

## MEMORANDUM

January 7, 2016

**TO:** MEMBERS, PORT COMMISSION  
Hon. Leslie Katz, President  
Hon. Willie Adams, Vice President  
Hon. Kimberly Brandon  
Hon. Doreen Woo Ho

**FROM:** Monique Moyer  
Executive Director

**SUBJECT:** Request authorization to award Construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project, to Roebuck Construction, Inc. in the amount of \$5,765,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$576,500) for unanticipated contingencies, for a total authorization not to exceed \$6,341,500

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

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### **Executive Summary:**

Port staff requests that the Port Commission authorize the award of construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project ("Project"), to Roebuck Construction, Inc. (Roebuck), the lowest responsive, responsible bidder, in the amount of \$5,765,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$576,500) for unanticipated contingencies, for a total authorization not to exceed \$6,341,500. Piers 31 and 29½ are connected and were built as one structure along with the bulkhead portion of Pier 29 in 1918. The Project scope includes in-kind structural repairs, roofing, and window repairs to Piers 31 and 29½. The Project will restore a red-tagged Port real estate asset into use. Piers 31 and 29½ are located in the Northern Waterfront, between Sansome and Bay Streets and are contributors to the Embarcadero Historic District. (See Exhibit "A" for Area of Work Location Map).

Pier 31 shed is red-tagged and has no tenants. The Pier 31 bulkhead currently has one tenant which will be relocated during construction. Pier 29½ is currently operated as a public parking site, which will be discontinued during construction.

### **Strategic Objective:**

This Project will rehabilitate an important historic maritime resource which will enable this Port real estate asset to be returned to functional status, which will generate new revenue to help the Port meet its other capital improvement or operating needs.

**This Print Covers Calendar Item No. 10B**

### **Background:**

The Port Commission, at its meeting on May 26, 2015, authorized staff to advertise for construction bids for Contract No. 2762, Pier 31 Building & Roof Repair Project (Port Commission Resolution 15-18). Port staff published the advertisement for bids on June 30, 2015, conducted an optional Pre-Bid Meeting on July 14, 2015, and opened bids on August 11, 2015, six weeks after advertisement.

The Project was initially bid with a broader scope of work and five base bid items, which included architectural, structural, mechanical, electrical and plumbing work in Pier 31. Six additive alternate items were bid for similar scope in Pier 29½. The announced construction budget amount was \$5,700,000 based on the engineer's estimate and funding available in the Pier 31 Port Revenue Bond account.

Staff received four bids with base bids ranging from \$7 Million to \$9.8 Million. The base bids exceeded the funding amount and did not allow for inclusion of the additive alternate bids. Staff evaluated potential causes for the high bids and concluded that the current bidding climate in San Francisco is creating high demand for mechanical, electrical and plumbing contractors, along with an anticipated El Nino winter bringing high rain fall creating high demand for roofing contractors. Construction costs in San Francisco have been escalating rapidly resulting in bids being considerably higher than the construction estimates.

After consulting with the Chief Harbor Engineer, the Deputy Director of Finance and Administration, and with direction from the Executive Director, it was decided to restructure and rebid Pier 31 and Pier 29½ with narrower scope of roofing and structural repairs to prioritize stabilization of the building. Additional funds have been designated to the Project through the Northern Waterfront Historic Pier Structures Repair Project Fund. The security enhancements which were included in the prior scope will be rebid as a separate project due to grant funding. The utility improvements will be rebid as a separate project as funding allows.

Staff modified the contract documents to rebid Contract No. 2762R as Pier 31 Roof & Structural Repair Project, which advertised on November 16, 2015. The Project was rebid with base bid work consisting of roofing and structural repairs, and one additive alternate bid item to replace steel windows in Pier 31 and Pier 29½. The engineer's construction estimate was revised to \$6,408,000, an increase of approximately 12% over the original estimate, to account for escalation and market conditions. Bids were opened four weeks later on December 15, 2015.

### **Competitive Awards**

Staff received three bids, two from the prior bidders and one from a new bidder. Base bids ranged from \$4.7 Million to \$6.7 Million. The lowest bid was submitted by Roebuck Construction, Inc. for the amount of \$4,665,000, with the additive alternate bid for the amount of \$1,100,000. The sum of the amounts of the base bid and additive alternate is \$5,765,000, which is within the engineer's estimate. Staff reviewed Roebuck's bid and have determined that the bid is responsive and that Roebuck and its subcontractors are responsible contractors that meet the minimum qualifications.

Roebuck is a San Francisco Local Business Enterprise (“LBE”) and has bid on and successfully completed three Port projects since 2011. Those projects include Contract No. 2765, Pier 35 Building & Roof Repair Project, Contract No. 2743, Pier 33½ Improvements Project, and Contract No. 2745, Hyde Street Harbor Joint Operations and Security Building Project. Roebuck’s bid includes five LBE subcontractors; one of which, Pioneer Construction, Inc., has successfully performed roofing work on several Port facilities.

