




**MEMORANDUM**

December 9, 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 advertise for competitive bids for Construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 22-63

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**Executive Summary**

Port staff requests that the Port Commission authorize the advertisement for competitive bids for Construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows (the "Project"). The Project is located at 10 Lombard Street at the Roundhouse 2 building (see Exhibit "A" for Area of Work Location Map). Funding is provided by Port capital.

The proposed scope of work includes: replacement of the roof, construction of a new roof over the mechanical enclosure on the existing roof level, demolition of the existing solarium structure on the fourth floor and construction of a new solarium structure, and replacement of all the windows on the second through fourth floors. This work will address water intrusion issues the building has been facing and increase leasable space in the building. The engineer's construction cost estimate, including a 10% contingency, is \$6,600,000.

**Strategic Objective**

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

*Productivity:* This project will address current issues to allow the Port to continue to lease space to current tenants in Roundhouse 2 as well as lease space that is currently unleaseable.

*Stability:* This project will address deferred maintenance and protect Roundhouse 2 and the rent revenue it generates.

### **Project Description**

Roundhouse 2 is a four-story, reinforced concrete office building located at 10 Lombard Street. It was constructed in the 1980's as a part of the Beltline Railroad Roundhouse Complex, when the property was rehabilitated to accommodate office uses. The property is a designated landmark site (San Francisco Landmark No. 114), and Roundhouse 1 and the Sandhouse are the two historic structures on the property. Roundhouse 2 is currently occupied by various tenants (primarily office and commercial space) and is maintained by the Port of San Francisco. The building envelope has been inspected by architects in 2018 and 2019. The building currently has water intrusion issues that have caused damage to the interior. Most of the fourth floor is currently unoccupied due to the water intrusion issues; this includes a glass solarium structure with a patio overlooking the Embarcadero. To address the water intrusion issues and deferred maintenance, the scope of work is to:

- *Roof:* Demolition of the existing roofing system and installation of new insulation and roofing system. A new roof structure will be constructed over the existing mechanical equipment enclosure on the roof.
- *Solarium:* Demolition of the existing solarium on the 4th floor and installation of a new solarium.
- *Windows:* Demolition of the existing windows on the 2nd, 3rd, and 4th floors, and installation of new windows of a similar style.

### **Budget and Funding**

The engineer's construction cost estimate, including a 10% contingency for this proposed Project, is \$6,600,000. The funding will come from Port capital set aside as part of the Capital Improvement Plan budget. The project is anticipated to be bid as a design-bid-build low bid project.

### **Local Business Enterprise Role/Opportunities**

The Contract Monitoring Division (CMD) enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes 10% bid discounts for Local Business Enterprise ("LBE") prime contractors and empowers CMD to set LBE subcontractor participation goals based upon availability of LBE firms to complete the type of work included in the Contract.

CMD staff have reviewed the Contract scope and funding sources for this Contract and established a 16% LBE subcontractor participation goal. (Refer to Exhibit B – CMD

Memorandum). This percentage is lower than some other recent contracts due to a high percentage of the cost tied to materials. Because the building is located on a historic landmark site, the project will be replacing over 60 windows, which will need to be custom-made in order to comply with San Francisco Planning Department’s requirement to maintain the historic nature of the building site.

Port staff will work with CMD staff on outreach to construction contractors located in San Francisco to encourage bidding by LBE contractors. Staff outreach will include phone calls and emails to LBE contractors, newspaper advertisements, and facilitating introductions at the pre-bid meeting.

**San Francisco Local Hiring Ordinance**

The proposed Contract will comply with the City's Local Hiring Ordinance which went into effect on March 25, 2011. The mandatory participation level that is currently in effect and applicable for this Contract 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. The Office of Economic and Workforce Development administers the Local Hiring Ordinance.

**Regulatory Permits & Approvals**

This work requires notification to and/or approval from several regulatory agencies as well as a Port Building Permit. The major regulatory approvals and current status are shown in Table 1.

**Table 1: Permitting & Approval Summary**

<b><u>Agency</u></b>	<b><u>Permit or Approval Required and Status</u></b>
San Francisco City Planning – Historic Preservation Commission	City Planning is reviewing the design of the project to ensure that it maintains the integrity of the Historic Landmark site, despite the building itself not being historic. Approval to be secured prior to start of work.
Port of San Francisco Building Permit	Permit to be secured prior to start of work.

**Schedule**

The anticipated contract schedule is as follows:

Port Commission Authorization to Advertise Contract	December 2022
Advertise for Bids	January 2023
Port Commission Approval of Award of Contract	February 2023
Substantial Completion	December 2024

**Summary**

Port staff is prepared to seek bids for the Roundhouse 2 Roof, Solarium, and Windows contract and therefore respectfully asks the Port Commission for authorization to advertise for competitive bids for this Construction Contract No. 2848.

Prepared by: Erica Petersen  
Project Manager

Prepared for: Rod K. Iwashita  
Chief Harbor Engineer

Exhibits:

- A. Area of Work Location Map
- B. CMD Memorandum

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 22-63**

WHEREAS, Port staff seeks Port Commission authorization to solicit competitive bids for construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows (the “Contract”); and

WHEREAS, the scope of work for Contract No. 2848 includes replacement of the building roof, construction of a new roof over the rooftop mechanical enclosure, replacement of the fourth floor solarium structure, and replacement of the windows on the second through fourth floors; and

WHEREAS, the Engineer’s construction cost estimate, including a 10% contingency, is \$6,600,000; and

WHEREAS, the estimated Contract cost for the full bid package, including a 10% contingency, will be funded by Port capital; and

WHEREAS, Port staff will secure permits and approvals prior to construction; and

WHEREAS, CMD staff have reviewed the Contract scope and funding sources for this Contract, and established a 16% LBE subcontractor participation goal; now, therefore be it

