



MEMORANDUM

February 23, 2024

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

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request for retroactive authorization to modify Construction Contract No. 2849, Heron's Head Park Signage, to extend the substantial completion date.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 24-11

EXECUTIVE SUMMARY

Port staff requests that the Port Commission authorize a contract modification to extend the substantial completion date of Construction Contract No. 2849, Heron's Head Park Signage (the "Project"), by an additional 129 calendar days. This project is a replacement for the interpretive signage and educational elements and new wayfinding signage at Heron's Head Park. Construction was performed by a micro-LBE signage contractor based in Bayview, LaHue and Associates. The requested time extension is in addition to the time extension of 9 days that Port staff are authorized to grant without commission approval (10% of the original contract duration). Under Section 6.22 of the San Francisco Administrative Code, time extensions in excess of 10% of the original contract duration are subject to Port Commission approval.

The original contract provided a duration of 90 calendar days for substantial completion of the work. A total of 228 days was required to substantially complete the work due to unavoidable delays beyond the control of the contractor. These delays were due to supply chain issues and additional work to address circumstances in the field due to unforeseen conditions. Port staff has analyzed the record and does not find a basis to assess

liquidated damages against the contractor for the delay. The contract budget has remained under budget through substantial completion. The Port has not used the 10% contingency.

STRATEGIC OBJECTIVE

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

Economic Recovery:

This project was partially funded through a grant.

Sustainability:

This project supports public education on climate change risks through new interpretive signage at Heron's Head Park.

Engagement:

This project updates interpretive and wayfinding signage at Heron's Head Park.

BACKGROUND

The Port's Executive Director awarded this micro-LBE set-aside contract to LaHue and Associates ("LaHue") on March 28, 2023. The contract amount was \$116,300. The scope of work included: the demolition of existing signage at Heron's Head Park, including foundations. It also includes the fabrication and installation of new signage, including foundations, and the installation of an educational demonstration. Exhibit A presents the Project location.

The contract work began on May 30, 2023. During this construction contract, there have been additional delays. These delays are due to supply chain issues and additional work to address circumstances in the field due to unforeseen conditions. Throughout this process, despite the schedule delays, LaHue and Port staff focused on staying within the budget. The total change orders are less than the 10% budgeted contingency and in fact, less than the original contract value resulting from a deductive change order crediting the Port.

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 retroactive approval of time extensions above 10% where Port staff has analyzed the record and does not find a basis to assess liquidated damages. Now that the work is complete, Port staff is seeking a retroactive schedule extension to account for the construction delays that require Port Commission authorization. Notably, Port staff typically make retroactive requests for extension of time because at project close out staff know the precise number of days in the delay. Port staff has analyzed the record and does not find a basis to assess liquidated damages against the Contractor for the construction delays. Port staff, therefore, requests authorization to execute a contract modification to extend the original contract duration of 90 calendar days for substantial completion by an additional 129 calendar days (in addition to the time extension of 9 days allowed to be granted by Port staff). The requested contract modification would thus extend the substantial completion date from August 27, 2023 to January 12, 2024.

SAN FRANCISCO LOCAL BUSINESS ENTERPRISE REQUIREMENT

This Project is a micro-LBE set aside contract and therefore does not have an LBE subcontractor participation goal and is exempt from the San Francisco Local Hiring Policy for construction. However, the contractor was encouraged to use LBE subcontractors and did use an LBE subcontractor, S&H Concrete Construction, for approximately 23% of the contract value.

SCHEDULE

The modified Project completion schedule is noted below:

| | |
|-------------------------------------------|------------------|
| Executive Director Authorization to Award | March 28, 2023 |
| Notice to Proceed | May 30, 2023 |
| Original Substantial Completion | August 27, 2023 |
| Revised Substantial Completion | January 12, 2024 |

FUNDING

The projected final anticipated contract expenditure details are shown below. The total contract value was reduced due to a deductive change order resulting in a credit to the Port.

| | |
|-------------------------------------------------------------|--------------|
| Contract Award | \$116,300 |
| Total authorized contract amount, including 10% contingency | \$127,930 |
| Anticipated Contract Change Orders | (\$2,655.71) |
| Total Anticipated Contract Expenditures | \$113,644.29 |

SUMMARY

The Contractor experienced delays in contract completion beyond 10% of the original contract duration for the Project. The circumstances for the delay are due to supply chain issues and additional work to address circumstances in the field due to unforeseen conditions. Port staff determined that the additional time required to complete the Project was reasonable and justified. As a result, staff find no basis to assess liquidated damages for the delay.

RECOMMENDATION

Port staff recommends Port Commission approve the attached resolution authorizing Port staff to execute a contract modification to extend the original contract duration of 90 days for substantial completion by an additional 129 calendar days, in addition to the time extension of 9 days that Port staff has already granted.

Prepared by: Erica Petersen
Project Manager

For: Wendy Proctor
Acting Deputy Director of Engineering

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

RESOLUTION NO. 24-11

- WHEREAS, On March 28, 2023, the Port Executive Director authorized the award of Construction Contract No. 2849 (“the Contract”), Heron’s Head Park Signage, to LaHue and Associates (“Contractor”); and
- WHEREAS, The contract scope included demolition of existing signage at Heron's Head Park, including foundations. It also included fabrication and installation of new signage, including foundations, and installation of an educational demonstration; and
- WHEREAS, During the course of construction, the Contractor encountered delays that required additional time to complete the contract work; the circumstances for the delay are due to supply chain issues and additional work to address circumstances in the field due to unforeseen conditions; 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 such a time extension is permissible after completion of the work when there is no basis to assess liquidated damages for the delay against the contractor; and
- WHEREAS, Port staff requests authorization of an extension of time of 129 calendar days to the original contract duration of 90 calendar days, which combined with the time extension of 9 days allowed to be granted by Port staff, will extend the original contract's substantial completion date from August 27, 2023 to January 12, 2024; and
- WHEREAS, As described in the accompanying staff report, Port staff has analyzed the record and found that the delays in the completion of the contract were beyond the Contractor’s control and there is no basis to assess liquidated damages against the Contractor; now, therefore be it
- RESOLVED, That the Port Commission hereby authorizes Port staff to execute a contract modification to Contract No. 2849, Heron’s Head Park Signage, to extend the existing substantial completion date by an additional 129 days, and further, the Port Commission hereby ratifies all actions taken by the Port staff in furtherance of such contract close-out.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 27, 2024.

Secretary

EXHIBIT A
AREA OF WORK LOCATION MAP

