

## MEMORANDUM

July 7, 2017

**TO:** MEMBERS, PORT COMMISSION  
Hon. Willie Adams, President  
Hon. Kimberly Brandon, Vice President  
Hon. Leslie Katz  
Hon. Doreen Woo Ho

**FROM:** Elaine Forbes  
Executive Director

**SUBJECT:** Informational presentation regarding the Request for Proposals (RFP) for Planning, Engineering, and Environmental Services for the Seawall Resiliency Project

**DIRECTOR'S RECOMMENDATION:** Informational only – No action required

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### EXECUTIVE SUMMARY

On March 14, 2017 the Port Commission authorized Port staff, through Resolution 17-14, to issue a Request for Proposals ("RFP") to solicit engineering consulting services for the Seawall Resiliency Project for an amount not to exceed \$40,000,000. On April 24, 2017, Port staff issued a RFP for such consulting services.

The Port received five proposals in response to the RFP. Staff determined that all five proposals were responsive and met minimum qualifications specified in the RFP. The Contract Monitoring Division (CMD) determined that all five firms met the pre-award requirements of the City's Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance (the LBE Ordinance). An evaluation panel then evaluated and scored the written proposals and held oral interviews. CMD monitored the panel evaluation process. After the panel completed its evaluation and scoring of the proposals, Port staff identified CH2M HILL Engineers, Inc., as the highest-ranked firm.

Port staff intends to enter contract negotiations with CH2M HILL Engineers, Inc. The proposed contract, for the not-to-exceed amount of \$40,000,000, will carry a term of ten years with the option to extend the term for one additional year at the Port's sole discretion. Prior to issuance of the RFP, CMD established a 15 percent subcontracting goal for LBE participation in this contract, pursuant to San Francisco Administrative

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Code Chapter 14B. In its proposal, CH2M HILL Engineers, Inc., agreed to exceed this goal and achieve 21 percent LBE subcontractor participation. Therefore the proposed contract will incorporate a 21 percent LBE subcontractor participation requirement.

Upon completion of contract negotiations, the Port will return to the Port Commission on August 8, 2017, with a request for approval of contract award. Additionally, Charter Section 9.118 requires Board of Supervisors' approval of contracts for professional services related to design, engineering or construction management when the term exceeds ten years or the contract anticipates expenditures of \$10,000,000 or more. The Board of Supervisors will be on legislative recess from August 1 through September 4. To ensure Board of Supervisors' approval of the contract in September, staff will work with the Mayor's Office to introduce legislation seeking Board approval prior to Port Commission approval of the proposed contract award. Staff will have the opportunity to amend the legislation to reflect any final determinations made by the Port Commission prior to the first hearing with the Board of Supervisors' Budget and Finance Committee.

## **STRATEGIC OBJECTIVE**

This contract opportunity will support the goals of the Port's Strategic Plan as follows:

### Engagement:

By promoting seawall knowledge using various media and outreach efforts, and by leading an inclusive stakeholder process to develop goals, values, and ensure consideration of all issues during development and implementation of the Seawall improvement program.

### Livability:

By increasing the proportion of funds spent by the Port on LBE contracts.

### Resiliency:

By leading the City's efforts to address threats from earthquakes and flood risk through research and infrastructure improvements to the Seawall and Port property.

### Sustainability:

By enhancing the quality of the Bay water and habitat with the improvements, by limiting construction impacts and waste, and by sustainable design and construction best management practices.

### Stability:

By seeking traditional and innovative funding solutions and by maximizing external investment.

## **BACKGROUND**

The Port is the lead City agency for the restoration project of the Seawall which is expected to span ten years cost approximately \$500 million. The Seawall was constructed over 100 years ago and stretches for more than three miles from Fisherman's Wharf to Mission Creek along San Francisco's historic waterfront. With a

century of erosion and structural deterioration, the Seawall must be upgraded and improved to protect critical infrastructure from seismic vulnerabilities and sea level rise, and continue to function today, and for generations to come.

The Seawall infrastructure supports the world-renowned Embarcadero Promenade which was added in 2016 to the list of National Trust for Historic Preservation's Endangered Historic Places. Additionally, the Seawall supports an extensive network of infrastructure, utilities and assets owned by various City and County of San Francisco agencies such as the Port of San Francisco, San Francisco Fire Department (SFFD), San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Utilities Commission (SFPUC), San Francisco Public Works (SFPW), and the Office of Community Investment and Infrastructure (OCII). Regional and private entities such as Bay Area Rapid Transit (BART), Golden Gate Ferry, and Pacific Gas and Electricity (PG&E) own and operate critical infrastructure that the Seawall protects. The Seawall also supports infrastructure for small businesses along the waterfront that contribute to the City's economic vitality and diversity and generate billions of dollars in rent, business income, and wages. A recent economic analysis conducted by the Port, concluded that the Seawall supports over \$25 billion of economic activity annually.

