




MEMORANDUM

January 10, 2025

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 for authorization to modify Construction Contract No. 2788R, Hyde Street Harbor Repairs, to retroactively extend the substantial completion date and increase the not-to-exceed contract amount.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 25-01

EXECUTIVE SUMMARY

Port staff requests that the Port Commission authorize a contract modification of Construction Contract No. 2788R, Hyde Street Harbor Repairs (the "Project"), to retroactively extend the substantial completion date by an additional 117 calendar days and increase the authorized not-to-exceed contract amount from \$1,714,103 to \$2,014,103 to complete contract work and additional repairs at Hyde Street Harbor.

The Project is to repair and restore the floating dock system which includes repairs to wood walers, and hardware; installation of concrete floats to restore freeboard, concrete repair, replacement of the water line, and electrical pedestals, removal of abandoned sewer pipes, and replacement of gussets with HDPE material on the docks to maximize their remaining service life. Construction is being performed by an LBE general contractor based in Bayview, Yerba Buena Engineering and Construction, Inc. (the "Contractor"). During construction, additional repairs were identified that are vital to maintaining a safe and operable harbor.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

The requested time extension of 117 days is in addition to the authorized contract duration of 160 calendar days plus the 10% contingency of 16 days. A total of 293 days is estimated for substantial completion of the work due to the additional repairs identified and unforeseen delays beyond the control of the Contractor.

The requested increase in funding of \$300,000 is in addition to the authorized contract value of \$1,558,275, plus the 10% of \$155,828 for a total not-to-exceed amount of \$2,014,103.

Under Section 6.22 of the San Francisco Administrative Code, time extensions and funding in excess of 10% of the original contract are subject to Port Commission approval.

The requested increase to the authorized contract value is to account for vital additional repair work within the original limits of work.

STRATEGIC OBJECTIVE

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

Economic Growth:

The Project will preserve and enhance commercial fishing at Fisherman's Wharf and Hyde Street Harbor by addressing deferred maintenance of the docks that serve the commercial fishers at Hyde Street Harbor. The Project maximizes the available berths for rent to generate revenue from the commercial fishers.

BACKGROUND

Port Commission Resolution 24-08 on January 23, 2024, authorized Port staff to award construction Contract No. 2788R, Hyde Street Harbor Repairs, to the Contractor, the lowest responsive and responsible bidder, for \$1,558,275 and further authorized staff to increase the Contract amount, as necessary for unanticipated contingencies, by an additional amount of \$155,828 (10% of \$1,558,275) through contract modifications or change orders. Exhibit A presents the Project location.

The Contract Notice to Proceed was issued on April 24, 2024, with a Substantial Completion date of September 30, 2024. During the performance of this Contract, there have been additional repairs identified and delays preventing the Contractor from completing the work by the Substantial Completion date. The Contractor and their subcontractors have worked cooperatively with the Port through several challenges that have delayed Substantial Completion. These items include:

- *Unforeseen Additional Repairs.* While performing work included in the original contract, additional adjacent repairs were identified by the Contractor and Port staff. These included items such as additional repairs to wooden walers and through-rods to address nearby damage. Port staff asked the Contractor to

perform these repairs because they were mobilized with the equipment needed to perform the work rather than deferring the work to another future project or requesting Port Maintenance to perform the work.

- *Contaminated Sewer Pipe.* During the demolition of abandoned sewer pipes at the docks, the contractor discovered used motor oil in the pipes. This resulted in additional time, labor, and materials for the Contractor to properly dispose of the contaminated waste.
- *Unforeseen Electrical Work.* During the installation of new power pedestals included in the original scope of work, existing electrical lines were discovered to be damaged and required additional repairs to energize the new pedestals.
- *Long Lead Time Items.* Due to the unforeseen repairs, additional materials were ordered to complete the work. Long lead times for delivery of materials added to the delays.

Section 6.22(h) of the City Administrative Code allows staff to grant schedule increases up to 10% of the original contract amount and to seek approval of time extensions above 10%. To address the delays due to unforeseen conditions and additional repairs, Port staff request authorization to execute a contract modification to retroactively extend the original contract duration as described below.

The Project costs to date have not exceeded the authorized contract value and 10% contingency. Throughout this process, despite the schedule delays and modifications to scope, the Port and the Contractor worked to leverage efficiencies to complete additional scope more quickly and for less overall cost to the Port. The total change orders are currently less than the 10% authorized contingency. However, the remaining contract work is not yet complete. To allow the remaining work, including anticipated additional unforeseen repair work to continue efficiently and uninterrupted, Port staff requests that the Port Commission authorize staff to increase the contract amount by an additional \$300,000 through contract modification or change order. This request would raise the total authorized not-to-exceed amount by \$300,000, from \$1,714,103 to \$2,014,103.

