



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of October 23, 2025

From: Jennifer Mennucci, Auditor-Controller  
John R. Eberle, District Engineer  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFERS**  
**(A) BUDGET INCREASE IN THE FY 25/26 BRIDGE DIVISION**  
**CAPITAL BUDGET FOR PROJECT #2520, GOLDEN GATE**  
**SUSPENSION BRIDGE TOWERS AND SIDE SPANS SEISMIC**  
**RETROFIT CONSTRUCTION**

### **Recommendation**

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on October 23, 2025, that the Board of Directors authorize an increase in the FY 25/26 Bridge Division Capital Budget, in the amount of \$141,726,000, to Project #2520, *Golden Gate Suspension Bridge Towers and Side Spans Seismic Retrofit Construction*, to be funded from District reserves, for a revised total project budget of \$1,011,726,000.

This matter will be presented to the Board of Directors at its October 24, 2025, meeting for appropriate action.

### **Summary**

On July 27, 2018, the Golden Gate Bridge, Highway and Transportation District (District) Board of Directors, by Resolution No. 2018-049, approved the use of the Construction Manager/General Contractor (CMGC) procurement method, authorized by and in conformance with Section 6970 et seq. of the Public Contract Code, for procuring construction of the Golden Gate Bridge Seismic Retrofit (previously Phase 3B). The CMGC procurement method is a project delivery method in which a construction manager (CM) is chosen to provide preconstruction services during the design phase of the project and, agreed to by the parties, construction services as a general/prime contractor (GC) during the construction phase of the project. During the design phase, the CM provides input on the design including, but not limited to, scheduling, pricing and phasing, to assist the agency in designing a more constructible project.

In April 2019, the Board of Directors, by Resolution No. 2019-023, authorized the establishment of Project #1923, *Golden Gate Suspension Bridge Seismic Retrofit Preconstruction*, which allowed

the District to fund the final design of the Project utilizing the CMGC procurement method. On February 23, 2024, the Board of Directors, by Resolution No. 2024-009, authorized execution of Professional Services Agreement (PSA) No. 2023-B-015, *Golden Gate Suspension Bridge Seismic Retrofit CMGC Preconstruction Services*, with Halmar International, LLC, Nanuet, NY, for the CMGC preconstruction services, authorized execution of PSA No. 2023-B-042, *Golden Gate Suspension Bridge Seismic Retrofit ICE Services*, with Leland Saylor Associates, Walnut Creek, CA, for Independent Cost Estimator (ICE) preconstruction services, and authorized execution of the Fourteenth Amendment to PSA No. 2010-B-1, with HDR Engineering, Inc., Walnut Creek, CA, for engineering design services to finalize the Project construction documents and to assist the District in establishing construction price and schedule for the Project during the Preconstruction Phase.

Since March 2024, the project team, consisting of Engineering staff, the Design Engineer, the CMGC, and the ICE, with oversight from the FHWA and Caltrans, has been performing the preconstruction services and working towards finalizing the design plans, specifications and cost estimates for performing the construction. As discussed at previous committee meetings, the construction for the Golden Gate Suspension Bridge Seismic Retrofit has been divided into two contracts, Contract 1 for the Suspension Bridge's two main towers and two side spans, and Contract 2 for the Suspension Bridge's main span.

Contract 1 is titled Contract No. 2025-B-052, *Golden Gate Suspension Bridge Seismic Retrofit, Contract 1 - North and South Towers and North and South Side Spans (Project)* and involves construction of the seismic retrofit of the Suspension Bridge's two main towers and two side spans. The project team has completed the preconstruction phase for Contract 1, including finalizing the construction drawings, special provisions, technical specifications, schedule, and contract documents. Based on the final documents, the CMGC, the ICE, and the Design Engineer each developed a Construction Price Proposal (CPP) for the work. Unlike previous Opinion of Probable Construction Cost (OPCC) estimates performed during the preconstruction phase, the CPP included pricing from subcontractors and suppliers that submitted bids to the CMGC in accordance with the CMGC's approved Subcontracting Plan. In addition to the CPP and in accordance with the requirements of PSA No. 2023-B-015, *Golden Gate Suspension Bridge Seismic Retrofit CMGC Preconstruction Services*, the CMGC produced and submitted the following documents:

- Construction Baseline Schedule
- Risk Register
- Innovation Register
- Assumptions Log
- List of Subcontractors with recommendations for award documentation in conformance with the Subcontracting Plan
- Construction Means and Methods Plans
- Bridge Construction Access Plan
- Construction Quality Control Plan
- Construction Health and Safety Plan

On September 23–24, 2025, as part of the CMGC process, the project team met to review and discuss reconciling any pricing differences between the three CPPs (developed by the CMGC, the ICE, and the Design Engineer). In addition, the Risk Register, which is a listing of potential project

risks with an estimated probability of occurrence for each risk, an estimated price for each risk and a proposed owner of each risk, was reviewed and discussed during the meeting.

After the meeting, Engineering staff and the CMGC entered into negotiations to finalize the terms of the contract in order to reach a Construction Agreed Price (CAP). For Contract 1, Engineering staff and the CMGC have agreed on a CAP in the amount of \$863,949,008. In accordance with the FHWA and Caltrans CMGC procurement method process, the CMGC CAP must be compared to the ICE's CPP and the Design Engineer's CPP to determine if the CAP is fair and reasonable. The CAP is within 4.63% of the Design Engineer's CPP of \$825,719,729 and is within 2.95% of the ICE's CPP of \$839,171,324. Engineering staff has determined that the CAP amount for the Contract 1 scope of work is fair and reasonable.

