




MEMORANDUM

June 7, 2024

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

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request Authorization to Award One As-Needed Hazardous Materials Management and Property Restoration Contract for Over-Water Demolition, Hazardous Materials Clean-Up, and Marine Vessel Salvage to Silverado Contractors.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 24-25

EXECUTIVE SUMMARY

Port staff issued a Request for Qualifications ("RFQ") for As-Needed Hazardous Materials Management and Property Restorations in December 2023. To increase the possibility of Local Business Enterprise prime contractor opportunities, the Port issued one RFQ with three distinct service areas, with the intention of awarding a contract to every firm that met the qualification requirements. The RFQ listed the total combined contract value for each service area. This total amount would be divided between the qualified respondents for each service area, so the individual contract not-to-exceed amount depends on the total number of qualified respondents. The Port expected two to five respondents in each service area, which would place each contract amount within staff's delegated authority of \$1,000,000 (pursuant to Port Commission Resolution 22-24).

Unexpectedly, Silverado Contractors submitted the only qualified response for Service Area 3. Staff recommends awarding the total available dollar amount (\$1,900,000) to Silverado Contractors to ensure the availability of as-needed over-water demolition, hazardous materials removal, and derelict marine vessel removal/salvage services. Because there was only one respondent, the \$1,900,000 amount exceeds delegated authority and requires Port Commission approval.

BACKGROUND

The As-Needed Hazardous Materials Management and Property Restoration RFQ issued in December 2023 includes the three distinct service areas. The Port received two qualified responses for Service Area 1, two for Service Area 2 (with a possible third pending further safety qualification review), and one for Service Area 3, which are described further below:

Service Area	Scope	Total Value	Qualified Respondents
1	Regulated Waste Removal, On-land Spill Response/Cleanup, Confined Space Safety Support, Traffic Control	\$1,200,000	Environmental Logistics
			Clean Harbors
2	On-Land Demolition, Hazardous Materials Abatement, Building Damage Restoration, Excavation/Removal of Soils Containing Hazardous Materials	\$2,300,000	KM106 (LBE)
			Silverado Contractors
			Contractor #3 (approval pending)
3	Over-Water Demolition, Hazardous Materials Clean-Up, Marine Vessel Salvage	\$1,900,000	Silverado Contractors

Staff is in the process of awarding contracts to the qualified Service Areas 1 and 2 respondents. Assuming approval of Contractor #3, the individual contract amount for each of the Service Area 1 and 2 contracts will be within staff’s \$1,000,000 delegated authority.

Notably, staff has awarded the Port’s first hazardous materials abatement contract to a Local Business Entity (“LBE”) Prime (for Service Area 2). The Awardee is a Micro LBE-Minority Business Enterprise firm from the Bayview neighborhood. The previous two hazardous materials abatement RFQs advertised by the Port received zero responses from LBE firms. The Port is proud of this incremental improvement that resulted from staff’s innovative approach of dividing service areas and guaranteeing contracts to qualified firms.

Silverado Contractors was the only qualified Service Area 3 responder. Staff recommends awarding the total available dollar amount (\$1,900,000) to Silverado Contractors to ensure the availability of as-needed over-water demolition, hazardous materials removal, and derelict marine vessel removal/salvage services. Because there was only one respondent, the \$1,900,000 amount exceeds the staff’s delegated authority and requires Port Commission approval.

STRATEGIC OBJECTIVE

The Contract supports the goals of the Port's Strategic Plan as follows:

Economic Recovery:

Increases ability to create economic opportunities through timely over-water property maintenance and upgrade projects.

Productivity:

Increases productivity by saving time required to perform over-water demolition and cleanup.

Equity:

Maximizes equity in business opportunities (more details below) and increases the ability for equitable environmental stewardship for areas that bear the greatest environmental risk.

Resilience:

Increases ability to remove damaged overwater assets and clean up contamination as needed for reducing seismic and climate risks.

Sustainability:

Increases ability and timeliness of addressing waterfront environmental risks, including hazardous materials cleanup and removal of overwater structures and vessels when needed.

Evolution:

The ability to perform over-water demolition and respond to hazardous materials risks through an as-needed contract will give us the flexibility to move quickly when necessary to remove unsafe and hazardous structures.

CONTRACT OVERVIEW

The Port has an ongoing need to remove in- and over-water structures and sunken marine vessels, as well as properly manage hazardous materials during these tasks and other spills, releases, and/or dumping. Section 6.63 of the San Francisco Administrative Code authorizes the Executive Director to execute contracts for hazardous materials abatement work on an if- and as-needed basis. Specialized marine navigation and technical skill, experience, equipment/materials, and licensing are required to successfully perform this work and meet regulatory requirements. This as-needed contract is designed to enable the Port to respond to these needs in a timely manner, including emergency response.

