

MEMORANDUM

September 8, 2016

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. Leslie Katz
Hon. Eleni Kounalakis
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Interim Executive Director

SUBJECT: Request authorization to award Construction Contract No. 2740, Crane Cove Park Surcharge and Site Preparation Project, to Shimmick Construction Company, Inc. in the amount of \$4,110,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$411,000) for unanticipated contingencies, for a total authorization not to exceed \$4,521,000

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

Executive Summary

Port staff requests that the Port Commission authorize the award of construction Contract No. 2740, Crane Cove Park Surcharge and Site Preparation Project ("Project"), to Shimmick Construction Company, Inc. ("Shimmick"), the lowest responsive, responsible bidder, in the amount of \$4,110,000, and authorize a contract contingency fund of 10% of the contract amount (or \$411,000) for unanticipated contingencies, for a total authorization not to exceed \$4,521,000. This is the first construction contract for Crane Cove Park, Phase 1, and will clear the site, demolish several buildings, construct the embankment for the future 19th St, preconsolidate a portion of the site by installing wick drains and surcharge fill, disassemble and store the cranes, and constructing new foundations for the cranes. (See Exhibit "A" for Area of Work). Subsequent construction contracts will complete Phase 1 of the Park with bidding expected to begin by the end of this year (2016).

Strategic Objective

This project supports the goals of the Port's Strategic Plan as follows:

THIS PRINT COVERS CALENDAR ITEM NO. 11C

Renewal: The Park will be a major new public open space that preserves historic maritime resources, provides public access and recreation opportunities to the Bay, contributes to a vibrant new Pier 70 neighborhood, and expands the Port's necklace of public open spaces.

Livability: The Project promotes living wage jobs by providing opportunity for local business enterprises (LBE's) and by meeting mandates for Local Hire in construction projects.

Resiliency: The Park is designed for 50 years of predicted Sea Level Rise and safety in major earthquakes.

Sustainability: Park design and construction include best management practices for storm water management, water efficient landscaping, and energy efficient lighting.

Background

Crane Cove Park (called "the Park" above) is one of the Port's Blue Greenway projects and will be a major new open space in the Union Iron Works National Historic District located at Pier 70. Details of the Park were provided when the Port Commission approved the Park design and CEQA Community Plan Exemption at the October 13, 2015 Commission Meeting¹.

This Project is the initial and necessary first step toward construction of Phase 1 of Crane Cove Park. One or more subsequent construction contracts will build the final park improvements which are currently at 50% final design. The Port Commission authorized staff to advertise this first construction contract at its meeting on May 5, 2016².

This Project includes the following scope:

- Demolition of buildings 671 Illinois Street, 699 Illinois Street, and buildings 30 and 40 of the former Shipyard;
- Site cleanup and miscellaneous demolition;
- Utility shutoff and decommissioning;
- Rough grading the area of the future 19th Street and lawn adjacent to Illinois Street;
- Installation of wick drains and surcharge fill to pre-consolidate the area of the future 19th Street and Plaza adjacent to the Slipway prior to construction of final improvements under a separate contract;
- Crane 14 dismantling and storage onsite;
- Crane 30 relocation; and
- Foundation construction for Crane 14 and 30.

¹ <http://sfport.com/sites/default/files/FileCenter/Documents/10531-Item%202010C%20Crane%20Cove%20Park%20Project%20approvalF%20%28clean%20copy%29.pdf>

² <http://sfport.com/file/4901>

Competitive Awards

Staff advertised the construction contract for this Project on July 25, 2016, held a mandatory prebid meeting on August 10, 2016, and received two bids by the deadline of 10:30am on August 31, 2016. Both bids were below the Engineer's Estimate of \$5,660,000 indicating competitive bidding. No bid protests were received. A bid summary is attached as Exhibit "B".

Port Engineering staff and Contract Monitoring Division staff reviewed the bids and determined that Shimmick Construction Company, Inc. ("Shimmick") is the lowest responsive, responsible bidder. Shimmick's total bid price of \$4,111,000 is within the available funding limit and approximately 27% below the Engineer's Estimate.

