

File No. 230949

Committee Item No. 10

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date September 20, 2023

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
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- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
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- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- REC Department Declaration of Emergency 9/5/2023
- REC Commission Emergency Declaration to REC
- _____
- _____
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- _____
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- _____
- _____

Completed by: Brent Jalipa Date September 14, 2023

Completed by: Brent Jalipa Date _____

1 [Emergency Declaration - Portsmouth Square Elevators Modernization - Estimated Cost of
2 Repairs Not to Exceed \$2,200,000]

3 **Resolution approving the Recreation and Park Department General Manager’s**
4 **declaration of emergency under Administrative Code, Section 6.60, for the repair and**
5 **replacement of the elevators at Portsmouth Square Parking Garage, with an estimated**
6 **not to exceed amount of \$2,200,000.**

7

8 WHEREAS, In September, 2023, in accordance with Administrative Code, Section
9 6.60, the Recreation and Park Department General Manager declared an actual emergency at
10 Portsmouth Square Garage, since all three of the elevators had developed significant
11 operational issues and become non-functional, and gave notice of the emergency declaration
12 to the Board of Supervisors, Mayor, Controller, and Recreation and Park Commission as
13 required by law; and

14 WHEREAS, These elevators were expected to be included in the Portsmouth Square
15 Garage Project conducted by the Portsmouth Plaza Parking Corporation (PPPC) Board from
16 2017 to 2020; however, the elevator modernization project was removed from the project
17 scope; in the intervening years, one to two elevators have been frequently out of service,
18 culminating in the emergency situation further described below; and

19 WHEREAS, On August 8, 2023, all three of the elevators at Portsmouth Square had
20 significant operational issues, causing them to be non-functional; one elevator was able to be
21 brought back into service on the same day; and

22 WHEREAS, On August 10, 2023, San Francisco Municipal Transportation Agency
23 (SFMTA) conducted a site visit with ThyssenKrupp to evaluate all three elevators and provide
24 recommendations for keeping the elevators in service until the elevator modernization project
25 could be completed; SFMTA contracted with ThyssenKrupp, an elevator maintenance

1 company with expertise in maintaining older elevator equipment, after receiving approval from
2 the current elevator repair company who could no longer repair the elevators due to age; and

3 WHEREAS, On August 21, 2023, the second elevator was brought back into service
4 after additional short-term repairs were conducted; and

5 WHEREAS, SFMTA is working with ThyssenKrupp to deliver short-term repair for the
6 elevators, it is expected that they will continue to breakdown; the imminent breakdown of this
7 equipment is a public safety concern for park users and community members until a full
8 modernization can be completed; this emergency declaration will allow the Department to
9 engage a contractor as quickly as possible to minimize the lengthy procurement time related
10 to the unique conditions in this industry; and

11 WHEREAS, The unique conditions in this industry include: 1) a limited number of
12 elevator contractors who work in San Francisco; 2) a limited number of manufacturers
13 throughout the world and 3) high demand from modernization and development projects;
14 expected procurement time for elevators is approximately 42 weeks (10 months);
15 procurement can only be initiated after a contractor has been issued Notice to Proceed and
16 shop drawings are complete; and

17 WHERAS it was originally planned to fold this into the Portsmouth Square
18 Improvement project for streamlined cost efficiency, but due to this emergency situation, we
19 are advancing the project separately.

20 WHEREAS, The ability for the Recreation and Park Department to engage with a
21 contractor and order the elevator equipment will be critical to completing this modernization as
22 quickly as possible; and

23 WHEREAS, Initial estimates indicate that this project will cost \$2,200,000; and

24 WHEREAS, Administrative Code, Section 6.60(d), requires that the Mayor (or
25 President of the Recreation and Park Commission) and Board of Supervisors approve

| | |
|---------------------------------------|---|
| Item 10 File 23-0949 | Department: Recreation and Park (REC) |
|---------------------------------------|---|

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the Recreation and Park Department’s (REC) emergency declaration for elevator repair and replacement work at Portsmouth Square, estimated to cost \$2,200,000.

Key Points

- The elevators at Portsmouth Square were expected to be included in the Portsmouth Square Garage Project conducted from 2017 to 2020. However, the elevator modernization project was removed from the project scope. In the intervening years, one to two elevators have been frequently out of service. On August 8th, all three elevators were non-functional with one elevator brought back into service later that day. On August 21st, a second elevator was brought back into service. According to the Recreation and Park General Manager, it is expected that the elevators will continue to breakdown and the imminent breakdown of this equipment is a public safety concern for park users and community members until a full modernization can be completed.
- The General Manager states in his emergency declaration that expected procurement time for elevators is approximately 10 months and can only be initiated after a contractor has been issued a Notice to Proceed and shop drawings are complete. Additionally, the Department originally hoped to fold the elevator modernization work into the Portsmouth Square Improvement project for streamlined cost efficiency, but due to the emergency situation, the Department is advancing the project separately.

Fiscal Impact

- The Recreation and Park Department has estimated that the elevator repair and replacement cost would be approximately \$2,200,000, including contingencies, a construction escalation rate, and reserve. REC staff anticipate that the majority of the project (approximately \$1.9 to \$2 million) would be funded from the Portsmouth Square Capital Improvement Fund, with \$200,000 coming from a General Fund carryforward from a previous year’s appropriation.

Policy Consideration

- The proposed resolution states that the not to exceed amount is “estimated.” It is not clear to us that the Department would therefore be limited to spending no more than \$2,200,000 without further approval from the Board of Supervisors.

Recommendations

- The Board should consider limiting the scope of the emergency contracting authority by deleting the word “estimated” before any references to the not to exceed amount of \$2,200,000.
- Approval of the proposed resolution is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

Administrative Code Section 6.60(d) states that contracts entered into for emergency work that are more than \$250,000 are subject to Board of Supervisors approval. Prior to the commencement of emergency work above the \$250,000 threshold, the Department must also secure approval in writing from the Mayor, the President of the Board, or the Commission. If the emergency does not permit approval of the emergency determination by the Board of Supervisors before work begins, the Department head must submit a resolution approving the emergency determination to the Board of Supervisors within 60 days of when the Department declares an emergency.

BACKGROUND

Portsmouth Square Garage, managed by the San Francisco Municipal Transportation Agency (SFMTA), sits underneath Portsmouth Square, a park that is managed by the Recreation and Park Department (REC). There are three elevators that connect the square to the underground garage.

In early August, the elevators began experiencing significant operational issues. According to Philip Ginsburg, General Manager of the Recreation and Park Department, on August 8, 2023, all three of the elevators at Portsmouth Square had significant operational issues, causing them to be non-functional. One of the elevators was brought back into service on the same day. On August 10, 2023, SFMTA conducted a site visit with ThyssenKrupp, an elevator maintenance company, to evaluate all three elevators and provide recommendations for keeping the elevators in service until an elevator maintenance modernization project could be completed. According to General Manager Ginsburg, SFMTA contracted with ThyssenKrupp, a company with expertise in maintaining older elevator equipment, after receiving approval from the current elevator repair company who could no longer repair the elevators due to age. On August 21, 2023, the second elevator was brought back into service after additional short-term repairs were conducted.

According to General Manager Ginsburg, the elevators at Portsmouth Square were expected to be included in the Portsmouth Square Garage Project conducted by the Portsmouth Plaza Parking Corporation Board from 2017 to 2020. However, the elevator modernization project was removed from the project scope. In the intervening years, one to two elevators have been frequently out of service. According to General Manager Ginsburg, it is expected that the elevators will continue to breakdown and the imminent breakdown of this equipment is a public safety concern for park users and community members until a full modernization can be completed.

REC declared an emergency at Portsmouth Square on September 5, 2023. The proposed resolution for Board of Supervisors approval of that emergency was introduced that same day, within the 60-day timeframe required by Administrative Code Section 6.60(d).

