



Agenda Item No. (4)

To: Building and Operating Committee/Committee of the Whole Meeting of March 26, 2026

From: John Gray, Director of Engineering and Maintenance, Ferry Division
Michael Hoffman, Deputy General Manager, Ferry Division
Denis J. Mulligan, General Manager

Subject: **APPROVE AWARD OF CONTRACT NO. 2026-F-031, LIWA VESSEL 1 AND 2 ENGINES, GEARBOXES, AND DRIVELINES, AND CONTRACT NO. 2026-F-022, LIWA VESSEL 1 AND 2 WATERJET PROPULSION SYSTEMS**

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve the following actions relative to Capital Projects No. 1940, *Purchase New Vessel* and No. 2445, *Del Norte Replacement*:

1. Approve award of Contract No. 2026-F-031, *Liwa Vessel 1 and 2 Engines, Gearboxes, and Drivelines*, to Northern Lights in the amount of \$10,321,491; and,
2. Approve award of Contract No. 2026-F-022, *Liwa Vessel 1 and 2 Waterjet Propulsion Systems*, to HamiltonJet in the amount of \$ 2,655,168.95.

This matter will be presented to the Board of Directors at its March 27, 2026, meeting for appropriate action.

Summary

On November 21, 2025, the Board of Directors, by Resolution No. 2025-078, approved award of Contract No. 2025-F-023, *Ferry Fleet Replacement Program*, to Mavrik Marine, Inc., for the construction of two new Liwa class ferries and approved the related project budgets for Project #1940, *Purchase New Vessel*, and Project #2445, *Del Norte Replacement*. The approved contract contemplated procurement of the propulsion package as part of the vessel builder's scope.

During contract finalization and production engineering coordination with Mavrik Marine, Inc., Golden Gate Bridge, Highway and Transportation District (District) staff determined that direct District procurement of the critical driveline equipment would better support schedule control, warranty administration, fleet standardization, and long-term maintenance. The owner-furnished equipment includes the main engines, reduction gears, driveshafts, and propulsion waterjets for

the first two vessels. These items are long-lead, high-value components that are central to the vessels' propulsion systems and overall delivery schedule.

Direct purchase of these components will establish contractual relationships between the District and the original equipment manufacturers (OEM) and their authorized representatives, improving the District's position for warranty support, commissioning, future parts procurement, and long-term service agreements. This approach also reduces the cost and risk of schedule impacts associated with shipyard markup, supply-chain pass-through, and administration of proprietary propulsion equipment. While this procurement structure places greater direct responsibility on the District for acquisition and coordination of the equipment, it reduces the shipyard's bonding requirements and avoids the additional cost premiums that would otherwise be incorporated into the contractor's contract price. Similar sole-source and OEM-support reasoning appears in prior District ferry waterjet procurement staff reports.

Northern Lights, Inc., is the MAN engine distributor for the U.S. West Coast and will furnish the MAN propulsion engines, reduction gears, and driveshafts required for the first two Liwa class vessels. HamiltonJet Americas will furnish the propulsion waterjets selected for the Liwa class design. The equipment will be provided by the District to Mavrik Marine, Inc., for installation under the vessel construction contract.

During the design phase, the District, SF Bay Ferry, and Aurora Marine Design, Inc., evaluated multiple propulsion suppliers with a focus on California Air Resources Board Commercial Harbor Craft compliance, high-speed service performance, and long-term maintainability. The selected MAN propulsion package and HamiltonJet waterjets are the equipment reflected in the approved Liwa class design and are integral to achieving the required service speed, emissions compliance, and operational reliability for Golden Gate Ferry service.

Staff recommends direct procurement of this owner-furnished equipment at this time so manufacturing can proceed without delay and the equipment can be delivered to the shipyard in accordance with the production schedule.

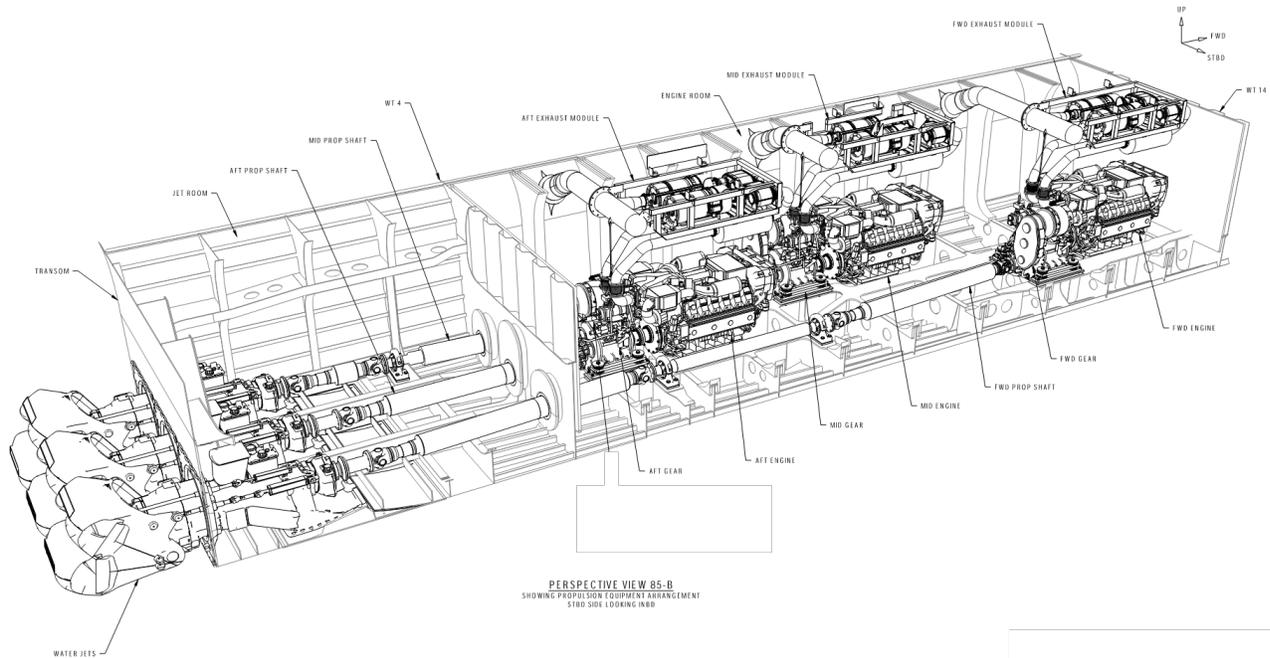


Figure 1: Cutaway view of the driveline arrangement in one hull, made up of 3 engines, 3 reduction gears, driveshafts, and 3 waterjets.

There is no Disadvantaged Business Enterprise or Small Business Enterprise participation anticipated during the performance of these services.

Fiscal Impact

Project #1940, *Purchase New Vessel*, and Project #2445, *Del Norte Replacement*, are approved in the FY 25/26 Ferry Division Capital Budget in the amounts of \$59,026,833 and \$59,117,134, respectively. District staff negotiated a corresponding reduction to the Mavrik Marine contract for owner-furnished driveline equipment for the first two Liwa class vessels. As a result, sufficient funds are available within the approved project budgets to directly purchase the propulsion equipment, with no additional budget authority required.

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