

## MEMORANDUM

July 7, 2017

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

**FROM:** Elaine Forbes  
Executive Director

**SUBJECT:** Request authorization to award Construction Contract No. 2783, Pier 31 Utility & Restroom Project, to KCK Builders, Inc. in the amount of \$2,494,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$249,400) for unanticipated contingencies, for a total authorization not to exceed \$2,743,400

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution

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### **Executive Summary:**

Port staff requests that the Port Commission authorize the award of construction Contract No. 2783, Pier 31 Utility & Restroom Project ("Project"), to KCK Builders, Inc. (KCK Builders), the lowest responsive, responsible bidder, in the amount of \$2,494,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$249,400) for unanticipated contingencies, for a total authorization not to exceed \$2,743,400. Piers 31 and 29½ are connected and were built as one structure along with the bulkhead portion of Pier 29 in 1918.

The Project scope includes utility service repairs, and code upgrades to restrooms and egress doors in Pier 31 and 29½. The Project will restore a previously red-tagged Port real estate asset into use. Piers 31 and 29½ are located in the Northern Waterfront, between Sansome and Bay Streets and are contributors to the Embarcadero Historic District. (See Exhibit "A" for Area of Work Location Map).

Pier 31 shed recently underwent structural repairs and was reroofed to remove the previous red-tagged status of the structure. The Pier 31 bulkhead building currently has no tenants. The National Park Service and the City and County of San Francisco Department of Elections plan to occupy the shed and bulkhead once the work is complete. Pier 29½ is currently operated as a public parking site, and will continue to operate with minimal disruption during construction.

**This Print Covers Calendar Item No. 10A**

**Strategic Objective:**

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

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

Livability: The Project provides opportunities for local business enterprises (LBE's) and meets mandates for Local Hire in construction projects, promoting living wage jobs.

Sustainability: The Project will include lighting upgrades to energy efficient fixtures and relocates plumbing systems overhead and connects to the City sanitary sewer system thus removing dependency on antiquated pumps and under pier pipes. The Project will also use 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:**

At its meeting on February 14, 2017, the Port Commission authorized staff to advertise for construction bids for Contract No. 2783, Pier 31 Utility & Restroom Project (Port Commission Resolution 17-06). Port staff published the advertisement for bids on May 5, 2017, conducted an optional Pre-Bid Meeting on July 16, 2017, and opened bids on June 15, 2017, six weeks after advertisement.

As indicated in the Port Commission Resolution 17-06, work to revitalize this facility was split into multiple projects because of budget constraints. Security fencing and exterior lighting enhancements were completed in January 2017, and north apron repairs were completed in April 2017. The roofing and structural repairs to stabilize the building were completed in March 2017.

The Project was bid with a lump sum base bid to install water service, gas service, electrical services and connection to the City's sanitary sewer system located in the Embarcadero roadway; restroom upgrades for the existing offices located in Pier 29½, reconstruction of the stairs and a new disabled accessible lift to the second floor; additional structural repairs; and building egress code upgrades with door repairs and installation of new doors. The Project was bid with four alternate bids. Alternate bid items included repairs to shed windows, concrete crack repairs in the shed walls, restroom upgrades to the existing shed restrooms, and ship water supply to the south apron. (See Exhibit D)

During the design and construction phase to restore the building for use, the City and County of San Francisco Department of Elections (DOE) started negotiations to lease the Pier 31 shed. The DOE indicated that they planned to provide restrooms and showers to suit their needs, beyond the number of fixtures required by code for storage use. Also, the DOE would require a more watertight envelope than some storage uses

commonly found on Port property. Because this was a change from the original design and funding, the shed restrooms improvements were bid as an alternate item in addition to window and crack repairs in the shed walls. The bids received for the alternate bid items exceeded the Project budget. Port staff, along with the DOE, will be exploring various methods and funding mechanisms to make the shed window and wall repairs prior to the Department of Elections occupying the shed.

### **Competitive Award/Local Business Enterprise**

Staff received four bids for this construction Project, with base bids ranging from \$2.5 million to \$2.8 million. The lowest bid was submitted by KCK Builders with the base bid amount of \$2,494,000. The project budget was \$2,100,000 and the engineers estimate advertised was \$1,600,000. The additive alternate bids exceed available funding at this time. The bid coming in over estimate is consistent with the experience of other City Departments. Electrical work is coming in over engineers estimate Citywide due to demand outpacing the labor pool.

