

RESOLUTION NO. 35-2010

Adopted April 6, 2010

**AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD
CONTRACT NO. HPS 001-10 TO PROJECT FROG, INC.,
A CALIFORNIA CORPORATION, AND/OR ALTEN CONSTRUCTION,
INC., A CALIFORNIA CORPORATION, SUBJECT TO STATE
AUTHORIZATION, FOR AN AMOUNT NOT TO EXCEED \$2,034,941
FOR CONSTRUCTION OF A COMMUNITY FACILITIES
DEMONSTRATION PROJECT MODULAR BUILDING AT THE
HUNTERS POINT SHIPYARD AND APPROVING ANY RELATED
DOCUMENTS AND CONDITIONALLY APPROVING THE BASIC
CONCEPTUAL DESIGN; HUNTERS POINT SHIPYARD
REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") desires to design and construct the Community Facilities Demonstration Project (the "Project") on Parcel A of the Hunters Point Shipyard, located within the Hunters Point Shipyard Redevelopment Project Area (the "Project Area"). The Project, which will be funded primarily through a grant from the U.S. Department of Commerce, Economic Development Administration ("EDA"), will serve as a community-based public meeting and event space, and will support a range of additional uses, including arts and arts education, job training facilities, recreation, and open-space type uses.
2. The Agency seeks to procure this Project pursuant to California Public Contract Code Section 20688.6, which permits up to 10 redevelopment projects within the State of California to obtain design-build authority, which involves the procurement of both project design and construction from a single entity on a "lowest responsible bidder" basis. The Agency is not authorized to execute the design-build contract until it receives authorization from the State Public Works Board ("State Board"). The Agency has submitted a design-build application to the State Board, and the Agency's application is scheduled to be heard by the State Board on April 12, 2010.
3. On December 16, 2009, Agency staff advertised a Request for Qualifications for this Project. Eleven firms submitted qualifications. The firms with the five highest ratings, as scored from the selection panel, were invited to submit bid proposals to deliver the finished project.
4. On March 4, 2010, the Agency publicly opened four bids for the design-build contract. Agency staff evaluated each of the four bid packages and concluded that, including deductive alternate number one, the bid submitted by Project FROG, Inc. in the amount of \$2,034,941 was the lowest responsible responsive

bid. In that Project Frog, Inc. is not a licensed contractor, its bid indicated that it would team with Alten Construction, Inc. for construction of the Project. (Collectively Project Frog, Inc. and Alten Construction, Inc. are referred to in this Resolution as “Project Frog”.)

5. Because this Project is being funded by EDA grant monies, the Agency must comply with federal requirements and applicable State standards to the extent that they are consistent with the federal requirements.
6. EDA’s grant agreement requires a first priority lien on the land underneath improvements it funded in order to secure its investment in these improvements. The lien ensures that the Agency will not sell or use the building for purposes other than those agreed to in the EDA grant agreement. Since this land will not be sold or transferred for market rate development, Agency staff has determined that the lien will not unduly encumber the land.
7. Project Frog seeks the Agency’s approval of the proposed basic conceptual designs for the Project. Agency staff has reviewed the basic conceptual designs proposed by Project Frog, and recommends approval of those designs, subject to successful resolution of the following design comments and concerns:
 - a. The design-build entity must coordinate the edges of the lot development with the Agency for better cohesion with Phase 2 of the Shipyard planning efforts.
 - b. Selection of softscape landscaping elements must be developed consistently and be compatible with the approved Shipyard Streetscape and Open Space Plan.
 - c. The design-build entity must submit further information regarding materials, colors, textures and other details that support the design statement of the building’s exterior.
 - d. The design-build entity must improve and enhance connections to the adjacent open space from within buildings, especially to the rear.
 - e. The design-build entity must ensure all elevations are appropriately designed as this site can be viewed from many perspectives.
8. In compliance with Health and Safety Code Section 33445, which requires the Agency’s legislative body to make certain findings when redevelopment funds are used for publicly-owned improvements located in or contiguous to a project area, on March 30, 2010, the Board of Supervisors of the City and County of San Francisco adopted a resolution making the following four findings: 1) the public improvements will be of benefit to the Project Area; 2) there are no other reasonable means of funding the public improvements; 3) the public improvements will assist the elimination of one or more blighting conditions in

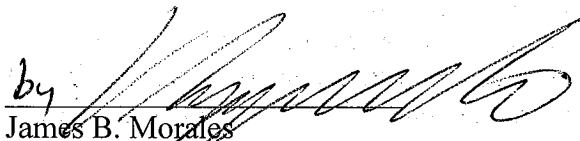
the Project Area; and, 4) the public improvements are consistent with the Five-Year Implementation Plan for the Project Area.

9. The authorization to award the Contract to Project Frog will facilitate the design, manufacture, and installation of a pre-fabricated, modular type building of approximately 5,000 square feet in floor area on the Hunters Point Shipyard. These activities are categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15303(c). The activities would not directly cause any change in the physical environment. Placing a lien on the land under the Demonstration Project building and filing related documents are Agency administrative activities that would not have any direct physical effects on the environment and are not "Projects" as defined in CEQA Guidelines Section 15378(b)(5).
10. This resolution allows for signature on the design-build contract by either Project Frog, Inc., Alten Construction, Inc. or both entities, because staff is still working to determine the appropriate signatories to the contract under EDA regulations and California law. The appropriate signatory or signatories will be determined prior to any execution of the design-build contract and shall be consistent with applicable law and EDA requirements. In addition, staff is working to assure that the bonding requirements under California law are met by Project Frog.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that, subject to approval by the State Public Works Board, (1) the Executive Director is authorized to enter into a design-build contract with Project FROG, Inc., a California corporation and/or Alten Construction, Inc., in an amount not to exceed \$2,034,941 for design and construction of the Community Facilities Demonstration Project, subject to resolution of any outstanding issues related to provision of performance bond(s) and identification of appropriate party(ies) to execute said contract; (2) the Executive Director is authorized to execute related documents as required by the EDA; and (3) the Basic Concept Design for the Community Facilities Demonstration Project is conditionally approved, subject to Agency staff's approval of the proposal to be submitted by Project Frog for resolution of the design conditions stated in the foregoing portions of the Resolution, together with such refinements as the Executive Director may approve which do not substantially alter the schematic design concept.

APPROVED AS TO FORM:

by 
James B. Morales
Agency General Counsel