



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

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:

Contract Title:	Joint Development Technical Advisory Services for SFMTA Potrero Yard Modernization Project
Personal Services Contract No. (Required for Professional Services Only):	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.
Contract Original Award Amount:	\$1,300,000
Contract Original Duration:	1,086 days
Contractor Name:	Arup Advisory, Inc.

Summary of Total Amounts:

	Contract Amount	Contract Duration	Contract Dates
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
Total Contract Values, if Modification No. 5 is Approved:	\$4,771,000	2,393 days	12/01/19 - 06/30/26

Previously Approved Modifications:

Modification	Amount	Extension (days)	Description
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.

Contract Funding Sources:	Proposition L, Regional Measure 3
Compliance Information:	14B Articles 131 and 132 Nondiscrimination Requirements
Related Commission Actions:	N/A
Additional Information:	N/A
Attachments:	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

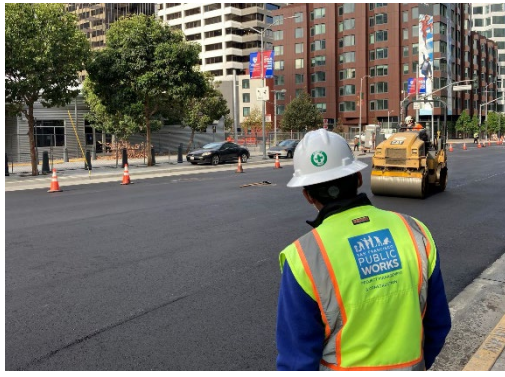
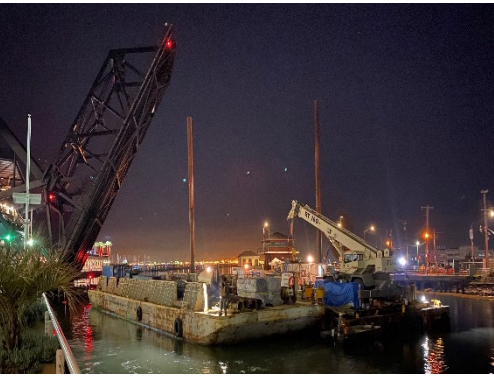
WHEREAS, Approval for this modification was obtained on May 29, 2024 from the Contract Monitoring Division; and

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 _____.

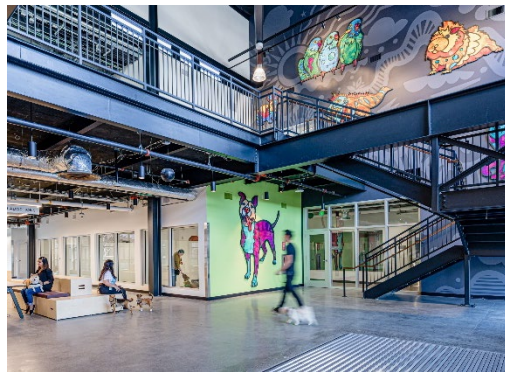
Commission Affairs Manager
Public Works Commission



July 22, 2024

Potrero Yard Modernization Project Contract Modification #5 – Arup Advisory

M. Magdalena Ryor, Bureau of Project Management Manager
Chris Lazaro, Project Director, SF MTA



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

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

Public-Private Partnership (PPP)

“A collaboration between a government and private enterprise, often on large infrastructure projects that the private partner may finance, plan, or execute.” (source: Investopedia)

Potrero Yard Modernization Project is managed and financed by the SFMTA. Public Works’ Bureau of Project Management (BPM) is providing supporting management services. Arup Advisory, Inc. is the only consultant under contract with Public Works.

