

MEMORANDUM

March 5, 2020

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

FROM: Elaine Forbes
Executive Director

SUBJECT: Request authorization to advertise for competitive bids for Construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

EXECUTIVE SUMMARY

Port staff requests that the Port Commission authorize the advertisement for competitive bids for Construction Contract No. 2830, Mission Bay Ferry Landing (MBFL) Dredging and Site Preparation (the "Project").

See Exhibit "A" for Area of Work Location Map. Previous bids for the original Construction Manager/General Contractor (CM/GC) project (Construction Contract No. 2819) were above the Engineer's Estimate and were rejected. This revised contract solicitation divides the MBFL project up into two scopes of work: (1) dredging and site preparation, and (2) installation of a marine cap mattress, construction of the ferry landing, and land side improvements. Dividing the work into two separate contracts will provide better value to the Port by increasing the number of firms that are able to bid the separated scopes of work.

Port staff is recommending Project construction to start by June 15, 2020 in order to meet regulatory schedule constraints for in-water work as well as funding constraints requiring the expenditure of some project funding by December 2020. To maintain this schedule, Port staff requests the Port Commission's authorization to solicit "dredging and site preparation services" by advertising a Request for Proposals (RFP). The estimated maximum cost for this scope of work is \$11,800,000 plus a 10% contingency for up to \$13 million.

THIS PRINT COVERS CALENDAR ITEM NO. 10A

STRATEGIC OBJECTIVES

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

- **Livability:** Increase the proportion of funds spent by the Port with LBE, and micro-LBEs, and proactively work with transportation agency partners to ensure integrated transportation plans to ease traffic congestion on the waterfront.
- **Economic Vitality:** Expand the system of active water berths for visiting transportation vessels.

CLIMATE CHANGE

The pier was designed in accordance with the California Natural Resources Agency and the Ocean Protection Council on "State of California Sea-Level Rise Guidance: 2018" (OPC). The OPC indicates that the "most-likely" sea level rise scenario is an increase of 20" by 2070, which includes storm surge. MBFL will withstand this "most-likely" sea level rise projection. The pier and piles are designed to be resilient and adaptable through upper range projections which equates to 38" by 2070 by accommodating an aluminum platform.

BACKGROUND

The Mission Bay Ferry Landing (MBFL or the Project) will provide critical regional ferry service to and from the Mission Bay neighborhood, one of the fastest growing neighborhoods in San Francisco, as well as the Dogpatch, Potrero Hill, Pier 70, and the Central Waterfront neighborhoods. The MBFL will provide the capability to berth two ferry boats simultaneously and will be located on Terry Francois Boulevard approximately 100 feet south of 16th Street (Refer to the attached General Site Plans, Exhibit A).

The ferry landing would sit within a half mile of approximately 11,000 new housing units, 7 million square feet of new office and commercial space, more than one million square feet of new retail space and 70 acres of public open space.

Additionally, the MBFL is planned within one block from the Muni T-Third line, which is currently undergoing improvements, including an extension to San Francisco's Chinatown neighborhood. The MBFL will be within easy walking distance to the UCSF Mission Bay hospital and campus, to San Francisco's related life sciences community, and the Chase Center (the new home of the Golden State Warriors).

On June 9, 2019, Port staff presented an informational report to the Port Commission regarding the MBFL. On July 9, 2019, the Port Commission approved Port staff's request to advertise the project for pre-construction services as a CM/GC contract. The project was advertised October 13, 2019, with non-cost proposals due November 19, 2019 and cost proposals submitted December 4, 2019. On December 16, Port staff rejected the bids because all came in higher than Port staff's estimate. Table 1 in the Funding and Budget section of this report provides a comparison of the July 2019 construction contract cost estimate (\$33.7 million) and the current cost estimate (\$40.8 million). Most of the cost increase (\$7 million) is in the dredging and cap portion of the work.