The Seawall is highly vulnerable to widespread damage from a major seismic event and to overtopping from sea level rise in the coming decades. There is a 72 percent chance of a major seismic event taking place in the Bay Area in the next 30 years and sea level could rise up to 66 inches by year 2100. A recent seismic vulnerability study showed that a major seismic event is likely to cause ground movement that would damage both the Seawall and wharf structures and could contribute to loss of life and significant economic harm.

The first phase of a Seawall Resiliency Project will address the immediate seismic vulnerabilities and life-safety issues associated with select and critical sections of the seawall as well as address the highest flood risks. Design and engineering solutions to these challenges will also consider expected sea level rise.

## **CONTRACT SCOPE**

The proposed contract scope includes the specialized and expert services needed to complete planning studies, develop and assess alternatives, select and define a preferred alternative, advance engineering and design to 35 percent, complete California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) approval, advance environmental and other permitting for construction, develop and recommend final design and construction project(s) delivery methods, and to assist with managing and review of final design and construction of the project(s). Final design, construction, and construction management will be handled via separate contracts.

The proposed contract will include the following services or personnel:

### Phase 0: Program Management and Controls (10 years)

Support the Port's Project Management team by providing the following services:

- Consultant Team Project Manager, single point of contact.
- Technical Team Leaders for: Structural Engineering, Coastal Engineering, Geotechnical Engineering, Civil Engineering, Utility Engineering, Transportation Engineering, Urban Planning and Design, Historic Preservation, Environmental Planning and Permitting
- Quarterly Project Reports
- Monthly Project Updates
- Meeting scheduling and minutes
- Develop and maintain a Risk Register
- Assist the Port in refining and actively managing the Project Management Plan

#### Phase 1: Planning (2 years)

Lead and carry out all work necessary to complete a multi-hazard feasibility study of the seawall that culminates in a framework to address the dual threats of seismic and flood risk and a recommendation for initial improvements to be implemented by this Project. Include conceptual designs, cost estimates, construction impacts and schedule, environmental impacts and benefits, economic impacts and benefits.

- Feasibility Study (including United States Army Corps of Engineers (USACE) requirements)
  - Identify problems and opportunities
  - Inventory and forecast conditions
  - Formulate alternatives
  - Evaluate alternatives
  - Compare alternatives
  - Select a recommended program for initial improvements and a framework for responding to the dual threat of seismic and flood risk.
- Supporting Studies and Scope
  - Condition Assessment of Bulkhead Wall & Wharves, Embarcadero Promenade and Roadway, Light Rail, Utilities.
  - Advance existing screening level earthquake vulnerability assessment including developing and implementing a subsurface exploration program.
  - Advance existing flood assessment including developing coastal modeling, transects for wave run-up and effects, and consideration of sea level rise and other climate change impacts such as storm intensity.
  - Assessing existing environmental conditions and potential impacts and benefits with various improvement concepts.
  - Constructability analysis and impact assessment of various improvement concepts
  - Economic analysis with direct and indirect considerations of various improvement concepts.
  - Developing and supporting the Port to complete a stakeholder engagement process that includes public workshops, engages Port tenants, and key stakeholders.
  - Cost estimating

- Implementing a project area specific multi-hazard loss estimation analysis with customized inputs for piers, wharves, bulkhead buildings, shed buildings, seawall and geotechnical conditions.

### Phase 2: Preliminary Design & Entitlements (2 years)

During this Phase, the consultant will advance design of initial improvements to 35% level and complete both CEQA and NEPA. Specific scope tasks will include:

- CEQA, Programmatic and Initial Improvements
- NEPA, Programmatic and Initial Improvements
- Advance Design & Engineering of Initial Improvements to 35% Level, including Plans, Specifications, Estimate, and supporting Design & Engineering Documents
- Constructability Review and Analysis
- Value Engineering
- Design and Construction Delivery Options and Recommendations
- Develop an approach to permitting pilot studies and initial improvements, develop alternatives analysis, environmental mitigation and enhancement concepts, generate information needed for permitting construction; apply for permits and approvals from the San Francisco Bay Conservation and Development Commission (BCDC), State Water Resources Control Board, USACE and resource protection agencies. Finalizing environmental permits for construction is expected to continue through Final Design
- Continuation of stakeholder engagement

### Phase 3: Final Design and Construction (6 years)

During this Phase, the consultant will support the Port as other consultants and contractors complete final design, permitting, construction, and mitigation and monitoring plans. Others will also provide construction management services.

