

## MEMORANDUM

September 21, 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 for Authorization to Modify Construction Contract No. 2783, Pier 31 Utility & Restroom Project, to Extend the Substantial Completion Date

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

---

### **Executive Summary**

Through Resolution No. 17-29, the Port Commission authorized staff to award construction Contract No. 2783, Pier 31 Utility & Restroom Project ("Project"), to KCK Builders, Inc. (KCK Builders) on July 11, 2017. Due to unforeseen conditions discovered during construction, the contractor needed additional time to complete the work. Therefore, Port staff seeks Port Commission authorization to extend the original contract duration 270 days to 330 days, which includes 27 days of contingency (10% of original contract duration) plus an additional duration of 33 days, which requires Port Commission approval.

Port staff request Port Commission authorization to extend the contract completion date in accordance with Section 6.22(h) of the City Administrative Code, which requires Port Commission approval for any time extension beyond 10 percent of the original contract duration. Chapter 6 of the City Administrative Code allows retroactive approval to increase the contract duration beyond 10 percent from the original contract duration which allows the construction work to continue while negotiations for time needed for new items are underway.

Port staff negotiated the additional time required by KCK Builders to complete the work described below and determined 33 days beyond the authorized 10% contingency was reasonable. As proposed by Port staff, the original authorized substantial completion date of June 10, 2018 will be modified to August 9, 2018.

The total approved contract duration was 270 days. The Executive Director authorized a total time extension of 27 days (10% of original contract duration) and the proposed item is to request an additional 33 days beyond the 10 percent contingency time extension of 27 days, as shown in the table below:

<b>Duration</b>	<b>Days</b>	<b>Subtotal</b>
Original Project Duration	270	270 Days
Time of Extension (10%)	27	297 Days
Request Time of Extension	33	330 Days
<b>Total Calendar Days</b>	<b>330</b>	

### **Strategic Objectives**

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

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

Livability: The Project provided opportunities for local business enterprises (LBE’s) and met mandates for Local Hire in construction projects, which promoted living wage jobs.

Sustainability: The Project included lighting upgrades to energy efficient fixtures and relocated plumbing systems overhead and connects to the City sanitary sewer system thus removing dependency on antiquated pumps and under pier pipes. The Project used best practices for construction.

Economic Vitality: The Project contributes 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**

The contract solicitation for this Project required lump sum bid prices to install upgraded water, gas and electrical services, and connect to the City’s sanitary sewer system located in the Embarcadero Roadway; reconstruction of restrooms, stairs, and installation of a new disabled accessible lift and ramps for the existing offices located in Pier 29½; additional structural repairs in Pier 31 and building egress code upgrades that repair and install new doors throughout Pier 31 shed and the adjacent Pier 29½ and 31 bulkhead. See Exhibit A for the location map.

Historically, sanitary sewer lines for restrooms have been installed under the pier and the Port has been finding that those sewer lines are vulnerable to damage from corrosion or from floating debris during higher tides. The lines are difficult to inspect, repair and maintain in this position. Illegal discharge of sewage into the Bay can potentially result in penalties up to \$25,000 per day and incurs substantial reporting to outside agencies.

This restroom upgrade project was the Port's first to implement the new design standard to prepare for the sea level rise for installation of a sump pump, sump pump tank and sanitary sewer lines overhead which connect to the City's sanitary sewer system. During the course of construction, the Port found that the supplier for the specified custom sump tank went out of business, and a new supplier had to be found. This required modification of the structural support for the tank to accommodate the new tank design.

Additional unforeseen conditions that impacted the project schedule include modifications to stair and lift configurations to accommodate structural bracing and utilities, coordination with the installation of new utilities from the street, additional electrical work, and structural repairs required due to field conditions discovered during construction.

### **Local Business Enterprise**

Prior to contract award, the City's Contract Monitoring Division ("CMD") established a 21% subcontracting goal for Local Business Enterprises ("LBE"), including small and micro LBEs for this project. KCK Builders' LBE subcontractor participation for the base bid of this contract was 54.76%. While the goal does not apply to prime contractor work, it is worth noting that KCK Builders is an OBE, Micro LBE contractor and self-performed 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 firms were listed in the Resolution No. 17-29.

### **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 that Disadvantaged Workers perform no less than 15% of Project Work Hours within each trade. The Office of Workforce and Development ("OEWD") monitored local hire participation and has reported that the contractor satisfied these requirements.

### **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. The design life for this Project is projected to be between 30 to 35 years. The new design standard for overhead sanitary sewer lines reduces vulnerability to sea level rise related damage as described previously (i.e. corrosion or floating debris during higher tides).

### **Funding**

The approved funding was not impacted. The base bid for the construction contract, and the 10% contingency were 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
<b>Total cost with contingency</b>	<b>\$ 2,743,400</b>	

### **Summary**

Unforeseen conditions in the field as described above caused delays to completion of the contract beyond 10% of the original contract duration. Under the Section 6.22(h) of the City Administrative Code, a contract time extension of 10% of the original duration is permissible without Port Commission approval. Port staff request retroactive authorization of an extension of time exceeding 10% of the original contract duration per Section 6.22(h) of the City Administrative Code. This additional time amounts to 33 days beyond the time extension of 10% of the contract duration, which may be granted by Port staff. The time extension of 10% of the original contract duration equals 27 days plus an additional 33 days, for which Port Commission approval is request, will result in a total time extension of 60 days. Under this proposed contract modification, the original contract substantial completion date of June 10, 2018 will be extended to August 9, 2018. Port staff determined that the time required to complete the additional work was reasonable.