Port staff recommend splitting the dredging and site preparation scope of work from the fabrication of the ferry landing and landside improvements. Separating the dredging scope and site preparation from the remainder of the work will open each component of work to be bid by contractors who specialize in one area of work, such as dredging, but who may lack the resources and experience to perform other elements of the work on the ferry landing. Splitting the dredging and site preparation work from the ferry landing and landside improvements will also allow the dredge work to take place in the 2020 in-water-work-window. The remainder of the MBFL work will take place in the 2021 in-water-work-window which will allow Port staff to finalize design elements that were previously going to be finalized through the CM/GC contract. Finalizing the design prior to advertising as a Best Value contract will reduce risk for the bidders, which should result in more competitive bids and reduce the likelihood of contract change orders after the contract is awarded.

COMMUNITY OUTREACH

The Port has conducted extensive community outreach, which included presentations to Central Waterfront Advisory Group, Southern Waterfront Advisory Group, Mission Bay Citizens Advisory Committee, Bay Area Council, Dogpatch Neighborhood Association, SF Bicycle Coalition, South Beach Harbor Neighborhood Association, Golden Gate Audubon Society, as well as response to individual queries from citizens referred by the Port website and other meetings.

FUNDING AND BUDGET

As shown in Table 1, Port staff has updated the July 2019 budget and funding sources for the MBFL based on information received December 2019 when Port staff received bids in response to the CM/GC solicitation for MBFL. The Port rejected the bids because the in-water work came in significantly higher than the estimate, primarily due to the need to dredge and cap the site as a result of contamination from a defunct fuel terminal and other historic operations north of the MBFL project site in the vicinity of the former Pier 64 wharf and piers.

Table 1 shows the 2019 cost estimate and the 2020 cost estimate, which reflects the new information from the rejected bids and input from third party cost estimators.

While the total project cost will not be known until bids are received for all project construction, staff is pursuing a variety of solutions to fund the current cost estimate of \$58.4 million. This potential funding depends on several factors that are not yet fully known.

In January 2020, in response to a December 23, 2019 directive issued by the San Francisco Bay Regional Water Quality Control Board under California Water Code Section 13267, the Port entered into a voluntary cost sharing and tolling agreement with the following parties named in the Regional Board directive to jointly investigate the contaminated sediments at Pier 64: Chevron Environmental Management Company, Texaco Inc., Union Oil Company, Union Pacific Railroad Company, and Atlantic Richfield Company. To the extent that these or other responsible parties contributed to

the contamination at the Pier 64 site and/or the MBFL site, the Port will pursue contribution and/or reimbursement for any required remediation or other work and increased costs due to contamination (such as the MBFL site dredging and capping work) through revisions to the cost sharing agreement or through litigation if necessary.

Additionally, Port staff has requested a General Fund allocation of \$5 million in the Fiscal Year (FY) 2020-21 budget to fund estimated MBFL project costs. This funding would be included in the budget the Mayor submits to the Board of Supervisors in June 2020. Staff has also begun to investigate grant opportunities for the MBFL, though it is too soon to know whether those efforts will succeed.

Together, the funds from the parties responsible for contamination and an additional General Fund contribution, in combination with \$25 million from WETA (the RM3 funds), \$1.2 million in prior-year funding from the General Fund, an \$8.4 million contribution from OCII and a \$4.0 million gift from a private donor would support project dredging and construction. The \$8.4 million OCII funding must be expended by December 2020 or it will be forfeited, which would then require the Port to identify a new funding source for this gap. The Port will use the \$8.4 million OCII funds, \$1.2 million in prior-year General Fund allocation and \$3.4 million in currently appropriated Port capital to fund the MBFL Dredging and Site Preparation contract. The Port's maintenance dredging project is the source of the \$3.4 million in Port capital. These funds would be used as a loan to bridge a cash flow challenge in the MBFL project and will be restored to the maintenance dredging project in FY 2022-23.

Table 1 is revised from the July 9, 2019 Port Commission report budget to reflect best estimates based on the rejected December 2019 bids and other updated cost information.

