

THIS PRINT COVERS CALENDAR ITEM NO.: 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs and Construction

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute Modification No. 1 to Contract No. 1260R, Muni Metro System Integrated Systems Replacement Project, with Blocka Construction, Inc. (Contractor), to compensate the Contractor for costs associated with SFMTA delays, with additional work, and procurement of hardware, increasing the Contract amount by \$1,509,166.24, for a total Contract amount not to exceed \$25,625,166.24, and an extension of time to substantial completion of 1,440 days.

SUMMARY:

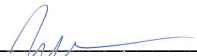
- On January 15, 2013, the SFMTA Board of Directors awarded Contract No. 1260R, Muni Metro System Integrated Systems Replacement Project (ISR Project or ISR Contract) with Blocka Construction, Inc. (Contractor), to replace and install the subway public address/platform display system (PA/PDS), the subway facility supervisory control and data acquisition system (SCADA), the motive power SCADA system, a new subway fiber broadband network system, and a new uninterruptible power supply (UPS) system in the amount of \$24,116,000, and for a term of 491 days to substantial completion.
- This Modification No. 1 extends the Contract duration by 1,440 days and compensates the Contractor for schedule delays in the amount of \$1,135,224. Additionally, the modification compensates the Contractor \$373,942.24 for costs and reasonable profit associated with additional work for out-of-sequence PA/PDS development, delays in delivering a critical data feed, labor cost escalation associated with schedule delay, and procurement of additional spare PA/PDS hardware.

ENCLOSURES:

1. SFMTAB Resolution
2. Contract No. 1260R, Contract Modification No. 1
3. Project Budget & Financial Plan

APPROVALS:

DIRECTOR



DATE

November 25, 2019

SECRETARY



November 25, 2019

ASSIGNED SFMTAB CALENDAR DATE: December 3, 2019

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PURPOSE

Authorizing the Director of Transportation to execute Modification No. 1 to Contract No. 1260R, Muni Metro System ISR Project, with Blocka Construction, Inc. (Contractor), to compensate the Contractor for costs associated with SFMTA delays, with additional work, and procurement of hardware, increasing the Contract amount by \$1,509,166.24, for a total Contract amount not to exceed \$25,625,166.24, and an extension of time to substantial completion of 1,440 days.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The work performed under Contract No. 1260R supports the following SFMTA Strategic Plan Goals and Objectives:

- Goal 1: Create a safer transportation experience for everyone.
 - Objective 1.2 Improve the safety of the transportation system.
 - Objective 1.3 Improve security for transportation system users.
- Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.
 - Objective 2.1 Improve transit service.
 - Objective 2.2 Enhance and expand use of the city's sustainable modes of transportation.

The work performed under Contract No. 1260R supports the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
3. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

The Integrated Systems Replacement (ISR) Project is a component of the larger Central Control and Communications (C3) Program. The C3 Program integrated, expanded, and modernized the SFMTA's operations control center facilities and systems to meet the SFMTA's strategic objectives of improving transit reliability. The ISR Project replaces and installs a new subway PA/PDS, a new subway facility SCADA, a new motive power SCADA system, a new subway fiber broadband network system, and a new UPS system for mission-critical SFMTA subway equipment.

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In January 2013, the SFMTA Board of Directors awarded Contract No. 1260R, Muni Metro ISR Project, to the Contractor to replace and install the aforementioned systems, in the amount of \$24,116,000, and for a term of 491 days to substantial completion.

The scope of the IRS Contract includes:

1. Subway Public Address/Platform Display System (PA/PDS) – the audio and visual information system within the nine Muni Metro subway stations.
2. Facility Supervisory Control and Data Acquisition (SCADA) – the remote command and control and alarm system for Muni Metro subway infrastructure such as the ventilation fans.
3. Motive Power SCADA Systems - provides remote monitoring of the traction power system and 26 power substations throughout the City used for trolley buses and light rail vehicles.
4. New Subway Fiber Broadband Network System – modernizes and connects underground IT network infrastructure in the subway, subway equipment rooms, and central control facilities.
5. Uninterruptible Power Supply (UPS) System – provides back-up power to all critical communications and network systems in the event of a power outage.
6. Associated detailed design, implementation, and construction work.

The time allotted to substantially complete construction of the project was 491 Days from the date of the written Notice to Proceed (NTP).

