

File No. 170180

Committee Item No. 5
Board Item No. 9

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 6, 2017

Board of Supervisors Meeting

Date April 18, 2017

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Linda Wong

Date March 30, 2017

Completed by: Linda Wong

Date April 12, 2017

1 [Emergency Declaration – Kezar Pavilion Boilers – Estimated Cost of Repairs Exceeds
2 \$250,000]

3 **Resolution approving the Recreation and Park Department General Manager’s**
4 **declaration of an emergency based on the catastrophic failure of the boiler system at**
5 **Kezar Pavilion, estimated cost more than \$250,000 to repair, pursuant to Administrative**
6 **Code, Section 6.60(b).**

7
8 WHEREAS, Kezar Pavilion is a major facility managed by the Recreation and Park
9 Department that was built in 1924 and that is heated by a dual steam boiler system that was
10 installed that same year; and

11 WHEREAS, on December 19, 2016 the boiler system for Kezar Pavilion sustained
12 catastrophic failure resulting in no heat for the building; and

13 WHEREAS, Kezar Pavilion, because of its venue capacity, is heavily and regularly
14 booked for major sports events by entities such as the San Francisco Unified School District
15 for all play-off and championship games; Wallenburg High School for use as its home
16 gymnasium; and the California Inter-Scholastic Federation for all State basketball play-off
17 games; and

18 WHEREAS, lack of heat in a sports venue the size of Kezar Pavilion would render the
19 Pavilion non-operational and would force the cancellation of numerous sports events currently
20 booked by these school athletic programs and negatively impact participants, supporters, and
21 the general public; and

22 WHEREAS, The General Manager of the Recreation and Park Department has
23 determined these circumstances constitute a significant disruption to school-based sports
24 programs throughout the City and Bay Area that have a series of major sports events planned
25

1 for Kezar Pavilion, which would impact thousands of participants and supporters and reflect
2 negatively on the City; and

3 WHEREAS, Under authority granted by Administrative Code, Section 6.60(b), the
4 General Manager declared an emergency on December 20, 2016, and gave notice of the
5 emergency declaration to the Board of Supervisors, Mayor, Controller, and Recreation and
6 Park Commission; and

7 WHEREAS, Recreation and Park Department staff analyzed the circumstances
8 extensively and determined that the dual steam boiler system was irreparable, and that a
9 replacement boiler system was necessary in order to restore building heat to Kezar Pavilion
10 and allow operations to continue, and that the removal, abatement, and replacement of the
11 boiler system would cost approximately \$468,650; and

12 WHEREAS, Pursuant to Administrative Code, Section 6.60(b), the General Manager
13 has secured the written approval of the President of the Recreation and Park Commission
14 prior to authorizing the commencement of emergency work as the estimated cost of the work
15 is in excess of \$250,000; and

16 WHEREAS, The Department anticipates executing an emergency contract with City
17 Mechanical for removal, abatement, and replacement of the dual steam boiler system; and

18 WHEREAS, The Controller has certified that funds are available for this emergency
19 contract; now, therefore, be it

20 RESOLVED, That the Board of Supervisors approves the emergency declaration for
21 the failure of the dual steam boiler system for Kezar Pavilion made by the General Manager
22 on December 20, 2016; and, be it

23 FURTHER RESOLVED, That within thirty (30) days of an emergency contract being
24 fully executed by all parties, the Department shall provide a copy of the contract to the Clerk
25 of the Board for inclusion into the official file.



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

017 JAN -9 PM 4:30

Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

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C: LegDep, 1, 00B

December 20, 2016

BY PHB

Mayor Edwin M. Lee
City and County of San Francisco
City Hall, Rm. 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

The Honorable Board of Supervisors
City Hall, Rm. 244, Attention: Ms. Angela Calvillo
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Mr. Ben Rosenfield, Controller
City and County of San Francisco, City Hall, Rm. 316
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Subject: Kezar Pavilion Boilers
Emergency Contract Declaration of Emergency**

Dear Mayor Lee, Members of the Board and Mr. Rosenfield:

Pursuant to Section 6.60(b) of the San Francisco Administrative Code, you are hereby notified that in my capacity as the appropriate Department Head, I have declared an emergency to issue a contract to City Mechanical, Inc.

This scope of work is for a Design/Build Project to replace the existing steam heating boiler system and domestic hot water boiler system. The scope of work includes complete abatement, demolition and removal, installation and start-up of both the domestic hot water system and steam heating system.

The Recreation and Park Department will issue a contract for this effort. It is not appropriate to go out to bid on the project because of the urgency of the matter. The estimated cost of this work is \$455,000.

Sincerely,

Philip Ginsburg
General Manager, Recreation and Park Department

16

<p>Item 5 File 17-0180</p>	<p>Department: Recreation and Parks Department (RPD)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed resolution would approve the Recreation and Park General Manager’s Declaration of Emergency due to failure of the boiler system at Kezar Pavilion in accordance with Administrative Code Section 6.60, which requires Board of Supervisors approval of emergency work with estimated costs of more than \$250,000. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The San Francisco Recreation and Park Department (Recreation and Park) manages Kezar Pavilion, an indoor arena in the southeast corner of Golden Gate Park. The Pavilion is regularly used for major sports events by entities such as the San Francisco Unified School District, Wallenburg High School, and the California Inter-Scholastic Federation. • The Kezar Pavilion is heated by a dual steam boiler system, which consists of two boilers that were originally installed in 1924. In the spring of 2016, Recreation and Park staff discovered that one of the two boilers in the Kezar Pavilion had a leak and the use of this boiler was stopped. The Department was in the preliminary planning stages for full boiler system replacement in FY 2017-18, when the second boiler failed in December 2016. • The Department determined that there was insufficient time to competitively bid for the work because the lack of heat impacted the use of Kezar Pavilion by SFUSD and other schools for sporting events. The Recreation and Park Department entered into a design/build contract with City Mechanical, Inc. (City Mechanical), on a sole source basis on December 20, 2016 to replace the boiler system in Kezar Pavilion, as permitted under Administrative Code Section 6.60. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The contract for replacement of the Kezar Pavilion boiler system with City Mechanical is \$468,650. Funds for the contract are included in the Department’s FY 2016-17 budget. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed resolution to state that the removal, abatement , and replacement of the boiler system would cost \$468,650 rather than the incorrect amount of \$455,000. • Approve the proposed resolution as amended. 	

