




MEMORANDUM

November 22, 2024

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Gail Gilman, Vice President
Hon. Willie Adams
Hon. Stephen Engblom
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request authorization to advertise a request for proposals for a 5-year, \$40 million contract, with an option to extend for up to 5 years and up to an additional \$40 million, to support the Waterfront Resilience Program.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 24-54

EXECUTIVE SUMMARY

This report provides an overview of staff's recommendations for a request for proposals for a 5-year, \$40 million contract, with an option to extend for up to 5 years and up to an additional \$40 million, to support the Waterfront Resilience Program (Program).

From 2017 to now, the Waterfront Resilience Program has relied on a professional services contract with CH2M HILL Engineers, Inc., for program management, planning, engineering, environmental services, and communications (PEC Contract). That contract is expected to be fully utilized by mid-2025.

The attached resolution requests Port Commission approval to advertise a request for proposals (RFP) for a 5-year, \$40 million Program Advisory Services contract, with an option to with an option to extend for up to 5 years and up to an additional \$40 million, to support the Waterfront Resilience Program (Program Advisory Services Contract). This report is a companion to Item 12A on the November 25 Port Commission meeting agenda,

which describes the recommended next steps to advance the Waterfront Resilience Program including contracts, budget, and funding.

Program Advisory Services Contract

Estimated Not-to-Exceed Amount:

\$40 million, with up to an additional \$40 million under a 5-year extension option

Desired Start Date:

May 1, 2025

Estimated Contract Term:

Initial 5-year through April 30, 2030, with a 5-year option to extend through April 30, 2035, based on the actual needs of the project

Subcontracting Requirement:

20% LBE, see Exhibit A, Contract Monitoring Division (CMD) Memorandum

Funding Source:

Proposition A Seawall Earthquake Safety Bonds, Port Harbor Funds

STRATEGIC OBJECTIVES

The Port's Waterfront Resilience Program supports the goals of the Port's Strategic Plan as follows:

Engagement:

By leading an inclusive stakeholder process to develop a shared vision, principles, and goals for the Waterfront Resilience Program and Flood Study.

Equity:

By developing a program-wide equity strategy that is integrated into the Port's Racial Equity Action Plan, focused on centering voices of marginalized communities through robust engagement, developing resilience projects to serve these communities, and ensuring equitable hiring and contracting to support the Program.

- Centering the voices of communities of color, low-income communities, and disadvantaged and historically marginalized communities through robust, meaningful, and inclusive public outreach and engagement.
- Developing, and investing in resilience projects that reduce flood and seismic risk in and around disadvantaged and historically marginalized communities.
- Ensuring equitable hiring and contracting practices and supporting the development of a diverse workforce to design and deliver projects associated with the Waterfront Resilience Program.

Resiliency:

By leading the City's efforts to address threats from earthquakes and flood risk through research and infrastructure improvements to the Port shoreline and adjoining buildings and other infrastructure.

Evolution:

By developing adaptation options with a long-term horizon as well as near-term actions, envisioning strategies to adapt the waterfront and its uses over time, and recognizing that decisions made today influence the options available to future generations who will be addressing different environmental and social conditions.

Sustainability:

By incorporating nature-based features into the Draft Plan and Early Projects to enhance the quality of the Bay water and habitat.

Productivity and Economic Recovery:

Through the investment of Proposition A Seawall Earthquake Safety Bond funding and other Port and public funding sources, and by developing strategies to defend or floodproof Port maritime and industrial facilities.

REQUEST TO ADVERTISE FOR PROGRAM ADVISORY SERVICES

From 2017 to the present, the primary contracting vehicle for the Waterfront Resilience Program has been the program management, planning, engineering, environmental services, and communications contract with CH2M HILL Engineers, Inc.¹

Staff has significantly curtailed the use of this contract to preserve contract capacity and to focus on the Flood Study. Under current expenditure projections, that contract is expected to be exhausted by mid-2025.

Staff now requests Port Commission authorization to advertise a request for proposals (RFP) for a Program Advisory Services Contract to assist staff in managing the Waterfront Resilience Program.

Program Advisory Services

Staff seeks Port Commission authorization to advertise a Request for Proposals for a 5-year, \$40 million Program Advisory Services Contract with an option to extend for up to 5 years and an additional \$40 million, subject to funding availability and Program needs. This contract would require approval by the Port Commission, Civil Service Commission, and the Board of Supervisors; similar approvals may be required to exercise the option.