**TABLE 1: SUMMARY OF CONSTRUCTION ESTIMATES
(UPDATED FEB. 24, 2020)**

	Total (\$M)	
	2019	2020
Uses of Funds		
Design/Entitlements/Project Management	\$7.0	\$7.0
Construction Management, Inspection, Monitoring, and mitigation	\$2.7	\$5.6
Construction contract costs	\$33.7	\$40.8
<i>Dredging and Cap</i>	\$10.8	\$17.8
<i>Dredging and site preparation</i>		\$11.8
<i>Cap and sand layer</i>		\$6.0
Construction of waterside and landside improvements	\$22.9	\$23.0
Contingency	\$3.7	\$5.0
Total Estimated Uses	\$47.1	\$58.4
Funding Sources		
Secured – Planning Phase Budget	\$7.0	\$7.0
<i>Port capital</i>	\$3.5	\$3.5
<i>General Fund support</i>	\$3.5	\$3.5
Secured – Construction Budget	\$11.0	\$11.0
<i>General Fund support (bridge loan repaid by development impact fees)</i>	\$1.2	\$1.2
<i>Office of Community Investment & Infrastructure (OCII)</i>	\$8.4	\$8.4
<i>2012 General Obligation (GO) Bond fund for Agua Vista Park</i>	\$1.4	\$1.4
Unsecured – Construction Budget	\$29.0	\$41.7
<i>Private contributions</i>	\$4.0	\$4.0
<i>Regional Measure 3</i>	\$25.0	\$25.0
<i>General Fund request</i>		\$5.0
<i>Potential Reimbursement/Recovery from Responsible Parties</i>		\$6.4
Total Planned Sources	\$47.0	\$58.4

* \$6.4 million is an estimate of potential reimbursement through Pier 64 remediation cost sharing and reflects approximately half of the additional dredge and capping cost that the Port attributes to contamination related to Pier 64.

PERMITS

The City of San Francisco Planning Department issued a Preliminary Mitigated Negative Declaration (MND) for the Project on May 2, 2018. The Planning Department posted the Preliminary MND for public review and provided notice of the intent to adopt the MND as required by CEQA and Chapter 31 of the San Francisco Administrative Code. The MND was not appealed to the Planning Commission, and the Final MND was signed on June 18, 2018, with the issuance of an encroachment permit on July 6, 2018. A Notice of Determination was signed and filed with the San Francisco County Clerk and the California Office of Planning and Research on September 13, 2018. (2017-008824ENV).

The Port has completed the design of the MBFL Project and received the following Project permits:

- California Department of Fish and Wildlife California Endangered Species Act, Incidental Take Permit No. 2081-2018-062-07 issued August 24, 2018;
- National Marine Fisheries Service Endangered Species Act Section 7 and Essential Fish Habitat consultation (Corps File No. 2017-00264S), issued August 9, 2019;
- San Francisco Regional Water Quality Control Board - Clean Water Act Section 401 Water Quality Certification (CIWQS Place ID 84139), dated October 28, 2019;
- San Francisco Bay Conservation and Development Commission (BCDC) Major Permit No. 2017.008.00, authorized December 17, 2019 and Federal Consistency Certification.
- The U.S. Army Corps of Engineers completed a Permit Evaluation and Decision Document in January 2020 and the USACE Clean Water Act Section 404 and Rivers and Harbors Act Section 10 Individual Permit for the Project is expected to be issued in early March 2020.

SAN FRANCISCO LOCAL HIRING ORDINANCE

The Project contracting requirements will comply with the City's Local Hiring Ordinance which went into effect on March 25, 2011. The ordinance specifies for this Project a 30% mandatory participation level 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.

ADVERTISEMENT AND CONTRACTOR OUTREACH

Under the proposed low bid solicitation, qualified bidders must possess a Class A Contractor's License with at least three (3) years of experience documented experience in dredging similar to the work described in the MBFL contract documents. The Port will advertise by posting an Invitation to Bid on the Port's website.

In addition to the advertisement, the Port will perform the following contractor outreach:

The Invitation to Bid will be distributed to firms in the Contract Monitoring Division Directory of Certified LBEs.

