

THIS PRINT COVERS CALENDAR ITEM NO.: 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Capital Programs & Construction

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute Modification No. 1 to Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., to: (1) add five small business enterprise subcontractors to the Contract; (2) replace an existing 12-inch underground chase determined to be a differing site condition; (3) extend the Contract term for non-compensable delays by 307 days; and (4) adjust and finalize bid item quantities. Overall, the modification will close out the contract with a decrease of \$58,257.86 to the Contract Amount and an increase of 307 days to the Substantial Completion Date.

SUMMARY:

- On October 5, 2021, the SFMTA Board of Directors adopted Resolution No. 211005-115, which authorized the award of SFMTA Contract No. 1318, Wood Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., in the amount of \$4,856,227, and for a term of 270 days to Substantial Completion.
- The SFMTA issued the Notice to Proceed with the work effective date of January 30, 2022, for a substantial completion date of October 27, 2022.
- This Contract Modification will close out the contract by:
 - adding small business enterprises FREAS Plastering Company Inc., KBI Painting, Red Dipper, Inc., Tera-Lite, Inc. and Watertight Restoration as subcontractors
 - decreasing the Contract Amount by \$58,257.86, and
 - increasing the Contract Time by 307 Days, extending the Substantial Completion date from October 27, 2022 to August 30, 2023.

ENCLOSURES:

1. SFMTAB Resolution
2. Contract Modification No. 1
3. Project Budget and Financial Plan

APPROVALS:

DATE

DIRECTOR



February 14, 2024

SECRETARY



February 14, 2024

ASSIGNED SFMTAB CALENDAR DATE: February 20, 2024

PURPOSE

The purpose of this calendar item is to authorize the Director of Transportation to execute Modification No. 1 to Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., to: (1) add five small business enterprise subcontractors to the Contract; (2) replace existing 12-inch underground chase determined to be a differing site condition; (3) extend the Contract for non-compensable delays by 307 days; and (4) adjust and finalize bid item quantities. Overall, the modification will close out the contract with a decrease of \$58,257.86 to the Contract Amount and an increase of 307 days to the Substantial Completion Date.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The Work performed under Modification 1 to Contract No. 1318 supports the following goals in the SFMTA’s Strategic Plan:

Strategic Goals:

- Goal 5: Deliver reliable and equitable transportation services.
- Goal 8: Deliver quality projects on-time and on-budget.
- Goal 9: Fix things before they break, and modernize systems and infrastructure.

Transit First Policy Principles

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

DESCRIPTION

Background

The Woods Bus Maintenance Facility located at 1095 Indiana Street within the Dogpatch neighborhood is a key Muni transit maintenance yard which has a significant backlog in deferred facility upgrades. The drive-through bus wash system consisted of two bus washers and a water reclamation system, which converts the wastewater from the wash building into water that can be reused for bus washing. The bus wash system was designed to wash only the 40-foot-long diesel buses and was near the end of its 20-year lifespan.

On October 5, 2021, the SFMTA Board of Directors adopted Resolution No. 211005-115, which authorized the award of SFMTA Contract No. 1318, Wood Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., in the amount of \$4,856,227, and for a term of 270 days from the date of the Notice to Proceed to Substantial Completion.

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Work completed under the Contract included replacing the existing bus washers and water reclamation system to accommodate and wash all 40-foot and 60-foot-long hybrid and low-floor battery electric buses more efficiently and effectively.

Current Status

The Contractor achieved Substantial Completion of all work on August 30, 2023. Beneficial Occupancy began in mid-August 2023. Testing, commissioning and training have all been completed.

