REQUEST FOR PROPOSALS
CONSTRUCTION MATERIALS RECYCLING CENTER
LEASING OPPORTUNITY
SEAWALL LOT 352

CITY AND COUNTY OF SAN FRANCISCO

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APPENDICES

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I. OVERVIEW

The Port of San Francisco (“Port”) is soliciting proposals from qualified respondents (“Respondents”) for the leasing and operation of a construction materials recycling center on five acres located at Seawall Lot 352 adjacent to the Port’s Pier 90-96 Maritime Terminal (the “Site”, see Appendix A).

The Port will select a qualified operator (“Operator”) that has the demonstrated ability to operate a construction materials recycling center on the Site, with the goal of negotiating a lease (“Lease”) and related documents for the lease of the Site. The selected Respondent must have experience in the financing, development and operation of a construction materials recycling center and should possess experience with the start-up of new operations, as well as an exemplary environmental regulatory compliance record.

The Port will require that the Operator conduct a recycling project as described in the scope of work contained in Appendix B (“Scope of Work”) to convert approximately 120,000 tons of mixed concrete, asphalt grindings, reinforced concrete, and brick on the Site (the “Existing Stockpile”), into recycled base and/or fill material for use by the Port and/or sale to the public.

II. THE SITE

As shown in Appendix A, the Site consists of approximately 217,800 square feet of land (Parcel A) located at Seawall Lot 352 in the Southern Waterfront. The Site was previously used as a construction materials recycling center. Proposals may include a smaller or larger site which the Port will consider and grant in its sole discretion during exclusive negotiations.

Location

The Southern Waterfront has experienced considerable economic investment and development over the past decade. This investment has occurred in both the public and private sectors, as evidenced by the construction of the MUNI T-Line and the ongoing development of Mission Bay.

The Site is located in the Southern Waterfront on Seawall Lot 352, within an approximately 44 acre area known as the “Backlands” located south and upland of Islais Creek, within the Port’s 278 acre Piers 80-96 Maritime Industrial Complex.

The Site enjoys some of the best industrial transportation access in San Francisco, with easy access to water, road and rail transport, allowing an Operator to explore new markets for recycled construction materials. The Site is surrounded by the Port’s bulk cargo terminals at Piers 92-96 and the Port’s freight rail facilities. The location is close to I-280 and US 101, as well as to major local truck routes.

The Site is immediately adjacent to the two major concrete producers in the City, both generators of waste concrete and potential users of recycled construction materials. See Appendix C for an area context map.
Physical Condition

The Port will require the Operator execute a Lease agreement and to accept the Site in its existing “AS IS” state and condition. The Port will make available for review all available environmental and geotechnical studies to all RFP Respondents.

As described in Section VIII (Selection Process and Criteria) below, after the Port Commission selects a prospective Operator for exclusive negotiations (“Exclusive Negotiations”), the prospective Operator may conduct an engineering survey of the Site during a one month “Due Diligence Period,” coordinated through the Port’s Chief Harbor Engineer, Mr. Ed Byrne.

III. THE OPPORTUNITY

Port staff believes there is an opportunity to establish a construction materials recycling center that accepts waste concrete and related construction materials for crushing/processing into structural and non-structural fill and recycled construction materials such as aggregate and sand. Such an operation would serve the needs of the City and existing Port tenants and generate revenues for the Port.

City Policies

The City and County of San Francisco ("City") has adopted a number of policies and ordinances designed to promote reuse and recycling of construction materials that serve to enhance the viability of this lease opportunity.

The City's Board of Supervisors (“Board of Supervisors”) adopted Resolution No. 679-02 setting a goal of 75% diversion from landfill by 2010 and promoting the highest and best use of recovered materials and authorizing the Commission on the Environment to adopt a zero waste goal, which it set as 2020.

The City has also adopted a construction materials recycling ordinance that requires companies transporting or processing mixed construction and demolition debris to register with the Department of the Environment. Unless approved by the Director of the Department of the Environment, all mixed construction and demolition debris, regardless of transport or volume, must be processed at a registered facility; source-separated material, such as concrete, must be taken to a facility that recycles or reuses that material.

The City has recently adopted an ordinance amending the Public Works Code (Ordinance 53-07) that requires the use of recycled materials in City construction projects to the maximum extent feasible.

Markets

The City's Department of Public Works has specifications for City streets, sidewalks, curbs and gutters and utility trench design that are undergoing review in order to maximize recycling potential for construction materials. The Port offers the following observations, based on current market conditions:
• The City utilizes a poured concrete sub-base for paved streets, based on topography, sand underlying much of the City, and seismic risk. As a result, the local municipal market for Class II Base is limited.

• The City currently requires virgin (non-recycled) material for trench backfill. City staff is examining the feasibility of authorizing a recycled trench backfill.

• The City allows recycled aggregate in concrete sub-base for streets.

• The City currently requires virgin aggregate and sand in concrete for sidewalk, curb and gutter applications. City staff is examining the feasibility of authorizing recycled aggregate for these applications.

The Department of Public Works staffperson in charge of this specifications review is Patrick Rivera, Manager of Streets and Highways, Department of Public Works. Mr. Rivera can be contacted by calling (415) 554-8280 or e-mailing Patrick_Rivera@ci.sf.ca.us.

IV. PROJECT OBJECTIVES

The proposed project has the following objectives:

• Provide a high quality construction materials recycling center serving the construction community and the greater San Francisco and Bay Area community, operated utilizing best management practices to achieve state of the art environmental compliance or beyond;

• Promote City policies related to landfill diversion, construction materials recycling, and use of recycled materials in City public works projects;

• Provide for the processing and sales or storage of the Existing Stockpile.

• Maximize Port revenue from the Site;

• Provide employment and contracting opportunities for residents and local businesses; and

• Provide perimeter improvements (such as natural-based stormwater management swales and/or other landscaping improvements) and maintain these improvements to mitigate any impacts of the operation.

V. PROJECT APPROVALS

Concrete crushing is a permissible interim use under the land use regulations that govern Port property. Nevertheless, the Operator’s specific plans for the Site will require various permits and approvals, and each Respondent is responsible for determining permits and approvals that will be
required for the construction and operations proposed at the Site. The following information is intended to help Respondents in this determination, but is not a complete summary of all required permits nor a representation that any required permits will be issued to an Operator.

Port of San Francisco

The Port Commission, acting in its proprietary capacity as landlord, has authority to approve an agreement to enter into exclusive negotiations with the selected Respondent and must approve any final Lease and related documents for the lease of the Site and any improvements thereto.

The Port, acting in its regulatory capacity, will issue the building permits for any required project construction, including site preparation, infrastructure and utility improvements, and architectural and signage design review and approvals. The Operator must follow all the Port's specific building requirements. The Port follows its own the Building Code, which is available on the Port’s web site (www.sfport.com).

Environmental Review

The Project is subject to review of environmental impacts pursuant to the California Environmental Quality Act (CEQA). The time required to secure CEQA authorization will depend in large part on the extent to which the proposed operation continues the previous type and intensity of use.

The Site was previously used as a construction materials recycling facility. Appendix D contains correspondence with the San Francisco Planning Department authorizing a crushing operation at this location in 2003. In 2007, the Port obtained authorization to crush and remove the Existing Stockpile at the Site (see Appendix D).

If further environmental review is required, as determined by the City's Planning Department, the Operator, at its sole cost and expense, will be responsible for retaining any environmental consultant needed to complete the CEQA review.

The Operator will be required to implement, monitor and report on implementation of the mitigation measures to resolve environmental impacts adapted from the Port’s Southern Waterfront Supplemental EIR (see Appendix D). To review the Port’s Southern Waterfront Supplemental EIR, please contact Carol Bach, Port Environmental and Regulatory Affairs Manager, Planning & Development Division at (415) 274-0568 or by e-mailing Carol.Bach@sfport.com.

Business Licenses

The Respondent will be solely responsible for obtaining required licenses associated with its proposed use of the Site, including, but not limited to, those from the City’s Department of Public Health and Treasurer/Tax Collector.
**Permits/Registration**

Operator will be responsible for maintaining current permits for the required work, including but not limited to a stormwater discharge permit, an air quality permit from the Bay Area Air Quality Management District, registration with the Department of Public Health Hazardous Materials Unified Program Agency if hazardous materials or wastes will be used, stored, or generated, registration with the Department of the Environment as a construction materials recycling center and, if applicable, the California Portable Equipment Registration Program (PERP) program and the California Integrated Waste Management Board.

**Board of Supervisors**

If the proposed Lease for the Site contains a term in excess of ten (10) years or would generate anticipated revenues to the Port in excess of one million dollars ($1,000,000), the Lease will be subject to approval by the Board of Supervisors. Port staff expects that Board of Supervisors approval will be required for the Lease.

**VI. BACKLANDS DEVELOPMENT SCENARIOS**

The Port is in the midst of community workshops to determine potential future uses of the Pier 90-94 Backlands. As mentioned above, the Site is situated next to the Port’s 90-96 Maritime Terminal. The Port may require the Operator to relocate such a recycling center to another location on the Backlands, with proper notice to the Operator, in order to accommodate Backlands development opportunities.

**VII. PROPOSED RENT AND KEY LEASE TERMS**

Upon successful completion of exclusive negotiations with the selected Respondent, the Port anticipates entering into a Lease for the Site. This Section briefly describes Key Lease Terms required by the Port. In their submittal, Respondents are required to indicate acceptance of these Key Lease Terms, and to make a lease proposal that is consistent with these Key Lease Terms. The actual terms of the Lease will be negotiated with Port staff and are subject to final approval by the Port Commission, and, depending on the Lease terms, by the Board of Supervisors.

**Use**

Proposals must include a full description of proposed uses, such as: accept demolished concrete and related construction materials and charge tipping fees; operate a weigh station; crush and reprocess these materials into aggregate, sand, structural base, non-structural fill and related construction products; store unprocessed and processed materials; sell the resulting products; and segregate and transfer for disposal materials unsuitable for sale. Following selection and prior to beginning operations, the Operator must submit an Operations Plan, subject to Port approval, that provides detailed description of its recycling activities and equipment, materials acceptance and segregation protocols, air quality and dust control measures, water quality and stormwater pollution prevention measures, noise control measures, hazardous materials and waste...
management, and other best management practices (see Appendix D for minimum requirements).

Proposals should include a maximum volumetric or weight limit for storage of unprocessed material and finished product on the Site at any one time. The Port envisions that Port and Respondent will negotiate a maximum limit for storage of these materials. Gate receipts, sales and related documentation will be subject to periodic audit.

The Operator’s acceptance of demolition asphalt at the Site will only be permitted by the Port after review and approval of a business plan that demonstrates existing markets for asphalt by-products.

Acceptance of hazardous materials will be prohibited. The Port will impose best management practices for load checking, dust control, storage of material and stormwater management from sources published by the State of California or its agencies.

Premises

As shown in Appendix A, the portion of the Site available for use by the Operator consists of approximately 217,800 square feet of land (Parcel A) located at Seawall Lot 352 in the Southern Waterfront. The Site has previously been used as a construction materials recycling center. Respondents may propose a larger or smaller premises.

Note: The Site will initially include two parcels, A and B, as shown in Appendix A, that together comprise more than eight acres. The Existing Stockpile is located on Parcel B. The Port does not envision charging rent for Parcel B, because material owned by the Port is stored on this Parcel B. When Parcel B is cleared pursuant to the Scope of Work described below, the parties may negotiate a five acre parcel layout at market rent, as approved by the Port, that maximizes efficient operations and use of Port land.

The Site has existing water service connections. The Operator will be responsible for all utility service required for its operations.

Subject to negotiation during the period of Exclusive Negotiations, the Port will require installation of a natural-based stormwater management system of swales surrounding the Site and a program to maintain these swales, consistent with the Operator’s stormwater pollution prevention plan. Additionally, the Port may require the Operator to install a new driveway to the Site to protect the Port’s investment in the Amador Street extension project.

“AS-IS” Condition

The Lease will require the Operator to accept Parcel A of the Site, and any future premises negotiated by the parties, in its existing state and condition, “AS IS”, with all faults. Neither the Port, nor any of its agents, contractors or employees, make any representation or warranty, express or implied, of any kind, with respect to the condition of the Site, the suitability or fitness of the Site or any appurtenances thereto for the use or operation of a Construction Materials Recycling Center, the compliance of the Site with any laws, any matter affecting the use, value, occupancy or enjoyment of the Site, the accuracy of any reports or other information the Port may disclose pertaining to the condition of the Site, or with respect to any other matter pertaining
to the Site. In submitting a response to this RFP, entering into Exclusive Negotiations, or entering into a Lease with the Port for the Site, all Respondents will be deemed to waive any right to recover from, and forever release, acquit and discharge, the Port, the City, and their Agents of and from any and all losses, whether direct or indirect, known or unknown, foreseen or unforeseen, connected in any way with (i) the physical, geotechnical or environmental condition of the Site, including, without limitation, the condition of the substructure or the presence of any Hazardous Materials in, on, under, above or about the Site (including, but not limited to, soils and groundwater conditions), and (ii) any laws applicable thereto, including without limitation, hazardous materials laws.

**Base Rent**

Proposals should include a minimum base monthly rental rate of $0.25 per square foot ($54,450 per month) for Parcel A, with annual percentage increases (Respondents should assume a range of 3-5%). Respondents must demonstrate that the operation can support rent payments.

Respondents may propose base rent adjustments based on comparable situations in the immediate San Francisco/Brisbane market. Respondents may augment such proposals with proposals for Percentage Rent payable to the Port based on a percentage of gross receipts for the operation.

The Port proposes to use rent credits (offsetting rent due from Parcel A) as a means of paying for the Scope of Work contained in Appendix B. A period of rent credit for the purpose of constructing improvements such as a new driveway to access the site may also be negotiated by the parties during the period of Exclusive Negotiations. The Port will entertain proposals for Port financial contributions (likely in the form of rent credits) toward the incremental costs incurred by the Operator associated with the implementation of emission reduction measures (see Appendix D, Mitigation Measure C.3).

**Southern Waterfront Beautification Payment**

The Port Commission is in the process of considering a “Policy for Southern Waterfront Community Benefits and Beautification” which identifies beautification and related projects in the Southern Waterfront that require funding. This policy contemplates a payment from new lessees to the Port toward the construction of a project consistent with the Southern Waterfront Community Benefits and Beautification policy, as a material consideration of the Port entering into a lease.

Should the Commission adopt this policy subsequent to the issuance of this RFP, but prior to the deadline for responses, Port staff will issue an amendment to this RFP describing the policy.

**Term**

The initial term of the Lease will be 4 years, with a 1 year option for storage and sale of crushed product, consistent with the Port’s interim leasing policy.

To accommodate potential future development of the Backlands, the Port will reserve the right to require that the Operator relocate with 18 months notice to another location on Port Backlands
property. The 18 month notice period is intended to allow the Operator sufficient time to sell stockpiles of finished product and process stockpiles of unfinished material.

If the Operator is a tenant in good standing and has maintained an exemplary record of environmental regulatory compliance, and the Port, in its sole discretion, determines that it will continue a construction materials recycling center on Port property, the Operator will have the right of first refusal for a five year extension of the Lease, subject to market rate rent adjustments.

**Scope of Work**

The Port recently issued an informal Request for Information regarding the Existing Stockpile left by a previous construction materials recycling center, comprising approximately 120,000 tons of concrete, concrete mixed with asphalt, and concrete mixed with asphalt and brick. The Port has opted to pursue processing of this material into an appropriate range of products that represent the highest and best use of this material, and to pursue the processing, storage and sale of this material in the context of this leasing opportunity.

The Port is examining opportunities to utilize much of the resulting products to improve its own property. Alternately, the Port may opt to sell these materials to the private market with the assistance of the Operator. In this case, the Port and the Operator will participate in revenues from the sale of these materials. In their proposals, Respondents should propose a formula for the Port and the Operator to participate in such revenues.

The Lease will require that the Operator conduct the Scope of Work described in Appendix B on behalf of the Port within the first two years of the Lease term. Respondents should propose unit pricing below the maximum unit pricing quoted in the schedule of prices in Appendix B. The Scope of Work and associated schedule of prices are subject to negotiation between the Port and the Respondent.

**Sale/Transfer/Refinancing**

The Port expects to participate in the proceeds that the Operator receives from the sale, transfer or refinancing of the leasehold.

**Maintenance/Repairs/Security**

During the term of the Lease, the Operator will be responsible for all improvements, maintenance, repairs and operating expenses associated with the Site, including any non-exclusive areas such as access roads, utilities, and general buffer areas. Port will have no maintenance obligations with respect to the Site. The Operator will be responsible to secure the site from illegal dumping activity and to clean up the same.

**Possessory Interest and Other Taxes**

The Operator will be required to pay possessory interest taxes on the assessed value of the leasehold interest. Respondents may contact the City Assessor’s office for more information on
how this tax will be calculated. The Operator also will be required to pay other applicable city taxes, including sales and payroll taxes.

**Security Deposit**

A security deposit will be required in an amount equal to no less than two month’s Base Rent in the form of cash.

**Insurance and Bond Requirements**

Throughout the term of the Lease, the Operator will be required to maintain insurance typical for the approved project in amounts and with limits determined appropriate by the Port and with carriers acceptable to the Port. Insurance will include, but is not limited to: comprehensive general liability; workers’ compensation; property insurance on the Premises; automobile liability; personal property; business interruption; builder’s risk; pollution legal liability; a policy endorsement in a form acceptable to Port; and any other insurance required by law. The Port and City must be named as additional insureds.

The Operator will be required to furnish the Port with a performance bond issued by a responsible surety company licensed to do business in California and satisfactory to the Port at the Port’s reasonable discretion, or other such instrument. Such bond will guarantee completion of Scope of Work (Items B1 - B7), comprising crushing and testing of unprocessed materials at the site and removal of the concrete foundation at the Site, and in an amount not less than the value of said work.

Depending on the financial capacity of the entity entering into the Lease with the Port, the Port may also require a guaranty from the parent company or other security guaranteeing the successful completion of the Scope of Work.

**Environmental Deposits**

The Lease will require two forms of environmental financial assurance designed to protect the Port from liability arising out of the operation of a construction materials recycling facility:

1. A Letter of Credit in a form determined by the Port and in an amount sufficient to secure the Operator’s environmental obligations. The Port expects that the Letter of Credit will be in a minimum amount sufficient to load and truck 110% of the negotiated maximum limits of stored material to a location under the control of the Operator, or to a transfer station or landfill, and to pay any tipping fees required for acceptance of this material. **(Note: the Letter of Credit is not intended to secure the removal of the Existing Stockpile owned by the Port located on property adjacent to the Site. The Letter of Credit is intended to secure the proper removal of material delivered to Operator’s construction materials recycling center, e.g., materials which the Operator accepted subsequent to the execution of the Lease, and minimize other environmental risks to the Port arising from operations at the Site.)**

2. A $10,000 Environmental Oversight Deposit which may be used by the Port if the Operator receives a Notice of Violation or regulatory order and such notice of violation
cannot be cured or Operator cannot comply with such regulatory order within 14 calendar days after delivery of such notice, and the Operator is not actively working to cure such notice of violation or comply with such regulatory order. Port may use, apply, or retain the Environmental Oversight Deposit in whole or in part to reimburse Port for administrative costs and expenses incurred while inspecting the premises and enforcing Operator's obligations under the Lease.

**Hazardous Materials**

The Port will make existing information about physical and environmental conditions available to Respondents.

During the Due Diligence Period, the Respondent selected for Exclusive Negotiations may conduct environmental site assessments of the Site.

The successful Respondent will be responsible for the removal of any hazardous materials pursuant to the Scope of Work, according to an agreed Schedule of Prices. Any subsurface investigation will require a permit to enter agreement in a form determined by the Port and an encroachment permit issued by the Port’s Engineering Division.

There are no known hazardous materials present in the Existing Stockpile. However, the Port does not warrant the condition of the Existing Stockpile. The Operator will be responsible for identifying and removing any extraneous or potentially deleterious material, including wood, plastic, metal, serpentine rock, or solid waste prior to processing the Existing Stockpile. The Operator will be responsible for segregating any hazardous or other deleterious material from the recyclable material in the Existing Stockpile and for recycling or disposal of such hazardous or deleterious materials at an appropriately authorized disposal, subject to financial terms and conditions negotiated during the period of Exclusive Negotiations.

Requirements for any additional removal and remediation, if any, will depend on any proposed Site construction plans.

**Assignment/Sublease**

The Port will have the right to approve any assignment, sublease or transfer of the Lease, subject to any participation provisions, as described above under the heading “Sale/Transfer/Refinancing”.

