



MEMORANDUM

October 7, 2022

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. John Burton
Hon. Gail Gilman
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request authorization to award Construction Contract No. 2842, Maintenance Dredging 2022-2024, to The Dutra Group, in the amount of \$7,238,750, and authorization for a contract contingency fund of 10% of the contract amount (or \$723,875) for unanticipated conditions, for a total authorization not to exceed \$7,962,625

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 22-49

EXECUTIVE SUMMARY

Port staff requests the Port Commission authorize the award of Construction Contract No. 2842, Maintenance Dredging 2022-2024 (the "Contract"), to The Dutra Group, in the amount of \$7,238,750, and authorization for a contract contingency fund of 10% of the contract amount (or \$723,875) for unanticipated conditions, for a total authorization not to exceed \$7,962,625. The Dutra Group has significant experience on similar dredging projects for the Port of San Francisco.

The contract will provide necessary routine dredging maintenance activities at various sites along the San Francisco waterfront starting in 2022 through 2024. Funding is included in the Port's capital budget.

STRATEGIC PLAN OBJECTIVES

This contract supports the goals of the Port's Strategic Plan as follows:

Productivity - Attract and retain tenants that build an economically viable Port. Promoting maritime commerce has been a long-standing objective of the Port to contribute to the economic vitality and long-term vitality of the Port and the City. While some of the Port's berths are naturally deep, many of the Port's berths require periodic dredging to support this objective.

Stability - Maintain the Port's financial strength by maximizing the value of Port property and increasing revenue.

BACKGROUND AND PROJECT SCOPE

The previous Five-Year Maintenance Dredging Contract No. 2776 expired on December 31, 2020. This new Contract No. 2842 will continue the Port's maintenance dredging program. During the term of the contract, the Port may perform maintenance dredging at several Port facilities including Pier 27, Pier 35, Pier 80, Pier 92, Islais Creek, Fisherman's Wharf, Piers 94/96, South Beach Harbor and other locations as needed along the San Francisco waterfront. The contract scope will include mobilization and demobilization, dredging, dredge material transportation in-water for in-Bay disposal, ocean disposal, and placement at beneficial reuse sites, and hydrographic surveying.

Although the Port's Maintenance Dredging Contracts have typically had 5-year contract terms, Port staff recommended, and the Port Commission approved a shortened 2-year contract term for Contract No. 2842. By doing so, the next iteration of the maintenance dredging contract will align the Port's dredging contracts with the Port's Racial Equity Action Plan ("REAP"). The REAP serves as the blueprint for advancing equity in all aspects of the Port organization. Phase 2 of the REAP will focus on external stakeholders, including outside contractors, and is expected to be complete by 2023. As discussed in more detail below, Port staff intends to use this solicitation to help prepare the dredging community for possible future implementation of non-cost selection criteria in order to provide opportunities for the Port to seek dredging contractors with equity and workforce practices that align with the community values of the Port.

CONTRACT ADVERTISEMENT AND OUTREACH

Staff advertised construction Contract No. 2842 on September 14, 2022 and held an optional pre-bid meeting on September 21st via video conference. Port staff conducted outreach to companies representing the trade for this contract during the advertisement period. Outreach methods also included emails and phone calls. The pre-bid meeting was attended by contractors representing five different firms.

As stated above, Port staff used the Contract No. 2842 solicitation to help prepare the dredging community for possible future implementation of non-cost selection criteria to provide opportunities for the Port to seek dredging contractors with equity and workforce practices that align with the community values of the Port. Equity and diversity non-scored factors were included in the advertised bid package for the first time in the history of this contract. Bidders were asked to provide supplemental information with their bid regarding their firm's community benefit programs, workforce development

activities, and education and mentoring programs. Although this supplemental information was not scored for this iteration of the contract, Port staff notified contractors at the pre-bid meeting that future iterations of the contract may include similar scored criteria. By providing this notice and soliciting this information, the Port is providing the dredging community two years to explore, plan, and implement equity initiatives and programs that may factor into the award of future iterations of this contract.

EVALUATION OF BIDS

On September 28, 2022, Port staff conducted a public Bid Opening and received one Bid from The Dutra Group. Staff have reviewed the bid and determined that The Dutra Group submitted a responsive and responsible bid. The Dutra Group's total Bid of \$7,238,750 plus a 10% contingency is within the budget for this Work. The Bid Schedule is attached as Exhibit A.

The subcontractor listed on The Dutra Group's bid is eTrac, Inc., a specialized hydrographic surveyor.

RESPONSIVE BIDDER

The Dutra Group is licensed by the California Contractors State License Board (Contractor License No. 295128) and has extensive experience working with the Port on dredging projects throughout the waterfront. The Dutra Group cleared the checks under: (1) San Francisco's list for Suspended and debarred contractors, and (2) the Sanctions List under OFAC (Office of Foreign Assets Control).

Additionally, The Dutra Group qualified as responsible pursuant to the new safety evaluation procedures required by Chapter 6 of the Administrative Code, as implemented by the City Administrator.

LBE GOALS AND SAN FRANCISCO LOCAL HIRING ORDINANCE

The Contract Monitoring Division ("CMD") enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise ("LBE") and Non-Discrimination in Contracting Ordinance. CMD staff reviewed the dredging contract scope and determined the city-wide 20% LBE participation requirement cannot be met for this contract because of the type of work to be performed (see Exhibit B). The scope of work for this contract is limited to dredging, hydrographic surveying, and in-water transportation of dredged sediment to disposal locations in-Bay, deep ocean, or to beneficial reuse sites (i.e., wetlands) and there are a limited number of experienced LBE subcontractors available to perform this work. Because maintenance dredging locations are routinely dredged and the sediment quality is generally known and not contaminated, landfill disposal and trucking for landfill disposal is not included in the scope of work for this contract. There is no LBE participation in this proposed contract.