Current Modification

This Contract Modification No. 1 will be the first and the closeout modification to the Contract. It includes four items:

- (1) Add small business enterprise subcontractors to the Contract

During performance of the Contract, the Contractor added small business enterprise subcontractors to perform unanticipated work. Under the California State Subletting and Subcontracting Fair Practices Act (the Subcontracting Act), Public Contract Code Sections 4100-4114, the Contractor is required to identify in the Contract each subcontractor that would perform Work in an amount more than 0.5% of the Contract Amount. Five of those subcontractors performed work for which they were paid more than 0.5% of the original Contract Amount: (1) FREAS Plastering Company Inc.; (2) KBI Painting; (3) Red Dipper, Inc.; (4) Tera-Lite, Inc.; and (5) Watertight Restoration. The addition of these subcontractors did not violate the Subcontracting Act, because most of the subcontracted work was new work that was not required under the original contract scope, and the subcontracted work that was required by the original contract's scope amounted to less than the 0.5% of the original total contract price.

- (2) Replace an existing 12-inch underground chase determined to be a differing site condition

The Contractor incurred additional costs in the amount of \$172,310.77 to replace the existing 12-inch PVC underground chase due to differing site conditions.

- (3) Extend the Contract term by 307 days for the following non-compensable delays:

<u>Non-Compensable Delay</u>	<u>Days Delayed</u>
Bus Wash Equipment procurement delay due to supply chain interruptions associated with COVID-19 disruptions.	80
During demolition of ceiling the Contractor discovered different site condition of thicker plaster material.	4
The Contractor was directed to avoid unplanned	14

interruptions to maintenance facility by providing temporary electrical feeds to existing pressure washer and lift adjacent to wash building while new conduits/feeds were installed inside wash building.	
The electrical feed conduit for the Woods Facility pressure washer and bus lifts located adjacent to the Bus Wash Building had to be temporarily removed then reinstalled after installation of the new ceiling. The contract drawings did not show this conduit run in the Bus Wash Building. Additional j-boxes were required on this conduit run for accessibility after plaster ceiling work is completed.	36
The Contractor installed additional cross runners and readjusted the existing Bus Wash Building roll up doors to achieve the required clearance per the current building code for the new ceiling. The original ceiling height was not indicated on the contract drawings or as-builts.	11
The Contractor conducted investigation of skylight per contract drawings and discovered 8 skylight panels needed to be replaced due to cracking and other damages. The contract drawings directed the Contractor to replace panels in-kind, but the panel material was discontinued. The Contractor was directed to modify the skylight soffits to hold the new/approved skylight panels. Modification of the skylight soffits is not part of the original contract.	4
The project experienced an unforeseen weather delay with heavy rainfall for 3 consecutive weeks. Contractor was unable to perform work.	15
The Contractor experienced differing site conditions and was directed to replace the existing 12-inch underground chase.	130
Additional non-compensable calendar days were required to complete the Start-Up and Commissioning procedures.	13
Total	307

(4) Adjust and finalize bid item quantities:

After the contractor completed its work, the SFMTA adjusted and finalized bid item quantities based on actual performance and determined that the reduced quantities reduced the overall Contract Amount by \$230,568.63. As a result, the modification will create a decrease of \$58,257.86 to the Contract Amount – see the summary table below.

<u>Contract Change</u>	<u>Cost</u>
Contract Extension	\$0
Change Order for Underground Chase Replacement	\$172,310.77
Final Quantity Adjustment for Remaining Bid Items	-\$230,568.63
Total	-\$58,257.86

These four items are the only changes needed to close out the contract – see Enclosure 2 for more details. Because the extension of time is greater than 25% of the original term of the contract, authority to approve this modification has not been delegated to the Director of Transportation.

STAKEHOLDER ENGAGEMENT

The scope of work at the Woods Bus Yard was limited to work within the property line and did not directly impact transit service. Project staff consulted SFMTA Transit Management, Facility Management, along with superintendents and staff at the Woods Bus Yard during the project design process. Staff were supportive of the project.

Prior to the award of this Contract, local residents including the Dogpatch district community and nearby businesses were contacted and have been kept informed about construction progress throughout the duration of the Project. The Supervisor's office (District 10) has been briefed.

ALTERNATIVES CONSIDERED

There were no alternatives available regarding Contract Modification No. 1 as the additional work and addition of the subcontractors to the Contract were required to complete the contract. If the change order work was not executed, the bus wash equipment would not function. If the subcontractors were not added to the contract to perform the additional work, the project would not be completed on time while meeting the SFMTA's quality and safety standards.

