

MEMORANDUM

September 20, 2019

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor G. Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Request for approval to execute an amendment to the professional services contract with CH2M HILL Engineers, Inc., for planning, engineering, and environmental services for the Waterfront Resilience Program, which includes the Embarcadero Seawall Program, the U.S. Army Corps of Engineers Flood Resiliency Study and related activities, to increase the contract by \$19,992,357, resulting in an amended contract amount not to exceed \$59,977,071

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

EXECUTIVE SUMMARY

Port staff seeks authorization to execute an amendment to the professional services contract with CH2M HILL Engineers, Inc. (CH2M) for planning, engineering, and environmental services for the Waterfront Resilience Program (PEC Contract). For background, on August 5, 2017, the Port Commission authorized award of the existing contract to CH2M in the amount of \$36,349,740, and also authorized staff to increase the contract amount, for unanticipated contingencies, by an additional \$3,634,974 (10% of \$36,349,740) for a total contract authorization of \$39,984,714. This proposed amendment will increase the contract amount by \$19,334,390, resulting in an amended contract amount to CH2M of \$55,684,130. Port staff also seek authorization to increase the existing contract contingency, from \$3,634,974, to \$4,292,941. The total proposed increase to the not to exceed contract amount of \$19,992,357, resulting in an amended not to exceed contract amount of \$59,977,071, is 50% above the original not to exceed contract amount.

Consistent with direction from the Port Commission to expand the Port's resilience efforts Port wide and the expanded scope and scale of the ongoing U.S. Army Corps of

THIS PRINT COVERS CALENDAR ITEM NO. 8A

Engineers (USACE) San Francisco Waterfront Flood Resiliency Study (Flood Resiliency Study), Port Director Forbes formed the Port's Waterfront Resilience Program in the Port's Executive Division in February 2019. The Program includes the Embarcadero Seawall Program, the USACE Flood Resiliency Study, and related resilience planning and implementation efforts along the Port's 7½ mile jurisdiction. On August 13, 2019, Port staff delivered an informational presentation about the Waterfront Resilience Program and the proposed PEC Contract amendment¹.

Subject to authorization by the Port Commission and approval by the Board of Supervisors, Port staff will to utilize the proposed contract amendment to deliver the Waterfront Resilience Program's increased level of effort for planning, engineering, and environmental services, and the Port's non-federal cost share responsibilities for the Flood Resiliency Study.

STRATEGIC OBJECTIVES

This proposed contract amendment supports the goals of the Port's Strategic Plan as follows:

Engagement

By leading an inclusive stakeholder process to develop a shared vision, goals, and principles for the Embarcadero Seawall Program and USACE Flood Resiliency Study.

Livability

By increasing the proportion of funds spent by the Port on contract services performed by LBE firms.

Resiliency

By leading the City's efforts to address threats from earthquakes and flood risk through research and infrastructure improvements to the Embarcadero Seawall and adjoining buildings and other infrastructure and to develop and implement projects that will reduce earthquake and flood damage risks Port-wide.

Sustainability

By enhancing the quality of the Bay water and habitat with the improvements, by limiting construction impacts and waste, and by sustainable design and construction best management practices.

Financial Stability

By supporting the Flood Resiliency Study which has the potential to develop a preferred flood protection project and generate significant federal funding.

¹ A copy of the staff report for this informational presentation can be found at: <https://sfport.com/file/40823>

BACKGROUND

On August 5, 2017, the Port Commission authorized award of a contract to CH2M HILL Engineers, Inc. for planning, engineering, and environmental services for the Embarcadero Seawall Program, in the sum of \$36,349,740, and authorized a 10% contract contingency fund (of \$3,634,974), for a total contract authorization not to exceed \$39,984,714, with a term of ten years and the Port's option to extend the term for one additional year.

Since the contract award, CH2M's services have progressed in the Planning Phase, and Port staff have determined that the level of effort and associated cost required to complete the phase will exceed initial estimates. The new Waterfront Resilience Program presents the need to expand the original scope of CH2M's consulting services from the Embarcadero Seawall to the Port's full 7½ mile jurisdiction. The Port's agreement for the Flood Resiliency Study, executed after the PEC Contract award to CH2M, requires a 50/50% cost sharing on the Port's part through cash payments and/or in-kind services, which the amended contract will facilitate and help accomplish.

