




MEMORANDUM

April 8, 2022

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

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request to authorize Port staff to modify Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid, to increase the authorization for the contract amount not to exceed an additional \$565,000.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 22-17

EXECUTIVE SUMMARY

Port staff requests that the Port Commission approve a \$565,000 increase in the authorized contract amount for Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid. Port staff intends to use this additional authorization to negotiate change orders necessary to complete the work.

The original contract amount was \$1,879,600, however there have been multiple site conditions and other issues that needed to be addressed. The requested contract increase is in addition to a prior increase granted by Port staff of \$187,960 (10% of original contract amount). Under Section 6.22 of San Francisco Administrative Code, contract increases in excess of 10% of the original contract amount are subject to Port Commission approval.

Even with this added contract amount, the overall Crane Cove Park budget will not increase. Bids came in lower than budgeted for this final Crane Cove Park contract, and there are funds remaining in the overall Crane Cove Park budget of \$36.6 million. Any amount not used from the added contract amount will return to the budget for Crane Cove Park.

THIS PRINT COVERS CALENDAR ITEM NO. 7B

STRATEGIC OBJECTIVES

As part of the larger Crane Cove Park project, this Contract supports the goals of the Port's Strategic Plan as follows:

Evolution: The Park is a major new public open space that preserves historic maritime resources, provides public access and recreation opportunities to the Bay, contributes to a vibrant new Pier 70 neighborhood, and expands the Port's necklace of public open spaces. Completing the public restrooms and cold shell renovation will provide a space for future tenants, such as a café or kayak rental company, and will provide additional amenities to the public.

Equity: The Contract promotes living wage jobs by providing opportunity for local business enterprises ("LBE") and by meeting mandates for Local Hire in construction projects.

Productivity: The Project will prepare Building 49 for future tenant opportunities.

Stability: This Project uses General Obligation Bonds as a funding source, intended for public park improvements.

OVERALL CRANE COVE PARK BACKGROUND

Crane Cove Park is one of the Port's Blue Greenway projects and is a major new open space in the Union Iron Works National Historic District located at Pier 70. Crane Cove Park opened to the public on September 30, 2020. The overall Crane Cove Park project is divided into five contracts, including this contract. Table 1 and Figure 1 below provide a summary of the status of each. This is the last construction contract for Crane Cove Park and will complete the project.

The budget for Crane Cove Park was adjusted between 2011 and 2018, to match the project scope adjustments. The last increase to the budget occurred in February 2018¹, as a result of higher than expected bids for certain Park construction contracts. The September 11, 2018 Informational Presentation² on Crane Cove Park presented the history of the budget and scope approvals for the project, and how the Port arrived at a budget of \$36,668,549. The final two construction contract bids came in under the expected budget, and that is where the requested funds for this contract will come from. As can be seen in the table and related figure, the additional requested amount for this contract will still keep the overall Crane Cove Park project within budget.

¹ https://sfport.com/sites/default/files/Documents/Item%2010C%20AECOM%20contract%20mod_R%20FINAL.

² <https://sfport.com/sites/default/files/Commission/Documents/Item%2012B%20Crane%20Cove%20Park%20Informational.pdf>

Table 1: Crane Cove Contract Funding and Budget Summary

| Funding | |
|------------------------|----------------------|
| Source | Amount |
| 2008 and 2012 GO Bonds | \$ 25,855,454 |
| Port Funding | \$ 9,295,655 |
| EDA Federal Grant | \$ 517,441 |
| MTC Federal Grant | \$ 1,000,000 |
| TOTAL | \$ 36,668,549 |

| Budget | | | |
|----------------------|---|----------------------|----------------------|
| Bid Package # | Soft Costs | Amount | Note |
| 1-5 | Project Management | \$ 664,738 | 97% complete |
| 1-5 | Design | \$ 4,701,445 | 97% complete |
| 1-5 | Construction Management & Permits | \$ 1,223,040 | 97% complete |
| Bid Package # | Construction Contracts | Budget | Status |
| 1 | Site Preparation | \$ 4,789,793 | Completed |
| 4 | Hazmat Abatement | \$ 227,055 | Completed |
| 2 | Park Improvements and 19th St Parking Lot | \$ 19,516,190 | Completed |
| 3 | Roadway Improvements | \$ 2,913,684 | Completed |
| 5 | Building 49* | \$ 2,632,560 | This contract |
| | TOTAL | \$ 36,668,505 | |

