

MEMORANDUM

November 8, 2018

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 award Construction Contract No. 2812, Park Improvements and 19th St Parking Lot, to Gordon N. Ball, Inc. in the amount of \$17,845,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,784,500) for unanticipated conditions, for a total authorization not to exceed \$19,629,500.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

Executive Summary

Port staff requests that the Port Commission authorize the award of construction Contract No. 2812, Park Improvements and 19th St Parking Lot ("Contract"), to Gordon N. Ball, Inc. ("Gordon N. Ball"), the lowest responsive, responsible bidder, in the amount of \$17,845,000, and authorize a contract contingency fund of 10% of the contract amount (or \$1,784,500) for unanticipated conditions, for a total authorization not to exceed \$19,629,500.

This is the second construction contract for Crane Cove Park Project (the "Park") and will consist of site grading and formation, shoreline reconstruction including creation of a beach and revetment, in-water sediment cap, hardscape, landscaping, custom site furnishings, site lighting, irrigation, stabilization of historic gantry crane (non-functional), use of shipyard relics as interpretive elements, relocation of Building 30, site utilities, and construction of a parking area at 19th Street and Illinois Street. (See Exhibit "A" for Site Plan). This contract will complete the majority of Park improvements (see Table 1 for an overview of the 5 contracts that will deliver the entire project).

This Print Covers Calendar Item No. 8A

The Park is scheduled to open in the beginning of 2020, and will be a major new Blue Greenway open space in the Dogpatch area of the Southern Waterfront. The Park will clean and open an inaccessible former industrial shoreline to the public and will provide flood protection to the area.

This report includes an overview of:

- Project Background
- Value engineering conducted to reduce Park costs
- Overall Project Contract Summary
- Bid Advertisement and Outreach
- Evaluation of Bids
- Funding
- Schedule
- Cost Control Plan

Strategic Objective

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

Renewal: The Park will be a major new public open space that preserves historic maritime resources, provides public access and recreation opportunities to the Bay, contributes to a vibrant new Pier 70 neighborhood, and expands the Port's necklace of public open spaces.

Livability: The Contract promotes living wage jobs by providing opportunity for local business enterprises (LBE's) and by meeting mandates for Local Hire in construction projects.

Resiliency: The Park is designed for 28 inches of Sea Level Rise.

Sustainability: Park design and construction include best management practices for storm water management, water efficient landscaping, and energy efficient lighting.

Background

Crane Cove Park is one of the Port's Blue Greenway projects and will be a major new 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.

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. In preparing the project history, Port staff identified a variety of

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>

*The crane cabs and children's play structures will be delivered through fundraising through a partnership with the San Francisco Parks Alliance and community stakeholders.

lessons learned that will be applied to future large scale open space projects and will guide staff in completing Crane Cove Park (see Item 7B on this calendar for more detail).

Value Engineering

During the final design stages of the project and since the previous unsuccessful bid solicitation, the project has undergone several rounds of value engineering to keep the project on budget. The following provides an overview of the value engineering sequence and reduction of scope items:

During preparation of Construction Drawings and prior to bids:

- Elimination of the crane cabs*
- Elimination of the children's play structures*
- Elimination of the viewing piers
- Reduction in the size of the sediment cap
- Elimination of architectural lighting
- Narrowing the width of 19th Street

Since Unsuccessful Original Bid Package 2:

- Redesigned crane plaza to reduce length of retaining walls, eliminate stairs and ramped pathways
- Elimination of ramp ways into slipway
- Elimination of access to one crane way
- Elimination of dog run
- Simplification to storm water treatment gardens

The value engineering has resulted in keeping the estimated project cost within budget, but has not compromised the essential features of the design or park programming options. Based on review with the community, staff believes that the park design meets the expectations of the community and will result in a world class park the Port and City will be proud of.

Contracts

The Park project has total funding of \$36,668,550 and is anticipated to be complete at the beginning of 2020. The Project design is complete and divided into multiple contracts, summarized in Table 1. Construction through the first contract (2740 – Surcharging and Site Preparation) started in November 2016 and is now complete.

