



**Meeting Date:** July 22, 2024

**To:** Public Works Commission

**Through:** Carla Short, Public Works Director  
Ronald Alameida, Deputy Director

**From:** Tim Kempf, Senior Project Manager

**Subject:** Joint Development Technical Advisory Services for SFMTA Potrero Yard Modernization Project – Contract Modification

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**Director’s Recommendation:** Approve an increase of \$578,000 to the Joint Development Technical Advisory Services for SFMTA Potrero Yard Modernization Project with Arup Advisory, Inc. for a total contract amount of \$4,771,000.

**Contract Background:** On November 25, 2019, San Francisco Public Works executed Contract No. 1000015963 (Contract) with Arup Advisory, Inc. (Contractor) to provide financial, commercial, and technical advisory services for the SFMTA Potrero Yard Modernization joint development project (Project). The Project objectives are twofold: to (i) replace an obsolete, under capacity and century-old transit facility with a modern and efficient transit maintenance facility meeting current industry standards that is sized and designed for today’s transit fleet, which will improve transit service through better on-time performance and less overcrowding, enable resilience and expand green transit infrastructure, enhance safety and working conditions for SFMTA staff, and (ii) maximize the development of up to 465 units of affordable housing on public lands. In this context, the Contractor has advised City on financial terms and mechanisms, project delivery methodology, commercial structure, procurement strategy, and various technical aspects of the Project.

**Reason for Modification:** An extension of Contractor’s advisory services is needed during the remaining time of the Project’s predevelopment phase to advise City regarding analysis and resolution of project financing, ongoing negotiations regarding the financial and commercial risk allocations in the project agreement, optimizing the final determination of the joint development deal terms, and completion of the technical requirements as the Project advances towards commercial and financial closing. To ensure consistency, coordination and completeness across all financial, commercial, and technical aspects of the development project agreement deal terms in a way that satisfies the Project objectives, Staff recommends approval of Contract Modification 5 to increase the Contract by \$578,000 for a new Contract value of \$4,771,000.

**Contract Details:**

<b>Contract Title:</b>	Joint Development Technical Advisory Services for SFMTA Potrero Yard Modernization Project
<b>Personal Services Contract No. (Required for Professional Services Only):</b>	PSC No. 45683-19/20 obtained approval on November 04, 2019, PSC modification 1 approval obtained on November 5, 2021, PSC modification 2 approval obtained on April 15, 2022, PSC modification 3 approval obtained on July 1, 2024.
<b>Contract Original Award Amount:</b>	\$1,300,000
<b>Contract Original Duration:</b>	1,086 days
<b>Contractor Name:</b>	Arup Advisory, Inc.

**Summary of Total Amounts:**

	<b>Contract Amount</b>	<b>Contract Duration</b>	<b>Contract Dates</b>
Original Contract Amount:	\$1,300,000	1,086 days	12/11/19 - 12/01/22
Previous Approved Modifications:	\$2,893,000	1,307 days	12/01/19 - 06/30/26
Proposed Modification:	\$578,000	0 days	12/01/19 - 06/30/26
<b>Total Contract Values, if Modification No. 5 is Approved:</b>	<b>\$4,771,000</b>	<b>2,393 days</b>	<b>12/01/19 - 06/30/26</b>

**Previously Approved Modifications:**

<b>Modification</b>	<b>Amount</b>	<b>Extension (days)</b>	<b>Description</b>
Contract Modification No. 1	0	0	Annual hourly billing rate adjustment for newly assigned scope.
Contract Modification No. 2	\$2,893,000	517	Completion of the initial scope of services led to clarity and determination of project delivery method and procurement strategy, progressively defining subsequent project phases, work streams and durations. With this, a continuation of advisory services was needed throughout the

Joint Development Technical Advisory Services for SFMTA Potrero Yard Modernization Project – Contract Modification Public Works Commission Meeting: July 22, 2024

			Project’s subsequent predevelopment phase.
Contract Modification No. 3	0	790	To continue the same scope of services into the design and construction period and maintain continuity of subject matter experts performing technical review of key design submittals (e.g., structural analysis and review).
Contract Modification No. 4	0	0	Annual hourly billing rate adjustment for newly assigned scope.