On June 7, 2018, USACE awarded San Francisco a "new start" study appropriation to commence a General Investigation (GI) feasibility study, which would consider and recommend potential project alternatives that would reduce coastal flood risk along the San Francisco waterfront (the Flood Resiliency Study). Following the completion of the GI feasibility report, if USACE recommends and Congress approves a project for implementation, the federal government would pay for approximately two-thirds of the cost of construction, and the Port would pay for approximately one-third of the cost.

On August 14, 2018, the Port Commission authorized the Executive Director to enter into a Feasibility Cost Sharing Agreement (FCSA) with USACE to jointly pursue the Flood Resiliency Study. The Port and USACE executed the FCSA on September 5, 2018. Port staff expects to return to the Port Commission later this Fall to amend the FCSA to authorize increased Port expenditures on the Flood Resiliency Study.

Consistent with direction from the Port Commission to expand the Port's resilience efforts Portwide and the Port staff's initiative to expand the scope and scale of the Flood Resiliency Study, Director Forbes formed the Port's Waterfront Resilience Program in the Port's Executive Division in February 2019. The Program includes the Embarcadero Seawall Program, the Flood Resiliency Study and related resilience planning and implementation efforts for the Port's entire 7 ½ miles of waterfront property.

Accordingly, Port staff recommends a contract amendment for the CH2M Hill PEC that would include the scope of work described below, including contract services for the Flood Resiliency Study.

SCOPE OF WORK

Under the original contract, CH2M's work was divided into three phases:

- **Phase I: Planning** (currently in progress)
 - Management and Coordination Services
 - Community Planning and Stakeholder Engagement
 - Data Collection, Review, and Existing Conditions
 - Multi-Hazard Risk Assessment
 - Alternatives Formulation, Analysis, and Program Development
 - City Staff Training
 - Seismic Peer Review
- **Phase II: Preliminary Design and Engineering, Initial Projects** (not yet started at this time)
 - Management and Coordination Services
 - Community Planning and Stakeholder Engagement
 - Preliminary Design & Engineering
 - Pilot Projects
 - Emergency Projects, Final Design/Engineering & Construction Support
 - CEQA/NEPA Permitting
 - City Staff Training
 - Seismic Peer Review
- **Phase III: Final Design & Construction, Initial Projects** (not yet started at this time)
 - Management and Coordination Services
 - Stakeholder Management
 - Value Engineering
 - Independent Design Review

Staff proposes to increase the PEC Contract amount by \$19,334,390 to include the scope of services described below in support the Flood Resiliency Study and the Waterfront Resilience Program. The most significant tasks include:

United States Army Corps of Engineers Flood Resiliency Study In-Kind Services –

Based on ongoing discussions with USACE, Port staff believes that in the 1st quarter of 2020 USACE will submit a request for a waiver to the Assistant Secretary of the Army to increase the shared cost of the Flood Resiliency Study to approximately \$20.3 million, a \$17.3 million increase from the original \$3 million reflected in the FCSA executed on September 5, 2018.

As described in the August 13, 2019 staff report to the Port Commission, the Port is obligated for a 50% share of the Flood Resiliency Study costs. In September 2018, the Port made a \$500,000 Port cash contribution to USACE. The Port's remaining share of the increased study cost is expected to be \$9.55 million, subject to an amended FCSA and approval by USACE, the Port Commission and Board of Supervisors. Under this structure and staff's recommended approach, the remaining Port contribution will be delivered through the amended scope of work for the PEC Contract totaling \$9.35 million and a \$200,000 cash payment to USACE in September 2019. The Port's contribution to the Flood Resiliency Study will thereby include the following work areas:

- Civil design
- Urban design
- Economics
- Public outreach
- National Environmental Policy Act compliance
- Economics
- Plan Formulation

Adapt + Envision – As further described in the August 13 Port Commission staff report, staff proposes additional funding to support development of the Adapt Plan and the Envision Element for the Port's 7½ mile jurisdiction. This work includes the development of an adaptation plan (the Adapt Plan) that will identify critical components of the Port's mid and long range planning for the waterfront in a way that supports current and near term actions such as the first Phase I Strengthen projects to improve life-safety and emergency response and the development of a recommended alternative for the USACE Flood Resiliency Study. The Adapt Plan will identify the building blocks that the Port, its partners, and stakeholders can use to prioritize initial projects and advance subsequent actions and projects over the coming decades.

