



DRAFT MINUTES

FINANCE COMMITTEE

Tuesday, October 20, 2015

1. Roll Call

Chair Avalos called the meeting to order at 11:40 a.m.

Present at Roll Call: Commissioners Avalos, Kim and Mar (3)

Absent at Roll Call: Commissioners Campos (entered during Item 4) and Cohen (entered during Item 2)

Consent Calendar

2. Approve the Minutes of the September 15, 2015 Meeting – ACTION

3. Recommend Executing Cooperative Agreement No. 04-2582 with the California Department of Transportation for the I-280 Interchange Modifications at Balboa Park in a Total Amount Not to Exceed \$150,000, and Authorizing the Executive Director to Negotiate Agreement Payment Terms and Non-Material Agreement Terms and Conditions – ACTION

There was no public comment.

The Consent Calendar was approved without objection by the following vote:

Ayes: Commissioners Avalos, Cohen, Kim and Mar (4)

Absent: Commissioner Campos (1)

End of Consent Calendar

4. State and Federal Legislative Update – INFORMATION/ACTION

Mark Watts, State Legislative Advocate, presented the item per the legislative matrix. He reported that a conference committee was formed a month prior to deal with possible new transportation revenues and there was a notable level of participation, especially on behalf of the Republican caucus. He said that the committee was starting with Governor Brown's proposal that included funding for state and local fix it first programs, cap and trade for transit, and some complete streets funding. Mr. Watts stated that he hoped the conference committee would conclude its discussions in December or January and then bring a proposal to the State Legislature for approval once it reconvenes.

Chair Avalos asked if the revenue measures would be implemented statewide. Mr. Watts confirmed that and estimated that there was a 50% to 60% chance of a new revenue measure being approved.

Commissioner Mar asked how Senate Bill 491, the transportation omnibus bill, would change how funds were distributed to the Bay Area Air Quality Management District. Mr. Watts said the bill would just require more specific criteria. He added that the omnibus bill was thoroughly

vetted to be simple technical corrections and therefore was unlikely to be controversial for any parties involved.

There was no public comment.

5. **Recommend Awarding a Three-Year Consultant Contract, with an Option to Extend for Two Additional One-Year Periods, to Smith, Watts and Hartmann in an Amount Not to Exceed \$135,000 for State Legislative Advocacy Services, and Authorizing the Executive Director to Negotiate Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**

Amber Crabbe, Assistant Deputy Director for Policy and Programming, presented the item per the staff memorandum.

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

Chair Avalos called Items 6 and 7 together.

6. **Recommend Increasing the Amount of the Professional Services Contract with AECOM Technical Services, Inc. by \$1,000,000, to a Total Amount Not to Exceed \$16,935,000 to Complete Design Support Services for the I-80/Yerba Buena Island Ramps Improvement Project, and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**
7. **Recommend Increasing the Amount of the Professional Services Contract with Parsons Brinckerhoff, Inc. by \$1,350,000, to a Total Amount Not to Exceed \$7,650,000 to Complete Construction Support Services for the I-80/Yerba Buena Island Ramps Improvement Project, and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**

Eric Cordoba, Deputy Director for Capital Projects, presented the items per the staff memoranda.

Chair Avalos asked if AECOM Technical Services (AECOM) had been involved with this project since 2006, which Mr. Cordoba confirmed.

Chair Avalos asked if it was possible that a significant part of the contingency would be leftover once the project was completed. Mr. Cordoba responded that it was likely there would be some contingency leftover but that it was difficult to estimate how much, and that they would have a better idea after the winter season.

Commissioner Kim asked if there were additional improvements that could be made to the project if there were remaining funds leftover from the contingency. Mr. Cordoba responded that there were no known supplemental work scope items other than tree mitigation. He added that when the westbound on-and-off-ramps were completed they would have to close the existing westbound off-ramp and that there could be a need for additional improvements there.

Commissioner Campos noted that overall the project was within budget but asked for justification for the increases to both contracts. Mr. Cordoba responded that the initial AECOM contract of \$2.5 million that was awarded in 2008 was for environmental documentation work

and did not include design or construction support work. He said that after the project received environmental approval the AECOM contract was augmented for design work.

