



## MEMORANDUM

November 4, 2022

**TO:** MEMBERS, PORT COMMISSION  
Hon. Willie Adams, President  
Hon. Kimberly Brandon, Vice President  
Hon. John Burton  
Hon. Gail Gilman  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request for retroactive authorization to modify Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid, to extend the substantial completion date.

**DIRECTOR'S RECOMMENDATION:** Approve Attached Resolution No. 22-55

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### **EXECUTIVE SUMMARY**

Port staff requests that the Port Commission authorize a contract modification to extend the substantial completion date of Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid (the "Project"), by an additional 222 calendar days. The requested time extension is in addition to a prior time extension of 18 days (10% of original contract duration) granted by Port staff due to unforeseen site conditions and supply chain delays. Under Section 6.22 of San Francisco Administrative Code, time extensions in excess of 10% of the original contract duration are subject to Port Commission approval.

The original contract provided a duration of 185 calendar days for substantial completion of the work. A total of 425 days was required to substantially complete the work due to unavoidable delay beyond the control of the contractor that could not have been avoided by the Contractor's exercise of due care. These delays are due to differing site conditions and supply chain issues. Port staff has determined there is no basis to assess liquidated damages against the contractor for the delay. A contract budget extension of up to \$565,000 was approved by the Port Commission on April 12, 2022 (Resolution 22-17); of that \$565,000, approximately \$400,000 was used. This is

**THIS PRINT COVERS CALENDAR ITEM NO. 10E**

the final contract of the overall Crane Cove Park project, and the entire project is within the approved \$36.6 million budget.

### **Strategic Objectives**

As part of the larger Crane Cove Park project, this Contract supports the goals of the Port's Strategic Plan as follows:

*Evolution:* The Park is 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. Completing the public restrooms and cold shell renovation will provide a space for future tenants, such as a café or kayak rental company, and will provide additional amenities to the public.

*Equity:* The Contract promotes living wage jobs by providing opportunity for local business enterprises ("LBE") and by meeting mandates for Local Hire in construction projects.

*Productivity:* The Project will prepare Building 49 for future tenant opportunities.

*Stability:* This Project uses General Obligation Bonds as a funding source, intended for public park improvements.

### **OVERALL CRANE COVE PARK BACKGROUND & STATUS**

Crane Cove Park is one of the Port's Blue Greenway projects and is a major new open space in the Union Iron Works National Historic District located at Pier 70. Crane Cove Park opened to the public on September 30, 2020. The overall Crane Cove Park project was divided into five contracts, including this contract. Table 1 and Figure 1 below provide a summary. This was the last construction contract and the Crane Cove Park project is now complete.

The budget for Crane Cove Park was adjusted between 2011 and 2018, to match the project scope adjustments. The last increase to the budget occurred in February 2018<sup>1</sup>, as a result of higher than expected bids for certain Park construction contracts. The September 11, 2018 Informational Presentation<sup>2</sup> on Crane Cove Park presented the history of the budget and scope approvals for the project, and how the Port arrived at a budget of \$36.6 million. The final two construction contract bids came in under their respective expected budgets, and that is where the requested funds for this contract will come from. As can be seen in the table and related figure, the overall Crane Cove Park project is within budget.