* Budget includes requested not to exceed amount in this Port Commission Resolution

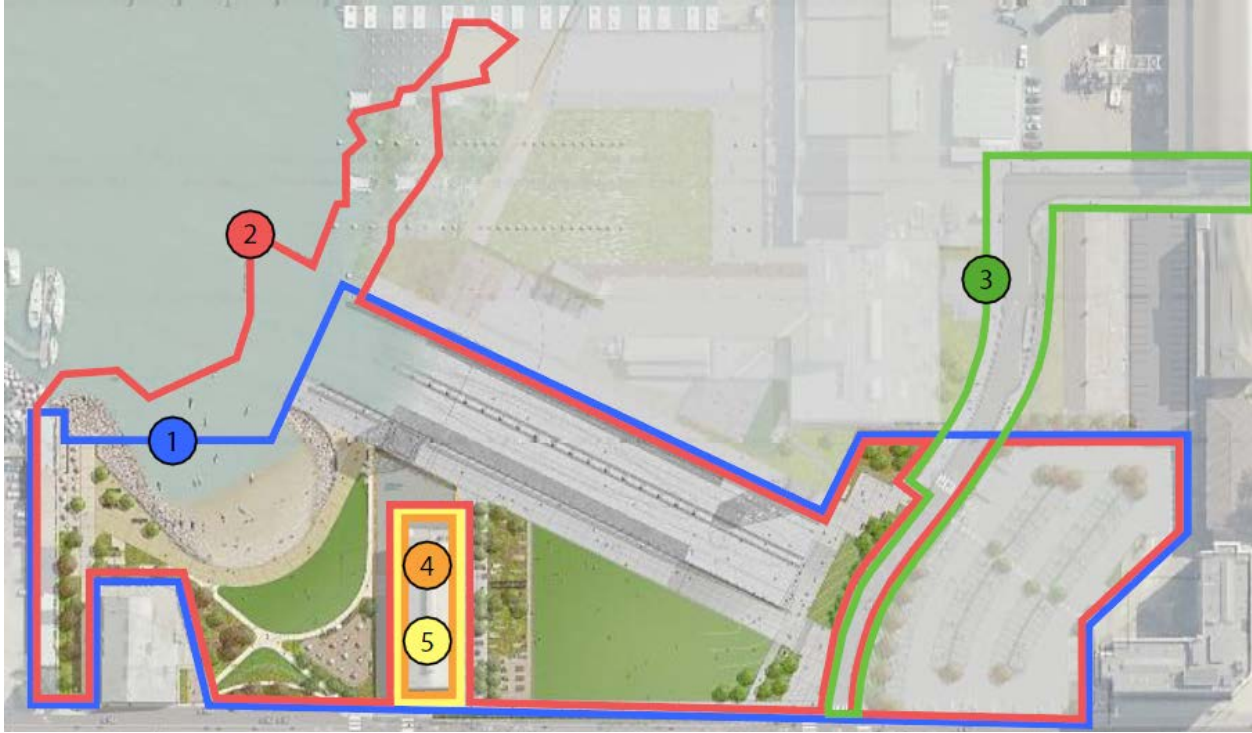


Figure 1: Crane Cove Contract Summary

BUILDING 49 CONTRACT BACKGROUND

The Port Commission awarded this contract to Wickman Development and Construction (“WDC”) on March 23, 2021. The contract amount was for \$1,879,600, with an LBE subcontracting commitment of 35.98%. The engineer’s estimate prior to bidding was \$2,090,000. The scope of work for this contract is a partial building renovation and construction of public restrooms inside the building. Scope involves demolition, concrete slab and grade beam work, restroom construction (including plumbing, HVAC, electrical, etc.), roof replacement, exterior siding replacement, new doors, and painting.

The contract work began on June 7, 2021. During this construction contract, there have been additional costs due to certain site conditions. The two main site conditions were additional repairs to the roof and a new sewage sump pump that needed to be added to the contract due to utility conflicts underground. Port staff and WDC have worked together to focus on addressing these unforeseen conditions in an expeditious and cost-effective manner.