The Program team will utilize the Program Advisory Services Contract to provide program management, technical support, environmental review, permitting, compliance and

¹ December 12, 2023 Staff Report: https://sfport.com/files/2023-12/121223_12b_wrp_update_on_ch2m_program_management_contract_informational.pdf

compensatory mitigation services, communications, workforce development and LBE support services, independent design review, and independent cost estimating for:

- Early Projects designed under separate contracts under a solicitation authorized by the Port Commission in December 2023 and subject to future Port Commission awards; and
- USACE Draft Plan Planning & Design, when Port decides to advance this work, also under separate contracts.

Early Projects and Draft Plan Planning and Design activities will be conducted under contracts separate from the Program Advisory Services contract and are further described below.

Program Activities (2025-2030)

Over the next 5+ years, Port staff recommends developing the following Waterfront Resilience Program major work products:

Early Projects

Port staff currently plans to advance up to six Early Projects from predesign to conceptual engineering and into construction², subject to decisions at planned project development stage gates by Port leadership, as further described below:

- Wharf J9 Replacement Project
- Pier 15 Seawall Earthquake (EQ) Safety Project
- Pier 9 Seawall EQ Safety Project
- Downtown Coastal Resilience Project
- South Beach Resilience Project (Piers 24.5-28 to Piers 38-40)
- Pier 50 EQ Improvement Project

Final staff recommendations to the Port Executive Director as to whether to advance all of these projects into detailed design and construction will be made at or before achieving 10% conceptual design – this means that one or more of these projects could not advance after those decisions.

Port leadership also has the option to move other Early Projects identified in 2021 or newly identified projects into predesign. This predesign work for other Early Projects that are not part of the USACE Draft Plan would occur under the proposed Program Advisory Services contract.

² See the following staff reports:

April 11, 2023 Port Commission Staff Report: https://sfport.com/files/2023-04/041123_item_11a_wrp024_p50_staff_report_v2cd.pdf

December 12, 2023 Port Commission Staff Report: https://sfport.com/files/2023-12/121223_12a_rfp_from_prequalified_pool_for_engineering_services_for_wrp_embarcadero_early_projects_informational.pdf

Draft Plan Planning & Design

The Port will continue to work with USACE to develop a Flood Study Recommended Plan and Final Report in 2026. Port staff is recommending an interagency City-led effort, with Port as the lead agency, to advance planning and design, building on the Draft Plan, for the Northern Waterfront and Southern Waterfront starting in 2025. See item 12A for a more detailed description of the proposed Northern and Southern Waterfront Planning and Design contracts to advance the USACE Draft Plan.

Contract Funding:

The two secured sources of funding for the Program Advisory Services contract are Proposition A Seawall Earthquake Safety Bond funding and Port Harbor funds, each appropriated by the Port Commission.

There have been two sales of Proposition A Seawall Earthquake Safety Bonds (2018 – “Proposition A”), both approved by the Port Commission and the Board of Supervisors: a \$49.7 million sale on June 2, 2020, and a \$39.0 million sale on April 11, 2023. Of this \$88.7 million, \$61.1 million has been expended as of June 30, 2024. Total Program spending from FY 2016-17 to FY 2023-24 from all sources is \$74.6 million.

\$363.9 million in Proposition A funding (including bonds not yet sold) remains to fund Program activities.

Port staff is currently working with the Controller’s Office of Public Finance to advance additional funding for the Program through a 3rd bond sale of \$120.4 million, anticipated in January 2025. Item 12C on this November 25, 2024 Port Commission meeting agenda includes a request to authorize the sale of these bonds.

The proposed bond sale will provide funding to fund the proposed contract through mid-2027. Port staff also anticipates continued Harbor Fund funding for the Program which will fund some services under the proposed Program Advisory Services Contract that are not bond-eligible, such as funding and advocacy support for the Program.

Table 1 shows anticipated funding for the Program Advisory Services Contract through mid-2027:

Table 1: Program Advisory Services Contract Funding through mid-2027	
Source	Amount (millions)
Proposition A bonds	\$10.6
Harbor Fund (anticipated)	\$0.9
Total	\$11.5

Port staff anticipates future funding for the Program Advisory Services Contract through future Proposition A bond sales, Harbor Fund appropriations, and other sources not yet secured by the Port³.

Contract Terms and Scope of Work:

The selected firm will provide expertise, standards, processes, comparative data, and systems that facilitate effective deliverables as assigned by Task Order. Table 2 below includes more information about the proposed Program Advisory Services Contract.

