

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 201103-092

WHEREAS, On February 7, 2012, the SFMTA Board of Directors adopted Resolution No. 12-017, which approved Contract No. CS-163-1 (Aon Contract), Insurance Brokerage Services for an Owner's Controlled Insurance Program (OCIP), between the SFMTA and Aon Risk Insurance Services West, Inc. (Aon), in an amount not-to-exceed \$9,808,750 and for a term of eight years, actual premium cost adjusted based on final bid costs of the covered contract work; and,

WHEREAS, The OCIP provides excess liability insurance coverage (OCIP) to cover catastrophic losses arising from the construction of the Central Subway Project, which is Phase 2 of the Third Street Light Rail Transit Project (Project) that exceed the Project contractors' liability insurance policies; and,

WHEREAS, Barnard Impregilo Healy (Barnard) was the contractor for the construction of the Project tunnels, under Contract No. 1252. The OCIP provides \$150 million in coverage over Barnard's own \$350 million policies, for total coverage of \$500 million; and,

WHEREAS, Barnard completed the tunnels and the SFMTA accepted that work and closed out Contract 1252 on October 3, 2018, and the SFMTA subsequently determined that it was not necessary or fiscally prudent to continue to maintain \$500 million of catastrophic liability insurance for Contract 1252 and therefore reduced the SFMTA's coverage to \$150 million over the Contractor's \$100 Million policy; and,

WHEREAS, Tutor Perini Corporation (Tutor) is the contractor for the construction of the Project stations, trackway, and control systems under Contract No. 1300. The OCIP provides \$150 million in coverage over Tutor's own \$50 million policy for claims arising from construction of the stations, trackway and control systems; and,

WHEREAS, The SFMTA pays the premiums (charges) for the OCIP through Aon, which as the OCIP insurance broker, procures the insurance policies for the OCIP from 16 underwriters; and,

WHEREAS, The premiums for the OCIP are based on the value of the construction contracts and the period of active construction, and the Aon Contract has been modified four times previously, which has increased the total amount of the Aon Contract by \$15,285,456.23, for a total contract amount not to exceed \$25,094,436; and,

WHEREAS, On May 21, 2013, the SFMTA awarded Contract 1300 for the construction of stations, trackway and systems for the Central Subway to Tutor Perini Corporation in an amount not to exceed \$839,676,400 and for a term not to exceed 1700 calendar days; and,

WHEREAS, Contract 1300 has been modified 132 times, increasing the contract value by \$96,814,510.76 and extending the contract time (construction duration) 1145 Days, which amount increased the value of the contract work covered by the OCIP, and thereby has triggered a net increase in the premium for the OCIP policies in the amount of \$26,778,986, over amounts previously approved, which increases have been paid through an increase of that amount to the Aon Contract; and,

WHEREAS, On June 28, 2011, the SFMTA awarded Contract 1252 for the construction of tunnels for the Central Subway to Barnard Impregilo Healy (BIH) in an amount not to exceed \$233,584,015 and for a term not to exceed 1150 calendar days; and,

WHEREAS, Contract 1252 was modified 63 times, increasing the contract value by \$6,389,339.17 and extending the construction period 24 calendar days; and,

WHEREAS, Amendment No. 5 increases the amount of the Aon Contract by an amount not to exceed \$1,684,550 for additional premium due and arising from increases to construction contract amounts and extension of construction time; and,

WHEREAS, Amendment No. 5 to the Contract requires approval by the Board of Supervisors under Charter Section 9.118(b), as the original contract was subject to the Board of Supervisors approval and the value of the amendment exceeds \$500,000; and,

WHEREAS, The Central Subway Final Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (Central Subway SEIS/SEIR) evaluated the environmental impacts of the Central Subway Project, including construction of the subway tunnels; on August 7, 2008, the San Francisco Planning Commission certified the Final SEIR (Case No. 1996.281E). On August 19, 2008 the SFMTA Board of Directors approved Resolution 08-150 adopting Central Subway Project Alternative 3B as the Locally Preferred Alternative, the CEQA Findings, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Plan; and,

WHEREAS, Amendment No. 5, as described above, falls within the scope of the Final SEIS/SEIR; and,

WHEREAS, The environmental review determination is on file with the SFMTA Board of Directors, and may be found in the records of the Planning Department at 49 South Van Ness Avenue in San Francisco, and is incorporated herein by reference; and, therefore be it

RESOLVED, That the SFMTA Board has reviewed and considered the Central Subway SEIS/SEIR and record as a whole, and finds that the Central Subway Supplemental Environmental Impact Statement / Supplemental Environmental Impact Report (SEIS/SEIR) is adequate for the Board's use as the decision-making body for the actions taken herein relative to construction of the Project, and incorporates the California Environmental Quality Act (CEQA) findings by this reference as though set forth in this Resolution; and be it further

RESOLVED, The SFMTA Board of Directors approves Amendment No. 5 to Contract CS-163-1 OCIP Insurance Brokerage Services, to provide excess liability insurance for the Central Subway Project, with Aon Risk Insurance Services West, Inc., to increase the contract by an amount not to exceed \$1,684,550 for additional premium due to increased Central Subway Project construction time and costs, for a total contract amount not to exceed \$26,778,986; and be it further

RESOLVED, The SFMTA Board of Directors requests that the Board of Supervisors' approve Amendment No. 5 to Contract CS-163-1 OCIP Insurance Brokerage Services, to provide excess liability insurance for the Central Subway Project, with Aon Risk Insurance Services West, Inc., to increase the contract an amount not to exceed \$1,684,550 for additional premium due to increased construction time and costs, for a total contract amount not to exceed \$26,778,986.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 3, 2020.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency