



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of October 24, 2024

From: Joseph M. Wire, Auditor-Controller
John R. Eberle, District Engineer
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFERS**
(a) BUDGET INCREASE IN THE FY 24/25 FERRY DIVISION
CAPITAL BUDGET FOR PROJECT #2443, SAN FRANCISCO
FERRY TERMINAL WEST AND EAST BERTH RAMP
REHABILITATION

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on October 24, 2024, that the Board of Directors authorize an increase in the FY 24/25 Ferry Division Capital Budget in the amount of \$4,134,282 relative to Project #2443, *San Francisco Ferry Terminal West and East Berth Ramp Rehabilitation*.

Summary

The Golden Gate Bridge, Highway and Transportation District's (District) Ferry Division operates ferry service between San Francisco and Larkspur in central Marin County, between San Francisco and Sausalito in southern Marin County, and between San Francisco and Tiburon also in southern Marin County. The San Francisco Ferry Terminal (SFFT) is located behind the San Francisco Ferry Building and over the past year, accommodated between 55 and 60 trips and 3,600 – 4,000 passengers per day. The SFFT was constructed in 1978 and includes a ticket building, passenger waiting areas and restroom buildings, maintenance and utility buildings, and two passenger boarding ramps and vessel berths. The boarding ramps consist of, in general, a steel deck walking surface welded to structural framing. One end of the ramp is pinned at the ferry plaza concrete pier and the other end is supported on hydraulic cylinders that raise and lower the ramp onto the ferry vessels. The hydraulic and electric lines that support the operation of the boarding platforms are located under the ramps.

On June 30, 2021, during a facility inspection, District staff discovered a crack in a steel structural framing element of the east (outer) berth passenger boarding ramp. Subsequent inspections revealed additional structural cracks at both the east and west berth steel ramps. Engineering determined that the locations and severity of the cracks warranted temporary closure of the berths and on July 7, 2021, both berths we closed.

On February 16, 2023, structural repairs were completed on the west berth, and on April 7, 2023, the berth was put back into service, but it was determined that in order to prevent similar cracks from occurring in the future, repairs to the hydraulic system were necessary. In addition, the condition of the east berth was such that more extensive repairs were necessary before it could be placed back into service.

Engineering initially planned to advertise two separate construction projects for the repairs: one for the west berth hydraulic system repairs and one for the east berth structural repairs and hydraulic system repairs. However, after further analysis of the staging and permitting associated with the two projects, it was determined to combine the work into one project. On March 22, 2024, the Board, by Resolution No. 2024-016, approved Project #2443, SFFT West and East Berth Rehabilitation, with a total project budget of \$6,268,000. Project #2443 covers the scope of berths rehabilitation work that was previously covered by two separate projects - Project #2443, SFFT Inner Berth Hydraulics and Project #2444, SFFT Outer Berth Rehabilitation.

On July 16, 2024, the District advertised for bids for construction Contract No. 2024-F-010, *San Francisco Ferry Terminal West and East Berth Ramp Rehabilitation*. The project scope involves, in general, the following:

- Lift, remove, and transport the east berth ramp to an offsite facility for repairs.
- Perform steel repairs and clean and paint the east berth ramp.
- Remove and refurbish hydraulic cylinders at the east berth ramp.
- Remove and dispose of the east berth ramp hydraulic system.
- Remove and dispose of the east berth ramp electrical lines.
- Perform repairs to a concrete beam supporting the east berth ramp.
- Install refurbished hydraulic cylinders at the east berth ramp.
- Furnish and install new hydraulic system on the east berth ramp.
- Furnish and install new electrical lines on the east berth ramp.
- Furnish and install new hydraulic control system on the east berth ramp.
- Transport and reinstall the east berth ramp at the terminal.
- Commission the new hydraulic control system on the east berth ramp.
- Remove and refurbish hydraulic cylinders at the west berth ramp.
- Remove and dispose of the west berth ramp hydraulic system.
- Remove and dispose of the west berth ramp electrical lines.
- Install refurbished hydraulic cylinders at the west berth ramp.
- Furnish and install new hydraulic system on the west berth ramp.
- Furnish and install new electrical lines on the west berth ramp.
- Furnish and install new hydraulic control system on the west berth ramp.
- Commission the new hydraulic control system on the west berth ramp.

