

## **MEMORANDUM**

February 7, 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 for Authorization to Modify Construction Contract No. 2809, Pier 23 and 19 Restroom Upgrades, with Hoi's Construction Inc., to Extend the Substantial Completion Date

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution

---

### **Executive Summary**

Port staff requests that the Port Commission authorize a contract modification to extend the substantial completion date of Contract No. 2809, Pier 23 & 19 Restroom Upgrade Project, by an additional 74 calendar days for a total of 194 days. The requested time extension is more than 10% of original contract duration of 120 calendar days for substantial completion and hence requires Port Commission approval under Section 6.22 of San Francisco Administrative Code. There are two reasons for this project delay. The first component of the delay (31 calendar days) resulted from long lead times for sewage tank fabrication and other specialty equipment and the second component (43 calendar days) is associated with third party lead abatement inspection work. As of January 3, the project has been substantially completed to Port staff's satisfaction.

Section 6.22(h) of the City Administrative Code allows retroactive Port Commission approval to increase the contract duration beyond 10 percent of the original contract if the department finds there is no basis to assess liquidated damages against the contractor for causing the delay. This allows staff the flexibility to negotiate modifications to the schedule without causing further delays to the project.

**THIS PRINT COVERS CALENDAR ITEM NO. 10A**

## **Strategic Objectives**

This project supports the Port's Strategic Plan strategies of Renewal, Livability, Sustainability, and Economic Vitality.

**Renewal:** The project rehabilitated Piers 19 and 23 restrooms for future tenant use.

**Livability:** The project provided opportunities for local business enterprises (LBE's) and met mandates for Local Hire in construction projects, which promoted living wage jobs.

**Sustainability:** The project brought the sewer connections above deck for Piers 19 and 23 restrooms to mitigate corrosion and sea level rise.

**Economic Vitality:** The project contributes to the Port's ability to provide for leasing at this Port facility by providing working restrooms at Piers 19 and 23, and to enhance the Port's revenue base.

## **Background**

The project scope at Pier 23 included: renovation of existing restrooms with new fixtures, new above deck plumbing, HVAC, lighting, electrical distribution, sump pump and tank, and at Pier 19 the scope included: installation of a sump pump, tank, connection to existing restroom facilities, and an above deck force main. The new designs brought all restroom-related utilities above deck and eliminated the need for portable restroom facilities at Piers 19 and 23.

On February 14, 2019, staff received three bids from Micro-LBE contractors of which Hoi's Construction, Inc. was the lowest responsive bidder. Hoi's Construction, Inc submitted a base bid of \$467,000 which was within 4% of the engineering estimate of \$450,000. With the addition of an alternate bid item to install a sump pump at Pier 19, the total bid came to \$523,000.

On February 21, 2019, the Port's Executive Director awarded the contract to Hoi's Construction, Inc. The original construction contract amount was for \$575,300 (including a 10% contingency) and the contract specified a construction schedule of 120 consecutive calendar days for substantial completion.

Due to long lead times for sewage tank fabrication and third-party lead abatement inspections, the contractor required additional time, resulting in delays to completion of the contract beyond 10% of the original contract duration. The total extent of the project delay was 74 days, for a total project duration of 194 days. Port staff determined that these factors were beyond the contractor's control, and the time required to complete the additional work was reasonable. Port staff has accordingly determined there is no basis to assess liquidated damages for the delay against the contractor.

## **San Francisco Local Business Enterprise Requirement**

This project is a micro LBE contract.

## **San Francisco Local Hiring Policy for Construction**

This project is exempt from the San Francisco Local Hiring Policy for construction.

### **Funding**

The project was funded through Utilities Project fund. The final project expenditure is within 10% of original award amount as per details shown below

Contract Award	\$523,000.00
Contract Change Orders	\$ 37,156.28
Total expenditure	\$560,156.28

### **Schedule**

The modified project completion schedule is as noted below:

Executive Director's Approval to Award	February 21, 2019
Award of Contract	March 13, 2019
Notice to Proceed	June 24, 2019
Original Substantial Completion	October 21, 2019
Revised Substantial Completion	January 3, 2020
Original Final Completion	December 20, 2019
Revised Final Completion	February 24, 2020

### **Summary**

Due to long lead time for sewage tank fabrication and third-party lead abatement inspections, the contract completion was delayed as described above. Due to these factors beyond the contractor's control, the contractor needed a contract time extension of 74 days to reach substantial completion. Port staff requests Port Commission authorization for execution of a contract modification to extend the original contract duration of 120 days to substantial completion by another 74 calendar days to substantial completion for a total project duration of 194 days. Port staff determined that the time required to complete the additional work was reasonable and there is no basis to assess liquidated damages for the delay against the contractor.

Prepared by: Raman Singh, Electrical Engineer  
For: Rod K. Iwashita, Chief Harbor Engineer

**POR T COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 20-05**

WHEREAS, on February 21, 2019, the Port Executive Director awarded Construction Contract No. 2809, Pier 23 & 19 Restroom Upgrades (the Contract) to Hoi's Construction Inc. as the lowest responsible, responsive bidder; and

WHEREAS, the contract scope consisted of upgrades of Pier 19 and Pier 23 restrooms and;

WHEREAS, during the course of construction, the contractor encountered unforeseen conditions which caused unavoidable delay, as defined in the contract, to completion of the work; and

WHEREAS, Section 6.22(h) of the City's Administrative Code authorizes the Port Commission to approve time extensions greater than 10% of the original contract amount or duration, and such a time extension is permissible after completion of the contract when there is no basis to assess liquidated damages for the delay against the contractor; and;

WHEREAS, Port staff request retroactive authorization of an extension of time exceeding ten percent of the original contract duration of 120 calendar days, which will extend the contract substantial completion date of October 21, 2019 to January 3, 2020, for a modified contract duration of 194 days; and

WHEREAS, Port staff have determined that the requested extension in the contract time is warranted due to long lead times for sewage tank fabrication and third-party lead abatement inspections as described in the accompanying staff report; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2809, Pier 23 and 19 Restroom Upgrades, to extend the existing substantial completion date by an additional 74 days for a modified total contract duration of 194 days, and further, the Port Commission hereby ratifies all actions taken by the 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 February 11, 2020.*

---

**Secretary**

**EXHIBIT A**  
**LOCATION MAP**



CONTRACT 2809 Pier 23 and 19 Restroom Upgrades Project