

1 [Agreement Amendment - Moffatt & Nichol-AGS JV - Engineering Services for South Ocean
2 Beach Coastal Erosion and Wastewater Infrastructure Protection - Not to Exceed
\$12,750,000]

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4 **Resolution approving and authorizing the General Manager of the San Francisco Public**
5 **Utilities Commission to execute Amendment No. 3 to Contract No. PRO.0092,**
6 **Engineering Services for South Ocean Beach Coastal Erosion and Wastewater**
7 **Infrastructure Protection, with Moffatt & Nichol-AGS Joint Venture, increasing the**
8 **contract amount by \$7,000,000 for a new not to exceed contract amount of \$12,750,000**
9 **and increasing the contract duration by six years from July 30, 2027, for a new total**
10 **contract duration of approximately 15 years from September 26, 2018, through**
11 **September 25, 2033, to continue providing engineering design and support services for**
12 **the Ocean Beach Climate Change Adaptation Project, pursuant to Charter, Section**
13 **9.118.**

14
15 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) is leading efforts
16 to implement one of the City and County of San Francisco's (the City) first climate change
17 adaptation initiatives, the Ocean Beach Climate Change Adaptation Project located at Ocean
18 Beach, south of Sloat Boulevard in San Francisco; and

19 WHEREAS, The SFPUC's partner agencies include San Francisco Recreation and
20 Park Department, San Francisco Municipal Transportation Agency, and San Francisco Public
21 Works; and

22 WHEREAS, The project is a large, cross-agency infrastructure project being built in the
23 City to address the long-term physical changes needed to combat climate-induced sea level
24 rise, specifically at Ocean Beach; and

1 WHEREAS, The project is necessary to protect the integrity of the SFPUC's
2 wastewater assets that protect public health and the environment, including the Lake Merced
3 Tunnel, the Westside Pump Station, and the Oceanside Wastewater Treatment Plant; and

4 WHEREAS, The Lake Merced Tunnel has a storage capacity of up to 10 million gallons
5 of combined sewage and stormwater flows and is located closest to the section of South
6 Ocean Beach most severely impacted from, and most vulnerable to, continued bluff erosion;
7 and

8 WHEREAS, The Lake Merced Tunnel could become structurally compromised if
9 sudden bluff retreat is experienced, resulting in significant environmental and public health
10 impacts; and

11 WHEREAS, The project will implement a comprehensive shoreline management and
12 protection plan in partnership with relevant stakeholders and regulatory agencies to provide a
13 long-term solution to the climate-related shoreline erosion along South Ocean Beach, and to
14 mitigate potential impacts to the Lake Merced Tunnel and other critical wastewater assets at
15 this location; and

16 WHEREAS, On July 24, 2018, by Resolution No. 18-0128, the SFPUC Commission
17 awarded Contract No. PRO.0092, Engineering Services for South Ocean Beach Coastal
18 Erosion and Wastewater Infrastructure Protection, to Moffatt and Nichol-AGS Joint Venture
19 (JV), for an amount not to exceed \$3,750,000 and a contract duration of five years; and

20 WHEREAS, On December 17, 2018, pursuant to the authority delegated to the General
21 Manager by Resolution No. 09-0017, the SFPUC approved Amendment No.1 to Contract No.
22 PRO.0092, to address an insurance requirement; and

23 WHEREAS, On April 13, 2021, by Resolution No. 21-0056, the SFPUC Commission
24 approved Amendment No. 2 to Contract No. PRO.0092, increasing the contract amount by
25 \$2,000,000 for a total of \$5,750,000 and increasing the contract duration by four years from

1 July 30, 2023, for a new contract duration of nine years, from July 24, 2018, through July 30,
2 2027, to address increased complexity and scope of design elements, increased
3 environmental analysis, and to cover an identified increase in construction duration; and

4 WHEREAS, On September 28, 2023, by Motion No. 21398, the San Francisco
5 Planning Commission certified the Final Environmental Impact Report (EIR) for the Ocean
6 Beach Climate Change Adaptation Project (Case No. 2019-020115ENV) prepared pursuant to
7 the California Environmental Quality Act (CEQA); and

8 WHEREAS, On October 10, 2023, by Resolution No. 23-0190, the SFPUC approved
9 the project and adopted the CEQA Findings and a Mitigation Monitoring and Reporting
10 Program required by CEQA; and

11 WHEREAS, The project is located in the California Coastal Zone and requires a
12 Coastal Development Permit issued by the California Coastal Commission; and

13 WHEREAS, To meet the terms of the 2015 Coastal Development Permit, which
14 expired on June 30, 2024, the SFPUC submitted all required documentation and was
15 prepared to attend the June 12, 2024, Coastal Commission Hearing to secure a new Coastal
16 Development Permit; and