REGULATORY APPROVALS

The Port is authorized to conduct maintenance dredging under 10-year permits from the U.S. Army Corps of Engineers (“USACE”), San Francisco Bay Conservation and Development Commission (“BCDC”), and the San Francisco Regional Water Quality Control Board (“RWQCB”). For each dredging episode, all material proposed to be dredged is tested (chemically and biologically) as per regional and federal guidance. Authorization to dredge is contingent on the Dredging Material Management Office’s (“DMMO”) approval. The DMMO determines the suitability of sediment for various disposal options based on the quality of the dredge material tested. The DMMO includes representatives from the U. S. Environmental Protection Agency, BCDC, RWQCB, and the USACE.

Regulatory approval has been documented by the issuance of an authorization to commence work by the USACE, and RWQCB under the following permits:

- USACE Permit Order No. 2013-00333S (expires December 31, 2024).
- RWQCB Permit CIWQS Place No. 735444 (expires December 31, 2023).
- BCDC Permit No. M2002.071.00 (time extension request filed by Port Staff).

Maintenance dredging is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, section 15304(g), minor alterations to land - maintenance dredging.

SCHEDULE

The anticipated schedule is shown below:

<u>Activity</u>	<u>Target Date</u>
Port Commission Authorization to Advertise for Bids	October 11, 2022
Contract Notice to Proceed (anticipated)	October or November 2022
Contract Completion	December 31, 2024

FUNDING

The Dutra Group’s bid of \$7,238,750, plus an authorized 10% contingency (for a total authorization not to exceed \$7,962,625) is within the budget for the project. The funding is through Port capital. See Table 1 and 2 for contract costs and contract funding, respectively.

Table 1: Contract Cost

Contract Scope	Amount
Bid	\$7,238,750
10% Construction Contingency	\$723,875
Total Cost with Contingency	\$7,962,625

Table 2: Contract Funding

Contract Scope	Amount
Port Capital (CPO 625)	\$7,962,625

RECOMMENDATION

Port staff recommends that the Port Commission approved the attached resolution authorizing staff to award construction Contract No. 2842, Maintenance Dredging 2022-2024, to The Dutra Group, the responsive, responsible bidder, in the amount of \$7,238,750 with a 10% contingency of \$723,875 for a total not to exceed amount of \$7,962,625.

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and

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For: Rod Iwashita, Chief Harbor Engineer and Deputy Director
Engineering Division

and

Andre Coleman, Deputy Director
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Exhibits

A: Bid Schedule

B: CMD Waiver Contract No. 2842

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

RESOLUTION NO. 22-49

- WHEREAS, Port staff seeks Port Commission authorization to solicit competitive bids for construction Contract No. 2842, Maintenance Dredging 2022-2024 (the “Contract”); and
- WHEREAS, The Contract is for necessary maintenance dredging to provide navigable berths to support the Port’s maritime business; and
- WHEREAS, The Contract scope is to dredge at various Port locations, as needed depending on operational needs and sediment accumulation, including Pier 27, Pier 35, Pier 80, Pier 92, Islais Creek, Fisherman’s Wharf, Piers 94/96, South Beach Harbor and other locations as needed along the San Francisco waterfront; and
- WHEREAS, On October 26, 2021, the Port Commission authorized Port staff to advertise for and accept competitive bids for the Contract (Port Commission Resolution 21-44). The Contract cost will be funded from Port capital funds for maintenance dredging allocated on an annual basis;
- WHEREAS, Thereafter, Port staff advertised the invitation for bids for the proposed Contract No. 2842 on September 14, 2022, held an optional pre-bid meeting on September 21, 2022, and received bids on September 28, 2022;
- WHEREAS, Port staff received one bid before the deadline for Contract No. 2842 from The Dutra Group;
- WHEREAS, Port Engineering staff reviewed the bids and determined that The Dutra Group is the responsive, responsible bidder for Contract 2842;
- WHEREAS, the City’s Contract Monitoring Division (CMD) staff have reviewed the Contract scope and funding sources for this Contract, and determined that there are no subcontracting opportunities for Local Business Enterprises (LBEs) as part of the proposed dredging contract and have waived any LBE requirement;
- WHEREAS, The Contract cost will be funded from Port capital funds for maintenance dredging allocated on an annual basis;
- WHEREAS, The Contract will incorporate the dredging and disposal requirements noted in the “Long Term Management Strategy for the San Francisco Bay” including provisions for in-Bay disposal, ocean disposal, and

placement of dredged materials at beneficial reuse sites, as developed by the Dredged Material Management Office (“DMMO”), a joint program of the San Francisco Bay Conservation and Development Commission, San Francisco Regional Water Quality Control Board, California State Lands Commission, U.S. Army Corps of Engineers, and Region 9 of the U.S. Environmental Protection Agency;

WHEREAS, Port staff recommend the award of Contract No. 2842 to The Dutra Group as the responsive and responsible bidder; now therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to award construction Contract No. 2842, Maintenance Dredging 2022-2024, to The Dutra Group, the responsive and responsible bidder, for \$7,238,750; and be it further

RESOLVED, that the Port Commission authorizes Port staff to increase the Contract amount, as necessary for unanticipated contingencies, by an additional amount of \$723,875 (10% of \$7,238,750) through contract modification or change order.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 11, 2022.

Secretary