According to General Manager Ginsburg, the unique conditions in the elevator industry include: (1) a limited number of elevator contractors who work in San Francisco; (2) a limited number of manufacturers throughout the world; and (3) high demand from modernization and

development projects. Further, General Manager Ginsburg states in his emergency declaration that expected procurement time for elevators is approximately 42 weeks (10 months) and that procurements can only be initiated after a contractor has been issued Notice to Proceed and shop drawings are complete. Additionally, the declaration states that the Department originally hoped to fold the elevator modernization work into the Portsmouth Square Improvement project for streamlined cost efficiency, but due to the emergency situation, the Department is advancing the project separately.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the Recreation and Park Department’s (REC) emergency declaration for elevator repair and replacement work at Portsmouth Square, with an estimated cost not to exceed \$2,200,000.

The proposed legislation includes an “*estimated* not to exceed amount of \$2,200,000” [emphasis added]. Given that the language of the proposed resolution includes the word “estimated” it is not clear to us that the Department would be limited to that amount.

FISCAL IMPACT

The proposed legislation approves the Recreation and Park Department General Manager’s declaration of emergency for the repair and replacement of the elevators at Portsmouth Square Parking Garage with an estimated not to exceed amount of \$2,200,000. As shown in Exhibit 1 below, this amount includes (1) total project hard costs of \$1,519,865, (2) a bid/market factor contingency of \$227,980, (3) a construction contingency of \$174,784, (4) a construction escalation rate of \$139,828 (8 percent), and (5) a project hard cost reserve.

Exhibit 1: Projected Project Costs

| Description | Rate | Estimated Cost |
|--------------------------------------|-------------|-----------------------|
| Total Project Hard Costs- Base Scope | N/A | \$1,519,865 |
| Bid/Market Factor Contingency | 15% | 227,980 |
| Construction Contingency | 10% | 174,784 |
| Construction Escalation Rate | 8% | 139,828 |
| Project Hard Cost Reserve | 8% | 139,828 |
| Total | | \$2,202,284 |

Source: Recreation and Park Department

Note: Total may not sum due to rounding

REC staff report that the Department is reaching out with the design drawings to approximately three contractors with experience in elevator modernization work with SFMTA and others to find a suitable vendor.

Funding Sources

According to REC staff, the majority of funding for the Portsmouth Square Garage Elevator Modernization Project would come from the Portsmouth Square Capital Improvement Fund.

Further, REC staff state that these monies are provided by garage revenues that are segregated for capital purposes and that there are currently about \$1.9 million in such funds available with revenues continually being added. REC staff have stated that additional funding would come from a \$200,000 General Fund carryforward of the previous year's appropriation.

POLICY CONSIDERATION

Not to Exceed Amount is Estimated

The proposed legislation includes an "*estimated* not to exceed amount of \$2,200,000" [emphasis added]. Given that the language of the proposed resolution includes the word "estimated" it is not clear to us that the Department would be limited to that amount. The Board of Supervisors should consider amending the proposed legislation to strike the word "estimated" from references to the not to exceed amount.

As is typical for other emergency work, the Department may seek Board approval for additional emergency spending once costs are better defined. This would provide additional oversight over the repair work at Portsmouth Square.

RECOMMENDATIONS

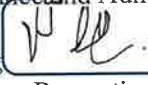
1. The Board should consider limiting the scope of the emergency contracting authority by deleting the word "estimated" before any references to the not to exceed amount of \$2,200,000.
2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

DATE: September 5, 2023

TO: Antonio Guerra
Director of Finance and Administration

FROM: Philip Ginsburg 
General Manager, Recreation and Park Department

SUBJECT: Declaration of Emergency: Portsmouth Square Elevators

On September 5, 2023, in accordance with Administrative Code Sections 6.60, I declared an actual emergency exists at the Portsmouth Square Garage Elevators.