MANDATE STATEMENT

Administrative Code Section 6.60 provides that City contracts entered into for emergency work may be executed in the most expeditious manner. However, declarations of emergencies where the repair work is anticipated to be \$250,000 or more are subject to Board of Supervisors approval. Section 6.60(d) also states that if the emergency does not permit Board of Supervisors approval of the emergency before work is commenced or the contract(s) entered into, such approvals from the Board of Supervisors shall be obtained as soon as possible, with the proposed resolution approving the emergency determination submitted to the Board of Supervisors within 60 days of the department head's emergency declaration.

BACKGROUND

The San Francisco Recreation and Park Department (Recreation and Park) manages Kezar Pavilion, an indoor arena in the southeast corner of Golden Gate Park. The Pavilion is regularly used for major sports events by entities such as the San Francisco Unified School District, Wallenburg High School, and the California Inter-Scholastic Federation. The Kezar Pavilion is heated by a dual steam boiler system, which consists of two boilers that were originally installed in 1924.

In the spring of 2016, Recreation and Park staff discovered that one of the two boilers in the Kezar Pavilion had a leak and the use of this boiler was stopped. According to Mr. William Tarbox, Recreation and Park Department Structural Maintenance Division Superintendent, the Department originally planned to fully replace the boiler system in FY 2017-18, and make interim repairs to the system in FY 2016-17.¹ The Department was in the preliminary planning stages for full boiler system replacement in FY 2017-18, when the second boiler failed in December 2016.

The Recreation and Park Department General Manager declared a state of emergency in a letter to the Board of Supervisors on December 20, 2016. The Recreation and Park Department submitted the resolution, declaring a state of emergency, to the Board of Supervisors on February 14, 2017.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the Recreation and Park Department General Manager's Declaration of an Emergency for repair work for the boiler system at Kezar Pavilion, in accordance with Administrative Code Section 6.60.

The Recreation and Park Department entered into a design/build contract with City Mechanical, Inc. (City Mechanical), on a sole source basis on December 20, 2016 to replace the boiler system in Kezar Pavilion, as permitted under Administrative Code Section 6.60. The scope of

¹ The Board of Supervisors appropriated \$600,000 in each year of the Department's FY 2016-17 and FY 2017-18 budgeted for capital repairs to the Department's pump, boiler and other systems, which was an increase of \$350,000 from the Department's FY 2015-16 budget of \$250,000.

work included the complete abatement of asbestos, demolition and removal of the existing system, and installation and start-up of the hot water system and steam heating system, at a contract amount of \$468,650.

According to Ms. Dana Ketcham, Recreation and Park Department Director of Permits and Property Management, the Department determined that there was insufficient time to competitively bid for the work because the lack of heat impacted the use of Kezar Pavilion by SFUSD and other schools for sporting events. According to Ms. Ketcham, the abatement of the asbestos led to a partial shutdown of Kezar Pavilion, including the locker rooms. The Recreation and Park Department was concerned that if the asbestos abatement process was not started immediately, the teams would not have access to the locker rooms for the high school basketball playoffs, scheduled to begin on February 15th, 2017. According to Mr. Tarbox, soliciting three quotes would have delayed the abatement by approximately two months.

According to Mr. Tarbox, the initial offer from City Mechanical of \$480,000 was rejected by the Recreation and Park Department. City Mechanical and the Department agreed on a final negotiated contract amount of \$468,650, which was reviewed by Department staff and determined to be reasonable.

City Mechanical began work on the boiler replacement on January 1, 2017, which was completed on March 30, 2017.

FISCAL IMPACT

The budget for replacement of the Kezar Pavilion boiler system under the contract with City Mechanical is \$468,650, as shown in Table 1 below.

Table 1: Budget for Boiler Replacement at Kezar Pavilion

Purpose	Estimate Cost
Materials (including two boilers)	\$182,000
Labor	<u>273,000</u>
Subtotal	455,000
Performance bond	13,650
Total Cost Estimate	\$468,650

The proposed resolution, which provides for a contract amount of \$455,000, should be amended to show the actual amount of \$468,650.

RECOMMENDATIONS

1. Amend the proposed resolution to state that the removal, abatement, and replacement of the boiler system would cost \$468,650 rather than the incorrect amount of \$455,000.
2. Approve the proposed resolution as amended.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: *For* Emergency Declaration – Kezar Pavilion Boilers – Estimated Cost of Repairs Exceeds \$250,000
DATE: February 14, 2017

Attached for introduction to the Board of Supervisors is a resolution approving the Recreation and Park Department General Manager's declaration of an emergency based on catastrophic failure of the boiler system at Kezar Pavilion, estimated cost more than \$250,000 to repair, pursuant to Administrative Code, Section 6.60(b).

Should you have any questions, please contact Mawuli Tugbenyoh (415) 554-5168.

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BY *ML*