**Form of Lease**

The successful Respondent will be required to enter into a Lease to be negotiated by the Port and Respondent during the period of exclusive negotiations. The Lease will be consistent with the Port’s standard leasing provisions of comparable projects. The Port reserves the right to modify the Form of Lease to: a) reflect the business terms negotiated between the successful Respondent and the Port; b) incorporate any City requirements adopted after the drafting of the Form of Lease; and c) incorporate any other provisions desired by the Port Commission or negotiated by the parties. The current Standard Form of Lease (subject to modification by the Port Commission) is available for viewing by accessing the RFQ/RFP link under the Port Commission tab on the Port’s website (www.sfport.com).
City Requirements

The Lease will require the Operator to comply with all City requirements applicable to the Operator in effect at the time the Lease is executed. The list below is for informational purposes only and is not meant to be comprehensive. The full text of all City ordinances may be accessed through the Municipal Code link from the City's website (www.sfgov.org), or by connecting to the following URL:

http://www.municode.com/Resources/ClientCode_List.asp?cn=San%20Francisco&sid=5&cid=4201

(a) Tobacco Product Advertising Prohibition (Admin. Code § 4.20)
(b) Non-Discrimination in Contracts and Property Contracts (Admin. Code Chapters 12B and 12C)
(c) Implementing the MacBride Principles - Northern Ireland (Admin. Code Chapter 12F)
(d) City Business with Burma Prohibited (Admin. Code Section 12J)
(e) Health Care Accountability Ordinance (Admin. Code Chapter 12Q)
(f) Card Check Ordinance (Admin. Code §§ 23.50-23.56)
(g) First Source Hiring Ordinance (Admin. Code Chapter 83)
(h) Integrated Pest Management Program (Env. Code Chapter 3)
(i) Food Service Waste Reduction Ordinance (Env. Code Chapter 6)
(j) Resource-Efficient City Building Ordinance (Env. Code Chapter 7)
(k) Tropical Hardwood and Virgin Redwood Ban (Env. Code Chapter 8)
(l) Transportation of Aggregate Materials (Env. Code Chapter 10)
(m) Arsenic-Treated Wood (Env. Code Chapter 13)
(n) Demolition and Construction Debris Recover Ordinance (Env. Code Chapter 14)
(o) Contributions Limits – Contractors Doing Business with the City (Campaign & Gov. Conduct Code § 1.126)

As part of the submittals in response to this RFP, all Respondents must submit a written acknowledgment in the form attached hereto as Appendix E, confirming that it has reviewed, understands, and can comply with the above-referenced City Requirements and other terms and conditions set forth in this section.

The Port Commission encourages the participation of disadvantaged business entities in this RFP opportunity. The Operator will be encouraged to consult with the Human Rights Commission to determine appropriate methods for promoting participation by disadvantaged business entities in the Scope of Work. The City maintains a list of certified Local Business Enterprises at:

http://sfgov.org/site/uploadedfiles/sfhumanrights/directory/vlist_1.htm

Laboratory Services (Materials Testing), Trucking and Hauling, and Security Guard Services are categories of services that may provide opportunities for certified LBE participation.

The Port will also require the Operator to pay prevailing wages in the construction of the project in accordance with prevailing wage and labor standards adopted by the San Francisco Board of Supervisors pursuant to San Francisco Administrative Code Section 6.37.
**Diesel Fuel Measures**

The Operator must minimize exhaust emissions from operating equipment and trucks at the Site. At a minimum, the Operator will maintain vehicles and equipment in good condition and well-tuned to minimize emissions, ensure that vehicles and equipment run only when necessary, and prohibit running engines when vehicles and equipment are not in use or when queing. The Operator must also make good faith efforts to use low-emission diesel fuel or alternative low-emission fuels for all petroleum hydrocarbon-powered equipment used on the Site, and to explore emerging new technologies for reducing diesel particulate matter, such as catalytic particulate traps, which currently are under study by the California Air Resources Board. “Good faith efforts” will include identifying sources of viable alternative low-emission fuels, retrofitting or purchasing new or late-model equipment to utilize such fuels to the extent reasonably feasible, and using such fuels to the extent reasonably practicable. In addition, Operator will encourage independent truckers contracting with Operator for movement of materials to and from the Site to also utilize low-emission fuels if possible, including, if reasonably feasible, providing such truckers with economic incentives to retrofit equipment or take such other measures as may be necessary to use such fuels. As described in **Base Rent** above, the Port will entertain proposals for Port financial contributions (likely in the form of rent credits) toward the incremental costs incurred by the Operator associated with the implementation of emission reduction measures (see **Appendix D Mitigation Measure C.3**).

**Local Truckers**

As a material consideration for Port’s agreement to enter into the Lease, Operator agrees that, for all trucking opportunities associated with Operator’s operations at the Site, including, without limitation, hauling of materials on and off the Site, Operator will make good faith efforts to first use local truckers, defined pursuant to the San Francisco Administrative Code Section 14B. Small, Micro, Local Business Enterprise Contracting Program (“Local Truckers”).

Without limiting the foregoing, to the extent that Operator in its sole discretion directly employs or directly contracts with truckers for hauling of materials on or off the Premises, Operator will cause not less than sixty percent (60%) of all materials to be hauled in trucks operated by Local Truckers. Notwithstanding the foregoing, if the Operator fails to meet the sixty percent (60%) threshold, the Operator will not be in default of these requirements so long as the Operator first offered trucking opportunities to local truckers, and such truckers were unavailable or unwilling to haul materials to or from the Site.

Operator will provide Port with a monthly report setting forth the quantities of material hauled onto or off of the Site during the preceding month and identifying the Local Truckers utilized by the Operator and the quantities of materials hauled by such Local Truckers, and, if the Operator failed to meet the sixty percent (60%) threshold, evidence and results of Operator’s outreach to Local Truckers during the applicable twelve-month period.

Operator’s failure to comply with the provision of these requirements will be deemed a material breach under the Lease subject to default provisions of the Lease.
Performance Benchmarks

The documents governing the approval and operation of a Construction Materials Recycling Center at the Site, including an agreement during the period of exclusive negotiations ("Exclusive Right to Negotiate Agreement") and the Lease, will contain time and performance benchmarks, including provisions for payment of liquidated damages, with termination for non-performance.

VIII. SELECTION PROCESS AND CRITERIA

The Port of San Francisco will conduct the evaluation and selection process. The Port Commission is the sole decision-maker regarding this selection (subject to the Board of Supervisors' approval of any lease agreement), and the Port Commission reserves the right to reject any or all proposals or to terminate development or lease negotiations at any time.

Request for Proposals

Interested parties are requested to make the required submittals described in this RFP within the relevant time frames.

Pre-Submittal Conference will be held on November 15, 2007 at 1:00 P.M. Pacific Daylight Time at the Port’s offices in Pier 1, San Francisco, California. This Pre-submittal Conference will be followed by a tour of the Site. Questions from potential Respondents may be addressed to Port staff at this conference. Questions may be answered orally at the conference, or in writing. Written responses will be sent to all potential Respondents who registered at the Pre-Submittal Conference or who received the RFP.

A complete response to the RFP is a prerequisite to further consideration. Respondents must deliver complete written submittals by the deadline indicated herein, accompanied by a signed Statement of Ability to Comply with City Requirements and Other Terms and Conditions of the RFP, and by providing the $10,000.00 earnest money deposit (which will be refundable to all Respondents except the one with whom the Port enters into exclusive negotiations).

Advisory Panel

The submittals will be reviewed and evaluated by an advisory panel consisting of three individuals with experience in real estate economics, construction materials recycling and environmental regulatory compliance ("Advisory Panel"), with the assistant from Port staff and/or independent consultants. Port or City staff and/or other appropriate parties with relevant experience may serve on the Advisory Panel.

The Advisory Panel, Port staff, or their consultants may, at their discretion, contact references and industry sources, investigate previous projects and current commitments, interview some or all of the Respondents and Respondent teams, and/or take any other information into account in their evaluation of the responses. The Port reserves the right to request clarification or additional information from individual Respondents and to request that some or all Respondents make presentations to Port staff, the Port Commission, community groups, or others.
**Port Commission Determination**

As described below, the Advisory Panel will make a recommendation to Port staff. Port staff will make a final recommendation to the Port Commission, which may differ from the recommendation made by the Advisory Panel. The Port Commission, in its sole discretion, will determine whether to authorize exclusive negotiations, and if so, which Respondent with whom it may authorize Port staff to enter into an Exclusive Right to Negotiate Agreement.

**Selection Criteria**

The successful respondent must have a minimum of five years’ experience operating a construction materials recycling center or comparable experience.

As described above, the Port Commission may select a Respondent with whom to enter into exclusive negotiations. The selected Respondent must have the demonstrated ability to deliver and operate a construction materials recycling operation that meets the Port’s Project Objectives. The Advisory Panel will use the following criteria in evaluating the responses to this Request for Proposals:

A. Quality of the operations concept, based on targeted clientele, materials accepted for recycling, markets for resulting products, and equipment and staffing. (10 points)

B. Financial capacity of the Respondent, based on ability to raise and commit funds for start up operations, the Scope of Work and continuing operations and maintenance. (10 points)

C. Experience, organization and reputation of the Respondent’s team, based on clear lines of authority and assignment of responsibilities, demonstrated responsiveness and decisiveness, and overall qualifications and availability of key individuals of the Respondent’s team, economic success of similar ventures, relationships with contractors and operators, ability to implement a Construction Materials Recycling Center quickly and effectively, and ability to work constructively with City and community representatives. (10 points)

D. The regulatory compliance record of the Respondent. (15 points)

E. The proposed layout and design of the Construction Materials Recycling Center, including materials handling equipment, throughput capacity, landscaping improvements, environmental mitigations and best management practices and compatibility with the Southern Waterfront area. (10 points)

F. The local economic benefits of the Respondent’s proposal, including local job training and hiring plans, participation by Human Rights Commission-Certified Small and Local Economically Disadvantaged Business entities (e.g., ownership and/or partnership interests), and subcontracting opportunities for Human Rights Commission-Certified Small and Local Economically Disadvantaged Business entities. (10 points)
G. Economic return to the Port, based on Base Rent and Percentage Rent and Schedule of Prices proposed by Respondent. (25 points)

H. Financial viability of the proposal, based on adequacy of projected revenues to support the investment, reasonableness of the cash flow analysis, and proposed capital investment for improvements. (10 points)

**Evaluation and Determination**

Following the Port’s receipt of submittals in response to this RFP, the Port will implement the following evaluation process.

1. A two to four person Advisory Panel consisting of Port staff and/or other appropriate parties will evaluate the required written submittals of each Respondent based on the Selection Criteria.

2. The Advisory Panel will score and rank submittals according to the Selection Criteria. The Advisory Panel will choose a number of selected Respondents for interviews (“Selected Respondents”) based on rankings.

3. The Advisory Panel will interview the Selected Respondents and revise scores and rankings of the Selected Respondents according to the Selection Criteria. The Advisory Panel will submit its final rankings to Port staff.

4. Based on its review of the Advisory Panel recommendations as they relate to the Selection Criteria and other available information, including but not limited to its own evaluation of the regulatory compliance history of Respondents, Port staff will recommend a single Respondent to the Port Commission. This recommendation may differ from the recommendation made by the Advisory Panel.

