

MEMORANDUM

July 5, 2018

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Request authorization to award Construction Contract No. 2787R, Pier 27 Passenger Shelter, to G.Y. Engineering, Inc. in the amount of \$818,000, and authorize a contract contingency fund of 10% (\$81,800) for a total authorization of \$899,800

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff requests the Port Commission authorize the award of construction contract No. 2787R, Pier 27 Passenger Shelter Project ("Project"), to G.Y. Engineering, Inc. ("GYE"), the lowest responsive, responsible bidder, in the amount of \$818,000 and authorize a contract contingency fund of 10% (\$81,800) for a total authorization of \$899,800.

The Project base scope of work includes construction of approximately 2,600 sq. feet of a steel-framed passenger shelter outside Pier 27 James R. Herman Cruise Terminal (See Attachments A and B - Site Plans). The Project scope also includes an additive alternate bid item for installation of new steel bollards along the shelter perimeter to separate the pedestrian circulation area from the bus parking area. The new passenger shelter will replace the temporary non-permitted shelter currently in place at the Pier 27 Cruise Terminal. The new permanent shelter is needed to provide weather protection for cruise passengers transferring to and from the cruise terminal by bus or automobile. The project funding is from the Port's Certificates of Participation Financing and 2014 Revenue Bond Issuance that were previously approved for the Cruise Terminal project.

This Print Covers Calendar Item No. 13B

Strategic Objectives

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

- **Livability:** The Project promotes living wage jobs by providing an 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 consistent with the Cruise Terminal's Leadership in Energy and Environmental Design (LEED) Gold certification, measures include material selection and rainwater diversion to adjacent planter.
- **Economic Vitality:** The Project will enhance the cruise terminal passenger experience, providing a stand-alone weather protected shelter at the designated bus passenger waiting area.

Background and Project Description

Pier 27 is an active cruise terminal that will receive 66 ship calls and host over 40 special events in 2018. A work location map is provided in Attachment A. All cruise calls and many special events have passengers or visitors arriving at and departing the terminal via bus at the adjacent Pier 27 Ground Transportation Area, about 100 feet from the cruise terminal entry. The need to define a bus passenger waiting area and provide weather protection at the ground transportation area has prompted the terminal operator tenant to install temporary, non-permitted canopies until permanent canopies are constructed.

The passenger shelter will be located within the ground transportation area, and will provide queuing organization for boarding and off-loading buses, weather protection for passengers, and pedestrian orientation to the Pier 27 cruise terminal entry and exit points. A schematic site plan is provided in Attachment B. The shelter design measures 162' long by 16' wide and 16' tall at its tallest roof section. The minimal supports and flat roof design will maximize transparency below and through the structure. Rainwater will be diverted to the adjacent planter, and materials and finishes would adhere to those specified for the Cruise Terminal, maintaining consistency with the Terminal's LEED Gold certification.

The Project is designed to be architecturally compatible with and closely mirroring both the Cruise Terminal and the historic Pier 29 shed. The Project has been reviewed for consistency with the adjacent Pier 29 and the Embarcadero Historic District, for consistency with the Secretary of the Interior Standards for Historic Rehabilitation.

Project Advertisement and Outreach

On October 24, 2017, the Port Commission authorized staff to advertise for construction bids for Contract No. 2787, Pier 27 Passenger Shelter (Port Commission Resolution 17-57). Port staff published the advertisement for bids on December 5, 2017, conducted a Pre-Bid meeting (optional attendance by contractors) on January 9, 2018, and opened

bids on January 22, 2018. All bids exceeded the Project budget at that time and were rejected to allow the Port to identify sufficient funds.

Based on the current bidding environment the engineer's estimate for the base bid scope was revised to \$750,000. The Project was rebid with the original scope of work of a lump sum base bid to install a steel-framed passenger shelter outside the Pier 27 Cruise Terminal. Additionally, the Project was bid with one additive alternate bid item: installation of bollards, with the engineer's estimate being \$42,500.

Port staff published the new advertisement for bids on April 22, 2018. The invitation for bid was distributed via e-mail to 190 certified LBE firms. This list included 91 from Supervisorial District 10 and 66 from the 94124 zip code, Bayview-Hunter's Point. The Port's plan holders list, which is a list of firms that register on the Port's website in order to access the project manual, contained 11 unique firms. The list included 7 firms from Supervisorial District 10 and 4 from the 94124 zip code. The bid was also sent to all active Chambers of Commerce and San Francisco Public Utilities Contractors' Assistance Center. The Port conducted a Pre-Bid meeting at Pier 1 (optional attendance by contractors) on May 3, 2018, which was attended by three contractors.

