



Legislation Details (With Text)

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Title: NAVY PIER MAJOR MAINTENANCE AND REDEVELOPMENT
A) PRESENTATION OF THE TEN-YEAR MAJOR MAINTENANCE PLAN FOR NAVY PIER AND
TIMELINE ON PLANNING PROCESS FOR FUTURE REDEVELOPMENT OF NAVY PIER
B) RESOLUTION APPROVING TRANSFER OF FUNDS FROM THE FY2018/19 CAPITAL
MAJOR MAINTENANCE CONTINGENCY TO THE STRUCTURAL REPAIRS TO NAVY PIER
PROJECT IN THE AMOUNT OF \$350,000.00 PURSUANT TO BPC POLICY NO. 90
C) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDED CONTRACT
NO. 2016-37 TO REYES CONSTRUCTION, INC. IN THE AMOUNT OF \$3,585,140.00 FOR THE
STRUCTURAL REPAIRS TO NAVY PIER PROJECT AS AUTHORIZED BY THE BOARD IN THE
FY2018/19 MAJOR MAINTENANCE BUDGET

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4. 13. 2018-0380C Draft Resolution

Date	Ver.	Action By	Action	Result
9/12/2018	1	Board of Port Commissioners	adopted	Pass

DATE: September 12, 2018

SUBJECT:

NAVY PIER MAJOR MAINTENANCE AND REDEVELOPMENT

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AND TIMELINE ON PLANNING PROCESS FOR FUTURE REDEVELOPMENT OF NAVY PIER
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THE FY2018/19 MAJOR MAINTENANCE BUDGET

EXECUTIVE SUMMARY:

The Asset Management Program (AMP) identified elements of Navy Pier as a priority for replacement over the next 10 years, with an estimated cost of approximately \$10M. Staff will present a summary of the ten-year maintenance plan for Navy Pier, provide a high level overview of a proposed major maintenance contract for structural repairs, and summarize the timeline on the planning process for its future redevelopment.

Assets are prioritized based on the potential and consequence of failure. When assets are identified by the AMP they are compiled by an engineer into projects. During initial project development the assets are reevaluated to confirm current state. Staff reviews the proposed projects with other departments to determine if there is other planned work in the area.

The Structural Repairs to Navy Pier Project (project) is the first project of the ten-year Major Maintenance plan that addresses the most severely deteriorated structural elements. The design was budgeted and initiated in FY2016/17 and a Coastal Development Permit (CDP) was granted by the California Coastal Commission (CCC) for the project on June 7, 2018. The construction was subsequently programmed in the FY2018/19 Major Maintenance budget.

The plans and specifications include the repair of concrete piles, underdeck concrete beams, pile cap structures, concrete soffits, and removal and replacement of the fender system at the west end of Navy Pier.

On June 26, 2018, the District received six (6) bids ranging from \$3,585,140.00 to \$6,507,800.00. The lowest responsive and responsible bid was submitted by Reyes Construction, Inc. in the amount of \$3,585,140.00. The low bid exceeds the project budget of \$3,300,000 for the current fiscal year. Increasing the project budget by \$350,000 will allow staff to address increased costs for Longshoreman Insurance and mobilization and provide a construction contingency within the project.

The recommended resolutions will approve a transfer of \$350,000 within the FY2018/19 Major Maintenance Capital budget appropriation and approve the plans and specifications, and authorize award of a construction contract to Reyes Construction, Inc. in the amount of \$3,585,140.00 for the project.

Approval of the two resolutions will allow for successful completion of the project as planned.

RECOMMENDATION:

- A) Receive presentation of the ten-year Major Maintenance plan for Navy Pier and timeline on planning process for future redevelopment of Navy Pier
- B) Adopt a resolution approving the transfer of funds from the FY2018/19 Capital Major Maintenance contingency to the Structural Repairs to Navy Pier Project in the amount of \$350,000.00 pursuant to BPC Policy No. 90.
- C) Adopt a resolution approving plans and specifications and awarding Contract No. 2016-37 to Reyes Construction, Inc. in the amount of \$3,585,140.00 for the Structural Repairs to Navy Pier Project as authorized by the Board in the FY2018/19 Major Maintenance program.

FISCAL IMPACT:

The Structural Repairs to Navy Pier Project is included in the approved FY2018/19 Major Maintenance Capital program. Approval of the two resolutions of this agenda will authorize an increase in the project budget from \$3,300,000 to \$3,650,000 and a decrease in the Major Maintenance Capital Contingency budget by \$350,000. The total FY2018/19 Major Maintenance Program budget will remain unchanged, with no fiscal impact to the District.

