

File No. 120560

Committee Item No. 2

Board Item No. 16

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date June 11, 2012

Board of Supervisors Meeting Date June 19, 2012

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
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Completed by: Derek Evans Date June 8, 2012

Completed by: Alisa Miller Date June 13, 2012

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

1 [Administrative Code - Port of San Francisco Pier Repair and Replacement Work]

2  
3 **Ordinance amending the San Francisco Administrative Code by adding Section 6.71 to**  
4 **Article IV of Chapter 6 to allow the Port of San Francisco to use Port of San Francisco**  
5 **employees to perform demolition, repair and replacement work on piers under the**  
6 **jurisdiction of the San Francisco Port Commission.**

7 NOTE: Additions are *single-underline italics Times New Roman*;  
8 deletions are *strike-through italics Times New Roman*.  
9 Board amendment additions are double-underlined;  
10 Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Findings.

13 (a) In 1968, the State of California transferred its responsibilities for the San Francisco  
14 waterfront to the City and County of San Francisco ("City") under the Burton Act, California  
15 Statutes of 1968, Chapter 1333 (the "Burton Act"); and

16 (b) The Port of San Francisco ("Port"), which is an enterprise department of the City  
17 governed by the San Francisco Port Commission, is responsible for seven and one-half miles  
18 of waterfront property from Hyde Street Pier in the northeast to India Basin in the southeast.  
19 The Port's responsibilities include the maintenance of a number of capital assets, including 39  
20 pile-supported pier structures, 80 substructures (of both piers and marginal wharves between  
21 piers), 245 commercial and industrial buildings, over three miles of streets and sidewalks, and  
22 elements of the utility infrastructure that supports them, as well as pile-driving rigs, drydocks,  
23 cargo cranes and heavy equipment used by the Port's Maintenance Division; and

24 (c) Most of the Port's finger piers and wharves are approximately 100 years old and the  
25 piers located along the northeast waterfront are within the Embarcadero Historic District that is

1 listed on the National Register of Historic Places. The Board of State Harbor Commissioners,  
2 the predecessor entity to the Port, first began pile work in 1888 to build, maintain and repair  
3 the Port's assets. Since 1924, the Port has maintained a continuous staff of pile workers and  
4 pile-driving equipment. The pier structures, which are susceptible to environmental  
5 degradation due to their age and exposure to the Bay water, are in varying degrees of  
6 disrepair and require significant maintenance and repair work. Many of the piers were  
7 dilapidated and in a state of disrepair at the time they were transferred from the State to the  
8 City. Some piers are so dilapidated they must be removed from the Bay, often at the direction  
9 of the San Francisco Bay Conservation and Development Commission; and

10 (d) San Francisco Charter Sections 4.114 and B3.581 and the Burton Act grant the San  
11 Francisco Port Commission the power and duty to use, conduct, operate, maintain, manage,  
12 regulate and control the lands within Port Commission jurisdiction, including the exclusive  
13 power to perform or accomplish the construction, reconstruction, repair, operation and use of  
14 all works, buildings, facilities, utilities, structures and appliances incidental, necessary or  
15 convenient for the promotion and accommodation of commerce and navigation, or located  
16 within the Port area; and

17 (e) The Port's Maintenance Division is responsible for maintaining the Port's property,  
18 including the pile-supported pier structures, substructures, aprons, wharves, decks, fenders  
19 and associated utilities. The Port owns two pile-driving rigs and currently employs a 16  
20 person pile crew consisting of 11 line-staff pile workers (including certified divers), 2 pile  
21 engine operators and 3 supervisors, who are uniquely qualified to perform pier demolition,  
22 maintenance, repair and replacement work due to their long standing familiarity with the  
23 unique characteristics of the Port's pier structures, the Bay environment and other conditions  
24 impacting the pier structures; and

1 (f) Because much of the piers' structural damage is hidden, often a pier's condition can  
2 only be assessed through costly investigation work that includes creating openings in the pier  
3 structures to perform testing and then closing the openings until the repair work is ready to be  
4 performed. In cases where it is not cost effective to perform extensive investigation work, the  
5 extent of the structural damage may not be discovered until demolition of the pier structures is  
6 commenced. As a result, it is very difficult for Port staff to describe the necessary scope of  
7 work and prepare structural engineering drawings with enough specificity and certainty to  
8 allow contractors to submit accurate and reliable bids for pier demolition, repair and  
9 replacement work; and

10 (g) Contracts for pier demolition, repair and replacement work are often challenging to  
11 manage due to frequent and large change orders resulting from hidden structural damage to  
12 the piers that may not be discovered until after the contract is awarded and the work has  
13 commenced. These change orders increase the cost of the work and/or the construction  
14 schedule, and often include significant demobilization and remobilization costs relating to the  
15 need to stop work in order to analyze and address newly discovered conditions; and