Evaluation of Bids

On May 23, 2018, the Port received three bids in response to the Pier 27 Shelter Construction Project invitation for bids. The Contract Monitoring Division ("CMD") Contract Compliance Officer reviewed the bids for compliance with the project's LBE requirements and concluded that all three submittals complied with the LBE subcontractor participation goal of 20% of the contract amount. (Attachment C provides the October 2017 letter from the Contract Monitoring Division documenting the LBE requirement.)

Pursuant to the City's Administrative Code Chapter 14B, the LBE and Non-Discrimination in Contracting Ordinance, a 10% bid discount shall apply to Small-LBE or Micro-LBE prime contractors. Two bidders are certified LBE firms and therefore each is entitled to a 10% LBE bid discount. G.Y. Engineering is a certified LBE, OBE, and Wickman Development & Construction is a LBE, OBE. On May 30, 2018, the CMD Contract Compliance Officer determined G.Y. Engineering, Inc. to be the lowest responsive bidder. The final bid rankings are shown in Table 1 below.

Table 1: Pier 27 Shelter Construction Project Bid Ranking

Bidder	Base Bid	LBE Bid Discount	Final Adjusted Bid	Rank
G.Y. Engineering Company, Inc.	\$788,000	10%	\$709,200	1
NMI Industrial Holdings, Inc.	\$741,000	0%	\$741,000	2
Wickman Development & Construction	\$834,000	10%	\$750,600	3

G.Y. Engineering, Inc. submitted the lowest bid, with a base bid of \$788,000 and an additive bid item of \$30,000, for an adjusted total bid of \$818,000. The current project budget was set at \$900,000 and with an advertised engineer's base bid estimate of \$750,000. The base bid exceeds the engineer's estimate but is consistent with the current construction climate as well as other what other City Departments have experienced lately with their capital projects.

CMD staff determined G.Y. Engineering, Inc.'s bid satisfied the LBE subcontracting goal and Port staff determined that G.Y. Engineering is a responsible and responsive bidder. As the lowest responsible responsive bidder, G.Y. Engineering is therefore eligible for the award of the contract. As shown in Table 2 below, G.Y. Engineering, Inc.'s LBE subcontractor participation for the base bid of this contract is 36.16% and with the additive alternate bid item is 36.67%. While the goal does not apply to work completed by the prime contractor's workforce, staff notes that G.Y. Engineering, Inc. is a Micro LBE contractor and will be self-performing approximately 57.5% of the Total Bid contract work, resulting in nearly 94% of the work being performed by certified LBE firms.

Table 2: Pier 27 Shelter Construction Project LBE Participation

Subcontractor	Type of Work	% of Total Bid	Type of LBE	LBE% Goal
Svala Construction, Inc.	Steel Erection / Install	36.67%	Micro LBE, OBE	
Total		36.67%		20%

G.Y. Engineering is a CA licensed General Contractor since 1991. Over the past 27 years G.Y. Engineering has performed over \$10,000,000 of structural steel construction work. Relevant project experience includes structural steel fall protection installation at San Francisco International Airport (SFO), super-bay hangar structural steel door retrofit at SFO, and structural steel repair work at Claremont High School, Belmont, CA.

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 Approvals and Permits

The proposed shelter structure is a component of the Pier 27 Cruise Terminal project which underwent an environmental review pursuant to the California Environmental Quality Act (CEQA) in the 34th America's Cup & James R. Herman Cruise Terminal and Northeast Wharf Plaza Final Environmental Impact Report, Planning Department Case

No. 2010.0493E, certified by the San Francisco Planning Commission on December 15, 2011.

Construction of the new passenger shelter was permitted by San Francisco Bay Conservation and Development Commission (BCDC) per BCDC Permit 2012.002.05 for Pier 27 Cruise Terminal Development, issued March 22, 2012 as Amended through August 10, 2015 (Amendment No. 5). The Project does not require permits from the Regional Water Quality Control Board or U.S. Army Corps of Engineers.