The second contract (Contract No. 2781) was intended to have completed a significant portion of the project except for 19th & Georgia Street work. The Port Commission authorized staff to advertise Crane Cove Park Contract No. 2781 at its meeting on March 28, 2017³. Port staff opened bids for Contract No. 2781 on August 24, 2017. Three bids were received but all significantly exceeded the engineer's estimate, and were therefore rejected. Contract No. 2781 was then descoped and sub-packaged into smaller contracts for re-advertisement, as is shown in the following Table 1.

³ <https://sfport.com/sites/default/files/Commission/Item%2011B%20Crane%20Cove%20and%20Attachment.pdf>

The 19th and Georgia Street construction project supports Pier 70-wide functions including access to the Park, Ship Repair, and the Historic Core and Waterfront site. It will be contracted and bid separately because this work includes federal funding and federal bidding requirements conflict with City requirements.

The Port plans to renovate and deliver Building 49 through the best value contractor procurement approach. The Building 49 project will include park support and ancillary uses including restrooms. Future development opportunities include a human powered boat aquatic center, visitors' center and café. The Port has set aside a budget of \$3.1 million from the Park funding for Building 49 scope of work.

The crane tops and children's play structures are currently unfunded and will cost approximately \$4 million; the Port is collaborating with the San Francisco Parks Alliance and the Dogpatch community on fundraising to secure and construct those items. If successful, the hope is to complete fundraising and construction of those components in 2020 in time for the Park's opening.

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Table 1: Crane Cove Park - Contract Summary

Contract No.	Description	Status	Funding Source	Estimated Construction Cost
2740	Surcharging and Site Preparation	Complete	2008 Clean & Safe Neighborhood Parks General Obligation Bond	\$4.7 million
2781	Park improvements, 19 th Street parking lot, Building 49, hazardous materials abatement	Bids rejected	N/A	N/A
2812	Construct park improvements and 19th Street parking lot	THIS CONTRACT	2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bond, Port Capital	\$17.8 million
2813	Construct new 19th St extension and Georgia St	Anticipated to be completed in 2020	MTC – PCA Grant & Port Capital	\$1.1 million*
2810	Hazardous materials abatement for Building 49	Contract underway, anticipated completion in 2019	EDA Federal Grant	\$300,000
2814	Building 49 Partial Rehabilitation	Anticipated to be completed in 2020	2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bond, Port Capital	\$4.3** million

* Cost estimate for contract 2813 shown are being reviewed and updated

** Please refer to Item 8B for explanation of this

This proposed Contract (No. 2812) currently before the Port Commission will construct a majority of the Park improvements and includes the following scope:

- Site cleanup and miscellaneous demolition;
- Northern Shoreline Improvements: shoreline reconstruction including a beach, boat launch, revetment, and in-water sediment cap;
- Southern Lawn & Building 49 Plaza: hardscape, landscape, custom site furnishings, site lighting, irrigation, main entry plaza to historic Slipway 4;

- Relocation of historic Building 30 of the former Shipyard;
- Slipway 4 utility rack dismantling and storage onsite;
- Crane 14 stabilization; and
- Construction of a parking lot south of 19th Street at Illinois Street.

Contract Advertisement and Outreach

Staff advertised construction Contract No. 2812 on May 15, 2018, and held an optional pre-bid meeting on May 24, 2018 at the San Francisco Public Utility Commission (“SFPUC”) Contractors Assistance Center (“Contractors Assistance Center”) in the Bayview neighborhood. Port staff contacted 384 companies before and during the advertisement period. Of those companies contacted, 209 of those companies are Local Business Enterprise (“LBE”) Certified contractors. Contact methods included email and phone calls.

Printed copies of the Contract plans and specifications were available at both the Contractors Assistance Center and Southeast Community Center in Bayview. Port staff met with the African American Chamber of Commerce prior to the pre-bid meeting and asked them to encourage members to participate. The pre-bid meeting was attended by seventeen contractors, four of whom are LBE firms. An optional site tour was held following the meeting. All of the LBE firms on Gordon N. Ball’s subcontractor list were firms that Port staff contacted.

Evaluation of Bids

Port staff received three bids on June 21, 2018. Port Engineering staff and Contract Monitoring Division (CMD) staff reviewed the bids and determined that Gordon N. Ball is the lowest responsive, responsible bidder. Gordon N. Ball’s total bid price of \$17,845,000 is within the available funding limit and within 2% of the Engineer’s Estimate. The final bid rankings are shown in Table 2. No bid protests were received. A bid summary is attached as Exhibit “B”.