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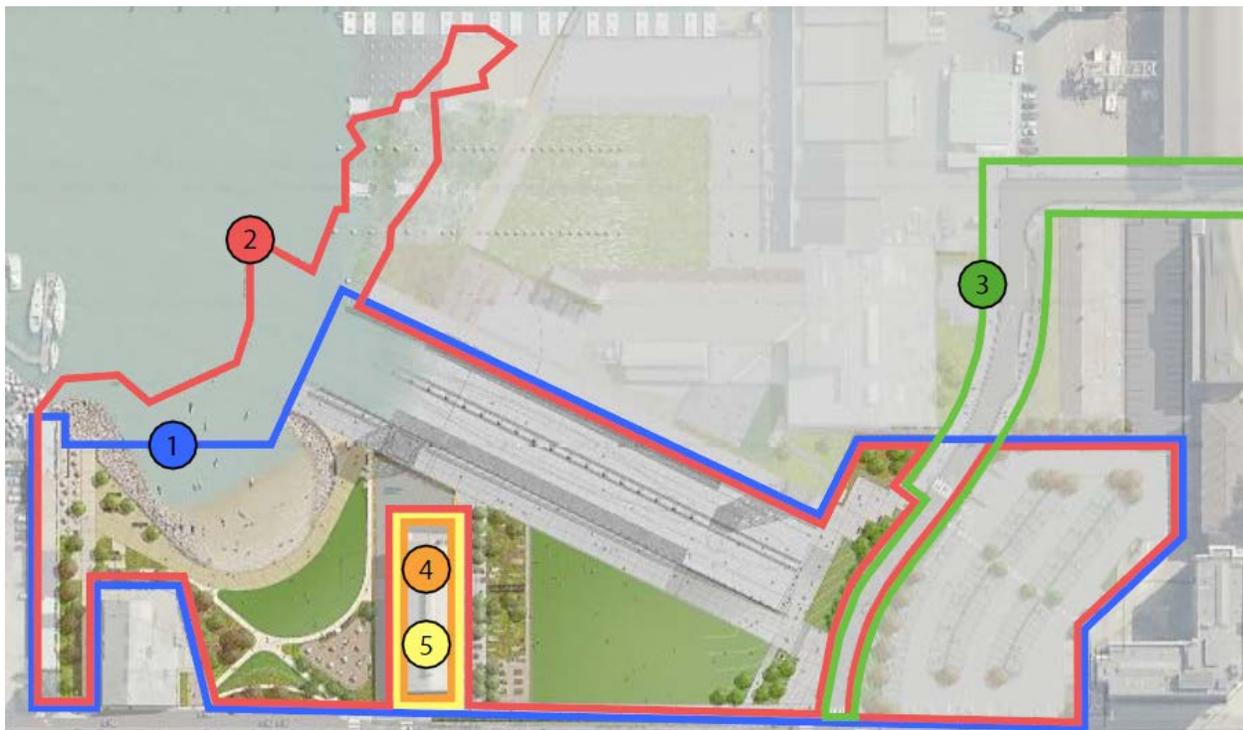
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[https://sfport.com/sites/default/files/Documents/Item%2010C%20AECOM%20contract%20mod\\_R%20FINAL](https://sfport.com/sites/default/files/Documents/Item%2010C%20AECOM%20contract%20mod_R%20FINAL)

<sup>2</sup><https://sfport.com/sites/default/files/Commission/Documents/Item%2012B%20Crane%20Cove%20Park%20Informational.pdf>

**Table 1: Crane Cove Final Costs Summary**

<b>Bid Package #</b>	<b>Description</b>	<b>Final Cost</b>
1-5	Soft Costs	\$6.7 million
<b>Bid Package #</b>	<b>Construction Contracts</b>	
1	Site Preparation	\$4.8 million
4	Hazmat Abatement	\$227,000
2	Park Improvements and 19th St Parking Lot	\$19.5 million
3	Roadway Improvements	\$2.9 million
5	Building 49	\$2.5 million
	<b>TOTAL</b>	<b>\$36.6 million</b>



**Figure 1: Crane Cove Contract Summary**

**BUILDING 49 CONTRACT BACKGROUND**

The Port Commission awarded this contract to Wickman Development and Construction (“WDC”) on March 23, 2021. The contract amount was for \$1,879,600, with an LBE subcontracting commitment of 35.98%. The engineer’s estimate prior to bidding was \$2,090,000. The scope of work for this contract was a partial building renovation and construction of public restrooms inside the building. Scope involved demolition, concrete slab and grade beam work, restroom construction (including plumbing, HVAC, electrical, etc.), roof replacement, exterior siding replacement, new doors, and painting. Exhibit A presents the project location.

The contract work began on June 7, 2021. During this construction contract, there have been additional delays and costs due to certain unforeseen site conditions. The two main site conditions were additional repairs to the roof and a new sewage sump pump that needed to be added to the contract due to utility conflicts underground. Supply chain issues for the project occurred during construction, which also adversely impacted the project schedule. One of the items that took longer to arrive onsite was the sewer sump pump, which was critical for completion of the restrooms. Port staff and WDC have worked together to focus on addressing these unforeseen conditions in an expeditious and cost-effective manner.

