

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs and Construction

BRIEF DESCRIPTION:

Authorizing the SFMTA to use a Construction Manager/General Contractor (CM/GC) project delivery method for the Van Ness Bus Rapid Transit Project; and authorizing the Director of Transportation, in his discretion, to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the CM/GC delivery method in a manner that is most efficient for the Project.

SUMMARY:

- The Van Ness Bus Rapid Transit (BRT) Project, the first BRT service planned for San Francisco, will improve transit reliability for the 47 and 49 Muni routes and provide reliable transit connections to transfer routes.
- Currently, staff has completed design of the Project to a 30 percent level and has considered alternative approaches to construction of the Project.
- Integrated project delivery is an approach to the procurement of construction services whereby a CM/GC is retained during the design process to review and provide comments as to the constructability of the design within the established budget.
- The Director of Transportation has determined that the CM/GC project delivery method will be the most effective way to achieve time efficiencies and that such a process is in the public interest.
- Under the Administrative Code the SFMTA Board of Directors must approve the solicitation of CM/GC proposals.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR _____

9/29/14_____

SECRETARY _____

9/29/14_____

ASSIGNED SFMTAB CALENDAR DATE: October 7, 2014

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PURPOSE

Having completed the Conceptual Engineering Report for the Van Ness BRT Project, staff has evaluated a number of project delivery models with the Department of Public Works and other city partners. The goal was to achieve constructing the Project in the shortest amount of time while maintaining a satisfactory level of service for public transit, pedestrian and vehicular traffic, and the overall welfare of the communities and local businesses.

Staff is requesting that the SFMTA Board of Directors authorize the SFMTA to use a CM/GC project delivery method for the Van Ness BRT Project, and authorize the Director of Transportation, in his discretion, to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the CM/GC delivery method in a manner that is most efficient for the Project.

GOAL

The Van Ness BRT Project would assist in meeting or furthering the following goals of the SFMTA Strategic Plan:

Goal 1: Create a safer transportation experience for everyone

Objective 1.1: Improve security for transportation system users

Objective 1.3: Improve the safety of the transportation system

Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the most attractive and preferred means of travel

Objective 2.1: Improve customer service & communications

Objective 2.2: Improve transit performance

Objective 2.3: Increase use of all non-private auto modes

Goal 3: Improve the environment and quality of life in San Francisco

Objective 3.1: Reduce the Agency's and the transportation system's resource consumption, emissions, waste, and noise

Objective 3.2: Increase the transportation system's positive impact to the economy

Objective 3.3: Allocate capital resources effectively

Objective 3.4: Deliver services efficiently

Objective 3.5: Reduce capital and operating structural deficits

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DESCRIPTION

The Van Ness BRT Project will be the first BRT service in San Francisco. The Project will improve transit reliability for the 47 and 49 Muni routes and provide reliable transit connections to transfer routes. The transit service and infrastructure changes are expected to reduce transit travel times by over 30 percent from approximately 20 minutes to between 13 and 14 minutes. By 2035, following implementation of BRT, ridership is projected to be greater than 60,000 passengers per day up from the approximately 45,000 passengers a day that currently ride the 47 and 49 bus lines. Strengthening transit along this two-mile stretch of Van Ness will also positively affect the efficiency of connecting routes. The Project will also promote pedestrian safety and comfort and enhance the urban design of Van Ness Avenue.

Chronology of Project

On May 15, 2012, the SFMTA Board of Directors adopted Resolution No. 12-070, selecting the Center-running BRT with Right Side Boarding Platforms Single Median and Limited Left Turns as the Locally Preferred Alternative (LPA) for the Van Ness Avenue BRT Project to be analyzed in the final EIS/EIR. Under this alignment of the Project, BRT lanes would flank the center median except at stations where the BRT vehicles would transition to the center of the roadway and be protected by right side boarding platforms. This alignment would also eliminate all left turns from Van Ness Avenue between Mission and Lombard streets, with the exception of a two-lane left turn onto Broadway from southbound Van Ness, in order to gain the most transit travel time benefits.

On September 10, 2013, the San Francisco County Transportation Authority (SFCTA) certified the Final EIS/EIR for the Project.