Table 2: Crane Cove Park 2812 Bid Ranking

Bidder	Base Bid	LBE Bid Discount	Adjusted Bid	Rank
Gordon N. Ball, Inc.	\$17,845,000	0%	\$17,845,000	1
Proven Management, Inc.	\$19,777,777	0%	\$19,777,777	2
NTK Construction, Inc.	\$30,193,000	2%	\$29,589,140	3

CMD enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes a 10% bid discounts for Local Business Enterprise (“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. CMD staff reviewed the contract scope and established a 21% LBE subcontractor participation goal.

CMD staff reviewed the bids for compliance and determined that Gordon N. Ball's bid includes 24.54% LBE subcontractor participation and satisfies the LBE goal and Administrative Code Chapter 14B requirements (see Exhibit "C").

Gordon N. Ball sent the Port a memorandum containing supplemental post-bid LBE participation information. Gordon N. Ball has committed to increasing its second tier subcontract work to Yolanda's Construction by an additional \$21,500 through its subcontractor Hoseley. Additionally, the company plans to award between \$100,000 and \$500,000 of work to LBE trucking firms. This increases the LBE participation to 25.10% (and potentially could increase up to 27.34%, depending on the availability of LBE trucking firms during construction). This significantly exceeds the 21% goal set by CMD.

A summary of Gordon N. Ball's LBE participation is presented in Table 3 below.

Table 3: Crane Cove Park Contract 2812 LBE Participation

Firm	Type of Work	Original Bid		Updated Commitments	
		Original % of Contract Work	Amount of Contract Work	Updated % of Contract Work	Amount of Contract Work
McKee Company Electric	Electrical Partial	2.78%	\$496,965	2.78%	\$496,965
Yolanda's Construction Administration & Traffic Control	Traffic Control	0.14%	\$25,000	0.26%	\$46,500
Team North Construction Services	Street Sweeping	0.22%	\$40,000	0.22%	\$40,000
Toure Associates	Demolition (Partial)	0.28%	\$50,000	0.28%	\$50,000
Giron Construction	Grading (Partial)	0.14%	\$25,000	0.14%	\$25,000
Hoseley Corporation	Hardscape Site Elements Site Formation, Utilities (All Partial)	17.93%	\$3,200,000	17.81%	\$3,178,500
Solher Iron San Francisco, CA	Metal Work (Partial)	3.04%	\$542,405	3.04%	\$542,405
Various	Trucking	-	-	0.56% (up to 2.80%)	\$100,000 (up to \$500,000)
Total		24.54%	\$4,379,370	25.10% (up to 27.34%)	\$4,379,370 (up to \$4,879,370)

Lowest Responsive Bidder

Gordon N. Ball is an East Bay firm licensed by the California Contractors State License Board (Contractor License No. 710807) and headquartered in Alamo, CA.

Gordon N. Ball has participated in many Bay Area public works projects, including the new San Francisco-Oakland Bay Bridge, eight different projects in the San Francisco Mission Bay Development, Site Improvements at the 25th St and Illinois Bus Facility for SF Municipal Transportation Agency (MTA), India Basin Shoreline Improvements at Hunter's Point for the Port, Amador Street Improvements adjacent to Pier 94 for the Port, the new Devil's Slide Tunnel, the SFPUC Hetch Hetchy Water System Upgrade, the BART extension to San Jose, and the new Caldecott Tunnel 4th Bore. In October 2012, Gordon N. Ball was a sub-contractor for the Port's \$1.8 million project to build Heron's Head Park at Pier 98 in San Francisco. In 2017, Gordon N. Ball was the prime contractor for the San Francisco Public Works' (SFPW) \$6.8 million Mansell Streetscape Improvements Project. The company was the surface infrastructure contractor for the Transbay Terminal project, completed September 2018. Eight of their projects have been in the Bayview/Hunter's Point area.

Hal Stober, the President of Gordon N. Ball, has more than 20 years of construction experience. Port staff reviewed Gordon N. Ball's references and received positive comments from SFPW.

