phase 2.

As part of the capital project controls program, with the assistance of the Consultant, the SFMTA will procure a project management and software system (the "Capital Program Controls System" or "CPCS") capable of tracking capital project budgeting, financing, contractor payments, project design and construction scheduling, and contract claims management. The system will be implemented first on the Central Subway Program, and will then be implemented on all other SFMTA capital projects led by the Capital Programs and Construction Division. The Consultant will then develop, implement, and operate the CPCS for the Central Subway Program and will also train SFMTA staff to use the CPCS. The Consultant's specific services include the following:

- Furnish services as necessary to establish an independent project controls operations for the Central Subway Project.
- Specify the hardware and software requirements to establish an integrated program/ project controls system.
- Integrate the CPCS to existing legacy finance, timekeeping and payroll systems.
- Streamline existing capital project management business and related workflow processes so those processes are consistent with the implemented CPCS.
- Provide training of Agency staff in the use of the project controls system for the Central Subway Program and other capital projects.
- Provide operations and maintenance manuals.

Consultant's services are grouped into two tasks. Under Task 1, Consultant will provide program/ project controls services to support of the CPCS and the Central Subway Project. Under Task 2, the Consultant will develop and implement the CPCS.

The contract term is for eight years to provide development and implementation and operational services, and support services for the program controls services during the design, construction and close-out phase of the Central Subway Project. The SFMTA intends that the CPCS resulting from this contract will be utilized by Agency staff for the Agency's other capital projects.

The SFMTA Contract Compliance Office has determined that Hill International, Inc. will meet the 26 percent Small Business Enterprise (SBE) participation goal established for this contract. Under the SFMTA Small Business Enterprise program, SBE participation goals may be met by firms certified under any one of the three programs: the federal Disadvantaged Business Enterprise program, the California Department of General Services SBE program or the City and County of San Francisco's Local Business Enterprise (LBE) program.

To avoid conflicts of interest, the consultant and its key personnel and sub-consultants will be precluded from participating in any subsequent contracts for final design, project controls, construction and procurement services for the Central Subway Project.

### **RFP Process and Contract Negotiation**

The SFMTA Board of Directors adopted Resolution No. 09-168 on September 15, 2009 authorizing the Executive Director/CEO to issue a Request for Proposals (RFP), receive and evaluate proposals, select the highest ranking proposal, and negotiate a contract for Contract No. CS-156, Agency Capital Program Controls System Procurement and Related Support Services.

A pre-proposal conference was held on October 30, 2009. On January 8, 2010, two proposers submitted proposals. Proposals were received by Hill International, Inc. and Shaw Environmental & Infrastructure, Inc. Both proposals were evaluated by a technical selection committee comprised of members from various SFMTA divisions, other City Departments and the San Francisco County Transportation Authority. Hill International, Inc. was selected as the most qualified proposer.

Negotiations with Hill International have been underway since the middle of June 2010. The negotiations have focused on clarifying the program controls system delivery, software procurement, and determining reasonable compensation to ensure that the SFMTA and the City are obtaining high quality and cost-effective services that will help control and monitor not only the Central Subway Project and other SFMTA capital projects.

After completing these negotiations, SFMTA management recommended the award of the contract to Hill International, Inc. SFMTA successfully negotiated a contract with the Consultant for a total amount of \$22,268,541 and an eight year term. The cost for Task 1 is an amount not to exceed \$17,112,873 and Task 2 is an amount not to exceed \$5,155,668.

The SFMTA Board of Directors adopted Resolution No. 11-117 on August 3, 2010 authorizing the Executive Director/CEO to execute Contract CS-156, Agency Capital Program Controls System Procurement and Related Support Services, for an amount not to exceed \$22,268,541 and for a term not to exceed eight years.

This contract solicitation included contracting opportunities for Disadvantaged Business Enterprises, as required by federal funding requirements. As a result of the solicitation process, the Consultant included as apart of its team, nine professional services subcontractors, of which six businesses are certified in the federal program.



