



DATE: June 2, 2025
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA)
SUBJECT: Resolution to approve Contract 1000035542 for procurement of a custom-built crane barge

Enclosed please find the proposed Resolution from the Office of Contract Administration (OCA) requesting that the Board of Supervisors authorize Contract 1000035542 with The Dutra Group (“Dutra”) for procurement of a custom-built crane barge for the Port of San Francisco (“Port”). The proposed contract will have a not to exceed (“NTE”) amount of \$16,747,196 and a duration of approximately two years, expiring on July 14, 2027, with an option to extend for one year. The anticipated contract (“effective date”) is August 11, 2025.

Background

The Port of San Francisco is pursuing the purchase of a 150-foot crane barge with a 120-ton pedestal crane as a generational piece of equipment that will allow the Port to maintain assets such as piers, wharfs, marinas, and barges through the next five decades. The crane barge is a critical piece of equipment to keep piers in a good state of repair so that they continue to provide revenue for the Port and City of San Francisco. The crane barge will also provide a working platform for up to 20 Pile Workers and Divers to perform demolition, construction and repair work along the Port’s 7.5 miles of historic waterfront.

The Port has demonstrated tremendous cost savings for marine construction projects by performing the work with its own crews. The crane barge will be instrumental in recovery from natural disasters by providing a means to offload cargo, supplies, and other forms of mutual aid from ships to shore. It can also be used for rescue and salvage operations anywhere along the waterfront.

This will be the only crane barge owned and operated by the City and County of San Francisco with an expected life span of over 50 years. The Port’s current crane barge has reached the end of its useful life and is undersized for the projected work to come. The new crane barge will be funded by State Lands Commission (\$12.7 million or 75%) and Port Capital funds (\$4.0 million or 25%).

The design and specifications for the crane barge were developed in partnership between Port maintenance staff, engineering staff, and with Herbert Engineering (engaged through the Port’s engineering on call contract). Development of design and specifications began in 2017. An RFQ was issued in December of 2023 with one qualified respondent. The project proceeded into direct negotiations with the respondent.

The Port is responsible for maintaining 7.5 miles of San Francisco’s urban shoreline. This jurisdiction is a diverse mix of piers, bulkheads, seawalls, and reinforced shoreline. These structures require regular maintenance and emergency repairs. Currently, the Port must use third party vendors to implement these projects, costing the City both time and money. The crane barge will allow the Port to directly implement these projects.

Critical for Port Mission and Economic Growth

The Port of San Francisco’s current crane barge, originally constructed from a repurposed ferry float, is undersized and at the end of its service life. Estimated repair costs—including dry-docking, necessary repairs, and crane



replacement—range from \$6 to \$10 million. However, these repairs would not resolve a critical issue: the barge was never structurally designed to handle the heavy-duty loads associated with pile driving.

Hiring marine construction contractors is extremely costly, with daily rental rates for a crane barge and crew averaging \$20,000. A Port-owned crane barge and crew can perform similar work at roughly half the cost, with the added benefit of avoiding contracting delays. Owning this asset enables the Port to respond quickly to maintenance needs and support a wide range of operations.

The new crane barge will be the only on-water marine construction asset owned by the City and County of San Francisco and will support the following core functions:

- **Maritime Operations:** Maintain four cruise ship terminal berths (Piers 27, 30-32, 35, and 80), Department of Transportation Maritime Administration (MARAD), and Roll-on/Roll-off berths. The barge will be critical for making emergency repairs and reconfiguring berth fendering to accommodate varying ship sizes, which will help increase port revenue.
- **Commercial Fishing Support:** Perform maintenance and repairs at the commercial fishing harbor, including berthing areas at Pier 45 that serve fish processing operations.
- **Recreational Boating:** Support the maintenance of marina float systems, baffle walls, navigational aids, a boat launch, and a 600+ berth recreational marina.
- **Real Estate and Development:** Provide access to finger piers for ongoing building maintenance, structural repairs, and support leasing opportunities through improved infrastructure reliability.
- **Public Access Compliance:** Assist in meeting San Francisco Bay Conservation and Development Commission mandates by ensuring continued public access along wharfs and piers.
- **Environmental Protection:** Facilitate the salvage of sunken vessels and debris to reduce navigation and environmental hazards.
- **Disaster Response:** Serve a critical role in emergency operations, including the offloading of goods and mutual aid during disasters.

Solicitation and Subsequent Negotiations

On December 8, 2023, OCA issued a Request for Qualifications (“RFQ”) for a custom-built crane barge through Sourcing Event 0000006633. The RFQ included crane and barge specifications for the exact crane barge the Port wishes to acquire and minimum qualifications requiring specified levels of experience from all technical firms and licensed professionals, and also required commitment letters from a barge fabricator with experience constructing a crane barge of the size and scope of the City’s proposed item, a crane vendor with a licensed professional engineer Project Manager, an Engineer of Record to provide stamped drawings, and sufficient bonding capacity. The purpose of the RFQ was to create a pool of qualified contractors and their teams that would respond to a subsequent Request for Proposals that included a more detailed plan. One submittal was received from Dutra. This submittal was deemed responsive.



After review of the RFQ solicitation process, the City determined that an additional solicitation would not result in a greater number of responsive Proposals and entered into direct negotiations with Dutra.

The City engaged in 12 months of active negotiations with Dutra to refine scope, reduce project costs, and improve constructability, ensuring the final agreement achieves the highest quality product at the best price.

Funding Source

The crane is being purchased by the Port of San Francisco. The majority funding source for this purchase is with \$12.7 million in-hand funds from the California State Lands Commission that must be expended by December 31, 2026. The remaining, approximate \$4 million, contribution from the Port of San Francisco will come for the Harbor Fund.

There are no General Fund Dollars contributing to this purchase.

Pricing Structure and NTE

The Pricing structure reflects the procurement plan for the crane barge which consists of purchasing an existing crane, fabrication in Louisiana of a barge built to hold the crane, transportation by barge through the Panama Canal, crane installation and functional testing onboard barge, on-location testing, and final delivery and acceptance. The purchase of the crane barge also includes a 3-year total warranty.

The negotiated project budget is based on predetermined milestones, as indicated in Appendix B of the attached proposed contract. The initial Not to Exceed Amount for the contract is \$16,747,196, which is an all-inclusive price reflecting commodity purchase, transportation, professional services, contingency and sales tax.

Recommendation

The purchase of this crane barge will allow the Port to maintain assets such as piers, wharfs, marinas, and barges through the next five decades. The crane barge is a critical piece of equipment to keep piers in a good state of repair so that they continue to provide revenue for the Port and City of San Francisco.

The California State Lands Commission are available until December 31, 2026.

For these reasons, a timely approval of this resolution will provide City departments access to use State Lands Commission funds to secure a custom crane barge through this contract.

If you have any questions or require additional information, please contact Shawn Peeters at (628) 652-1626 or shawn.peeters@sfgov.org.

Enclosures:

1. Contract 1000035542 Proposed Agreement
2. Contract 1000035542 Resolution
3. Contract 1000035542 Ethics Form 126f(2)
4. Contract 1000035542 Ethics Form 126f(4)