FUNDING IMPACT

Contract Modification No. 1 decreases the Contract amount by \$58,257.86 resulting in a reduced contract amount of \$4,797,969.14 from \$4,856,227 or 1.2% approximately.

The overall project is funded by Transportation Sustainability Fee, SB1SGR, FTA, General Fund, and Operating funding sources, as listed in Enclosure 3. Contract savings will leave a balance of the Operating funds, which will be returned to the Facility Capital Improvement Program to support the other facility projects as needed. Although the contract price has decreased, additional soft cost incurred by the SFMTA during the extended construction period has increased the cost of the overall Woods Facility Rehabilitation Project, which consists of both the Woods Bus Wash System Replacement Project and the Woods eBus Charging Station Pilot Program.

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ENVIRONMENTAL REVIEW

On December 30, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Woods Facility Rehabilitation – Bus Wash Systems Replacement is not a “project” under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.

The proposed Contract Modification No. 1 to Contract No. 1318 is within the scope of the Woods Facility Rehabilitation – Bus Wash Systems Replacement not a “project” determination issued in 2020.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney’s Office and Contract Compliance Office have reviewed the calendar item. No other approvals are required.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation to execute Modification No. 1 to Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., to: (1) add five small business enterprise subcontractors to the Contract; (2) replace an existing 12-inch underground chase determined to be a differing site condition; (3) extend the Contract term for non-compensable delays by 307 days; and (4) adjust and finalize bid item quantities. Overall, the modification will close out the contract with a decrease of \$58,257.86 to the Contract Amount and an increase of 307 days to the Substantial Completion Date.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On October 5, 2021, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors adopted Resolution No. 211005-115, which authorized the award of SFMTA Contract No. 1318, Wood Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., in the amount of \$4,856,227, and for a term of 270 days from Notice to Proceed to Substantial Completion; and,

WHEREAS, During performance of the Contract, the Contractor added small business enterprise subcontractors to perform unanticipated work, and under the California State Subletting and Subcontracting Fair Practices Act (the Subcontracting Act), Public Contract Code Sections 4100-4114, the Contractor is required to identify in the Contract each subcontractor that performs work in an amount more than 0.5% of the Contract Amount, and five of those subcontractors performed work for which they were paid more than 0.5% of the original Contract Amount: (1) FREAS Plastering Company Inc.; (2) KBI Painting; (3) Red Dipper, Inc.; (4) Tera-Lite, Inc.; and (5) Watertight Restoration; and,

WHEREAS, Most of the subcontracted work was new work that was not required under the original contract scope, and the subcontracted work that was required by the original contract's scope amounted to less than the 0.5% of the original total contract price; and,

WHEREAS, During performance of the Contract, the Contractor incurred additional costs in the amount of \$172,310.77 to replace the existing 12-inch PVC underground chase due to differing site conditions; and,

WHEREAS, Contractor required an additional 307 days to complete construction due to various delays, which the Contractor acknowledges are non-compensable; and,

WHEREAS, After the contractor completed its work, the SFMTA adjusted and finalized bid item quantities based on actual performance and determined that the reduced quantities reduced the overall Contract Amount by \$230,568.63; and,

WHEREAS, On December 30, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the proposed Woods Facility Rehabilitation – Bus Wash Systems Replacement is not a “project” under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment; and,

WHEREAS, The proposed Contract Modification No. 1 to Contract No. 1318 is within the scope of the Woods Facility Rehabilitation – Bus Wash Systems Replacement not a “project” determination issued in 2020; and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; and

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute Modification No. 1 to Contract No. 1318, Woods Facility Rehabilitation – Bus Wash Systems Replacement Project, with Air & Lube Systems, Inc., to: (1) add five small business enterprise subcontractors to the Contract; (2) replace an existing 12-inch underground chase determined to be a differing site condition; (3) extend the Contract term for non-compensable delays by 307 days; and (4) adjust and finalize bid item quantities. Overall, the modification will close out the contract with a decrease of \$58,257.86 to the Contract Amount and an increase of 307 days to the Substantial Completion Date.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of February 20, 2024.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Enclosure 2