This additional funding will also support the Envision Element, an interagency and public process to identify visions of the waterfront that would be resilient to year 2120 and beyond. The Envision Element will provide the Port, City departments, resource and regulatory agencies, the public and other stakeholders with an opportunity to envision different, feasible alternative shoreline configurations that would be resilient to sea levels expected in 2120 and beyond.

Multi-Hazard Risk Assessment – The Multi-Hazard Risk Assessment is the Port's major effort to characterize earthquake and flood risks associated with the Seawall and measure the economic, societal, and environmental consequences of those risks which Port staff and the CH2M team have determined will require additional effort and resources to complete this task will exceed initial estimates, and also includes additional scope to support the Flood Resiliency Study and Waterfront Resilience Program efforts.

Advanced Earthquake Analysis, Ferry Building Area – Staff recommends additional funding for advanced seismic analysis in the Ferry Building area. This area has deep fill and Young Bay Mud² which are susceptible to lateral spreading and settlement. Policymakers will benefit from advanced 3D seismic analysis to better understand behavior of design alternatives to the structures, the BART tunnel, the ferry plaza, and the Embarcadero. This type of complex analysis will be needed to secure building permits for any type of retrofit projects in this area.

² Young Bay Mud consists of young Holocene-age marine clay and sand deposits which are weak soils. The Seawall and the fill behind it were primarily constructed on top of Young Bay Mud.

Stakeholder Engagement – Staff has developed an expanded communications and engagement scope of work from July 2019 through July 2022 for the Waterfront Resilience Program including the Embarcadero Seawall Program, USACE Flood Resiliency Study, and other efforts located on Port property including the Islais Creek Mobility Adaptation Study³. The proposed engagement scope will take place in three geographic areas along the Port of San Francisco jurisdiction — the Embarcadero, Mission Creek, and Islais Creek areas. The work scope will help the Port team achieve the following:

1. Create opportunities for broad and accessible public communication and engagement, including input to inform decisions about the Waterfront Resilience Program;
2. Identify and engage key stakeholders;
3. Create community support for immediate projects and understanding of long-term waterfront planning effort; and
4. Establish the Port as a resilience leader.

Local Business Enterprise (LBE) Support Services – Given the unique nature of the Embarcadero Seawall Program and the specialized nature of the design and construction work to deliver Phase I Strengthen projects, staff recognizes that concerted effort will be needed to reach significant levels of LBE participation. Through CH2M's amended scope of services, staff proposes to engage the services of various LBE firms to identify goals, and create and implement a plan to encourage greater LBE participation, including from minority and women owned firms, in Embarcadero Seawall Program Phase I (Strengthen projects).

Workforce Development – Working with the Office of Economic and Workforce Development's Sector Academies and Community Based Organizations (CBO) providing pre-employment services, staff propose to prepare and implement a workforce development strategy with support from the CH2M team. This strategy will focus on educating, training and placing San Francisco economically-disadvantaged residents in construction careers by leveraging and expanding the OEWD training academies to include all 26 trades to create a pool of resident workers qualified to work on Embarcadero Seawall Program Phase I (Strengthen projects).

Public Education – Creating a partnership with the Exploratorium to enhance public awareness and engagement with the Waterfront Resilience Program. The Exploratorium and Port's shared goals for this partnership include communicating action needed to address vulnerabilities of the Seawall and to engage an already active and informed community regarding elements of the Port's resilience efforts including the

³ The Islais Creek Mobility Study is a Caltrans-funded collaboration between the San Francisco Planning Department, the Port and the Municipal Transportation Agency to study of flood risks to transportation and other assets in the Islais Creek vicinity. City staff are integrating this work with the USACE Flood Study which will also examine flood risk in the Islais Creek area. For more information, see: <https://sfplanning.org/project/islais#about>

framework: Strengthen, Adapt + Envision, or other elements of the Waterfront Resilience Program.

Disaster Response Planning – Working with the Department of Emergency Management (DEM) to evaluate the disaster response criteria which – along with life safety factors – will be the primary driver for selection of Phase I projects. Port emergency response staff and DEM staff propose two table top exercises in early 2020 to evaluate 1) the areas of the northern and southern waterfront that are most important to the City's response function, and 2) how the City should amend existing Port, City and regional plans to respond to the types of potential Port damage that the Multi-Hazard Risk Assessment is expected to show.

Project Management – Staff recommends additional funding for project management to support and administer a longer-term USACE Flood Resiliency Study and Adapt + Envision planning effort than previously anticipated and to manage the additional effort described above.

LOCAL BUSINESS ENTERPRISE (LBE) PARTICIPATION

For the existing PEC contract, CH2M committed to a LBE subcontracting participation 21% of the contract value (\$7,647,985) that was incorporated in the contract requirements. The current Phase I LBE participation is 19% of the LBE requirement \$1,447,972 through June 2019). The proposed contract amendment will increase LBE participation to 23.42% as detailed in **Table 1**.

Table 1: LBE participation with proposed amendment

LBE Supplier	Scope of Work	LBE %
A G S INC	Environmental Advisory Services Geotechnical Engineering	0.50%
BARBARY COAST CONSULTING LLC DBA CIVIC EDGE CONSULTING	Community Relations/Public Affairs Public Relations Service	1.00%
BAYCAT	Arts & Technology	0.10%
C H S Consulting Group	Transportation & Traffic Engineering	0.50%
GEOTECHNICAL CONSULTANTS INC	Geotechnical Engineering	2.00%
HOLLINS CONSULTING INC	Administrative/Scheduling and Construction Management Services	3.00%
RDJ ENTERPRISES, LLC	Community Relations/Public Affairs, EEO/ Affirmative Action/M/WB W, Assistance; Educational/Training Services	0.50%
SAYLOR CONSULTING GROUP	Value/Quality Engineering	1.30%
SEDWAY CONSULTING INC	Real Estate, Appraisers, Brokers & Agents	0.20%
SQUARE ONE PRODUCTIONS	Architectural Illustrator	0.20%
STRUCTUS INC	Structural Engineering, Architecture & Engineering	3.80%
TELAMON ENGINEERING CONSULTANTS INC	Civil Engineering, Surveying (Land & Aerial), Utilities & Power Services, CAD Design	7.90%
CopyMat	Reproduction Services, Computer Graphics and Graphic Arts, Printing & Typography, Mailing Services	0.19%
InterEthnica	Translating Services, Interpreters, Community Relations/Public Affairs	0.34%
SiteLab	Computer Aided Design, Urban & Regional Planning, Computer graphics and graphic arts, Community Relations/Public Affairs	1.27%
Bonner Communications	Event Planning and Related Services, Community Relations and Public Affairs	0.27%
Davis & Associates Communications, Inc.	Employment Development Programs; Event Planning and Related Services	0.27%
Silvestrum	Environmental Advisory Support	0.09%

FUNDING

As detailed in **Table 2**, through FY 2018-2019, the Port and City have appropriated \$20.0 million in funding to support the Embarcadero Seawall Program. Sources of these funds include the City's Revolving Fund (\$9.0 million), Port Capital (\$4.0 million), contributions from the S.F. Metropolitan Transportation Authority (SFMTA) and City Planning Department (\$2.0 million), and a grant from the California Natural Resources Agency (\$5.0 million).

On March 12, 2019, the Port Commission approved Resolution 19-08, authorizing the first issuance of the Seawall Bond for up to \$50.0 million, including issuance costs, to support the planning and preliminary design phases of the Seawall Program. The first General Obligation Bond issuance is scheduled to reimburse \$6.0 million to the City's Revolving Fund and \$3.0 million in Port/ Planning Department/ SFMTA Seawall Program expenditures to allow the Port to reallocate those funds to other non-bond eligible Embarcadero Seawall Program costs. The Port will reimburse the remaining \$3.0 million to the City's Revolving Fund after the second GO Bond sale.

On April 5, 2019, two pro se plaintiffs, Michael Denny and Nicholas Smith, filed a legal action against John Arntz, Director of Elections, and Dennis Herrera, City Attorney, alleging that San Francisco officials violated various state and local election laws in connection with the voter approval in of the Seawall Bond. On June 19, 2019, the San Francisco Superior Court granted the City's demurrer to the complaint and dismissed all of Plaintiffs' claims and entered judgment for the City. The plaintiffs have filed an appeal, and while the City Attorney advises that the lawsuit is without merit, the City has opted to delay the first bond issuance until the Controller's Office of Public Finance, Port staff and the City Attorney have analyzed the appeal.

Rather than have the Embarcadero Seawall Program delayed, on July 9, 2019 Port staff received approval from the Port Commission (Resolution No. 19-29) to authorize a supplemental appropriation request of \$11.5 million to support the Resilience Program. The request was approved by the Capital Planning Committee on July 22, 2019 and was approved by the Board of Supervisors on September 17, 2019.

Table 2: Current Program Funding Plan (\$ millions)

	Fiscal Year	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23-27
Funding Sources									
Port Capital		\$2.9		\$1.1					\$10.0
Port Harbor Funds					\$11.5	(\$11.5)			
City Revolving Fund		\$1.0	\$3.0	\$5.0		(\$6.0)	(\$3.0)		
SFMTA Contribution		\$0.5	\$0.5						
Planning Dept Contribution		\$0.5	\$0.25	\$0.25					
State Sources				\$5.0					
2018 General Obligation Bond						\$50.0	\$250.0		\$125.0
Other Funds*									\$54.0
Total Planned Sources		\$4.9	\$3.8	\$11.4	\$11.5	\$32.5	\$247.0	\$0.0	\$189.0
Cumulative Sources		\$4.9	\$8.7	\$20.0	\$31.5	\$64.0	\$311.0	\$311.0	\$500.0
Current Funding									
First Bond Sale Pending Litigation									

*Pending Identification of Funds

STAFF ANALYSIS

Administrative Code 12X

Staff has examined the circumstances under which the original PEC Contract was approved with respect to compliance with Administrative Code Section 12X and the proposed amendment. Staff has concluded that both the original approval and the amendment are compliant with Section 12X.

On October 14, 2016, Mayor Edwin Lee approved Administrative Code Section 12X – which banned City-funded travel to and City contracts involving states with anti-LGBT laws. The law became operative on February 11, 2017. Under the law, a “Covered State” means any state that after June 16, 2015, has enacted a law that:

“(a) voids or repeals existing state or local protections against discrimination on the basis of Sexual Orientation, Gender Identity, or Gender Expression, or

“(b) authorizes or requires discrimination against same-sex couples or their families or that authorizes or requires discrimination on the basis of sexual orientation, gender identity, or gender expression, including any law that creates an exemption to antidiscrimination laws in order to permit discrimination against same-sex couples or their families or on the basis of Sexual Orientation, Gender Identity, or Gender Expression.”

"Covered State List" means the list maintained by the City Administrator of all states that meet the definition of a Covered State, in accordance with Section 12X.3.

The City Administrator issued an Update to Covered State List Memorandum on June 30, 2017. This memorandum included the addition of Texas to the Covered State List effective September 1, 2017.

The Port Commission authorized award of Planning, Engineering, and Environmental Services contract to CH2M HILL Engineers, Inc. on August 8, 2017 (by Resolution No. 17-36), which the Board of Supervisors approved on September 7, 2017 (by Resolution No. 351-17). At the time, CH2M HILL Engineers was headquartered in Denver, Colorado, a state that is not among the states on the Covered States List.

On August 2, 2017, Jacobs Engineering Group, Inc. (Jacobs) and CH2M Hill Companies Ltd. entered an agreement under which Jacobs would acquire all of the outstanding shares of CH2M in a cash and stock transaction. Jacobs is headquartered in Dallas, Texas which is on the Covered States List. However, CH2M stockholders approved the acquisition on December 13, 2017, after the Board of Supervisors approved the PEC Contract.

CH2M HILL, now a subsidiary of Jacobs, remains headquartered and licensed in Denver, Colorado.

Section 12X does not apply to contract amendments. Section 12X.5 states:

(a) The City shall not enter into any Contract with a Contractor that has its United States headquarters in a state on the Covered State List or where any or all of the work on the Contract will be performed in a state on the Covered State List. Notwithstanding the foregoing sentence, if, during the term of a Contract, the Contractor moves its headquarters, or the location from which it will provide services to the City, to a state on the Covered State List, such a move shall not constitute grounds to terminate the Contract [emphasis added].