5. The Respondent recommended by Port staff will be requested to make an informational presentation, or presentations, to the Port’s Southern Waterfront Advisory Committee, community groups and/or others.

6. The Port Commission, in its sole discretion, will determine whether to authorize exclusive negotiations, and if so, which Respondent with whom it may authorize Port staff to enter into an Exclusive Right to Negotiate Agreement.

**Exclusive Negotiations**

Upon Port Commission authorization of exclusive negotiations, the selected Respondent’s $10,000 earnest money deposit will be retained by Port for a one-month period of exclusive negotiations. The Port and the Selected Respondent may enter an Exclusive Right to Negotiate Agreement during the period of exclusive negotiations to complete Lease negotiations.

During the period of exclusive negotiations, the following events are anticipated to occur:
• A Lease agreement and related documents for the lease and development of the Site in a
final form approved by the City Attorney’s Office will be negotiated incorporating
specific terms including, but not limited to, the Port’s and lessee’s responsibilities
(including the Scope of Work), the economic parameters, development standards and
requirements, and a performance schedule;

• The selected Respondent will complete its due diligence review of the Site, finalize
financial projections, and complete preliminary Site plans including, but not limited to
elevations and renderings for the Site;

• The selected Respondent, with the Port’s cooperation, will complete the project approval
processes and any required supplemental environmental review.

The period of exclusive negotiations may be extended solely at the Port’s discretion for an
extension period as determined by the Port Commission. The fee for extending the period for
exclusive negotiations will be $5,000 per month, payable in advance of any extension period.

Approval of Transaction

Upon completion of any required environmental review and negotiations by Port staff, the Port
Commission can, but is not required to, approve the Lease and any related documents. If the
Lease contains a term in excess of ten (10) years or would generate anticipated revenues to the
Port in excess of one million dollars ($1,000,000), the Lease will be subject to approval by the
Board of Supervisors.

Schedule

The schedule for selection is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of RFP</td>
<td>November 1, 2007</td>
</tr>
<tr>
<td>Pre-submittal conference and site tour</td>
<td>November 15, 2007</td>
</tr>
<tr>
<td>Respondents' Submittal deadline</td>
<td>December 3, 2007</td>
</tr>
<tr>
<td>Selection of Respondent(s) for interviews</td>
<td>December 10, 2007</td>
</tr>
<tr>
<td>Interview(s) by selected Respondent(s)</td>
<td>December 17, 2007</td>
</tr>
<tr>
<td>Southern Waterfront Advisory Committee presentation by Respondent</td>
<td>January, 2008</td>
</tr>
<tr>
<td>recommended by Port staff</td>
<td></td>
</tr>
<tr>
<td>Port Commission approval of selected Respondent</td>
<td>January, 2008</td>
</tr>
<tr>
<td>Execution of ERN and lease negotiations</td>
<td>January, 2008</td>
</tr>
<tr>
<td>Port Commission approval of Lease (est.)</td>
<td>February, 2008</td>
</tr>
</tbody>
</table>
Contact for Information

Any questions from potential Respondents regarding this Request for Proposals should be submitted in writing to: Brad Benson, Port of San Francisco, Pier 1, San Francisco, CA 94111; email to Brad.Benson@sfport.com; or to fax number (415) 732-0498. Such written questions will be responded to either orally at a Pre-submittal Meeting or, if received after a Pre-submittal Meeting, in writing with copies to all potential Respondents who register at a Pre-submittal Meeting. Oral inquiries will not be accepted, except at a Pre-submittal Meeting.

IX. SUBMITTAL REQUIREMENTS

The information requested below will be submitted to the Port in five (5) duplicate, double-sided sets, each numbered, with the exception of Financial Capacity materials (Item F below), two (2) copies of which are to be submitted to the Port under separate cover.

In accordance with the Sunshine Ordinance (Administrative Code Section 67.24(e)), responses and other communications from interested parties will be open to inspection by the public upon request immediately after a contract is awarded. Proprietary financial information submitted by a person or entity in response to this RFP will not be disclosed until and unless that person or entity is awarded the lease.

Submittal Format

Information requested must be prepared and submitted in an organized and efficient manner. Information must be double-sided and submitted in the format below. No page limitation is imposed, but brevity is appreciated. Page numbers are required and tab dividers would be appreciated. Information requested must be submitted in 8 ½ by 11 inch format (with the exception of design concept and other diagrams) and should be submitted in pdf electronic format as well.

Failure to provide any of the categories of information requested may result in the Port determining the proposal to be non-responsive.

A. Experience of Respondent’s Team

A.1 Identify the type of legal entity which would contract with the Port, including any and all joint venture/limited partners and percentage interests and capital/equity committed to the entity.

A.2 Describe the intended role of each partner in the implementation of the Construction Materials Recycling Center and the responsible entity in the organizational structure for day-to-day operations and ongoing property management.
A.3 Describe the role and provide resumes describing the relevant experience and qualifications of the project manager and key members of Respondent’s team, identified in A.2 above, who would implement this project. Give the name, telephone number and address for at least three (3) business references for the project manager and key members. The Port may, but is not obligated to, contact any or all of these references.

A.4 Describe the key consultants and relevant experience, including, but not limited to, financial, marketing, engineering, and environmental expertise.

A.5 Describe local job training and hiring plans, participation by Human Rights Commission-Certified Small and Local Economically Disadvantaged Business entities in the ownership or partnerships of the Respondent, and subcontracting opportunities for Human Rights Commission-Certified Small and Local Economically Disadvantaged Business entities.

A.6 Identify, describe, and provide photographs of no more than three (3) other similar ventures, including the financial and other types of participation of each member of the Respondent’s team in each venture over time (include location, size, type of operation, project cost, sources of capital, success over time, current management/owner).

A.7 Identify the qualifications of all persons who will play a significant role in the operations, including their duties, years of experience, names of projects where they have worked and any other relevant information. Resumes may be included.

A.8 Describe no more than three (3) comparable sites owned, leased or operated by the Respondent. Describe each site’s use, size, and type of operation, location (address); gross annual revenues received over time; years of operation; ownership interest; and any other relevant information. Provide photographs if available.

B. Concept

B.1 Describe the uses and type of operation proposed, such as:

Accept demolished concrete and related construction materials and charge tipping fees; operate a weigh station; crush and reprocess materials into aggregate, sand, structural base, non-structural fill and related construction products; store unprocessed and processed materials; sell the resulting products; and segregate and transfer for disposal materials unsuitable for sale.

Respondents must be specific about materials that Respondent proposes to accept for recycling. Will the Site be used to stage equipment or materials for demolition and crushing operations at construction sites in the City?

---

1 San Francisco’s 1932 Refuse Collection and Disposal Ordinance limits the ability of persons other than permitted and licensed refuse collectors to charge for collection of materials other than construction and demolition debris. A copy of the 1932 Ordinance may be viewed at:

http://www.municode.com/content/4201/14131/HTML/cha001.html
B.2 Describe the proposed operations plan. What products will be produced, and in what proportions? Who are the likely end users of these products? If the City, through its construction contracts, is the likely end user, what products (and in what amounts) does the Operator intend to sell to the City? What City engineering specifications should be changed in order to make the proposed operation more feasible?

B.3 What best management practices will be used to minimize dust and other potentially harmful by-products from the operation? What are the intended protocols for load-checking material at the gate and for managing hazardous materials should tests conclude that products contain contaminants? What is the associated training program for these activities? What noise level will be generated by the Operation?

B.4 What is the maximum intended storage capacity for unfinished product? What is the maximum intended storage capacity for finished product? How will the Operator water and maintain piles and locations where materials are handled, crushed or transferred?

B.5 Describe the management and operational structure of the business, staffing and business hours. Describe community hiring plans and contracting opportunities that may arise from the operation.

B.6 Describe the business plan for start-up and marketing.

B.7 Provide a timeline from exclusive right to negotiate period to beginning of operations.

C. Conceptual Design for the Operation

C.1 Provide a conceptual site plan and a list of equipment to be used at the site. Describe financially feasible options to enclose the crushing portion of the operation.

C.2 Describe or quantify the estimated vertical elevations of unprocessed materials and finished products at the Site. Are there methods to screen stockpiles more effectively from outside viewing, to reduce production of dust or to create a more orderly appearance for the site?

D. Financial Capacity and Plan

Provide evidence of access to equity capital and financing resources to carry out proposed project, supported by:

D.1 The most recent available credit report and audited financial statements for the past four years of each principal partner and joint venture participant, including statement of changes in financial position and statements of any parent organizations and any materially relevant subsidiary units, identifying any projects with negative cash flows, amount of developer’s recourse debt, any non-performing loans, and the amount of guarantees and/or contingent liabilities;

D.2 Recent history (last 2-3 years) in obtaining financing commitments, detailing type of project, financing source, amounts committed, etc.; and
D.3 Source of equity and/or subordinate mortgage capital for funding the proposed Project. Explain the following:

D.4 How the entity will be capitalized;

D.5 Sources of financing for the initial physical improvements to be installed at the Site; and

D.6 Sources of working capital to cover operating costs and to adequately maintain operations at a high level from the start-up period through seasonal variations in revenue production.

E. Economic Return to the Port

E.1 Provide a Base Rent proposal, with or without a Percentage Rent proposal, and a percentage annual rent increase.

E.2 Provide unit pricing for Scope of Work by completing the Schedule of Prices in Appendix B, not to exceed the maximum unit pricing quoted in the Schedule of Prices. Propose a percentage participation (Port%/Operator%) in sales of material owned by the Port and processed by the Operator pursuant to the Scope of Work. Note: the Port does not expect to participate in mobilization costs.

F. Financial Viability of the Proposal

F.1 Provide cash flow projections showing revenue by type, capital and operating expenses, net operating income, debt service and net cash flow.

G. Diversity Program

The Port Commission is interested in encouraging the participation of Human Rights Commission-Certified Small and Local Economically Disadvantaged Business entities in this RFP opportunity. The selected Respondent will be encouraged to consult with the Human Rights Commission Contract Compliance Officer for the Port, Selormey Dzikunu by calling (415) 274-0511 or e-mailing Selormey.Dzikunu@sfport.com to determine appropriate methods for promoting participation by disadvantaged business entities in the operation of the project. For more information concerning HRC-Certified Firms, all Respondents are encouraged to refer to the San Francisco City and County Human Rights Commission website at:

http://www.sfgov.org/site/sfhumanrights_index.asp

H. Earnest Money Deposit

Provide an Earnest Money Deposit in the amount of Ten Thousand Dollars ($10,000.00), payable to the "Port of San Francisco" in the form of a cashier’s or certified check. This Deposit will be returned to all Respondents, except the Respondent with whom the Port enters into exclusive negotiations for whom it will be non-refundable.
I. Statement of Ability to Comply with City Requirements and Agreement to Conditions

Provide a “Statement of Ability to Comply with City and Other Governmental Requirements and Agreement to Conditions”, the form of which is attached as Appendix E, signed by an authorized representative of the Respondent.

