

MEMORANDUM

February 23, 2017

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
Executive Director

SUBJECT: Request for authorization to Modify Construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project, to increase the Contract Amount and Extend the Substantial Completion Date

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

At the Port Commission meeting on December 13, 2017, staff provided a status update on unforeseen critical repairs which required additional time and funds to complete the Pier 31 Roof & Structural Repair Project, Construction Contract No. 2762R ("the Project"). Port staff now request that the Port Commission authorize staff to issue a contract change order to increase the contract amount by \$286,874 and the contract duration for substantial completion by an additional 87 calendar days. The proposed contract change order is necessary to account for delays and additional costs due to unforeseen conditions beyond the contractor's control.

Section 6.22(h) of the City Administrative Code requires Port Commission approval for any time extension or increase in contract amount beyond 10 percent of the original contract duration or amount. Chapter 6 of the City Administrative Code allows retroactive Commission approval to increase the contract duration and amount beyond 10 percent of the original contract. This allows staff the flexibility to negotiate modifications to price and time schedules without causing further delays to the Project.

Strategic Objectives

This Project supports the Port's Strategic Plan strategies of Renewal, Livability, Sustainability, and Economic Vitality.

THIS PRINT COVERS CALENDAR ITEM NO. 12B

Renewal: The Project will rehabilitate an important historic resource in the Embarcadero Historic District.

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.

Sustainability: The Project will include best practices for construction.

Economic Vitality: The Project will contribute to the Port's ability to develop a long-term lease with the National Park Service supporting the Alcatraz Tour operations and to provide for leasing in the shed to deepen the Port's revenue base.

Background

Pier 29½ and 31 are contributing resources within the San Francisco Embarcadero Historic District listed on the National Register of Historic Places. The Piers 29, 29 ½ and 31 bulkhead and Pier 31 shed were built in 1918 in the neoclassical architectural style as an addition to the Pier 29 shed. Pier 29 was separated from Pier 29½ and Pier 31 with an area separation wall circa 1970s. Piers 29½ and 31 are one open area and are considered as one building. The facility was last re-roofed 70 years ago in 1946.

In 2000, Pier 31 was envisioned for historic rehabilitation as part of the Pier 27-31 Mixed Use Recreation Project. The Board of Supervisors rejected the rehabilitation project in 2005. The facility continued to be used primarily as warehouse storage and parking. Without a program for future development or rehabilitation, the Pier 31 shed superstructure suffered significant deterioration from extended water intrusion and was red tagged in early 2009.

On January 12, 2016, the Port Commission authorized award of the construction contract to the lowest responsive bidder, Roebuck Construction, Inc., for the base bid and the additive alternate item in the amount of \$5,765,000 and further authorized a contract contingency fund of 10% of the contract amount (or \$576,500) for unanticipated contingencies, for a total authorization not to exceed \$6,341,500 (Port Commission Resolution 16-02).

The structural system of Pier 31 has suffered significant deterioration over time. As the contractor removed portions of the roof, the extent of the damage became visible and staff determined the need for numerous critical repairs to support the new roof system. The primary and unforeseen critical repairs included additional dry rot and truss repairs, concrete spalling, significant settlement and uneven conditions of the roof deck, water damage at the tops of the towers that flank the Pier 31 arch, columns in Pier 29½ that were no longer vertical, and a damaged truss in Pier 29 under the area of roof work. The Secretary of the Interior Standards for rehabilitation require that materials be repaired rather than replaced, and when replacement is required the materials are to match the qualities of the original materials. Additionally, when a void is left from original materials, custom historic sized in-kind materials are required to fill the void. Special sized structural

replacement members have longer lead times, which caused the greatest impact on the project schedule.

During the course of the Project, the contractor encountered numerous unforeseen conditions which caused a delay in the schedule and increased the contract cost. The original Contract provided a duration of 210 days for a substantial completion date of October 2, 2016, and 60 days thereafter for final completion. These unforeseen conditions justified a time extension of 87 days beyond the original contract duration, which changed the substantial completion to January 18, 2017. Additional funding in the amount of \$286,874 was required to complete the work. See the tables below that detail the original schedule and funding, utilization of the authorized 10% contingencies, and the required changes necessary to compensate for the repairs warranted by the unforeseen site conditions.

Local Business Enterprise

Prior to contract award, the City's Contract Monitoring Division ("CMD") established a 20% subcontracting goal for Local Business Enterprises ("LBE"), including small and micro LBEs for this project. Roebuck's LBE subcontractor participation for the base bid of this contract was 32.77% which included Pioneer Contractors, Inc., Bannon Construction, and Three Brothers Electrical. While the goal does not apply to prime contractor work, Roebuck is also an LBE contractor and self-performed approximately 46% of the base bid contract work, resulting in nearly 79% of the original work being performed by certified LBE firms. The adjusted contract amount for the change order work adjusted the contractor's LBE participation resulting in an increase to LBE percentages due to additional work by Pioneer Contractors, Inc. and Bannon Construction. The final LBE percentage is 37.67%.