CONTRACT MODIFICATION No. 1

SFMTA Contract No. 1318
 Woods Facility Rehabilitation—Bus Wash System
 Replacement Project

Contractor: Air & Lube Systems Inc.
 8353 Demetre Avenue
 Sacramento, CA 95828

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The Contract has been modified as follows:

1. Scope of Work

CM-1.A	<p><u>Add FREAS Plastering Company Inc., KBI Painting, Red Dipper, Inc., Tera-Lite, Inc. and Watertight Restoration as Subcontractors</u> These subcontractors are added to the contract under the requirements of the California State Subletting and Subcontracting Fair Practices Act (Subcontractor's Act), because the price of each of these subcontracts is more than 0.5% of the original Contract Amount.</p> <p>The addition of these subcontractors did not violate the Subcontractor's Act, because most of the subcontracted work was new work not required under the original contract scope, and the subcontracted work that was required by the original contract's scope amounted to less than the 0.5% of the original total contract price.</p> <p>This item does not increase the current contract work amount and does not extend the term of the Contract, which results in zero cumulative increases to the original Contract amount and duration.</p>	\$0.00
CM-1.B	<p><u>Replace Existing 12-Inch Underground Chase – Replace existing 12-Inch Underground Chase spanning between the Bus Wash Building and Reclaim Area at Woods Bus Facility as detailed in Change Order Request 06 dated 4/30/2023.</u></p> <p>The agreed lump sum amount includes all cost, including labor, equipment, materials, design, installation, additional field supervision, additional insurance and bond, and any and all incidental costs to perform this work.</p>	\$172,310.77
CM-1.C	<p><u>Non-compensable Time Extension</u> – Extend the Contract term by 307 Calendar days for a new Substantial Completion date of August 30, 2023. The time extension is non-compensable (See General</p>	\$0.00



Provisions Article 7.02.H) due to multiple unavoidable delays. Please see the list below for these delays.

Activity	Description
A1200	Bus Wash Equipment procurement delay due to supply chain interruptions associated with COVID-19 disruptions. This required a time extension of 80 non-compensable calendar days.
A2080	During demolition of ceiling the Contractor discovered different site condition of thicker plaster material. This required a time extension of 4 non-compensable calendar days.
A2081	The Contractor was directed to avoid unplanned interruptions to maintenance facility by providing temporary electrical feeds to existing pressure washer and lift adjacent to wash building while new conduits/feeds were installed inside wash building. This required a time extension of 14 non-compensable calendar days.
A2082	The electrical feed conduit for the Woods Facility pressure washer and bus lifts located adjacent to the Bus Wash Building had to be temporarily removed then reinstalled after installation of the new ceiling. The contract drawings did not show this conduit run in the Bus Wash Building. Additional j-boxes were required on this conduit run for accessibility after plaster ceiling work is completed. This required a time extension of 36 non-compensable calendar days.
A2090	The Contractor installed additional cross runners and readjusted the existing Bus Wash Building roll up doors to achieve the required clearance per the current building code for the new ceiling. The original ceiling height was not indicated on the contract drawings or as-builts. This required a time extension of 11 non-compensable calendar days.
A2145	The Contractor conducted investigation of skylight per contract drawings and discovered 8 skylight panels needed to be replaced due to cracking and other damages. The contract drawings directed the Contractor to replace panels in-kind, but the panel material was discontinued. The Contractor was directed to modify the skylight soffits to hold the new/approved skylight panels. Modification of the skylight soffits is not part of the original contract. This required a time extension of 4 non-compensable calendar days.



