

RESOLUTION NO. 6-2012

Adopted January 31, 2012

AUTHORIZING THE EXECUTIVE DIRECTOR OR HER SUCCESSOR TO AWARD CONTRACT NO. HPS 001-12 TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER AS ALLOWED UNDER CALIFORNIA PUBLIC CONTRACT CODE IN AN AMOUNT NOT TO EXCEED \$1,500,000, FOR LIGHT DEMOLITION AND ENVIRONMENTAL ABATEMENT TO BUILDING 813 AT THE HUNTERS POINT SHIPYARD; AND

AUTHORIZING THE EXECUTIVE DIRECTOR OR HER SUCCESSOR TO ENTER INTO A LIEN AND/OR ANY OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE ABOVE TRANSACTION.

BASIS FOR RESOLUTION

1. Building 813 is an existing vacant 260,000-square-foot building situated within a planned clean technology corridor at the Hunters Point Shipyard (the "Shipyard"). The building and the property on which it is situated are currently owned by the U.S. Department of the Navy, but must be transferred to the Agency's successor under the "Conveyance Agreement" between U.S. Department of The Navy and the Agency for the conveyance of Hunters Point Naval Shipyard, dated March 31, 2004. The Navy is expected to transfer Building 813 to the Agency successor's ownership in Summer 2012. Building 813 is within the Shipyard South Multi-Use District as defined in the Hunters Point Shipyard Redevelopment Plan ("Plan") as amended by Resolution #61-2010.
2. Before any work or demolition can be done on Building 813, it is necessary to stabilize and abate the lead and asbestos materials within the building.
3. The bids for light demolition and abatement to Building 813 (the "Abatement Bid") were due by January 30th and per this Resolution the Agency Executive Director or her successor, will be authorized to award the contract to the lowest responsive and responsible bidder. It is anticipated that the abatement work will start in February 2012 and it is estimated that the work will be completed in late spring of 2012.
4. The Redevelopment Agency of the City and County of San Francisco ("Agency") has about 4.5 million dollars in grant funds from the U.S. Department of Commerce's Economic Development Administration ("EDA") for the predevelopment and rehabilitation of Building 813. The EDA requires a first priority lien on land underneath improvements funded by the EDA that disallows the Agency from selling or using the building for purposes other than those intended by the scope of the grant. The Agency or its successor will enter into such a lien after it becomes the owner of Building 813 and the property on which it is situated.

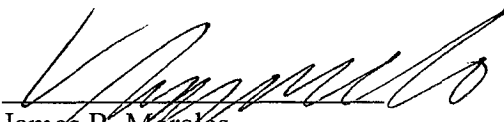
5. The proposed abatement measures would allow the Agency's successor to remain in compliance with the terms of the EDA Grant by completing the agreed upon scope of work for the Grant by the Grant deadline of August 2012.
6. The Abatement Contract is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15301(a) and 15301(d). The abatement activities would not cause a significant adverse impact on the physical environment.
7. Under the terms of the EDA Grants, the Agency is required to undertake the abatement activities described in the Abatement Bid. Moreover, these activities are necessary to maintain Building 813, which is an asset pledged to the Agency in a preexisting contract with the Agency. Awarding of a bid to, and entry into a contract with, a contractor to provide these services therefore allows the Agency's successor to fulfill an enforceable obligation and is exempt from the prohibition on Agency entry into contracts set forth in AB-26 (Health and Safety Code Sections 34161 – 34169).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director or her successor is authorized to:

1. Award Contract No. HPS 001-12 to the lowest responsive and responsible bidder as allowed under California Public Contract Code in an amount not to exceed \$1,500,000, for light demolition and environmental abatement to Building 813 at the Hunters Point Shipyard.
2. Enter into a lien and/or any other documents necessary to effectuate the above transaction.

APPROVED AS TO FORM:


For James B. Morales
Agency General Counsel