The Port will engage the following organizations to distribute the Invitation to Bid to their membership:

- San Francisco African American Chamber of Commerce
- Hispanic Chamber of Commerce of San Francisco
- Asian American Contractors Association
- Asian American Architects and Engineers
- LGBT Chamber of Commerce, San Francisco (Golden Gate Business Association)

The Port will post the Invitation to Bid on the following social media outlets:

- Port of San Francisco Twitter Account (@SFPORT)

- Port of San Francisco Facebook Page
- Port of San Francisco LinkedIn Page
- @SFPORT Digital Magazine
- Board of Supervisors Neighborhood Outreach Advertising Newspapers

LBE OPPORTUNITIES

Because this contract includes in-water primarily marine specialty work, CMD, in consultation with the Port, has determined the city-wide 20% LBE participation requirement cannot be met on this Project. The Project is primarily dredging and there are a limited number of experienced LBE subcontractors available to perform this work.

CMD set the LBE subcontracting goal for the Dredging and Site Preparation Services at 11%, which equates to approximately \$1.3 million. This LBE sub-participation requirement is based upon availability of trucking and general contractors for the dewatering facility that can perform those services included in the proposed scope of work.

SCHEDULE

The major schedule constraint is the regulatory restriction on in-water work for dredging and site preparation, which is limited to between June 1 through November in any given year. Because of this limitation, a delay in the start of construction beyond June could jeopardize completing the in-water work during the available time and delay completion out by a year.

Below is a summary of the construction and contracting milestones:

Dredging and Site Preparation (Contract No. 2830)

- | | |
|---|----------------|
| • Commission Authorization to Advertise | March 10, 2020 |
| • Commission Authorization to Award | April 28, 2020 |
| • Notice to Proceed | June 2020 |
| • Substantial completion | April 2021 |

Construction Management and Environmental Monitoring

- | | |
|---|----------------|
| • Commission Authorization to Advertise | March 24, 2020 |
| • Commission Authorization to Award | May 2020 |
| • Notice to Proceed | July 2020 |

MBFL Construction

- | | |
|---|-------------|
| • Commission Authorization to Advertise | Fall 2020 |
| • Commission Authorization to Award | Fall 2020 |
| • Notice to Proceed | Winter 2021 |
| • Substantial completion | Spring 2022 |

RECOMMENDATION

Port staff requests the Port Commission’s authorization to advertise for competitive bids for Construction Contract No. 2830 for Dredging and Site Preparation services for the

MBFL as detailed in this report. Staff plans to be back to the Port Commission to request contract award in April of this year.

SUMMARY

Port staff is prepared to seek bids for the MBFL Dredging and Site Preparation contract and therefore respectfully asks the Port Commission for authorization to advertise for competitive bids for Construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation.

Prepared by: Shannon Cairns
Project Manager

For: Rod K. Iwashita
Chief Harbor Engineer

Exhibits:

- A. Area of Work Location Map

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 20-13**

WHEREAS, Port staff seeks Port Commission authorization to solicit competitive bids for construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation (the “Contract”); and

WHEREAS, the scope of work for Contract No. 2830 includes marine demolition, dredge/handle/disposal operations, and install a sand cap—all for berths at of the Mission Bay Ferry Landing located southeast of the intersection at 16th Street and Terry A. Francois Boulevard; and

WHEREAS, The Engineer’s construction cost estimate, including a 10% contingency, for this proposed Contract is \$13 million; and

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

WHEREAS, A Mitigated Negative Declaration was issued under the California Environmental Quality Act (CEQA) on July 6, 2018; and

WHEREAS, The Port obtained the San Francisco Regional Water Quality Control Board - Clean Water Act Section 401 Water Quality Certification (CIWQS Place ID 84139), dated October 28, 2019, the San Francisco Bay Conservation and Development Commission Major Permit No. 2017.008.00, authorized December 17, 2019 and Federal Consistency Certification, and the U.S. Army Corps of Engineers Clean Water Act Section 404 and Rivers and Harbors Act Section 10 Individual Permit is expected to be issued in early March 2020; and

WHEREAS, Port staff will incorporate the 11% LBE goal in Port staff’s publication of the bid solicitation; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of March 10, 2020.

Secretary

EXHIBIT A
AREA OF WORK LOCATION MAP



CONTRACT NO. 2830 Mission Bay Ferry Landing Dredging and Site Preparation