J. Disclosure Questionnaire

Provide answers to the Disclosure Questionnaire attached as Appendix F, signed by an authorized representative of the Respondent.

Submittal Deadline

Submittals must be delivered by hand to the Port of San Francisco, Pier 1, San Francisco CA 94111, no later than 5:00 P.M. PST on December 3, 2007.

All responses must be addressed to the attention of Brad Benson, Special Projects Manager, and marked “Request for Proposals: Construction Materials Recycling Center – Seawall Lot 352.”

X. OTHER TERMS AND CONDITIONS

- The Port will convey possession of the Site to the lessee in an “AS IS” condition. It will be the sole responsibility of the lessee to investigate and determine conditions of the Site, including, but not limited to, existing and planned utility connections, and the suitability of such conditions for the improvements to be constructed by the lessee.

- The information presented in this Request for Proposals and in any report or other information provided by the Port is provided solely for the convenience of the interested parties. It is the responsibility of interested parties to assure themselves that the information contained in this Request for Proposals or other documents is accurate and complete. The Port or its advisors provide no representations, assurances, or warranties pertaining to the accuracy of such information.

- The issuance of this RFP does not constitute an agreement by the Port that any contract will actually be entered into by the Port Commission. The Port expressly reserves the right at any time to:
  
  (a) Waive any defect or informality in any response, proposal, or proposal procedure;
  (b) Reject any or all proposals;
  (c) Suspend any and all aspects of the process indicated in this RFP;
  (d) Amend this RFP or reissue a Request for Proposals;
  (e) Request some or all Respondents to revise submittals;
  (f) Select a tenant by any other means;
(g) Offer new leasing opportunities in the area at any time;
(h) Extend deadlines for accepting proposals, or accept amendments to proposals after expiration of deadlines; or
(i) Determine that no project will be pursued.
(j) During negotiation, expand or contract the scope of the leasing opportunity, including adding or subtracting areas to or from the Site, or change the Construction Materials Recycling Center concept from that which was initially proposed in order to respond to new information, community or environmental issues, or opportunities to improve the financial return to the Port from the project or enhance public or maritime amenities.

- The Port reserves the right to reject any or all proposals submitted and to waive any technical defect in a submittal which does not affect or alter the substantive provisions thereof. Failure by the Port to object to an error, omission, or deviation in any proposal will in no way modify this RFP or excuse Respondent from full compliance with the requirements of this RFP or the Lease.

- In awarding this opportunity and finalizing any Lease, the Port may modify, refine, and otherwise clarify the permitted uses to reflect the selected proposal, with such changes therein as may be desired by the Port provided that such changes will not change the overall substance of the proposal.

- The Port may modify, clarify, and change this RFP by issuing one or more written addenda. Such addenda may be sent by regular first-class United States mail to the last known business address of each potential Respondent receiving a copy of this RFP. The Port will make reasonable efforts to notify Respondents in a timely manner of modifications to this RFP. Notwithstanding this provision, each Respondent assumes the risk of submitting its proposal on time and receiving all addenda issued by the Port.

- Granting of an exclusive right to negotiate should not be construed as an approval of the proposed uses. The Port will not enter into any Lease for the Site that will allow for its use until there has been complete compliance with the California Environmental Quality Act (CEQA). Although all significant environmental effects have already been adequately analyzed under existing environmental documents, actions and activities could be identified through exclusive negotiations that would require additional environmental review. If such additional environmental review is required and the project is found to cause significant adverse impacts that have not already been analyzed and/or have not been mitigated, the Port retains absolute discretion to require additional environmental analysis, and to: (1) modify the project to mitigate significant adverse environmental impacts; (2) select feasible alternatives which avoid significant adverse impacts of the proposed project; or (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA, (4) reject the project as proposed if the economic and social benefits do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the
economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts.

- The lessee will be responsible for obtaining all government approvals required for the development of the Site, and the lessee will pay all permit and processing fees related to the development. Approvals for the project are likely to be required from governmental agencies other than the Port, including, but not limited to, the Board of Supervisors. In issuing this Request for Proposals, the Port makes no representations or warranties about which government approvals will be required, or that the necessary governmental approvals can be obtained which will allow the development of the Site in accordance with the guidelines set forth above. Respondents should understand that the Port is issuing this Request for Proposals in its capacity as a landowner with a proprietary interest in the project and not as a regulatory agency of the City. The Port’s status as an agency of the City will in no way limit the obligation of the respondent to obtain approvals from City departments, boards or commissions which have jurisdiction over the project.

- The Port will not pay a Finder’s or Broker’s Fee in connection with this Request for Proposals. Respondents will be solely responsible for the payment of all fees to any real estate brokers(s) with whom such party has contracted.

- In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractor’s bids, leases, agreements, responses to RFQs and RFPs and all other records of communications between the Port and persons or firms seeking contracts will be open to inspection immediately after a Lease has been executed. Nothing in this provision requires the disclosure of a private person’s or organization’s net worth or other proprietary financial data submitted for qualifications for the Lease, until and unless that person or organization is awarded the Lease. Except as limited by this paragraph, information described by this paragraph will be made available to the public upon request. Except as limited by this paragraph, the Respondent’s proposal will become the property of the Port and may be used by the Port in any way deemed appropriate.

- In accordance with Section 67.24(e) of the San Francisco Administrative Code, immediately after any review or evaluation or rating of responses to an RFP has been completed, evaluation forms and score sheets and any other documents used by persons in the RFP evaluation or contractor selection process will be available for public inspection. The names of scorers, graders or evaluators, along with their individual ratings, comments and score sheets or comments on related documents, will be made immediately available after the review or evaluation of an RFP has been completed.

- The Port accepts no financial responsibility for any costs incurred by a Respondent in responding to this RFP.
XI. POLICY OF NONDISCRIMINATION ON THE BASIS OF DISABILITY AND EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The Port of San Francisco does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities.

Wendy Proctor, ADA Coordinator, Port of San Francisco, Pier 1, San Francisco, CA 94111, has been designated to coordinate and carry out the Port’s compliance with the nondiscrimination requirements of Title II of the Americans with Disabilities Act (ADA). Information concerning the provisions of the ADA, and the rights provided thereunder, are available from the ADA Coordinator.
APPENDICES

TO

REQUEST FOR PROPOSALS
CONSTRUCTION MATERIALS RECYCLING CENTER LEASING OPPORTUNITY
SEAWALL LOT 352

CITY AND COUNTY OF SAN FRANCISCO

Project Manager: Brad Benson
Phone: (415) 274-0498
Fax: (15) 732-0498
APPENDIX B

Scope of Work

ITEM B1. CONCRETE AND ASPHALT WITH BRICK

Base Item B1 represents the work and cost associated with the Existing Stockpile estimated to contain approximately 15,000 to 25,000 tons of concrete and asphalt mixed with brick stored on Parcel B. The scope of work for Base Item B1 will include:

1) providing all necessary labor and equipment to recycle this material into aggregates or useable products; and
2) stockpiling the recycled aggregates or products.

The Port and Respondent will negotiate the optimal specification for this material, which may be 3” minus fill, ¾” base, or other finished product.

The finished material will be stored on adjacent Port property (not on the premises) for use by the Port or for sale by the Operator on behalf of the Port.

ITEM B2. - CONCRETE WITH OVERSIZED AND REBAR

Base Item B2 represents the work and cost associated with the stockpile estimated to contain approximately 25,000 to 35,000 tons of concrete with oversized and rebar-reinforced material stored on Parcel B. This scope of work for Base Item B2 will include:

1) providing all necessary labor and equipment to recycle this material into aggregates or useable products;
2) preparing the oversized stockpile material to be recycled;
3) segregating and transporting the rebar to an approved recycling center; and
4) stockpiling the recycled aggregates or products.

The Port expects that the concrete with oversized and rebar will be optimally recycled as coarse recycled aggregate and recycled sand.
This finished material will be stored on adjacent Port property (not on the premises) for use by the Port or for sale by the Operator on behalf of the Port.

ITEM B3. - CONCRETE AND ASPHALT

Base Item B3 represents the work and cost associated with the stockpile estimated to contain approximately 80,000 tons of mixed concrete and asphalt stored on Parcel B. The scope of work for Base Item B3 will include:

1) providing all labor and equipment necessary to recycle this material into aggregates or useable products; and
2) stockpiling the recycled aggregates or products.

The Port expects that the mixed concrete and asphalt will be optimally recycled as ¾” Class II Aggregate Base.

The finished material will be stored on adjacent Port property (not on the premises) for use by the Port or for sale by the Operator on behalf of the Port.

ITEM B4. - CLASS III (Non-Hazardous) MATERIAL

Base Item B4 represents the work and cost associated with the disposal of non-hazardous material based upon an estimated quantity provided by the Port. The scope of work for Base Item B4 will include providing all labor and equipment to dispose of Class III non-hazardous material such as residual wood forms, garbage, trees, and other vegetative matter to an appropriate landfill.

ITEM B5. - TESTING

Base Item B5 represents the work and cost associated with Operator's procedures for testing of the Existing Stockpile materials, as described below.

Base Aggregate Test Requirements:

Recycled aggregate will meet the following requirements:

- **Aggregate Subbase**

- **Aggregate Base**
  - Caltrans Standard Section 26 - Aggregate Base, “Operating Range”.

- **Coarse Aggregate**
  - Gradation Test.

- **Other Fill or Aggregate**
  - Operator to comply with appropriate regulatory requirements.
The frequency of the tests will be no less than 1 test per 10,000 tons of material that is processed into aggregate or other materials. The testing will be performed by an independent agency, selected by the Operator, subject to approval by the Port’s Chief Harbor Engineer.

**B6. HAZARDOUS MATERIALS TESTING**

**Chemical Test Requirement**

For the products described in Sections B1 and B3 above, one discrete sample, comprised of a particle size distribution representative of the subject product, will be collected for each 10,000 tons of product, and analyzed for CAM17 metals and asbestos. Product comprised of crushed concrete only, without asphalt, samples will be collected and analyzed as above, with the addition of analysis for total petroleum hydrocarbons. The testing will be performed by an independent agency, selected by the Operator, subject to approval by the Port’s Risk Manager.

The Operator’s Operations Plan will be required to include a contingency plan describing the Operator’s proposed protocol for responding to test results indicating the potential presence of chemical constituents exceeding applicable standards, including segregation, containment, characterization, storage, and disposal.

Results in excess of regulatory levels will result in a cessation of crushing operations and subsequent development of protocols with Port staff to properly investigate, contain and dispose identified hazardous materials.