- Review final designs and engineering studies, reports, plans, specifications, calculations, cost estimates, and construction schedules completed by the other consultant teams.
- Develop and complete a value engineering process for each project.
- Provide constructability review for each project.
- Design, engineer, and implement for pilot projects (small scale projects that may be necessary to understand design and viability of specific construction techniques).
- Assist in oversight of construction management.

## **SELECTION PROCESS**

On April 24, 2017, the Port issued the RFP, with submittals due on June 2, 2017. A pre-submittal meeting was held on May 3, 2017. Seventy people representing over 50 unique consulting firms attended the pre-submittal meeting.

The Port received five responses to the RFP in advance of the submittal deadline. The following five consultant teams (identified by the lead consultant in alphabetical order) responded to the RFP:

1. AECOM Technical Services, Inc.
2. CH2M HILL Engineers, Inc.
3. Parsons Transportation Group, Inc.
4. Seawall Innovations (A Tetra Tech/GHD, Inc. Joint Venture)
5. Stantec Consulting, Inc.

Port staff determined that all five firms met the minimum qualifications specified in the RFP. CMD then reviewed the submittals for compliance with the LBE Ordinance requirements and concluded that all five firms met the requirements.

#### Evaluation Panel

A four-member evaluation panel convened to evaluate and score written proposals on June 15, 2017. The panel consisted of an Assistant General Manager from the San Francisco Public Utilities Commission (SFPUC), a Section Manager for structural engineering from San Francisco Public Works, a Deputy Director of Planning and Environmental Services from the Port, and a structural engineer from the Port. The panel was diverse in terms of race and gender and had expertise in structural engineering (marine and civil), environmental review and analysis, and planning. The Port's CMD Contract Compliance Officer approved the panel composition and attended the initial panel meeting and oral interviews.

#### Evaluation Criteria

The selection panel evaluated and scored the written proposals panel using the following criteria:

- 30 points – project approach
- 40 points – staffing plan, organization, experience, and quality
- 30 points – firm experience and capability
- 5 points – proposer references
- 105 points total

Port staff forwarded all five proposers to the second phase of the evaluation process for oral interviews, which were held on June 22, 2017. Oral interviews were one hour each and included the following: a 15 minute presentation, 35 minutes to answer five standard questions that were distributed two days in advance, and seven minutes to evaluate and respond to a bonus question asked at the end of the interview. Each panel member evaluated and scored the proposers' oral interviews based upon the following criteria:

- 25 points – proposer's presentation - team experience
- 20 points – question 1: earthquake risk assessment approach
- 20 points – question 2: flood and sea level rise risk assessment approach
- 15 points – question 3: approach to implementable solutions for historic preservation, earthquake safety, and flood protection

- 10 points – question 4: enhance the sustainability of the Embarcadero Seawall and improve Bay ecosystem
  - 10 points – question 5: project management and cost controls
  - 5 points – question 6: economic/merchant activity during & after construction
- 105 points total

The final rankings resulting from the scoring of written proposals and the interviews are shown in *Table 1*. In accordance with the RFP scoring criteria, Port and CMD staff determined the highest-ranked consultant, CH2M HILL Engineers, Inc., is eligible for contract award. Port staff issued a Notice of Intent to Award a contract on June 26, 2017.

**Table 1: Seawall Communications RFP Proposal Scores**

Proposer	Written Proposal Score (Avg/Total)	Oral Interview Score (Avg/Total)	Final Total Score (Avg/Total)	Final Rank
CH2M	90/359	97/386	187/745	1
AECOM	89/357	87/348	176/705	2
Seawall Innovations (Tetra Tech/GHD JV)	84/336	89/357	173/693	3
Stantec	94/375	78/312	172/687	4
Parsons	79/315	85/339	164/654	5

*Maximum score for written proposal was 420 and oral interview was 420, for total possible points of 840.*

## **SELECTED CONSULTANT**

### About CH2M HILL Engineers, Inc.

Employee-owned CH2M HILL Engineers, Inc. is a global leader in full-service consulting, design, design-build, operations and program management for public and private clients. Established in 1946, and providing services to the City of San Francisco since 1972, CH2M HILL Engineers, Inc. provides consulting services in the sectors of environmental, water, transportation, and energy. CH2M HILL Engineers, Inc., has worked on numerous City and region-wide projects including the San Francisco Bay Area Water Emergency Transportation Authority Ferry Terminal, SFPUC Water System Improvement Program, 3<sup>rd</sup> & King Street Railyard Planning, and SFPUC Biosolids Project.