Table 2: Program Advisory Services Contract Terms and Scope of Work	
Contract Name	Program Advisory Services Contract
Amount	\$40 million ⁴
Duration	5 years, with an option to extend for 5 years
LBE	CMD has set an LBE goal of 20% for this proposed contract
Contract Type	Task order based, payable either as a lump sum or per time and materials, depending on the work proposed under each task
Scope of Work	
1.	Management Support. Provide advisory services and staff support to Port Program Management, including: <ul style="list-style-type: none"> a. Executive-level program advice b. Project management and technical staff support c. Assistance with contract management, including scoping of future contracts and tasks under separate contracts d. Adaptive management e. Document management and controls, including digital strategy f. Quality management and quality control g. Program planning and capital planning h. Health and Safety
2.	Interface with USACE. Provide support in collaborating with USACE.
3.	Technical Review and Support. Provide review by subject matter experts (SMEs) on reports, designs, calculations, etc. of work produced by the Port or other consultants, including value engineering consistent with USACE regulations. Provide SME support to develop work as needed to support the Program.

³ When the Port Commission authorized Port staff to execute the original \$40 million PEC Contract in 2017, the Port had secured \$9.6 million in funding through a combination of the General Fund, Port Capital funds, and contributions from the Municipal Transportation Agency and the Planning Department.

⁴ If staff seeks a future extension of this contract, staff will identify the term and amount of the extension (not to exceed five years), along with secured and planned funding sources, for consideration by the Port Commission, Civil Service Commission and the Board of Supervisors.

Table 2: Program Advisory Services Contract Terms and Scope of Work	
4.	Independent Cost Estimate / Cost Verification. Validate consultant/contractor cost estimates and create independent cost estimates.
5.	<p>Environmental Review, Permitting and Compliance, Investigation, and Remedial Action Planning. Conduct state and federal environmental reviews, project permitting, compliance, and compensatory mitigation services, and provide oversight of this work by other contractors when needed. Conduct analysis under Section 106 of the National Historic Preservation Act.</p> <p>Conduct an as-needed environmental investigation and, in consultation with regulatory agencies, develop alternatives for environmental remediation, including strategies to protect human health and the environment during and after construction and from groundwater rise and its potential to mobilize contaminants.</p> <p>Support planning approvals required to advance the Program, including preparation of a subregional shoreline adaptation plan for San Francisco Bay Conservation and Development Commission approval consistent with SB 272 (2023).</p>
6.	<p>Communications. Provide communications and education services including:</p> <ul style="list-style-type: none"> • Marketing and advertising • Strategic communications and public relations • Educational program and curriculum development services • Digital engagement • Photography, video, and recording • Graphic design • Collateral production and distribution • Translation and interpretive services
7.	Funding and Advocacy Support. Provide support in applying for, securing, and managing grants. Provide support in advocating for funding and support at regional, state, and federal levels.
8.	Development of Port and City Staff. Provide training/mentorship opportunities for Port staff and City staff working on resilience initiatives.
9.	Project Management support. Act as lead or assistant project manager/owner's representative for design and construction projects. Assist in procurement and advise on delivery methods. Assist with compliance activities related to grants and other contracts.

Table 2: Program Advisory Services Contract Terms and Scope of Work	
10.	Predesign of Early Projects⁵. Identify and define projects and complete predesign services, including Needs Assessment Reports, Alternatives Analysis Reports, and Conceptual Engineering reports for individual projects.
11.	Other Project Support. Provide additional support as required on WRP projects, including coordination and/or execution of investigation, monitoring and survey work and planning, design and execution of pilot projects, and evaluation of emerging technologies.
12.	Workforce Development and Small Business Engagement. Advise the Port and execute plans to develop the workforce and promote opportunities in accordance with the Port's Racial Equity Program, LBE, and DBE participation in contracting and workforce development programs.
13.	Interior Drainage Strategies and Utility Coordination. Assist with watershed planning, design, and engineering of stormwater management and flood resilience strategies including MS4 and combined sewer system areas. Identify risks, impacts, and opportunities for SFPUC wastewater, water and power, and private utility infrastructure.
14.	Real Estate Coordination. Support the development of the Port's tenant relocation plan, positioning of Port real estate assets during the design of the USACE Draft Plan, and required acquisition of real estate and USACE easements.

Subject to further refinement by Finance and Administration contracting staff, staff may request the following information from bidders for the Program Advisory Services Contract:

Desirable qualifications:

- Experience in Program Management on programs of similar size, complexity, and funding
- Experience in San Francisco
- Experience working with USACE, in the study, pre-construction engineering, and design and construction phases
- Experience working with a city planning department on CEQA and NEPA analysis of large, complex projects, environmental investigation, and remediation action planning, and obtaining permits for large, complex projects from regulatory and resource agencies with jurisdiction over the San Francisco Bay and along the shoreline

⁵ Early Project predesign efforts under this proposed contract are intended to focus on Early Projects that are not part of the USACE Draft Plan, such as additional earthquake life safety projects or flood resilience projects in Fisherman's Wharf requested by Port leadership. As further described in Item 12A on this November 25, 2024 Port Commission agenda, Port staff is proposing separate planning and design contracts to advance the USACE Draft Plan.

