



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 22, 2026

From: Jennifer H. Mennucci, Auditor-Controller
John R. Eberle, District Engineer
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFERS**
(A) BUDGET INCREASE IN THE FY 25/26 FERRY DIVISION
CAPITAL BUDGET FOR PROJECT #2443, SAN FRANCISCO
FERRY TERMINAL WEST AND EAST BERTH REHABILITATION

Recommendation

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on January 22, 2026, that the Board of Directors authorize a budget increase in the FY 25/26 Ferry Division Capital Budget, in the amount of \$1,125,856, to Project #2443, *San Francisco Ferry Terminal West and East Berth Rehabilitation*, for a revised budget of \$12,528,140.

This matter will be presented to the Board of Directors at its January 23, 2026, meeting for appropriate action.

Summary

Project #2443, *San Francisco Ferry Terminal West and East Berth Rehabilitation*, involves the design, construction, and contract administration of rehabilitation to the West and East Berths at the San Francisco Ferry Terminal. At its October 25, 2024 meeting, the Board of Directors, by Resolution No. 2024-064, authorized the award of construction Contract No. 2024-F-010, *San Francisco Ferry Terminal West and East Berth Ramp Rehabilitation Project*, to Manson Construction Company (Contractor). At the same October 25, 2024 meeting, the Board of Directors, by Resolution No. 2024-065, authorized the award of the Fifth Amendment to PSA No. 2021-F-049, with Moffat & Nichol, in the not-to-exceed amount of \$433,440, for construction engineering support services during construction of Contract No. 2024-F-010. The construction scope of work involves, in general, the following:

- Lift, remove, and transport the east berth ramp to an offsite facility for repairs.
- Perform steel repairs and clean and paint the east berth ramp.
- Remove and refurbish hydraulic cylinders at the east berth ramp.
- Remove and dispose of the east berth ramp hydraulic system.

- Remove and dispose of the east berth ramp electrical lines.
- Perform repairs to a concrete beam supporting the east berth ramp.
- Install refurbished hydraulic cylinders at the east berth ramp.
- Furnish and install new hydraulic system on the east berth ramp.
- Furnish and install new electrical lines on the east berth ramp.
- Furnish and install new hydraulic control system on the east berth ramp.
- Transport and reinstall the east berth ramp at the terminal.
- Commission the new hydraulic control system on the east berth ramp.
- Remove and refurbish hydraulic cylinders at the west berth ramp.
- Remove and dispose of the west berth ramp hydraulic system.
- Remove and dispose of the west berth ramp electrical lines.
- Install refurbished hydraulic cylinders at the west berth ramp.
- Furnish and install new hydraulic system on the west berth ramp.
- Furnish and install new electrical lines on the west berth ramp.
- Furnish and install new hydraulic control system on the west berth ramp.
- Commission the new hydraulic control system on the west berth ramp.

The Contractor commenced the work on December 12, 2024, and has been progressing with the east ramp rehabilitation work. After transporting the east berth ramp to an off-site facility, the Contractor sandblasted the ramp in preparation of the steel repairs. After sand blasting, the Contractor performed an inspection of the ramp and discovered that additional cracks and steel deterioration not identified in the Contract documents were present throughout the structure. Similarly, after the Contractor disassembled the east ramp hydraulic cylinders and performed an in-depth inspection, additional components not identified in the Contract documents were found to be in poor condition and in need of repair or replacement, and additional concrete deterioration was discovered at the concrete beam supporting the east ramp that required repairs. The Contractor notified the Resident Engineer of the conditions and requested direction on how to proceed. Engineering staff and Moffat & Nichol staff investigated the additional cracks, steel deterioration, concrete deterioration and hydraulic cylinder components and determined that the conditions warranted additional repairs. The investigations, reviews, and development of repairs for the additional cracks, steel deterioration, concrete deterioration, and hydraulic cylinder repairs, and the review and preparation of written responses to the Contractor's submittals, work plans, and requests for information associated with the additional repairs has exceeded the budget established for these tasks in the Fifth Amendment to PSA No. 2021-F-049 with Moffatt & Nichol.

In addition to the additional work noted above, on October 24, 2025, the Board of Directors, by Resolution No. 2025-071, authorized approval of Contract Change Order No. 2 (CCO #2) to Contract No. 2024-F-010, for repairs to the SFFT East Berth camel structure. As previously reported, portions of the camel structure, including the floatation system and floatation system supports, were found to be deteriorated and in need of rehabilitation to properly function and to allow the east berth to properly operate once the rehabilitation of the steel ramp, concrete pier and hydraulic system is completed. The camel repairs, as well as the additional crack, steel deterioration, concrete deterioration, and hydraulic cylinder component repairs, will extend the construction contract time, resulting in additional construction administration, project management, and contract management. As a result of these changes, as well as the additional

work noted above, Engineering staff currently estimates that construction for the San Francisco Ferry Terminal West and East Berth Rehabilitation Project will be completed in January 2027.

