



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of February 22, 2024

From: Joseph M. Wire, Auditor-Controller
John R. Eberle, Deputy District Engineer
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 23/24 BRIDGE DIVISION CAPITAL
BUDGET FOR PROJECT #1923, GOLDEN GATE SUSPENSION
BRIDGE SEISMIC RETROFIT PROJECT

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on February 22, 2024, that the Board of Directors authorize an increase in the FY 23/24 Bridge Division Capital Budget, in the amount of \$8,540,031 for Project #1923, *Golden Gate Suspension Bridge Seismic Retrofit*, to finance the cost of the District's staff and consultant services, and other expenses required to develop the final construction documents and the construction price and schedule, for the total Project budget of \$19,845,538.

Introduction

By Resolution No. 2018-049, the Board of Directors approved the use of the Construction Manager/General Contractor construction project delivery method for the construction of the *Golden Gate Suspension Bridge Seismic Retrofit Project* (Project).

The Construction Manager/General Contractor project delivery method allows the project owner to engage a construction contractor (referred to as CMGC) during the project design stage (referred to as Preconstruction Phase) to collaboratively work with the project team on development of construction plans and specifications, as well as on the construction price and schedule. The project team consists of the owner's staff, design consultant, Independent Cost Estimator (ICE) consultant, owner's other consultants, and the CMGC. During the Preconstruction Phase, the CMGC provides input on value engineering ideas that improve the project's constructability and price; on impacts of project site, on environmental and regulatory constraints on construction cost and schedule; and on construction cost and schedule risks and how those risks can be mitigated. Also, the CMGC prepares construction cost estimates at each pricing milestone and for its Construction Price Proposal (CPP) using an open book production-based estimation method and an agreed to cost model that defines costs related to labor, materials, equipment, subcontractor and supplier quotes, means and methods, production rates, risk, direct costs, mobilization, and overhead and profit. This arrangement fosters a greater understanding between the project owner and the construction

contractor so that misunderstandings and future claims are kept to a minimum, and construction change orders are significantly reduced. After design plans and specifications for the project are finalized, the owner requests the CMGC's CPP for the project construction. If the CPP is accepted by the owner, a construction contract is issued to the CMGC so that the Construction Phase of the project can begin, and the CMGC becomes a prime contractor. If the CPP is not accepted by the owner, the owner, in its sole discretion, may end the CMGC's participation in the project and advertise the project for construction bids.

Following the Board approval of the Construction Manager/General Contractor construction project delivery method for the Project, in March 2019, FHWA established a new federal project number, Federal Aid Project Number BHLS-6003(029) for the Preconstruction Phase of the Golden Gate Suspension Bridge Seismic Retrofit Project, and approved the Authorization to Proceed with the Project's CMGC Preconstruction Phase. Consistent with this FHWA action, in April 2019, the Board of Directors, by Resolution No. 2019-023, authorized the establishment of Project #1923, Golden Gate Suspension Bridge Seismic Retrofit (CMGC). To date, FHWA and Caltrans approved a transfer of \$11,305,507 of federal funds unspent under the previous phases of the Bridge Seismic Retrofit to Project Number BHLS-6003(029) (District's Project #1923).

Engineering staff, with the assistance of the Project design consultant, has completed the first stage of the Project Preconstruction Phase implementation that involved the following effort at a total cost of \$3,932,481 (see Table 1 below), which was financed with the federal funds approved for the Project:

- Performing wind tunnel testing to determine general limits of a construction access system on the Suspension Bridge to preserve its structural integrity under strong winds.
- Performing stainless steel weld testing for the Energy Dissipation Devices (EDDs) to develop procedures for welding of thick stainless-steel plates.
- Updating the design plans and technical specifications to include the Physical Suicide Deterrent System details, results of the construction access system wind tunnel testing, EDD weld testing, and other information concerning the conformance with the federal Buy America requirements.
- Converting administrative and technical specifications to conform to the 2023 Caltrans Standard Specifications.
- Assisting with securing federal funding for the Construction Phase.
- Establishing, in consultation with FHWA and Caltrans, procedures for the Project Preconstruction Phase.
- Developing procurement document format and scopes of work for the CMGC and ICE services.
- Obtaining FHWA and Caltrans approvals of the CMGC services solicitation documents.
- Advertising for the CMGC and ICE proposals and selecting the most qualified candidates for the proposed award of their contracts.
- Implementing document management software, e-Builder, to facilitate the Project document control and Project Team's collaboration.
- Establishing a project office, by leasing an office space, to provide for Project Team collaborative work.

