



Agenda Item No. (4)(b)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of March 24, 2022

From: Michael Hoffman, 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)**  
**(b) BUDGET INCREASE IN THE FY 21/22 FERRY DIVISION CAPITAL BUDGET FOR PROJECT #2140, FERRY VESSEL REHAB**

### **Recommendation**

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on March 24, 2022 that the Board of Directors Authorize an increase in the FY 21/22 Ferry Division Capital Budget for Project #2140, *Ferry Vessel Rehab*, in the amount of \$800,000, relative to repairs on the *M.V. Golden Gate* and *M.V. Napa*.

### **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 and a contingency of \$459,701 for a total of \$5,056,704. This contract includes four Golden Gate Bridge, Highway and Transportation District (District) vessels (*M.V. Del Norte*, *M.V. Mendocino*, *M.V. Golden Gate*, and *M.V. Napa*) and achieves regulatory compliance through the end of 2023.

This Contract is funded from two projects in the FY 21/22 Ferry Division Capital Budget:

- Project #2040 (*Capital Improvements for Ferry Fleet*); and
- Project #2140 (*FY 21 Ferry Vessel Rehab*).

The *M.V. Golden Gate* and *M.V. Napa*, the last two of four vessels covered by Contract No. 2020-F-047, are currently dry docked at MGBW and recently underwent hull examinations by the United States Coast Guard (USCG). These hull examinations revealed significant issues that could not have been known at the time of contract award and that require change orders to address in order to pass USCG inspections.

During the hull examination of the *M.V. Golden Gate*, the USCG identified multiple areas of hull plating in the vessel's machinery spaces with localized pitting. The depth and density of the pitting requires the crop and renewal of hull plate sections and cladding repairs. MGBW developed a

USCG approved repair plan to address the deficiencies found during the hull examination. Change order #1020 in the amount of \$375,582 addresses the USCG hull plating deficiencies.

During the hull examination of the *M.V. Napa*, the USCG identified erosion in the waterjet tunnels where the stainless steel mating ring meets the aluminum waterjet tunnel on all four waterjets. MGBW will need to remove the stainless mating rings and sandblast the tunnels before the extent of the necessary repairs are known. The USCG has approved the first step in this repair plan.

On June 24, 2021, the Board of Directors authorized an increase to contract 2020-F-047 contingency from \$459,701 (10% of the original contract) to \$1,231,637 (approximately 27% of the original contract) to ensure sufficient funds were available to fund unexpected problems found during the dry docking and hull inspection of the *M.V. Mendocino*. An additional \$900,000 increase to the contract contingency is necessary to cover change order #1020 on the *M.V. Golden Gate* as well as anticipated change orders on the *M.V. Napa*. If the Board approves this item, the total Contract budget for contract 2020-F-047 will be \$6,728,640.

Finally, in addition to Contract 2020-F-047, the *Ferry Vessel Rehab* (Project #2140), included in the FY 21/22 Ferry Division budget also funds the USCG-required biannual dry docking and capital improvements for ferry vessels *M.V. Marin* under contract 2021-F-080. A budget increase will be necessary to ensure sufficient funds are available for that contract, given the increased costs associated with Contract 2020-F-047.

### **Fiscal Impact**

Contract No. 2020-F-047, *Ferry Fleet Scheduled Drydockings and Capital Improvements* is funded from the Ferry Division Capital Budget across two different capital projects. Project #2040 (*Capital Improvements for Ferry Fleet*) was approved in the FY 21/22 Ferry Division Capital Budget in the amount of \$9,635,000. Project #2140 (*FY 21 Ferry Vessel Rehab*) was approved in the FY 21/22 Ferry Division Capital Budget in the amount of \$2,750,000. The proposed contingency increase will result in an \$800,000 increase to Project #2140 (*FY 21 Ferry Vessel Rehab*), for a total project cost of \$3.55 million.

### **Table 1: Contract 2020-F-047 Capital Project Split**

	<b>Original</b>	<b>June 24, 2021 Approved Amendment</b>	<b>Proposed</b>	<b>Change</b>
<b>Project #2040</b>				
M/V Mendocino	\$3,087,751	\$3,087,751	\$3,087,751	\$0
M/V Mendocino Contingency	\$308,776	1,080,712	1,080,712	\$0
Subtotal of 2040	\$3,396,527	\$4,168,463	\$4,168,463	\$0
<b>Project #2140</b>				
M/V Del Norte	\$672,131	\$672,131	\$672,131	\$0
M/V Del Norte Contingency	\$67,213	\$67,213	\$67,213	\$0
M/V Golden Gate	\$419,417	\$419,417	\$419,417	\$0
M/V Golden Gate Contingency	\$41,942	\$41,942	\$416,492	\$375,000
M/V Napa	\$417,704	\$417,704	\$417,704	\$0
M/V Napa Contingency	\$41,770	\$41,770	\$566,770	\$525,000
Subtotal of 2140	\$1,660,177	\$1,660,177	\$2,560,177	\$900,000
<b>Total</b>	<b>\$5,056,704</b>	<b>\$5,828,640</b>	<b>\$6,728,640</b>	<b>\$900,000</b>

**Table 2: Project 2140 Budget, FY21 Ferry Vessel Rehabilitation**

	<b>Original Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Budget</b>
Staff Labor and Fringe Benefits	\$160,000	\$0	\$160,000
2020-F-047, Ferry Fleet Scheduled Drydockings and Capital Improvements – M/V Del Norte portion only	\$672,131	\$0	\$672,131
M/V Del Norte Contingency	\$67,213	\$0	\$67,213
2020-F-047, Ferry Fleet Scheduled Drydockings and Capital Improvements – M/V Golden Gate portion only	\$419,417	\$0	\$419,417
M/V Golden Gate Contingency	\$41,492	\$375,000	\$416,492
2020-F-047, Ferry Fleet Scheduled Drydockings and Capital Improvements – M/V Napa portion only	\$417,704	\$0	\$417,704
M/V Napa Contingency	\$41,770	\$525,000	\$566,770
General Project Expenditures	\$930,273	(\$100,000)	\$830,273
<b>TOTAL</b>	<b>\$2,750,000</b>	<b>\$800,000</b>	<b>\$3,550,000</b>