

Memorandum

TAB 71

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 29-30, 2016

Reference No.: 2.5e.(2) – **PINK HANDOUT**
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Nizar Melehani
Acting, P3 Program Manager
Planning and Modal

Subject: **SUPPLEMENTAL FUNDS FOR PUBLIC PRIVATE PARTNERSHIP – PRESIDIO PARKWAY PROJECT**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate up to \$29 million for the Public Private Partnership Presidio Parkway Project (Project) for unanticipated expenses in excess of the Risk Reserve, which are further identified below.

ISSUE:

This supplemental request is for the Project expenses identified below:

Contract Obligations: Contract obligations are based on additional scope of work arising from differing site conditions and obligations to pay the Department's share of costs incurred during the execution of the Project. The supplemental request for the Contract Obligations is split into two categories. The first category with a sum of \$4.7 million is for the additional scope of work that was completed by the Developer. The second category with an estimated cost of not more than \$24.3 million is for additional scope of work to be performed by the Developer to achieve Final Acceptance. The supplemental request for the Contract obligations is not to exceed \$29 million.

BACKGROUND:

The Public Private Partnership (P3) Presidio Parkway Project (PPNO 0619P) is located in the city and county of San Francisco on Doyle Drive (Route 101) and Richardson Avenue from Lombard Street to the Golden Gate Bridge Toll Plaza. An initial budget of \$1.4 billion was approved by the Commission in May 2010. In June 2013, the Commission adopted a revised budget of \$1.08 billion, which included a risk reserve to pay for Department obligations expressly identified in the Contract Documents.

In September 2015, the Developer received a \$185 million milestone payment for reaching Substantial Completion of the Project by opening the main line to traffic. Substantial Completion also entitled the Developer to partial quarterly installments of the Availability Payments (AP) for the Maintenance and Operation of the Project. Until the Developer achieves Final Acceptance, the Department will withhold 20 percent of the quarterly payments as required by the Contract Documents.

The parties have been discussing and are working out a resolution as to other issues and potential claims on the Project that are not included in this item. A request encompassing this anticipated settlement will be brought forward as a separate agenda item at a future Commission meeting.

BASIS FOR SUPPLEMENTAL FUNDS:

Contract Obligations

The request for up to \$29 million identified below, is to cover the Department Changes (DCOs) resulting from work not performed under Phase 1 due to physical constraints of the Project or design and construction sequencing of the Project. There were elements of Phase 1 that were not completed at the time the Developer submitted its proposal. Therefore, issues that arose in construction of Phase 1 had an impact on the work that was contemplated by Developer at the time its bid was submitted, resulting in either a change of the scope of work required or in differing site conditions that could not have been reasonably anticipated by the Developer before submitting its bid. These DCOs are identified in more detail below:

Completed DCOs (\$4.74 million):

Department Change No. 10 – Abandon and Protect Unidentified Utilities along Girard (\$53,000)

This DCO compensates the Developer for the removal of abandoned existing vault and sewer line, and the protection of an electrical line, along Girard Road. These facilities were not previously known and not shown in the Indicative Preliminary Design Plan. Therefore, they were not identified before the Department received the Developer's bid. This work is completed.

Department Change No. 13 – ST-10 Barrier Rail along Southbound US 101 (\$1,183,000)

This DCO compensates the Developer for installing approximately 618 ft. of ST-10 barrier rail on SB-101. These sections of railing were not installed under Phase 1 as they were either in the way of the temporary detour or in conflict with the shoring that was holding up the old abutment. This determination was not made until after the Developer was selected. In addition, it compensates the Developer for all the work associated with the modifications of Traffic Operation System (TOS) equipment, drainage, vaults and electrical system that were installed in Phase 1 at this location that are now in conflict with the installation of the new ST-10 barrier rail. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 14 – Polyester Concrete Overlay at Hook Ramp (\$10,266)

This DCO compensates the Developer for work entailing the infill of a dip in the concrete pavement under the Hook Ramp Bridge with Polyester Concrete. The Phase 1 portion of the Hook Ramp tunnel was cast with a grade variation that is outside of specification requirements. This variation was not known at the time of the completion of Phase 1 since it was located next to a temporary shoring wall and could not be properly profiled. Therefore, it was not known to the Developer at the time its proposal was submitted. The Department is sharing the cost of this work with the Developer as they also failed to catch this error and cast their work to meet the existing grades. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 17 – Battery Tunnel Fire Water Connection (\$52,000)

This DCO compensates the Developer for locating a fire water supply line tie-in from Phase 1 and the removal and replacement of the Continuously Reinforced Concrete Pavement (CRCP) to access the connection. The water line was extended beyond Phase 1 CRCP. This change was made after the Department received Developer's bid. Work is completed.

