



Agenda Item No. (4)(c)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 24, 2021

From: Michael Hoffman, Acting Director of Engineering and Maintenance, Ferry Division
James P. Swindler, Deputy General Manager, Ferry Division
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) **BUDGET TRANSFER IN THE FERRY DIVISION CAPITAL BUDGET FROM FY21 FERRY VESSEL REHAB PROJECT (PROJECT #2140) TO CAPITAL IMPROVEMENTS FOR FERRY FLEET PROJECT (PROJECT #2040) RELATIVE TO REPAIRS FOR THE M.V. MENDOCINO**

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on June 24, 2021 that the Board of Directors authorize a budget transfer in the amount of \$1,250,000, in the Ferry Division Capital Budget from FY 20/21 *Ferry Vessel Rehab Project* (Project #2140) to *Capital Improvements for Ferry Fleet Project* (Project #2040) Relative to Repairs for the *M.V. Mendocino*.

This matter will be presented to the Board of Directors at its June 25, 2021, meeting for appropriate action.

Summary

On October 22, 2020, the Board of Directors awarded Contract No. 2020-F-047, *Ferry Fleet Scheduled Drydockings and Capital Improvements* to Marine Group Boat Works, LLC (MGBW) of Chula Vista, CA in the amount of \$4,597,003. This contract includes four Golden Gate Bridge, Highway and Transportation District (District) vessels (*M.V. Del Norte*, *M.V. Mendocino*, *M.V. Golden Gate*, *M.V. Napa*) and achieves regulatory compliance through the end of 2023.

The *M.V. Mendocino* was delivered to MGBW for inspection and repairs on February 7, 2021. The *M.V. Mendocino* is a uniquely designed vessel in the District's fleet as the superstructure is supported and attached to the hulls on anti-vibration mounts. In order to achieve the highest service life of the vessel, the anti-vibration mounts required replacement. The anti-vibration mount replacement is accomplished by separating the superstructure from the hulls. This is an extremely complicated process in that most, if not all systems i.e. electrical, water, heat, communications, as

well as engine monitoring, are fed from the hulls and all systems must be disconnected and labeled prior to separation.

Upon separation of the vessel hulls from the superstructure, the United States Coast Guard (USCG), District staff, and the District's naval architect inspected areas of the vessel that were previously inaccessible and identified certain critical structural members, i.e. hull plating, and decking and transverse structure, that were either wasted or severely pitted and in need of replacement and/or repair. This work was not part of the original project scope as the areas were inaccessible to the District until the hulls and superstructure were separated. The decision on what plating and structural members needed replacement and/or repair was made after consultation with the District's naval architect and the USCG. These repairs are necessary for the vessel to receive its USCG certification for service, and to achieve maximum useful service life.

MGBW submitted a change order request in the amount of \$505,621 for the necessary repairs to the *M.V. Mendocino's* hull plating and decking (change order # 1030). District staff and the District's naval architect are currently completing its detailed review of change order #1030 and will confirm that the pricing is fair and reasonable based on comparison similar structural work on other vessels.

When the Board authorized the contract, it established a 10% contract contingency in the amount of \$459,701 for all four vessels. A number of change orders are currently pending that will exceed the portion of the total contract contingency allocated to the *M.V. Mendocino*. Most of the work associated with these change orders was not able to be identified until the vessel was removed from service and dry-docked. For example, once the deck covering and joiner wall panels were removed, plate and structural bulkhead members were found to be wasted and in need of replacement. Certain areas of the main deck plating were also found to be pitted. Because the deck planking extrusions were no longer available, new style planking was necessary. Additionally, in the auxiliary machinery spaces, once the machinery was removed, some hull plating was found to be wasted and in need of replacement.

Fiscal Impact

Capital Improvements for Ferry Fleet (Project #2040) and FY21 Ferry Vessel Rehab (Project #2140) are included in the FY 20/21 Ferry Division Capital Budget in the amounts of \$8,385,000 and \$4,000,000, respectively. The recommended transfer of \$1,250,000 from Project #2140 to Project #2040 would result in no net change to the Ferry Division Capital Budget.

Project #2140 has been reduced in scope due to lower vessel usage and equipment run time during the COVID-19 pandemic. As a result, there are sufficient funds in the Project #2140 budget to support change order #1030.

Table 1 below summarizes how the contract amount and contingency are split among vessel projects within Project #2040 and Project #2140, and the proposed increase in the contract contingency. Table 2 summarizes the proposed transfer of \$1,250,000 from Project #2140 to Project #2040. Table 3 shows the proposed budget adjustment totaling \$1,250,000 for Project 2040, which is funded with \$1 million in federal (80% FTA) and \$250,000 in District funds (20%).

TABLE 1: CONTRACT 2020-F-047 CAPITAL PROJECT SPLIT

	Original		Proposed		Change
	Contract Amount	Contingency	Contract Amount	Contingency	
Project #2040					
<i>M.V. Mendocino</i>	\$3,087,751	\$308,776	\$3,087,751	\$1,080,712	\$771,936
Project #2140					\$0
<i>M.V. Del Norte</i>	\$672,131	\$67,213	\$672,131	\$67,213	\$0
<i>M.V. Golden Gate</i>	\$419,417	\$41,942	\$419,417	\$41,942	\$0
<i>M.V. Napa</i>	\$417,704	\$41,770	\$417,704	\$41,770	\$0
Subtotal	\$1,509,252	\$150,925	\$1,509,252	\$150,925	\$0
Total	\$4,597,003	\$459,701	\$4,597,003	\$1,231,637	\$771,936

TABLE 2: CAPITAL PROJECT BUDGET ADJUSTMENTS

	Original Budget	Proposed Adjustment	Proposed Budget
Project #2040: Capital Improvements for Ferry Fleet	\$8,385,000	\$1,250,000	\$9,635,000
Project #2140: FY21 Ferry Vessel Rehab	\$4,000,000	(\$1,250,000)	\$2,750,000
Total	\$12,385,000	\$0	\$12,385,000

TABLE 3: PROJECT 2040 BUDGET, CAPITAL IMPROVEMENTS FOR FERRY FLEET

	Original Budget	Proposed Adjustment	Proposed Budget
Staff Labor and Fringe Benefits	\$400,000	\$0	\$400,000
General Project Expenditures	\$2,098,507	(\$979,534)	\$1,118,973
PS&E Contract: 2019-F-045, Engineering Support for <i>M.S. Marin and M.S. San Francisco</i> Shipyard Maintenance & Improvements	\$246,000	\$39,295	\$285,295
PS&E Contract Contingency	\$35,000	(\$35,000)	\$0
Prime Contract 1: 2019-F-038, Scheduled Dry-dockings and Capital Improvements for <i>Marin and Mendocino</i>	\$3,946,294	(\$2,242,487)	\$1,703,807
Prime Contract 1 Contingency	\$395,000	\$142,731	\$537,731
Prime Contract 2: 2019-F-053, Scheduled Maintenance and Capital Improvements for <i>M.S. San Francisco</i>	\$1,014,199	\$406,532	\$1,420,731
Prime Contract 2 Contingency	\$250,000	(\$250,000)	\$0
Prime Contract 3: 2020-F-047, Ferry Fleet Scheduled Dry-dockings and Capital Improvements (<i>M.V. Mendocino</i> portion only)	\$0	\$3,087,751	\$3,087,751
Prime Contract 3 Contingency	\$0	\$1,080,712	\$1,080,712
TOTAL	\$8,385,000	\$1,250,000	\$9,635,000