**B7. - REMOVE CONCRETE FOUNDATION AND UNDERLYING SOIL**

Base Item B7 represents the work and cost for all labor and equipment to remove an existing concrete foundation, and segregate petroleum-impacted soil. The scope of work for B7 includes segregating and storing in a closed container or visqueen-covered stockpile any visibly stained soil beneath the concrete foundation; analytical testing as-needed to characterize segregated; and transportation and off-site disposal. The bid cost for B7 will include costs for handling and testing of soils segregated for disposal, but exclude unit costs for transportation and disposal of Class I (hazardous), Class II, and Class III (non-hazardous solid) waste to appropriate disposal facilities.

**ALTERNATE ITEMS**

**ITEM A1. - CLASS II (California Special Waste) MATERIAL**

Alternate Item A1 represents the work and cost for all labor and equipment to dispose Class II materials (should any be identified by testing) to an appropriate landfill. Prices for this item will be as unit cost per ton for quantities up to 1,000 tons.

**ITEM A2. - CLASS I (California Hazardous Waste) MATERIAL**

Alternate Item A2 represents the work and cost for all labor and equipment to dispose Class I materials (should any be identified by testing) to an appropriate landfill. Prices for this item will be as unit cost per ton for quantities up to 1,000 tons.
Schedule of Prices

The Maximum Unit Price provided in the Schedule of Prices below was obtained by rounding the median of quotes from the Port of San Francisco’s Request For Information Regarding Contract Negotiations, Seawall Lot 352, Pier 94 Concrete and Asphalt Crushing Project, issued August 13, 2007.

Bids for Bid Item B3 will depend on the products produced from this material (and associated processing costs). As mentioned above, the Port expects that the highest and best use of this material is coarse aggregates and sand, but the Port remains open to Respondent’s proposals.

<table>
<thead>
<tr>
<th>Bid Item</th>
<th>Maximum Unit Price</th>
<th>Respondent’s Unit Price Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1. Concrete and Asphalt with Brick (Per Ton Processing Cost)</td>
<td>$5.50</td>
<td></td>
</tr>
<tr>
<td>B2. Concrete and Oversized Concrete with Rebar (Per Ton Processing Cost)</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Recommended Product:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3. Concrete and Asphalt (Per Ton Processing Cost)</td>
<td>$5.50</td>
<td></td>
</tr>
<tr>
<td>B4. Per Ton Disposal Cost for Class III Material</td>
<td>$50</td>
<td></td>
</tr>
<tr>
<td>B5. Strength Testing (1X10,000 Tons)</td>
<td>$680</td>
<td></td>
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<tr>
<td>B6. Hazardous Materials Testing (1X10,000 Tons)</td>
<td>$750</td>
<td></td>
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<tr>
<td>B7. Remove Foundation (Lump Sum)</td>
<td>$6,000</td>
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<tr>
<td>A.1 Per Ton Disposal Cost for Class II Material</td>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>A.2 Per Ton Disposal Cost for Class I Material</td>
<td>$90</td>
<td></td>
</tr>
</tbody>
</table>

Provide a proposed formula for participation in sales revenue of products crushed and stored for sale by the Operator on behalf of the Port:

Port % of revenues:  

Respondent % of revenues:  


APPENDIX C

Area Context
APPENDIX D

California Environmental Quality Act:

- Correspondence with the San Francisco Planning Department Regarding Crushing Operations at SWL 352;

- Correspondence with the San Francisco Planning Department Regarding Crushing the Existing Stockpile; and

- Required Mitigation Measures.
Date of Addendum: November 19, 2003

Date of Certification of Final Supplemental EIR: February 15, 2001

Lead Agency: City and County of San Francisco, Planning Department
1660 Mission Street, 5th Floor, San Francisco, CA 94103

Agency Contact Person: Paul Maltzer
Telephone: (415) 558-5977

Project Title: 1999.377E: San Francisco Southern Waterfront

Project Sponsor: Specialty Crushing
Contact Person: Tom Chasm (510) 986-0964

Project Address: Seawall Lot 352, adjacent to Pier 94-96
Assessor's Block and Lot: 4502A
City and County: San Francisco

Remarks:

On February 15, 2001, the San Francisco Planning Commission certified a Final Supplemental Environmental Impact Report (SEIR) for a series of development proposals in the portion of the Port of San Francisco jurisdiction known as the Southern Waterfront (generally, Pier 70 south to India Basin and east of Illinois Street). Development proposals in the Southern Waterfront consisted of those from various private entities, known as the "Industry Group," most of which are involved in the production, storage or processing of construction materials or their constituents; and Port-sponsored proposals, including the Illinois Street Rail and Vehicle Bridge across Islais Creek, and growth in cargo shipping at its terminals. The SEIR analysis also takes into account existing industrial and maritime uses on Port-owned lands in the Southern Waterfront.

Since certification of the SEIR, one of the Port's existing businesses, Specialty Crushing, has proposed an extension of its lease from its current month-to-month agreement to a five year term lease. The purpose of this Addendum to the SEIR is to evaluate the environmental effects of the operations proposed in the new lease against the impact analyses presented in the SEIR.

Based on the evaluation provided in this Addendum, it is concluded that the analyses conducted and the conclusions reached in the San Francisco Southern Waterfront Final Supplemental Environmental Impact Report, certified on February 15, 2001 remain valid and that no supplemental environmental review is required.

Date of Determination: November 19, 2003

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

PAUL E. MALTZER, Environmental Review Officer

cc: Tom Chasm, Specialty Crushing
Diane Oshima, Port of San Francisco
Distribution List
L. Fernandez / Master Decision File

Mark Lozovoy, Port of San Francisco
Supervisor Sophie Maxwell
O. Chavez / Bulletin Board
Specialty Crushing Operations – Existing and Proposed
Specialty Crushing currently is located on 8.8 acres on Seawall Lot 352 adjacent to the Pier 94-96 cargo terminal. Specialty receives concrete, asphalt, brick and some glass from demolition projects, which material is crushed and sold to other entities to be used or remanufactured for fill and concrete products to serve the building industry. Specialty has not been involved in any manufacturing process. Under the proposed lease extension, Specialty now proposes to add a manufacturing process to the crushing operations within a consolidated 7.4 acre site, to produce “Envirocrete” and Envirofill” from the recycled building materials that would continue to be received at the facility. Specialty’s site operations would be shifted approximately 250 feet eastward of its current location, within Seawall Lot 352, as shown in Exhibits 1 and 2.

The site would be improved to provide paved entry and exit areas to and from the facility, with a truck tire wash and top spray facility to moisten materials before they are dumped at the site, and to wash dust off trucks before they leave the site. Perimeter landscaping and fencing would be installed. The site would be graded consistent with stormwater management plan criteria developed by the Port and its consultants to meet the Phase II stormwater management standards recently established by the San Francisco Regional Water Quality Control Board.

Envirocrete is a non-structural concrete with cement additives used for construction of new streets, sidewalks and gutters; it does not possess the structural integrity for constructing buildings. Envirofill is used for construction of roads and paved surfaces, and backfill material for projects involving trenching (e.g. utility line installations in streets). The manufacturing process for Envirocrete is essentially the same as regular concrete batch plant operations, which use was assumed and analyzed in the SEIR. Specialty would use crushed concrete and building materials received and processed at its facility instead of virgin aggregate rock/gravels, which would be mixed with water, sand, cement and fly ash to produce Envirocrete. Envirofill production would go through a similar mixing process but without use of cement.

Under the proposed new lease, Specialty would construct two industrial-style sheds, one to enclose the crushing operations, another for the Envirocrete and Envirofill batching processes. A third structure would be constructed for administrative support services and an employee lunch and locker room. The stockpiles of crushed concrete and other building materials would continue to be unenclosed, with a water sprinkler system installed to spray the tops of the piles to minimize dust emissions.

Specialty receives approximately 225,000 tons per year of concrete, brick, asphalt and some glass, which volumes would continue under the proposed new lease. The current number of truck trips to receive the material and transport out crushed material averages 272 trips per day and would continue at these levels under the proposed new lease except that some trucks leaving the site would be carrying Envirocrete or Envirofill instead of crushed building material. The proposed Envirocrete and Envirofill operations would add an average of 16 trips to and from the site per day, to receive cement powder and fly ash, necessary ingredients for the manufacturing process. Under the proposed lease, Specialty would produce up to 50,000 cu.yds. of Envirocrete and Envirofill (combined) per year.

Specialty Crushing currently operates in compliance with regulatory requirements of the Bay Area Air Quality Management District, and Regional Water Quality Control Board. The proposed batch plant operations would require additional permits approved by the Bay Area Air Quality Management District.
EXHIBIT 1: Specialty Crushing - Existing and Proposed Site
EXHIBIT 2: Specialty Crushing – Proposed Site Plan
Purpose for the SEIR Addendum
Specialty Crushing’s current receiving and crushing operation is an existing use included in the Southern Waterfront SEIR, and thus the effects of those activities are incorporated in the existing and projected future impact analyses presented in the SEIR. This Addendum addresses the environmental impacts associated with the proposed addition of the Envirocrete and Envirofill batching operations, compared against the impacts analyzed in the SEIR. This analysis takes into account analyses conducted in earlier addenda to the Southern Waterfront SEIR previously issued by the Planning Department, which are incorporated by reference:

1) Pacific Cement Lease at Pier 92, SEIR Addendum issued June 20, 2001 – This Addendum addressed a newly proposed lease for concrete batching by Pacific Cement, a company not previously included in the group of “Industry Group” leases identified in the SEIR, but which would be subject to the cumulative limit on concrete batching analyzed in the SEIR. This Addendum analysis also addressed the slight differences in environmental effects associated with the potential reduction in, or elimination of, production of asphalt (also a use analyzed in the SEIR), along with a proportional increase in the production of concrete.

2) RMC Pacific Materials Lease at Pier 92, SEIR Addendum issued April 18, 2003 - This Addendum addressed changes in impacts associated with a change in location of the proposed RMC Pacific Materials concrete batch plant from north of Islais Creek to Pier 92, south of Islais Creek. The Addendum analysis also accounts for changes in the SEIR “Industry Group”, due to the departure of two entities that had previously sought Port leases, and the approval of the Illinois Street Intermodal Bridge. Both sets of changes resulted in reduced traffic impacts from the level identified and analyzed in the SEIR.

Section 31.19(c)(1) of the San Francisco Administrative Code states that a modified project must be reevaluated and that, “If, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter.” As described below, neither the modifications to the Specialty Crushing operations nor new information that has become available since SEIR certification and described in detail below would result in new impacts or alter the conclusions presented in the SEIR.