Staff reviewed KCK Builders' bid and determined that its bid is responsive and KCK Builders is a responsible contractor that meets the minimum qualifications required by the bid solicitation. KCK Builders is a San Francisco Micro-Local Business Enterprise ("LBE") whose bid includes nine subcontractors; six of which are LBE certified by the City Contract Monitoring Division ("CMD").

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 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. For the proposed contract, CMD staff established a LBE subcontractor participation goal of 21% of the contract amount.

All four bidders are certified LBE contractors. On June 23, 2017, CMD staff determined that KCK Builders' bid had satisfied the LBE subcontracting goal and is eligible for the award of the contract (see Exhibit "B"). KCK Builders' LBE subcontractor participation for the base bid of this contract is 54.76%. While the goal does not apply to prime contractor work, it is noted that KCK Builders is an OBE, Micro LBE contractor and will be self-performing approximately 40% of the base bid contract work, resulting in nearly 94.76% of the work being performed by certified LBE firms.

The details of the LBE subcontractors are as follows:

<b>Subcontractor</b>	<b>Scope</b>	<b>Percentage</b>	<b>Type of LBE</b>
Anco Iron	Ironwork	1.48%	MBE, Micro LBE
City Door & Hardware	Doors & Hardware	0.84%	WBE, Small LBE
Cal Pacific Plumbing	Plumbing & HVAC	21.64%	MBE, Small LBE
Barri Electric	Electrical	29.35%	MBE, Small LBE
Value Fire Protection	Fire Protection	1.45%	MBE, Micro LBE

**San Francisco Local Hiring Ordinance**

The Project contract will require contractor compliance with the mandatory participation level of the City's Local Hiring Ordinance. The mandatory participation level 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.

**Regulatory Permits**

Port Planning and Environmental division staff determined the proposed work to be a “non-project” for purposes of the California Environmental Quality Act (CEQA) and, therefore, not subject to CEQA review. Repairs will be consistent with the Secretary of the Interior Standards for Historic Rehabilitation. The scope of work is within the parameters of the Port’s existing San Francisco Bay Conservation and Development Commission (BCDC) Permit M1977.017.19. In addition, the Project does not require permits from the U.S. Army Corps of Engineers or Regional Water Quality Control Board.

A Port Building Permit has been submitted to the Port Building Permit Desk and will be secured prior to commencement of the Project.

**Climate Change**

Sea Level Rise is not expected to cause any major issue during the design life of this Project. The design life of this Project is projected to be 30 years.

**Funding**

The base bid for the construction contract, and the 10% contingency will be funded from the Funds as shown in the table below:

<b>Project Scope</b>	<b>Amount</b>	<b>Funding Source</b>
Utility and restroom repairs	\$ 1,744,000	Port Capital Fund, Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-04
Utility and restroom repairs	\$ 450,000	2014 Port Revenue Bond Fund 5P-CPF-13B, Northern Waterfront Historic Pier Structures Repair Project Fund CPO

		930-04
Utility and restroom repairs	\$ 300,000	Port Capital ADA Upgrade Project Fund CPO 980-01
Total Lump Sum Base Bid	\$ 2,494,000	
10% Construction contingency	\$ 249,400	Port Capital Fund, Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-04
Total cost with contingency	\$ 2,743,400	

### **Schedule**

The anticipated Project schedule is as follows:

Commission Authorization to Award Contract July 11, 2017  
 Estimated Notice to Proceed (NTP) September, 2017  
 Estimated Substantial Completion (270 Days) May, 2018  
 Estimated Final Completion (60 Days) July, 2018

### **Summary**

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2783, Pier 31 Utility & Restroom Project, to KCK Builders, Inc., the lowest responsive, responsible bidder, in the amount of \$2,494,000, and further authorize staff to increase the contract amount, through contract modification or change order, if needed for unanticipated contingencies, by an additional \$249,400 (10% of the proposed contract amount), to a total amount not to exceed \$2,743,400. KCK Builders is a Micro-LBE contractor whose bid includes 54.76% LBE subcontractor participation, and meets the requirements of Administrative Code Chapter 14B. KCK Builders has committed to meet the requirements of the City's Local Hiring Policy for Construction. Port staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Wendy Proctor  
Project Architect

For: Rod K. Iwashita  
Chief Harbor Engineer

### Exhibits:

- A. Area of Work Location Map
- B. CMD Determination Letter
- C. Bid Summary
- D. Schedule of Bid Prices