<b>Contract Funding Sources:</b>	Proposition L, Regional Measure 3
<b>Compliance Information:</b>	14B Articles 131 and 132 Nondiscrimination Requirements
<b>Related Commission Actions:</b>	N/A
<b>Additional Information:</b>	N/A
<b>Attachments:</b>	Attachment 1: Resolution Attachment 2: Contract Monitoring Division Memorandum Modification Approval Attachment 3: Personal Services Contract Modification Approval

**PUBLIC WORKS COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. \_\_\_\_\_**

WHEREAS, On November 25, 2019, City and Arup Advisory, Inc. (Contractor) entered into Contract No. 1000015963 for Contractor to provide financial, commercial, and technical advisory services for the SFMTA Potrero Yard Modernization joint development project (Project); and

WHEREAS, In order to enable Contractor to continue advising City regarding analysis and resolution of project financing, ongoing negotiations on the project agreement, optimizing the final determination of the joint development deal terms, and completion of the technical requirements as the Project advances towards commercial and financial closing, City and Contractor desire to modify the Contract to increase the Contract by \$578,000 for a new Contract value of \$4,771,000; and

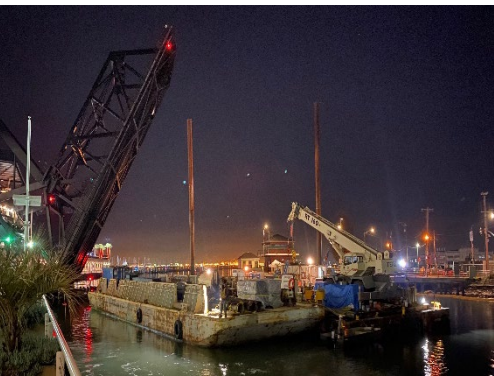
WHEREAS, Approval for this modification was obtained on May 29, 2024 from the Contract Monitoring Division; and

WHEREAS, Approval for this modification was obtained on July 1, 2024 from the Civil Service Commission under PSC 45683-19/20 Modification No.3; now, therefore, be it

RESOLVED, That this Commission approves this fifth modification to increase Contract No. 1000015963 by \$578,000 for a new Contract value of \$4,771,000.

*I hereby certify that the foregoing resolution was adopted by the Public Works Commission at its meeting of \_\_\_\_\_.*

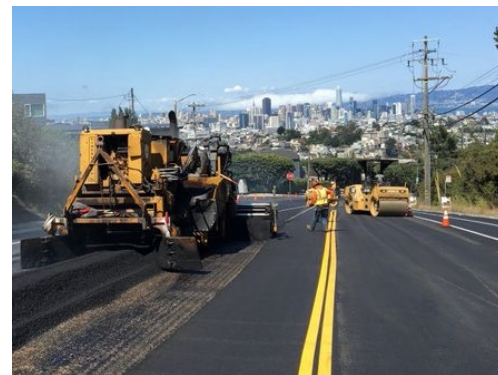
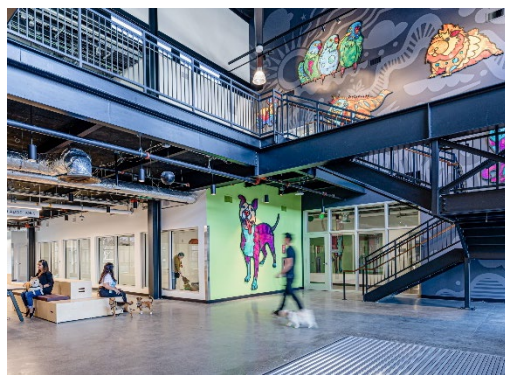
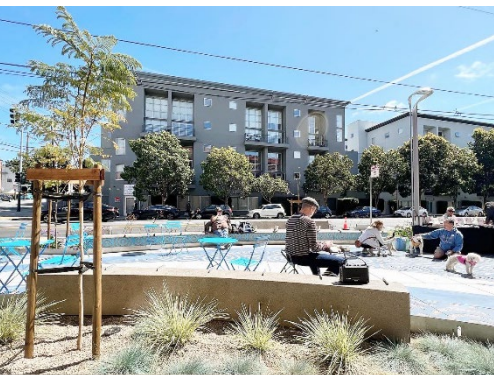
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Commission Affairs Manager  
Public Works Commission



