

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 49-2015

Adopted, April 18, 2015

APPROVING A THIRD AMENDMENT TO THE CONSTRUCTION CONTRACT WITH AZUL WORKS, INC. FOR THE SHIPYARD ART INSTALLATION PROJECT, CONTRACT NO. HPS 01-14, INCREASING THE CONTRACT AMOUNT BY \$7,430, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$296,460, AND RESERVING AN ADDITIONAL \$10,000 AS CONSTRUCTION CONTINGENCY FOR A TOTAL AUTHORIZED EXPENDITURE AMOUNT OF \$306,460 AND EXTENDING THE DATE OF FINAL COMPLETION TO SEPTEMBER 30, 2015; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

- WHEREAS, The agreement implementing the first phase of redevelopment of the Hunters Point Shipyard (“Shipyard”) is the Phase 1 Disposition and Development Agreement (“Phase 1 DDA”), between the Office of Community Investment and Infrastructure or “OCII” as successor to the San Francisco Redevelopment Agency and HPS Development Co, LP (the “Developer”); and,
- WHEREAS, On July 15, 2014, the Commission on Community Investment and Infrastructure (“Commission”) approved a construction contract with Azul Works, Inc. (“Azul Works”) to install eight public art pieces in the Hunter Point Shipyard Phase 1 parks and open space (the “Public Art Project”). The art pieces are part of the Cultural and Historic Recognition Program (“CHRP”) in the Phase 1 DDA Community Benefits Program. The project is funded through a grant from the United States Department of Commerce, Economic Development Administration (“EDA”) that expires in September 2015, the end of the federal fiscal year; and,
- WHEREAS, OCII’s original contract with Azul Works was approved by the Commission on July 15, 2014 for \$263,000 with a \$26,000 contingency, for a total Commission authorized expenditure amount of \$289,000. The contract had a completion time frame of 165-days which ended on February 27, 2015. A First Amendment was executed prior to the completion date and provided for a time extension to May 31, 2015. A Second Amendment was executed for a time extension to August 31, 2015. A one month time extension is now needed since all the art pieces are not currently installed; and,
- WHEREAS, The CHRP public art pieces are to be located within the parks and open spaces of the first phase of development on Navy Parcel A. The Developer is responsible for building out the parks and providing a window of time and space for OCII to have art pieces installed; and,
- WHEREAS, There are construction changes that are known at this time as well as carrying costs for Azul Works’ overhead due to the time extension from the original February 27, 2015 completion date to September 30, 2015. Staff is applying the entire previously authorized \$26,000 contingency to Azul Works’ direct costs, indirect costs, and a portion of their site maintenance and environmental controls costs; and,

WHEREAS, The Third Amendment in the amount of \$7,430 is for changes in the installation of two different art pieces and for compensation of the remainder of the site maintenance and environmental controls costs. The cost due to the construction changes and the contract extension exceeds the previously authorized \$26,000 contingency budget, requiring an additional \$7,430 in order to fund the Third Amendment; and,

WHEREAS, One art piece is still under fabrication, and has not been shipped to San Francisco, while two pieces are partially installed, so staff recommends reserving a budget to accommodate any unforeseen conditions when they are installed. A ten percent contingency is typical, so with approximately \$100,000 of remaining work, a \$10,000 contingency is needed; now, therefore, be it

RESOLVED, The Commission finds and hereby incorporates by reference the CEQA findings adopted in Resolutions No. 11-2000 and 58-2010, and hereby concurs with those findings. The Commission further finds that the proposed Second Amendment to the Azul Works contract does not cause new significant impacts not identified in the EIR Documents and that no new mitigation measures are necessary to reduce significant impacts. Further, the Commission finds that no new information has become available showing that the Second Amendment would cause new significant impacts not identified in the EIR Documents and that no new mitigation measures are necessary to reduce significant impacts, and, therefore, no supplemental environmental review is required beyond the environmental review in the EIR Documents. Accordingly, no additional environmental review is required pursuant to CEQA Section 21166 and CEQA Guidelines Sections 15180, 15162, 15163 and 15164 in connection with approval of the Contract Amendment; and, be it further

RESOLVED, That the Commission authorizes the Executive Director to execute the Third Amendment to the Azul Works contract for installation of CHRP art work by authorizing an additional \$7,430, and thereby increasing the contract amount by \$33,430 for a total aggregate amount not to exceed \$296,430; and, be it further

RESOLVED, That the Commission authorizes reserving an additional \$10,000 as construction contingency to accommodate any unforeseen conditions when the remaining three pieces are installed and delegating this expenditure authority to the Executive Director, for a total authorized expenditure amount of \$306,430; and, be it further

RESOLVED, That the Commission authorizes extending the date of Final Completion to September 30, 2015.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of August 18, 2015.



Commission Secretary