

1 [Professional Services Agreement - Waiving Competitive Solicitation Requirement to Procure
2 Specialized Environmental Services - East Harbor Marina Sediment Remediation and Facility
Renovation Project - Leidos, Inc. - Not to Exceed \$2,000,000]

3
4 **Ordinance waiving the competitive solicitation requirement under Administrative Code,**
5 **Section 6.40, and authorizing the General Manager of the Recreation and Park**
6 **Department to enter into a professional services agreement with Leidos, Inc., in an**
7 **amount not to exceed \$2,000,000, for the purpose of performing specialized**
8 **environmental services for the San Francisco East Harbor Marina Sediment**
9 **Remediation and Facility Renovation Project, to commence following Board approval.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
subsections or parts of tables.

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

17 Section 1. Background. The San Francisco Marina is composed of two harbors, the
18 East Harbor and the West Harbor. The East Harbor covers approximately 600,000 square
19 feet and is bounded by Fort Mason on the east, Marina Boulevard on the south, and the
20 Marina Green on the west. While the San Francisco Marina has been in use since the 1920s,
21 the current configuration of the East Harbor was constructed in 1963 when the facility was
22 transferred to the City from the State. The East Harbor consists of a concrete sheet-pile
breakwater, docks to accommodate 342 small water craft, and a fuel dock facility.

23 The East Harbor is located adjacent to the former site of a carbureted manufactured
24 gas plant known as the North Beach MGP ("MGP"). The MGP site operations included an
25

1 area of land and wharf extending along the northern portion of the facility into what was
2 historically known as Gashouse Cove (now the East Harbor).

3 In 1994, the Recreation and Parks Department (“RPD”) initiated the approval process
4 to acquire the regulatory permits necessary to perform maintenance dredging of the East
5 Harbor. As part of this process, RPD commissioned a bathymetric survey and a sediment
6 analysis required to secure the permits from the regulatory agencies. The associated
7 sediment sampling identified elevated levels of polycyclic aromatic hydrocarbons (PAHs),
8 which impacted RPD’s ability to secure the permits and to fund the work.

9 In 2001, the City filed a lawsuit against Pacific Gas & Electric (“PG&E”), the successor
10 entity to the North Beach MGP, to recover the cost of removing and disposing of the
11 sediments in the East Harbor. In 2004, the case was dismissed without prejudice on the
12 grounds that the nature and extent of damages were not defined. The City and PG&E
13 subsequently entered into a cost sharing agreement (“Agreement”) whereby they agreed to
14 share equally, up to a total of \$500,000, the costs of determining the nature and extent of the
15 contamination, and the costs of planning and permitting for any necessary remedial action. In
16 2007, the City, with the consent of PG&E, and pursuant to a competitive solicitation,
17 contracted with Science Applications International Corporation (“SAIC”) to provide
18 environmental consulting services under the terms of the Agreement. By March 2009, SAIC
19 had completed four studies. SAIC’s results and recommendations were presented to the
20 Recreation and Parks Commission in July 2009.

21 At the same time as the above, RPD put forward the San Francisco Marina Renovation
22 Project. The proposed project encompassed a complete replacement of both waterside and
23 landside facilities at the San Francisco Marina. On January 11, 2007, the San Francisco
24 Planning Department certified the Final Environmental Impact Report for the San Francisco
25 Marina Renovation Project. RPD divided the project into two phases for implementation:

1 Phase 1 – West Harbor Renovation, and Phase 2 – East Harbor Renovation. The West
2 Harbor Renovation project was completed in early 2014. RPD is now ready to begin Phase 2
3 of the project. A critical component of Phase 2, however, is the performance of maintenance
4 dredging.

5 On September 16, 2013, the City and PG&E executed an extension of the Cost
6 Sharing Agreement. Under the terms of the Agreement, the City and PG&E will continue to
7 work cooperatively on and jointly cover the cost of sediment remediation work in the East
8 Harbor.

9

10 Section 2. Rationale for Waiver of Competitive Solicitation Requirement. In order to
11 begin the critical Phase 2 of the Marina Harbor Renovation Project as scheduled, RPD must
12 first complete the required regulatory agency permits by Fall 2015. The services of a qualified
13 environmental consulting firm are required to secure these permits. In order to complete the
14 remediation permitting process by Fall 2015, the environmental consultant must begin
15 sampling and analysis by August 2014.

16 Section 6.40 of the Administrative Code requires Departments to procure outside
17 temporary professional design or consultant services for public work projects greater than
18 \$100,000 through a competitive process.

19 RPD desires to award a professional services contract to Leidos, Inc. for \$2,000,000
20 for two reasons. First, because a typical competitive procurement for architectural services
21 for public works projects can take many months, a competitive solicitation process under
22 Section 6.40 of the Administrative Code would likely impair the City's ability to secure all
23 required environmental permits and impair the construction schedule by more than a year.
24 Given the constraints on the work imposed by the marina environment, construction activities
25 must occur during certain times of the year in order to avoid impacting seasonal biological

1 processes such as the herring breeding season. Second, Leidos Inc. is uniquely qualified to
2 complete the environmental services work given their long experience and knowledge with the
3 area.

4
5 Section 3. Waiver of Competitive Solicitation Requirement. The Board of Supervisors
6 hereby waives the competitive solicitation process requirement under Section 6.40 of the
7 Administrative Code and authorizes the General Manager of the Recreation and Park
8 Department to enter into a professional services agreement with Leidos, Inc. in an amount not
9 to exceed \$2,000,000 for the limited purpose of providing specialized environmental
10 consulting services for the San Francisco East Harbor Marina Sediment Remediation and
11 Facility Renovation project.

12
13 Section 4. Effective Date. This ordinance shall become effective 30 days after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor’s veto of the ordinance.

17
18 Section 5. The Recreation and Park Department shall provide the final agreement to
19 the Clerk of the Board for inclusion into the official file within thirty (30) days of the agreement
20 being fully executed by all parties.

1 APPROVED AS TO FORM:
2 DENNIS J. HERRERA, City Attorney

3 By: _____
4 Yadira Taylor
5 Deputy City Attorney

6 n:\legana\as2014\1400521\00930071.doc

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25