



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 to authorize Port staff to modify Construction Contract No. 2841, Heron's Head Shoreline Resilience, to increase the authorization for the contract amount.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 22-57

EXECUTIVE SUMMARY

The Port Commission originally authorized a contract amount of \$2,038,631 and a 10% contingency of \$203,863 for Contract No. 2841, Heron's Head Park Shoreline Resilience. Under Section 6.22 of San Francisco Administrative Code, contract increases in excess of 10% of the original contract amount are subject to Port Commission approval. Port staff now request Port Commission authorization to increase the contract amount by up to \$300,000. This increase is needed to enable rapid response to conditions encountered during construction that may require expenditures above and beyond the previously authorized 10% construction contingency.

The scope of work is to construct a beach, of which one component is gravel material donated by Martin Marietta. Martin Marietta has not produced as much of this material as anticipated for the design, so the contractor will need to purchase additional material. Port staff intends to use this additional authorization to negotiate change orders necessary to complete the work. The project has additional funding available through the existing grants secured for this project.

THIS PRINT COVERS CALENDAR ITEM NO. 10G

The project has a narrow construction window due to the environmental permits, with a substantial completion date of December 31. Port staff are requesting a not-to-exceed amount approved in order to be able to negotiate change orders, execute the work, and pay the contractor in a timely manner so the project can stay on schedule.

STRATEGIC OBJECTIVES

Completion of this Project is a stated goal of the Port's 2021-2025 Strategic Plan, the project supports the goals of the Port's Strategic Plan as follows:

Sustainability: *Implement nature-based shoreline stabilization and improvement projects and complete the Heron's Head Park Shoreline Project by 2023.* Acceptance of California Department of Fish & Wildlife grant funds will substantially contribute to the Port's achievement of this objective.

Engagement: *Partner with City departments and government agencies to align communication, engagement, and activities.* Port staff has presented the Project to the Port's Southern Advisory Committee and the EcoCenter Advisory Committee (staffed by the San Francisco Recreation and Parks Department) on multiple occasions over the past four years. The Project has support from Committee members and members of the public attending those meetings. Port staff and project partners, Literacy for Environmental Justice and the Estuary and Ocean Science Center participate in volunteer events and environmental education programs about Heron's Head Park and the shoreline resilience project.

Evolution: *Improve Port open spaces to provide publicly desired amenities and activities.* Protecting and enhancing the shoreline and wetland habitat at Heron's Head Park will increase biodiversity and preserve a valuable public asset that is enjoyed by a diversity of users. In doing so, the Project preserves opportunities for healthy outdoor recreation and connection to nature in an area of the City where there is less access to such benefits.

BACKGROUND

The scope of work for this construction contract is placement of coarse sand and gravel stabilized by rock and cobble groynes¹ to reconstruct the beach along the southern shoreline of Heron's Head Park. Also included is scope to restore the areas of the marsh and park used for construction access to their pre-construction condition. The area of work is shown in Exhibit A. All funding for this contract is from grants secured by Port staff. The Port Commission awarded this contract to Dixon Marine Services ("DMS") on April 26, 2022, with a contract amount of \$2,038,631. The contractor received notice to proceed on June 1, 2022.

¹ A low wall or barrier built out into the water from the shore to abate erosion and/or drifting of material.

Due to the environmental permit requirements, the construction of the beach must take place between September 1 and November 30. The schedule is critical for the project, as DMS must work between tides while constructing temporary access routes through the marsh, then construct 1,600 feet length of beach with 15,000 cubic yards of rock and sand materials of varying sizes, and then remove the temporary access routes and restore the marsh to its previous condition.

Most of the material to be placed at the beach is gravel that has been donated by Martin Marietta (formerly Hanson Aggregates) at nearby Pier 92. At this time, Martin Marietta has not produced as much of the material as the project requires, so the contractor will need to purchase gravel.