Commissioner Campos asked why a request for proposals (RFP) was not issued for design work at that point. Mr. Cordoba responded that the decision was made to not issue an RFP because the AECOM team included the engineers that were most knowledgeable of the project. He said that the original RFP for the project included an option for design services if satisfactory work was done on the environmental documentation phase.

Commissioner Campos noted that if the AECOM team was the best firm for the project then that would have come through the competitive selection process of the RFP. He said the fact that the AECOM team did satisfactory work with the initial \$2.5 million work did not mean that they would be the best firm for what was now a \$17 million project. He asked what the expected budget amount was for the AECOM work versus the original estimate. Mr. Cordoba responded that typical budgets for environmental documentation, design, and construction support work were between 25-30% of the construction contract, which in this case would be approximately \$15-18 million. He noted that this contract was within that range and that this project was very intense from a structural engineering standpoint.

Commissioner Campos noted that this contract had been increased significantly in increments, and that this was the fourth amendment to a contract that started out at \$2.5 million but was now at \$17 million. Mr. Cordoba stated that this would be the final contract amendment as they were now in a position to complete the project and had received a commitment from AECOM that this was the final increase. He noted that there was scope of work added on the AECOM contract during the construction phase, some of which was out of AECOM's control, such as changes that were required by the California Department of Transportation (Caltrans).

Tilly Chang, Executive Director, commented that on a large project such as this one the project team was able to anticipate and present this strategy to the Board at the beginning of the project. She said the project team believed this was the right way to proceed and that she deferred to Mr. Cordoba, as he was the longer-term project manager. She said this decision had been made by a prior management team who felt there was value in moving forward this way, and noted that the competitive process may have yielded the same results and may have been a better way to procure.

Commissioner Campos stated the contract was almost doubled from \$8.2 million in 2009 to \$16 million in 2010, and asked why the \$1 million in this request was necessary. Mr. Cordoba responded that the contract was augmented in 2010 for the design phase with a portion of the construction support phase, and that the \$1 million request was for managing project changes in the field. He said there had been required changes to utility locations after construction started which necessitated using more resources from the AECOM team and that these changes had to be approved by Caltrans and then issued to the construction contractor.

Commissioner Campos asked about the \$1.4 million increase to the Parsons Brinckerhoff contract. Mr. Cordoba stated that the Parsons Brinckerhoff team had the challenging job of managing the construction contract and that their team has had to work longer workdays and on the weekends to keep the project on schedule, which was not included in the original budget. He said they been proactive and made the business decision to keep the project on schedule because he believed these contract increases would be much smaller than any potential project delay

costs. Commissioner Campos asked if the increase to the Parsons Brinckerhoff contract would be the last, which Mr. Cordoba confirmed.

Ms. Chang stated that they would go back and take a look at the decision to go from environmental to design. She said the rationale was to keep the project on schedule and that there was full confidence in the project team, but that they would review and come back to the Finance Committee with how they would approach this type of situation going forward.

Chair Avalos asked if the decision to stay with the same firm for the environmental to design phases had been made in 2008. Ms. Chang confirmed and said it was her understanding that it was made to keep the project moving expeditiously, but that it had to be weighed against the benefits of a competitive procurement.

Chair Avalos asked if there was an expectation in 2008 that there would be future contract increases. Mr. Cordoba confirmed and said that the initial \$2.5 million contract with AECOM was only to start the environmental work. He noted that the project team moved forward with the engineering work in order to meet the schedule for Caltrans' new San Francisco-Oakland Bay Bridge East Span. He said had they not met that schedule they likely would not have been able to start construction on this project until Caltrans had completed its work in the area.

There was no public comment.

Items 6 and 7 were approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

8. Introduction of New Items – INFORMATION

Chair Avalos requested a hearing regarding the new bike share program under Motivate. He said the hearing would look at how the program could have significant workforce and local hiring benefits and how it could serve not only people looking to cycle but commuters as well.

There was no public comment.

9. Public Comment

There was no public comment.

10. Adjournment

The meeting was adjourned at 12:22 p.m.