San Francisco Local Hiring Ordinance

The proposed contract will comply with the City's Local Hiring Ordinance which went into effect on March 25, 2011. The mandatory participation level that is currently in effect and applicable for this contract is 30% 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. Gordon N. Ball will develop and submit a local hiring plan at the start of the contract and regularly report on local hire during progress payments. The Office of Economic and Workforce Development administers the Local Hiring Ordinance.

Regulatory Permits and Approvals

All necessary approvals and permits for the contract will be secured by staff prior to physical construction. The major regulatory approvals and current status are shown in Table 4.

Table 4: Permitting 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
Bay Conservation and Development Commission (BCDC) Major Permit	Major Permit issued October 2017
United State Army Corps of Engineers, Section 10 & 404	Permit issued
Port of San Francisco Encroachment Permit	Permit to be secured prior to start of work
Port of San Francisco Building Permit	Permit to be secured prior to start of work

Climate Action

The Park 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. The historic resource of the slipway and crane runways represent a fixed elevation that may need staff reinterpretation if SLR increases beyond 36 inches. The Park will also help protect against flooding of other City assets including Illinois Street, the MTA Mission Bay loop and PUC infrastructure and properties to the west because the project will elevate the grade within the project site.

Funding

The contract is fully funded from the 2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bonds and Port Capital. The amount of this proposed construction contract and 10% contingency are within the amount budgeted for the work (see Table 5 and Table 6 below for contract costs and contract funding, respectively).

Table 5: Crane Cove Park 2812 Contract Cost

Contract Scope	Amount
Base Bid	\$17,845,000
10% Construction Contingency	\$1,784,500
Total Cost with Contingency	\$19,629,500

Table 6: Crane Cove Park 2812 Contract Funding

Funding Source	Funding Use	Amount
2008 and 2012 Clean & Safe Neighborhood Parks General Obligation Bond	Park Improvements	\$17,339,304
Port Capital	19 th St Parking Lot & Park Improvements	\$2,347,731
TOTAL		\$19,687,035

Proposed Contract Schedule

Assuming that the Port Commission approves the contract award as recommended by staff, the following outlines the Contract milestones:

- Authorization to Award November 13, 2018
- Notice to Proceed (anticipated) January 2019
- Substantial Completion (375 calendar days) January 2020
- Final Completion (60 calendar days) March 2020

Cost Control

In order to deliver the project within budget, Port staff has developed a cost control plan to minimize the potential to exceed the 10% contingency recommended for the proposed contract. The following methods will be used to help control cost.

1) Work with the contractor on delivery methods and phasing

Port staff will review the bid list items with the contractor and determine the most efficient order of construction. Port staff and the contractor will determine whether to leave certain areas of the Park until the end of the work, in case it is determined that those areas need to be de-scoped because of potential unforeseen conditions and cost overruns.

For this Contract, the timing of the in-water work will be critical, as this work is only permitted from June 1 through November 30. Therefore, the schedule of in-water work will be thoroughly reviewed with the contractor prior to start of construction. There is the potential to request an extension from the Regional Water Quality Control Board for the in-water work window, which is from June through November and discussions on the need for a potential extension would be initiated as soon as the contractor is awarded the contract.

Areas of work that are most likely to run into unforeseen site conditions shall be scheduled first, so that the impacts of any potential unforeseen conditions are understood sooner in the process. For example, in this Contract, there are no accurate drawings for the concrete slabs near the beach area. Demolition is when the actual depth of existing concrete would be determined, along with any other unknown subsurface conditions. Demolition is usually scheduled first, which should help identify issues earlier in the construction project. This information will be useful to make future decisions for the project.

2) Monitor Progress During Construction

The Port will adopt the usual process to monitor construction by using DPW for construction support. Port staff will also supplement DPW personnel during construction.

3) Value Engineering

As the project proceeds if unforeseen conditions cause an increase in costs, there may be need to value engineer during the construction phase. Port staff will work with the contractor to see if there are recommendations on less expensive alternatives or changes in the design. Some areas where this may be possible for this Contract are:

- Less expensive plantings
- Alternative coatings and paint
- Minimizing site interpretation
- Reevaluate the need to save historical Building 30

4) Schedule

Delays in the schedule are a common reason for increased costs on a construction project. In order to keep on schedule, Port staff will monitor the schedule and plan ahead with the contractor. Port staff will expedite the initial notice to proceed to the contractor.