Section 6.22(h) of the City Administrative Code allows staff to grant contract amount increases up to 10 percent of the original contract amount. With this resolution, Port staff are seeking Port Commission authorization to increase the total contract value by up to \$300,000 more than the original contract amount and 10% contingency. The requested amount shown below in Table 2 is based on a conservative estimate of gravel quantities and cost calculations by the design and construction team. The project team is unsure of the exact quantity required to be purchased at this time and is therefore requesting authorization now to increase the budget as construction progresses so as to not delay construction or payment to the contractor. All the additional funding for this will be from the existing grants for this project.

Table 1: Contract Amount Request Summary

Description	Amount
Original Contract Amount	\$ 2,038,631
Port Staff Already Authorized to Approve 10% Contingency:	\$ 203,863
Current Not to Exceed Amount	\$ 2,242,494
Additional Requested Not to Exceed Amount	\$ 300,000
Total Requested Not to Exceed Amount	\$ 2,542,494.10
% Increase Above Original Authorization (Contract Amount + Contingency)	13%
% Increase Above Contract Amount	15%

Since the project is receiving funding from a federal grant it is therefore subject to Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) requirements instead of Local Business Enterprise (LBE) requirements of the City Administrative Code Chapter 14B. However, an LBE-certified firm is considered as part of the participation towards meeting the SBE/DBE requirements. The SBE/DBE goal for this contract was 20%. DMS's team includes 98% participation by SBE/DBE/LBEs. DMS is itself a woman-owned DBE.

FUNDING

The funding sources will remain the same as when the contract was awarded, with the additional amount coming from each of the existing grants.

Table 2: Contract Funding

Funding Source	Previous Amount	Updated Amount
Grant, California Ocean Protection Council Prop 68, Coastal Resilience Grant Program	\$1,156,280	\$1,209,975
Grant, California Department of Fish & Wildlife Prop 1, Ecosystem Restoration	\$1,066,027	\$1,166,365
Grant, National Coastal Wetlands Conservation Program (Federal)	\$20,189	\$166,154
Total Funding	\$2,242,494	\$2,542,494

SCHEDULE

The contractor's expected completion schedule as of the writing of this report remains the same:

Port Commission Approval of Award of Contract	April 26, 2022
Notice to Proceed	June 1, 2022
Substantial Completion	December 31, 2022
Final Completion	February 2023

RECOMMENDATION

Port staff recommends that the Port Commission authorize Port staff to modify Construction Contract No. 2841, Heron's Head Shoreline Resilience, to increase the value of the contract by an additional \$300,000, to a total not to exceed value of \$2,542,494.

Prepared by: Erica Petersen
Project Manager

For: Rod K. Iwashita
Chief Harbor Engineer

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-57**

- WHEREAS, on April 26, 2022, the Port Commission adopted Resolution No.22-23, which authorized the award of Construction Contract No. 2841, Heron’s Head Shoreline Resilience to Dixon Marine Services (“Contractor”); and
- WHEREAS, the contract scope included placement of coarse sand and gravel stabilized by rock and cobble groynes to reconstruct the beach along the southern shoreline. Also included is scope to restore the areas of the marsh and park used for construction access to their pre-construction condition; and
- WHEREAS, the Contractor will need to purchase additional gravel material beyond the amount donated by Martin Marietta due to Martin Marietta producing lower quantities than previously anticipated which may cost more than 10% of the contract amount; and
- WHEREAS, Section 6.22(h) of the City Administrative Code authorizes the Port Commission to approve increases greater than 10% of the original contract amount or duration; and
- WHEREAS, Port staff requests authorization for the contract amount not to exceed an additional \$300,000; and now, therefore be it
- RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2841, Heron’s Head Shoreline Resilience, to increase the contract amount by an additional not to exceed amount of \$300,000, and further, the Port Commission hereby ratifies all actions taken by 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.

Secretary

EXHIBIT A
AREA OF WORK LOCATION MAP



