



## MEMORANDUM

April 23, 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:** Michael Martin DocuSigned by:  
Acting Executive Director *Michael Martin*  
Director ID: FF477...

**SUBJECT:** Request authorization to award Construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation to The Dutra Group in the amount of \$11,920,300, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,192,030) for unanticipated conditions, for a total authorization not to exceed \$13,112,330.

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

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### EXECUTIVE SUMMARY

Pursuant to Port Commission authorization (Resolution 20-13), Port staff issued an Advertisement for Bids ("AFB") on March 11, 2020 soliciting bids to perform Mission Bay Ferry Landing ("MBFL") Dredging and Site Preparation. Two proposals were submitted in response to the AFB. Port staff requests the Port Commission's authorization to award Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation Project to The Dutra Group ("Dutra"), the lowest responsible, responsive bidder, in the amount of \$11,920,300 and authorize a contract contingency fund of 10% (\$1,192,030), for a total authorization not to exceed \$13,112,330.

This project supports the overall MBFL project by dredging and preparing the site for the ferry landing construction. The scope of work is to perform demolition and disposal of

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marine debris; dredging and ocean disposal of approximately 80% of the site dredge materials; dredging, rehandling and landfill disposal of approximately 20% of the site dredge materials; and import and placement of a sand cap on a portion of the site.

## **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 ferry landing fixed 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 inches by 2070, which includes storm surge. MBFL has been designed for the "most-likely" scenario. The pier and piles are designed to be resilient and adaptable through upper range projections, which equates to 38 inches by 2070 by accommodating an aluminum platform.

## **BACKGROUND**

MBFL 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 16<sup>th</sup> Street (Refer to the attached Area of Work Location, Exhibit A).

Upon realization of the projects listed above 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 the Muni Downtown Extension, which will extend service 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).

Due to finding restrictions discussed in more detail in the Funding and Budget section of this memo, work under Contract No. 2830, must be completed during the 2020 in-water-work-window (i.e., June – November 2020). Given funding constraints exacerbated by

the COVID-19 pandemic, the remainder of the MBFL work will be scheduled take place in the 2022 in-water-work-window (i.e., June – November 2022).

### **COMMUNITY OUTREACH**

The Port 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.

### **PROJECT ADVERTISEMENT AND CONTRACTOR OUTREACH**

On March 10, 2020, the Port Commission authorized staff to advertise for bids of Construction Contract No. 2830, Mission Bay Ferry Landing (MBFL) Dredging and Site Preparation (Port Commission Resolution 20-13).

Port staff published the advertisement for bids on the Port's website on March 11, 2020. The engineer's estimate for the scope is \$11,800,000. Project bid solicitations were sent by email distribution to 142 LBE Certified Contractors as well as all active Chambers of Commerce and San Francisco Public Utilities Contractors' Assistance Center. There are 31 project plan holders registered on Port's website. Ten of 31 plan holders are LBE firms.

Because the Public Health Order requiring shelter-in-place was effective March 17, 2020, Port staff conducted its first virtual optional pre-bid conference a day later on March 18, 2020. This successful online experience gave us confidence to conduct the Bid Opening in a similar online fashion and ensure a public and transparent Bid process. The pre-bid conference was attended by fifteen contractors, six of which were LBE Firms.

### **EVALUATION OF BIDS**

On April 14, 2020, the Port received two proposals in response to the Mission Bay Ferry Landing Dredging and Site Preparation Project invitation for bids.

Port staff determined that both bidders met the project's minimum qualifications. The Contract Monitoring Division ("CMD") reviewed the bids for compliance with the project's LBE requirements. The Port's CMD Contract Compliance Officer concluded that both submittals complied with the LBE subcontracting requirements.

On April 22, 2020, CMD determined Dutra to be the lowest responsive bidder. The final bid rankings are shown in *Table 1*.

**Table 1: Mission Bay Ferry Landing Dredging and Site Preparation Project Bid Ranking**

Bidder	Base Bid	LBE Bid Discount	Rank
The Dutra Group	\$11,920,300	N/A	1
Curtin Maritime Corporation	\$15,560,447	N/A	2

Dutra submitted the lowest bid of \$11,920,300. See Exhibit B for the Bid Tabulation.

Dutra exceeded the project's 11% LBE subcontracting requirement by listing the LBE firms shown in *Table 2*.

