



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 26, 2023

From: Ron Downing, Director of Planning
Kellee J. Hopper, Deputy General Manager, Administration and Development
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) **BUDGET INCREASE IN THE FY 22/23 FERRY DIVISION
CAPITAL BUDGET FOR PROJECT #2042, LARKSPUR FERRY
SERVICE & PARKING EXPANSION ENVIRONMENTAL
CLEARANCE AND PRELIMINARY DESIGN STUDY**

Recommendation

The Finance and Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on January 26, 2023, that the Board of Directors authorize a budget increase in the amount of \$1,043,086 in the FY 22/23 Ferry Division Capital Budget for Project #2042, *Larkspur Ferry Service & Parking Expansion Environmental Clearance and Preliminary Design Study*, for a total project budget of \$4,191,512.

Summary

On June 26, 2020, the Board, by Resolution No. 2020-033, authorized the award of Contract No. 2019-F-058, *Larkspur Ferry Service & Parking Expansion Environmental Clearance and Preliminary Design Study*, to Jacobs Engineering Group (Jacobs). The contract called for work to strategically position the Golden Gate Bridge, Highway and Transportation District's (District) Larkspur Ferry service for the future, based on historic travel demand that resulted in ferries leaving passengers behind and parking supply being fully utilized. This work includes determining the most feasible site for a parking structure, environmentally clearing the selected site, and providing a preliminary design (30%) package that will lead to a subsequent project to include completing final design and construction of a parking structure. The study was scoped to environmentally clear an increase in the number of Larkspur Ferry crossings above the pre-pandemic threshold of 42 revenue crossings per weekday along with associated deadhead moves required to deploy vessels to the District's other routes from the maintenance and storage base at the Larkspur terminal.

This work is still needed because it is expected that, while in the short term 25 percent of all office space in downtown San Francisco is unleased and hybrid work patterns are evolving as we exit the pandemic, the Larkspur Ferry is still expected to have a major role in transporting passengers from

Marin to San Francisco in future years as the Bay Area population and economy continues to grow. Therefore, it is important to environmentally clear the two components of this study that pertain to service and parking so that the District is ready to provide ferry service to meet that future passenger demand.

Impacts of the Pandemic on the Project Budget and Schedule

Because the submittal date for the RFP was in late 2019, the Jacobs proposal could not anticipate the impacts the pandemic would have on the project, including changing travel patterns arising from the pandemic, and impacts to Bay Area agencies' travel models. This has impacted all areas of project delivery, resulting in increased effort with associated increased costs and project delay. Jacobs's original proposal was based on a timeline that would have completed the Final Environmental Impact Report (EIR) in 2023. Project delays associated with the pandemic and unanticipated work detailed below is increasing the project management costs. As of November 2022, the estimated completion date has moved to early 2025, approximately two years later than anticipated in the proposal. As delays have extended project delivery into 2025, Jacobs has also submitted revised staff rates to extend to that year.

It was assumed at the beginning of this project that the effects of the pandemic were temporary and that a return to pre-pandemic service was imminent. However, the duration of the pandemic has required a reassessment of the travel demand forecasting element of the project. Ferry and parking demand forecasts are the foundation of the project, and their importance cannot be understated. Unfortunately, several unanticipated developments arose as the project team worked on initial forecasts. As the pandemic severely impacted transit ridership (and society at large), questions arose regarding the Transportation Authority of Marin Demand Model (TAMDM) used for preliminary forecasts, and delays arose as the team investigated other options for moving forward.

While the project team has made progress in addressing these issues, they were not anticipated in the original work plan. Delays in updates to the Metropolitan Transportation Commission (MTC) travel model have not been completed and are not expected for some time. As a result, the consultant team went back to the TAMDM to use that model to develop a new baseline for 2019 Larkspur ferry ridership and future forecasts. Larkspur Ferry ridership is anticipated to recover to pre-pandemic levels and grow, but at a longer timeline than the study originally anticipated.

Given the impacts on ferry demand forecasts discussed above due to the pandemic, additional design development may be necessary to accommodate the wider range of ferry ridership and parking demand estimates. In addition, expanded public and stakeholder outreach is likely to necessitate further iteration and updating of parking structure design alternatives. Advance planning for this additional work will enable the project team to respond quickly and effectively to these inputs.

Other Unanticipated Environmental Factors

Several elements of the original work scope have changed since the work began due to circumstances that were not anticipated when Jacobs first submitted its proposal.

Wake wash and shoreline erosion

The Jacobs team proposed to conduct wake wash and shoreline erosion analysis utilizing existing baseline wake wash data for the District's ferry fleet. It was later determined that the District did not have this information for all of its vessels, which subsequently required collection of additional comprehensive baseline wake wash data by the Jacobs team. This data is foundational to assess the possible impacts to shoreline erosion arising from additional ferry trips.

Cultural Resources

An unanticipated key stakeholder, Graton Rancheria, has emerged. Additional coordination and potential documentation not originally envisioned will be required.

Scope and Cost of the Amendment

Jacobs has presented the District with a proposed Scope of Services for the amendment, based on detailed discussions and direction from the District project team. The amount of their proposal for this amendment is \$948,260. Billing rates are consistent with the rates of the original proposal (factoring in 2023 to 2025 salary escalations), and the projected additional work hours are reasonable based on the direction provided by the District project team and the amount of work expected.

Based on staff's analysis of Jacobs's proposed Scope of Services for the project, staff believes the price for the first Amendment to the contract is fair and reasonable.

The District's Disadvantaged Business Enterprise (DBE) Program Administrator has determined that Jacobs's one DBE subconsultant will perform 4.9% of the additional proposed scope of work included in this amendment.

It is proposed that the Building and Operating Committee recommend that the Board authorize the execution of the First Amendment to Contract No. 2019-F-058 with Jacobs Engineering Group in the amount not to exceed \$948,260 to perform additional services outlined in this report. The consultant will be compensated for actual time expended and expenses incurred. Staff also recommends increasing the contract contingency by \$94,826. This additional contract contingency would supplement the amount of the original contingency, which has been reserved for previously identified activities.

Fiscal Impact

Project #2042, *Larkspur Ferry Service & Parking Expansion Environmental Clearance and Preliminary Design Study*, was approved in the FY 22/23 Ferry Division Capital Budget for \$3,148,426. The proposed amendment increases the project budget by \$1,043,086 to fund the First Amendment to Contract No. 2019-F-058, *Larkspur Ferry Service & Parking Expansion Environmental Clearance and Preliminary Design Study*, with Jacobs Engineering Group. The revised total project budget of \$4,191,512 will be funded entirely with District funds.

**TABLE 1: PROJECT BUDGET - #2042, Larkspur Ferry Service & Parking Expansion
 Environmental Clearance & Preliminary Design Study**

DESCRIPTION	CURRENT TOTAL PROJECT BUDGET	PROPOSED ADJUSTMENT	PROPOSED TOTAL PROJECT BUDGET
District Staff Labor and Fringe	219,000		219,000
Prime Contract (Jacobs Engineering Group, Inc.)	2,514,024	948,260	3,462,284
Prime Contract Contingency	251,402	94,826	346,228
Indirect Costs	164,000		164,000
Grand Total	\$3,148,426	\$1,043,086	\$4,191,512