

MEMORANDUM

January 10, 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. 2813, 19th Street Extension and Georgia Street

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. 2813, 19th Street Extension and Georgia Street (the "Project" and "Roadway"). This contract solicitation is needed for one of five contracts associated with construction of Crane Cove Park. The Roadway for 19th and Georgia Streets is located in the Crane Cove Park project site, and adjacent to the Pier 70 Shipyard and Orton Historic Core along 20th Street. See Exhibit "A" for Area of Work Location Map.

The proposed Roadway scope of work includes construction of approximately 950 feet of new roadway and sidewalk, along with street lights, fire hydrants, and a combined sewer. The Engineer's Construction Cost Estimate including a 10% contingency for this proposed contract is \$4.3 million. Funding is from multiple sources including a \$1 million federal grant through Caltrans and the Port Capital Budget. Because this Project will be partially funded by a federal grant through Caltrans, the Port must meet certain Caltrans requirements, such as implementing the Caltrans Disadvantaged Business Enterprises participation requirements instead of the San Francisco Local Business Enterprise requirements of the Administrative Code Chapter 14B.

THIS PRINT COVERS CALENDAR ITEM NO. 12A

Strategic Objective

As part of the larger Crane Cove Park project, this Project supports the goals of the Port's Strategic Plan as follows:

Evolution: This Project will continue the Blue Greenway by constructing a sidewalk and bike path connecting 20th Street to Crane Cove Park. The Project will improve Port open spaces by providing access to the main entry plaza of Crane Cove Park and to the 19th Street Parking Lot. This will incorporate the major new waterfront park and public access while maintaining the integrity of industrial maritime berthing and ship repair operations.

Equity: While not requiring contracting participation with Local Business Enterprises (LBE's) due to the federal funding requirements, the Project promotes living wage jobs by requiring contractor participation with Disadvantage Business Enterprises (DBE's).

Sustainability: The overall Crane Cove Park design, including this roadway design and construction include best management practices for storm water management, water efficient landscaping, and energy efficient lighting.

Productivity: The Project will provide new and improved access to the Pier 70 Shipyard, along with providing more access to the Pier 70 development area.

Stability: This Project uses funds from an external source, a federal grant.

Climate Change

The Crane Cove Park project in general, including the Roadway, is designed to remain functional for up to 28 inches of Sea Level Rise (SLR). This amount is based on a 50 year project life and SLR projections of 16 inches at year 2050 and 55 inches in year 2100, which were recommended by the State of California and BCDC at the time of design. These SLR predictions are higher than the City's current most-likely recommendations of 12 inches in year 2050 and 36 inches in year 2100, but lower than the high projections of 24 inches in year 2050 and 66 inches in year 2100. Adaptation measures will be needed after 28 inches of SLR.

Project Description

The scope of work for Construction Contract No. 2813, 19th Street Extension and Georgia Street, includes construction of approximately 950 feet of new roadway and sidewalk, along with street lights, fire hydrants, and a combined sewer. The road will be divided into two segments: (1) a 700 ft. extension of 19th Street eastward from the intersection at Illinois Street, after which the road will make a 90 degree turn, and (2) a 250 ft. long new Georgia Street. The Roadway will provide access to the Pier 70 Shipyard, the greater Pier 70 development area, and primary access to the new 19th Street Parking Lot currently under construction.

Background

Crane Cove Park is one of the Port's Blue Greenway projects and will be a significant open space in the Union Iron Works National Historic District located at Pier 70. The Port Commission approved the Park design and California Environmental Quality Act Community Plan Exemption at the October 13, 2015 Commission Meeting¹.

In March 2017, the Port Commission approved authorization to advertise Crane Cove Park Contract 2781, which included Park Improvements and Building 49. The contract was subsequently divided into multiple contracts, de-scoped, and value-engineered.

At the September 11, 2018 Port Commission meeting, Port staff presented an overview of project history to date, including the planning, design, funding, permitting and community outreach². The Roadway Project was presented along with the other bid packages included in the overall Crane Cove Park project.

Budget and Cost Estimate

The Engineer's construction cost estimate, including a 10% contingency for this proposed Project, is \$4.3 million. The previous budget based on the 50% design drawings was \$1.2 million (including a 10% contingency).

The 50% design drawings and estimate for the Roadway were completed in 2016. The design was put on hold until Crane Cove Park design was completed. Once completed, the Roadway project was revived. At this point, the designer (a LBE sub contractor) amicably separated from the project. At the same time more information became available regarding the substructure of the Roadway, such as the electrical conduit and that design subcontractor designs needed to be revised.