16 (h) San Francisco Administrative Code Section 6.23(A) allows any public work or  
17 improvement estimated to cost less than or equal to the Threshold Amount (which, under  
18 Administrative Code Section 6.1(M), is currently \$400,000) to be performed by the  
19 employment of necessary labor and purchase of the necessary materials and supplies directly  
20 by the City. Under Administrative Code Section 6.20(A), public works in excess of the  
21 Threshold Amount must be publicly bid, although Administrative Code Section 6.23(B)  
22 describes the terms upon which City departments may file sealed bids to perform the work;  
23 and

24 (i) Because the cost of piles and other materials for pier repair and replacement work  
25 comprises such a large percentage of the total cost of a pier repair project, a typical pier

1 project could exceed the \$400,000 Threshold Amount and require public bidding even though  
2 the Port's Maintenance Division has experienced and qualified pile crews, pile-driving rigs and  
3 other specialized equipment available to perform the work; and

4 (j) The Port wishes to use the Port's Maintenance Division employees and equipment  
5 to perform demolition, repair and replacement work estimated to cost in excess of the  
6 Threshold Amount on piers under the jurisdiction of the Port Commission, including pile-  
7 supported pier structures, substructures, aprons, wharves, decks, fenders and associated  
8 utilities, without having to solicit bids under Administrative Code Section 6.20(A) and submit  
9 its own bid to perform such work under Administrative Code Section 6.23(B); and

10 (k) Allowing the Port's Maintenance Division to self-perform the pier demolition, repair  
11 and replacement work is in the best interests of the Port and the City because it enables the  
12 Port to manage and perform pier demolition, repair and replacement work in a manner similar  
13 to a design build construction contract in order to achieve anticipated cost savings and/or time  
14 efficiencies. Utilizing the Port's Maintenance Division employees with the specific expertise  
15 and qualifications to perform the work allows the Port to mobilize its workforce and equipment  
16 in a cost-effective and efficient manner and provides the Port with flexibility to respond to  
17 newly discovered conditions in the most cost effective and efficient means possible, including  
18 redeploying staff to routine maintenance projects while newly discovered conditions are being  
19 analyzed.

20 Section 2. The San Francisco Administrative Code is hereby amended by adding  
21 Section 6.71 to Article 4 of Chapter 6, to read as follows:

22 SEC. 6.71 Pier Repair Work.

23 (A) The Port is authorized to use the Port's Maintenance Division employees and equipment to  
24 perform demolition, repair and replacement work on piers under the jurisdiction of the Port  
25 Commission, including pile-supported pier structures, substructures, aprons, wharves, decks, fenders


1 and associated utilities. The competitive bid requirements of Sections 6.20(A) and 6.23(B) shall not  
2 apply to the Port's self-performance of such pier demolition, repair and replacement work.

3 (B) All actions previously taken by the Port consistent with this section are hereby approved.

4 (C) Nothing in this Section 6.71 shall prohibit the Port from using the procedures described  
5 elsewhere in this Chapter for the performance of pier demolition, repair and replacement work.

6  
7 Section 3. Effective Date. This ordinance shall become effective 30 days from the  
8 date of passage.

9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA, City Attorney

11 By:   
12 EILEEN M. MALLEY  
13 Deputy City Attorney

## LEGISLATIVE DIGEST

[Administrative Code - Port of San Francisco Pier Repair and Replacement Work]

**Ordinance amending the San Francisco Administrative Code by adding Section 6.71 to Article IV of Chapter 6 to allow the Port of San Francisco to use Port of San Francisco employees to perform demolition, repair, and replacement work on piers under the jurisdiction of the San Francisco Port Commission.**

### Existing Law

Section 6.23(A) of the San Francisco Administrative Code allows public works estimated to cost less than or equal to \$400,000 to be performed by City employees. Administrative Code Section 6.20(A) requires that public works estimated to cost more than \$400,000 be publicly bid. Administrative Code Section 6.23(B) describes the terms upon which City departments may file sealed bids to perform public works estimated to cost more than \$400,000.

### Amendments to Current Law

The ordinance amends the Administrative Code to authorize the Port to use the Port's Maintenance Division employees and equipment to perform demolition, repair and replacement work on piers under the jurisdiction of the Port Commission, including pile-supported pier structures, substructures, aprons, wharves, decks, fenders and associated utilities, and exempts such work from the competitive bidding and solicitation requirements of Administrative Code Sections 6.20(A) and 6.23(B).

### Background Information

In 1968, the State of California transferred its responsibilities for the San Francisco waterfront to the City under the Burton Act, California Statutes of 1968, Chapter 1333. The Port of San Francisco, which is an enterprise department of the City governed by the San Francisco Port Commission, is responsible for maintaining the Port's capital assets, including 39 pile-supported pier structures, many of which were dilapidated and in a state of disrepair at the time they were transferred from the State to the City. The Port's Maintenance Division is responsible for maintaining the Port's property, including the pile-supported pier structures, substructures, aprons, wharves, decks, fenders and associated utilities.