BACKGROUND AND CONTRACT STATUS

In May of 2011, the SFMTA issued Purchase Order No.3 under a master agreement with Thales Transport & Security Inc.'s (Thales) "Advanced Train Control System (ATCS) SMC Upgrade Project" (SFMTA Contract No. 1226). Part of the work under Purchase Order No. 3 was to provide an interface specification to upgrade Thales software on the subway location servers (SLS) to provide a viable data feed from the SLS of the train control system. This SLS data feed provides train location and event data that is critical to the testing and deployment of the PA/PDS system, which was part of the scope of Contract 1260R. Thales did not furnish software updates as required under its contract in a timely fashion. This was due to a combination of (a) complexity of the software upgrades since the software had to be converted from an old operating system to Windows, and (b) lack of sufficient resources on the part of Thales. This problem contributed 1,310 days of delay to the performance of Contract 1260R.

The Contractor achieved substantial completion as of June 12, 2018, 1440 days from the original substantial completion date. The reasons for the delay (other than the delay of the Thales data feed) are explained below. The Contractor is performing punch list work that has been impacted by unanticipated issues with proper functioning of the PA/PDS sign hardware and software functionality. The City anticipates that the Contractor will achieve Final Completion in mid-2020.

CONTRACT MODIFICATION NO. 1

Contract Modification No. 1 resolves four issues, identified as CM-1A, CM-1B, CM-1C, and CM-1D:

CM-1A: Subway Location Servers (SLS) Data Feed Delay

CM-1A extends the Contract substantial completion date by 1,440 compensable Days. Three delay-causing events occurred that were not the responsibility of the Contractor.

- As discussed above, the most substantial delay resulted from the SFMTA’s inability (through its contract with Thales) to provide a viable data feed from the SLS of the train control system. This problem contributed 1,310 days of delay.
- The second delay occurred when the SFMTA directed the contractor to resequence PA/PDS installation activities critical to providing Americans With Disabilities (ADA-) compliant passenger information for the newly procured LRV4 trains. The legacy PDS was incompatible with the LRV4s. This delay added 98 days to the substantial completion date.
- The third delay of 32 days occurred when the SFMTA directed the Contractor to suspend installation of station agent consoles to resolve a design issue.

Summary of contract time extension under CM-1A:

	Original Duration	Original Date	Revised Duration	Revised Date
NTP Date	-	2/27/13	-	-
Milestone 1 – Early Work	205 Days	9/20/13	-	-
Milestone 2 – Substantial Completion	286 Days	7/3/14	1,440 Days	6/12/18

The SFMTA engaged the services of a consultant to review and recommend a fair and reasonable equitable adjustment for the compensable delays. The Contractor initially requested \$3,275,159.85. Following review of the Contractor’s documentation, the SFMTA’s consultant recommended damages of \$788.35/day. Multiplied by 1,440 days, this results in an equitable adjustment of \$1,135,224.

CM-1B: Out-of-Sequence PA/PDS Development

CM-1B compensates the Contractor for resequencing PA/PDS installation activities critical to providing ADA-compliant passenger information for the newly procured LRV4 trains. The actual and necessary costs for re-sequencing the work, installing and removing temporary provisions to bring power and communication to the PDS signs, and additional programming and field work were

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tracked on force account (labor and materials). Staff determined that the reasonable price for this additional work was \$261,850.49.

CM-1C: Labor Cost Escalation

CM-1C increases the Contract amount by \$55,849.01 for labor escalation during the 1440-delay period described under item CM-1A.

CM-1D: Procure Required Additional Spare PA/PDS Hardware

CM-1D is for additional PA/PDS hardware. These spares parts, including PDS and audio components, are critical to maintaining the PA/PDS system and will be turned over to the system owner once the contract is closed. The Contractor will be compensated \$56,242.74 for this procurement of parts.

CONTRACT COMPLIANCE OFFICE

The SFMTA Contract Compliance Office has reviewed this Contract Modification No. 1 and has determined that it is consistent with the Small Business Enterprises (SBE) participation goals of 20% established for the Contract.

CONTRACTOR SAFETY RECORD

There were no “serious” or “willful” CalOSHA recordable violations during the construction of this project.

TRANSIT IMPACT

There was no impact to transit service due to the schedule delay or other work covered in Modification No. 1.

STAKEHOLDER ENGAGEMENT

There was no stakeholder engagement for schedule delay or other work covered in Modification No. 1.

ALTERNATIVES CONSIDERED

Not applicable.

FUNDING IMPACT

The Modification will increase the Contract by \$1,509,166.24. There is no impact to the total Project

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budget due to this modification as allocated funding will cover the Contract increase. The capital funds for this Project are from Federal Transit Administration (FTA) grants totaling \$31,427,323, and local funds totaling \$9,856,918. The operating funds for the Project total \$2,073.