Shimmick is a heavy civil construction firm located in Oakland, California. In 2016, the construction industry publication Engineering New Record ranked Shimmick as #158 in their top 400 Contractor rankings and #32 in the top 50 Domestic Heavy Contractor rankings. Shimmick has successfully completed numerous projects in San Francisco and was the Design/Builder for the Port's Illinois Street Intermodal Bridge completed in 2006.

Compliance with San Francisco Contract Monitoring Division

The Contract Monitoring Division (CMD) enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes 10% bid discounts for Local Business Enterprise ("LBE") prime contractors and empowers CMD to set LBE subcontractor participation goals based upon availability of LBE firms to complete the type of work included in the contract. CMD staff reviewed the Project scope and funding sources for this contract, and established a 24% LBE subcontractor participation goal.

CMD staff reviewed the bids for compliance and determined that Shimmick's bid includes 23.96% LBE subcontractor participation and satisfies CMD's Chapter 14B requirements (see Exhibit "C").

San Francisco Local Hiring Ordinance

The Project will comply with the City's Local Hiring Ordinance which went into effect on March 25, 2011. The mandatory participation level that is currently in effect and applicable for this Project is 30% of all project hours within each trade performed by local residents, with no less than 15% of all project work hours within each trade performed by disadvantaged workers. The contractor will develop and submit a local hiring plan at the start of the Project and regularly report on local hire during progress payments. The Office of Economic and Workforce Development administers the Local Hiring Policy.

Regulatory Permits and Approvals

All necessary approvals and permits for the Project will be secured by staff prior to physical construction. The major approvals and current status are:

<u>Major Permit</u>	<u>Status</u>
California Environmental Quality Act (CEQA)	Community Plan Exemption (2015-001314ENV) to the <i>Eastern Neighborhoods Rezoning and Area Plans Final EIR</i> (Planning Department Case No. 2004.0160E) approved by Planning Department on October 5, 2015, adopted by Port Commission on October 13, 2015.
Bay Conservation and Development Commission (BCDC) Major Permit	Permit application complete, Design Review Board complete, Major Permit expected October 2016.
Port of San Francisco Encroachment Permit	Permit to be secured early October, 2016, prior to start of work
Port of San Francisco Building Permit	Permit to be secured early October, 2016, prior to start of work

Funding

The Project is funded entirely by the 2008 Clean & Safe Neighborhood Parks General Obligation Bond. The construction contract amount and 10% contingency is within the amount budgeted for the work.

Project Schedule

Assuming that the Port Commission approves the contract award as recommended by staff, the following outlines the project milestones:

- Authorization to Award September 13, 2016
- Notice to Proceed (anticipated) End of October, 2016
- Substantial Completion (182 calendar days) End of April, 2017
- Final Completion (60 calendar days) End of June, 2017

Southern Waterfront

This Project is fully within the Southern Waterfront. Crane Cove Park will be a major new open space along the currently inaccessible former industrial shoreline.

Climate Action

The Park is designed to remain functional for up to 28 inches of Sea Level Rise. This amount is based on a 50 year project life and SLR projections of 16 inches at year 2050 and 55 inches at year 2100 which were recommended by the State of California and BCDC at the time of design. These SLR predictions are higher than the current City most likely recommendations of 12 inches at year 2050 and 36 inches at year 2100, but

lower than the high projections of 24 inches at year 2050 and 66 inches at year 2100. Adaptation measures will be needed after 28 inches of SLR. The historic resource of the slipway and crane runways represents a fixed elevation that may need to be re-interpreted if SLR increases beyond 36 inches. To some extent, improvements at Crane Cove Park will also help protect against flooding of other City assets including Illinois Street and properties to the west.

Recommendation

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2740, Crane Cove Park Surcharge and Site Preparation Project, to Shimmick Construction Company, Inc., the lowest responsive, responsible bidder, in the amount of \$4,110,000, and further authorize staff to increase the contract amount, through contract modification or change order, if needed for unanticipated contingencies, by an additional \$411,000 (10% of the proposed contract amount), to a total amount not to exceed \$4,521,000. CMD has determined that Shimmick’s bid, which includes 23.96% LBE subcontractor participation, meets the CMD established Local Business Enterprise participation goal. Port staff also recommend that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Steven Reel
Project Manager

Prepared for: Eunejune Kim
Chief Harbor Engineer

Exhibits:
Exhibit A Project Map
Exhibit B Bid Summary
Exhibit C Contract Monitoring Division Memorandum