17 WHEREAS, The project has reached 95% design and was the product of more than a
18 decade of collaboration, planning, technical study, design, and environmental review; and

19 WHEREAS, Reaching the 95% design milestone required extensive consultation,
20 collaboration, and negotiation among several departments within the City and across multiple
21 levels of government, countless hours of staff time and a significant financial investment; and

22 WHEREAS, The SFPUC met with Coastal Commission staff on a regular basis to
23 discuss the technical work that supported the project design; and

24 WHEREAS, These extensive coordination efforts led the SFPUC to believe that
25 Coastal Commission staff substantially agreed with most of the project elements; and

1 WHEREAS, Despite this work and coordination, the SFPUC received several
2 significant and substantive comments on the project design from Coastal Commission staff in
3 the weeks before the June hearing; and

4 WHEREAS, On June 10, 2024, the SFPUC submitted a letter to Coastal Commission
5 staff requesting postponement of the Coastal Commission hearing; and

6 WHEREAS, After six months of negotiations, the SFPUC and Coastal Commission
7 staff reached substantial agreement on what design changes would be reasonably feasible;
8 and

9 WHEREAS, After reaching substantial agreement, the SFPUC presented the project at
10 the November 14, 2024, Coastal Commission hearing and secured unanimous approval of the
11 Coastal Development Permit application; and

12 WHEREAS, The Coastal Commission required major changes to the project's scope;
13 and

14 WHEREAS, The SFPUC is seeking approval of Amendment No. 3 to Contract No.
15 PRO.0092 to increase the agreement amount by \$7,000,000 and to extend the contract
16 duration by six years, to address Coastal Commission mandated design changes, increased
17 design complexities related to interdepartmental shared scope elements, and an anticipated
18 increase in the construction duration of the project, increasing the total not-to-exceed amount
19 to \$12,750,000 and extending the agreement duration to approximately 15 years; and

20 WHEREAS, On March 11, 2025, by Resolution No. 25-0047 the SFPUC Commission
21 approved Amendment No. 3 to Contract No. PRO.0092, Engineering Services for South
22 Ocean Beach Coastal Erosion and Wastewater Infrastructure Protection with Moffatt & Nichol-
23 AGS JV, increasing the contract amount by \$7,000,000 for a new total contract amount of
24 \$12,750,000 and increasing the contract duration by six years, from July 30, 2027, for a new
25 total contract duration of approximately 15 years from September 26, 2018, through

1 September 25, 2033, for a new total contract duration of 15 years, to continue providing
2 engineering design and support services for the Ocean Beach Climate Change Adaptation
3 Project, subject to the Board of Supervisors approval pursuant to Charter, Section 9.118; and

4 WHEREAS, Section 9.118(b) of the San Francisco Charter requires Board of
5 Supervisors' approval by Resolution of a contract that extends over 10 years, and of any
6 contract that costs the City \$10,000,000 or more; and

7 WHEREAS, Engineering design and construction services and support under this
8 Amendment for the elements of the project that have been approved by the SFPUC are within
9 the scope of the Project authorized under the Final EIR; and

10 WHEREAS, For any new or modified project elements, engineering services under this
11 Amendment would be limited to design and support prior to construction, and engineering
12 services and support during construction-related activities for the new or modified project
13 elements will not be initiated under this Amendment until any additional CEQA review, if
14 required, has been completed and until the SFPUC has reviewed and considered the CEQA
15 determination and has approved the changes to the project; and

16 WHEREAS, Funds are available from the Wastewater Enterprise, Facilities and
17 Infrastructure Program-funded Project No. 10015554, Ocean Beach Climate Change
18 Adaptation Project; and

19 WHEREAS, The Contract Monitoring Division established a 10% Local Business
20 Enterprise (LBE) subcontracting requirement for this contract and the contractor remains
21 committed to a 10.5% LBE subcontractor participation with its bid submittal; now, therefore,
22 be it

23 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
24 the SFPUC to execute to Contract No. PRO.0092, Engineering Services for South Ocean
25 Beach Coastal Erosion and Wastewater Infrastructure Protection with Moffatt & Nichol-AGS

1 JV, increasing the contract amount by \$7,000,000 for a new total contract amount of
2 \$12,750,000 and increasing the contract duration by six years, from July 30, 2027, for a new
3 total contract duration of approximately 15 years from September 26, 2018, through
4 September 25, 2033, to continue providing engineering design and support services for the
5 Ocean Beach Climate Change Adaptation Project; and, be it

6 FURTHER RESOLVED, That within 30 days of Amendment No. 3 being fully executed
7 by all parties for each contract, the SFPUC shall provide the resigned revised contracts to the
8 Clerk of the Board for inclusion in the official file.