The scope of the Roadway needed to be reduced in order to decrease construction costs to meet the park budget. This process took months and delayed staff from completing a new cost estimate as there was no complete drawing set available from which to prepare an estimate.

In October 2019, the new design subcontractor completed a set of 90% design drawings and a consultant prepared an accompanying cost estimate. At this time, the cost estimate increased to \$5 million (including a 10% contingency). A cost estimate was completed by a different estimator for the 100% drawings in November 2019, which resulted in an estimate of \$3.5 million (including a 10% contingency). Port staff have analyzed the 50% (Estimator 1), 90% (Estimator 2), and 100% cost estimate (Estimator 1).

In general, Port staff believe these estimated costs are much higher than previous estimates due to: 1) changes in the construction climate and escalation between 2016 and 2019; 2) incomplete design by previous designer; 3) the increased knowledge in the

¹ <http://sfport.com/sites/default/files/FileCenter/Documents/10531-Item%20%2010C%20Crane%20Cove%20Park%20Project%20approvalF%20%28clean%20copy%29.pdf>

² <https://sfport.com/sites/default/files/Commission/Documents/Item%2012B%20Crane%20Cove%20Park%20Informational.pdf>.

design team about the significant amount of unknown underground utilities at the site, which add risk to the construction and therefore increase costs; and 4) varying quantities and unit costs between the estimates and estimators.

Ultimately, Port staff have determined that \$4.3 million (including contingency) is an appropriate engineer’s estimate to use for budgeting purposes. This determination is based on adjusting the more conservative 90% estimate for the changes in scope between the 90% and 100% drawings and also comparing this estimate to the 100% estimate (increasing it by approximately 25%).

Crane Cove Park Overall Status and Funding

The Crane Cove Park project is divided into five contracts. The table below provides a summary of the status of each.

Table 1: Crane Cove Park Contract Summary

Contract No.	Description	Status	Funding Source	Estimated/Actual Construction Cost
2740	Surcharging and Site Preparation	Complete	2008 Clean & Safe Neighborhood Parks General Obligation Bond	\$4.7 million
2781	Park improvements, 19th Street parking lot, Building 49, hazardous materials abatement	Bids rejected	N/A	N/A
2812	Construct park improvements and 19th Street parking lot	Under construction, complete Spring 2020	2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bond, Port Capital	\$17.8 million
2813	Construct new 19th St extension and Georgia St	This Contract	Federal Grant & Port Capital	\$4.3 million
2810	Hazardous materials abatement for Building 49	Complete	EDA Federal Grant	\$260,000
2814	Building 49 Partial Rehabilitation	Bids rejected May 2019	2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bond, Port Capital	To be determined once scope is reduced

The two remaining Park contracts are the Roadway and Building 49. The Building 49 contract was bid in May 2019 as the Port’s first best value contract. The bids came in significantly higher than the engineer’s estimate. Based on the final engineer’s Roadway construction cost estimate, funding from previous project budgets was not sufficient to cover the Roadway scope.

Port staff propose a plan to fund the remaining contracts for Crane Cove Park (Roadway and Building 49). This plan will maintain the current Roadway scope and

schedule, but delay the redesign of Building 49 repairs and upgrades until completion of the Park Improvements contract and bidding of the Roadway contract, both in Spring 2020. At that time, the remaining budget for the Crane Cove Park project will be known, and the scope of Building 49 repairs and upgrades will be adjusted using a more accurate budget. This approach will result in an approximate 6-month delay of the Building 49 repairs. Additionally, Port staff will potentially be utilizing additional funding from the Port Contingency project fund (\$1.6 million), depending on the final scope for Building 49.

It is likely Port staff will need to reduce the Building 49 scope in order to create budget capacity to fund the Roadway contract work. The anticipated strategy will reduce scope by removing some of the more costly items (i.e., structural strengthening and foundation strengthening) and modifying the operational expectations of the building. The scope of the Building 49 project can be further refined by relocating the planned restrooms into another area of the building, leaving a larger footprint for a future tenant, or by locating the restrooms outside the building.

These reduced-scope Building 49 contract options are roughly estimated to cost between \$2.7 million and \$3.8 million. All options for reducing the scope of Building 49 still allow for the use of the building for kayak storage and permanent restrooms on the park site. Depending on the budget, the potential for a café inside the building may still be allowed. Concurrently, Real Estate and Development are looking into including the Crane Cove Park site in a request for proposals for leasing opportunities for pop-up cafés.