San Francisco Local Hiring Policy for Construction

The contract required local hiring in accordance with the City's Local Hiring Ordinance (known as the San Francisco Local Hiring Policy for Construction), which became effective on March 25, 2011. The mandatory participation level in terms of Project Work Hours within each trade performed by Local Residents was 30%, with a goal of no less than 15% of Project Work Hours within each trade to be performed by Disadvantaged Workers. The Office of Workforce and Development ("OEWD") monitored local hire participation and reported that the contractor satisfied these requirements with seven out of eight of the trades identified on this Project. The OEWD negotiates corrective action and penalties with the contractor separately.

Climate Action

Climate action mitigation opportunities are limited as this is an in-kind repair project. The potential for sea level rise is a concern for all projects along the waterfront. However, the design life for this Project is projected to be between 30 to 35 years, so sea level rise is unlikely to affect this Project based on current projections.

Funding

The Project is funded from Port Revenue Bond Funds and Capital Funds.

The original funding for the Project is shown in the following table:

Project Scope	Amount	Funding Source
Roofing and structural repairs	\$ 4,600,544	2010 Port Revenue Bond Fund 5P-CPF-09B
Roofing and structural repairs	\$ 917,291	2014 Port Revenue Bond Fund 5P-CPF-13B
Roofing and structural repairs	\$ 247,165	Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-02
Total Base Bid + Additive Alternate	\$ 5,765,000	
10% Construction Contingency	\$ 576,500	Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-02
Total Cost with Contingency	\$ 6,341,500	

The proposed modification to the funding is shown in the following table:

Project Scope	Original Construction Contract Amount	Change Order Requiring Additional Funds
Current contract amount (Base Bid plus Additive Alternate A1)	\$ 5,765,000	
Change Order #1	\$ 200,367	
Change Order #2	\$ 64,696	
Change Order #3	\$ 2,844	
Change Order #4	\$ 295,289	
Change Order #5	\$ 13,304	\$ 286,874
Authorized 10% Construction Contingency	\$ 576,500	
Total contract amount with 10% construction contingency	\$ 6,341,500	
Total Project Cost		\$ 6,628,374

The additional funding required to complete the work is currently available. Of the \$286,874 additional funds required, \$247,991 will be funded from the 2014 Port Revenue Bond Fund 5P-CPF-13B, and \$38,885 will be funded from the Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-02.

Schedule

The original contract duration was 210 days, allowing for substantial completion date on October 2, 2016, and final completion 60 days thereafter. Section 6.22(h) of the City

Administrative Code allowed staff to grant a time extension of 21 days, or 10% contingency of the original contract duration. However, an additional time extension is warranted and required to adjust the substantial completion to January 18, 2017.

The proposed modification to the Project duration is shown in the following table:

Project Scope	Original Construction Contract Duration in Calendar Days to Substantial Completion	Change Order Requiring Additional Time beyond 10% Contingency
Current contract amount (Base Bid plus Additive Alternate A1)	210 Days	
Change Order #1	0	
Change Order #2	0	
Change Order #3	21 Days	
Change Order #4 Authorized 10% Construction Contingency in Calendar Days	0	
Change Order #5		87 Days
Total Duration with Contingency	231 Days	
Total Project Duration to Substantial Completion		318 Days

The 60 days after substantial completion for final completion remains the same.

Summary

The Contractor is now substantially complete. The construction project required a time extension of beyond the original contract duration plus the 21 days granted by staff under Change Order #4, because of unforeseen conditions, and design changes requested by the Port. The additional work requires additional funds beyond the original contract contingency amount. Port staff therefore requests a retroactive extension of time of 87 days exceeding ten percent of the original contract duration and an increase of \$286,874, to the existing contract contingency amount per Section 6.22(h) of the San Francisco Administrative Code.

Prepared by: Wendy Proctor
Senior Architect, Project Manager

For: Uday Prasad
Acting Chief Harbor Engineer

EXHIBITS:

Exhibit A – Area of Work Location Map

Exhibit B – As-Built of Actual Dry Rot Beams, Posts & Truss Repairs

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

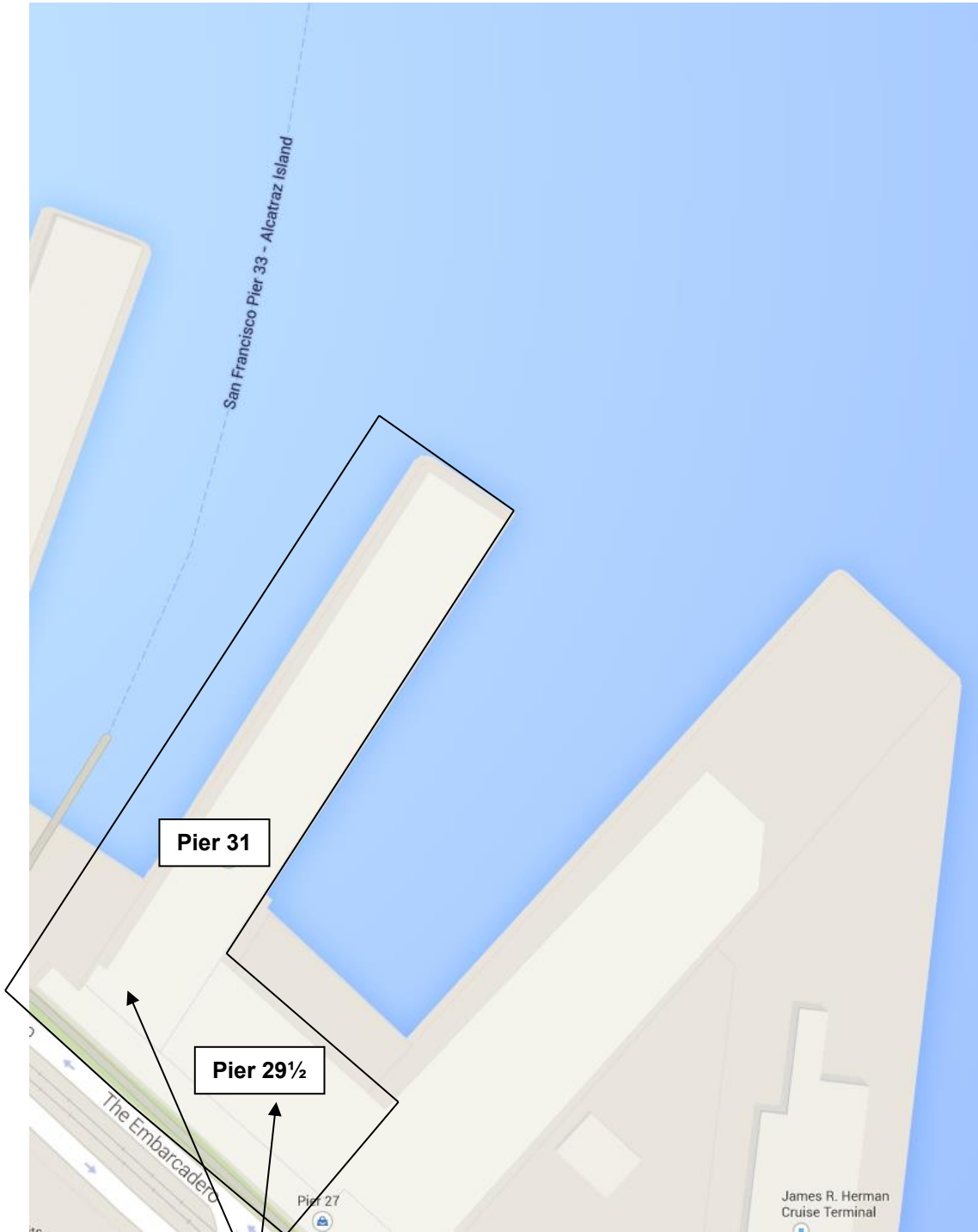
RESOLUTION NO. 17-12

- WHEREAS, the Port Commission, at its meeting on January 12, 2016, previously authorized the award of Construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project to Roebuck Construction, Inc. ("Contractor"), in the amount of \$5,765,000 (Port Commission Resolution No. 16-02); and
- WHEREAS, the Contract scope consisted of roofing and structural repairs of the red-tagged Pier 31 shed and the adjacent Pier 29½ and 31 bulkhead; and
- WHEREAS, during the course of construction, the Contractor encountered unforeseen conditions that required critical repairs and additional time and funds to complete the work as defined in the Contract; and
- WHEREAS, Port staff previously issued Change Order #3, granting the Contractor a time extension of 21 days (10% of the original contract duration) as permitted under Section 6.22(h) of the Administrative Code; and
- WHEREAS, due to the unforeseen conditions, the Contractor has requested an extension to the contract duration, to provide 87 additional days to the contract schedule beyond Change Order #3, which would provide a total duration of 318 days for substantial completion, and
- WHEREAS, Port staff have determined the unforeseen conditions and need for additional repairs warrant an increase to the contract amount, by an additional \$286,874, or beyond the authorized 10% contingency of \$576,500; and
- WHEREAS, Section 6.22(h) of the City's Administrative Code requires Port Commission approval of increases in the contract amount or time extensions greater than 10% of the original contract amount or duration; and;
- WHEREAS, Port staff have determined that the requested increase in the contract amount and time extension are warranted due to critical repairs resulting from unforeseen conditions that were unavoidable on the part of the contractor, as described in the accompanying staff report; now, therefore be it
- RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2762R, Pier 31 Roof & Structural Repair Project, to increase the current contract amount by \$286,874, and to extend the existing substantial completion date by an additional 87 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 February 28, 2017.