- Experience developing communications strategies for large infrastructure projects, communicating with diverse San Francisco communities, and working with students in the San Francisco Unified School District and other schools
- Technical expertise in engineering (geotechnical, structural, civil, water, mechanical), cost estimating, urban design, constructability, and nature-based features

Subject to Port Commission approval of Resolution 24-54, Port staff hopes to issue a Request for Proposals in 2024 with the goal of bringing a recommendation for contract award to the Port Commission in 2025.

RECOMMENDATION AND NEXT STEPS

Staff recommends approval of Resolution 24-54 authorizing Port Finance and Administration contracts staff to lead a solicitation process for a 5-year, \$40 million Program Advisory Services Contract with an option to extend for up to 5 years and up to \$40 million, based on the actual needs of the project and subject to Port Commission approval.

Prepared by: Brad Benson, Director
Waterfront Resilience Program

Steven Reel, Deputy Program Manager
Engineering & Project Delivery

Attachment: Exhibit A - Contract Monitoring Division Memorandum – Program
Advisory Services Contract

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

RESOLUTION NO. 24-54

- WHEREAS, The San Francisco Seawall was constructed more than a century ago and serves as the foundation for more than three miles of San Francisco waterfront, supporting historic piers, wharves, and buildings including the Ferry Building, and underpinning the Embarcadero Promenade which welcomes millions of people each year, serves as a critical emergency response and recovery area, and supports BART, Muni and ferry transportation and utility networks; and
- WHEREAS, The Port's Southern Waterfront includes Pier 48 and 50, areas surrounding Mission Creek, streets and parks in Mission Bay, the Union Iron Works Historic District at Pier 70, the Port's active maritime industrial piers, including Pier 80 and Piers 92-96, and land adjacent to Islais Creek, including 1399 Marin Street; and
- WHEREAS, Flood risk maps published by the Port, the City, and the Federal Emergency Management Agency all indicate current and future flood risk along significant portions of Port property and areas inland of the Port associated with King Tides, 100-Year and 500-Year Floods, and sea level rise; and
- WHEREAS, Combined flood risk from coastal storms, sea level rise, stormwater, and groundwater rise implicate watersheds and infrastructure systems like the combined sewer system that extend well beyond Port property; and
- WHEREAS, On June 7, 2018, the United States Army Corps of Engineers (USACE) awarded the City and County of San Francisco a "new start" study appropriation to commence a General Investigation (GI) feasibility study to examine the Federal interest of possible improvements to reduce flood risk along the San Francisco waterfront (the San Francisco Coastal Flood Study, or Flood Study), as elaborated in the staff memorandum accompanying resolution 18-46 passed by the Port Commission on August 14, 2018; and
- WHEREAS, Pursuant to Resolution 18-46, the Port Commission authorized the Executive Director to enter into a Feasibility Cost Sharing Agreement (FCSA1) with USACE for the Flood Study at a total cost of \$3 million over three years, under which the Port as Non-Federal sponsor committed to matching federal funding for the Flood Study in equal proportion, resulting in a \$1.5 million Federal funding commitment and a \$1.5 million Non-Federal sponsor (Port) commitment; and