Climate Action

Sea Level Rise is not expected to impact the Project during its projected design life, which is anticipated to be approximately 30 years.

Funding

The total bid price for the construction contract and the 10% contingency will be funded from the funds as shown in the table below:

Project Scope	Amount	Funding Source (Sub Funds)
Total Bid Price (base bid plus additive alternate bid)	\$818,000	Certificates of Participation Financing and 2014 Port Revenue Bonds
10% Construction contingency	\$81,800	
Total cost with contingency	\$899,800	

Schedule

The anticipated Project schedule is as follows:

Commission Authorization to Award Contract (requested)	July, 2018
Estimated Notice to Proceed (NTP)	September, 2018
Estimated Substantial Completion (180 Days)	March, 2019
Estimated Final Completion (60 Days)	May, 2019

Summary and Recommendation

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2787R, Pier 27 Passenger Shelter Project (for the base bid plus additive alternate bid item), to G.Y. Engineering, Inc., the lowest responsive, responsible bidder, in the amount of \$818,000, and further authorize staff to increase the contract amount, through contract modification or change order, if needed for unanticipated contingencies, by an additional \$81,800, (10% of the proposed contract amount), to a total amount not to exceed \$899,800.

G.Y. Engineering, Inc. is a Micro-LBE contractor whose total bid includes 36.67% LBE subcontractor participation (exceeding the Project LBE participation goal of 20%), and meets the requirements of Administrative Code Chapter 14B. G.Y. Engineering, Inc. 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: Joe Roger
Engineer

Dan Hodapp
Senior Waterfront Planner

For: Rod Iwashita
Chief Harbor Engineer

Attachments

- A. Area of Work Location Map
- B. Site Plan & Image
- C. CMD Goal Approval Memo

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

RESOLUTION NO. 18-43

- WHEREAS, Port staff seeks authorization to award Construction Contract No. 2787R, Pier 27 Passenger Shelter (the “Project”); and
- WHEREAS, the Project base scope of work entails the construction of a steel-framed passenger shelter at the Pier 27 Cruise Terminal, and
- WHEREAS, the Project scope also includes an additive alternate bid item for new bollards along the passenger shelter, and
- WHEREAS, the proposed shelter structure is a component of the Pier 27 Cruise Terminal project which underwent an environmental review pursuant to the California Environmental Quality Act (CEQA) in the 34th America’s Cup & James R. Herman Cruise Terminal and Northeast Wharf Plaza Final Environmental Impact Report, Planning Department Case No. 2010.0493E, certified by the San Francisco Planning Commission on December 15, 2011; and
- WHEREAS, the Project was permitted pursuant to the Pier 27 Cruise Terminal Development, Bay Conservation and Development Commission Permit 2012.002.05, issued March 22, 2012 as Amended through August 10, 2015, Amendment No. Five; and needs no permit from the Regional Water Quality Control Board or the U.S. Army Corps of Engineers; and
- WHEREAS, the Port Commission, on October 24, 2017, authorized staff to solicit bids for this construction Project, and on December 5, 2017, Port staff published the advertisement for bids; and
- WHEREAS, Port staff previously received five (5) bids on January 22, 2018 for the Project which exceeded the budget, and staff rejected all of those bids to allow the Port to identify sufficient project funds; and
- WHEREAS, On April 22, 2018, Port staff rebid the Project as Construction Contract No. 2787R, and received three (3) bids on May 23, 2018 for the Project, and two of the bids were submitted by Local Business Enterprise contractors; and
- WHEREAS, Port Engineering staff and Contract Monitoring Division staff reviewed the bids and determined that G.Y. Engineering, Inc. is the lowest responsive, responsible bidder for the Project; and
- WHEREAS, G.Y. Engineering, Inc.’s total bid price for the Project is \$818,000 for base bid and additive alternate bid item work scopes, and this amount is fully funded from the Port’s Certificates of Participation Financing and 2014 Port Revenue Bonds; and
- WHEREAS, in its bid proposal, G.Y. Engineering, Inc. has committed to satisfy the LBE subcontracting goal of 20% 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. 2787R, Pier 27 Passenger Shelter Project, to G.Y. Engineering, Inc., the lowest responsive and responsible bidder, for the amount of \$818,000; and be it further