Section 6.22(h) of the City Administrative Code allows staff to grant contract amount and schedule increases up to 10 percent of the original contract amount. The Port Commission approved budget extension of up to \$565,000 on April 12, 2022 (Resolution 22-17). Of that \$565,000, only approximately \$400,000 will be used.

Because the timeline was unknown in April, Port staff did not seek approval of a schedule extension at that time. Now that the work is complete, Port staff are seeking a retroactive schedule extension to account for the delays in construction. In the spirit of partnering, Port staff has found no basis to assess liquidated damages against the Contractor for the construction delay. Port staff therefore requests authorization to execute a contract modification to extend the original contract duration of 185 calendar days for substantial completion by an additional 222 calendar days (in addition to Port staff's prior extension of 18 days). The requested contract modification would thus extend the substantial completion date from December 26, 2021 to August 5, 2022.

**San Francisco Local Business Enterprise Requirement**

The Contract Monitoring Division established a 20% Local Business Enterprise (“LBE”) subcontracting goal for this Project. WDC’s bid committed to 35.98% LBE participation. Due to the significant amount of change orders, WDC may not meet the original commitment, however the final number will be above the 20% goal and CMD is in the process of reviewing for compliance

**Funding**

The projected final contract expenditure details are shown below.

Contract Award	\$1,879,600
Total authorized contract amount, including 10% contingency	\$2,067,560
Anticipated Contract Change Orders	\$596,689
Total Anticipated Contract Expenditures	\$2,476,289

## **Schedule**

The modified Project completion schedule is noted below:

Port Commission Authorization to Award	March 23, 2021
Notice to Proceed	June 7, 2021
Original Substantial Completion	December 8, 2021
Revised Substantial Completion	August 5, 2022

## **Summary**

The Contractor experienced delays in contract completion beyond 10% of the original contract duration for the Project. The circumstances for the delay included differing site conditions beyond the contractor's control and supply chain issues. Port staff determined that the additional time required to complete the Project was reasonable and justified. As a result, staff finds no basis to assess liquidated damages for such delay.

Port staff requests Port Commission authorization to execute a contract modification to extend the original contract duration of 185 days for substantial completion by an additional 222 calendar days, which in addition to the Port staff's prior time extension of 18 days, totals 425 calendar days.

Prepared by: Erica Petersen  
Project Manager

Prepared for: Rod K. Iwashita  
Chief Harbor Engineer

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 22-55**

- WHEREAS, on March 23, 2021, the Port Commission adopted Resolution No.21-13, which authorized the award of Construction Contract No. 2814R (“the Contract”), Crane Cove Park Building 49 Re-bid to Wickman Development and Construction (“Contractor”); and
- WHEREAS, the contract scope included demolition, concrete slab and grade beam work, restroom construction (including plumbing, HVAC, electrical, etc.), roof replacement, exterior siding replacement, doors, and painting; and
- WHEREAS, on April 12, 2022, the Port Commission adopted Resolution No.22-17, which authorized Port staff to execute a contract modification to the Contract, to increase the contract amount by an additional not to exceed amount of \$565,000; and
- WHEREAS, during the course of construction, the Contractor encountered unforeseen conditions and unavoidable delays as defined in the contract, that required additional time to complete the contract work; and
- WHEREAS, Section 6.22(h) of the City Administrative Code authorizes the Port Commission to approve time extensions greater than 10% of the original contract amount or duration, and such a time extension is permissible after completion of the contract when there is no basis to assess liquidated damages for the delay against the contractor; and
- WHEREAS, Port staff requests authorization of an extension of time of 222 calendar days to the original contract duration of 185 calendar days, which combined with Port staff’s prior extension of 18 calendar days, will extend the original contract substantial completion date from December 8, 2021 to August 5, 2022; and
- WHEREAS, as described in the accompanying staff report, Port staff have determined that the delays in the completion of the contract were beyond the Contractor’s control and there is no basis to assess liquidated damages against the Contractor; now, therefore be it
- RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2814R, Crane Cove Park Building 49 Re-bid, to extend the existing substantial completion date by an additional 222 days, and further, the Port Commission hereby ratifies all actions taken by the Port staff in furtherance of such contract modification.

***I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 8, 2022.***

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Secretary

**EXHIBIT A**  
**AREA OF WORK LOCATION MAP**