These elevators were expected to be included in the Portsmouth Square Garage Project conducted by the Portsmouth Plaza Parking Corporation (PPPC) Board from 2017 to 2020. However, the elevator modernization project was removed from the project scope. In the intervening years, one to two elevators have been frequently out of service, culminating in the emergency situation further described below.

On August 8, 2023, all three of the elevators at Portsmouth Square had significant operational issues, causing them to be non-functional. One elevator was able to be brought back into service on the same day.

On August 10, 2023, SFMTA conducted a site visit with ThyssenKrupp to evaluate all three elevators and provide recommendations for keeping the elevators in service until the elevator modernization project could be completed. SFMTA contracted with ThyssenKrupp, an elevator maintenance company with expertise in maintaining older elevator equipment, after receiving approval from the current elevator repair company who could no longer repair the elevators due to age.

On August 21, 2023, the second elevator was brought back into service after additional short-term repairs were conducted.

While SFMTA is working with ThyssenKrupp to deliver short-term repair for the elevators, it is expected that they will continue to breakdown. The imminent breakdown of this equipment is a public safety concern for park users and community members until a full modernization can be completed. This emergency declaration will allow the Department to engage a contractor as quickly as possible to minimize the lengthy procurement time related to the unique conditions in this industry.

The unique conditions in this industry include: 1) a limited number of elevator contractors who work in San Francisco; 2) a limited number of manufacturers throughout the world and 3) high demand from modernization and development projects. Expected procurement time for elevators is approximately 42 weeks (10 months). Procurement can only be initiated after a contractor has been issued Notice to Proceed and shop drawings are complete.

We originally hoped to fold this into the Portsmouth Square Improvement project for streamlined cost efficiency, but due to this emergency situation, we are advancing the project separately.

The ability for the Recreation and Park Department to engage with a contractor and order the elevator equipment will be critical to completing this modernization as quickly as possible.

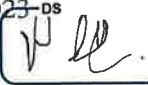
The estimated construction cost for this work, including contingency, is \$2,200,000.

Administrative Code Section 6.60 requires that this emergency contract be approved in writing by the Mayor (or the President of the Recreation and Park Commission) and by the Board of Supervisors. I direct you to seek these approvals and then to complete the elevator modernization project and protect the lives and property of the City and County of San Francisco, in the most expeditious manner.

cc: Eric Andersen
Stacy Bradley
Dana Ketcham



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

DATE: September 5, 2023^{ds}
TO: Philip Ginsburg 
General Manager, Recreation and Park Department
FROM: Commissioner Mark Buell
President, Recreation and Park Commission
SUBJECT: Declaration of Emergency: Portsmouth Square Elevators

On September 5, 2023, in accordance with Administrative Code Sections 6.60, I declared an actual emergency exists at the Portsmouth Square Garage Elevators.

These elevators were expected to be included in the Portsmouth Square Garage Project conducted by the Portsmouth Plaza Parking Corporation (PPPC) Board from 2017 to 2020. However, the elevator modernization project was removed from the project scope. In the intervening years, one to two elevators have been frequently out of service, culminating in the emergency situation further described below.

On August 8, 2023, all three of the elevators at Portsmouth Square had significant operational issues, causing them to be non-functional. One elevator was able to be brought back into service on the same day.

On August 10, 2023, SFMTA conducted a site visit with ThyssenKrupp to evaluate all three elevators and provide recommendations for keeping the elevators in service until the elevator modernization project could be completed. SFMTA contracted with ThyssenKrupp, an elevator maintenance company with expertise in maintaining older elevator equipment, after receiving approval from the current elevator repair company who could no longer repair the elevators due to age.

On August 21, 2023, the second elevator was brought back into service after additional short-term repairs were conducted.

While SFMTA is working with ThyssenKrupp to deliver short-term repair for the elevators, it is expected that they will continue to breakdown. The imminent breakdown of this equipment is a public safety concern for park users and community members until a full modernization can be completed. This emergency declaration will allow the Department to engage a contractor as quickly as possible to minimize the lengthy procurement time related to the unique conditions in this industry.

