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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20544

C-169491

AUG 07



The Honorable William J. Randall
Chairman, Subcommittee on Government
Activities and Transportation
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

On May 19, 1976, you requested an update of certain information regarding a ferry project discussed in our report entitled "Increased Cost of Implementing Computer Ferry System on San Francisco Bay" (November 11, 1975, RFD-76-40). The Golden Gate Bridge, Highway and Transportation District, with financial assistance from the Urban Mass Transportation Administration, Department of Transportation, is developing the project.

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You requested that we determine the

- current estimate of the ferry system's total cost by system component,
- current target dates the District set for completing the ferry system, and
- total Urban Mass Transportation Administration funds obligated and supplied to the District.

The ferry system will operate between San Francisco and two locations in Marin County--Sausalito and Larkspur. The system is to be comprised of three terminals, three high-speed computer ferryboats, and a previously acquired smaller computer ferryboat.

The District estimates that the cost of completing the system will be about \$37.78 million, about \$2.78 million more than the June 1974 estimate shown in our November 1975 report. Most of the cost increase is attributable to the work on the San Francisco ferry terminals which increased by about \$3.17 million and \$1.55 million, respectively. The ferryboats' cost estimate increased by about \$0.36 million.

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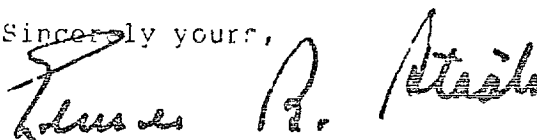
These increases, totaling \$5.08 million, were partially offset by a \$1.85 million decrease in the cost estimate for the Sausalito ferry terminal and a \$0.45 million decrease in estimated miscellaneous costs. Detailed line item changes to the ferry project components are shown in the enclosure. We did not verify, nor has the Urban Mass Transportation Administration approved, the District's June 1976 budget estimates.

The District expects delivery of the three high-speed ferriboats in September, October, and November 1976. The Larkspur terminal is to be operational in July 1976 with completion of the entire docking system scheduled for January 1977. A temporary terminal facility at San Francisco was completed during the summer of 1975, and the new permanent terminal is to be completed by May 1977. A temporary terminal facility at Sausalito was completed in the summer of 1975; the District does not plan to build a permanent facility at Sausalito in the foreseeable future.

Through June 30, 1976, the Urban Mass Transportation Administration had awarded the District \$24.72 million for the ferry project. Of this, \$19.53 million had actually been paid to the District. The Urban Mass Transportation Administration currently has under review an application by the District for an additional \$2.36 million for the ferry project.

At the request of your office, we did not obtain agency comments on this report.

Sincerely yours,



Comptroller General
of the United States

Enclosure

ENCLOSURE I

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CHANGES IN FERRY PROJECT BUDGET LINE
ITEMS BETWEEN JUNE 1974 AND JUNE 1976

	June 1974 estimate	District's June 1976 estimate	Increase or decrease (-)
Ferryboats	\$13,632,675	\$13,997,600	\$ 364,925
San Francisco Terminal:			
Construction	10,087,587	14,488,438	a/4,400,856
Land acquisition	1,750,000	2,450,000	b/700,000
Project design fees	785,740	1,050,000	c/264,260
Contingency costs	2,714,500	-	d/-2,714,500
Work performed by			
in-house personnel	e/150,000	398,703	248,703
service vehicles and			
office and maintenance	116,000	141,981	25,981
equipment		490,430	490,430
construction management	f/405,000		
environmental			
improvements		157,500	f/157,500
Total	16,008,822	19,177,052	3,168,230
San Francisco Terminal:			
Construction	1,650,000	2,875,000	g/1,225,000
Land acquisition (lease)	200,000	325,000	h/125,000
Project design fees	117,000	275,000	i/158,000
Contingency costs	160,000	-	-160,000
Work performed by			
in-house personnel	j/90,000	180,844	90,844
service vehicles and			
office and maintenance	43,000	50,000	7,000
equipment		132,500	132,500
construction management	k/100,000		
terminal facility			
construction		25,000	25,000
Total	2,310,000	3,864,344	1,554,344
San Francisco Terminal (Total):			
Construction	1,355,000	-	-1,355,000
Land acquisition (lease)	250,000	79,500	-170,500
Project design fees	217,000	200,000	-17,000
Contingency costs	135,000	-	-135,000
Work performed by			
in-house personnel	2/90,000	50,157	-39,843
service vehicles and			
office and maintenance	43,000	-	-43,000
equipment			
terminal facility			
of location		30,000	30,000
construction management	l/100,000		-100,000
Total	2,210,500	359,657	-1,850,843
San Francisco	531,500	278,221	-253,279
Total - Ferry Project	\$34,994,497	\$37,776,304	\$2,781,807

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- a/ The majority of the \$4.40 million increase was due to the \$3.63 million excess of the low bid over the June 1974 estimate. Although the District was able to reduce the contract by \$0.69 million by substituting a modified docking system for the one included in the original contract, additional change orders, contingency costs, and extension of a water pipeline to the Larkspur facility more than offset this reduction.
- b/ Increase in cost over estimate for land to be used for disposal of dredge spoils from Larkspur facility and utility roadway improvements for the Larkspur facility.
- c/ Increase in change orders, consultant review of design work, design of revised docking system, and miscellaneous design costs.
- d/ Contingency costs for all three terminal facilities have been used to finance the increased costs of the ferry project, particularly the ferryboats and terminals.
- e/ A District official pointed out that for the June 1974 estimates, we had included the estimates for construction management in the work performed by in-house personnel budget line items for the three ferry terminals in our November 11, 1975, report. As a result, the work performed by in-house personnel budget line items for the Larkspur, San Francisco, and Sausalito terminals were overstated by \$405,000, \$100,000, and \$100,000, respectively. In addition, the construction management budget line items for the three terminals were understated by the same amounts. We adjusted the June 1974 estimates for both of these budget line items in each of the three terminals to more accurately reflect what the District considered its estimates to be at that time.
- f/ Certain environmental improvements, including a marsh restoration program, bike path, landscaping, and contingencies, required as a condition for obtaining a permit to construct the Larkspur ferry terminal.
- g/ The June 1974 estimate, based on preliminary engineering and design work, was found to be underestimated. In addition, the planned terminal location has been changed. The present estimate represents the District's best estimate of the cost of constructing a minimum operational facility on an already existing platform.

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- h/ Increase was for a long-term lease of an existing platform on which the District decided to build the San Francisco ferry terminal.
- i/ Project design had to be started from scratch when the District decided to build the San Francisco terminal on an existing platform.
- j/ The District decided not to build a permanent terminal facility at Sausalito due to inability to reach a satisfactory agreement with the city of Sausalito and the need for additional funds to complete the Larkspur terminal. The June 1976 estimates reflect costs incurred for renovating the existing Sausalito terminal and costs incurred before the District decided not to build a permanent facility.

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