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 16-37

- WHEREAS, Construction Contract No. 2740, Crane Cove Park Site Preparation and Surcharge Project (the “Project”) is the first construction contract of several that will create Phase 1 of the new Crane Cove Park, a major new public open space to be located within former shipyard facilities at the recently designated Union Iron Works National Historic; and
- WHEREAS, As described in the accompanying staff report, the Project scope includes site clearing, building demolition, embankment construction for the future 19th Street, installation of wick drains and surcharge fill, disassembly and storage of the cranes, and construction of new foundations for the cranes; and
- WHEREAS, On May 10, 2016, the Port Commission authorized Port staff to advertise for and accept competitive bids for the Project (Port Commission Resolution 15-40); and
- WHEREAS, Port staff advertised the invitation for bids on July 25, 2016, held a mandatory pre-bid meeting and site walk on August 10, 2016, and received bids on August 31, 2016; and
- WHEREAS, Port staff received two bids before the deadline: One from Anvil Builders, Inc. at \$5,127,000; and the second from Shimmick Construction Company, Inc. at \$4,110,000; and
- WHEREAS, Port Engineering staff and Contract Monitoring Division (“CMD”) staff reviewed the bids and determined that Shimmick Construction Company, Inc. (“Shimmick”) is the lowest responsive, responsible bidder for the Project; and
- WHEREAS, Shimmick’s total bid price plus 10% contingency is within the Project budget and is fully funded by the 2008 Clean and Safe Neighborhood Parks Bond; and
- WHEREAS, Shimmick’s bid includes a Local Business Enterprise subcontractor participation of 23.96% which satisfies the Local Business Enterprise subcontracting goal of 24% established by the Contract Monitoring Division for this Project; and
- WHEREAS, as a condition to receiving the award for the Project, Shimmick must agree to comply with City’s Local Hiring Ordinance which requires 30%

of all project hours within each trade to be performed by local residents, with no less than 15% of all project work hours within each trade performed by disadvantaged workers; and

WHEREAS, Port staff recommend the contract award for the Project to Shimmick; now therefore be it

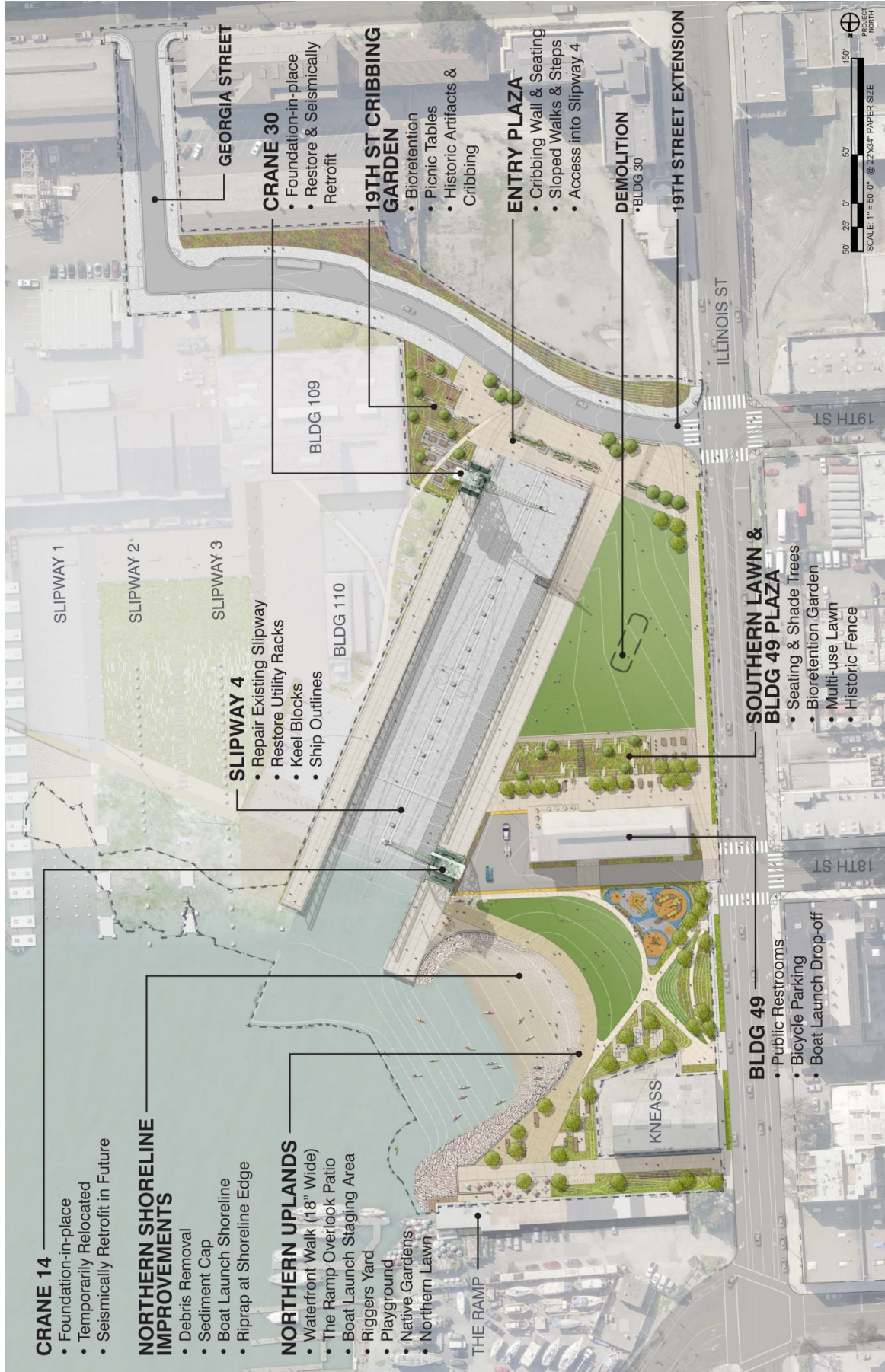
RESOLVED, That the Port Commission hereby authorizes the award of Construction Contract No. 2740, Crane Cove Park Site Preparation and Surcharge Project, to Shimmick Construction Company, Inc., the lowest responsive and responsible bidder, for the amount of \$4,110,000; and be it further