With this plan in place, the Roadway contract is fully funded. Table 2 below shows a summary of the funding sources for the Roadway and Building 49. There are potential sources that will be more clear in the Spring of 2020, and these would be in addition to the known sources.

Table 2: Funding Sources

Amount	Source
\$1.2 million	Previously budgeted for Roadway (\$1 million federal grant through Caltrans & Port Capital)
\$500,000	Port Capital (already in Crane Cove Park funds, changed construction management to be provided by Port staff, took out some contingencies)
\$3.8 million	Building 49 Available Funding (2012 G.O. Bonds and Port Capital)
\$1.6 million	Port Capital – Port contingency project fund
TOTAL = \$7.1 million	Roadway and Building 49

Potential Amount	Potential Sources
Up to \$700,000	Park Improvements and 19th St Parking Lot Contract (Park Improvements Contract) Contingency – Note that staff will know how much is left in Spring 2020.
Up to \$250,000	An existing separate federal grant is able to fund most of a change order for the Park Improvements contract (off-hauling contaminated soil). Port capital funds previously allocated for that can be re-allocated to the Roadway and Building 49. This should be known by the end of January 2020.
Potential Total = \$950,000	This is potentially added to overall budget

If the Roadway bids come in at \$4.3 million (including contingency), then there will be \$2.8 million (and potentially up to \$3.75 million) remaining for the Building 49 budget. This should be enough funding to cover the re-designed scope described above.

Local Business Enterprise Role/Opportunities

This proposed Project will receive funding from a federal grant through Caltrans and therefore is subject to Disadvantaged Business Enterprise (DBE) requirements instead of Local Business Enterprise (LBE) requirements of the City Administrative Code Chapter 14B.

Caltrans is currently establishing the DBE subcontracting goal for this Project and is estimated at 28% for this proposed contract. Note that the federal grant funding does not allow for Local Hiring Ordinances as a contract requirement and therefore Local Hiring will not be included in this contract. However, it is the intention to staff to do significant outreach to LBE subcontractors to make them aware of opportunities.

Regulatory Permits & Approvals

All necessary approvals and permits for the Roadway will be secured by staff prior to physical start of construction. The major regulatory approvals and current status are shown in Table 3.

Table 3: Permitting & Approvals Summary

<u>Major Permit</u>	<u>Status</u>
California Environmental Quality Act (CEQA)	Community Plan Exemption (2015-001314ENV) to the <i>Eastern Neighborhoods Rezoning and Area Plans Final EIR</i> (Planning Department Case No. 2004.0160E) approved by Planning Department on October 5, 2015, adopted by Port Commission on October 13, 2015.
Caltrans Approval	In process, to be secured before advertisement
Port of San Francisco Encroachment Permit	Permit to be secured prior to start of work

Schedule

The anticipated Roadway contract schedule is as follows:

Port Commission Authorization to Advertise Contract	January 2020
Receive Caltrans Approval to Advertise	January 2020
Advertise for Bids	March 2020
Port Commission Approval of Award of Contract	May 2020
Substantial Completion	April 2021
Final Completion	June 2021

Summary

Port staff is prepared to seek bids for this Roadway contract and therefore respectfully asks the Port Commission for authorization to advertise for competitive bids for Construction Contract No. 2813, 19th Street Extension and Georgia Street.

Prepared by: Erica Petersen
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. 20-04**

WHEREAS, Port staff seeks Port Commission authorization to solicit competitive bids for construction Contract No. 2813, 19th Street Extension and Georgia Street (the “Contract”); and

WHEREAS, the scope of work for Contract No. 2813 includes construction of approximately 950 feet of new roadway and sidewalk, along with street lights, fire hydrants, and a combined sewer; and

WHEREAS, The Engineer’s construction cost estimate, including a 10% contingency, for this proposed Contract is \$4.3 million; and

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

WHEREAS, Port staff have received the required permits with the exception of Caltrans approval and the Port Encroachment Permit, which staff will secure prior to advertisement and construction, respectively; and

WHEREAS, Port staff will incorporate the Caltrans Disadvantaged Business Enterprise subcontracting goal, currently estimated at 28%, to be confirmed by Caltrans prior to 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. 2813, 19th Street Extension and Georgia Street.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of January 14, 2020.

Secretary

EXHIBIT A
AREA OF WORK LOCATION MAP



CONTRACT NO. 2813 19th St Extension and Georgia St