As a result of the additional necessary work and associated time extension to complete the additional work, an increase in the Project #2443 budget is necessary to fund the additional construction engineering support services and the additional construction administration and project management by the District's Engineering staff and project design consultant. Staff has reviewed the Project #2443 budget and has determined that the line-item budgets for the Engineering staff and for construction engineering support services are required to be increased to continue supporting the project implementation.

Staff has evaluated the remaining work and anticipates a similar level of Engineering staff contract administration and construction engineering effort that has taken place for the past 12 months is needed for the next 13 months through the end of January 2027. The remaining work includes field inspections and contract administration associated with completing structural steel repairs to the east berth ramp at the Contractor's off-site facility, the structural steel clean and paint operations, the hydraulic cylinder repairs, installation of the new hydraulic system components, installation of the new electrical lines and hydraulic control system, reinstallation of the east berth ramp, rehabilitation of the east berth camel structure, commissioning of the east berth ramp, and all the repairs to the west berth ramp hydraulic system. Staff anticipates a reduced level of construction engineering support services will be required through the end of January 2027 than has been provided for the past year. Staff recommends that the budgets for these two aspects of the project be increased as detailed below.

At the current level of effort by Engineering staff, staff recommends that a \$960,000 increase be made to the Project #2443 staff labor, fringe benefit, and indirect cost budgets to allow for a continuation of these efforts through approximately January 2027.

A continuation of Moffatt & Nichol's services is necessary to assist the District in reviewing, evaluating, and responding to the Contractor's remaining submittals, work plans, and requests for information, and for preparing plans and specifications for contract change orders and performing additional project management through the extended project duration. Staff recommends that, at this time, Amendment No. 6 to PSA No. 2021-F-049 be made for a continuation of Moffatt & Nichol's services through approximately January 2027. Engineering staff requested, and Moffatt & Nichols provided a cost proposal in the amount not-to-exceed \$209,200 to perform the construction engineering support services through approximately January 2027. Engineering staff has reviewed the proposal and found it to be fair and reasonable in terms of Moffatt & Nichol's budgeted labor hours to perform the additional scope of services requested by the District and consistent with Moffatt & Nichol's audited labor and overhead billing rates. The District's Manager of Small Business Enterprise (SBE) Compliance Programs has reviewed the work under the Sixth Amendment and determined that small business participation is not anticipated during the performance of this work. Moffatt & Nichol will be compensated for actual time expended and expenses incurred, plus a fixed fee, for the not-to-exceed authorized amount. The account of the previously approved and proposed amendment to PSA No. 2021-F-049 is presented in Table 2 below.

Staff will monitor the progress of the construction work and will make an assessment towards the end of 2026 regarding the remaining project work and the additional budget amounts that may be necessary to finance additional support services required through the project completion. Staff will submit recommendations for additional budget increases determined to be necessary at future Committee meetings.

Engineering staff recommends that the Finance-Auditing Committee recommend that the Board of Directors authorize execution of the Sixth Amendment to PSA No. 2021-F-049 as presented in this report, in the not-to-exceed amount of \$209,200, for continuation of construction engineering support services; and authorize an increase in the amount of \$1,125,856, in the FY 25/26 Ferry Division Capital Budget for Project #2443, to be funded with District reserves.

Fiscal Impact

Project #2443, *San Francisco Ferry Terminal West and East Berth Rehabilitation* is included in the FY 25/26 Ferry Division Capital Budget in the amount of \$11,402,284 and is funded with 55% State of California State of Good Repair (SGR) program funds and 45% District funds.

Board Resolution No. 2024-065 authorized a \$43,344 contingency for the construction engineering support services, which may be used for any additional or changed scope of services that may develop as the work progresses. After use of the contingency, a \$165,856 budget increase is needed to fund the proposed \$209,200 Sixth Amendment to PSA No. 2021-F-049 with Moffatt & Nichol, and a \$960,000 increase is needed to fund the additional Engineering staff costs, resulting in an overall budget increase in the amount of \$1,125,856, to be funded with District reserves, to the FY 25/26 Ferry Division Capital Budget for Project #2443. The proposed \$1,125,856 increase would increase the total Project #2443 budget from \$11,402,284 to \$12,528,140. The proposed revised Project #2443 budget is in Table 1.

TABLE 1: PROJECT BUDGET – #2443, San Francisco Ferry Terminal West and East Berth Rehabilitation

DESCRIPTION	CURRENT PROJECT BUDGET	PROPOSED ADJUSTMENT	TOTAL PROPOSED PROJECT BUDGET
District Staff Labor/Fringe	\$650,000	\$791,210	\$1,441,210
Indirect Costs	\$250,000	\$168,790	\$418,790
General Project Expenditures	\$135,845	\$0	\$135,845
Printing & Advertising	\$14,000	\$0	\$14,000
Permit and Fees	\$105,000	\$0	\$105,000
Prime Construction Contract	\$7,915,000	\$0	\$7,915,000
Prime Construction Contract Contingency	\$1,705,655	\$0	\$1,705,655

