

MEMORANDUM

April 7, 2016

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
Interim Executive Director

SUBJECT: Request Authorization to Modify Construction Contract No. 2761, Blue Greenway Signage Project, by increasing the Contract Duration

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff requests that the Port Commission authorize a contract change order to Contract No. 2761, for the Blue Greenway Signage Project ("the Project"), a construction contract which the Port awarded to Cal State Constructors, Inc. ("Cal State") on August 13, 2013. This proposed contract change order would extend the contract duration of 264 days by an additional 50 calendar days to account for delays beyond the contractor's control. Section 6.22(h) of the City Administrative Code requires Port Commission approval for any time extension beyond 10 percent of the original contract duration.

Strategic Objective

The Project enhances the strategic objective of Renewal, and specifically meets objective 3 which is to *Prioritize three projects for 2020 – Pier 70, Seawall Lots 337/Pier 48 and the Blue Greenway – to create vibrant new neighborhoods for residents, commercial and industrial/PDR businesses and employees. Incorporate major new waterfront parks and public access while maintaining the integrity of industrial maritime berthing and ship repair operations.*

THIS PRINT COVERS CALENDAR ITEM NO. 10A

Background

The Blue Greenway Project improves and expands the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco southern county line. The scope of work for the Blue Greenway Signage Project is to provide a way-finding system of signs to improve recognition of the system of open spaces, provide direction to users, and build a Blue Greenway identity. The contract scope consisted of the fabrication and installation of ten wayfinding and orientation signs along the southern waterfront of the Port of San Francisco. The signage design was developed through a collaboration of the consulting architect Kate Keating and Associates, Port staff and Blue Greenway stakeholders. The goal of the design is to bring some recognition to the Blue Greenway system of open spaces. The signs, in the shape of a "sail," provide two elements to the sign: 1) the map and wayfinding that helps provide direction and orientation, and 2) the "sail" that provides an icon in the landscape and references the bay and water movement. The color of the "sail" was selected to provide distinction to the Blue Greenway.

The Port Commission, at its meeting on August 13, 2013, authorized award of the Contract to Cal State for the amount of \$749,702 (Port Commission Resolution 13-29).

The original Contract completion date was June 28, 2014, providing 240 days duration for substantial completion. Due to fabrication delays encountered by the subcontractor sign fabricator, Corporate Signs Systems, the prime Contractor Cal State requested, and the Port staff granted, a contract time extension of 24 calendar days – the maximum allowed under Administrative Code Section 6.22(h) absent Port Commission approval. This administrative approval adjusted the substantial completion date to July 12, 2014. However, due to additional delays explained below, the Contractor completed the project on November 13, 2014, 103 days beyond the adjusted completion date. Staff finds that 50 of these 103 days represent excusable delays due to PG&E utility conflicts and a lack of sign fabrication details.

In August, 2015, Chapter 6 of the City Administrative Code was amended to allow retroactive approval of contract duration beyond 10 percent of the original contract duration. This change allows construction contracts to continue to progress while negotiation of contract terms are underway to determine the appropriate schedule impacts without waiting for prior Port Commission approvals. The Board of Supervisors enacted this change at the request of the Department of Public Works because policy bodies meet once or twice a month and obtaining prior approval can adversely impact project construction progress. Additionally, schedule impacts cannot be fully determined until negotiations are complete, which often require significant time. It has been common that city departments, including the Port, have had to obtain the retroactive approval from their boards and commissions which prompted this change in the Administrative Code last year.

Local Business Enterprise

Prior to contract award, the City's Contract Monitoring Division ("CMD") established an 8% subcontracting goal for Local Business Enterprises ("LBE"), including small and micro LBEs. Cal State's base bid included Local Business Enterprise ("LBE") subcontractor

participation of 16.75 percent. After calculating the adjusted contract amount for prior change orders, the contractor’s LBE participation increased to 20.1 percent.

San Francisco Local Hiring Policy for Construction

The completed 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 25%, with a goal of no less than 10% 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.

Climate Action:

Due to the scope of the project, climate action mitigation opportunities are limited. The Contractor complied with the San Francisco Environment Code Chapter 14 of (Contraction and Demolition Debris Recovery Ordinance) and Chapter 25 (Clean Construction Requirements for Public Works).

Funding

This Project was funded from proceeds of the 2008 General Obligation Bonds. This project has been completed within the authorized amount of \$749,702.

The following is a breakdown of the construction costs for this Project:

Original Contract Amount	\$681,547
Change Orders	30,104
Total Adjusted Contract	<u>\$711,651</u>
Authorized Construction Budget	<u>\$749,702</u>

Schedule

The construction work scope and schedule were impacted by the following:

- At two locations – (1) Illinois Street & 20th Street (2) Illinois Street & 22nd Street – PG&E initially approved the sign locations with the subcontractor in advance. However, when the subcontractor began coordinating the sign installation, PG&E withdrew approval of the installation due to the proximity to overhead utility lines. After a number of discussions and meetings, PG&E reinstated approval and assisted the subcontractor in safely erecting the signs. This conflict by the utility company justifies additional time for contract completion.
- The signs were unique and custom designs limited the contractor’s ability to illustrate artist’s concept on the contract plans. The artist approval process required the contractor to develop 3D computer models, multiple fabrication moldings, and

numerous iterations of details to obtain final approval. This resulted in significant delays before final fabrication of the ten signs for installation.

Summary

This construction project could not be completed within the original dates specified in the contract because, in part, of unavoidable delays from utility conflicts and a complicated approval process for sign designs and fabrication which warrant a time extension of the contract. The extension of time exceeds ten percent of the original contract duration, Section 6.22(h) of the San Francisco Administrative Code requires approval of the Port Commission for the time extension.

Port staff recommends that the Port Commission authorize a contract to modify construction Contract No. 2761, Blue Greenway Signage Project, by increasing the contract duration, and that the Port Commission ratify all actions taken by the Port staff in furtherance of such contract modification or change order.

Prepared by: Tim Leung, Construction Manager

For: Eunejune Kim, Chief Harbor Engineer

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

RESOLUTION NO. 16-13

WHEREAS, the Port Commission, at its meeting on August 13, 2013, previously authorized the award of construction Contract No. 2761, Blue Greenway Signage Project to Cal State Constructors (Port Commission Resolution No. 13-29); and

WHEREAS, the Contract scope consisted of the fabrication and installation of ten wayfinding and orientation signs along the Port of San Francisco, from China Basin at Pier 48 to the southern waterfront at Cargo Way; and

WHEREAS, during the Contract performance, the contractor and subcontractor encountered utility conflicts and fabrication and design problems that required additional construction work that caused unavoidable delays as defined in the Contract; and

WHEREAS, Due to these delays, Cal State Constructors previously requested, and the Port staff granted, a contract time extension of 24 calendar days (10% of the original contract duration) which adjusted the substantial completion date to July 12, 2014; and

WHEREAS, the prior contract time extension of 24 calendar days (10% of the original contract duration) is the maximum permitted by Section 6.22(h) of the City's Administrative Code without Port Commission approval; and;

WHEREAS, Port staff have determined that an additional time extension of 50 days for Contract completion is warranted due to unavoidable delays in the project schedule as described in the accompanying staff report; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes a contract modification to construction Contract No. 2761, Blue Greenway Signage Project, by increasing the contract duration, and that Port Commission ratifies all actions taken by the Port staff in furtherance of such contract modification or change order.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of April 12, 2016.

Secretary