RESOLVED, That the Port Commission authorizes Port staff to increase the contract amount, as necessary for unanticipated contingencies, by an additional amount of \$411,000 (10% of \$4,110,000) through contract modification or change order; and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of September 13, 2016.

Secretary





B I D T A B U L A T I O N

BID OPENING DATE		08/31/2016, PIER 1, SAN FRANCISCO			
CONTRACT NUMBER		2740			
PROJECT NAME		CRANE COVE PARK SURCHARGING AND SITE PREPARATION			
ALTERNATE PRIORITIES:		N/A			
SBE GOAL:	24%	TOTAL NUMBER OF CALENDAR DAYS:	182	ANNOUNCED CONSTRUCTION BUDGET:	N/A
NUMBER OF BIDDERS:	02	ESTIMATE:	5,660,000	APPARENT LOW TOTAL BID PRICE:	\$ 4,110,000

BIDDER ID #	01	02
BID ITEM #	ANVIL BUILDERS INC. HIEN TRAN, PRESIDENT AND CEO 1475 DONNER AVENUE 2 ND FLOR SAN FRANCISCO, CA 94124 415-285-5000 ESTIMATING@ANVILBUILDERS.COM	SHIMMICK CONSTRUCTION COMPANY INC. CHRISTIAN FASSARI, EXECUTIVE VICE PRESIDENT 8201 EDGEWATER DRIVE STE #202 OAKLAND, CA 94621 510-777-5000 JHELMICK@SHIMMICK.COM
1	323,000	300,000
2	250,000	315,000
3	1,804,000	870,000
4	1,450,000	1,285,000
5	1,010,000	1,100,000
6	40,000	40,000
7	* 250,000	* 200,000
TOTAL	\$5,127,000	\$4,110,000
APPARENT BID RANK	2	1

* - Mobilization amount exceeded 5% of Bid Items 1 through 5.