### **Funding**

The following SFMTA capital projects will provide the initial \$13,481,000 in certified funds for the CPCS and related program control professional services for those projects:

|   |                     |
|---|---------------------|
| Third Street Light Rail, Phase 2 (Central Subway Project) | \$10,000,000        |
| Church & Dubose Rail Replacement                          | \$381,000           |
| Green Facility  | \$519,000           |
| California St. Cable Car Inf. Improvements                | \$262,000           |
| Hatch Covers Project, Phase 2                             | \$47,000            |
| 5-Fulton Duct Bank Replacement                            | \$245,000           |
| Islais Creek Motor Coach Facility Phase 2                 | \$763,000           |
| Escalator Replacement/Rehab., Phase 1                     | \$98,000            |
| ITS Radio System Replacement                              | \$1,166,000         |
| <b>Total Initial Certified Amount</b>                     | <b>\$13,481,000</b> |

Funds to pay for program controls services for other SFMTA capital projects will be provided by funding programmed for those projects.

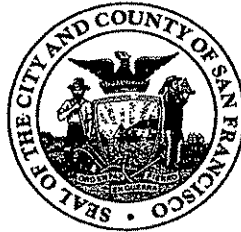
### **Recommendation**

The San Francisco Municipal Transportation Agency requests that the Board of Supervisors approve Contract CS-156 to Hill International, Inc. for an amount not to exceed \$22,268,541 for a term not to exceed eight years.

AW

cc: CS File M544.1.5.0770.d

**THE CITY AND COUNTY OF SAN FRANCISCO**



**Contract for Procurement and Implementation of an Agency Capital Program  
Controls System and Related Support Services**

**Contract No. CS-156**

**(CCO 09-1104)**

**between the**

**San Francisco Municipal Transportation Agency**

**and**

**Hill International, Inc.**

## TABLE OF CONTENTS

|       |   | <u>Page</u> |
|-------|---|-------------|
| 1.    | Definitions .....   | 1           |
| 2.    | Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation ..... | 3           |
| 3.    | Term of the Agreement .....   | 3           |
| 4.    | Effective Date of Agreement .....   | 3           |
| 5.    | Contractor's Services.....  | 3           |
| 5.1.  | Project: Task 1 and Task 2.....   | 4           |
| 5.2.  | Technical Specifications.....   | 4           |
| 5.3.  | Design Review .....   | 4           |
| 5.4.  | Time of Essence.....  | 4           |
| 5.5.  | Data Security Protocols and Risk of Loss .....  | 4           |
| 6.    | Compensation.....   | 4           |
| 6.1.  | Contract Amount .....   | 4           |
| 6.2.  | Payment.....  | 4           |
| 6.3.  | Invoices.....   | 5           |
| 6.4.  | SFMTA Approval of Work .....  | 5           |
| 6.5.  | No Interest; Price Adjustments .....  | 5           |
| 7.    | Guaranteed Maximum Costs.....   | 5           |
| 8.    | Retention .....   | 6           |
| 9.    | Submitting False Claims; Monetary Penalties.....  | 6           |
| 10.   | Disallowance .....  | 6           |
| 11.   | Taxes.....  | 7           |
| 12.   | Payment Does Not Imply Acceptance of Work .....   | 7           |
| 13.   | Qualified Personnel.....  | 7           |
| 14.   | Responsibility for Equipment.....   | 8           |
| 15.   | Independent Contractor; Payment of Taxes and Other Expenses .....   | 8           |
| 15.1. | Independent Contractor .....  | 8           |
| 15.2. | Payment of Taxes and Other Expenses.....  | 8           |
| 16.   | Insurance; Bonds, Letters of Credit.....  | 9           |