Additionally, the Port’s future tenant at Building 49 has made some requests to install infrastructure such as pipe sleeves now so they will not need to demolish newly poured concrete when they perform their upgrades to the building. Port staff have determined that this is in the best interest of the Park and Port and supports the Strategic Objective of productivity.

Section 6.22(h) of the City Administrative Code allows staff to grant contract amount increases up to 10 percent of the original contract amount. With this resolution, Port staff are seeking Port Commission approval to authorize an increase of this amount up to \$565,000. The requested amount shown below in Table 2 is based on the proposed change order request amounts provided by WDC. These amounts are not able to be finalized until the Port Commission has approved an amount above the 10% threshold. The purpose of requesting a not to exceed amount is to be able to pay the contractor in a timely manner and to assist with change order negotiations. Authorization for Port staff to approve change orders now will ensure timely payment of WDC and their subcontractors, and expedite negotiations and contract closeout. Port Engineering staff understand that discussions are in progress with a future tenant in Building 49 and do not want to delay that process.

Table 2: Contract Amount Request Summary

| Description | Amount |
|--|-------------------|
| Original Contract Amt | \$ 1,879,600 |
| 10% Contingency | \$ 187,960 |
| This request (not to exceed amount) | \$ 565,000 |
| % of original contract amount | 30.1% |
| Total contract not to exceed amount | \$ 2,632,560 |

This additional contract amount will be funded by the existing Crane Cove Park budget. Bids came in lower than expected for this contract and so there are existing funds available without exceeding the overall \$36.6 million budget. The Port project team believe that while the cost increases to this contract are unfortunate, they are justified. Port staff and the design team have worked with the contractor to expedite the project as much as possible by reviewing submittals and requests for information with quick turnaround times, and have provided expedited inspections and material test reports. The Port team has also carefully reviewed each change order request, often going back and forth multiple times on negotiations with the contractor. Port staff will continue to negotiate change orders to keep cost increases as small as possible.

Port staff will be returning to the Port Commission for approval of a retroactive schedule extension once the project is complete. Since this is the last piece of the Crane Cove Park project, the Port Commission will be updated at that time on the final Building 49 contract amount, and the overall Crane Cove Park project. The entire Building 49 construction team is looking forward to wrapping the project up so the public can enjoy Crane Cove Park's new public restrooms as soon as possible.

FUNDING

The funding sources will remain the same as when the contract was awarded, with the additional amount coming from Port funding already allocated for Crane Cove Park.

Table 3: Contract Funding

| Funding Source | Amount |
|--|------------------------------|
| 2012 General Obligation Bonds | \$902,402 |
| Port Funding (Allocated Funds for Crane Cove Park) | Not to exceed \$1,730,158 |

SCHEDULE

The contractor's expected schedule as of the writing of this report is as follows:

| | |
|---|----------------|
| Port Commission Approval of Authorization | April 12, 2022 |
| Substantial Completion | April 22, 2022 |
| Final Completion | June 2022 |

RECOMMENDATION

Port staff recommends that the Port Commission authorize Port staff to modify Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid, to increase the authorization of the contract amount not to exceed an additional \$565,000.

Prepared by: Erica Petersen
Project Manager

For: Rod K. Iwashita
Chief Harbor Engineer

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 22-17**

WHEREAS, on March 23, 2021, the Port Commission adopted Resolution No.21-13, which authorized the award of Construction Contract No. 2814R, Crane Cove Park Building 49 Re-bid to Wickman Development and Construction (“Contractor”); and

WHEREAS, the contract scope included demolition, concrete slab and grade beam work, restroom construction (including plumbing, HVAC, electrical, etc.), roof replacement, exterior siding replacement, doors, and painting; and

WHEREAS, during the course of construction, the Contractor encountered unforeseen conditions as defined in the contract and Port-issued tenant improvements, that required additional costs to complete the contract work; and

WHEREAS, Section 6.22(h) of the City Administrative Code authorizes the Port Commission to approve time extensions greater than 10% of the original contract amount or duration; and

WHEREAS, Port staff requests authorization for the contract amount not to exceed an additional \$565,000; and now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2814R, Crane Cove Park Building 49 Rebid, to increase the contract amount by an additional not to exceed amount of \$565,000, and further, the Port Commission hereby ratifies all actions taken by 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 April 12, 2022.

Secretary