July 22, 2024

# Potrero Yard Modernization Project Contract Modification #5 – Arup Advisory

Tim Kempf, Senior Project Manager, Building Design & Construction



# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project Objectives

A new bus yard addresses critical transportation issues and improves:

**Efficiency**  
Repair buses faster, improving Muni’s reliability

**Sustainability**  
Provide the green infrastructure needed for all-electric fleet

**Future Growth**  
Accommodate fleet as it grows – room for 54% more buses at the yard

**Work Conditions**  
Improve environments, amenities and safety conditions for 800+ staff



*Conceptual rendering, not final design*

# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

Location

2500 Mariposa Street  
District 9 / Mission

Legend	
—	Supervisory District Boundaries
-----	Neighborhood Boundaries



*Conceptual rendering, not final design*



# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Bus Component Overview

- SFMTA Potrero Division is a key node to citywide Muni bus transit service
  - 5 / 5R Fulton, 6 Haight, 14 Mission, 22 Fillmore, 30 Stockton, 49 Van Ness/Mission
- Existing facility built in 1915
  - Purpose built for a very different fleet type and service goals
  - Currently obsolete and under capacity





## Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project Bus Component Overview

- New facility modernizes an outdated and inefficient facility
  - 246 electric buses; provisions to enable future conversion to battery electric bus
  - Solves for baseline acceptable working conditions for 400+ front line staff
  - Industry standard functionality
- Delivers climate action and mitigation through electric mass transit clean infrastructure development
- Emphasizes racial equity by enhancing equitable access to mass transit
- Delivers seismic resiliency
- Long-term asset management, facility maintenance of core systems



*Conceptual rendering, not final design*

# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Proposed Housing and Commercial Component Overview

- Three affordable housing projects –
  - Two low-income family affordable housing projects
  - One workforce middle-income affordable housing project
- 465 Units, 776 Bedrooms
- Public restroom across from Franklin Square
- Two commercial spaces along 17th Street
- Streetscape improvements –
  - Sidewalk widenings
  - Traffic calming
  - 17th Street bike lane improvements and protections



*Conceptual rendering, not final design*

# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Prior Work – Early Planning



