

MEMORANDUM

February 8, 2018

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

FROM: Elaine Forbes
Executive Director

SUBJECT: Request authorization to advertise for competitive bids for Construction Contract No. 2786, Pier 94 Backlands Improvement Project (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.) (Resolution No. [18-14](#))

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff requests the Port Commission's authorization to advertise for competitive bids for Contract No. 2786, Pier 94 Backlands Improvement Project ("Project"). The Project scope includes grading the site, construction of an access road, storm water management system, perimeter landscaping, street lighting, and capping the regulated landfill area at the northeast corner of the site. The Project improvements will turn the vacant land at the Backlands into approximately 16 acres of leasable property. The improvements will accommodate the site for future leasing opportunities such as construction laydown, vehicle parking and storage types of uses (See Exhibit "A", Area of Work Location Map).

Strategic Objectives

This Project supports the Port's Strategic Plan objectives as follows:

- **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 provide to the Port approximately 16 acres of leasable property at Pier 94 Backlands.

THIS PRINT COVERS CALENDAR ITEM NO. 12C

- Stability: The Project improvements will give the Port the opportunity to lease the area to viable, long-term tenants.

Background

Improving the Backlands area for leasing has been a long sought after project for the Port. The Project has gone through extensive community review and has been presented and supported by the Southern Waterfront Advisory Committee.

Based on conservative projections of 60 percent utilization, and monthly parameter rents of \$0.35 per square foot for land, the projected annual income for the facility is \$1.7 million when fully leased. Assuming a three year lease-up period, the project is estimated to generate \$8.6 million in net income (net revenues from the project area less the cost of the capital improvements) over 10 years, with an internal rate of return of 21 percent. In addition to the significant financial benefit, the new lay down space and associated industrial activity will help activate Port property in the Southern Waterfront which is an important strategic objective.

The Port contracted with San Francisco Public Works to develop the detailed design and construction documentation to support the capital investment required to improve the site.

Project Description

The Pier 94 Backlands area was created during the 1960s and 1970s by constructing a perimeter debris dike and placing fill on the inboard side of the dike. The fill consists primarily of dredge spoils and clean construction debris. The Project site is located near Amador Street and Cargo Way in San Francisco, California, as shown on the Area of Work Location Map (Exhibit A).

Project improvement plans include grading and placement of existing recycled rock and soil stockpiles and clean fill to establish final project grades, construction of an asphalt-paved access road, repairs and replacement of stormwater drainage infrastructure, and perimeter landscaping and lighting. In addition, a 7.6-acre portion of the Project site is comprised of a former class III regulated landfill area. As required by the Regional Water Quality Control Board, Project plans also include placement of an engineered cap on this 7.6-acre area of the site to address potential water quality impacts associated with future site development and uses.

The Project improvements will turn this vacant Backlands area into approximately 16 acres of future leasable property, anticipated to include storage, construction laydown and equipment staging.

Regulatory Approvals and Permits

Port staff confirmed that this Project is eligible for a Categorical Exemption under the California Environmental Quality Act (CEQA), which was issued by the San Francisco Planning Department on October 12, 2017 (No. 2016-004338ENV).

If the Port Commission approves the proposed Project through the attached Resolution based on this categorical exemption, its action constitutes the "Approval Action" (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13). As such, the CEQA decision prepared in

support of this Approval Action will be subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action (for information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call 415-554-5184). With respect to this Project, the Planning Department's Environmental Review Officer has deemed the activities to be exempt from further environmental review and an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org>; <https://aca.accela.com/ccsf/Cap/CapDetail.aspx?Module=Planning&TabName=Planning&capID1=16CAP&capID2=00000&capID3=003CI&agencyCode=CCSF>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.

Port staff has worked with the San Francisco Public Works design team to develop Project plans and specifications for an engineered cap to be placed on the landfill regulated area of the site, per the Water Board's approved proposed landfill cover design. As required under Regional Water Quality Control Board Order R2-2003-0055, the Project landfill cap design plans and specifications have been submitted to the Water Board for review and approval prior to construction.