**Table 2: Mission Bay Ferry Landing Dredging and Site Preparation Project LBE Participation**

Subcontractor	Scope of Work	Status	Listed Amount	Credited Amount	LBE Credit
Hoseley Corporation	NUAD dredge material handling, dewatering and drying	SF LBE-OBE (Micro)	\$1,980,000.00	\$1,980,000.00	16.61%
PCH Survey, LLC	Hydrographic Surveying	SF-LBE OBE (Micro)	\$28,000	\$28,000	0.23%
<b>TOTAL</b>			<b>\$2,008,000</b>	<b>\$2,008,000</b>	<b>16.84%</b>

The Dutra Group's Bid exceeds the 11% LBE subcontracting goal with 16.84% participation for this contract (Exhibit C provides the February 28, 2020 letter from Contract Monitoring Division documenting the LBE requirement).

### **Lowest Responsive Bidder**

Dutra is a marine contractor, which the Port has contracted with in the past, that specializes in dredge operations, not only in the San Francisco Bay Area, but in Southern California as well as across the United States. They have significant dredging experience and expertise with over 100 years in business since establishment in the early 1900's. They listed three public works projects on their Bidder's Qualifications form, all of which were completed in the past 5 years: the \$22.3M Oakland Inner & Outer Channel Maintenance Dredging, \$40.8M Maintenance Dredging for the Navy Base in San Diego, and \$3.9M Maintenance Dredging for the Brisbane Marina. All listed projects demonstrate substantial experience in dredging considerable quantities, as well as, the handling and disposal of material classified as Not Suitable for Unconfined Aquatic Disposal ("NUAD"), which is material that will be encountered in the MBFL Project. In addition, Dutra recently completed the Port's 4-year Dredging and Maintenance Contract.

## **FUNDING AND BUDGET**

As Port staff noted at the March 10<sup>th</sup> Port Commission meeting, staff continues to develop the funding plan for the MBFL project. Since that meeting, staff has made two updates to the funding plan. In light of the economic shock that the City is experiencing due to the COVID-19 pandemic and the shelter-in-place order, Port staff believes that it is unlikely that MBFL will receive project funding from the General Fund in the Fiscal Year 2021-22 budget. However, the Port is currently pursuing a grant from the state SB1 transportation grant program. If awarded, this grant will replace the General Fund as a project source. (Please see Table 3 for revised project sources and uses.) Staff will continue to update the Port Commission as the project funding plan evolves.

The funding plan for Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation Project includes the following sources: General Fund support, OCII funds, and Port capital funds. These sources fully fund the not-to-exceed amount of \$13,112,330. It is important to note that if the Port does not expend the OCII funding by December 2020, the funds will be withdrawn. These funds, which are excess proceeds from tax-exempt bonds issued by the former Redevelopment Agency, were appropriated to the MBFL project by the Mayor in the FY 2018-19 budget and are subject to certain requirements. OCII is a state-authorized local entity and the California Department of Finance (DOF) has authority over its expenditures. DOF has been managing the process to dissolve the state's redevelopment agencies since 2012, and is pushing OCII to finally expend all remaining funding from the former Redevelopment Agency in the 2020-21 fiscal year. If the Port cannot spend these funds by the end of the calendar year, they will revert to OCII.

**TABLE 3: SUMMARY OF CONSTRUCTION ESTIMATES**

	Total (\$M)	
	Mar-20	Apr-20
<b>Uses of Funds</b>		
Design/Entitlements/Project Management	\$7.0	\$7.0
<i>Construction Management, Inspection, Monitoring, and mitigation</i>	\$5.6	\$5.7
Construction contract costs	\$40.8	\$40.9
<i>Dredging and Cap</i>	\$17.8	\$17.9
<i>Dredging and site preparation</i>	\$11.8	\$11.9
<i>Cap and sand layer</i>	\$6.0	\$6.0
Construction of waterside and landside improvements	\$23.0	\$23.0
Contingency	\$5.0	\$4.8
<b>Total Estimated Uses</b>	<b>\$58.4</b>	<b>\$58.4</b>
<b>Funding Sources</b>		
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 Phase 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 &amp; 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 Phase Budget	\$40.4	\$40.4
<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	\$6.4
<i>Potential SB 1 grant</i>		\$5.0
<b>Total Planned Sources</b>	<b>\$58.4</b>	<b>\$58.4</b>

\* 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 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. The \$6.4 million estimate 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 April 2020.

## **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, delay completion out by a year, and jeopardize \$8.4 million in OCII funding for the project.