Summary of Project funding:

Funding	Amount
Revenue Bond (Series 2012B)	\$6,175,500
Bridge Tolls (FY10, 13)	\$819,744
FTA FY02 Bus Capital Earmark	\$1,592
FTA (5309 Bus & Bus Facility FY06, 09)	\$2,062,486
FTA (5309 FG FY08, 11)	\$7,392,840
FTA (5307 FY09)	\$400,000
CTSGP (FY070, 08,17)	\$7,661,158
Local Proposition K	\$15,462,992
SFMTA Operating	\$2,073
PTMISEA	\$1,307,929
Total Funding	\$41,286,314

ENVIRONMENTAL REVIEW

The ISR Project is subject to the California Environmental Quality Act (CEQA). CEQA provides a categorical exemption from environmental review for operation, repair, maintenance, or minor alteration of existing facilities as defined in Title 14 of the California Code of Regulations Section 15301.

On February 6, 2012, the SFMTA, under authority delegated by the Planning Department, determined that the ISR Project is categorically exempt from CEQA as defined in Title 14 of the California Code of Regulations, Section 15301. The Contract Modification is within the scope of the environmental review.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed the calendar item. No other approvals are required.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation to execute Modification No. 1 to Contract No. 1260R, Muni Metro System Integrated Systems

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Replacement Project, with Blocka Construction, Inc., to compensate the Contractor for costs associated with SFMTA delays, with additional work, and procurement of hardware, increasing the Contract amount by \$1,509,166.24, for a total Contract amount not to exceed \$25,625,166.24, and an extension of time to substantial completion of 1,440 days.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On January 15, 2013, the SFMTA Board of Directors adopted Resolution No. 13-010, awarding Contract No. 1260R, Muni Metro System Integrated Systems Replacement (ISR) Project (the ISR Contract or ISR Project), to Blocka Construction, Inc. (the Contractor) in the amount of \$24,116,000.00, for a term of 491 days to substantial completion, to replace and install the Subway Public Address/Platform Display (PA/PDS) System, the subway facility Supervisory Control and Data Acquisition (SCADA) System, the motive power SCADA System, the new subway fiber broadband network system, and the new uninterruptible power supply system; and,

WHEREAS, The proposed Modification No. 1 to Contract No. 1260R resolves the following issues: (1) substantial compensable delay (1440 days), due to (a) late delivery of a critical data feed (1310 days); (b) resequencing PA/PDS work (98 days); and (c) a suspension of installation of station agent consoles due to a design error (32 days); (2) labor cost escalation during the delay period; and (3) procurement of additional passenger audio video (PAV) spare parts; and,

WHEREAS, In resolution of the above issues, the SFMTA will pay Contractor \$1,135,224 in compensation for the 1440 days of delay, \$55,849.01 for labor escalation, \$261,850.49 for the direct costs of re-sequencing the PA/PDS work, and \$56,242.74 for the additional PAV spare parts, for a total of \$1,509,166.24; and,

WHEREAS, The SFMTA Contract Compliance Office has reviewed this Contract Modification No. 1 and has determined that it is consistent with the Small Business Enterprises participation goals of 20% established for the Contract; and,

WHEREAS, The ISR Project is subject to the California Environmental Quality Act (CEQA); CEQA provides a categorical exemption from environmental review for operation, repair, maintenance, or minor alteration of existing facilities, as defined in Title 14 of the California Code of Regulations, Section 15301; and,

WHEREAS, On February 6, 2012, the SFMTA, under authority delegated by the Planning Department, determined that the ISR Project is categorically exempt from California Environmental Quality Act as defined in Title 14 of the California Code of Regulations, Section 15301; and,

WHEREAS, Contract Modification No. 1 is within the scope of the environmental review; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and may be found in the records of the Planning Department at 1650 Mission Street in San Francisco, and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute Modification No. 1 to Contract No. 1260R, Muni Metro System Integrated Systems Replacement Project, with Blocka Construction, Inc., to compensate the Contractor for costs associated with SFMTA delays, additional work, and procurement of hardware, increasing the Contract amount by \$1,509,166.24, for a total Contract amount not to exceed \$25,625,166.24, and an extension of time to substantial completion of 1,440 days.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 3, 2019.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Enclosure 2

CONTRACT MODIFICATION NO. 01

San Francisco Municipal Transportation Agency
Contract No. 1260R
Muni Metro System Integrated Systems Replacement Project

Contractor: Blocka Construction
4455 Enterprise St.
Fremont, CA 94538

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The Contract is modified as follows:

1. Scope of Work

CM-1A	Subway Location Servers (SLS) Data Feed Delay – Extend Contract duration for Milestone 2 (Substantial Completion) and Milestone 3 (Final Completion) by 1,440 compensable days and compensate contractor for all costs due to City’s delay in providing the SLS data feed required by Blocka to finalize the development of the passenger audio video (PAV) system, pursuant to Blocka Letters #87, #90, and #110, which are incorporated herein by reference.	\$1,135,224.00
CM-1B	Out-of-Sequence Passenger Audio Video (PAV) Development – Re-sequence the work of the PAV development, temporary installation and removal of power to PDS signs, and additional PAV programming, as directed by the SFMTA pursuant to RE Letters #91, #93, and #98.	\$261,850.49
CM-1C	Labor Cost Escalation – Compensate the contractor for escalation of labor cost over a span of 1,440 days due to delay under CM-1A for contract work scheduled between September 9, 2013 and March 16, 2019.	\$55,849.01
CM-1D	Procure Additional Spare PAV Hardware – Furnish additional PAV hardware, including public display signs (PDS) and audio components, as directed by the SFMTA pursuant to RE Letter #120.	\$56,242.74

2. The following new Pay Items are added to the Contract:

CM-1A	SLS Data Feed Delay	Lump Sum	\$1,135,224.00
CM-1B	Out-of-Sequence PAV Development	Lump Sum	\$261,850.49
CM-1C	Labor Cost Escalation	Lump Sum	\$55,849.01
CM-1D	Additional Spare PAV Hardware	Lump Sum	\$56,242.74
Total Amount of this Contract Modification:		Increase	\$1,509,166.24
		Previous Total of Contract:	\$24,116,000.00
		New Revised Total of Contract:	\$25,625,166.24
Total Contract Time added by this Contract Modification:			1,440 Days
		Previous Contract Substantial Completion Date:	07/03/14
		Current Contract Substantial Completion Date:	06/12/18

3. This Modification is made in accordance with Articles 88 and 94 of the Contract General Provisions.
4. Except as provided herein all previous terms and conditions of the Contract remain unchanged.
5. The compensation (time and/or cost) set forth in this Contract Modification comprises the total of all compensation due to Contractor, all Subcontractors, and all Suppliers, for the Work or change described in the Modification, including any impact on unchanged Work. By executing this Modification, Contractor acknowledges and agrees on behalf of itself, all Subcontractors, and all Suppliers, that the stipulated compensation includes payment for all Work contained in the Modification, plus all payment for the interruption of schedules, extended field and home overhead costs (if any), delay, and all impact, ripple effect or cumulative impact on all other Work under this Contract. The execution of this Modification indicates that the Modification constitutes full mutual accord and satisfaction for the change, and that the time and/or cost under the Modification constitutes the total equitable adjustment owed Contractor, all Subcontractors, and all Suppliers as a result of the change. Contractor, on behalf of itself, all Subcontractors and all Suppliers, specifically waives all rights, without exception or reservation of any kind whatsoever, to file any further claim related to this Modification. No further claim or request for equitable adjustment of any type for any reasonably foreseeable cause shall arise out of or as a result of this Modification or the impact of this Modification on the remainder of the Work under this Contract. This waiver is included in the exchanged consideration for this Modification.

In Witness Whereof, the parties have executed this Modification in San Francisco, California on the following date:

_____.

BLOCKA CONSTRUCTION, INC.

**CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

By: _____
Jean Blocka
Chief Finance Officer / Chief Operations Officer

By: _____
Thomas G. Maguire
Interim Director of Transportation

Authorized By:

Municipal Transportation Agency Board of
Directors

Resolution No. _____

Adopted: _____

Attest: _____

Roberta Boomer, Secretary

APPROVED AS TO FORM:

Dennis J. Herrera, City Attorney

By: _____

Robin M. Reitzes

Deputy City Attorney

ENCLOSURE 3

MUNI METRO SYSTEM INTEGRATED SYSTEMS REPLACEMENT PROJECT

San Francisco Municipal Railway Contract No. 1260R

Project Budget and Financial Plan

Cost	Amount
Preliminary Engineering Staff Support (SFMTA and Other City Services)	\$1,750,186
Detail Design Phase Staff Support (SFMTA and Other City Services)	\$ 3,181,858
Construction Phase Construction Contract, Contingency, and Staff Support	\$ 37,661,245
Total Cost	\$ 42,593,290

Funding	Amount
Revenue Bond (Series 2012B)	\$6,175,500
Bridge Tolls (FY10, 13)	\$819,744
FTA FY02 Bus Capital Earmark	\$1,592
FTA (5309 Bus & Bus Facility FY06, 09)	\$2,062,486
FTA (5309 FG FY08, 11)	\$7,392,840
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