COMPASS STRATEGIC GOALS:

Award of this construction contract will implement the Major Maintenance Program, approved by the Board to be in alignment with the District's vision, mission and strategic goals.

This agenda supports the following Strategic Goal:

- A Port that is a safe place to visit, work and play.

DISCUSSION:

Asset Management Program 10-Year Plan

The Asset Management Program (AMP) identified elements of Navy Pier as a priority for replacement over the next 10 years, with an estimated construction cost of approximately \$10M, with the exception of soft costs including design, construction management and contingency. In 2015, a structural condition assessment was performed by Collins Engineers of the piers in the Embarcadero, B Street, Broadway, and Navy. The assessment led to recommendations for repair of Navy Pier within 5 years. Recommended repairs include the timber fender system along the west and south sides of the pier and concrete deficiencies to structural piles, pile caps, beams, curtain wall, and sheet pile walls.

The AMP analyzes condition data for each asset to calculate a potential of failure and consequence of failure rating which are combined to create a Business Risk Evaluation (BRE) rating. The BRE for every asset across tidelands is evaluated in AMP and a prioritization for asset replacement is developed. The prioritization is then spread across fiscal years based on the estimated remaining life and forecast annual budget.

Structural Repairs to Navy Pier Project

This project is located at Navy Pier, San Diego, CA. The AMP identified Navy Pier as a priority and recommended maintenance repairs over a ten-year period. The project represents the first year of the ten-year maintenance plan that addresses the most severely deteriorated structural elements. Design was budgeted and initiated and construction was subsequently programmed in the FY2018/19 Major Maintenance budget.

The project includes repair of concrete piles, underdeck concrete beams, pile cap structures, concrete soffits, and removal and replacement of the fender system at the west end of Navy Pier. Permit requirements for this project include a CDP and an Army Corps of Engineers Regional General Permit.

The Contract Documents including plans EM-2016-07 and specifications 2016-37 were issued for advertisement on May 10, 2018. On June 26, 2018, six (6) bids were received ranging from \$3,585,140.00 to \$ 6,507,800.00. The bid amounts are as shown in the table below.

Company	Total Bid for Contract	Location
REYES CONSTRUCTION, INC.	\$3,585,140.00	POMONA, CA
R E STAITE ENGINEERING, INC.	\$3,986,274.00	SAN DIEGO, CA
SLATER WATERPROOFING, INC.	\$4,332,510.00	MONTCLAIR, CA
ABHE & SVOBODA, INC.	\$4,483,245.00	ALPINE, CA
VORTEX MARINE CONSTRUCTION, INC.	\$4,830,200.00	ANTIOCH, CA
WIER CONSTRUCTION CORPORATION	\$6,507,800.00	ESCONDIDO, CA

Based on a review of the bids, the lowest responsive and responsible bid was determined to be submitted by Reyes Construction, Inc. at \$3,585,140.00. The engineer's construction cost estimate was \$3,000,000.00.

The low bid exceeded the engineer's estimate by \$585,140.00. To evaluate this difference, District staff reviewed recently completed projects with similar scope. The District recently completed a similar project (Broadway Pier) which was the basis for many of the bid items. The difference in cost was mainly attributed to two bid items. Longshoreman Insurance bid prices received from the six (6) bidders ranged from \$5,000.00 to \$340,840.00. The \$20,000 engineer's estimate for Longshoreman Insurance was based on the recently completed project with similar scope. Reyes Construction, Inc. bid price on Longshoreman Insurance is \$217,000.00. Bid prices on mobilization & demobilization cost also contributed to the increase which ranged from \$62,363.00 to \$360,000.00 compared to the engineer's estimate of \$20,000. Reyes Construction, Inc. bid price on mobilization & demobilization is \$100,000.00.

Since the project budget is \$3,300,000 for the current fiscal year, a transfer request for \$350,000.00 from Major Maintenance Capital contingency will be used for construction costs.

Upon Board authorization, construction is expected to commence in October 2018 and be completed by June 2019.

Staff recommends that the Board approves the transfer of funds from Major Maintenance Capital contingency and approve the plans and specifications and award Contract No. 2016-37 to Reyes Construction, Inc. in the amount of \$3,585,140.00 for the construction of the Structural Repairs to Navy Pier project.

Timeline on Planning Process for Future Development of Navy Pier

Navy Pier was initially constructed in 1928 and was historically used for berthing of Navy vessels. In 2001, a Port Master Plan Amendment (PMPA) was certified by the CCC which allowed for the docking of the USS Midway Museum on the south side of the pier. However, land ownership of the pier remained with the Navy and did not transfer to the District until 2003. Since the District's acquisition of Navy Pier, a PMPA has not yet been processed with the CCC to incorporate the pier into the District's Port Master Plan, therefore CDP jurisdiction for the pier presently remains with the CCC.