Recommendation

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2812, Park Improvements and 19th St Parking Lot, to Gordon N. Ball, the lowest responsive, responsible bidder, in the amount of \$17,845,000, and further authorize staff to increase the contract amount, through contract modification or change order, if needed for unanticipated conditions, by an additional \$1,784,500 (10% of the proposed contract amount), to a total amount not to exceed \$19,629,500. CMD has determined that Gordon N. Ball's bid, which includes 24.54% LBE subcontractor participation (and has been increased by Gordon N. Ball to 25.1%), exceeds the CMD Local Business Enterprise participation goal. Port staff also recommend that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Erica Petersen
Project Manager

Prepared for: Rod K. Iwashita
Chief Harbor Engineer

Exhibits:

Exhibit A Site Plan
Exhibit B Bid Summary
Exhibit C Contract Monitoring Division Memorandum

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 18-61

- WHEREAS, Construction Contract No. 2812, Park Improvements and 19th St Parking Lot (the “Contract”) is the second construction contract of several that will create the new Crane Cove Park, a major new public open space to be located within former Pier 68 - 70 shipyard facilities at the recently designated Union Iron Works National Historic District; and
- WHEREAS, As described in the accompanying staff report, the scope of work for this Contract includes site grading and formation, shoreline reconstruction including a beach and revetment, in-water sediment cap, hardscape, landscaping, custom site furnishings, site lighting, irrigation, stabilization of the historic (non-functional) gantry crane, use of shipyard relics as interpretive elements, building relocation, site utilities, and construction of a parking area; and
- WHEREAS, On March 28, 2017, the Port Commission authorized Port staff to advertise for and accept competitive bids for Contract No. 2781 (Port Commission Resolution 17-17) with a scope of work that encompassed the scope in the proposed Contract No. 2812, as well as additional work; and
- WHEREAS, Port staff opened bids for Contract No. 2781 on August 24, 2017, and all bids were rejected because each bid exceeded the available budget, and thereafter, Port staff re-packaged and value-engineered that contract scope into smaller packages to rebid; and
- WHEREAS, Thereafter, Port staff advertised the invitation for bids for the proposed Contract No. 2812 on May 15, 2018, held an optional pre-bid meeting and site tour on May 24, 2018, and received bids on June 21, 2018; and
- WHEREAS, The following bidders submitted bids before the deadline for Contract No. 2812: Gordon N. Ball, Inc. (“Gordon N. Ball”) with a bid price of \$17,845,000, ProVen Management with a bid of \$19,777,777, and NTK Construction with a bid of \$30,193,000; and
- WHEREAS, Port Engineering staff and Contract Monitoring Division (“CMD”) staff reviewed the bids and determined that Gordon N. Ball is the lowest responsive, responsible bidder for Contract No. 2812; and
- WHEREAS, Gordon N. Ball’s total bid price of \$17,845,000 plus a 10% contingency is within the Contract budget and is fully funded by the 2008 and 2012 Clean and Safe Neighborhood Parks Bond and Port Capital; and

- WHEREAS, Gordon N. Ball's bid originally committed to a Local Business Enterprise subcontractor participation of 24.54% and Gordon N. Ball later increased that commitment to 25.10%, satisfying the Local Business Enterprise subcontracting goal of 21% established by the Contract Monitoring Division for this Contract; and
- WHEREAS, As a condition to receiving the Contract award, Gordon N. Ball has agreed to comply with City's Local Hiring Ordinance which requires 30% of all project hours within each trade to be performed by local residents, with no less than 15% of all project work hours within each trade performed by disadvantaged workers; and
- WHEREAS, Port staff recommend the award of Contract No. 2812 to Gordon N. Ball as the lowest responsive, responsible bidder; now therefore be it
- RESOLVED, That the Port Commission hereby authorizes the award of Construction Contract No. 2812, Park Improvements and 19th St Parking Lot, to Gordon N. Ball, the lowest responsive and responsible bidder, for the amount of \$17,845,000; 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 amount of \$1,784,500 (10% of \$17,845,000) 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 November 13, 2018.

Secretary

EXHIBIT A
AREA OF WORK LOCATION MAP



EXHIBIT B
BID SUMMARY

EXHIBIT C
CMD Memorandum