As part of the preconstruction phase and in accordance with PSA No. 2023-B-015, *Golden Gate Suspension Bridge Seismic Retrofit CMGC Preconstruction Services*, the CMGC prepared a Subcontracting Plan and a Disadvantaged Business Enterprise (DBE) Engagement Plan which outlined the CMGC's plan for engaging and selecting subcontractors, suppliers, fabricators and consultants, including DBE's, for the construction contract work. However, on October 3, 2025, the United States Department of Transportation issued an Interim Final Rule (IFR) regarding the DBE Program that resulted in the removal of DBE goals and the counting of DBE participation until all DBEs are reevaluated for DBE certification under new standards found in § 26.111 of the IFR. Therefore, any DBE related forms, goals, or commitments submitted prior to the effective date of the IFR are considered invalid and will not be taken into account in the award of this Contract 1.

Engineering staff has reviewed the above and determined that Halmar International, LLC, has fulfilled the requisite CMGC preconstruction requirements and has submitted an acceptable CAP. Based on the above findings, the District Engineer, at the Building and Operating Committee Meeting, recommended that the Committee recommend that the Board of Directors approve authorizing award of Contract No. 2025-B-052, *Golden Gate Suspension Bridge Seismic Retrofit, Contract 1 - North and South Towers and North and South Side Spans*, to Halmar International, LLC, in the amount of \$863,949,008, subject to the District receiving Caltrans approval and FHWA concurrence of the award recommendation.

The District Engineer also recommended that a construction contingency budget be established for Contract No. 2025-B-052, in the amount of \$41,350,000. This amount is based upon the risks identified, priced, and assigned to the District during the CMGC preconstruction phase of the contract and listed in the Contract Risk Register.

The total cost to complete Project #2520 is estimated at \$1,011,726,000, which includes the costs for construction Contract No. 2025-B-052, the construction contract contingency, supplemental work, consultant services, District staff labor, fringe and indirect costs, and general project expenditures as presented in Table 1 below.

Staff recommends that the Finance-Auditing Committee recommend that the Board of Directors authorize a \$141,726,000 increase to the Project #2520 budget, to be funded from District reserves, to finance Project #2520.

### **Fiscal Impact**

Project #2520, *Golden Gate Suspension Bridge Towers and Side Spans Seismic Retrofit Construction*, is included in the FY 25/26 Bridge Division Capital Budget in the amount of \$870 million and is funded with \$395.7 million in federal Bridge Investment Program (BIP) funds, \$200 million in Caltrans Federal Highway Bridge Program (HBP) funds, and \$274.3 million in District reserves.

The proposed actions relative to the award of construction Contract No. 2025-B-052 would require a \$141,726,000 increase to the Project #2520 budget. It is recommended that the Project #2520 budget be increased by \$141,726,000, funded from District reserves, for a total budget of \$1,011,726,000 to finance the Project. Table 1 below shows the proposed revised project budget. Table 2 below shows the proposed revised project funding.

**TABLE 1: PROJECT BUDGET – #2520, *Golden Gate Suspension Bridge Towers and Side Spans Seismic Retrofit Construction***

<b>DESCRIPTION</b>	<b>CURRENT PROJECT BUDGET</b>	<b>PROPOSED ADJUSTMENT</b>	<b>TOTAL PROPOSED PROJECT BUDGET</b>
<b>Prime Construction Contract</b>	\$745,000,000	\$118,949,008	\$863,949,008
<b>Prime Construction Contract Contingency</b>	\$74,200,000	(\$32,850,000)	\$41,350,000
<b>Supplemental Work (CHP, NPS Permit, other permits)</b>	\$7,000,000	(2,124,000)	\$4,876,000
<b>Consultant Services (Construction Engineering, Environmental Compliance Monitoring, Scheduling Services, Shop Inspection Services, Field Inspection Services, etc.)</b>	\$27,500,000	\$28,000,000	\$55,500,000
<b>District Staff Labor/Fringe</b>	\$10,560,000	\$21,691,500	\$32,251,500
<b>Indirect Costs</b>	\$4,966,000	\$7,782,500	\$12,748,500
<b>General Project Expenditures</b>	\$774,000	\$276,992	\$1,050,992
<b>TOTAL</b>	<b>\$870,000,000</b>	<b>\$141,726,000</b>	<b>\$1,011,726,000</b>

**TABLE 2: PROJECT FUNDING – #2520, *Golden Gate Suspension Bridge Towers and Side Spans Seismic Retrofit Construction***

	<b>CURRENT AMOUNT</b>	<b><i>PROPOSED ADJUSTMENT</i></b>	<b>PROPOSED ADJUSTED AMOUNT</b>	<b>SHARE</b>
<b>Federal - Bridge Investment Program</b>	\$395,729,984	0	\$395,729,984	39%
<b>Federal - Caltrans HBP Funds</b>	\$200,000,000	0	\$200,000,000	20%
<b>District Reserves</b>	\$274,270,016	<i>\$141,726,000</i>	\$415,996,016	41%
<b>TOTAL</b>	<b>\$870,000,000</b>	<b><i>\$141,726,000</i></b>	<b>\$1,011,726,000</b>	<b>100%</b>

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