At the August 14, 2018 Board meeting, staff presented an update on the upcoming Port Master Plan Update (PMPU) policy discussion topics planned for the remainder of the year. As directed by the Board at the March 2018 PMPU workshop, staff is working with an urban planning consultant with expertise in the public realm to prepare a comprehensive review of all past and current concepts for the Embarcadero area. This review will incorporate mobility concepts included in the District's North

Harbor Drive Mobility and Access Study, currently underway. Consideration of both the public space and mobility concepts together is intended to provide a holistic view of the public realm within the Embarcadero and will help staff form a recommendation to present the Board for an additional land and water use map configuration for the North Embarcadero sub-district to include in the PMPU Discussion Draft and subsequent Programmatic Environmental Impact Report (PEIR).

The review of the Embarcadero area and preparation of a staff recommendation for a land and water use plan will include an examination the obligations associated with Navy Pier, as well as potential options for future redevelopment of the pier as part of a phased approach to public spaces and mobility within the larger Embarcadero area. All PMPU options for the Embarcadero Planning District are intended to incorporate Navy Pier into the Port Master Plan such that the pier will be within the District's CDP jurisdiction.

This PMPU workshop is tentatively scheduled for December 18, 2018 as a Special Board meeting. At this workshop, staff also plans to obtain confirmation that the PMPU policy discussions have concluded and to receive direction to move forward with the completion of the PMPU Discussion Draft.

Next steps for the PMPU include, the circulation of the PMPU Discussion Draft for a 45-day review period, after which staff will request the Board's direction to use the Draft PMPU as the project description for the PMPU PEIR. It is anticipated the Draft PEIR will be circulated for public review in the second half of 2019 with the Board's targeted consideration of the Final PEIR and approval of the PMPU in spring of 2020. Processing of the PMPU with the CCC is expected to take place through the remainder of 2020. As these anticipated milestones are dependent upon the direction received by the Board and the volume and complexity of comments received, the timeline may require adjustment as the PMPU process progresses.

General Counsel's Comments:

The Office of the General Counsel has reviewed the bid specification and contract documents and approves as to form and legality.

Environmental Review:

In accordance with the California Environmental Quality Act (CEQA) statutes and guidelines, on June 12, 2013 the California Coastal Commission (CCC) approved a Coastal Development Permit (CDP) for demolition of the existing fender systems at the west end and south end of Navy Pier and the replacement with a new fender system on the west end only (CDP 6-13-020) (Clerk's Document No. 60723) and on June 7, 2018, the CCC approved a CDP for the repair of structural concrete components of the underdeck of Navy Pier (CDP 6-18-0282) (Clerk's Document No. 68630) . CDP 6-13-020, CDP 6-18-0282, and their accompanying staff reports act as a CEQA substitute document pursuant to CEQA Section 21080.5 and CEQA Guidelines 15252, et seq. The District is a Responsible Agency pursuant to CEQA and is relying on CDP 6-13-020, CDP 6-18-0282, and their accompanying staff reports pursuant to CEQA Guidelines Section 15253. The requirements of CEQA Guidelines Section 15253 (b) are met because the District approval is for the same project, the CCC was the first agency to grant a discretionary approval, the District had the opportunity to review the property in a manner designed to inform the District of any environmental concerns, a consultation period was established for as long as required for public review of a CEQA exemption and the CCC exercised the powers of a Lead Agency. The District has considered the CCC-approved CDP and its

accompanying staff report and finds that they are sufficient for the proposed Board action. Therefore, no further CEQA review is required.

This Board item complies with Section 87 of the Port Act, which allows for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operations of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was established by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed project is consistent with the Public Trust Doctrine.

The project site is located in an area that has not been incorporated into the Port Master Plan and is therefore not within the District's CDP jurisdiction. The project site is within the CDP jurisdiction of the CCC. On June 12, 2013 the California Coastal Commission (CCC) approved a Coastal Development Permit (CDP) for demolition of the existing fender systems at the west end and south end of Navy Pier and the replacement with a new fender system on the west end only (CDP 6-13-020) and on June 7, 2018, the CCC approved a CDP for the repair of structural concrete components of the underdeck of Navy Pier (CDP 6-18-0282). No additional action under the California Coastal Act is required at this time.

Equal Opportunity Program:

Based on subcontracting opportunities and availability of small businesses that perform work associated with this contract, a 5% SBE goal was established. Reyes Construction, Inc. exceeds the goal with an SBE subcontractor.

PREPARED BY:

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Attachment(s):

Attachment A: Bid Tabulation
Attachment B: Asset Management Program 10-Year Plan