

Metropolitan Transportation Commission Programming and Allocations Committee

September 9, 2015

Agenda Item 3c

Subject: Transbay Joint Powers Authority – Cost Review of the Transbay Transit Center Phase 1.

Background: At its July 22nd meeting, the Commission directed staff to perform a project cost and risk review for both phases of the Transbay Transit Center project, and report back to the Commission in ninety days. In order to meet the aggressive deadline and account for differing types of review needed for each phase of the Transbay Transit Center project, the review was split into two. Today's report focuses on Phase 1, which generally consists of the transit center building, bus and pedestrian ramps, and underground train box.

MTC staff has been working in cooperation with TJPA staff, as well as with staff from the San Francisco County Transportation Authority and the San Francisco Mayor's and Controller's offices, because of the project's significance and complex funding plan that includes funds from numerous sources.

Phase 1 Review: The cost and risk management review for Phase 1 was issued as a task order to T.Y. Lin International, which assists MTC with ongoing monitoring of the Regional Measure 2 program. The scope of work included:

- Identification of scope of work included in Phase 1
- Identification of elements that have been removed from Phase 1
- Review of construction package costs not yet awarded
- Review of Phase 1 budget, encumbrances, and expenditures-to-date, including summary of change orders and cost trends
- Review of project risk management plan, risk processes, risk analysis methodologies, risk registers, and risk forecasts
- Evaluation of sufficiency of Risk Management Program at identifying and quantifying risks
- Evaluation of adequacy of program contingencies
- Highlighting of risks and opportunities associated with various risk confidence levels.

A summary of the Phase 1 cost and risk review will be presented to the Committee on September 9th.

Phase 2 Review: Phase 2 of the project includes the extension of train services from the 4th and King Streets Caltrain terminal and completion of the train terminal at the Transbay Transit Center. The scope of the cost review includes an assessment of Phase 2's scope, cost estimate, and delivery model, including the identification of opportunities and risks, alternatives or identification of a preferred delivery model, and identification of outstanding questions. Staff anticipates a presentation on this review at the October Committee meeting.

Transbay Transit Center Project Status: TJPA has several potential upcoming actions, described below, that are related to this review. Staff will provide updates on these issues at the September Committee meeting.

In July, the TJPA staff presented draft project budget information to their board. However, the board did not adopt a budget at that time. Although TJPA and the funding partners are working on funding options, a funding commitment sufficient to cover the identified shortfall (about \$80-90 million, according to the July TJPA staff budget presentation) has not yet been assembled. Meanwhile, several contracts have been put out to bid. In the absence of an approved budget to increase project funding, some contracts are likely to be awarded in September, and some other contracts for which there is not funding identified, may need to be deferred until funding has been secured. The major project elements that have yet to be awarded include the rooftop park; the bus storage facility and associated link ramps; concrete topping slab; the interior floor, ceiling, and column covers; additional construction management; information technology systems; and other smaller contracts.

Additionally, the auction for the real estate “Parcel F” that was scheduled to occur on September 2nd was cancelled on September 1st. Instead of selling the parcel via an auction, the TJPA intends to negotiate directly with the prequalified teams. The July budget (and shortfall) projections assumed that TJPA would receive \$160 million for the parcel, which was the minimum price for the auction. A different price would affect the project budget commensurately.

Recommendation: This item is for information only.

Attachments: None