2018

2019

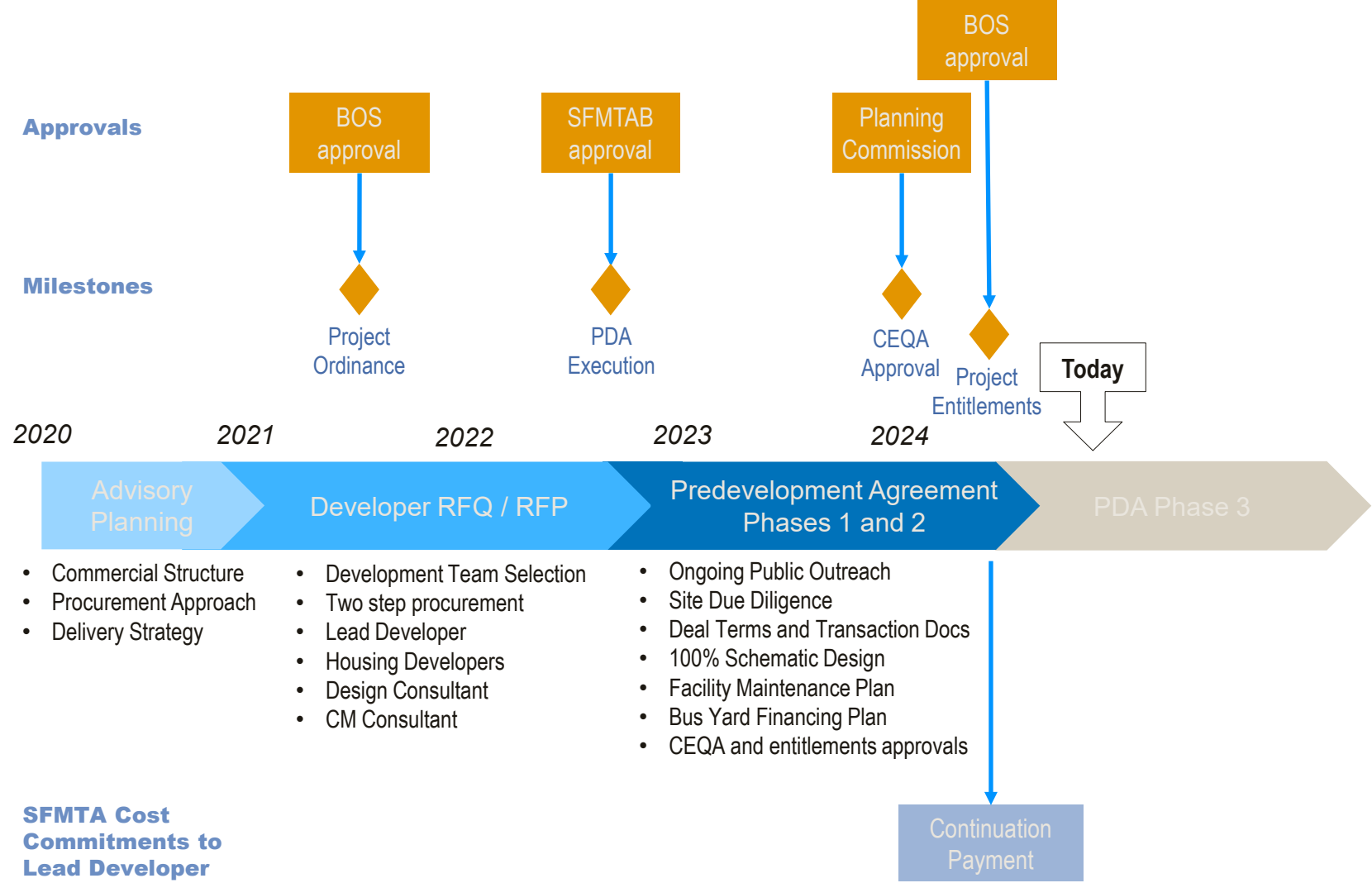
2020

### Public Outreach and Conceptual Design

- Comprehensive Public Engagement
  - Visioning Workshops and Town Halls
  - SFMTA Staff In-reach
  - Community Design Workshops
  - Open Houses
  - Working Group Committees
  - Site Tours
  - Ongoing Working Group Monthly Meetings
- Bus Yard Programming
  - Conceptual Design
  - Technical Design Criteria