Construction Engineering (consultant)	\$433,440	\$0	\$433,440
Construction Engineering Contingency (consultant)	\$43,344	\$165,856	\$209,200
Material Testing Services (consultant)	\$150,000	\$0	\$150,000
TOTAL	\$11,402,284	\$1,125,856	\$12,528,140

TABLE 2: The history of PSA No. 2021-F-049

ACTION	AMOUNT
Award PSA No. 2021-F-049, Structural Analysis and Damage Assessment; July 14, 2021, General Manager Authority	\$43,634
First Amendment, West Berth Structural Repair Design; November 19, 2021, General Manager Authority	\$98,610
Second Amendment, West Berth Construction Engineering Support Services; April 25, 2022, General Manager Authority	\$84,040
Third Amendment, West Berth Hydraulic System Repair Design; December 20, 2022, General Manager Report; January 27, 2023, Board of Directors Ratify	\$269,873
Fourth Amendment, Inner Berth Structural Repair and Hydraulic System Repair Design; May 24, 2023, General Manager Report; June 23, 2023, Board of Directors Ratify	\$356,140
Fifth Amendment, engineering support services during the SFFT West and East Berth Ramp Rehabilitation construction. October 25, 2024, Board of Directors Resolution No. 2024-065	\$433,440
<i>Proposed Sixth Amendment, continuation of engineering support services during the SFFT West and East Berth Ramp Rehabilitation construction</i>	<i>\$209,200</i>
PROPOSED TOTAL PSA AMOUNT	\$1,494,937

Background

On June 30, 2021, during a facility inspection, District staff discovered a crack in a steel structural framing element of the outer (east) berth passenger boarding ramp. Subsequent inspections revealed additional structural cracks at both the east and west berth steel ramps. Engineering determined that the locations and severity of the cracks warranted temporary closure of the berths, and on July 7, 2021, both berths were closed.

On July 14, 2021, in accordance with Public Contract Code Section 22050 and the District's Procurement Policy the General Manager authorized an emergency procurement, PSA No. 2021-F-049, *San Francisco Ferry Terminal Inner and Outer Berths Damage Assessment*, in the amount of \$43,634, with Moffatt & Nichol to perform a damage assessment and structural analysis of the west and east berth ramps. On August 17, 2021, Moffatt & Nichol submitted a draft damage assessment report that identified structural deficiencies in both the west and east ramps, determined

that the structural deficiencies at the west berth were less severe than those at the east berth, and identified deficiencies in the existing hydraulic lift system as a contributing factor to the damage. In order to expedite the re-opening of at least one berth, Engineering staff requested a proposal from Moffatt & Nichol to develop construction drawings and specifications for structural repairs to the west berth. Once the west berth repairs were completed and the berth placed back in operation, an analysis and design for repairs to the east berth and to the hydraulic systems at both berths would be undertaken.

On November 19, 2021, under the General Manager's authority, staff executed the First Amendment to PSA No. 2021-F-049, in the amount of \$98,610, with Moffatt & Nichol, for final design, construction drawings, and specifications for structural repairs at the west berth. The District received the final construction design documents on March 10, 2022, applied for a construction permit with the Port of San Francisco on March 11, 2022, and received the Port of San Francisco permit for construction on April 18, 2022.

In accordance with Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager, on April 22, 2022, authorized an emergency procurement, Contract No. 2022-F-035, with Power Engineering Construction, located in Alameda, CA, in the not-to-exceed amount of \$612,600 to perform repairs to the inner berth. On May 20, 2022, the Board of Directors ratified the General Manager's emergency action. On April 25, 2022, the District executed the Second Amendment to PSA No. 2021-F-049 with Moffatt & Nichol, in the amount of \$84,040, to provide construction engineering support services associated with construction Contract No. 2022-F-035. On February 16, 2023, the structural repairs were completed, and on April 7, 2023, the west berth was put back into service.

On December 20, 2022, the District entered into the Third Amendment to PSA No. 2021-F-049 with Moffatt & Nichol, in the amount of \$269,873, to provide design, construction drawings, technical specifications, and a construction cost estimate for repairs to the west berth ramp hydraulic lift system and associated controls. On January 27, 2023, the Board of Directors ratified the General Manager's action approving the Third Amendment with Moffatt & Nichol for these services.

While performing site inspections for the hydraulic lift system design, it was determined that the hydraulic gangway system was also deteriorated, shared some of the hydraulic lines with the ramp lift system, and should be repaired. On May 24, 2023, the District entered into the Fourth Amendment to PSA No. 2021-F-049, with Moffatt & Nichol, in the amount of \$356,140, to provide design, construction drawings, technical specifications, and construction cost estimates for repairs to the east berth ramp hydraulic lift system and to the west and east berth gangway hydraulic systems and all associated controls. On June 23, 2023, the Board of Directors ratified the General Manager's action approving the Fourth Amendment with Moffatt & Nichol for these services.

On October 25, 2024, the Board of Directors, by Resolution No. 2024-065, authorized the award of the Fifth Amendment to PSA No. 2021-F-049, with Moffat & Nichol, in the not-to-exceed amount of \$433,440, for construction engineering support services during construction of Contract No. 2024-F-010.