PEC Contract Amendment versus Bidding

As described in the August 13, 2019 Port Commission staff report, staff indicated in the original PEC Contract Request for Proposals (RFP) that the original scope of work could be expanded to include work on a USACE Feasibility Study.

From page 3 of the RFP:

Services may also include preparation of feasibility studies for USACE CAP and GI projects and preparation of construction documents for pilot and emergency projects.

From page 6 of the RFP:

The Program must incorporate long-term planning to inform the City and Port about flood protection measures and adaptable designs that can be implemented as part of prioritized near- term and mid-term Seawall improvements, while the Port and City continue to define long-term visioning for the waterfront.

Also, from page 6 of the RFP:

The Port may ask that a USACE Feasibility Study be part of this work.

Port staff does not consider the scenario of separate bidding of the proposed amended scope of work, for a new contract, to be a viable option. A new contract award would take a minimum of six to nine months to implement, delaying vital scopes of work as described in this report.

A six to nine month delay would put at risk the Port's ability to continue to provide in-kind services and technical input to the USACE Flood Resiliency Study, which could put the Flood Resiliency Study in jeopardy. Under the FCSA with USACE, the Port must match annual spending by USACE. Reduced in-kind services from the Port would have to be offset by direct cash payments to USACE in order to avoid limiting increased federal spending on the Flood Resiliency Study.

The Flood Resiliency Study also spans the entire length of the Port's jurisdiction, including the Embarcadero Seawall, the focus of the Embarcadero Seawall Program. Creating a new contract, with coordination of a second consultant team to address overlapping areas of the Port, would likely create inefficiencies and make it significantly more difficult to align the Flood Resiliency Study with the Embarcadero Seawall Program.

Additional scopes of work, such as LBE Support Services and Workforce Development, would also be delayed and are needed to create a viable workforce and pool of LBE contractors to support the Program as it moves towards design and construction.

Amendment Scope and Budget

The proposed increased budget for the contract amendment and contingency is \$19,992,357. Port staff believes that this will be sufficient to resource the Waterfront Resilience Program, Embarcadero Seawall Program, Strengthen, Adapt and Envision, and the USACE Flood Resiliency Study. While staff does not foresee additional amendments to the PEC Contract, the following factors that could change this assessment:

- The Flood Resiliency Study could find that there is a limited or no federal interest in a flood management project along the San Francisco waterfront, because damage estimates from the current phase of the study are significantly lower than the projected costs of a project to mitigate these damages. If USACE

terminates the Flood Resiliency Study for this reason, staff would not negotiate and execute the task authorizations to support the remainder of the Flood Resiliency Study, resulting in contract savings.

- USACE could not approve a waiver of Flood Resiliency Study cost limits of \$3 million or could fail to obtain federal appropriations to fund the Flood Resiliency Study. In this instance, staff would work with USACE staff to reduce the scope and cost of the Flood Resiliency Study, subject to consultation with the Port Commission.
- The Flood Resiliency Study could identify a proposed project that is significantly larger than anticipated, requiring additional funding to complete design sufficient to support environmental analysis and a recommendation to Congress.
- The Multi-Hazard Risk Assessment for the Embarcadero Seawall Program could identify anticipated seismic and/or flood damages that are so extensive, or would significantly impede the City's disaster response capabilities, that policymakers including the Port Commission, the Board of Supervisors and the Mayor favor pursuing a significantly larger Phase 1 project than the \$500 million currently anticipated by staff. In this case, the preliminary design budget for Phase 2 of the contract would be insufficient to design the desired project to a 35% design.

RECOMMENDATION

Port staff requests that the Port Commission authorize Port staff to execute a contract amendment, subject to approval of the Board of Supervisors, to the professional services contract with CH2M HILL Engineers, Inc., for planning, engineering, and environmental services for the Embarcadero Seawall Program, the USACE Flood Resiliency Study and related activities, to increase the contract amount by \$19,334,390, resulting in an amended contract amount of \$55,684,130, and further authorize an increase in the existing contract contingency fund, from \$3,634,974, to \$4,292,941, if needed for future contract increases due to unanticipated contingencies, resulting in an amended contract amount not to exceed \$59,977,071.

