

#### **MEMORANDUM**

July 3, 2025

TO: MEMBERS, PORT COMMISSION

Hon. Gail Gilman, President

Hon. Stephen Engblom, Vice President

Hon. Willie Adams Hon. Steven Lee Hon. Ken McNeely

FROM:

Executive Director

**SUBJECT:** Request authorization to award Construction Contract No. 2885,

Maintenance Dredging 2025-2030, to The Dutra Group in the amount of \$31,663,500, and authorization for a contract contingency fund of 10% of the contract amount (or \$3,166,350), for a total authorization not to exceed

\$34,829,850.

**DIRECTOR'S RECOMMENDATION**: Approve the Attached Resolution No. 25-34

#### **EXECUTIVE SUMMARY**

Port Commission authorized Port staff to Advertise for Bids on April 8, 2025 (Resolution No. 25-19) for the Maintenance Dredging 2025-2030 project (the "Project"). One bid was submitted in response to the advertisement. Port staff requests the Port Commission authorize award of Construction Contract No. 2885, Maintenance Dredging 2025-2030 to The Dutra Group ("Dutra"), the sole responsible, responsive bidder, in the amount of \$31,663,500 and authorize a contract contingency fund of 10% (or \$3,166,350), for a total authorization not to exceed \$34,829,850.

#### STRATEGIC OBJECTIVES

The Project supports the Port's Strategic Plan through the following goals:

<u>Economic Recovery</u>: Attract and retain tenants that build an economically viable Port. Promoting maritime commerce has been a long-standing objective of the Port to contribute to the economic vitality and long-term vitality of the Port and the City. While some of the Port's berths are naturally deep, many of the Port's berths require periodic dredging to support this objective.

<u>Economic Growth</u>: Grow the Port's Maritime business portfolio and maintain the Port's financial strength by maximizing the value of Port property and increasing revenue.

Sustainability: Create and restore habitats when sediments can be beneficially reused.

<u>Stability</u>: Maintain the Port's financial strength by maximizing the value of Port property and increasing revenue.

#### **BACKGROUND**

Maritime commerce is central to the Port's mission, and its limited naturally deep berths make annual maintenance, dredging essential for sustaining safe, navigable waters. This dredging program supports a wide range of maritime operations, including cruise ships, cargo deliveries, commercial fishing, ferries, excursion vessels, recreational boating, and emergency response by agencies like SF Bay Ferry, SFPD Marine Unit, and SFFD Fireboats. The dredging program and maritime activity play a crucial role in post-disaster efforts such as evacuation, supply transport, and fire suppression, while also contributing approximately \$33 million of the Port's \$38 million in annual maritime revenue. Maritime commerce is central to the Port's mission, and dredging services are critical in achieving it. The Port has limited naturally deep berths, and much of its maritime operations depend on the annual dredging program to maintain safe depths for continuous maritime activity.

On April 8, 2025, the Port Commission authorized staff to advertise for bids for the Project (Resolution No. 25-19). Port staff published the advertisement for the Project on May 12, 2025, conducted an optional virtual pre-bid meeting on May 19, 2025, and opened bids on May 30, 2025.

The Port's not to exceed total cost estimate for this new five-year contract is \$32,000,000, based on an anticipated dredging frequency per berth and estimated volumes to be dredged. Port staff requested bids on a unit price basis based on the Project Engineer's estimated quantities. Port staff requests that the Port Commission authorize the award of the contract to The Dutra Group, the sole responsive, responsible bidder. This contract will be awarded as a not-to-exceed amount, and the Port will direct the contractor to dredge on an as-needed basis each fiscal year, depending on Port operational needs, subject to available and appropriated funds. Individual dredge event Notices to Proceed will be issued by the Port's Chief Harbor Engineer to the contractor, which include estimated dredging volumes per specific berth based on pre-dredge bathymetric surveys as set forth in the construction contract documents.

The published Engineer's Estimate for the contract was \$32,000,000. While five major dredging contractors participated in the virtual pre-bid meeting, the Port staff received one bid for the Project. The Port did not receive any protests during the five working-day bid protest period that ended on June 6, 2025. A summary of the bids is attached (see Attachment B, Bid Tabulation). The Dutra Group is the sole bidder, with a total bid price of \$31,663,500, which is in line with the Engineer's Estimate. The Dutra Group is a California corporation in San Rafael. The Dutra Group has successfully performed maintenance dredging for the Port since 1998, and completed the last Port's Maintenance Dredging 2022-2024 contract. Port Engineering staff reviewed the bid and determined that The Dutra Group is the sole responsive and responsible bidder.