Prepared by: Wendy Proctor, Senior Architect

For: Rod K. Iwashita, Chief Harbor Engineer

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

**RESOLUTION NO. 18-52**

WHEREAS, the Port Commission, at its meeting on July 11, 2017, authorized the award of Construction Contract No. 2783, Pier 31 Utility & Restroom Project to KCK Builders, Inc. (“Contractor”), (Port Commission Resolution No. 17-29); and

WHEREAS, the Contract scope consisted of upgrading utilities, restrooms, and stairs, connection to the City’s sanitary sewer system, installation of a new disabled accessible lift and ramps, structural repairs, and building egress code upgrades throughout Pier 29½ and Pier 31 shed and bulkhead; and

WHEREAS, during the course of construction, the Contractor encountered unforeseen conditions that required additional time to complete which caused unavoidable delay to completion of the work as defined in the Contract; and

WHEREAS, Section 6.22(h) of the City’s Administrative Code authorizes the Port Commission to approve time extensions greater than 10% of the original contract amount or duration, and such a time extension is permissible after completion of the contract when there is no basis to assess liquidated damages for the delay against the Contractor; and;

WHEREAS, Port staff request retroactive authorization of an extension of time exceeding ten percent of the original contract duration per Section 6.22(h) of the City Administrative Code, granting the Contractor a time extension of 33 days beyond the 10% time extension of 27 days granted by staff, which will extend the contract substantial completion date of June 10, 2018 to August 9, 2018; and

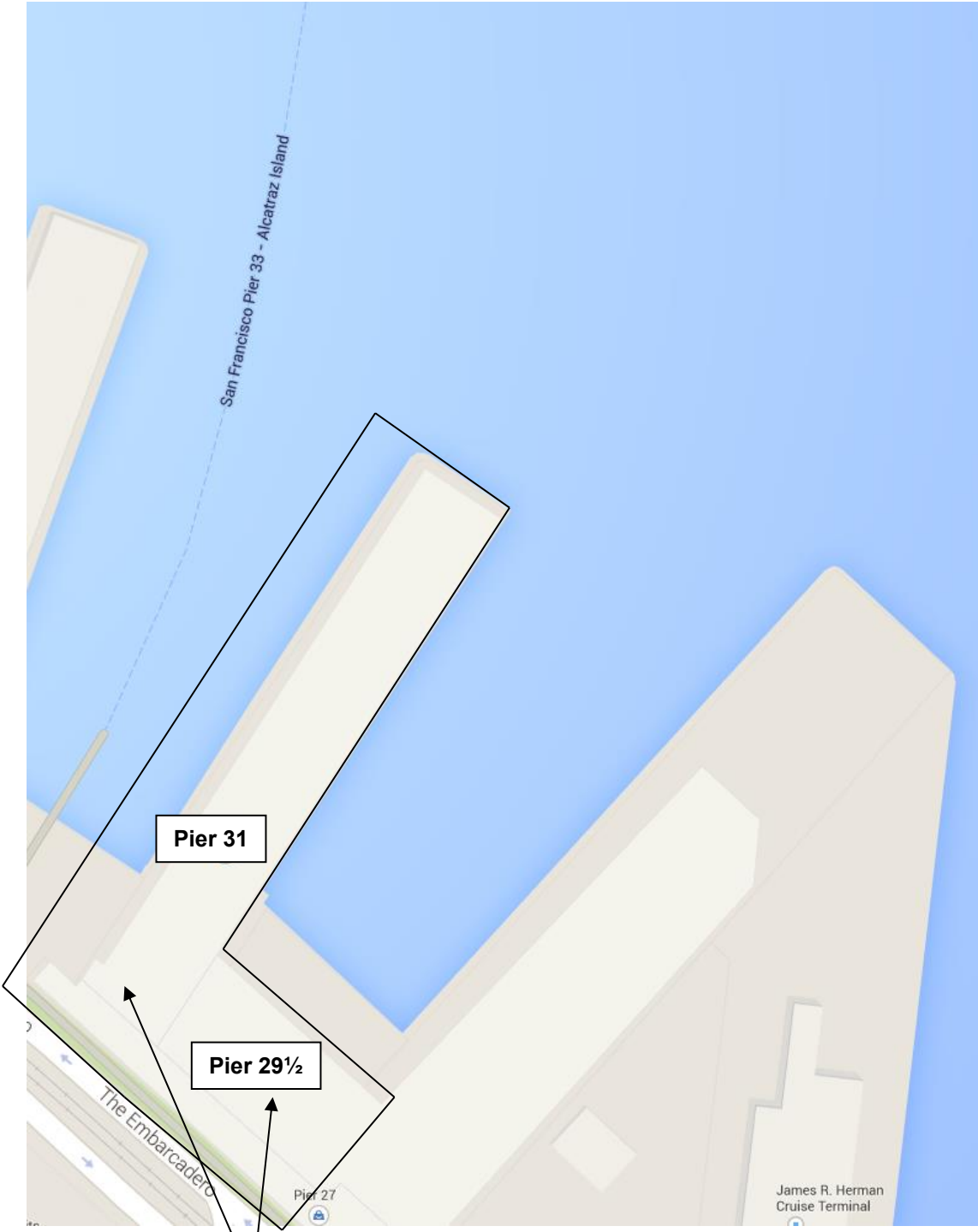
WHEREAS, Port staff have determined that the requested extension in the contract time is warranted due to unforeseen conditions that were unavoidable on the part of the Contractor, as described in the accompanying staff report; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2783, Pier 31 Utility & Restroom Project, to extend the existing substantial completion date by an additional 60 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 September, 25 2018.***

\_\_\_\_\_  
**Secretary**

**EXHIBIT A**  
**LOCATION MAP**



Piers 31 and 29½

CONTRACT 2783 Pier 31 Utility & Restroom Project