On December 21, 2015, The Port received one bid protest. Because the protest was submitted by the third lowest bidder against the second lowest bidder, the protest was deemed inconsequential to the award to the lowest bidder.

### **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 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. For the rebid contract, CMD staff established a LBE subcontractor participation goal of 20% of the contract amount.

Of the three bidders, two are certified LBE contractors. The three bids were evaluated and scored based on LBE percentage of participation which included the additive alternate amount, and adjusted bid discount price for local contractors. On December 29, 2015, CMD staff determined that Roebuck’s bid satisfied the LBE subcontracting goal and is eligible for the award of the contract (see Exhibit “B”). Roebuck’s LBE subcontractor participation for the base bid of this contract is 32.77% which includes Pioneer Contractors, Inc., Bannon Construction, and Three Brothers Electrical. While the goal does not apply to prime contractor work, it is noted that Roebuck is an LBE contractor and will be self-performing approximately 46% of the base bid contract work, resulting in nearly 79% of the work being performed by certified LBE firms.

### **Business Outreach**

Staff worked with Butler Enterprise Group, LLC (“BE Group”) a professional Small Business Program Outreach consultant firm specializing in LBE, Small Business Enterprise (“SBE”), and Disadvantaged Business Enterprise (“DBE”) outreach. BE Group provided outreach to encourage bidding from construction contractors located in the Bayview Hunter’s Point neighborhood areas, specifically in zip codes 94107, 94124, and 94134. BE Group utilized their LBE/SBE/DBE contractor database to compile a list of building contractors to target their outreach efforts. Efforts included:

- Matchmaking event held at Pier 1
- Direct emails based on contractor trades in targeted locations
- Direct phone calls to targeted individuals and businesses to promote contracting joint ventures
- Other outreach - posting of project information and alerts within traditional and ethnic Chambers of Commerce, Merchant Associations and Minority/Women Business Enterprise Agencies

Roebuck Construction is located in the 94124 zip code area, which was a targeted neighborhood area by BE Group. Certified LBE subcontractors located in the 94124 zip code area will perform 29.5% of the base bid contract amount including roofing and electrical work. As noted above, Roebuck will be self-performing approximately 46% of the base bid contract work, resulting in nearly 76% of the base bid work being performed by certified LBE firms located in the 94124 zip code area. The additive alternate window replacement portion of the work will be also be performed by LBE contractors located in the 94124 zip code area, which increases contractor participation to nearly 87%.

### **San Francisco Local Hiring Ordinance**

The Project will comply with the mandatory participation level of the City's Local Hiring Ordinance which is currently at 30%.

### **Regulatory Permits**

As documented in Port Commission Resolution 15-18, approved on May 26, 2015, the basic repair and maintenance work for Piers 31 and 29½ would not result in any change or intensification of use and is not a project subject to the California Environmental Quality Act. The reduced scope now proposed for approval, for roof and structural repairs, does not result in a change in that determination. The repair work has been designed and will be implemented to be consistent with the Secretary of the Interior Standards for Historic Rehabilitation.

The project description was submitted to San Francisco Bay Conservation and Development Commission ("BCDC") pursuant to an existing BCDC Permit M77-17 that provides for Port repair and maintenance work to its facilities, and is deemed approved. An Army Corps of Engineers' permit is not needed for this work. A Port of San Francisco Building Permit will be secured prior to commencing the work.

Oversight by a third party Certified Industrial Hygienist during the removal of any roofing material and hazardous material abatement will be provided. In addition, Western Gulls are protected from harm or harassment during their nesting season from May through September under the federal Migratory Bird Treaty Act ("MBTA"). The contractor will be required to comply with the MBTA during the nesting season.

### **Climate Action:**

Climate action mitigation opportunities are limited as this is an in-kind repair project. The contractor will be required to comply with City's green building ordinance which requires contractors to manage debris and recycle as feasible. The potential for sea level rise is a concern for all projects along the waterfront. However, the design life for this Project is limited to less than 30 years, so sea level rise will not affect this Project.

### **Funding**

The base bid, the additive alternate bid for the construction contract, and the 10% contingency will be funded from the Capital Funds as shown in the table below.

Project Scope	Amount	Funding Source
Roofing and structural repairs	\$4,600,544	2010 Port Revenue Bond Fund 5P-CPF-09B
Roofing and structural repairs	\$917,291	2014 Port Revenue Bond Fund 5P-CPF-13B
Roofing and structural repairs	\$247,165	Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-02
Total Base Bid + Additive Alternate	\$5,765,000	
10% Construction Contingency	\$576,500	Northern Waterfront Historic Pier Structures Repair Project Fund CPO 930-02
Total Cost with Contingency	\$6,341,500	

**Schedule**

The total duration for the proposed Project is 210 days. At the request of Port Real Estate Staff the Pier 29½ portion, currently operated as a public parking site, has a shorter duration of 100 days. The following is the anticipated Project schedule:

Commission Authorization to Award	January 12, 2016
Estimated Notice to Proceed (NTP)	February, 2016
Estimated Substantial Completion of Pier 29½ (100 Days)	April, 2016
Estimated Substantial Completion of Pier 31 (210 Days)	September, 2016
Estimated Final Completion (60 Days)	November, 2016

**Summary**

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project, to Roebuck Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$5,765,000, and further authorize staff to increase the contract amount, through contract modification or change order, if needed for unanticipated contingencies, by an additional \$576,500 (10% of the proposed contract amount), to a total not to exceed amount of \$6,341,500. Roebuck is an LBE contractor and CMD has determined that Roebuck’s bid, which includes 32.77% LBE subcontractor participation, meets the requirements of Administrative Code Chapter 14B. Roebuck has committed to meet the requirements of the City’s Local Hiring Policy for Construction. Port staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Wendy Proctor  
Project Architect

For: Eunejune Kim  
Chief Harbor Engineer

Exhibits:

- A. Area of Work Location Map
- B. CMD Determination Letter

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 16-02**

- WHEREAS, Port staff seeks authorization to award construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project (the “Project”); and
- WHEREAS, the Project will rehabilitate an important historic resource which will enable this Port real estate asset to be returned to functional status; and
- WHEREAS, the basic repair and maintenance work for Piers 31 and 29½, including the reduced scope for roof and structural repairs, would not result in any change or intensification of use and is not a project subject to the California Environmental Quality Act, and has been approved by the San Francisco Bay Conservation and Development Commission (BCDC) pursuant to an existing BCDC Permit M77-17, and needs no permit from the U.S. Army Corps of Engineers, and the Building will be secured prior to construction; and
- WHEREAS, Port staff received three (3) bids on December 15, 2015 for the Project, two (2) of which were Local Business Enterprise contractors; and
- WHEREAS, Port Engineering staff and Contract Monitoring Division staff reviewed the bids and determined that Roebuck Construction, Inc. (“Roebuck”) is the lowest responsive, responsible bidder for the Project; and
- WHEREAS, Roebuck’s total base bid price plus the additive alternate bid for the Project is \$5,765,500 which is fully funded with Port Capital funds; and
- WHEREAS, the proposed award of the Project contract to Roebuck satisfies the LBE subcontracting goal of 20% and will comply with the City’s Local Hiring Policy for Construction Ordinance (Administrative Code Section 6.22(G); now, therefore, be it
- RESOLVED, that the Port Commission hereby authorizes the award of construction Contract No. 2762R, Pier 31 Roof & Structural Repair Project, to Roebuck Construction, Inc. the lowest responsive and responsible bidder, for the not-to-exceed amount of \$5,765,500; 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 \$576,500 (10% of \$5,765,500) 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 January 12, 2016.***

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Secretary

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



Piers 31 and 29½

CONTRACT 2762R Pier 31 Roof & Structural Repair Project

**EXHIBIT B**  
CMD DETERMINATION LETTER



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator

**GENERAL SERVICES AGENCY  
CONTRACT MONITORING DIVISION**



Veronica Ng, Director

Date: December 30, 2015  
To: Wendy Proctor, Project Manager, Port Of San Francisco ("Port")  
Tim Leung, Port Of San Francisco  
From: Finbarr Jewell, CMD *M. Jewell*  
Subject: Contract Award: Contract # CON-2762(R) Pier 31 Building & Roof Repair

The Contract Monitoring Division ("CMD") reviewed the bids submitted for the above-referenced project and determined responsiveness to Chapter 14B pre-award requirements. Below is a summary of CMD's review.

**LBE Bid Discount**

Due to the dollar value of the engineer's estimate, a 10% bid discount applies to any bids submitted by CMD –certified Small or Micro-LBEs.

The City received the following bids:

Bidder	Base Bid	LBE Bid Discount	Adjusted Bid
Roebuck Construction	\$4,665,000	10%	\$4,198,500
Schembri Construction Company, INC.	\$6,189,000	10%	\$5,570,100
Best Contracting Services, INC.	\$6,664,801	0%	\$6,664,801

Roebuck Construction submitted a base bid of \$4,665,000, met and exceeded the 20% LBE subcontractor participation goal by listing the following firms:



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator

**GENERAL SERVICES AGENCY  
CONTRACT MONITORING DIVISION**



Veronica Ng, Director

Subcontractor	Scope of Work Listed	Status	Listed Amount	Amount Credited	Participation (based on credited amount)
Bannon Con.	Metals	LBE	\$154,490	\$154,490	3.31%
Pioneer Con.	Roofing	LBE	\$1,329,600	\$1,329,600	28.50%
Three Brothes	Electrical	LBE	\$45,000	45,000	0.96
Total			\$1,529,090	\$1,529,090	32.77%

Based on the foregoing, CMD has determined that Roebuck Construction, Inc. is the lowest responsive bidder, and complied with the Chapter 14B pre-award requirements. Should you have any questions, or if I can be of further assistance, please contact me at (415) 274 0511

Finbarr Jewell  
Contract Compliance Officer  
Contract Monitoring Division