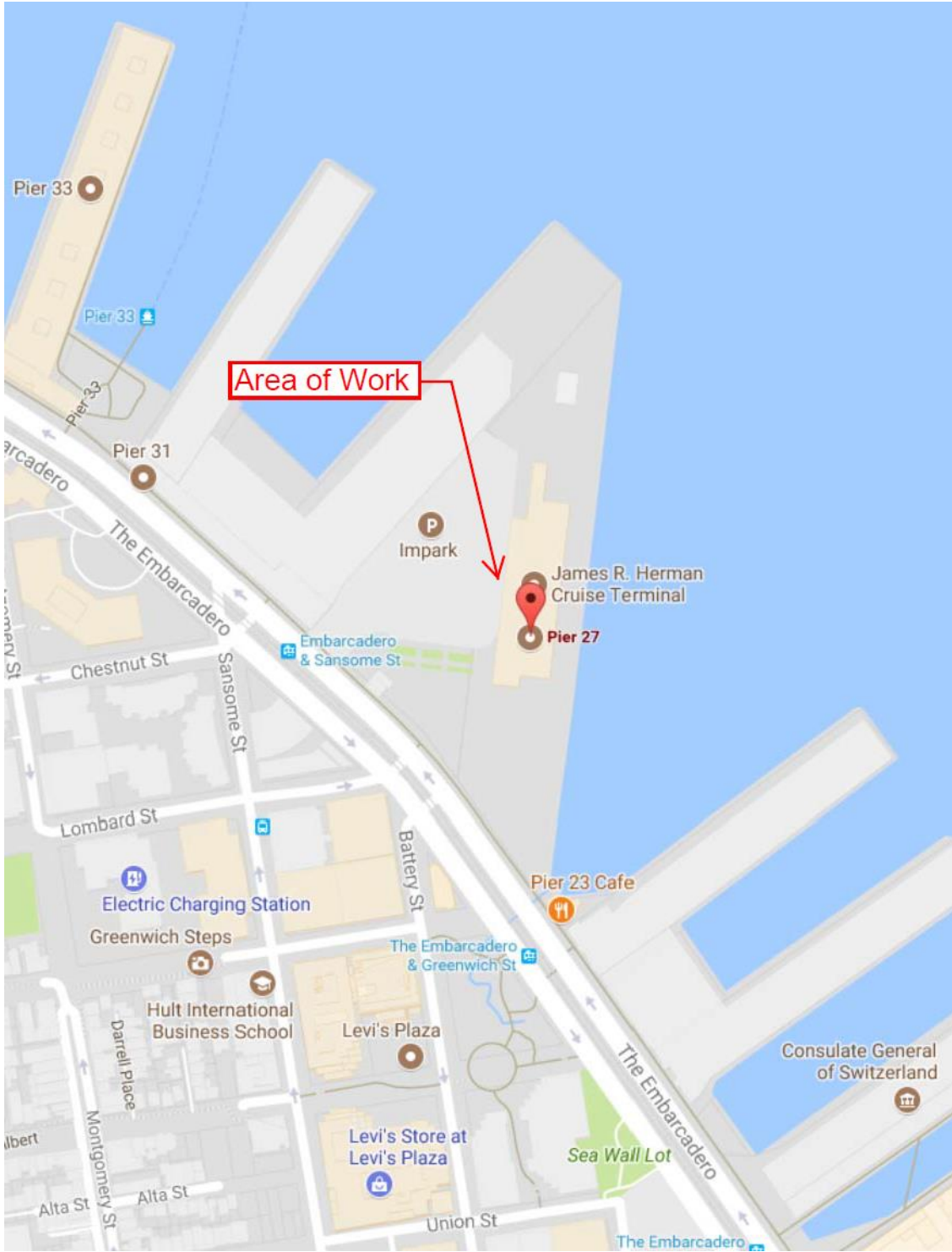
RESOLVED, that the Port Commission hereby authorizes Port staff to increase the contract amount, as necessary for unanticipated contingencies, by an additional \$81,800 (10% of \$818,000) through contract modification or change order, for a total contract authorization not to exceed \$899,800; and be 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 10, 2018.