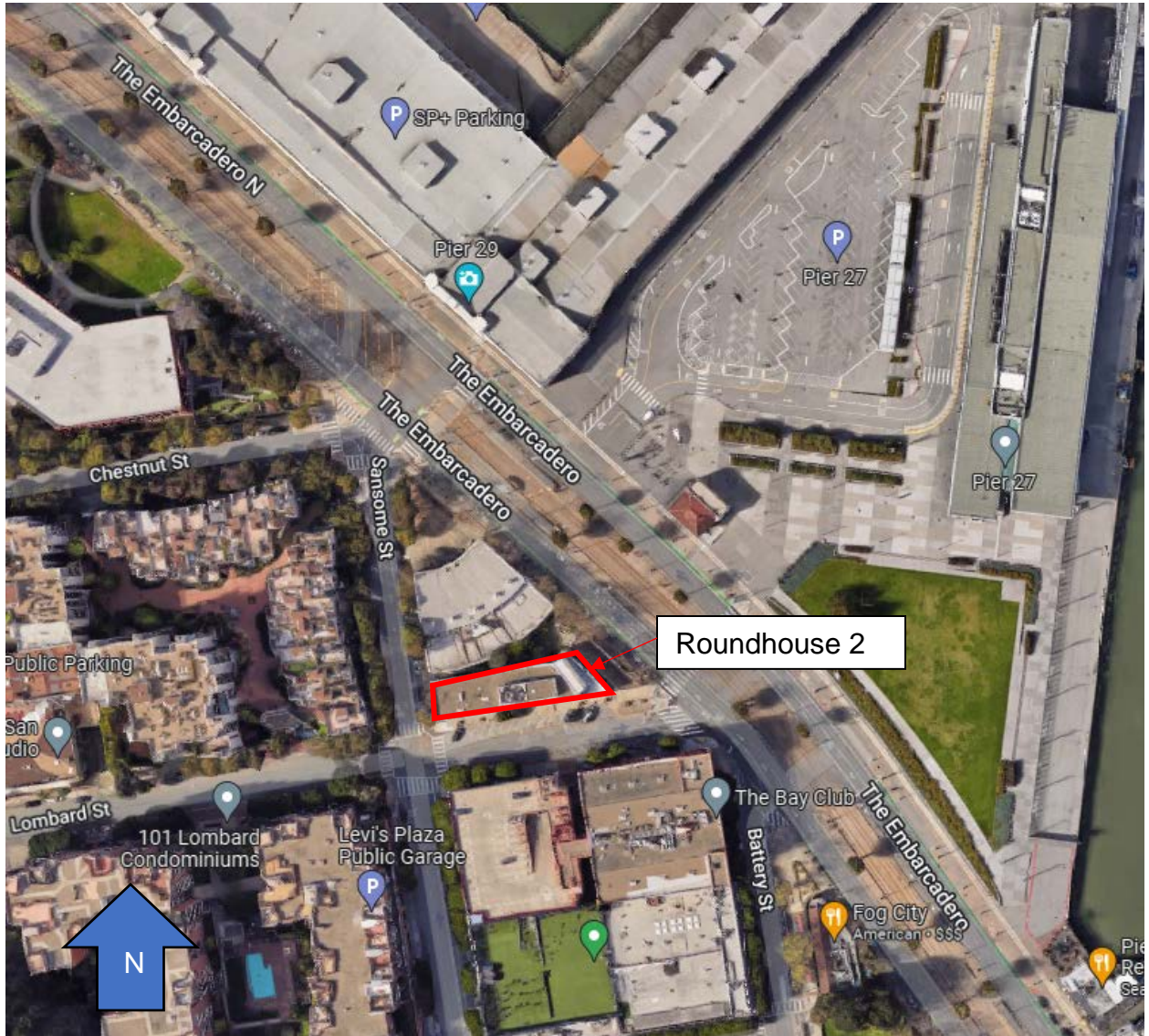
RESOLVED, that the Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows.

***I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of December 13, 2022.***

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Secretary

**EXHIBIT A**  
**AREA OF WORK LOCATION MAP**



**EXHIBIT B**  
CMD Memorandum



## CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



London N. Breed, Mayor  
Carmen Chu, City Administrator

Ronnius Asenloo, Director

### MEMORANDUM

Date: October 25, 2022

To: Erica Petersen, Project Manager, Port of San Francisco

From: Melinda Kanios, Contract Compliance Officer, CMD

Subject: 2848 Roundhouse 2 Roof, Solarium, and Windows Replacement- LBE Subcontracting Requirement

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The Contract Monitoring Division ("CMD") has completed its review of the Engineer's Estimate for subcontracting opportunities on the above referenced project. Based on this review and the Local Business Enterprise ("LBE") availability data, the LBE subcontracting participation requirement on the total dollar amount is 16.00% for this project. The LBE requirement is less than 20% for this contract due to a high percentage of the cost tied to materials. The building is located on a historic landmark site. The project will be replacing over 60 windows that will need to be custom-made in order to match the existing aesthetic of the building to comply with San Francisco Planning Department's requirement to maintain the historic nature of the building site.

The LBE subcontracting participation requirement for this Contract is 16.00%. CMD Attachment 1 pertains to this contract.

Pursuant to Sec. 14B.9 of the Administrative Code, bidders are hereby advised that the availability of Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and Other Business Enterprises (OBE) to perform subcontract work on this project is as follows:

8.5% MBE; 2.3% WBE; 5.2% OBE;

Bidders are further advised that they may not discriminate in the selection of subcontractors on the basis of race, gender, or any 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 feel free to contact Melinda Kanios at [Melinda.Kanios@sfgov.org](mailto:Melinda.Kanios@sfgov.org).