

## RESOLUTION NO. 73-2009

*Adopted June 16, 2009*

**AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD CONTRACT NO. HPS 001-09 TO ANGOTTI & REILLY, INC., A CALIFORNIA CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$1,797,733 FOR CONSTRUCTION OF IMPROVEMENTS TO BUILDING 101 ON THE HUNTERS POINT SHIPYARD AND AUTHORIZING A LIEN AND ANY RELATED DOCUMENTS FOR THE LAND UNDER BUILDING 101; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

### BASIS FOR RESOLUTION

1. Building 101 is a 106,000 square-foot, two-story wood-framed building that was constructed in 1946 and is located within Parcel A of the Hunters Point Shipyard ("Shipyard"). Nearly one-half of the Shipyard's 300 artists rent studios within Building 101 and it is currently in need of repair and upgrades. The improvements will help to ensure that the artists continue to be an integral part of the Shipyard, and will help drive economic activity in the Shipyard's mixed-use Arts and Technology District.
2. On March 17, 2009, the Commission adopted Resolution Nos. 32-2009 and 33-2009, approving the schematic design for improvements to Building 101 and authorizing a First Amendment to the Personal Services Contract with the project architect, Levy Design Partners, Inc. ("Levy"), to amend the scope of services to include final construction drawings and construction administration support for improvements to Building 101. Levy has worked with the Building 101 artists, the Hunters Point Shipyard Citizens Advisory Committee, the Redevelopment Agency of the City and County of San Francisco ("Agency"), and the Mayor's Office of Economic and Workforce Development to identify the Building 101 improvements.
3. Agency staff worked with Levy to prepare a Project Manual for Construction Contract No. HPS 001-09 ("Construction Contract") that includes the following improvements to Building 101: removal of unneeded pipes, installation of new wall paneling, exterior painting, and replacement of windows and exterior doors. The proposed improvements are consistent with the Agency's programmatic agreement with the State Historic Preservation Office and the Hunters Point Shipyard Redevelopment Plan ("Redevelopment Plan").
4. The Building 101 improvements will be funded by a \$2.13 million grant from the U.S. Department of Commerce, Economic Development Administration ("EDA"), which must be spent no later than August 15, 2009. As a condition to receiving the EDA grant, the Agency is required to follow the policies and procedures of the Federal government, as administered through EDA.

5. EDA's Equal Employment Opportunity Program requires affirmative action to ensure equal employment opportunities. EDA sets hiring goals for minority and female participation, expressed in percentage terms for the selected contractor's aggregate workforce in each trade on all construction work in the covered area. The goal for minority participation in each trade is 25.6 percent and the goal for female participation in each trade is 6.9 percent. The Agency's Contract Compliance staff will be working closely with the selected contractor to ensure equal employment opportunities.
6. On March 18, 2009, Agency staff released a public solicitation for the Building 101 improvements, and on April 15, 2009, the Agency received seven bid proposals. After evaluating the bid submissions, the Agency decided to reject all bids and re-bid the project because of confusion regarding the applicability of standards for good faith efforts and goals under the Agency's Minority-owned/Women-owned Business Enterprise ("M/WBE") Program.
7. On May 21, 2009, the Agency released a second public solicitation for Building 101 improvements. The Agency's Contract Compliance staff reviewed the Construction Contract and determined it to be consistent with both EDA and Agency procurement policies.
8. The Construction Contract was advertised in the San Francisco Examiner, the City's Bid and Contract Opportunities website, and the Agency's website. Complimentary copies of the plans and specifications were sent to the previous bidders and both an email and fax notice were sent to Agency-certified M/WBE contractors. On May 28, 2009, Agency staff hosted a pre-bid conference and site visit at the Shipyard during which 29 interested parties were provided an opportunity to review the submission requirements and scope of work, and to ask questions related to the project.
9. On June 5, 2009, the Agency received six submittals in response to the revised bid solicitation. The names of the bidders and the bid amounts are below in ascending order:

a. Angotti & Reilly, Inc.	\$1,797,733
b. NCR Construction	\$1,819,253
c. Rodan Builders	\$1,850,500
d. M.A. Davies Construction	\$2,077,968
e. Ionian Construction	\$2,188,269
f. Zolman Construction	\$2,266,500
10. Consistent with EDA procurement guidelines, Agency staff determined that Angotti & Reilly, Inc. provided the lowest responsive responsible bid in the amount of \$1,797,733. Angotti & Reilly, Inc. has the necessary experience to perform the work under the Construction Contract and will be able to complete the work by the project funding deadline of August 15, 2009. Agency staff will

work with Angotti & Reilly, Inc. and local workforce development institutions such as CityBuild to maximize local workforce participation in the Construction Contract.

11. Angotti & Reilly, Inc. is located in the 94107 zip code, which is in the Shipyard's Phase 1 Disposition and Development Agreement's three impact zip codes (94107, 94124, and 94134). The company has previously performed work for the Agency, including completion of the new harbor manager's building at South Beach Harbor. References from previous clients indicate they are competent and accommodating. Angotti & Reilly, Inc.'s work appears to be of reasonable quality. Agency staff, together with support from Levy, is prepared to closely monitor the construction effort.
12. On June 8, 2009, Agency staff issued a notice of intent to award the Construction Contract to Angotti & Reilly, Inc. The protest period ended on June 15, 2009.
13. The goals of EDA grants are to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas of the United States. Building 101 is a critical component of the Agency's strategy to restore the Shipyard's role in supporting the economic vitality of the Bayview Hunters Point community.
14. To secure EDA's investment in these improvements, the grant agreement requires a first priority lien on the land underneath improvements funded by EDA (i.e., Building 101 on the Shipyard), which must remain in effect for a period of 15 years. The lien ensures that the Agency will not sell or use the building for purposes other than those agreed to in the grant agreement, which, in the case of Building 101, is for artists' studios.
15. Currently, Building 101 sits on Agency-owned land within Parcel A of the Shipyard. The Redevelopment Plan calls for the retention of Building 101 and the building has been included in the land planning work under the proposed Phase 2 portion of the Shipyard's development. 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 so as to inhibit its expected use as artists' studios.
16. Other conditions of the EDA grant and approval of Angotti & Reilly, Inc.'s Construction Contract include, but are not limited to, the timely completion of the construction improvements, obtaining payment and performance bonds for the Construction Contract, and obtaining proper liability insurance, among other things.
17. The Construction Contract with Angotti & Reilly, Inc. provides for the completion of improvements to Building 101, including alterations to and rehabilitation of the existing building. These construction activities are categorically exempt from the California Environmental Quality Act ("CEQA")

pursuant to CEQA Guidelines Sections 15301(a) and 15301(d). The construction activities would not directly cause any change in the physical environment. Placing a lien on the land under Building 101 and filing related documents would not have any direct physical effects and are exempt pursuant to CEQA Guidelines Section 15061(b)(3).

## RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that: (1) the Executive Director is authorized to execute a Construction Contract with Angotti & Reilly, Inc., a California corporation, for an amount not to exceed \$1,797,733 for construction of improvements to Building 101 on the Hunters Point Shipyard, substantially in the form lodged with the Agency General Counsel; and (2) the Executive Director is authorized to enter into a lien and any related documents for the land under Building 101 pursuant to EDA grant requirements.

### APPROVED AS TO FORM:

*for*   
\_\_\_\_\_  
James B. Morales  
Agency General Counsel