Prepared by: Carlos Colón, Seawall Project Administrator
Steven Reel, Seawall Program Manager
Matt Wickens, Seawall Program Engineering Lead
Lindy Lowe, Port Resilience Officer
Kirsten Southey, Resilience Program Communications Manager

For: Katharine Petrucione, Deputy Director Finance & Administration
Brad Benson, Waterfront Resilience Director

Attachments:

Appendix A: Contract Amendment Summary

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 19-41**

WHEREAS, on March 14, 2017, the Port Commission authorized staff to issue a Request for Proposals ("RFP") to solicit and select a multi-disciplinary engineering and architecture consulting team to provide contract services for the Seawall Resiliency Project (Port Commission Resolution 17-14); and

WHEREAS, pursuant to the RFP, an evaluation panel was convened to evaluate and score proposals, and upon completion of the evaluation process the City's Contract Monitoring Division and Port staff determined the highest ranked proposer was CH2M HILL Engineers, Inc. ("CH2M"); and

WHEREAS, on August 8, 2017, the Port Commission authorized Port staff to award to, and execute a professional services contract with, CH2M to provide planning, engineering, and environmental services for the Seawall Resiliency Project in the amount of \$36,349,740, and with a term of ten years, with an option to extend the term for one additional year in the Port's discretion, and authorized Port staff to increase the contract amount, if needed for unanticipated contingencies, by an additional \$3,634,974, for a total contract authorization not to exceed \$39,984,714 (Port Commission Resolution 17-36); and

WHEREAS, Port staff issued a Notice to Proceed to CH2M on November 7, 2017, to begin contract services; and

WHEREAS, on August 14, 2018, the Port Commission authorized the Port Executive Director to enter into a Feasibility Cost Sharing Agreement (FCSA) with the United States Army Corps of Engineers ("USACE") for study of coastal flood resilience on for the Port's entire 7½ mile jurisdiction under the USACE General Investigation program (the "Flood Resiliency Study"); and

WHEREAS, during Phase I of CH2M's contract, Port staff and CH2M encountered unanticipated circumstances, including increased effort required to estimate potential damages to City-owned infrastructure, including utilities and transit infrastructure, the need to conduct advanced seismic analysis in the Ferry Building area, the need for increased stakeholder engagement along the Embarcadero, Mission Creek, and Islais Creek areas, and increased project management services to administer the USACE Flood Resiliency Study and related Adapt + Envision planning effort, as described in the accompanying staff report; and

WHEREAS, to fulfill these needs and address the unanticipated circumstances, the existing contract with CH2M must be amended to add this additional

scope of services and increase compensation for these services because the original contract does not meet the increased effort and support required for the Flood Resiliency Study and Waterfront Resilience Program; and

WHEREAS, Port staff now recommend that the Port Commission authorize an amendment to the planning, engineering, and environmental services contract with CH2M to expand the contract scope of services, as described, and authorize necessary funds to pay for such additional services; and

WHEREAS, Port staff have negotiated with CH2M an amount of \$19,334,390 for these additional planning, engineering, and environmental services which represents a fair and reasonable value in staff's determination given the important nature and scope of the proposed services; and

WHEREAS, the CH2M contract amendment has been approved by the Contract Monitoring Division and will incorporate the existing Local Business Enterprise subcontracting participation commitment of 21% established by the City Contract Monitoring Division; now, therefore, be it

RESOLVED, that, subject to the approval of the Board of Supervisors, the San Francisco Port Commission hereby authorizes Port staff to execute an amendment to the existing contract with CH2M Engineers, Inc., for planning, engineering, and environmental services for the Waterfront Resilience Program, which includes the Embarcadero Seawall Program, the U.S. Army Corps of Engineers Flood Resiliency Study and related activities to increase the contract amount by \$19,334,390, resulting in an amended contract amount of \$55,684,130, with no change in the contract term or duration; and be it further

RESOLVED, that the Port Commission also authorizes an increase in the existing contract contingency fund, from \$3,634,974, to \$4,292,941, if needed for future contract increases, due to unanticipated contingencies, for a total amended contract authorization not to exceed \$59,977,071; and be it further

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to introduce legislation to the Board of Supervisors seeking approval to execute an amendment to the contract with CH2M HILL Engineers, Inc., upon the terms and conditions described above.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 24, 2019.



Secretary