



Agenda Item No. (4)(c)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 23, 2022

From: Joseph M. Wire, Auditor-Controller
John R. Eberle, Deputy District Engineer
Ewa Z. Bauer-Furbush, District Engineer
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFERS**
(a) BUDGET DECREASE IN THE FY 22/23 FERRY DIVISION
CAPITAL BUDGET FOR PROJECT #2340, LARKSPUR FERRY
TERMINAL BERTH AND CHANNEL DREDGING –
CONSTRUCTION

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on June 23, 2022, that the Board of Directors authorize a capital budget decrease in the amount of \$5,600,000 in Project #2340, *Larkspur Ferry Terminal Berth and Channel Dredging – Construction* project budget, associated with construction Contract No. 2022-F-083, *Larkspur Ferry Terminal Berths and Channel Maintenance Dredging*.

This matter will be presented to the Board of Directors at its meeting on June 24, 2022, for appropriate action.

Summary

The Golden Gate Bridge, Highway and Transportation District (District) operates Golden Gate Ferry on four ferry routes connecting Marin County and the City and County of San Francisco: the San Francisco/Larkspur route to central Marin County, the San Francisco/Sausalito route to southern Marin County, the San Francisco/Tiburon route to central Marin County and the San Francisco/Angel Island route.

The Larkspur Ferry Terminal is located at 101 East Sir Francis Drake Blvd, Larkspur, at the terminus of the Corte Madera Creek. The Larkspur Ferry Terminal berths, turning basin and navigational channel require periodic maintenance dredging to remove sediments that accumulate in the waterway from natural sedimentation processes associated with runoff from the adjacent Corte Madera Creek and wave action in the adjacent tidal flats and the San Francisco Bay. The four berths, turning basin and two-mile-long navigation channel were last dredged in 2015. In September 2021, the District performed a bathometric survey of the waterway and staff determined that the extent of sediment accumulation necessitated performing maintenance dredging during the

2022 dredging season. Contract No. 2022-F-083, *Larkspur Ferry Terminal Berths and Channel Maintenance Dredging*, will include maintenance dredging of the four berths, the turning basin, and the navigational channel at the Larkspur Ferry Terminal and disposal of the dredge material at in-bay disposal locations and at permitted upland beneficial re-use locations.

Project #2340, *Larkspur Ferry Terminal Berth and Channel Dredging – Construction*, is included in the Ferry Division FY 22/23 Capital Project Budget at an estimated cost of \$23,500,000. This project budget was developed in March of 2022 and was based upon the estimated volume of material to be dredged as determined from a bathometric survey performed in 2021 of the dredge areas and the 2015 unit prices from the previous District dredging construction project at the site escalated to 2022. The bid prices were also adjusted to take into account the recent increases in fuel prices since the dredging and sediment transport operations rely heavily on diesel fuel.

The construction contract, Contract No. 2022-F-083, was advertised for bids on April 12, 2022 and on June 1, 2022, three bids were received, opened and publicly read. All three bids were below the engineer’s estimate. The engineer’s estimate was based on a conservative assumption that the dredged material would be disposed at the most expensive upland sites and prices of the in-bay disposal would be much higher. The bidders have been able to obtain much lower disposal prices. The bids for all three bidders were relatively consistent and staff determined that the bid prices are reasonable.

Fiscal Impact

Project #2340, *Larkspur Ferry Terminal Berth and Channel Dredging – Construction*, is currently included in the FY 22/23 Ferry Division Capital Budget in the amount of \$23,500,000 and is funded with \$18,800,000 Federal Transit Administration (FTA) grant funds and \$4,700,000 District funds (80% FTA/20% District).

Staff recommends reducing the Project #2340 budget to \$17,900,000, funded with \$14,320,000 in federal funds (80% FTA) and \$3,580,000 in District funds (20% District). The cost savings from the remaining \$5,600,000 may be redirected to other eligible projects.

The proposed Project #2340 budget of \$17,900,000 is presented below.

<u>PROJECT BUDGET ITEM</u>	<u>COST</u>
Construction	
Construction Contract No. 2022-F-083	\$13,975,500
Construction Contract Contingency (15%)	2,096,325
Construction Administration – District Staff	580,000
Indirect Costs (ICAP) District Staff – Estimated	250,000
Engineering Support Services During Construction – Consultant	156,530
General Project Expenditures	100,000
Environmental Compliance	50,000
In-Bay Sediment Disposal Fees (Water Board)	150,000
Other Sediment Disposal Fees	400,000
Project Reserves	141,645
TOTAL BUDGET	\$17,900,000