The implementation of the second stage of Golden Gate Suspension Bridge Seismic Retrofit

Project Preconstruction Phase, which will conclude with establishing a construction cost and schedule, will require participation of the following Project Team members:

- CMGC (propose to be retained under PSA No. 2023-B-015; see below)
- Design consultant (previously retained by the District)
- ICE consultant (propose to be retained under PSA No. 2023-B-042; see below)
- Project Technical Review Panel (TRP) consultants (previously retained by the District)
- FHWA and Caltrans oversight staff
- District's project management and contract administration staff

The *Golden Gate Suspension Bridge Seismic Retrofit Project* (Project) is under the California Department of Transportation (Caltrans) and Federal Highway Administration (FHWA) oversight for compliance with applicable state and federal laws, rules, and regulations because of the federal funding participation in the Project.

Since this is the first project for which the District is using the Construction Manager/General Contractor construction project delivery method, new procurement documents and content have been developed to comply with the applicable federal and state laws, rules and regulations, and the District's Procurement Manual.

On May 31, 2023, the District issued a Request for Statement of Qualifications, RFQ No. 2023-B-015, *Golden Gate Bridge Suspension Bridge Seismic Retrofit CMGC Preconstruction Services*. By the solicitation due date of August 4, 2023, the Office of the District Secretary received three (3) SOQs from the following firms:

- American Bridge/Traylor, Joint Venture, Lodi, CA
- Flatiron/Obayashi, Joint Venture, Concord, CA
- Halmar International, LLC, Nanuet, NY

The District reviewed and evaluated the proposals and interviewed the three proposers. The final ranking of the proposers was determined to be as follows:

1. Halmar International, LLC, Nanuet, NY
2. American Bridge/Traylor, Joint Venture, Lodi, CA
3. Flatiron/Obayashi, Joint Venture, Concord, CA

As stated in the RFQ, after the qualifications-based ranking of the CMGC proposers was established, District staff opened and reviewed a sealed cost proposal submitted by the highest ranked firm, Halmar. Staff conducted a cost analysis and negotiated with Halmar a total not-to-exceed price of \$5,754,332 for the CMGC Preconstruction Services. Staff has determined that this not-to-exceed price is fair and reasonable based on the scope of services requested by the District and an independent cost estimate performed by the District. Halmar will be compensated for actual time expended at specified hourly rates, and other direct expenses incurred, for the not-to-exceed authorized amount.

On December 15, 2023, the District issued RFQ/RFP No. 2023-B-042, *Golden Gate Bridge Suspension Bridge Seismic Retrofit Independent Cost Estimator (ICE) Services*. By the solicitation due date of January 10, 2024, the Office of the District Secretary received three (3) Statements of

Qualifications and Proposals (SOQ&Ps) from the following consulting firms:

- Leland Saylor & Associates, Inc., Walnut Creek, CA
- Capo Projects Group, San Clemente, CA
- Stanton Constructability Services, LLC, Holladay, UT (the proposer withdrew before interviews)

The District reviewed and evaluated the SOQ&Ps and interviewed the proposers. The final ranking of the proposers is as follows:

1. Leland Saylor & Associates, Inc., Walnut Creek, CA
2. Capo Projects Group, San Clemente, CA

As stated in the RFQ/RFP, after the qualifications-based ranking of consultants was established, District staff opened and reviewed a sealed cost proposal submitted by the highest ranked firm, Leland Saylor & Associates.

Staff conducted a cost analysis and negotiated a total not-to-exceed price of \$1,514,263 with Leland Saylor & Associates for the services. Staff has determined that this not-to-exceed price is fair and reasonable based on the scope of services requested by the District and an independent cost estimate performed by the District. Leland Saylor & Associates will be compensated for actual time expended and expenses incurred, plus a fixed fee, for the not-to-exceed authorized amount.

By Resolution No. 2009-070, the Board of Directors authorized execution of PSA No. 2010-B-1, *Golden Gate Suspension Bridge Seismic Retrofit Design Services*, with HDR Engineering, Inc. (HDR), to reevaluate and update the Suspension Bridge seismic retrofit strategy, to develop the final design, and to prepare design plans and technical specifications for the Golden Gate Bridge Seismic and Wind Retrofit of the Suspension Bridge. HDR has completed the seismic retrofit strategy and progressed the design of the Suspension Bridge seismic retrofit to approximately 85% completion.

The District determined that during the second stage of Preconstruction Phase of the Project, HDR needs to perform additional services to finalize the Project construction documents and to assist the District in establishing price and schedule for the Project construction.