The unique conditions in this industry include: 1) a limited number of elevator contractors who work in San Francisco; 2) a limited number of manufacturers throughout the world and 3) high demand from modernization and development projects. Expected procurement time for elevators is approximately 42 weeks (10 months). Procurement can only be initiated after a contractor has been issued Notice to Proceed and shop drawings are complete.

We originally hoped to fold this into the Portsmouth Square Improvement project for streamlined cost efficiency, but due to this emergency situation, we are advancing the project separately.

The ability for the Recreation and Park Department to engage with a contractor and order the elevator equipment will be critical to completing this modernization as quickly as possible.

The estimated construction cost for this work, including contingency, is \$2,200,000.

Administrative Code Section 6.60 requires that this emergency contract be approved in writing by the Mayor (or the President of the Recreation and Park Commission) and by the Board of Supervisors.

I approve of this Emergency declaration to complete the elevator modernization project and protect the lives and property of the City and County of San Francisco, in the most expeditious manner.



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

September 5, 2023

Mayor London N. Breed
City and County of San Francisco
City Hall, Rm. 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

The Honorable Board of Supervisors
City Hall, Rm. 244, Attention: Ms. Angela Calvillo
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Mr. Ben Rosenfield, Controller
City and County of San Francisco, City Hall, Rm. 316
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Subject: Portsmouth Square Garage Repairs
Emergency Contract - Declaration of Emergency**

Dear Mayor Breed, Members of the Board and Mr. Rosenfield:

On September 5, 2023, in accordance with Administrative Code Sections 6.60, I declared an actual emergency exists at the Portsmouth Square Garage Elevators.

These elevators were expected to be included in the Portsmouth Square Garage Project conducted by the Portsmouth Plaza Parking Corporation (PPPC) Board from 2017 to 2020. However, the elevator modernization project was removed from the project scope. In the intervening years, one to two elevators have been frequently out of service, culminating in the emergency situation further described below.

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On August 21, 2023, the second elevator was brought back into service after additional short-term repairs were conducted.



While SFMTA is working with ThyssenKrupp to deliver short-term repair for the elevators, it is expected that they will continue to breakdown. The imminent breakdown of this equipment is a public safety concern for park users and community members until a full modernization can be completed. This emergency declaration will allow the Department to engage a contractor as quickly as possible to minimize the lengthy procurement time related to the unique conditions in this industry.

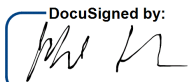
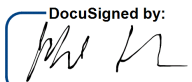
The unique conditions in this industry include: 1) a limited number of elevator contractors who work in San Francisco; 2) a limited number of manufacturers throughout the world and 3) high demand from modernization and development projects. Expected procurement time for elevators is approximately 42 weeks (10 months). Procurement can only be initiated after a contractor has been issued Notice to Proceed and shop drawings are complete.

We originally hoped to fold this into the Portsmouth Square Improvement project for streamlined cost efficiency, but due to this emergency situation, we are advancing the project separately.

The ability for the Recreation and Park Department to engage with a contractor and order the elevator equipment will be critical to completing this modernization as quickly as possible.

The estimated construction cost for this work, including contingency, is \$2,200,000.

Sincerely,

DocuSigned by:


AF27F6596709494...
Philip Ginsburg

General Manager, Recreation and Park Department

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2023 SEP -5 PM 4:30

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment) *JA*
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor [] inquires..."
- 5. City Attorney Request
- 6. Call File No. [] from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the Board on []

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Supervisors Aaron Peskin, Connie Chan

Subject:

Emergency Declaration – Recreation and Park Department Portsmouth Square Elevators
Modernization – Estimated Cost of Repairs Exceeds \$2,000,000

Long Title or text listed:

Resolution approving the Recreation and Park Department General Manager's declaration of emergency under Administrative Code Section 6.60, for the repair and replacement of the elevators at Portsmouth Square Parking Garage, estimated to cost in excess of \$2,000,000.

Signature of Sponsoring Supervisor:

JA