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

**RESOLUTION NO. 17-29**

- WHEREAS, Port staff seeks authorization to award construction Contract No. 2783, Pier 31 Utility & Restroom Project (the “Project”); and
- WHEREAS, the Project will rehabilitate an important historic resource which will enable the Port to return Pier 31, a significant real estate asset, to functional status; and
- WHEREAS, the scope of this Contract No. 2783 involves basic repair and maintenance work for Piers 31 and 29½, does not result in any change or intensification of use and is a “non-project” and not subject to California Environmental Quality Act (CEQA);
- WHEREAS, the Project repairs will be consistent with the Secretary of the Interior Standards for Historic Rehabilitation. has been approved by San Francisco Bay Conservation and Development Commission (BCDC) pursuant to BCDC Permit M1977.019.17, and needs no permit from the Regional Water Quality Control Board or U.S. Army Corps of Engineers, and the Building permit will be secured prior to construction; and
- WHEREAS, the Port Commission, on February 14, 2017, authorized staff to solicit bids for the Project, and on May 5, 2017, Port staff published the advertisement for bids; and
- WHEREAS, Port staff received four (4) bids on June 15, 2017 for the Project, all of which were submitted by Local Business Enterprise contractors; and
- WHEREAS, Port Engineering staff and Contract Monitoring Division staff reviewed the bids and determined that KCK Builders, Inc. (“KCK Builders”) is the lowest responsive, responsible bidder for the Project; and
- WHEREAS, KCK Builders’ total lump sum base bid price for the Project is \$2,494,000 which is fully funded with Port Capital funds; and
- WHEREAS, in its bid proposal, KCK Builders has committed to satisfy the LBE subcontracting goal of 21% and to comply with the City’s Local Hiring Policy for Construction Ordinance (Administrative Code Section 6.22(g); now, therefore, be it

RESOLVED, that the Port Commission hereby authorizes the award of construction Contract No. 2783, Pier 31 Utility & Restroom Project, to KCK Builders, Inc. the lowest responsive and responsible bidder, for the amount of \$2,494,000; and be it further

RESOLVED, that the Port Commission hereby authorizes Port staff to increase the contract amount, as necessary for unanticipated contingencies, by an additional \$249,400 (10% of \$2,494,000) through contract modification or change order, for a total contract authorization not to exceed \$2,743,400; 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 July 11, 2017.***

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Secretary

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



CONTRACT 2783 Pier 31 Utility & Restroom Project



**EXHIBIT B**  
**CMD DETERMINATION LETTER**



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

**GENERAL SERVICES AGENCY**  
**CONTRACT MONITORING DIVISION**



Romulus Asenloo, Director

Date: June 26th , 2017

To: Tim Leung, The Port Of San Francisco  
Wendy Proctor, The Port Of San Francisco

From: Finbarr Jewell, CMD

Subject: Contract Award: Pier 31, Utilities & Restroom Project Contract # 2783

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:

<b>Bidder</b>	<b>Base Bid</b>	<b>LBE Bid Discount</b>	<b>Adjusted Bid</b>
KCK Builders, INC	\$2,494,000	10%	\$2,244,600
Roebuck Construction, INC	\$2,525,000	10%	\$2,272,500
Wickman Development And Construction, INC.	\$2,652,500	10%	2,387,250
Angotti & Reilly, INC.	\$2,815,112	10%	2,533,600

KCK Builders, Inc. submitted a base bid of \$2,494,000 and met and exceeds the 21% LBE subcontractor participation requirement by listing the following firms:

**EXHIBIT B**  
**CMD DETERMINATION LETTER**



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

**GENERAL SERVICES AGENCY**  
**CONTRACT MONITORING DIVISION**



Romulus Asenloo, Director

Subcontractor	Scope of Work Listed	Status	Listed Amount	Amount Credited	Participation
Anco Iron	Iron	LBE	\$37,000	\$37,000	1.48%
City Door & Hardware	Doors + Hardware Sets	LBE	\$35,000	\$21,000	0.84
Cal Pacific Plumbing	Plumbing & HVAC	LBE	\$539,800	\$539,800	21.64
Barri Electric	Electrical	LBE	\$732,000	\$732,000	29.35
Value Fire Protection	Fire Protection	LBE	\$36,100	\$36,100	1.45
<b>Total LBE Participation</b>			<b>1,379,990</b>	<b>1,332,600</b>	<b>54.76%</b>