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     |

## **RECOMMENDATION**

Port staff requests the Port Commission's authorization to award Construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation to The Dutra Group in the amount of \$11,920,300, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,192,030) for unanticipated conditions, for a total authorization not to exceed \$13,112,330. Port staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Shannon Cairns  
Project Manager

For: Rod K. Iwashita  
Chief Harbor Engineer

### Exhibits:

- A. Area of Work Location Map
- B. Bid Tabulation
- C. CMD Review Memorandum

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 20-21**

WHEREAS, On March 10, 2020, the Port Commission adopted resolution No. 20-13, authorizing staff 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 installation of 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, 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 April 2020; and

WHEREAS, The Port received two bids for the Project on April 14, 2020; and

WHEREAS, Port Engineering staff and Contract Monitoring Division staff reviewed the bids and determined that The Dutra Group is the lowest responsive, responsible bidder for the Project; and

WHEREAS, The Dutra Group’s total price for the Project is \$11,920,300 and a recommended 10% contract contingency fund of \$1,192,030, are funded by OCII funds and Port Capital funds; and

WHEREAS, The Dutra Group’s bid satisfies the Local Business Enterprise (LBE) subcontracting participation requirement of 11% established by the Contract Monitoring Division; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes the award of construction Contract No. 2830, Mission Bay Ferry Landing Dredging and Site Preparation to The Dutra Group, the lowest responsive and responsible bidder, for the not-to-exceed amount of \$11,920,300; 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 \$1,192,030 (10% of \$11,920,300) through contract modification or change order; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

***I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of April 28, 2020.***

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Secretary

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



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



Exhibit B

**B I D T A B U L A T I O N**

BID OPENING DATE		04/14/2020; PIER 1, SAN FRANCISCO (via Webex)			
CONTRACT NUMBER		2830			
PROJECT NAME		MISSION BAY FERRY LANDING DREDGING AND SITE PREPARATION			
ALTERNATE PRIORITIES:		NONE			
LBE GOAL:	11%	MILESTONE 1:	SUBSTANTIALLY COMPLETE BY NOVEMBER 30, 2020	ANNOUNCED CONSTRUCTION ESTIMATE BUDGET:	NONE
		MILESTONE 2:	SUBSTANTIALLY COMPLETE BY APRIL 30, 2021		
NUMBER OF BIDDERS:	02	ESTIMATE:	\$11,800,000	APPARENT LOW TOTAL BID PRICE:	<b>\$11,920,300.00</b>

BIDDER ID #	01	02
BID ITEM #	THE DUTRA GROUP, A CALIFORNIA CORPORATION 2350 KERNER BOULEVARD, SUITE 200 SAN RAFAEL, CA 94901 HARRY K. STEWART, CHIEF OPERATING OFFICER 415-258-6876 <a href="mailto:HSTEWART@DUTRAGROUP.COM">HSTEWART@DUTRAGROUP.COM</a>	CURTIN MARITIME CORP. 1400 PIER C ST., BERTH 57 LONG BEACH, CA 90813 KELLY CURTIN, CFO 562-983-7257 <a href="mailto:KELLY@CURTINMARITIME.COM">KELLY@CURTINMARITIME.COM</a>
1	\$1,000,000.00	\$1,556,045.00
2	\$1,200,000.00	\$2,818,902.00
3	\$2,270,700.00	\$5,089,500.00
4	\$1,377,600.00	\$1,680,000.00
5	\$5,241,600.00	\$3,360,000.00
6	\$620,400.00	\$846,000.00
7	\$180,000.00	\$180,000.00
8	\$30,000.00	\$30,000.00
<b>Bid Total</b>	<b>\$11,920,300.00</b>	<b>\$15,560,447.00</b>
APPARENT BID RANK	1	2



# CONTRACT MONITORING DIVISION CITY ADMINISTRATOR'S OFFICE



London N. Breed, Mayor  
Naomi M. Kelly, City Administrator

Romulus Asenloo, Director

Exhibit C

## MEMORANDUM

Date: February 18, 2020  
To: Shannon Cairns, Port of San Francisco  
From: Alysabeth Alexander-Tut, CMD  
Subject: 2830 Mission Bay Ferry Landing Dredging and Phase I Cap

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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 is **11.00%** for this project.

In addition, the following availability information should be conveyed in the bid specifications:

The LBE subcontractor participation requirement for this Contract is 11%. Port staff confirms that 82% of the contract is tied up in Marine Specialty Bid, Allowance and Mobilization/Demobilization costs. Therefore, the Awarding Authority has requested and been granted a participation requirement under 20%. In accordance with 14B.8(B) of the Administrative Code, in order for the Bidder to be exempt from meeting the "Good Faith Outreach" requirements described in 1.02B in CMD Attachment I, the total amount of the LBE participation must equal or exceed 14.85%.

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:

5.34% MBE; 1.03 % WBE; 4.63 % 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 Alysabeth Alexander-Tut at 415-274-0511.