The work will be phased so that one of the two berths remains open and operating at all times. On July 16, 2024, the bid solicitation documents were posted on Bonfire, the District's public procurement portal. In addition, the solicitation was advertised in the San Francisco Chronicle and the Small Business Exchange. A courtesy message notifying disadvantaged and small businesses was sent to approximately 2,000 email addresses. Thirty-four (34) firms downloaded

the solicitation documents from the District’s procurement portal. On the bid opening date of September 25, 2024, three (3) bids were received, opened, and publicly read:

<u>COMPANY</u>	<u>TOTAL BID PRICE</u>
1. Manson Construction Co, Seattle, CA	\$7,915,000.00
2. Power Engineering Construction Company, Alameda, CA	\$8,964,820.00
3. Tully Consulting Group	\$36,550.00

The Engineering staff, the District’s Disadvantaged Business Enterprise (DBE) Program Office and District’s Attorney evaluated the bid proposals for completeness and conformance with the bid solicitation requirements. The bid proposals from Manson Construction Co., and Power Engineering Construction Co., were determined to be complete and responsive to the solicitation but the bid proposal from Tully Consulting Group was determined to be incomplete and non-responsive (and likely submitted in error).

The two responsive bid proposals came in higher than the estimated bid amount, with the lower bid proposal being approximately 13% higher than the engineer’s estimate and the higher bid proposal being approximately 28% higher than the engineer’s estimate. The work is very technical, requiring specialized marine equipment, expertise working in and over water, and specialized experience with hydraulic and controls systems. In general, the major pricing differences were for the bid items associated with removing, refurbishing, and reinstalling the hydraulic cylinders, removing the existing electrical lines and replacing with new electrical lines, and furnishing and installing new hydraulic control systems. Staff determined that the complexities associated with removing, refurbishing, and reinstalling the existing hydraulic cylinders, working in difficult site conditions over water with limited allowable loading, staging and laydown areas, the requirements to schedule work around the tides and ferry operations, and the inflationary pressures of the current local construction market conditions are the reasons of the much higher bid pricing. Engineering staff determined that Manson Construction Co.’s pricing reflects the current local market conditions and is fair and reasonable.

A Small Business Enterprise (SBE) contract-specific goal of 11.4% was established for this contract. Bidders were required to document their activities in the solicitation and selection process of subcontractors, subconsultants, and suppliers to ensure that this process was carried out in a nondiscriminatory manner. The Manager, DBE and Workforce Inclusion, has determined that Manson Construction Co. fell short of meeting the 11.4% SBE goal; however, Manson Construction Co. provided sufficient good faith efforts to actively solicit DBE/SBE subcontractors and suppliers in a non-discriminatory manner. In accordance with Title 49 Code of Federal Regulations, Part 26, a bidder must not be denied a contract award if adequate good faith efforts have been documented. At this time, no SBE participation is anticipated during the performance of this contract.

The Engineering staff and Attorney determined that Manson Construction Co., with a bid price of \$7,915,000, is the lowest responsive and responsible bidder. Staff recommends award of Contract No. 2024-F-010 to Manson Construction Co.

It is recommended that a construction contingency in an amount of \$791,500, or 10% of the construction contract's total price, be established for Contract No. 2024-F-010 considering the complexity of the work and the possibility of unforeseen circumstances arising during construction of this Project.

Engineering staff has performed an analysis of the level of effort necessary for staff to perform construction management and administration during the project construction as well as consultant engineering and special inspection support and have determined that the original budgeted amounts were underestimated. Engineering staff have estimated that the project's staff budget should be increased by \$518,000 (labor, fringe, and indirect costs), construction engineering budget should be increased by \$289,784, and special material and site inspections increased by \$100,000.

Fiscal Impact

Project #2443, *San Francisco Ferry Terminal West and East Berth Ramp Rehabilitation* is included in the FY 24/25 Ferry Division Capital Budget in the amount of \$6,268,000 and is funded 100% by the State of California State of Good Repair (SGR) program.

The proposed actions relative to the award of construction Contract No. 2024-F-010 would result in a \$4,134,284 increase to the total project budget as shown in Table 1 below. This increase will be funded with District reserves. The revised total project budget of \$10,402,284 will be 60% State SGR-funded and 40% District-funded.

TABLE 1: PROJECT BUDGET – #2443, San Francisco Ferry Terminal West and East Berth Ramp Rehabilitation

DESCRIPTION	CURRENT PROJECT BUDGET	PROPOSED ADJUSTMENT	TOTAL PROPOSED PROJECT BUDGET
District Staff Labor/Fringe	\$250,000	\$400,000	\$650,000
Indirect Costs	\$132,000	\$118,000	\$250,000
General Project Expenditures	\$34,000	\$16,000	\$50,000
Printing & Advertising	\$10,000	\$4,000	\$14,000
Permit and Fees (Port of SF)	\$105,000		\$105,000
Prime Construction Contract	\$5,000,000	\$2,915,000	\$7,915,000
Prime Construction Contract Contingency (10%)	\$500,000	\$291,500	\$791,500
Construction Engineering (Moffatt & Nichol)	\$170,000	\$263,440	\$433,440
Construction Engineering Contingency (Moffatt & Nichol)	\$17,000	\$26,344	\$43,344
Material Testing Services (consultants)	\$50,000	\$100,000	\$150,000
TOTAL	\$6,268,000	\$4,134,284	\$10,402,284

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