Department Change No. 20 – Conflicts with Phase 1 South Bound Battery Tunnel (SBBT) Opening Infill (\$85,000)

This DCO compensates the Developer for additional work required to close the existing SBBT opening. The opening was not built per Phase 1 initial plans due to changes that were made during construction and not known to Developer at bid submittal, and the extent of the changes were not visible at the surface. Previous cost estimate for this closure was contingent upon the existing opening having been constructed per Phase 1 plans. Further investigation by the Developer revealed that additional work was required, including the removal of PVC sleeves to extend bar reinforcing steel through the beams, chipping down the top of the longitudinal beams to lay transverse bars at the correct elevation, drilling holes for longitudinal rebars where existing bar couplers were filled with mortar, and correcting rebar coupler alignment for the large transverse bars. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 23 – Restriping at Hook Ramp Bridge (\$10,359)

This DCO compensates the Developer for restriping and signage at the Hook Ramp Bridge leading from Northbound US 101 to Southbound State Route 1. During the construction of Phase 1, a solid edge stripe was placed from SB101 to SB1 instead of the final delineation. The decision to not place the final pavement delineation was made towards the end of Phase 1 construction and after the Department received the Developer's bid. This work is completed.

Department Change No. 25 – Northbound Presidio Viaduct & Veterans Off-Ramp Steel Fin Design Phase 1 Contract Change Order No 73 (\$808,563)

This DCO compensates the Developer for matching the architectural details of Southbound High Viaduct steel fins, for the construction of Northbound Presidio Viaduct & Veterans Off-Ramp. Phase 1, Contract Change Order 73 revised SB High Viaduct steel fins design details by modifying the structural tube size and reconfiguring the web plate connection details. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 30 – Temporary Storm Drain Bypass and Pump System at SBBT, Phase 1 Contract Change Order 22 (\$211,774)

This DCO compensates the Developer for managing temporary storm drain bypass and a pump system installed in Phase 1 to dewater the SBBT. This change was made after the Department received the Developer's bid. Work is completed.

Department Change No. 31 – Various Electrical & Systems Change Orders from Phase 1 (\$2,033,000)

This DCO compensates the Developer for finishing and completing the installation of the electrical systems that were modified in Phase 1. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 32 – Bridge Demolition (not completed in Phase 1) (\$190,133)

This DCO compensates the Developer for Extra Work Costs for demolition and removal of a portion of the on-ramp bridge that could not be completed in Phase 1. This change was made after the Department received the Developer's bid. This work is completed.

Department Change No. 37 – Phase 1 Camera Replacement (\$100,431)

This DCO compensates the Developer for upgrading the existing Cameras that were installed in Phase 1 to a higher definition cameras. This change was made after the Department received the Developer's bid. This work is completed.

Uncompleted DCOs (not to exceed \$24.26 million):

Department Change No. 12 – Signaling at Richardson and Gorgas Intersection (\$201,500)

This DCO compensates the Developer for Extra Work Costs associated with modifications required for the signals at the intersection to meet City standards. Work was initially performed to Department standards, however the Developer was unaware that the intersection is subject to a cooperative agreement with the City. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 15 – ST-10 Barrier Rail at the Existing Southbound High Viaduct (\$406,000)

During Phase 1 construction, Southbound High Viaduct was cast with a temporary widened section to accommodate contraflow traffic. After the selection of the Developer, the Department made constructability changes to the details of this widened section. Since the changes were made after the Developer submitted its bid, this DCO compensates the Developer for work including the removal of polyester overlay to uncover couplers, adjusting Phase 1 alignment (curb, edge of deck and anchors), drilling and bonding additional bar reinforcing steel, and supplying larger diameter anchor rods. This work also includes the maintenance of K-rail and delineators during the time required for finishing the work. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 18 – Reclaimed Water Line Work (\$782,188)

This DCO compensates the Developer for Extra Work Costs to relocate a reclaimed water line that was not shown in the Indicative Preliminary Design (IPD) plan. Additionally, the pre-existing alignment of the water line would have placed it in the middle of and be exposed in the future wetlands. The Developer is entitled to compensation under the Contract Documents (Volume 1, Article 4, Subsection 4.5.8, "Unknown Utilities,") since the reclaimed water line was not shown on the Utility Information sheets. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 21 – Demolish Barrier and Retaining Wall at Richardson (\$208,099)

This DCO compensates the Developer for demolition of a barrier and short retaining wall along Richardson. The Phase I contract was originally tasked to remove this portion of rail and fence. At the time of this work, it was more important to open up the temporary detour alignment to traffic, so barrier and wall were not demolished. Additionally, the location of the existing rail did not affect the

overall geometry of the temporary detour. For these two reasons, the rail and fence were left in place. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 27 – Detour Design Change Cellular Concrete from Phase 1 Contract Change Order 45 and 59 (\$5,570,332)