The proposed modification regards a change in use that does not alter the mix or intensity of uses analyzed in the SEIR. The physical effects associated with the proposed Specialty concrete batching operation would not change substantially with regard to land use, transportation, air quality, biological resources, water quality/hydrology, hazardous materials, or growth inducement analyses contained in the SEIR. Those mitigation measures identified in the SEIR applicable to concrete batching and construction materials industries would apply and be required as conditions of the amended lease. Furthermore, the analysis and conclusions of the WLUP EIR with regard to noise and geology, soils, and seismicity would not change for the reasons described below.

**Land Use**

Specialty Crushing currently is located on Seawall Lot 352, near the west side of the Port’s Pier 94 cargo terminal. As described in the SEIR, this is an industrially zoned area of the waterfront, which supports maritime and industrial uses. In addition to Hanson Aggregates and Mission Valley Rock bulk cargo operations at Piers 92 and 94, other Port businesses in the immediate vicinity on the south side of Islais Creek, like Specialty, are in the construction materials industry: Bode Gravel and Pacific Cement at or near Pier 92, which businesses also operate ready-mix concrete batch plant facilities. Given this existing

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1 In addition to the two SEIR Addenda cited, a third Addendum was issued for the Illinois Street Intermodal Bridge on December 10, 2002 to address changes in the Bridge design. These changes and associated environmental effects are specific to the Bridge project only, and thus this Addendum has no bearing on the Specialty Crushing SEIR Addendum.
mix of cargo shipping and concrete batch operations, the addition of Specialty’s proposed batch plant would not disrupt existing land uses or divide the physical arrangement of an established community.

**Transportation**

The SEIR analyzes the traffic impacts generated during the morning and afternoon peak periods by all the development activities proposed on Port property in the Southern Waterfront for the years 2003 and 2015. Traffic conditions projected for 2003 were analyzed under two scenarios: with and without the Illinois Street Intermodal Bridge crossing Islaí Creek. The traffic analysis identifies level of service impacts at Illinois/Cesar Chavez Streets, Amador/Cargo Way, and Third Street/Cargo Way. In their current configuration, these intersections are projected in the SEIR to operate at unacceptable levels of service in 2003 (Third/Cargo) and in 2015 (Illinois/Cesar Chavez and Amador/Cargo). With construction of the Illinois Street Bridge and intersection improvements identified in the SEIR, the levels of service would be improved to acceptable conditions for these intersections.

Since certification of the SEIR, events have taken place that bear on the transportation impacts analysis of the proposed concrete batch facility at the Specialty Crushing site. These changes were described and analyzed in an SEIR Addendum issued in April 2003. In summary, the changes reported in that Addendum were the Port Commission’s approval of the Illinois Street Intermodal Bridge, and the departure of two entities that had previously been seeking Port leases, ISG Resources, and Coach USA. The effect of those three developments is that the traffic mitigation benefits of the Illinois Street Bridge identified in the SEIR will be in place, and that overall traffic volumes from uses on Port property will decrease below the levels that were identified in the SEIR. The April 2003 SEIR Addendum further evaluated the effects of relocating RMC Pacific Materials from Pier 80 to Pier 92, and concluded that, even without assuming the Illinois Street Bridge mitigation measure, there would still be a net reduction of traffic at the intersection of Third Street and Cargo Way, compared to the levels identified in the SEIR as follows:

- 2003 AM peak hour: 148 trips fewer than projected in the SEIR
- 2003 PM peak hour: 191 trips fewer than projected in the SEIR
- 2015 AM peak hour: 135 trips fewer than projected in the SEIR
- 2015 PM peak hour: 188 trips fewer than projected in the SEIR

Under the proposed Specialty Crushing lease amendment, Specialty would be allowed to produce a total of up to 50,000 cubic yards of Envirocrete and Envirofill annually from its proposed addition of batch plant operations. This production operation, which would require Specialty to receive truck shipment of cement and fly ash material used in the manufacturing process, would add an average of 16 new trips to and from the site each work day, assuming an average of 20 work days per month. This modest increase of trips, even if it were assumed that all trips occurred during the am or pm peak hour, would still fall below the number of truck trips projected and analyzed in the SEIR. Accordingly, there would be no new transportation impacts generated by the proposed Specialty lease amendment, from those addressed in the SEIR.
Air Quality

Specialty’s current operations are regulated under a permit issued by the San Francisco Bay Air Quality Management District (BAAQMD). The proposed addition of a batch plant to produce Envirofill and Envirocruite (up to 50,000 cu. yds./year) also has been reviewed and evaluated by the BAAQMD. Projects that are evaluated using the fixed standards and objective measurements of the BAAQMD are exempt from CEQA review because the permit evaluation is a ministerial action. Projects that are not ministerial may also be exempt if they qualify for a CEQA categorical exemption. Upon evaluating the batch plant operations proposed by Specialty, the BAAQMD determined that the permit application was exempt from CEQA review, and issued a Permit to Operate.

Notwithstanding the BAAQMD determination, the current and proposed uses in the Specialty lease amendment have been included in the scope of the air quality impact analysis in the SEIR. The Bayview Hunters Point community has expressed concerns about air quality impacts, particularly diesel and particulate emissions, on the health of its residents. The SEIR air quality analysis therefore includes modeling to specifically evaluate the effects of diesel and “PM-10” fine particulate emissions on public health in the southeast area of the City. It concluded that the increase in particulate and diesel emissions associated with potential future development would not exceed the significance threshold for diesel particulates. The SEIR analyses are based on production assumptions of 650,000 cu. yds of concrete and 400,000 tons of asphalt per year in year 2003, and 850,000 cu. yds. of concrete and 550,000 tons of asphalt in year 2015. The Envirofill and Envirocruite production proposed in the Specialty lease amendment (up to 50,000 cu. yds. annually), when combined with anticipated production activity by other concrete batch plant operators existing or approved for Port property, would not alter the production volume assumptions analyzed in the SEIR, and thus would not result in changes in the SEIR conclusions.

Similarly, emissions from additional vehicle/truck trips associated with the proposed Specialty lease amendment would not result in new impacts beyond those analyzed in the SEIR. The SEIR analysis had assumed air emission impacts from ISG Resources and Coach USA, and both of those companies no longer are pursuing leases with the Port. Thus the SEIR air quality analysis is conservative because it assumes a greater number of new vehicle trips and associated emissions from new development and leases on Port property than is now anticipated. Therefore, the associated vehicle emissions from the new activities proposed in the Specialty lease amendment would not result in greater environmental effects than those identified in the SEIR.

Biological Resources

The SEIR and Waterfront Land Use Plan EIR (WLUP EIR), to which the SEIR supplements, identifies biological resource impacts associated with construction of the Illinois Street Intermodal Bridge;

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2 The methodology for analyzing impacts on public health from diesel emissions is based on a 24-hour per day exposure over a period of 70 years, to assess the maximum incremental risk of cancer from exposure to those diesel emissions. The California Air Resources Board has established a threshold of 10 additional cancer cases per 1 million persons, beyond the risk from other, non-diesel emission sources, as being a significant health risk. Similarly, the PM-10 modeling analyzes 24 hour exposure to local stationary and mobile source PM-10 emissions, using the significance threshold of 5.0 micrograms per cu. m. The SEIR describes that those most sensitive to health problems generated from diesel and particulate emissions (“sensitive receptors”) would be long-term residents, particularly young children and senior citizens. Others, including workers, would be at lower risk because they do not experience the same level of continual, long-term exposure to emissions in the local environmental. Given the profile of the highest at-risk population, several receptors were selected in the modeling, such as the Youngblood Coleman Playground and the Lee Recreation Center for analyzing particulate and diesel emission-related health risks, because it was assumed that these facilities and other receptors near Port property would attract youngsters at play.

3 See also the Addendum to the SEIR, issued in June 2001, which discusses the environmental implications of modifying the mix of concrete and asphalt production levels from those described in the SEIR. The June 2001 found that an increase in concrete production and decrease in asphalt production, as specified, would not alter the conclusions in the SEIR.
contaminated runoff or public access impacts on wetlands areas at Pier 94 or Heron's Head open space at Pier 98; and impacts on aquatic species from dredging and placement, replacement and/or repair of piles. The proposed change to Specialty Crushing's batching operations would be enclosed within a new building structure, on a paved area. Specialty would comply with siting and stormwater management criteria recently developed by the Port and its consultant, which would meet Phase II stormwater regulatory requirements of the San Francisco Regional Water Quality Control Board. As such, the revised operations, coupled with the proposed site improvements would not generate any new or adverse impacts on biological resources or Bay water quality.

**Noise**

Noise impacts from a project can be categorized as those resulting from construction and those from operational activities. The noise impacts associated with developments analyzed in the SEIR were not separately addressed in the SEIR, because they were consistent with the Noise analysis conducted in the certified WLUP FEIR. The proposed batching operation would not generate any new noise impacts, as the facility is in the middle of an established industrial area, where there are no new or different sensitive noise receptors in the nearby vicinity.

**Growth Inducement**

The SEIR incorporates conservative (relatively high) levels of potential future development in the Southern Waterfront area, on and off Port property, based on existing and proposed plans and construction projects. The proposed addition of a batching operation at Specialty Crushing would not generate any change with regard to growth inducing impacts analyzed in the SEIR. The overall cap on concrete batch volume produced by concrete batch businesses located on Port-owned property in the Southern Waterfront establishes a fixed limit. This absolute limit will be imposed by the Port on all concrete batch plant operators, whether the manufactured product is Envirocrete/Envirofill or structural concrete made with virgin aggregate material.

The cumulative transportation and air quality impacts associated with approved or proposed development activities or plans do not assume or are predicated on the proposed batch operations at Specialty Crushing, and therefore were assumed in the SEIR to occur regardless. They consist of the following:

**Developments on Port property:** 1) Industry Group proposals; 2) Growth in cargo and Port maritime uses; 3) Pier 70 Mixed Use Opportunity Area; 4) Increased industrial development in remainder of Pier 70 (outside the Mixed Use Opportunity Area); 5) Pier 90-94 Backlands potential development.

**Developments off Port property:** 1) Expansion of the Southern Energy Power Plant on Illinois Street; 2) MUNI Metro Third Street light rail line and accompanying MUNI Metro East maintenance and storage facility, and turnaround loop at 18th and Illinois Streets; 3) Growth as approved under the Mission Bay project; 4) Growth as approved under the Hunters Point Shipyard Redevelopment Plan; 5) Growth under the Bayview Hunters Point Community Revitalization Concept Plan; 6) DPW Illinois Street Re-paving Plan between 25th Street/Cesar Chavez Boulevard.

