MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Approving the award of Contract No. HPS 01-13 to Rodan Builders, Inc., a California corporation, as the lowest responsible bidder, for an amount not to exceed $69,875, plus a contingency of $6,000, for a total aggregate amount not to exceed $75,875 for construction of Site Repairs at 451 Galvez Avenue on the Hunters Point Shipyard and authorizing the Executive Director to execute the contract; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

A car accident occurred at the Office of Community Investment and Infrastructure’s (“OCII’s”) property at 451 Galvez Avenue, in the Hunters Point Shipyard (“Shipyard”). The property damage to the electrical system has rendered the building unusable. There are other damages to pavements and landscaping. Repairs are needed in order to restore the property to its prior condition. The party causing the accident has accepted responsibility for the damages and its insurance carrier has opened a claim for this incident.

As required under the state Public Contract Code, the repairs are required to be competitively bid. OCII staff has prepared the bid documents, performed outreach to Small Business Enterprises, and received four bids to make the repairs. Rodan Builders, Inc. (“Rodan Builders”) submitted the lowest responsible bid and staff recommends approving a contract for a total amount not to exceed $75,875. Staff anticipates the repair work will be completed by the end of September 2013.

Staff recommends approving the award of contract to Rodan Builders, Inc. for an amount not to exceed $69,875, plus a contingency of $6,000 for a total aggregate amount not to exceed $75,875 for construction of Site Repairs at 451 Galvez Avenue on the Hunters Point Shipyard and authorizing the Executive Director to execute the contract.

DISCUSSION

Background

On December 19, 2012, a car accident at the Shipyard occurred causing damage to the OCII’s property at 451 Galvez Avenue, also known as the Community Facilities Demonstration Project (“CFDP”). The damage included impairment of the CFDP’s electrical switchgear (the combination of electrical disconnect switches, fuses or circuit breakers used to control, protect and isolate electrical equipment) which necessitated de-energizing the building, and thus rendering it unusable. Minor property damage was sustained to the curb, sidewalk, paving, and landscape areas. The party causing the damage has accepted responsibility for the incident. The party’s insurance carrier, Philadelphia Insurance Company, has opened a claim for the incident and accepted liability for the cost of making the necessary repairs.
The damage has rendered the building unusable until the electrical system can be repaired. Other damages are to concrete paving, landscaping, and asphalt concrete paving. OCII staff has worked closely with the insurance adjuster and the claims representative to identify the scope and budget funds for the repair work, including reimbursement of staff time.

Since the CFDP is a publicly-owned building, OCII is required to pursue these repairs according to state law. OCII staff has determined the repairs to be considered a "public project", subject to the state Public Contract Code where repairs anticipated to cost over $5,000 shall be competitively bid. On June 18, 2013, OCII staff provided an informational memorandum to the Commission on Community Investment and Infrastructure regarding the preparation of the bid documents and advertising of the project for outreach with the San Francisco Examiner, posting on the City's and OCII's contracting opportunities website, and sending electronic mail invitations to Small Business Enterprise, Minority Business Enterprise, and Women-owned Business Enterprise firms to participate in the bid. On June 26, 2013 staff hosted a pre-bid conference and site walk-through at the site in which four interested parties reviewed the submission requirements, scope of work, and had questions answered.

**Contract Award**

On July 12, 2013, the OCII received four submittals in response to the bid solicitation. The names of the bidders and the bid amounts are below in ascending order:

1. Rodan Builders .......................... $69,875.00
2. Plazo Construction .................. $73,900.00
3. Oliver Transbay .......................... $84,154.43
4. Empire Engineering & Const ............... $85,000.00

Consistent with the OCII procurement policies, OCII staff determined that Rodan Builders, Inc. provided the lowest responsible bid in the amount of $69,875. Additionally, staff recommends authorizing a $6,000 contingency budget in the event other damages not currently included in the contract has occurred. Rodan Builders has the necessary experience to perform the work under the Construction Contract and will be able to complete the work within the projected schedule. OCII staff will work with Rodan Builders, Inc. and Citybuild to maximize local workforce participation in the construction contract.

**Small Business Enterprises Participation**

The OCII Small Business Enterprise ("SBE") Program construction participation goal of 50% SBE applies to this Contract. Rodan's bid includes 37.1% in SBE participation.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Scope of Work</th>
<th>Contract Amount *</th>
<th>SBE/LBE</th>
<th>MBE</th>
<th>WBE</th>
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<td>Rodan Builders</td>
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<tr>
<td>De Haro Ramirez Group</td>
<td>Site concrete</td>
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<td>Temporary fencing</td>
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$ 58,875 * $ 21,830 $ 3,800 $ 9,750
37.1% 6.5% 16.6%

*Note: the contract amount excludes third party permits and fees.
In addition to the SBE contracting participation as shown above, this contract also subject to a 50% local San Francisco workforce hiring goal, with first consideration for participation from Bayview Hunters Point residents. Staff will conduct a pre-construction meeting with Rodan Builders, Inc. prior to construction to discuss their workforce obligations and ensure payment of prevailing wages.

Rodan Builders has been in business for since 2005 and able to bid on projects valued up to $12 million. Although the OCII has not had previous work with Rodan Builders, their work appears to be of good quality. OCII staff is prepared to closely monitor the construction effort.

NEXT STEPS

The next steps are to award the contract to Rodan Builders, obtain the required bonds and, insurance, execute the contract, then begin the repair work. The work is anticipated to be completed by the end of September 2013.

ENFORCEABLE OBLIGATION

The contract with Rodan Builders is an enforceable obligation as defined in California Health and Safety Code Section 34171. The contract is for repairs necessary to maintain the OCII asset prior to disposition. The expense is approved on line HPSY 66 of the Recognized Obligation Payment Schedule for July to December 2013, which was approved by the Oversight Board and the Department of Finance. The expense was listed in the ROPS when it was assumed that the original builder of the CFDP would make the repairs. However, since it was later determined that the repairs must be separately bid under the Public Contracting Code, the Payee has changed, though the approved cost cap, scope of work and underlying enforceable obligation remains the same.

The OCII’s expenses under the contract are reimbursable by the responsible party’s insurance carrier.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The construction contract with Rodan Builders provides for site repairs at 451 Galvez Avenue, including replacement of existing facilities. These construction activities are categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15301(d). The construction activities would not directly cause any change in the physical environment.
STAFF RECOMMENDATION

Staff recommends approving the award of contract to Rodan Builders for an amount not to exceed $69,875, plus a contingency of $6,000 for a total aggregate amount not to exceed $75,875 for construction of Site Repairs at 451 Galvez Avenue on the Hunters Point Shipyard and authorizing the Executive Director to execute the contract.

(Originated by Kevin Masuda, Senior Civil Engineer)

Tiffany Bohee
Executive Director