Engineering News-Record (ENR) ranks CH2M HILL Engineers, Inc. as one of the top five firms in categories specifically aligned to services required for the Seawall Resiliency Project, namely: Ports and Marine Facilities (No. 2), Environmental Services

(No. 1), Transportation (No. 3), Water (No. 1), Design (No. 3), Program Management (No. 2), and Construction Management (No. 3).

Local Business Enterprise

The LBE subcontracting goal for this project is 15 percent of the total cost of services procured through this contract. CH2M HILL Engineers, Inc., bypassed the good faith outreach efforts specified by CMD by committing to meeting a 21 percent LBE subcontracting goal pursuant to the LBE Ordinance (San Francisco Administrative Code Chapter 14B).

To meet its goal, and as identified in *Table 2*, the CH2M HILL Engineers, Inc., team includes a number of LBE and non-LBE partners, including Telamon Engineering for civil engineering and surveying, Structus Inc. for structural engineering, Hollins Consulting Inc. for construction management, Geotechnical Consultants Inc. (GTC) for geotechnical engineering, Civic Edge Consulting for community relations, Saylor Consulting Group for value/quality engineering, AGS Inc. for environmental advisory services, RDJ Enterprises for strategic advising and community outreach, BAYCAT for arts and technology, Sedway Consulting Inc. for real estate appraisals, and Square One Productions for architectural illustrations.

**Table 2: Seawall Communications LBE Subconsultant Participation**

Firm	Portion of Work	% of Contract Work	LBE Type
AGS Inc	Environmental Advisory Services; Geotechnical Engineering	0.50%	MBE
Civic Edge Consulting	Community Relations/Public Affairs; Public Relations Services <sup>1</sup>	1.00%	WBE
BAYCAT	Arts and Technology	0.10%	OBE
CHS Consulting Group	Transportation & Traffic Engineering	0.50%	MBE
Geotechnical Consultants Inc	Geotechnical Engineering	2.00%	MBE
Hollins Consulting Inc	Construction Management; Administrative Services	3.00%	MBE
RDJ Enterprises LLC	Community Relations/Public Affairs; EEO/Affirmative Action/M/WBE Assistance; Educational and Training Services	0.50%	MBE
Saylor Consulting Group	Value/Quality Engineering	1.30%	WBE
Sedway Consulting Inc	Real Estate: Appraisers, Brokers, Agents	0.20%	WBE
Square One Productions	Architectural Illustrator	0.20%	MBE
Structus Inc	Structural Engineering; Marine	3.80%	MBE

<sup>1</sup> Port Staff received authorization to award the Seawall Resiliency Project Communications Contract to Civic Edge (Resolution No. 17-24). Staff will work with CH2M Hill Engineers, Inc. and Civic Edge to balance scope of contracts and avoid duplication of services.



	Architecture and Engineering		
Telamon Engineering	Civil Engineering; Surveying (Land & Aerial); Utilities & Power Services; CAD	7.90%	WBE
	<b>Total</b>	<b>21%</b>	

On June 26, 2017, CMD issued a memorandum determining the Port’s selection process for the Planning, Engineering, and Environmental Services RFP was compliant with the provisions of the City’s LBE Ordinance.

**FUNDING & COST CONTROLS**

These proposed contract services will be partially funded by the CPO-756 Seawall and Marginal Wharf Repair Project in the amount of \$6,300,000. To date, the project has received \$9,600,000 in funding through a combination of General Fund, Port Capital, and contributions from the Municipal Transportation Agency and the Planning Department. The remaining amount will be funded by other project sources that the Port is currently pursuing, including the potential 2018 Seawall General Obligation Bond.

Port staff will implement cost controls during the contract by only authorizing the expenditure of funds related to specific phases and project tasks. No amount of the contract will be authorized in excess of available funding at any point within the project and contract term.

**CONCLUSION**

Port staff has completed the Planning, Engineering, and Environmental Services RFP evaluation and selected CH2M HILL Engineers, Inc. as the most-qualified consulting firm to provide the planning, engineering, and environmental services described in this report. Therefore, staff will enter into contract negotiations with CH2M Hill Engineers, Inc. for planning, engineering, and environmental services in an amount not-to-exceed \$40,000,000 and a term of ten years, and return to the Port Commission with a resolution authorizing contract award on August 8, 2017. Additionally, staff will introduce legislation to the Board of Supervisors by July 25<sup>th</sup> to ensure approval of the contract by September 2017.

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Finance & Administration Division

For: Katharine Petrucione, Deputy Director  
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Attachments

- A: CMD LBE Pre-award Memorandum
- B: CMD Award Memorandum