Secretary

EXHIBIT A
Area of Work Location Map

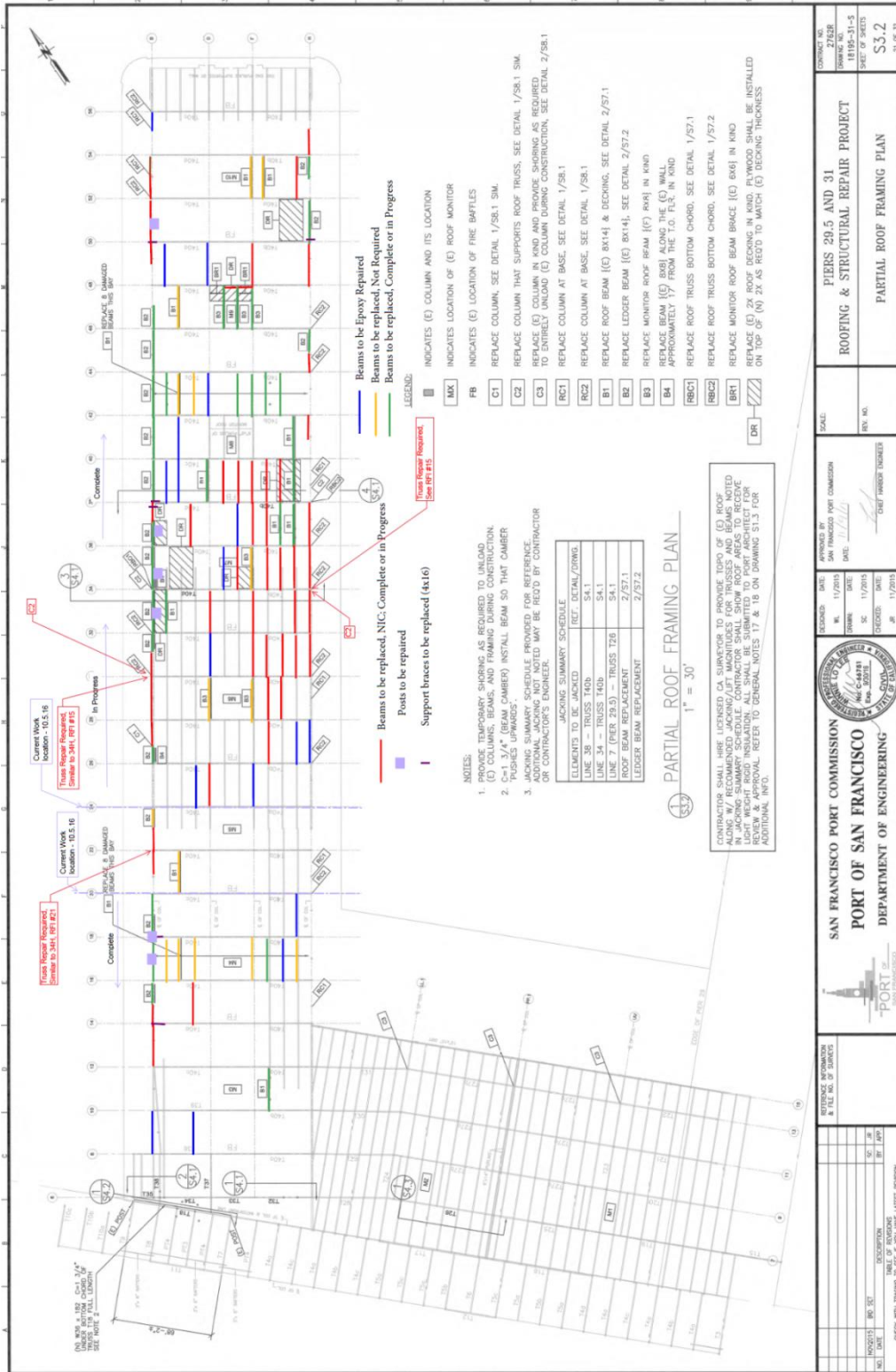


Piers 31 and 29½

CONTRACT 2762R - Pier 31 Roof & Structural Repair Project

EXHIBIT B

As-Built of Actual Dry Rot Beams, Posts & Truss Repairs



CONTRACT 2762R - Pier 31 Roof & Structural Repair Project