SAN FRANCISCO LOCAL BUSINESS ENTERPRISE REQUIREMENT

The Contract Monitoring Division (CMD) enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes bid discounts for Local Business Enterprise ("LBE") prime contractors and empowers CMD to set LBE subcontractor participation goals based on the availability of LBE firms to complete the type of work included in the Contract. As documented in Resolution 24-08, CMD established a 3% LBE subcontractor participation goal for this project. This percentage was set lower than some other recent contracts due to the specialized nature of overwater work. The

Contractor is a certified LBE, and their total original LBE subcontractor percentage is above 3%.

SCHEDULE

Port staff request authorization to execute a contract modification to extend the original contract duration of 160 calendar days for substantial completion by an additional 117 calendar days in addition to the 16 days permitted to be granted by the Port. The modified Project completion schedule is noted below:

Authorization to Award	January 23, 2024
Notice to Proceed	April 24, 2024
Original Substantial Completion	September 30, 2024
Revised Substantial Completion	February 10, 2025

FUNDING

The total change orders are currently less than the 10% authorized contingency. However, the remaining contract work is not yet complete. To allow the remaining work, including anticipated additional unforeseen repair work to continue efficiently and uninterrupted, Port staff requests that the Port Commission authorize staff to increase the contract amount by an additional \$300,000 through contract modification or change order. The contract details and requested modifications are shown below.

Awarded Contract Value:	\$1,558,275
<u>Authorized 10% Contingency:</u>	<u>\$155,828</u>
Total Authorized Contract Value:	\$1,714,103
 Total approved change order amount to date:	 \$155,820
 <u>Requested Increase of Contract Value:</u>	 <u>\$300,000</u>
Revised Total Not-to-Exceed Contract Value:	\$2,014,103

The additional requested amount will be funded by American Rescue Plan Act (ARPA) funds.

SUMMARY

The Contractor experienced unforeseen conditions in the field and additional work directed by the Port which caused delays in contract completion beyond the authorized 10% contingency of the original contract duration for the Project.

Additional work to date has been completed within the authorized contract value and 10% contingency. However, work is ongoing, and further additional unforeseen repair work is anticipated. Port staff, therefore, request Port Commission authorization to increase the not-to-exceed contract value by an additional \$300,000 to allow work to proceed efficiently should the additional repairs be needed.

RECOMMENDATION

Port staff recommend that the Port Commission approve the attached resolution to increase the contract duration and amount as described above.

Prepared by: Noel Aquino
Project Manager

For: Wendy Proctor
Acting Deputy Director, Engineering

Attachment: Exhibit A – Area of Work Location Map

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

RESOLUTION NO. 25-01

WHEREAS, On January 23, 2024, the Port Commission authorized the award of Construction Contract No. 2788R (the "Contract"), Hyde Street Harbor Repairs, to Yerba Buena Engineering and Construction, Inc ("Contractor"); and

WHEREAS, The Contract included general repairs to the floating dock system that includes dock, utility repair, and installation of new power pedestals to maintain a safe and reliable harbor; and

WHEREAS, During construction, the Contractor encountered unforeseen conditions that required additional time and cost to complete the Contract and include repair work to the float, electrical connections, and disposal of contaminated pipes as directed by Port staff; and

WHEREAS, Section 6.22(h) of the City Administrative Code authorizes the Port Commission to approve time extensions greater than 10% of the original contract amount or duration; and

WHEREAS, Port staff retroactively requests authorization of an extension of time of 117 calendar days in addition to the authorized 10% contingency of 16 days to the original contract duration of 160 calendar days, which will extend the original contract's substantial completion date from September 30, 2024 to February 10, 2025; and

WHEREAS, Port staff requests authorization to increase the contract amount up from \$1,714,103 to an additional \$300,000 for a total authorized not-to-exceed contract value of \$2,014,103; now, therefore be it

RESOLVED, That the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2788R, Hyde Street Harbor Repairs, to retroactively extend the existing substantial completion date by an additional 117 days; and be it further

RESOLVED, That the Port Commission authorizes Port staff to increase the Contract amount, as necessary for unanticipated contingencies by up to an additional amount of \$300,000 through contract modification or change order; and further, the Port Commission hereby ratifies all actions taken by the Port staff in furtherance of the purposes described in this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 14, 2025.

Secretary

EXHIBIT A Area of Work Location Map