In addition, the portion of the Project to repair and replace existing storm water outfall pipes that lead to an existing outfall at Islais Creek falls within San Francisco Bay Conservation and Development Commission Permit M1977.017 issued March 22, 2012 as Amended on September 2, 2016 (Amendment No. 19), and Regional Water Quality Control Board Order No. R2-2016-0039, Waste Discharge Requirements and Water Quality Certification for Port of San Francisco Maintenance Program issued September 14, 2016.

Climate Action

Sea Level Rise is not expected to impact the Project area.

Local Business Enterprise (LBE)

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 requirements based upon availability of LBE firms to complete the type of work included in the contract. CMD staff have reviewed the Project scope and funding sources for this contract, and determined a 20% LBE subcontractor participation requirement based on the Project scope of work.

Port staff will work with CMD staff to outreach to construction contractors located in San Francisco to encourage LBE contractors to bid. Outreach will include email notifications to LBE contractors, posting the bid opportunity at the San Francisco Contractor's Assistance Center, and facilitating introductions at the pre-bid meeting.

Advertisement

Under the proposed bid solicitation, qualified bidders must possess a Class-A Contractor's License with at least three (3) years of experience performing public works construction. Port staff will work with CMD for small business outreach to encourage bidding from local construction contractors. Bids will be advertised to reach contractors through the following methods:

- Port Internet
- Direct targeted emails based on location and trade
- Chambers of Commerce and Merchant Associations – Postings and alerts within the traditional and ethnic Chambers
 - Hispanic Chamber of Commerce
 - San Francisco African Chamber of Commerce
 - Chinese Chamber of Commerce
 - LGBT Chamber of Commerce
- Minority/Women Business Enterprise Agencies
- Direct phone calls to targeted individuals and businesses to promote joint ventures
- Contract Monitoring Division list of contractors
- Office of Contract Administration Internet Site
- SFPUC Contractor Assistance Center
- San Francisco Public Library
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 18 total
- San Francisco Chronicle (or Examiner)
- Community Newspapers:
 - Bay Area Reporter
 - Central City Extra
 - El Mensajero
 - EL Reportero
 - Marina Times/Northside Publications
 - Potrero View
 - San Francisco Bayview
 - Sing Tao Daily
 - Small Business Exchange
 - The Western Edition
 - World Journal
 - Sun Reporter

After the solicitation and receipt of bids, Port staff will report to the Commission and propose award of the contract to the lowest responsive, responsible bidder.

Funding

The total estimated construction cost for this Project, which includes a 10% contingency, is \$7,700,000.

Engineer's Estimate:	\$7,000,000
Add 10% Contingency:	<u>\$ 700,000</u>
Total Estimated Cost with contingency:	\$7,700,000

The engineer's estimate, the expended soft cost, and funding source for this Project are noted below:

Project Scope	Fund Allocated	Funding Source
Piers 94 Backlands Improvement Construction Cost	\$7,700,000	CPO-923-01
Soft Cost expended including planning, site investigation, design, permitting etc.	\$617,634	CPO-923-01
Total	\$8,317,634	

The Project is fully funded from CPO-923-01, total budget is \$8,500,000.

Schedule

The following is the anticipated Project schedule which is subject to change:

Port Commission Approval to Advertise	February 13, 2018
Advertise for Bids	February, 2018
Bids Due	March, 2018
Award of Contract	March/April, 2018
Notice to Proceed	May, 2018
Substantial Completion	November, 2018
Final Completion	December, 2018

Summary

The Project improvements will turn the vacant land at the Backlands into approximately 16 acres of leasable property. Improvements will prepare the site for future leasing opportunities such as construction laydown, vehicle parking and storage types of uses. Additionally, this is a good project for LBE participation.

Recommendation

Port staff is prepared to seek competitive bids for this Project. Therefore, Port staff requests Port Commission authorization to advertise for competitive bids for Construction Contract No. 2786, Pier 94 Backlands Improvement Project.