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SUBCONTRACTOR LIST
< ANVIL BUILDERS INC.>

BIDDER ID NO.	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT
01	HAYWARD BAKER GEOTECHNICAL CONSTRUCTION	NO	WICK DRAINS	229,000
	REBAR INTERNATIONAL	NO	REBAR	170,000
	AZUL WORKS, INC.	YES	EARTHWORK	1,250,000
	SHEEDY DRAYAGE CO	NO	EXISTING CRANE STRUCTURE WORK	365,000
	THROOP CELLULAR CONCRETE	NO	GEO-FOAM	102,000
	ASBESTOS MANAGEMENT GROUP	NO	HAZARDOUS MATERIALS	227,000
	BLUE IRON INC	NO	<NOT LISTED IN DOCUMENT>	124,000
	MALCOLM DRILLING CO	NO	DRILLING	390,000
TOTAL 01				\$2,857,000.00

SUBCONTRACTOR LIST
< SHIMMICK CONSTRUCTION COMPANY INC.>

BIDDER ID NO.	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT
02	CAL-CON PUMPING	YES	CONCRETE PUMPING	11,500
	DLD LUMBER	YES	FURNISH LUMBER	62,000
	TEAM NORTH CONSTRUCTION	YES	TRUCKING & DISPOSAL	225,000
	HERNANDEZ ENGINEERING	YES	TRAFFIC CONTROL	19,000
	REBAR INTERNATIONAL	NO	REBAR	176,000
	MALCOLM DRILLING	NO	DRILLING/FOUNDATIONS	406,000
	HAYWARD BAKER	NO	WICKER DRAIN	234,000
	SHEEDY DRAYAGE	NO	CRANE REMOVAL/HOISTING	355,000
	ALTA ENGINEERING GROUP	YES	SITework PARTIAL	692,000
	ASBESTOS MANAGEMENT GROUP (AMG)	NO	DEMOLITION & HAZMAT ABATEMENT	241,000
TOTAL 02				\$2,421,500



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

GENERAL SERVICES AGENCY CONTRACT MONITORING DIVISION



Romulus Asenloo, Acting Director

Date: September 8, 2016

To: Stephen Reel, Project Manager, Port Of San Francisco ("Port")
Tim Leung, Port Of San Francisco

From: Finbarr Jewell, CMD

Subject: Contract Award: Contract # 2740 Crane Cove Park Surcharging And Site Preparation.

The Contract Monitoring Division ("CMD") reviewed the bids submitted for the above-referenced project and determined responsiveness to Chapter 14B pre-award requirements. Below is a summary of CMD's review.

LBE Bid Discount

Due to the dollar value of the engineer's estimate, a 10% bid discount applies to any bids submitted by CMD-certified Small or Micro-LBEs.

The City received the following bids:

Bidder	Base Bid	LBE Bid Discount	Adjusted Bid
Shimmick Construction Company	\$4,110,000	0%	\$4,110,000
Anvil Builders, INC	\$5,127,000	10%	\$4,614,300

Shimmick Construction submitted a base bid of \$4,110,000, and substantially complied with the 24% LBE subcontractor participation goal by listing the following firms:



GENERAL SERVICES AGENCY CONTRACT MONITORING DIVISION



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

Romulus Asenloo, Acting Director

Subcontractor	Scope of Work Listed	Status	Listed Amount	Amount Credited	Participation (based on credited amount)
Cal-Con Pumping	Concrete Pumping	LBE	\$11,500	\$11,500	0.30%
DLD Lumber	Lumber Supplier	LBE	\$62,000	\$37,200	0.90%
Team North	Trucking & R. Equipment	LBE	\$225,000	\$225,000	5.47%
Hernandez Engineering	Traffic Control	LBE	\$19,000	\$19,000	0.46%
Alta Engineering	Site Work	LBE	\$692,000	\$692,000	16.84%
Total			\$1,009,500	\$984,700	23.96%

CMD has determined Shimmick made an excusable error when calculating LBE supplier participation credit. Furthermore, they listed Team North for Trucking & Disposal. CMD contacted both Shimmick and Team North and both confirmed Team North was only providing Trucking and Equipment Rental. CMD contacted Team North and they confirmed the equipment being rented to Shimmick will be provided with an operator to run the broom sweeper and water dust control truck, and thus Shimmick is entitled to 100% LBE credit.

Based on the foregoing, CMD has determined that Shimmick Construction, Inc. is the lowest responsive bidder, and complied with the Chapter 14B pre-award requirements. Should you have any questions, or if I can be of further assistance, please contact me at (415) 274 0511

Finbarr Jewell

 Contract Compliance Office