Based on the foregoing, CMD has determined that KCK Builders, 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 Officer  
 Contract Monitoring Division

## EXHIBIT C BID SUMMARY

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

BID OPENING DATE		06/15/2017, PIER 1, SAN FRANCISCO			
CONTRACT NUMBER		2783			
PROJECT NAME		Pier 31 UTILITIES AND RESTROOM PROJECT			
ALTERNATE PRIORITIES:		A3, A4, A1, A2 (IN DESCENDING ORDER)			
LBE GOAL:	21%	TOTAL NUMBER OF CALENDAR DAYS:	270	ANNOUNCED CONSTRUCTION BUDGET:	\$ 2,000,000
NUMBER OF BIDDERS:	04	ESTIMATE:	1,600,000	APPARENT LOW TOTAL BID PRICE:	\$ 2,494,000

BIDDER ID #	01	02	03	04
BID ITEM #	WICKMAN DEVELOPMENT AND CONSTRUCTION, INC. JONATHAN WICKMAN, CBO 5616 MISSION STREET SAN FRANCISCO, CA 94112 415-215-3473 <a href="mailto:JONATHAN@WICKMANDEV.COM">JONATHAN@WICKMANDEV.COM</a>	KCK BUILDERS, INC. MIKE HANNEGAN, PRESIDENT 1320 EGBERT AVENUE SAN FRANCISCO, CA 94124 415-559-9312 <a href="mailto:MIKEHANNEGAN@COMCAST.NET">MIKEHANNEGAN@COMCAST.NET</a>	ROEBUCK CONSTRUCTION INC. RUAIRI MURPHY, PRESIDENT 1780 OAKDALE AVE SAN FRANCISCO, CA 94124 415-255-1506 <a href="mailto:RUAIRI@ROEBUCKSF.COM">RUAIRI@ROEBUCKSF.COM</a>	ANGOTTI & REILLY, INC. JAMES P. REILLY, PRESIDENT 1000 MARIPOSA STREET SAN FRANCISCO, CA 94107 415-575-3700 <a href="mailto:JIMREILLY@ANGOTTI-REILLY.COM">JIMREILLY@ANGOTTI-REILLY.COM</a>
1	2,402,500	2,354,000	2,355,000	2,652,976
2	100,000	60,000	60,000	54,216
3	15,000	15,000	15,000	15,000
4	A 135,000	65,000	95,000	92,920
Base Bid Total	B \$2,652,500	\$2,494,000	\$2,525,000	B \$2,815,112
A3	741,000	684,000	D 785,000	765,339
A4	C 11,250	139,500	16,200	52,200
A1	320,000	295,000	295,000	285,000
A2	500,000	640,000	595,000	650,000
APPARENT BID RANK	3	1	2	4

- A – Mobilization amount exceeded 5% of Bid Items 1 plus 2.
- B – Value represents a corrected Base Bid Total from the Bid Documents for math error in total extensions.
- C – In cases of discrepancy between unit prices Bid and extensions thereof, said unit price prevail. Value represents the corrected amount based on this rule.
- D – No unit price was listed in the Bid documents, only the extension.

**EXHIBIT D**  
**SCHEDULE OF BID PRICES**

**SCHEDULE OF BID PRICES**

Bid Item No	Bid Item Description	Estimated Quantity	Unit*	Extension
1	Utility and restroom work as indicated on plans and specifications excluding bid items 2, 3 & 4 and alternate bid items	1	LS	\$ _____
2	Wheelchair Lift	1	LS	\$ _____
3	Partnering Allowance	1	AL	\$15,000
4	Mobilization Lump Sum (Maximum 5% of the sum of Bid Items 1 & 2)	1	LS	\$ _____
TOTAL BASE BID PRICE				\$ _____

\*Note: LS = Lump Sum; EA= Each; LF = Linear Feet; SF = Square Feet; CY = Cubic Yards; AL = Allowance

Alternate No	Alternate Description	Estimated Quantity	Unit	Unit Price	Extension
A1	Ship water supply	1	LS	\$ _____	\$ _____
A2	Restroom work in Pier 31 shed	1	LS	\$ _____	\$ _____
A3	Steel window work	57	EA	\$ _____	\$ _____
A4	Concrete crack repairs	900	LF	\$ _____	\$ _____