|       |  |    |
|-------|--|----|
| 16.1. | Insurance .....  | 9  |
| 16.2. | Letters of Credit .....                                | 10 |
|       | (a) Requirements .....                                 | 10 |
|       | (b) Financial Institution .....                        | 10 |
|       | (c) Demand on Letter of Credit .....                   | 11 |
|       | (d) Expiration or Termination .....                    | 11 |
|       | (e) Return of Letter of Credit .....                   | 11 |
|       | (f) Excessive Demand .....                             | 12 |
| 16.3. | Bonds .....  | 12 |
| 16.4. | Reduction in Bond or Letter of Credit .....            | 12 |
| 17.   | Indemnification .....                                  | 13 |
|       | 17.1. General Indemnity .....                          | 13 |
|       | 17.2. Limitations .....                                | 13 |
|       | 17.3. Intellectual Property Infringement .....         | 13 |
| 18.   | Incidental and Consequential Damages .....             | 13 |
| 19.   | Liability of City .....                                | 13 |
| 20.   | Liquidated Damages .....                               | 13 |
| 21.   | Default; Remedies .....                                | 14 |
|       | 21.1. Event of Default .....                           | 14 |
|       | 21.2. Remedies .....                                   | 14 |
| 22.   | Termination for Convenience .....                      | 15 |
|       | 22.1. Exercise of Option .....                         | 15 |
|       | 22.2. Contractor Actions .....                         | 15 |
|       | 22.3. Contractor Invoice .....                         | 15 |
|       | 22.4. Non-Recoverable Costs .....                      | 16 |
|       | 22.5. Deductions .....                                 | 16 |
|       | 22.6. Survival .....                                   | 16 |
| 23.   | Rights and Duties Upon Termination or Expiration ..... | 16 |
|       | 23.1. Surviving Provisions .....                       | 16 |
|       | 23.2. Contractor Duties .....                          | 17 |
| 24.   | Conflict of Interest .....                             | 17 |
| 25.   | Proprietary or Confidential Information of City .....  | 17 |

26. Notices to the Parties and City Liaison .....17

27. Ownership of Results.....18

28. Works for Hire .....18

29. Audits and Inspection of Records .....19

30. Subcontracting and SBE Participation .....19

31. Assignment.....20

32. Non-Waiver of Rights.....20

33. Earned Income Credit (EIC) Forms.....20

    33.1. Provision of Forms to Employees .....20

    33.2. Failure to Comply .....21

    33.3. Flowdown to Subcontractors .....21

    33.4. Terms .....21

34. Claims .....21

35. Nondiscrimination; Penalties .....21

    35.1. Contractor Shall Not Discriminate .....21

    35.2. Subcontracts .....22

    35.3. Nondiscrimination in Benefits .....22

    35.4. Condition to Contract .....22

    35.5. Incorporation of Administrative Code Provisions by Reference .....22

36. MacBride Principles—Northern Ireland .....22

37. Tropical Hardwoods and Virgin Redwood Ban.....22

38. Drug Free Workplace Policy.....23

39. Resource Conservation.....23

40. Compliance with Americans with Disabilities Act.....23

41. Sunshine Ordinance .....23

42. Public Access to Meetings and Records .....23

43. Notification of Limitations on Contributions .....24

44. Requiring Minimum Compensation for Covered Employees .....24

45. Requiring Health Benefits for Covered Employees .....25

46. First Source Hiring Program .....27

    46.1. Incorporation of Administrative Code Provisions by Reference .....27

    46.2. First Source Hiring Agreement.....27

46.3. Hiring Decisions.....28

46.4. Exceptions .....28

46.5. Liquidated Damages.....28

46.6. Subcontracts .....30

47. Prohibition on Political Activity with City Funds .....30

48. Preservative-treated Wood Containing Arsenic .....30

49. Modification of Agreement.....30

49.1. Modification in Writing .....30

49.2. Extra Work.....30

50. Authority of SFMTA Project Manager .....31

51. Agreement Made in California; Venue.....31

52. Construction .....31

53. Entire Agreement .....31

54. Compliance with Laws.....32

55. Services Provided by Attorneys.....32

56. Disputes .....32

56.1. Notice of Dispute .....32

56.2. Resolution of Disputes .....32

56.3. No Cessation of Work.....32

56.4. Alternative Dispute Resolution .....32

56.5. Claims for Additional Compensation or Time .....32

57. Severability .....33

58. Protection of Private Information .....33

59. Graffiti Removal.....33

60. Food Service Waste Reduction Requirements .....34

61. FTA Requirements .....34

62. Warranty Provisions.....34

63. Unavoidable Delays .....34

63.1. Definition.....34

63.2. Notification of Delay .....35

63.3. Request for Extension .....35

64. Cooperative Drafting.....35

65. Priority of Documents .....35  
66. Included Appendices .....35