This DCO compensates the Developer for removing cellular concrete that was placed under the temporary bypass road in Phase 1, Contract Change Order 45 and 59. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 33 – Presidio Trust Lighting Criteria (\$333,500)

This DCO compensates the Developer for Extra Work Costs associated with new criteria for lighting set by the Presidio Trust that was different from the lighting requirements in the Contract Documents. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 34 – Realignment of Lincoln (\$1,385,131)

This DCO compensates the Developer for Extra Work Costs incurred in realigning Lincoln Boulevard from its current alignment constructed in Phase 1 to its final configuration over the Battery Tunnel. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 35 – Utility Line installed at Cavalry Bowl (\$100,000)

This DCO compensates the Developer for adjusting utility lines installed during Phase 1 that are in conflict with the final grading plan. At the time of installation, the final grading plan was not yet developed. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 36 – Trust Required Rail/Fencing (west McDowell) (\$200,000)

This DCO compensates the Developer for Extra Work to change the original rail/fencing at McDowell as required by the Presidio Trust to match Phase 2 rail and fencing. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 38 – Southbound High Viaduct ST -10 Barrier Railing at Seismic Joints (\$515,000)

This DCO compensates the Developer for all the work associated with the installation of ST-10 Barrier Railing over the Seismic Joints at Southbound High Viaduct. Southbound High Viaduct was cast with a temporary widened section to accommodate contraflow traffic on the Temporary Bypass in Phase 1. In order to accommodate future installation of ST-10 Barrier Railing, bar reinforcing steel inserts and anchor couplers were cast into the deck by Phase 1 contractor. During the design, the Developer made a determination that there were insufficient amounts of inserts and couplers installed at the seismic joints and additional work and material will be required by the Developer to finish the installation of the ST-10 Barrier Railing into its final configuration. This work is not completed

Department Change No. 39 – Girard Rd, remove barrier left from Phase 1(\$97,000)

This DCO compensates the Developer for removal of barrier rail left from Phase 1. This portion of barrier was to be removed under the Phase 1 contracts but was left in place to expedite the initial traffic switch to allow for the P3 contract to proceed. The barrier rail was not in conflict with the temporary detour. This change was made after the Department receiving of the Developer's bid. Work is not completed.

Department Change No. 45 – Building 201 (\$366,000)

This DCO compensates the Developer for Extra Work Costs in restoring building 201 including, resizing of gas line, garbage enclosure and deck as required by the Presidio Trust. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 47 – Additional Asphalt Concrete removal at Parking Lot C&D and Temporary Girard Detour (\$85,000)

This DCO compensates the Developer for the removal of additional Asphalt Concrete at parking lots C&D and Temporary Girard Detour that was placed in Phase 1. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 50 – Unknown Utility High-Density Polyethylene Pipe (HDPE) temporary drain (\$250,000)

This DCO compensates the Developer for inspection and proper abandonment of an underground drain line installed during Phase 1 as a temporary drain line. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 51 – Battery Substation Retaining Wall and Fence (\$250,000)

This DCO compensates the Developer for removing a portion of Retaining Wall No. 04 and the chain link railing atop the wall in accordance with Presidio Trust requirements. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 52 – Reconfigure Waterline Adjacent to YMCA (\$250,000)

This DCO compensates the Developer for the unanticipated relocation of an existing waterline, in accordance with Presidio Trust requirements. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 53 – Storm Drain 32 (\$250,000)

This DCO compensates the Developer for installing Storm drain that was not included in the Contract Documents. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 54 – Safety Rail at Sta 75+00. (\$199,146)

This DCO compensates the Developer for installing additional Safety Rail at various locations within the job limits above and beyond the Department's cable safety railing. The cable railing previously installed by the Department will be replaced with this new railing. At the time of the P3 bid and during Phase I contracts, the Department was still in negotiations with the Presidio Trust and had not

yet agreed to an acceptable railing type. This change was made after the Department received the Developer's bid. This work is not completed.

Department Change No. 55 – Demo Parapet Wall from Phase 1 (\$227,719)

This DCO compensates the Developer for removing a parapet wall left from Phase 1 as required by the Presidio Trust to facilitate installation of their landscaping. This change was made after the Department received the Developer's bid. This work is not completed.

Other DCOs are currently being discussed and will be included in this payment request. Funds for payment of these DCOs is necessary at this time for continued progress towards completion of the Project.

FINANCIAL RESOLUTION:

Resolved, that \$29,000,000 be allocated from the Budget Act of 2015, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide funds to complete construction on the Presidio Parkway P3 Project.

Project's Location:



“Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability”