



Agenda Item No. (4)(b)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 27, 2020

From: Joseph M. Wire, Auditor-Controller
Ewa Z. Bauer-Furbush, District Engineer
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) BUDGET INCREASE IN THE FY 20/21 BRIDGE DIVISION
CAPITAL BUDGET FOR THE GOLDEN GATE BRIDGE PHYSICAL
SUICIDE DETERRENT SYSTEM AND WIND RETROFIT PROJECTS
(PROJECT #1526)

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on August 27, 2020, that the Board of Directors authorize a budget increase in the amount of \$2,000,000 to the *Golden Gate Bridge Physical Suicide Deterrent System and Wind Retrofit Projects (Project #1526)*, to be financed with District reserves, to finance through December 2020 additional administration and construction engineering staff costs relative to construction Contract No. 2016-B-01, *Golden Gate Bridge Physical Suicide Deterrent System and Wind Retrofit Projects*.

This matter will be presented to the Board of Directors at its August 28, 2020, meeting for appropriate action.

Summary

At its December 16, 2016 meeting, the Board of Directors, by Resolution No. 2016-087, authorized the award of construction Contract No. 2016-B-01, *Golden Gate Bridge Physical Suicide Deterrent System and Wind Retrofit Projects*, to Shimmick Construction Company, Inc./Danny's Construction Company LLC, a Joint Venture.

Contract No. 2016-B-1 involves construction of a horizontal stainless steel net supported by cantilevered steel brackets along the west and east sides of four Golden Gate Bridge structures: the South Approach Viaduct, the Fort Point Arch, the Suspension Bridge, and the North Approach Viaduct; and construction of a tall vertical railing at the North Anchorage Housing. The net and cantilevered steel brackets will be located approximately twenty feet below the sidewalk and extend out about twenty feet. Because the installation of the Net System on the Suspension Bridge will block operations of the existing Suspension Bridge maintenance travelers, the Project includes replacement of these travelers with new travelers that are configured to avoid interference with the

Net System. Contract No. 2016-B-01 also includes the construction of the Suspension Bridge Wind Retrofit (Project #1528) along the west side of the Suspension Bridge main span.

The *Golden Gate Bridge Physical Suicide Deterrent System Project* is mostly funded with monies from the Federal Highway Administration (FHWA) received through the Metropolitan Transportation Commission and Caltrans. Accordingly, the Golden Gate Bridge, Highway and Transportation District (District) follows the rules and procedures set forth in the California Department of Transportation (Caltrans) Local Assistance Procedures Manual (LAPM) for federally assisted projects. In conformance with the LAPM, the District has developed a Construction Contract Administration Plan for the construction of the Project. According to the Plan, the District is responsible for administration and management of Contract No. 2016-B-1. This work is performed by the Engineering Department staff with the assistance of consultants with expertise in various aspects of construction administration and engineering.

Contract No. 2016-B-01 specifies a construction time of 47 months and a contract completion date of January 12, 2021. As previously reported to the Committee, the contractor has not progressed the work as required by the contract and has informed the District that it will not complete the installation of the physical suicide deterrent system until January 2023 and will not complete the remaining work until April 2024, which is 38 months behind the contract specified completion date. The District is asserting that the contractor is responsible for the delay to the time of completion, but the contractor is disputing this assertion.

The contractor is also asserting, through submissions of claims and notices of potential claims, that the District owes the contractor additional payments for alleged various adverse impacts on the contractor’s work performance due to District’s interpretations of the contract provisions and/or District’s actions regarding revisions to certain construction details. In addition, as part of its claims, the contractor is asserting an entitlement to compensable time extensions and to payments for the impacts of the extended time of construction. The District has determined that these claims have no merit. The contractor disagrees with the District’s findings.

Staff have performed an analysis of the remaining Project #1526 budget and have determined that continuation of the construction contract administration and construction engineering efforts of Engineering staff and consultants during an estimated additional 38 months of construction, including the participation in the claim evaluation and defense efforts, requires an estimated \$23,188,717 increase in the *Golden Gate Bridge Physical Suicide Deterrent System Project*, Project #1526, budget as presented in the table below.

Description	Additional Budget through April 2024 (or end of task)
Engineering Staff	\$ 14,000,000
Schedule/Claim Support Consultant	\$ 2,400,000
Field Inspection Consultant	\$ 4,200,000
Net Shop Inspection Consultant	\$ 100,000
Temporary Structures Consultant	\$ 2,160,000
CHP – Traffic Control Support (COZEP)	\$ 280,000
NPS Permit	\$ 48,717
Total	\$ 23,188,717

The District is working with its funding partners to secure additional funds for Project #1526. In the interim, to continue funding through December 2020, for staff time spent on the administration and engineering related to the Project’s construction, staff recommends that the Building and Operating Committee recommend that the Board of Directors approve a \$2,000,000 increase in the budget of Project #1526 to be funded with District reserves.

Staff will submit recommendations for budget increases related to the remainder of support services listed in the table above during future Committee meetings.

Fiscal Impact

The *Golden Gate Bridge Physical Suicide Deterrent System Project* (Project #1526) is included in the FY 2020/21 Bridge Division Capital Budget for Project #1526 at a total cost of \$192,779,868. As shown in Table 1 below, the budget for Project #1526 includes an amount of \$33,140,957 for Engineering staff time and consulting services related to the construction administration and construction engineering. The proposed \$2,000,000 increase in the FY 2020/21 Bridge Division Capital Budget for Project #1526, funded with District reserves, would increase the total amount assigned to the Construction Administration and Engineering Budget Sub-Element to \$35,140,957, and the total Project budget to \$194,779,868.

At its December 16, 2016 meeting, the Board of Directors approved a funding plan for Project #1526 in the amount of \$192,335,000. At its November 22, 2019 meeting, the Board of Directors approved a budget increase in the amount of \$250,000 for Project #1526, to be financed with District funds, to fund the documentation of the history, approval, design, construction, and completion of the Physical Suicide Deterrent System Project, for archival preservation and public education. At its December 22, 2019 meeting, the Board of Directors approved a \$194,868 budget increase for Project #1526, to be funded with District’s cell site revenues, to fund an extension to December 31, 2023, of the National Park Service Special Use Permit for construction Contract No. 2016-B-1. The current amount of the approved funding plan for Project #1526 is \$192,779,868. The approved and proposed revised interim funding plan is presented in Table 2 below:

**TABLE 1: PROJECT #1526 BUDGET
GGB Physical Suicide Deterrent System Construction**

BUDGET ELEMENT			AMOUNT	PROPOSED ADJUSTMENT	ADJUSTED AMOUNT
Construction Contract			\$132,563,830	0	\$132,563,830
Construction Contingency			\$22,405,213	0	\$22,405,213
Supplemental Funds:			\$4,225,000	0	\$4,225,000
Construction Administration & Engineering:			\$33,140,957		
	CONSTR. ADMIN. & ENGINEERING BUDGET SUB-ELEMENT	AMOUNT			
1	District Staff	\$15,023,991			

	<i>Proposed additional amount (this report)</i>	<u>\$2,000,000</u>			
	<i>Total proposed amount (this report)</i>	<u>\$17,023,991</u>			
2	Construction Engineering Support Amendment 12 PSA 2011-B-2 Resolution No. 2016-089	\$6,600,000			
3	Environmental Compliance PSA 2017-B-09 Resolution No. 2017-002	\$903,152			
4	Interim Construction Scheduling and Claim Support PSA 2017-B-17 GM Report	\$59,600			
5	Construction Scheduling and Claim Support PSA 2018-B-07 Resolution No. 2017-105	\$2,320,164			
6	Steel Fabrication Shop Inspection PSA 2018-B-06 Resolution No. 2017-115, including Amendment 1	\$1,534,500			
	Amendment 2, including contingency	\$198,000			
	Total PSA 2018-B-06	\$1,732,500			
7	Suicide Deterrent Net System Fabrication Shop Inspection PSA 2018-B-075 Resolution No. 2018-059	\$440,000			
8	Temporary Structures Engineering Advisor Support Services PSA 2018-B-082 Resolution No. 2018-066	\$957,550			
9	Field Inspection Support Services PSA 2018-B-084 Resolution No. 2018-080	\$4,400,000			

10	Maintenance Traveler System Fabrication Shop Inspection PSA 2019-B-007	\$704,000			
SUBTOTAL CONSTR. ADMIN & ENG., INCLUDING THE PROPOSED BUDGET INCREASE		\$35,140,957	AVAILABLE AMOUNT: \$33,140,957	PROPOSED INCREASE: \$2,000,000	PROPOSED REVISED AMOUNT: \$35,140,957
TOTAL PROJECT #1526 BUDGET			AVAIL. BUDGET \$192,779,868	PROPOSED INCREASE: \$2,000,000	PROPOSED REVISED BUDGET: \$194,779,868

Table 2: Physical Suicide Deterrent System (SDS) Project Funding Plan

SOURCE OF FUNDS	AMOUNT	PROPOSED ADJUSTMENT	ADJUSTED AMOUNT
MTC-STP Funds	\$67,000,000	\$0	\$67,000,000
Caltrans HBP Funds	\$58,140,000	\$0	\$58,140,000
GGBHTD District	\$60,211,407	\$2,000,000	\$62,211,407
MHSOAC	\$7,000,000	\$0	\$7,000,000
Cell Site Revenues	\$389,736	\$0	\$389,736
Donations	\$38,725	\$0	\$38,725
TOTAL	\$192,779,868	\$2,000,000	\$194,779,868

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