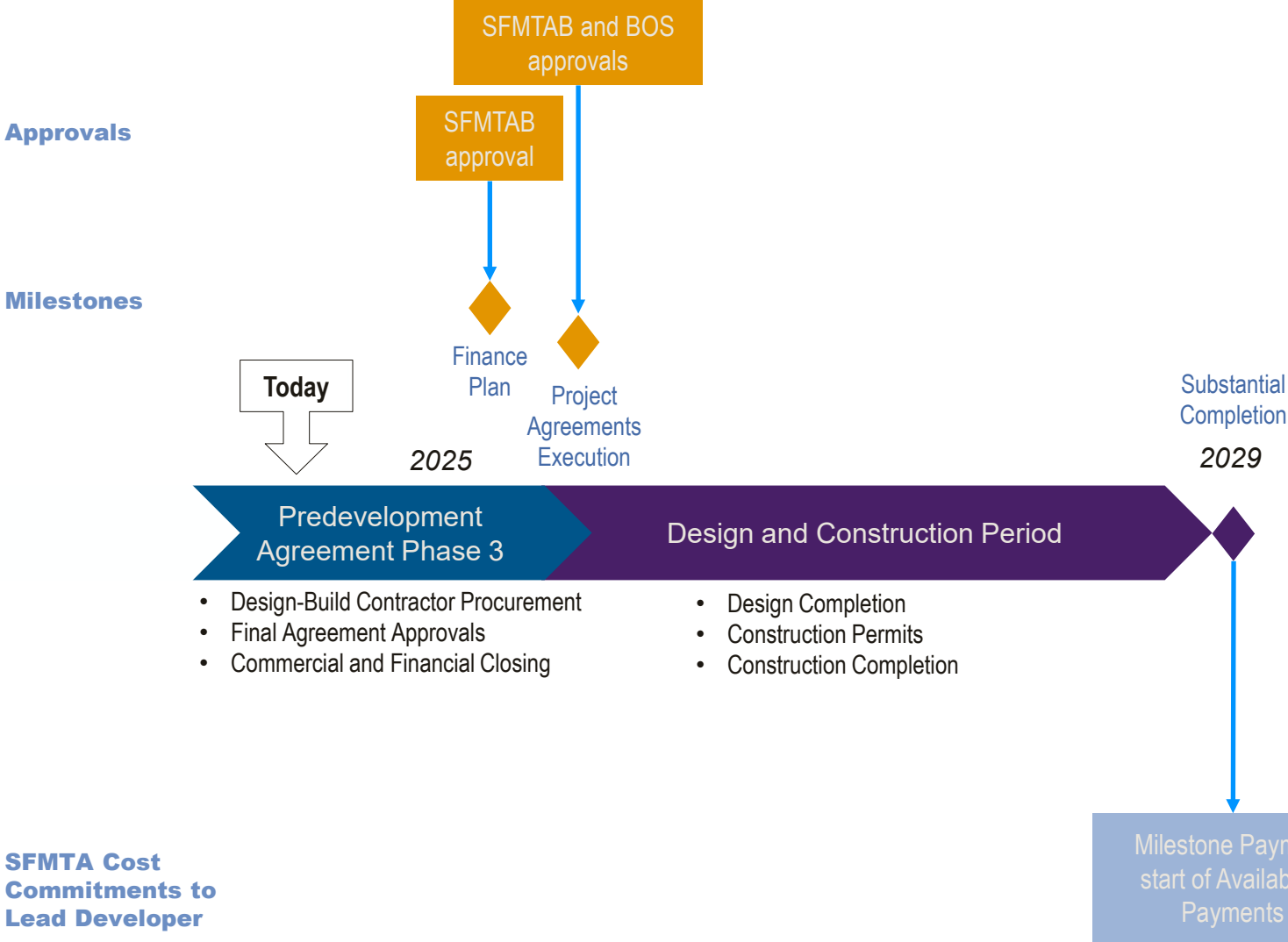
# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Prior Work – Project Delivery



# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Upcoming Work and Milestones



# Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

## Reason

Recommend Commission:

**Approve a contract modification for Arup Advisory to increase the contract amount by \$578,000**

Original Contract Amount:

**\$1,300,000**

Original Contract Duration:

**1,086 calendar days (12/11/19-12/1/22)**

Current Contract Amount:

**\$4,193,000**

Current Contract Duration:

**2,393 calendar days (12/11/19-6/30/26)**

Contractor:

**Arup Advisory, Inc.**

Reason:

**Extension of advisory services on contractual, commercial, and financial deal terms that must be resolved to complete the current predevelopment project phase and achieve commercial and financial closing**



# QUESTIONS



**MEMORANDUM**

Date: May 29, 2024  
 To: Tim Kempf, Project Manager, SF Public works  
 From: Ivan Oldenkamp, Contract Compliance Officer, CMD  
 Subject: 1000015963 SFMTA Potrero Yard Joint Development Technical Advisory Services Amendment No. 2 – Arup Advisory Inc.

SF Public Works has requested an amendment for the above referenced contract by increasing the contract amount by \$578,000 for a total agreement amount of \$4,771,000. Per the Department, the scope of work for Amendment No. 2 consists of continuing to provide public-private partnership financial and procurement advisory services for the Predevelopment Agreement phase of the Potrero Yard Modernization project. The extended duration and amount of the contract is due to a longer period of time than was originally planned to obtain project entitlements, resolve issues related to the P3 financing structure, and related negotiations with the development team that remain ongoing.

