

1 [Agreement Amendment - McMillen Jacobs Associates (dba Delve Underground) -  
2 Engineering Services for the Lower Alemany Area Stormwater Improvement Project - Not to  
Exceed \$17,800,000]

3

4 **Resolution approving Amendment No. 2 to Contract No. PRO.0164, Engineering**  
5 **Services for the Lower Alemany Area Stormwater Improvement Project, between the**  
6 **City, acting by and through the San Francisco Public Utilities Commission (SFPUC),**  
7 **and McMillen Jacobs Associates (dba Delve Underground), increasing the agreement**  
8 **by \$8,300,000 for a total not to exceed amount of \$17,800,000 and extending the**  
9 **duration by three years, for a total term of nine years from January 18, 2022, through**  
10 **January 17, 2031, due to additional engineering needed to perform analyses, refine**  
11 **design as part of the Caltrans encroachment permit, and to provide increased**  
12 **engineering support during construction, pursuant to Charter, Section 9.118; and to**  
13 **authorize SFPUC to enter into amendments or modifications to Amendment No. 2 that**  
14 **do not materially increase the obligations or liabilities to the City and are necessary to**  
15 **effectuate the purposes of Amendment No. 2.**

16

17 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) requires an  
18 improved collection system capacity and increased flood resilience during wet weather events  
19 within the Lower Alemany area in the City and County of San Francisco (City) to comply with  
20 the California Regional Water Quality Control Board Clean-up and Abatement Order R2-2021-  
21 0021; and

22 WHEREAS, On July 27, 2021, by Resolution No. 21-0116, the SFPUC awarded  
23 Contract No. PRO.0164, Engineering Services for the Lower Alemany Area Stormwater  
24 Improvement Project (the Project) to McMillian Jacobs Associates (dba Delve Underground),  
25 to provide specialized tunnel engineering and design of large underground sewer

1 infrastructure and seismic analysis services, with a not to exceed amount of \$7,500,000 and a  
2 duration of six years; and

3 WHEREAS, The Contract No. PRO.0164 is on file with the Clerk of the Board of  
4 Supervisors in File No. 240753, which is hereby declared to be a part of this Resolution as if  
5 set forth fully herein; and

6 WHEREAS, On January 23, 2024, by Resolution No. 24-0011, the SFPUC approved  
7 Amendment No. 1, increasing the contract by \$2,000,000 for a total not to exceed amount of  
8 \$9,500,000 with no change to the term, to address traffic impact limitations, unforeseen  
9 defects in existing box sewer, changes to the upstream sewer connection, and changes to the  
10 design to the tunnel and large sewer; and

11 WHEREAS, The Project is required to obtain an encroachment permit from the  
12 California Department of Transportation (Caltrans) prior to completing design due to the need  
13 to use Caltrans right-of-way during construction and because the tunnel element of the Project  
14 interfaces with Caltrans infrastructure at six different locations; and

15 WHEREAS, In recent discussions with Caltrans, the encroachment permit application  
16 requires the Project to develop and submit technical analysis and documentation as part of  
17 the permit; and

19 WHEREAS, Caltrans approval of the technical reports and certifications are required to  
20 complete the encroachment permit and to complete Project construction contract; and

21 WHEREAS, The proposed Amendment No. 2 is required for this additional work  
22 associated with the Caltrans encroachment permit and to provide an additional specialized  
23 bridge structure assessment, modeling, structural designs, geotechnical engineering services,  
24 and engineering support during construction, start-up, and close-out of the Project; and

25

1           WHEREAS, On June 25, 2024, by Resolution No.240-156, the SFPUC authorized the  
2 General Manager to execute Amendment No. 2 to the contract with McMillen Jacobs  
3 Associates (dba Delve Underground), increasing the agreement by \$8,300,000 for a total not  
4 to exceed amount of \$17,800,000, and extending the duration by three years, for a total term  
5 of nine years from January 18, 2022, through January 17, 2031, subject to Board of  
6 Supervisors approval pursuant to Charter, Section 9.118; and

7           WHEREAS, Amendment No. 2 is consistent with the Civil Service Commission's  
8 approval obtained on July 15, 2024, under Personal Service Contract No. 44782-20/21; and

9           WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors' approval by  
10 Resolution of any contract which, when entered into, extends over 10 years, and of any  
11 contract which, when entered into, costs the City \$10,000,000 or more; and

12           WHEREAS, In accordance with Charter, Section 9.118, the SFPUC seeks Board of  
13 Supervisors approval of Amendment No. 2 to the contract; and

14           WHEREAS, A Contract Monitoring Division subcontracting requirement of 10% Local  
15 Business Enterprise (LBE) has been established for this agreement and Delve Underground  
16 has committed to 10.11% LBE subcontractor participation and is thus far compliant with this  
17 LBE commitment; and

19           WHEREAS, Funds for the agreement are available from the Wastewater Enterprise  
20 Sewer System Improvement Program, Project No.10034360, Lower Alemany Area  
21 Stormwater Improvement; and

22           WHEREAS, The proposed Amendment No. 2 contained in File No. 240753, is  
23 substantially in final form, with all material terms and conditions included, and only remains to  
24 be executed by the parties upon approval of this Resolution; now, therefore, be it

1           RESOLVED, That this Board of Supervisors hereby approves Amendment No. 2 to  
2 Contract No. PRO.0164, Engineering Services for the Lower Alemany Area Stormwater  
3 Improvement Project with McMillen Jacobs Associates (dba Delve Underground), increasing  
4 the agreement by \$8,300,000, for a total not to exceed amount of \$17,800,000, and extending  
5 the duration by three years, for a total term of nine years from January 18, 2022, through  
6 January 17, 2031, in substantially the form contained in File No. 240753; and, be it

7           FURTHER RESOLVED, That the Board of Supervisors authorizes SFPUC to make any  
8 modifications to Amendment No. 2, prior to its final execution by all parties, that SFPUC  
9 determines, in consultation with the City Attorney, are consistent with this Resolution, in the  
10 best interest of the City, do not materially increase the obligations or liabilities of the City, are  
11 necessary or advisable to effectuate the purposes of Amendment No. 2, and are in  
12 compliance with all applicable laws, including City's Charter; and, be it

13           FURTHER BE RESOLVED, That within 30 days of Amendment No. 2 being fully  
14 executed by all parties, the SFPUC shall submit to the Clerk of the Board of Supervisors a  
15 completely executed copy for inclusion in File No. 240753; this requirement and obligation  
16 resides with the Department, and is for purposes of having a complete file only, and in no  
17 manner affects the validity of approved Amendment No. 2.