- WHEREAS, At the November 2018 election, San Francisco voters approved Proposition A, the Seawall Earthquake Safety Bond to fund improvements to the Seawall and other critical City infrastructure; and
- WHEREAS, On May 26, 2020, pursuant to Resolution 20-24, the Port Commission authorized the Executive Director to enter into a first amendment to the FCSA1 with USACE, which increased the total Flood Study funding from \$3 million to \$6 million and so increased the Port's match to \$3 million in cash or in-kind contributions, as described in the staff report accompanying such resolution; and
- WHEREAS, USACE worked closely with Port staff to develop a recommendation, which was approved by the Assistant Secretary of the Army-Civil Works for USACE on September 7, 2021, to increase the Study budget by an additional \$10 million (maintaining 50% federally funded, 50% local match) and to lengthen the schedule to complete the Flood Study by an additional 50-months, resulting in a total Flood Study cost of \$16 million and scheduled term of 7 years and 2 months, with a Chief of Engineers Report to Congress by November 2025; and
- WHEREAS, On October 12, 2021, the Port Commission authorized the Executive Director to enter a new Feasibility Cost Sharing Agreement (FCSA2) consistent with the terms approved by the Assistant Secretary of the Army-Civil Works; and
- WHEREAS, Port and USACE staff have achieved a number of key Program milestones as further described in Item 12B for the December 12, 2023 Port Commission meeting, including the following key milestones related to the Flood Study: publication of the Draft Plan for public review and comment on January 26, 2024; informational presentation to the Port Commission on public outreach, engagement, and feedback on the San Francisco Waterfront Coastal Flood Study Draft Integrated Feasibility Report and Environmental Impact Statement (Draft Report), and City and regulatory agency comments on the Draft Report as described in Item 12A for the June 12, 2024 Port Commission meeting; and successful completion of the USACE Agency Decision Milestone on June 28, 2024, resulting in USACE senior leadership endorsement of the Draft Plan; and
- WHEREAS, On August 8, 2017, the Port Commission authorized Port staff to award and execute a professional services contract with, CH2M HILL Engineers, Inc. to provide planning, engineering, environmental services, and communications (PEC Contract) for the Seawall Resiliency Project in the amount of \$36,349,740, and with a term of ten years, with an option to extend the term for one additional year in the Port's discretion, and authorized Port staff to increase the contract amount, if needed for unanticipated contingencies, by an additional \$3,634,974, for a total contract authorization not to exceed \$39,984,714 (Port Commission Resolution 17-36); and

WHEREAS, On September 24, 2019, subject to the approval of the Board of Supervisors, the San Francisco Port Commission authorized Port staff to execute an amendment to the PEC Contract with CH2M HILL Engineers, Inc., for planning, engineering, and environmental services for the Waterfront Resilience Program, which includes the Embarcadero Seawall Program, the Flood Study, and related activities to increase the contract to an amount not to exceed to \$59,977,071 (Port Commission Resolution 19-41); and

WHEREAS, On December 12, 2023, Port staff updated the Port Commission as to the use of the PEC Contract (Item 12B); and

WHEREAS, Port staff anticipates that the PEC Contract will be fully expended by mid-2025; and

WHEREAS, Port staff seeks Port Commission authorization to solicit proposals for program advisory services as more fully described in the attached Memorandum to which this Resolution is attached (the proposed Program Advisory Services Contract); and

WHEREAS, Contract Monitoring Division staff have reviewed the Program Advisory Services Contract scope and funding sources for this proposed contract, and established a 20% LBE subcontractor participation goal; now, therefore be it

RESOLVED, That the Port Commission hereby authorizes Port staff to advertise and accept proposals for professional services under a Program Advisory Services Contract; and be it further

RESOLVED, That the Port Commission authorizes Port staff to take further actions in connection with the advertisement as necessary to achieve the purposes described in this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 25, 2024.

Secretary

EXHIBIT A
Contract Monitoring Division Memorandum – Program Advisory Services Contract

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator

Contract Monitoring Division
Stephanie Tang, Director

MEMORANDUM

Date: October 1, 2024
To: Alysabeth Alexander-Tut, Contracts & Procurement Manager, SF Port
From: Melinda Kanios, Contract Compliance Officer, CMD
Subject: WRP Advisory Services Combined Micro/Small LBE sub participation requirement

The Contract Monitoring Division ("CMD") has completed its review of the Project Manager's/Engineer's Estimate for subconsulting opportunities on the above referenced project. Based on this review and the Local Business Enterprise ("LBE") availability data, the LBE subconsulting requirement is 20.00% for this project. The LBE subconsulting requirement can only be met with San Francisco CMD Certified Small and/or Micro-LBEs.

The LBE subconsulting participation requirement for this RFP is 20.00%.

In accordance with Section 14B.8(B) of the Administrative Code, in order for the Proposer to be exempt from meeting the "Good Faith Outreach" requirements described in Part IV of CMD Attachment 2, the total amount of the LBE participation must equal or exceed 27.00% (this percentage is the LBE sub requirements plus the 35% good faith exemption percentage).

Pursuant to Section 14B.9 of the Administrative Code, proposers are hereby advised that the availability of Minority Business Enterprises ("MBE"), Woman Business Enterprises ("WBE") and Other Business Enterprises ("OBE") to perform subconsulting work on this project is as follows:

7.0% MBE; 6.0% WBE; and 7.0% OBE.

This availability information should be conveyed in the RFP and proposers are further advised that they may not discriminate in the selection of subconsultants on the basis of race, gender, or other basis prohibited by law, and that they shall undertake all required good faith steps in such a manner as to ensure that neither MBEs nor WBEs nor OBEs are unfairly or arbitrarily excluded from the required good faith efforts.

Should you have any questions please feel free to contact me at Melinda.Kanios@sfgov.org.