RESPONDENT OVERVIEW

The Silverado Contractors team is highly skilled and includes LBE contractors listed for meaningful scopes of work. The following contractors were listed in the Silverado response:

**Silverado Contractors
Power Engineering Construction, Co
Bradley Trucks, Inc.
Eco Bay Services, Inc (LBE-SBA)
National Response Corporation, Inc
Richard Moneymaker Lowbed Service**

In addition to the above, Silverado listed CMC Traffic Control Specialists (LBE-MBE) on their qualifications team for Service Area 2, which requires traffic control services.

EQUITY CONSIDERATIONS

The Port's previous two professional services as-needed hazardous materials abatement RFQs had a 5% LBE subcontracting requirement and no LBE primes responded. The Contract Monitoring Division ("CMD") reports that upon close out, despite the 5% LBE subcontractor participation requirement, two of the 2019 contracts had zero LBE participation and one 2019 series met the CMD requirement but still had had less than \$10,000 total LBE participation. The Port anticipated a re-advertisement of the same RFQ structure would yield similar results.

In alignment with the Port's Racial Equity Action Plan ("REAP"), the Port restructured the RFQ to meet the actual needs of the Port and increase LBE participation by:

- Dividing the scope into three areas with unique and tailored prime requirements;
- Changing from a professional services mega-contract covering many services to three distinct hazardous waste construction master agreements as authorized by San Francisco Administrative Code Section 6.63;
- Awarding a contract to all qualified respondents;
- Requiring that Contract Service Orders be competitively bid, with LBE bid discounts at the CSO level to increase the likelihood of LBE participation.

The goal of the restructuring was to increase LBE participation overall. Staff believed, despite receiving a report from CMD that there is insufficient LBE availability to warrant an LBE subcontracting requirement, that Port staff's approach would result long-term in greater LBE participation than the previous hazardous waste contract series. This turned out to be true, as Port staff awarded the Port's first-ever contract to an LBE prime for hazardous material abatement services as a result of this process.

Because of the structure of construction master contracts, there is no LBE participation prediction at the qualifications and contract award stage. This is because master contracts are treated as a qualified pool, and each Contract Service Order (“CSO”) is competitively bid individually and all subcontractors to be used on the CSO are listed. In addition, CMD applies a bid discount and the CSO stage, where applicable.

LBE participation will be reported through Port staff’s regular equity reporting.

RECOMMENDATION

Port staff recommends approval of the attached resolution.

Prepared by: Alysabeth Alexander-Tut
Contracts and Procurement Manager
Finance and Administration

George Bibbins
Senior Industrial Hygienist
Maintenance Division

For: Nate Cruz
Deputy Director
Finance and Administration

Tim Felton
Deputy Director
Maintenance Division

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

RESOLUTION NO. 24-25

- WHEREAS, The Port continues to require contractor expertise and assistance to perform over-water demolition, hazardous materials clean-up, and marine vessel salvage generated by Port operations and abandoned on Port property; and conduct, operate, maintain, manage, regulate, and control the lands within the Port jurisdiction; and
- WHEREAS, Port staff advertised a Request for Qualifications for as-needed hazardous waste disposal and marine vessel salvage that included a 5% Local Business subcontracting requirement set by the Contracting Monitoring Division (“CMD”), which is responsible for administering the Local Business Enterprise (“LBE”), program on May 30, 2019 and received proposals from four firms on July 12, 2019, that resulted in less than \$10,000 total LBE participation across three contracts; and
- WHEREAS, Pursuant to Section 6.63 of the San Francisco Administrative Code, Port staff issued a Request for Qualifications (“RFQ”) for As-Needed Hazardous Materials Management and Property Restorations, which divided the advertised work into three distinct service areas, each with a separate expected budget, and with as-needed contracts awarded within each service area; and
- WHEREAS, One of the service areas advertised was for over-water demolition, hazardous materials clean-up, and marine vessel salvage; and
- WHEREAS, Port staff received six responses across three service area pools, including one from an LBE-MBE Prime; and
- WHEREAS, Port staff received a single qualified response for the over-water demolition, hazardous materials clean-up, and marine vessel salvage service area; and
- WHEREAS, Port staff recommends awarding a single as-needed Hazardous Materials Abatement Contract to the sole qualified respondent for the over-water demolition, hazardous materials clean-up, and marine vessel salvage service area; now, therefore be it
- RESOLVED, That the Port Commission hereby authorizes Port staff to award one contract to Silverado Contractors for as-needed hazardous materials management and property restoration for over-water demolition, hazardous materials clean-up, and marine vessel salvage, for a not-to-exceed amount of \$1,900,000 for no more than five years; and be it further

RESOLVED, That the Port Commission authorizes Port staff to take further actions in connection with the award of the contract as necessary to achieve the purposes described in this Resolution.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 11, 2024.

Secretary