Prepared by: Ken Chu
Project Engineer

For: Rod Iwashita
Chief Harbor Engineer

Attachments

A: Area of Work Location Map

B: CMD Review Memorandum

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

RESOLUTION NO. 18-14

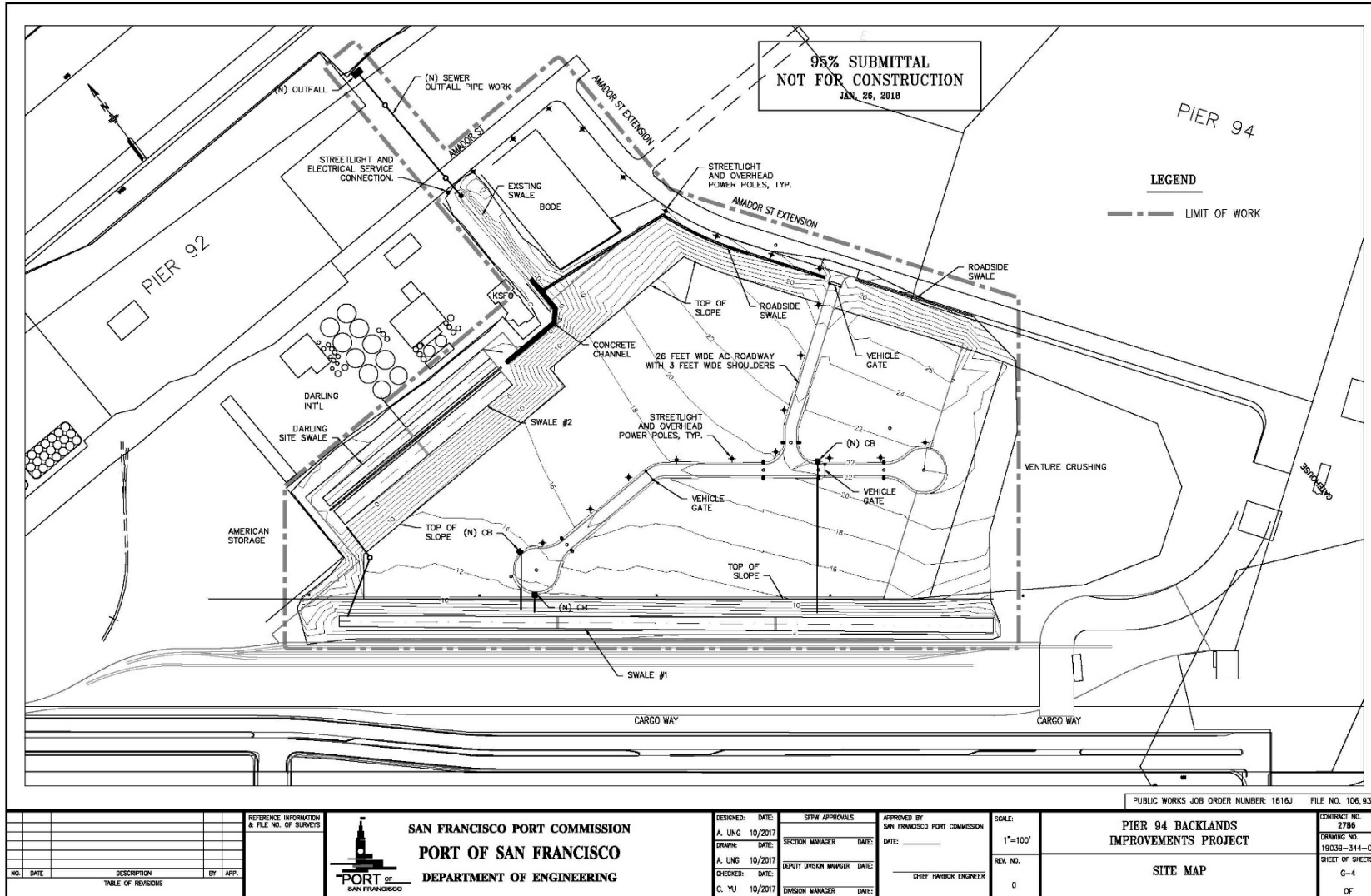
- WHEREAS, Port staff seeks authorization to advertise for competitive bids for Construction Contract No. 2786, Pier 94 Backlands Improvement Project (the “Project”); and
- WHEREAS, the construction Project bid scope of work will provide improvements to turn the vacant land at the Backlands into approximately 16 acres of leasable property; and
- WHEREAS, Port staff, along with a San Francisco Public Works team have completed design drawings and specifications for the Project; and
- WHEREAS, the current estimated Project cost for the work is \$7,000,000 and with a corresponding 10% contingency of \$700,000, the total estimated Project cost is \$7,700,000; and
- WHEREAS, the current estimated Project cost, including the 10% contingency, totals \$7,700,000, and is fully funded from CPO-923, for the Pier 94 Backlands; and
- WHEREAS, the Project scope was determined to be exempt under California Environmental Quality Act (CEQA) pursuant to the Categorical Exemption issued by the S.F. Planning Department on October 12, 2017 (No. 2016-004338ENV) and the proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; and
- WHEREAS, the Project plans to install an engineered cap on the landfill regulated area of the site per the requirements of Regional Water Quality Control Board Order R2-2003-0055; and
- WHEREAS, the Project scope is within the parameters of the Port’s permit M1977.019.17 issued by the San Francisco Bay Conservation and Development Commission and Board Order R2-2016-0039 issued by the San Francisco Regional Water Quality Control Board; and
- WHEREAS, the Project bid requirements will incorporate the subcontracting requirement of 20% for Local Business Enterprises (LBEs) as recommended by the City’s Contract Monitoring Division (CMD) and, pursuant to the San Francisco Local Hiring Ordinance will include the mandatory participation level for each qualifying trade; now, therefore, be it
- RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Construction Contract No. 2786, Pier 94 Backlands Improvement Project.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 13, 2017.