Given the breadth of projects and growth associated with the above activities analyzed in the SEIR, there are no other foreseeable development projects known that might be triggered by the proposed Specialty Crushing batch plant. Public discussions have taken place between the San Francisco PUC and the community regarding a possible new sewage digester facility in the Bayview Hunters Point area, although no formal proposals are currently being pursued. In any case, such a facility, if proposed, would not be affected by the Specialty facility. The Port development assumptions in the SEIR reflect a high-end estimate of future growth to ensure a conservative environmental analysis. Not all of this activity may occur, as evidenced by the departure of ISG Resources and Coach USA from the mix of potential future
development. The SEIR provides a sound and conservative analysis of cumulative impacts which adequately cover growth-inducing impacts.

MITIGATION MEASURES

All of the SEIR mitigation measures applicable to other concrete batch operators on Port property would be required as conditions of the amended lease with Specialty Crushing to avoid significant impacts. These measures are:

Air Quality Measures C.1, C.3, C.4A, C.5, C.6 which would reduce particulate emissions through specified treatments (e.g. covering and/or watering exposed materials, installing truck tire wheel wash); provide incentive to use of low-sulfur diesel fuel; collectively regulate Specialty and other concrete batch plant operators to ensure concrete production levels do not exceed the levels analyzed in the SEIR.

Hydrology Measures D.1, D.2, D.3, D.4, D.5 which require Specialty to prepare a Storm Water Pollution Prevention Plan and incorporate Best Management Practices (BMP) consistent with regulatory requirements; and that BMP's incorporate on-site water quality treatments such that there are no net new stormwater flows to the City's combined sewer system.

Hazards Measures E.1, and E.2, which require Hazardous Materials Business Plan to be prepared if there is storage or use of petroleum products or hazardous materials; and compliance with Article 22A (if found to be applicable), which requires site mitigation if subsurface hazardous materials contamination is discovered during construction.

Geology, Soils and Seismicity Measures G.1, G.2-G.6, G.8-G.11, and G.14-18 which address requirements to ensure safe construction of new facilities to minimize damage and injury from a major seismic event, storage of emergency supplies, and required measures to minimize the effects of dewatering, if determined to be necessary during construction.
August 28, 2007

Joy Navarette
Major Environmental Assessments
San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94103

RE: General Rule Exclusion for Port Projects

Dear Joy:

I am writing to inform your department of an anticipated Port contract which will rely on the General Rule Exclusion category issued by MEA on December 13, 2005, effective through 2008. The Port had a former tenant, Specialty Crushing, adjacent to Pier 94 in the Southern Waterfront which received concrete and building debris from demolition projects and crushed the material to sell as recycled construction material. Specialty Crushing declared bankruptcy a few years ago, and the Port has recently settled this matter. Specialty left behind a remaining pile of crushed and uncrushed concrete and asphalt debris. The Port is now soliciting bids from companies to crush and potentially sell the crushed material for construction-related use. Further details regarding this bid opportunity are attached.

The contract with a new operator would continue the previous use for a short period (approximately six months), as necessary to process the concrete and asphalt materials currently on site. As such this contract would fall within the scope of routine leasing activities on Port property with tenants that (1) continue an existing land use, (2) will not make any substantial physical changes to their leased site, and (3) will not generate a substantial intensification of the existing use through their operations. Thus, we are relying on the General Rule Exclusion for purposes of complying the California Environmental Quality Act for this project.

We provide this lease information to MEA pursuant to Section 31.08 (f) of Chapter 31 of the Administrative Code, which provides for posting and noticing of General Rule Exclusions. Please do not hesitate to contact me at (415) 274-0553, if you have any questions regarding these new and renewed leases, or require any additional information. Thank you for your assistance on this matter.

Sincerely,

[Signature]
Diane Oshima, Asst. Deputy Director
Planning and Development Division
Port of San Francisco

cc: Brad Benson
Facility Mitigation Measures Adapted from the Port’s Southern Waterfront Supplemental EIR

Air Quality

- Provide documentation that all equipment to be used during site operations is permitted by the Bay Area Air Quality Management District (BAQMD) and/or other regulatory agencies as applicable.
- Water all unpaved roads and work areas subject to significant vehicular or equipment traffic at least twice daily or as-needed to prevent visible emissions from the roads or active work areas. Apply water spray to conveyor transfer points.
- Minimize the distance that material drops from conveyors or loading equipment during stocking, loading or other transfer operations.
- Water or apply soil binder to exposed stockpiles as-needed to prevent visible emissions. Water used for dust control may be treated with a Port-approved biodegradable, non-toxic dust suppressant.
- If high winds or other conditions render watering for dust suppression ineffective (resulting in particulate emissions that exceed the regulatory standard for opacity or result in deposition of particulates on surfaces outside the site boundary), the work will cease until dust can be controlled.
- Limit vehicle or equipment speed to 10 miles per hour on unpaved surfaces.
- Install gravel at transitions to paved areas and implement other measures as needed to prevent tracking dirt onto streets.
- Sweep paved access roads, using a wet sweeper, at least daily if any visible soil or dust is tracked onto adjacent paved roads.
- Cover and maintain at least six inches of freeboard between the top of the load and the top of the trailer on all trucks hauling products or any other loose material.
- Maintain and operate construction equipment so as to minimize particulates from exhaust emissions. During operations, vehicles and equipment will be running only when necessary and will not be permitted to idle for more than 5 minutes. Equipment should be kept in good condition and well-tuned to minimize exhaust emissions.

In addition to the mitigation measures listed above, the Operator’s operations plan should include any other dust control measures that will be implemented at the Site to achieve a goal of “no visible dust emissions” and ensure that dust is not generated at levels that cause dust particles to fall out on adjacent property or which violate BAAQMD standards for visible dust (BAAQMD Regulation 6-305, Particulate Matter and Visible Emissions, http://baaqmd.gov/regs/rg0600.pdf). Additional measures may include enclosures, dust and wind screens, or other engineering controls or operational practices proposed by the Operator.

Water Quality

- Operator will apply for coverage under the Statewide Industrial Storm Water Permit, and develop and implement a storm water pollution prevention program as required by that Permit, including, but not limited to, measures for erosion control, waste handling and disposal, prevention of release of fuel or hazardous materials during operations, and prevention of
contamination of stormwater runoff from the site. The Storm Water Pollution Prevention Plan will be subject to Port review and approval.

- Vehicle and equipment cleaning and maintenance will not be permitted on-site.
- Hazardous materials storage will not be permitted on-site without prior notification and approval.
- Upon completion of work and demobilization from the site, Operator will apply soil stabilizing binder over all unpaved, unvegetated areas to prevent erosion or dust generation. The soil stabilizer to be used will be proposed by Operator for review and approval by Port.
APPENDIX E

Statement of Ability to Comply
with City and Other Governmental Requirements
and Agreement to Conditions for
Construction Materials Recycling Center Leasing Opportunity at
Seawall Lot 352
STATEMENT OF ABILITY TO COMPLY WITH CITY REQUIREMENTS AND OTHER TERMS AND CONDITIONS OF REQUEST FOR PROPOSALS FOR CONSTRUCTION MATERIALS RECYCLING CENTER LEASING OPPORTUNITY AT SEAWALL LOT 352

Name of Respondent: ________________________________

The undersigned is a respondent to the Request for Proposals (“RFP”) for the Construction Materials Recycling Center Leasing Opportunity at Seawall Lot 352. The undersigned agrees to meet all the Proposed Rent and Key Lease Terms set forth in Section VII of the RFP, including the Scope of Work in Appendix B. The undersigned agrees to all the requirements for the exclusive negotiation period and for any extension(s) thereof, as set forth in Section VIII of the RFP. The undersigned has reviewed, understands, and is ready, willing and able to comply with all the City Administrative, Planning, Environment, Port Code and related requirements as they apply to this Construction Materials Recycling Center Leasing Opportunity. The undersigned are authorized representatives of the Respondent.

1) Name
   Title

   Entity

   Signature
   Date

   2) Name
      Title

   Entity

   Signature
   Date

   3) Name
      Title

   Entity

   Signature
   Date

COMPLETE, SIGN AND DATE THIS FORM, TEAR OUT AND SUBMIT WITH QUALIFICATIONS.
APPENDIX F

Disclosure Questionnaire
DISCLOSURE QUESTIONNAIRE

Instructions: Please respond completely to each question listed below using space provided. Use a separate sheet of paper, if necessary. Please state “No” or “None” when appropriate. Do not leave a question blank or state “N/A”.

If the Respondent is an individual or single entity (sole proprietor, LLC, LLP, corporation, etc.), then the information relative to that individual or single entity should be disclosed. If the Respondent is a group (joint venture, association, partnership, etc.), then information relative to each member of the group or entities that comprise the joint venture should be disclosed. For each question, the term “Respondent” shall include the president, vice-president and chief financial officer of the entity.

1. Describe any regulatory action, including any notice of violation, order or fine, taken by a regulatory agency, including, but not limited to, any local, regional, state or federal agency with purview over air or water quality (including stormwater management), or the handling, storage or disposal of hazardous or solid waste, against the Respondent or its parents or affiliates within the past five years. Describe actions taken by the Respondent in response to each notice or action, and whether such actions were taken within the initial notice period and, if not, why not.

Answer: 

2. Are there any prior or pending legal proceedings, actions, convictions or judgments that have been filed against Respondent or its wholly-owned subsidiaries, or any prior or pending arbitrations or mediations? If so, provide the dates the complaints or proceedings were filed and the present status of the litigation and/or proceedings or the status of the arbitrations or mediations.

Answer: 

3. Are there any prior or pending administrative complaints/hearings (including any debarments or suspensions of or other administrative determinations by any federal, state or local government) against or relating to Respondent, or any of Respondent’s affiliated corporations or partnerships in which the Respondent is a general partner, or other affiliated business entity. If so, please describe the circumstances including dates, agency or body conducting the investigation or inquiry and the current status.

Answer: 

4. Has the Respondent or any of its wholly-owned subsidiaries ever filed for bankruptcy? If so, please include dates and jurisdiction of filing, the reason, and current status.

Answer: 

5. Describe any business, property, investments or other financial relationships Respondent, its principals or affiliated corporations or partnerships in which Respondent is a general partner with any member of the Port Commission or the Board of Supervisors (or members of their immediate families), or gifts or loans made to such Port Commission or Board of Supervisors
member, which are financial interests as defined by Section 897103 of the Fair Political Practices Act.\(^2\)

Answer: __________________________________________________________

6. Does the Respondent have any adverse unpaid money judgments more than 3 months outstanding? If so, please describe.

Answer: __________________________________________________________

7. Has the Respondent been a party to an agreement that was terminated for cause (e.g., breach)? If yes, please identify the public agency, state the nature of the agreement, the date of termination, and the specific reasons for the termination.

Answer: __________________________________________________________

Respondent(s) hereby certify under penalty of perjury under the laws of the State of California that all information provided in the Disclosure Questionnaire is true and correct.

Date: ___________________________ Signed: _____________________________

Name: ___________________________

Title: ___________________________