



Agenda Item No. 3

To: Transportation Committee/Committee of the Whole
Meeting of August 4, 2006

From: James P. Swindler, Deputy General Manager, Ferry Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE AWARD OF CONTRACT NO. 2007-FT-6, DRY-DOCKING OF THE M.S. SAN FRANCISCO AND THE M.S. SONOMA FOR ROUTINE U.S. COAST GUARD INSPECTION, HULL MAINTENANCE AND REPAIRS TO BAY SHIP & YACHT CO.**

Recommendation

The Transportation Committee recommends that the Board of Directors waive certain exceptions to the bid as minor irregularities and authorize award of Contract No. 2007-FT-6, *Dry-Docking for Routine U.S. Coast Guard Inspection, Hull Maintenance and Repairs, M.S. San Francisco and M.S. Sonoma*, to Bay Ship & Yacht Co., in the amount of \$300,000, which includes all of the Category "A" items for \$171,238, and certain Category "B" items not to exceed \$128,762, with the understanding that the funds for this project have been included in the Fiscal Year 2006/2007 Ferry Division Operating Budget.

This recommendation will be presented to the Board of Directors at its August 11, 2006, meeting for appropriate action.

Summary

On July 25, 2006, bids were opened for Contract No. 2007-FT-6, *Dry-Docking of the M.S. San Francisco and M.S. Sonoma for Routine U.S. Coast Guard Inspection, Hull Maintenance and Repairs*. Two bids were received, one from each of the two primary providers of ship maintenance and repair services for vessels in the size range operated by Golden Gate Ferry. A summary of the bids is as follows:

Bidder	Category "A" Total	Category "B" Total	Grand Total
Bay Ship & Yacht Co. Alameda, CA	\$171,238	\$581,763	\$753,001
BAE Systems San Francisco Ship Repair, Inc. (formerly San Francisco Drydock, Inc.) San Francisco, CA	\$167,914	\$964,930	\$1,132,844

The grand total of the Bay Ship & Yacht Co. bid for all Category "A" and all Category "B" items is \$753,001. The Contract specifications provide that the Contract shall be awarded to the lowest responsive and responsible bidder and that the lowest bidder will be calculated by adding the sum total of all Category "A" items and Category "B" items. The specifications require that all Category "A" work be completed, and the District has the discretion to award all, some, or none of the Category "B" items. As shown by the chart above, Bay Ship & Yacht Co. is the lowest monetary bidder applying the criteria established in the Contract specifications.

Bay Ship & Yacht satisfied the requirements of the Contract specifications, except that Bay Ship & Yacht included as a condition to its bid that its total aggregate cumulative liability and total aggregate cumulative insurance coverage be limited to Five Million Dollars. The only other bidder, BAE Systems, conditioned its bid on having a limit of liability also, but BAE Systems' total limit of liability is only three times the Contract value not to exceed Five Million Dollars. For this Contract, BAE Systems limit of liability would be \$900,000, which is substantially less than the \$5,000,000 limit of liability of Bay Ship & Yacht.

Because the only two bidders for this Contract both conditioned their bids on including a limitation of liability, and because neither Bay Ship & Yacht nor BAE Systems have a competitive advantage as a result of this condition, staff and the Attorney recommend that the Board waive this exception as a minor irregularity.

Staff also recommends that all Category "A" items in the amount of \$171,238 and certain Category "B" items totaling an amount not to exceed \$128,762 for a grand total of \$300,000, be awarded to Bay Ship & Yacht at this time.

The list of Category "B" items included with this Contract consist of two specific groups of items:

1. Those items that cannot be identified until after the vessel has been dry-docked and inspected, but must be addressed prior to recertification of the vessel by the United States Coast Guard, and
2. A list of maintenance items that are desirable, but will be considered only if there are sufficient funds after completing all of the Category "A" items and the necessary Category "B" items.

The District's Disadvantaged Business Enterprise (DBE) Program Administrator reports that no DBE participation is anticipated for this project.

Fiscal Impact

The total cost of this project will not exceed \$300,000. Funds to support this Contract are provided for in the FY 2006/2007 Ferry Division Operating Budget. This project will be funded with 100% District funds.