Engineering staff requested, and HDR has provided, a cost proposal for the scope of work presented above. Engineering staff has reviewed the cost proposal and negotiated the price of services in the not-to-exceed amount of \$5,543,833, which staff finds to be reasonable in terms of HDR's budgeted labor hours to perform the scope of services requested by the District and consistent with HDR's audited labor and overhead billing rates. HDR will be compensated for actual time expended and expenses incurred, plus a fixed fee, for the not-to-exceed authorized amount.

During the second stage of the Project Preconstruction Phase, the District's Engineering staff will be engaged in performing project management and contract administration involving the following work:

- Reviewing and commenting on the deliverables submitted by the Project Team members.
- Coordinating the work of the Project Team and external agencies including the National Park Service (NPS), State Historic Preservation Office (SHPO), Caltrans and FHWA.
- Obtaining construction permits from NPS, BCDC, US Coast Guard, California State Water Resources Control Board, and Caltrans.
- Preparing and obtaining Caltrans and FHWA approvals of the Project Management Plan for the Construction Phase.
- Assisting with securing and obligation of funding for the Construction Phase.
- Obtaining FHWA approvals of the construction cost price analysis and construction contract award.
- Administering contracts executed with the CMGC, ICE, design consultant, and TRP.

Engineering staff has performed an analysis of the level of effort necessary for staff to perform this work and have estimated that a budget of \$1,796,810 be established for this effort.

The total cost to implement the second stage of the Project Preconstruction Phase is estimated at \$15,913,057, which includes the CMGC, ICE, design consultant, Engineering staff, and all other costs that may be incurred to complete the Preconstruction Phase as presented in Table 1 below.

Staff recommends that the Finance-Auditing Committee recommend that the Board of Directors approve a \$8,540,031 increase to the Project #1923 budget, which would provide for the CMGC, ICE, design consultant, Engineering staff, and all other costs that may be incurred to complete this phase as presented in this staff report, for the total Project budget of \$19,845,538.

Fiscal Impact

Project #1923, *Golden Gate Suspension Bridge Seismic Retrofit Project* is included in the FY 2023/24 Bridge Division Capital Budget with a budget of \$11,305,507, financed with 100% federal funds.

Project expenditures through January 31, 2024, are \$3,932,481 leaving a balance of \$7,373,026 in federal funds to finance the implementation of the second stage of the Project Preconstruction Phase. The estimated cost of \$15,913,057 to implement the second stage of the Preconstruction Phase (presented in Table 1 below) will require an \$8,540,031 increase in the FY 2023/24 Bridge Division Capital Budget for Project #1923, for a revised total Project budget of \$19,845,538. This increase is proposed to be financed with District reserves. The new total project budget of \$19,845,538 will be funded with \$11,305,507 (57%) federal funds and \$8,540,031 (43%) District funds.

Table 1: Project #1923 Budget

DESCRIPTION	TOTAL EXPENSE/ BUDGET	EXPENSE/ BUDGET ITEMS
TOTAL FIRST STAGE EXPENSES	\$3,932,481	
District Staff (Labor + Fringe Benefits)		\$1,128,215
Indirect Cost (ICAP)		\$595,584
General Project Expenditures		\$15,507
Permits and Fees		\$3,295
Miscellaneous/Incidentals		\$269
Office Space Lease		\$58,623
Design Consultant		\$2,005,237
Technical Review Panel		\$17,588
e-Builder Document Control Software		\$108,163
TOTAL PROPOSED SECOND STAGE BUDGET:	<u>15,913,057</u>	
District Staff (Labor + Fringe Benefits)		<u>1,176,000</u>
Indirect Cost (ICAP)		<u>620,810</u>
General Project Expenditures		<u>50,000</u>
Printing & Advertising		<u>10,000</u>
Permits and Fees		<u>400,000</u>
Miscellaneous/Incidentals		<u>4,952</u>
Delivery Expense - Financing		<u>207,000</u>
Office Space Lease		<u>141,377</u>
Design Consultant		<u>5,543,833</u>
Technical Review Panel		<u>430,490</u>
CMGC Consultant		<u>5,754,332</u>
Consultant ICE		<u>1,514,263</u>
Document Control System (eBuilder)		<u>60,000</u>
TOTAL PROPOSED PROJECT BUDGET	<u>\$19,845,538</u>	
TOTAL FEDERAL FUNDING	\$11,305,507	
<i>Proposed budget increase – District Reserves</i>	<u>\$8,540,031</u>	