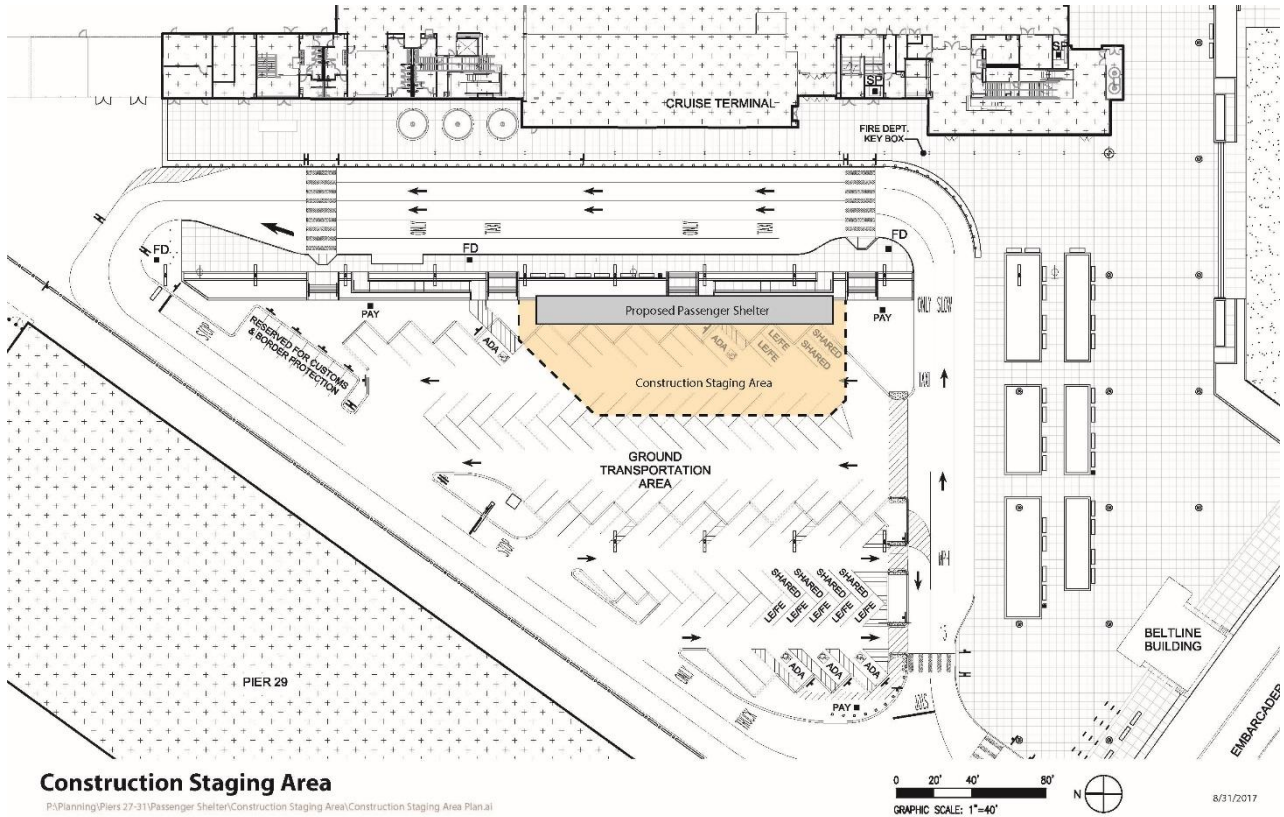
Secretary

ATTACHMENT A
AREA OF WORK LOCATION MAP



CONTRACT 2787 Pier 27 Passenger Shelter

ATTACHMENT B SITE PLAN & Image



ATTACHMENT C

CMD Goal Approval Memo



OFFICE OF THE CITY ADMINISTRATOR CONTRACT MONITORING DIVISION



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

Romulus Asenloo, Director

MEMORANDUM

Date: October 5, 2017
To: Winnie Lee, Port of San Francisco
From: Finbarr Jewell, CMD *F Jewell*
Subject: Goal Approval Memo
Pier 27 Passenger Shelter, Contract # 2787

The Contract Monitoring Division (CMD) has reevaluated 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 now **20%**. Small and Micro-LBEs certified by CMD can be used to meet the subcontracting requirement.

In addition, the following availability information should be conveyed in the bid specifications.

The LBE subcontracting participation requirement for this contract is **20%**. Small and Micro-LBEs certified by CMD can be used to meet this subcontracting requirement.

Pursuant to Sec. 14B.9 of the San Francisco Administrative Code, bidders are hereby 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: **12.9%** MBE, **0.7%** WBE, and **6.4%** 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.

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