#### PROJECT SCOPE

The scope of work includes:

- Maintenance dredging covering various sites along the Port of San Francisco Waterfront
- Transportation and disposal of sediments, including both material suitable for unconfined aquatic disposal (SUAD) and material not suitable (NUAD), as well as material suitable for beneficial reuse

The design documents for the Project were prepared by Port Engineering staff.

#### **SELECTION PROCESS**

Port staff evaluated the sole responsive and responsible bidder's experience statements and determined that The Dutra Group met the Project's minimum qualifications.

Additionally, the Port conducted a Contractor Safety Evaluation and determined that The Dutra Group met the safety requirements.

The final bid summary is shown in Table 1 below and Attachment B – Bid Tabulation.

**Table 1: Project Bid Summary** 

Bidder	Base Bid	Bid Rank
The Dutra Group	\$31,663,500	1

#### LOCAL BUSINESS ENTERPRISE

Due to the specialized nature of this work, the Port's Contract Monitoring Division ("CMD") issued a waiver for the LBE subcontracting requirements, noting that the requirements do not apply to this project. Additionally, Port staff had obtained this waiver and presented it to the Port Commission on April 8, 2025, as part of Resolution No. 25-19 for authorization to bid.

#### **REGULATORY APPROVALS**

All necessary approvals and permits will be secured by Port staff prior to the Notice to Proceed. All work under the contract is covered under the regulatory approvals and permits shown in Table 2.

**Table 2: Regulatory Permits** 

Agency	Permit or Approval Required and Status
San Francisco Regional Water Quality Control Board Section	Permit pending, application submitted. Anticipated approval in Summer 2025.
San Francisco Bay Conservation and Development Commission	Permit pending, application submitted. Anticipated approval in Summer 2025
U.S. Army Corps of Engineers	Permit pending, application submitted. Anticipated approval in Summer 2025.

The Regional Water Quality Control Board has determined that Maintenance dredging is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15304(g), minor alterations to land-maintenance dredging.

### **SCHEDULE**

The Project scope requires that the work in the San Francisco Bay be performed within the regulated in-water work window from June to November. The construction contract duration is over a 5-year period from the Notice to Proceed date. Below is a summary of the construction and contracting milestones:

•	Commission Authorization to Award	July 8, 2025
•	Anticipated Notice to Proceed and First Dredging Event	September 2025
•	Substantial Completion	December 31, 2030

#### **FUNDING**

The Contract will be funded by the Port Harbor Funds for maintenance dredging allocated on a biennial basis, subject to approval by the Port Commission, Mayor, and Board of Supervisors as part of the Port's capital budget.

#### **SUMMARY**

This Project is necessary to ensure continued safe and navigable depths at key Port berths through routine maintenance dredging, which is critical to supporting maritime commerce, emergency response operations, and the Port's economic stability. The next steps, upon Commission approval, include executing the construction contract with The Dutra Group and securing final regulatory permits, which are anticipated by Summer

2025, with the first dredging event expected to begin in September 2025. The contract is fully funded through the Port's Harbor Fund Capital Budget, with appropriations subject to biennial approval by the Port Commission, the Mayor, and the Board of Supervisors. No further Commission action is expected during the five-year contract term; however, Port staff will return when future dredging contracts beyond 2030 are proposed.

#### RECOMMENDATION

Port staff recommends that the Port Commission authorize the award of Construction Contract No. 2885, Maintenance Dredging 2025-2030, to The Dutra Goup, the lowest responsive and responsible bidder, in the amount of \$31,663,500 and with a 10% contingency of \$3,166,350, for a total not to exceed amount of \$34,829,850. Port staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Matthew Dea, PE

Civil Engineer

For: Wendy Proctor

Interim Deputy Director, Engineering

Attachments:

A - Area of Work Location Map

B - Bid Summary Tabulation

## PORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

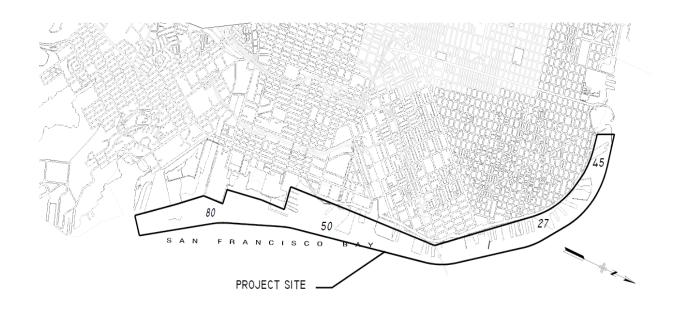
### **RESOLUTION NO. 25-34**

- WHEREAS, The Port Commission previously authorized the advertisement of Contract No. 2885, Maintenance Dredging 2025-2030 (the "Project") at its meeting on April 8, 2025; and
- WHEREAS, Port staff received one bid for this Project on May 30, 2025; and
- WHEREAS, Port staff reviewed the bid and determined that The Dutra Group is the sole responsive, responsible bidder for the Project; and
- WHEREAS, The Dutra Group's total bid price is \$31,663,500; and
- WHEREAS, Port staff recommends the award of the Contract to The Dutra Group as the sole responsive, responsible bidder, with dredging work in future fiscal years to be subject to available and appropriated funds; and
- WHEREAS, The Contract will incorporate the dredging and disposal noted in the "Long Term Management Strategy for the San Francisco Bay" including provisions for in-bay disposal, ocean disposal, and upland disposal of dredge materials developed by the Dredging Material Management Office (DMMO), a joint program of the San Francisco Bay Conversation and Development Commission (BCDC), San Francisco Bay Regional Water Quality Control Board (RWQCB), California State Lands Commission (CSLC), the U.S. Army Corps of Engineers (USACE), and Region 9 of the U.S. Environmental Protection Agency (EPA); and
- WHEREAS, The City's Contract Monitoring Division (CMD) staff have reviewed the Project scope and funding sources for this contract, and determined that there are no subcontracting opportunities for Local Business Enterprises (LBEs) as part of the proposed dredging contract and have waived any LBE requirement; now, therefore be it
- RESOLVED, That based upon the information contained in the staff report for the Project, and testimony received and through consultation with the Regional Water Quality Control Board the Port Commission finds and determined Maintenance dredging is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, section 15304(g), minor alterations to land maintenance dredging; and be it further

- RESOLVED, That the Port Commission hereby authorizes the award of the Project to The Dutra Group, for the not-to-exceed amount of \$31,663,500, subject to available and appropriated funds; and be it further
- RESOLVED, That the Port Commission authorizes Port staff to increase the contract amount, as necessary for unanticipated contingencies, by an additional \$3,166,350 (10% of \$31,663,500) through contract modification or change order; and be it further
- RESOLVED, That the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

Commission at its meeting of July 8, 2	nission at its meeting of July 8, 2025.
	Secretary

# ATTACHMENT A AREA OF WORK LOCATION MAP



# ATTACHMENT B BID SUMMARY TABULATION



#### BID TABULATION

BID OPENIN	G DATE	05/30/2025 @ 1:00 PM; VIA TEAMS CONFERENCE CALL			
CONTRACT N	UMBER	2885			
PROJECT NA	ME	MAINTENANCE DREDGING 2025-2030			
ALTERNATE PRIORITIES:		NONE			
LBE GOAL:	N/A	SUBSTANTIAL COMPLETION:	12/31/2030	ANNOUNCED CONSTRUCTION ESTIMATE BUDGET:	N/A
NUMBER OF BIDDERS:	1	ENGINEER'S ESTIMATE:	\$32,000,000.00	APPARENT LOW TOTAL BID PRICE:	\$31,663,500.00

BIDDER ID #	01
	THE DUTRA GROUP
	2350 KERNER BOULEVARD, SUITE 200
	SAN RAFAEL, CA 94901
BID ITEM #	HARRY K. STEWART, PRESIDENT AND CEO
	415-258-6876
	HSTEWART@DUTRAGROUP.COM
1A	(*)\$3,900,000.00
1B	\$250,000.00
1C	\$3.25/GALLON
2	\$1,725,000.00
3	\$9,000,000.00
4	\$4,200,000.00
5	\$9,000,000.00
6	\$1,200,000.00
7	\$1,600,000.00
8	\$12,500.00
9	\$6,000.00
10	\$150,000.00
11	\$500,000.00
12	\$100,000.00
13	\$20,000.00
BASE BID	\$31,663,500.00
TOTAL	\$31,003,300.00
APPARENT	1
BID RANK	<u> </u>

(\*) PORT INPUTTED INCORRECT AMOUNT PREVIOUSLY. AMOUNT SHOWN IS PER SUBMITTED BID.

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