On September 17, 2013, the SFMTA Board of Directors adopted Resolution No. 13-214, approving the Project, which was analyzed as the LPA in the Final EIS/EIR. In the resolution, the Board also adopted the CEQA Findings and Statement of Overriding Considerations for the EIS/EIR.

On December 20, 2013, the Federal Transit Administration issued a Record of Decision (ROD) for the Van Ness Avenue Bus Rapid Transit Project, determining that the requirements of the National Environmental Policy Act have been met through the Final Environmental Impact Statement document and process.

On June 6, 2014, SFMTA staff completed the Conceptual Engineering Report (CER), bringing the Project to the 30 percent design level.

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Construction Manager/General Contractor

During the preparation of the CER, staff began analyzing numerous alternatives for implementing the Project to ensure that the Project meets its schedule. With that analysis complete, the Director of Transportation determined under Administrative Code Section 6.68(A) that an integrated project delivery method will be the most effective way to achieve time efficiencies to implement construction of the Project and that such a process is in the public interest.

Integrated project delivery is an approach to the procurement of construction services whereby a Construction Manager/General Contractor (CM/GC) is retained during the design process to review and provide comments as to the constructability of the design within the established budget. In a CM/GC contract, also commonly referred to as Construction Manager At-Risk or CM At-Risk, the CM/GC, acting as the prime contractor, assumes the risks for full performance of all construction work, for financial overruns, and schedule delays not caused by the SFMTA.

The CM/GC is generally selected on the basis of qualifications, past experience or best-value. During the design phase, the construction manager provides input regarding scheduling, pricing, phasing and other factors that will make the SFMTA design into a more constructible project. When the design is approximately 60 percent to 90 percent complete, the owner and the construction manager negotiate a “guaranteed maximum price” for the construction of the project, based on the defined scope and schedule.

The benefits of this delivery method include:

- Having an experienced contractor work directly with the design team on completing the design package, which could minimize change orders during construction;
- Having the contractor work directly with Caltrans and the City to develop an effective traffic management plan and to fully understand the restrictions that may be placed on the construction process with regards to maintaining transit and traffic operations, and
- Having the contractor intimately familiar with the corridor and community and their needs well before construction begins.

ALTERNATIVES CONSIDERED

The SFMTA hosted a project delivery selection and risk assessment workshop in early 2014. The goal of this workshop was to allow for an open exchange of ideas between public agency stakeholders in order to come up with innovative ideas and recommendations for best project delivery methods, including construction sequencing and execution that would result in an efficient and timely completion of the Project with the least amount of interruption to residents, businesses, and all users of the public right-of-way.

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Some of the findings from the workshop include:

- The complexities of maintaining access to transit and traffic in the public right-of-way during construction of the Van Ness BRT will require detailed traffic management planning and decisions on phasing, sequencing, and staging of construction.
- Pre-planning efforts should be implemented with communities, residents, developers, hotels, businesses, and other active construction projects regarding pre-designated access ways, delivery schedules, and special interim parking.
- The CM/GC method reduces duplicate work during pre-bid planning for permits, community outreach, and sequencing. CM/GC will not save money, but it may save time on the front end for design, permitting, sequencing, and minimizing disruption to the community, and incorporating design changes.
- While the City has some experience in CM/GC, neither the SFMTA nor other City agencies have experience in using CM/GC in a horizontal/roadway construction project. This lack of experience poses some risk to the project schedule.
- The “Design Build” delivery method was found to be inappropriate for this Project. The high risk of significant public disruption during construction and the sensitivities of the communities along the length of the corridor will require that the SFMTA maintain a level of control over the project that would not be possible under a “Design Build” construction contract.
- “Design Bid Build”, the traditional method for delivering such projects, offers no advantages for accelerating the delivery of the Project or minimizing community impacts.