**LBE Subconsulting Participation**

The Micro/Small-LBE subconsulting participation requirement established for this contract is 20%. The Micro/Small-LBE subconsulting participation requirement applies to the entire contract including any modifications, change orders and amendments. The Micro/Small-LBE participation reflected on the Proposer’s, Arup Advisory Inc.’s (“Arup”), CMD Form 2A at the time of proposal is as follows:

<b>Subcontractor</b>	<b>Scope of Work</b>	<b>Status</b>	<b>LBE Credited Participation</b>
Century Urban, LLC	Commercial Real Estate Advisor	SF LBE	12%
Dabri Inc.	Cost Estimating & scheduling	SF LBE	4%
CM Pros	Scheduling	SF LBE	4%
Stevens & Associates	Architecture	SF LBE	2%
Laura Blake Architects.	Architecture	SF LBE	2%
Eagle Eye Editing	Technical Editing	SF LBE	2%
Ross Financial	Financial Advisor	SF LBE	1%
Atelier C. Thompson	Graphic Design	SF LBE	12%
		<b>TOTAL</b>	<b>28%</b>

As of May 24, 2024, Arup invoiced \$3,750,313.84. The Micro/Small-LBE participation achieved by Arup is as follows:



Subcontractor	Scope of Work	Status	Credited LBE Participation	LBE Participation To-Date (NOT including Amendment No. 2)	
				Invoiced	
Century Urban, LLC	Commercial Real Estate Advisor	SF LBE	12.00%	\$232,089.49	6.19%
Dabri Inc.	Cost Estimating & scheduling	SF LBE	4.00%	\$71,654.64	1.91%
CM Pros	Scheduling	SF LBE	4.00%	\$33,796.00	0.90%
Stevens & Associates	Architecture	SF LBE	2.00%	\$26,107.00	0.70%
Laura Blake Architects	Architecture	SF LBE	2.00%	\$106,614.30	2.84%
Eagle Eye Editing	Technical Editing	SF LBE	2.00%	\$23,532.00	0.63%
Ross Financial	Financial Advisor	SF LBE	1.00%	\$0.00	0.00%
Atelier C. Thompson	Graphic Design	SF LBE	1.00%	\$25,673.88	0.68%
Hollins Consulting	None listed	SF LBE	0.00%	\$112,682.50	3.00%
<b>TOTAL</b>			<b>28.00%</b>	<b>\$632,149.81</b>	<b>16.86%</b>

Arup stated previously that Ross Financial was not utilized because the City decided not to pursue municipal bond funding which is the LBE subconsultant's specialty. Arup informed the CMD that it anticipates falling short of its LBE commitment and the LBE subconsulting requirement because the additional work that is being requested by Public Works is only in the prime's scope of services. Public Works confirmed that this is accurate. Arup's projected Micro/Small-LBE utilization is as follows:

Subcontractor	Scope of Work	Status	Amount Invoiced To-Date	Projected LBE Participation for entire contract including this Amendment No. 2	
Century Urban, LLC	Commercial Real Estate Advisor	SF LBE	\$232,089.49	\$247,088.44	5.18%
Dabri Inc.	Cost Estimating & scheduling	SF LBE	\$71,654.64	\$71,654.64	1.50%
CM Pros	Scheduling	SF LBE	\$33,796.00	\$33,796.00	0.71%
Stevens & Associates	Architecture	SF LBE	\$26,107.00	\$26,107.00	0.55%
Laura Blake Architects	Architecture	SF LBE	\$106,614.30	\$111,895.90	2.35%
Eagle Eye Editing	Technical Editing	SF LBE	\$23,532.00	\$23,532.00	0.49%
Ross Financial	Financial Advisor	SF LBE	\$0.00	\$0.00	0.00%
Atelier C. Thompson	Graphic Design	SF LBE	\$25,673.88	\$25,673.88	0.54%
Hollins Consulting	None listed	SF LBE	\$112,682.50	\$217,682.50	4.56%
<b>TOTAL</b>			<b>\$632,149.81</b>	<b>\$757,430.36</b>	<b>15.88%</b>

Going forward, SF Public Works staff and Arup will obtain CMD approval for each subconsultant addition and LBE substitution according to established procedures. Additionally, in order to ensure compliance with the LBE ordinance and requirements, SF Public Works and Arup must notify CMD of any changes to the scope of work. Contingent on the conditions set forth above, CMD approves the subject amendment.

Should you have any questions, please contact Ivan Oldenkamp at [ivan.oldenkamp@sfgov.org](mailto:ivan.oldenkamp@sfgov.org).