A2149	The project experienced an unforeseen weather delay with heavy rainfall for 3 consecutive weeks. Contractor was unable to perform work. This required a time extension of 15 non-compensable calendar days.
A3551	Differing site conditions required a time extension of 130 non-compensable calendar days.
A3840	An additional 13 non-compensable calendar days was required to complete the Start-Up and Commissioning procedures, which pushed the finish of critical Activity ID A3840 – Substantial Completion from August 18, 2023, to August 30, 2023.

CM-1.D	Final Quantity Adjustment for Remaining Bid Items –The estimated Contract bid item quantities are adjusted to reflect actual quantities and amounts of work provided, furnished, and installed by the Contractor, as listed on the attached Engineer's Final Quantity Summary, decreasing the Contract amount by \$230,568.63.	-\$230,568.63
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2. Add the following new Contract Pay Items:

CM-1.A	Add FREAS Plastering Company Inc., KBI Painting, Red Dipper, Inc., Tera-Lite, Inc., and Watertight Restoration as Subcontractors	Lump Sum	\$ 0.00
CM-1.B	Replace Existing 12-Inch Underground Conduit	Lump Sum	\$ 172,310.77
CM-1.C	Non-compensable Time Extension	Lump Sum	\$ 0.00
CM-1.D	Final Quantity Adjustment for Remaining Bid Items	Lump Sum	-\$ 230,568.63
Total Amount of this Contract Modification:		Decrease	(\$ 58,257.86)
Previous Total of Contract:			\$ 4,856,227.00
New Revised Total of Contract:			\$ 4,797,969.14



Total Contract Time added by this Contract Modification:	307 Days
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Previous Contract Substantial Completion Date: 10/27/22

Current Contract Substantial Completion Date: 8/30/23

3. This Modification is made in accordance with Article 6 and 7 of the Contract General Provisions.
4. Except as provided herein, all previous terms and conditions of the Contract remain unchanged.

5. The compensation (time and cost) set forth in this Modification comprises the total of all compensation due to Contractor, all Subcontractors and all Suppliers, as a result of the events giving rise to the Modification and for the Additional Work described in this Modification, including any time impact on unchanged Work, including delays and inefficiencies. The execution of this Modification constitutes an accord and satisfaction of any claim for additional compensation or time for the Additional Work effected by this Modification, and Contractor on behalf of itself, and all Subcontractors and Suppliers, specifically waives and releases any and all claims rights or interest, including but not limited to legal and equitable claims for direct, indirect, and overhead costs, delay, impact, disruption, loss of efficiency or other special, extraordinary or consequential costs arising from or related to the Work described in the Modification, without exception or reservation of any kind.

Signatures continued on following page.



In Witness Whereof, the parties have executed this Modification in San Francisco, California, as of this date: _____.

AIR & LUBE SYSTEMS, INC.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY

By: _____
Miguel Micheltorena
Project Manager

By: _____
Jeffrey P. Tumlin
Director of Transportation

Authorized By:

MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

Resolution No. _____

Adopted: _____

Attest:

By: _____

Secretary, Municipal Transportation
Agency

APPROVED AS TO FORM:
David Chiu, City Attorney

By: _____
David F. Innis
Deputy City Attorney

Enclosure 3

Woods Facility Rehabilitation – Bus Wash Systems Replacement

San Francisco Municipal Transportation Agency, Contract No. 1318,

Project Budget and Financial Plan

Cost	Amount
Planning Phase (SFMTA and Other City Services)	\$33,533
Preliminary Engineering Phase (SFMTA and Other City Services)	\$467,466
Detail Design Phase Staff Support (SFMTA and Other City Services)	\$ 1,745,120
Construction Phase Construction Contract, Contingency, and Staff Support	\$14,721,353
Total Cost	\$16,967,473ⁱ

Funding	Amount
Transportation Sustainability Fee	\$1,318,032
SB1SGR	\$10,866,466
FTA	\$3,617,415
Operating	\$745,699
General Fund	\$419,861
Grand Total	\$16,967,473

ⁱ The total budget cost includes both Woods Bus Wash System Replacement Project and Woods eBus Charging Station Pilot Program under Woods Facility Rehabilitation Project.