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

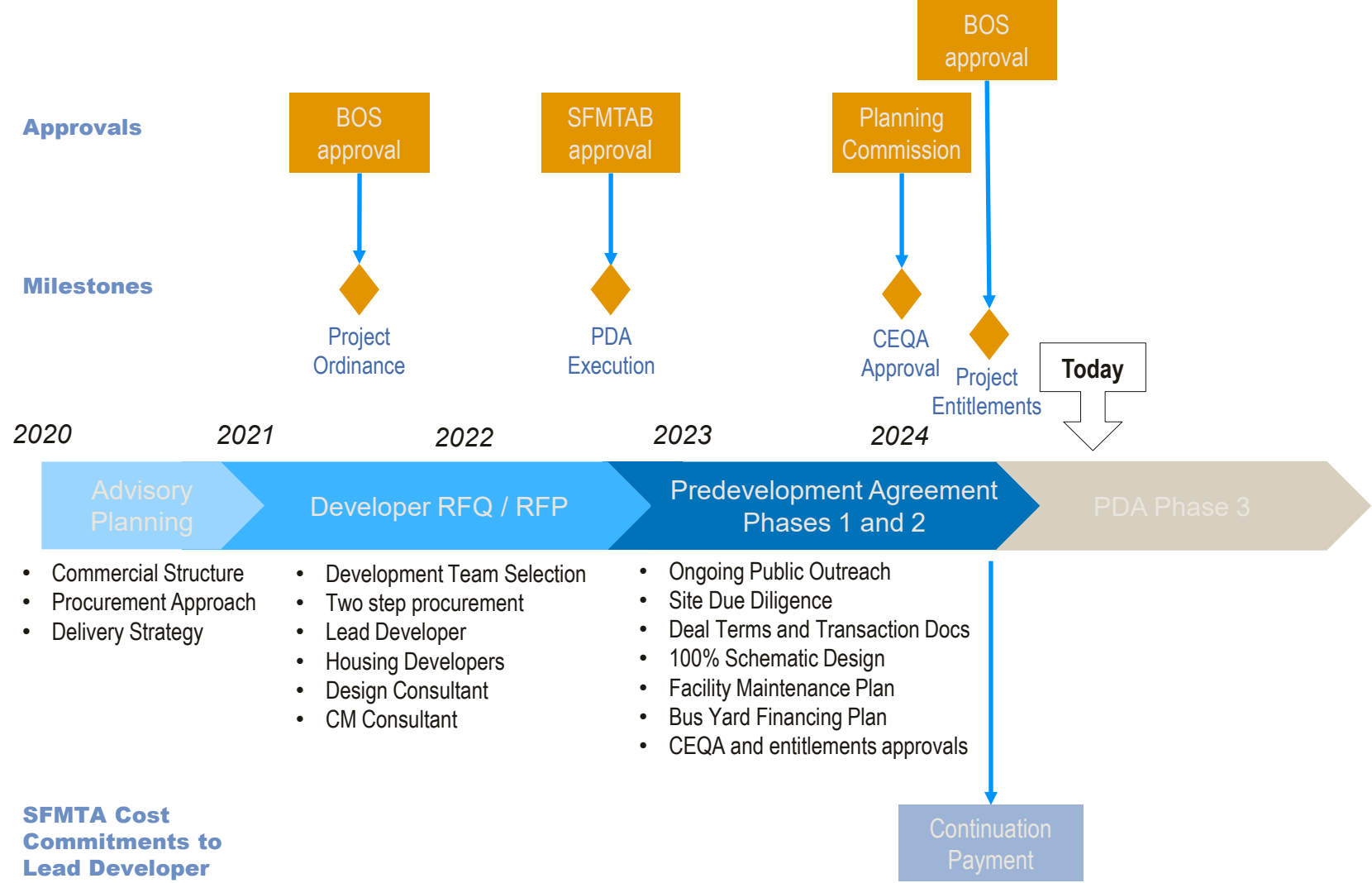
2020

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

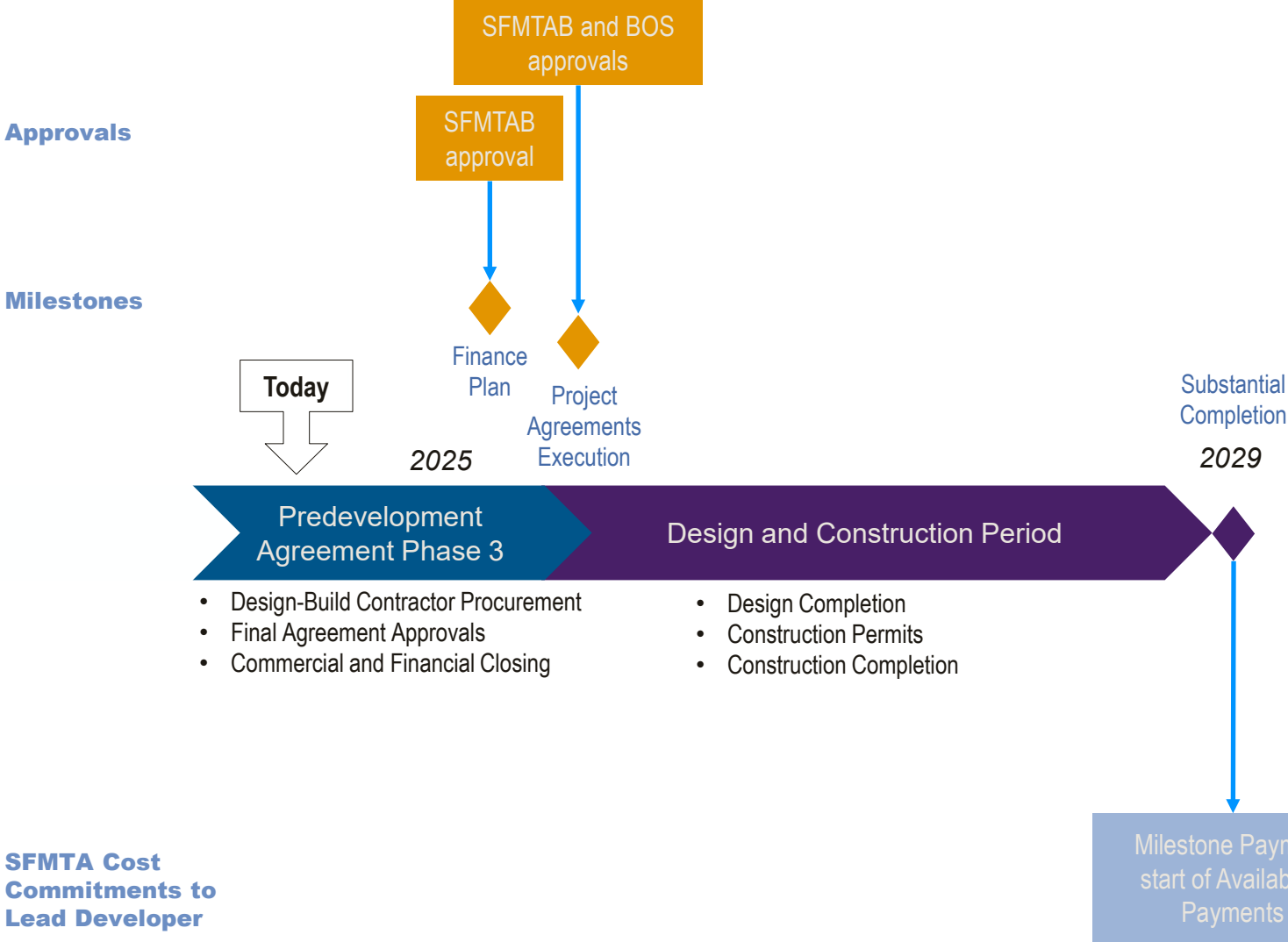
Contract Modification #5 (Arup Advisory) – Potrero Yard Modernization Project

Prior Work – Project Delivery



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

Upcoming Work and Milestones





QUESTIONS