



Agenda Item No. (3)

To: Building and Operating Committee/Committee of the Whole
Meeting of June 22, 2023

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

Subject: **APPROVE ACTIONS RELATIVE TO AWARD OF CONTRACT NO. 2022-F-014, LARKSPUR FERRY TERMINAL FUEL TANKS REHABILITATION, TO EURO STYLE MANAGEMENT**

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve the following actions relative to Contract No. 2022-F-014, *Larkspur Ferry Terminal Fuel Tanks Rehabilitation*, as follows:

1. Approve award of Contract No. 2022-F-014 to Euro Style Management of Sacramento, CA, in the amount of \$1,213,400; and,
2. Establish a construction contingency for Contract No. 2022-F-014 in the amount of \$182,010, equal to 15% of the contract award amount,

with the understanding that sufficient funds are available in the FY 22/23 Ferry Division Capital Budget for the Project #2141, *LFT Fuel System Rehabilitation Project* to finance these actions.

This matter will be presented to the Board of Directors at its June 23, 2023, meeting for appropriate action.

Summary

The Golden Gate Bridge, Highway and Transportation District (District) operates the Golden Gate Ferry on four (4) ferry routes connecting Marin County and the City and County of San Francisco: the San Francisco/Larkspur route, the San Francisco/Sausalito route, the San Francisco/Angel Island route and the San Francisco/Tiburon route.

The Larkspur Ferry Terminal is located at 101 East Sir Francis Drake Blvd in Larkspur and is the District's primary location for berthing and maintaining ferry vessels. The Larkspur Ferry Terminal is an active public transit hub with a public parking lot, terminal building, administrative and maintenance buildings, vessel berths and a fuel farm. The Larkspur fuel farm includes four (4) aboveground steel diesel fuel storage tanks. Each tank has a 75,000-gallon capacity, is single walled, and measures 36'-0" ID x 10'-6" tall with cone roofs. The tanks were originally installed

in 1974. Modifications to the tanks were made in 1998, including replacing the tank bottom plate, adding a sump, adding a concrete containment apron, and adding anchor bolts and a retrofitted foundation ring.

In 2019, Ferry Operations staff noticed excessive clogging of fuel filters. After an investigation, it was determined that the clogging was caused by a new formulation of renewable diesel fuel supplied by the fuel vendor without the District's knowledge. In 2020, the District completed an emergency project to return one of the four tanks, Tank 2, to service by removing the existing fuel, cleaning sludge that accumulated at the bottom of the tank and refilling the tank with new diesel fuel. While the existing fuel in Tanks 1, 3 and 4 was drained at that time, bringing those tanks back to service requires cleaning sludge and tank walls before refueling with new fuel.

Engineering staff developed plans and specifications for a construction contract, Contract No. 2022-F-014, *Larkspur Ferry Terminal Fuel Tanks Rehabilitation*, to clean Tanks 1, 3 and 4, to perform a full inspection of the interiors of all four tanks and to apply a new protective coating to the interiors of all four tanks. The contract scope of work involves, in general, the following work:

- Isolating each tank one at a time from the system prior to performing any work;
- Cleaning existing fuel in the tank and transferring to an adjacent tank;
- Removing and disposing any remaining fuel and sludge from the tank;
- Cleaning the inside surfaces of each tank and performing condition inspections;
- Inspecting the tank exteriors and the tank foundations;
- Submitting inspection reports to the District;
- If determined to be required based on inspection findings, performing repairs;
- Blasting and coating the interior tank surfaces;
- Refurbishing the tank valves; and,
- Returning the tanks to service.

On April 11, 2023, the bid solicitation documents were posted on Bonfire, the District's public procurement portal. In addition, the solicitation was advertised several times in the Marin Independent Journal and the Small Business Exchange. A courtesy message notifying disadvantaged and small businesses was sent to approximately 890 email addresses. Twenty firms downloaded the solicitation documents from the District's procurement portal. On the bid opening date of May 23, 2023, one bid was received, opened and publicly read:

<u>COMPANY</u>	<u>TOTAL BID PRICE</u>
1. Euro Style Management, Sacramento, CA	\$1,213,400.00

The Engineering staff, Disadvantaged Business Enterprise (DBE) Program Administrator and Attorney evaluated the bid proposal based upon criteria that was specified in the bid solicitation.

Engineering staff performed a cost analysis of the bid, comparing the bid pricing to the engineer's estimate prepared prior to the contract being advertised for bids. The bid proposal is approximately 33% lower than the engineer's estimate mainly because the bid price for fuel waste disposal is lower than in the engineer's estimate. The engineer's estimate accounted for the price uncertainty using a higher price. The pricing of other bid items is comparable to the engineer's estimate.

Engineering staff also reached out to a number of firms that did not submit a bid and determined that various business reasons accounted for the lack of bid submissions, such as too much risk having to manage different subcontractors, subcontractors not able to team with a general contractor, or they were not familiar with submitting a bid in the format required by the District. None of the reasons provided were related to the specifications being too restrictive or limiting competition. Staff has determined that Euro Style Management’s pricing for the work is fair and reasonable.

A Small Business Enterprise (SBE) contract-specific goal of 6% was established for this contract. Bidders were required to document their activities in the solicitation and selection process of subcontractors, subconsultants, and suppliers to ensure that this process was carried out in a nondiscriminatory manner. The DBE Program Administrator has determined that Euro Style Management is a certified SBE and has complied with the DBE/SBE Program requirements applicable to this contract. At this time, SBE participation of approximately 91.1% is anticipated during the performance of this contract.

The Engineering staff and Attorney reviewed the bid proposal for completeness and conformance with the bid solicitation requirements and determined that Euro Style Management, with a bid price of \$1,213,400, is a responsive and responsible bidder. Staff recommends award of Contract No. 2022-F-014 to Euro Style Management.

It is recommended that a contingency in an amount of \$182,010, or 15% of the construction contract’s total price, be established for Contract No. 2022-F-014 considering the possibility of unforeseen circumstances arising during construction of this Project.

Fiscal Impact

Project #2141, *LFT Fuel System Rehabilitation Project*, is included in the FY 22/23 Ferry Division Capital Budget in the amount of \$2,000,000 and is 80% Federal Transit Administration (FTA) funded and 20% District-funded. There are sufficient funds in Project #2141 to finance the project construction.

It is recommended that the proposed budget for Project #2141 be established as follows:

<u>PROJECT #2141 BUDGET ITEM</u>	<u>COST</u>
Previous Costs Expended to Date (staff time)	\$35,840
Construction Contract No. 2022-F-014	\$1,213,400
Construction Contract Contingency (15%)	\$182,010
Construction Administration – District Staff Burdened Labor	\$255,000
Indirect Costs (ICAP) on District Staff Burdened Labor - Estimated	\$114,750
Printing and Advertising	\$8,000
General Project Expenditures, Permits and Fees	\$62,000
Construction Support Services and Testing (Consultants)	\$10,000
Environmental Compliance	\$30,000
Project Contingency	\$89,000
TOTAL PROJECT #2141 BUDGET	\$2,000,000

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