Ordinance

It may be necessary to seek approval from the Board of Supervisors for an ordinance that amends Administrative Code Section 6.68 specifically for the Project. For example, DPW took an ordinance to the Board for the General Hospital project to allow a request for proposals to include both the CM/GC and core trade subcontractors instead of just the CM/GC, reasoning that having the core subcontractors in the pre-construction (final design) phase would enhance the design and provide added benefits to the efficiency of project implementation. SFMTA may require a similar ordinance. Therefore, staff requests advance authorization from the SFMTA Board to seek approval from the Board of Supervisors for such an ordinance if the Director, in his discretion, deems it necessary. Although this process is somewhat unusual, staff believes that it is the best way to move the project forward and maintain the project schedule. Staff needs to further refine its contracting strategy in order to know the details it will require in such an ordinance. The ordinance would also be approved as to form by the City Attorney’s Office.

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FUNDING IMPACT

The current estimated cost for the Van Ness BRT Project is \$162.1 million. The funding plan for the project currently includes approximately \$75 million in FTA Small Starts Funds, \$36 million in Proposition K sales taxes (\$15M of which is subject to SFCTA Board approval anticipated in October 2014), and \$51.1 million other state and local funds, including State Highway Operation and Protection Program (SHOPP) funds, SFMTA Revenue Bonds and local development impact fees.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Van Ness Avenue is part of State Highway 101 and is therefore a Caltrans right-of-way. During the course of the Project, it is likely that design exceptions will be required from Caltrans because of the Project's inability to meet all the requirements of the State Highway Design Manual. In addition, other local and FTA approvals will be required to complete the final design phase and begin construction of the Project.

The Board of Supervisors must approve any ordinance amending the requirements of Section 6.68 of the Administrative Code for the Project.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the SFMTA to use a CM/GC project delivery method for the Van Ness Bus Rapid Transit Project and to authorize the Director of Transportation, in his discretion, to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the CM/GC delivery method in a manner that is most efficient for the Project.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The goals of the Van Ness Bus Rapid Transit Project are robust and stable ridership, efficient, effective and equitable transit service, neighborhood livability and community vitality, and links to a citywide rapid transit network; and,

WHEREAS, On May 15, 2012, the Municipal Transportation Agency Board of Directors adopted Resolution No. 12-070, which identified and endorsed the Locally Approved Alternative (LPA) for the Van Ness Avenue Bus Rapid Transit Project, “The Center-running BRT with Right Side Boarding Platforms Single Median and Limited Left Turns,” for further analysis in the Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR); and,

WHEREAS, The San Francisco County Transportation Authority (SFCTA) Board certified the EIS/EIR as adequate, accurate and objective and reflecting the independent judgment of the SFCTA on September 10, 2013; and,

WHEREAS, On September 17, 2013, the Municipal Transportation Agency Board of Directors adopted Resolution No. 13-214, approving the Van Ness Avenue Bus Rapid Transit Project, analyzed as the Locally Preferred Alternative in the Final EIS/EIR for the Project, and adopted the CEQA Findings and Statement of Overriding Considerations for the EIS/EIR; and,

WHEREAS, On June 6, 2014, the SFMTA completed the Conceptual Engineering Report (CER), bringing the project to the 30 percent design level, and staff began an analysis of the best delivery method to complete the project on schedule; and

WHEREAS, Construction Manager/General Contractor (CM/GC) is an integrated alternative project delivery method whereby the CM/GC, selected during the design process to provide input on the constructability of the project, acts as the prime contractor and assumes the risks for full performance of all construction work, for financial overruns, and schedule delays not caused by the SFMTA; and

WHEREAS, The Director of Transportation has determined under Administrative Code Section 6.68(A) that an integrated project delivery method will be the most effective way to achieve time efficiencies to implement construction of the Project and that such a process is in the public interest; and

WHEREAS, Administrative Code Section 6.68(B) requires that the SFMTA obtain approval from this Board to solicit proposals for a CM/GC; and

WHEREAS, The SFMTA requires authority from this Board to seek approval from the Board of Supervisors for an ordinance that amends Administrative Code Section 6.68 specifically for the Project if the Director, in his discretion, deems it necessary; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the SFMTA to use a Construction Manager/General Contractor project delivery method for the Van Ness Bus Rapid Transit Project; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation, in his discretion, to seek approval from the Board of Supervisors for a Project-specific ordinance to implement the CM/GC delivery method in a manner that is most efficient for the Project.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 7, 2014.

Secretary, Board of Directors
San Francisco Municipal Transportation Agency