Secretary

Attachment "A"

AREA OF WORK LOCATION MAP



PUBLIC WORKS JOB ORDER NUMBER: 1616J FILE NO. 106.939

NO.	DATE	DESCRIPTION	BY	APP.
TABLE OF REVISIONS				

REFERENCE INFORMATION & FILE NO. OF SURVEYS



SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

DESIGNED: DATE:	SFPD APPROVALS
A. LING 10/2017	SECTION MANAGER DATE:
CHECKED: DATE:	DEPUTY DIVISION MANAGER DATE:
C. YU 10/2017	DIVISION MANAGER DATE:

APPROVED BY:	SCALE:
SAN FRANCISCO PORT COMMISSION	1"=100'
CHEF HARBOR ENGINEER	REV. NO.:
	0

PIER 94 BACKLANDS IMPROVEMENTS PROJECT

SITE MAP

CONTRACT NO.:
2786
DRAWING NO.:
15038-344-C
SHEET OF SHEETS:
G-4
OF

Attachment "B"
CMD Review Memorandum




**OFFICE OF THE CITY ADMINISTRATOR
CONTRACT MONITORING DIVISION**



Mark E. Farrell, Mayor
Naomi M. Kelly, City Administrator

Romulus Asenloo, Director

MEMORANDUM

Date: February 2, 2018
To: Kenneth Chu, Port of San Francisco
From: Finbarr Jewell, CMD 
Subject: LBE Participation Memo –Pier 94 Backlands Park Improvement Project,
Contract # 2786.

The Contract Monitoring Division (CMD) has evaluated the Engineer's Estimate for the subcontractor opportunities for the above-referenced project, as well as LBE availability data. Based upon this review, the LBE subcontractor requirement for the project is 20%. Only Small and Micro-LBEs certified by CMD can be used to meet the subcontracting requirement.

In addition, the following availability information is required to be conveyed in the bid specifications.

Under Sec. 14B.9 of the San Francisco Administrative Code, bidders are at this moment advised that the availability of Minority Business Enterprise ("MBE"), Women Business Enterprise ("WBE"), and Other Business Enterprises ("OBE") to perform subcontracting work on this project is as follows: 6.7% MBE, 3.5% WBE, and 9.8% OBE.

Bidders are further advised that they may not discriminate in the selection of subcontractors on the basis of race, gender, or other basis prohibited by law, and that they shall undertake all required good faith outreach steps in such a manner as to ensure that neither MBEs nor WBEs nor OBEs are unfairly or arbitrarily excluded from the required outreach.

Should you have any questions, please do not hesitate to contact me at 415 274 0511