



Potrero Yard Neighborhood Working Group Meeting #11 Minutes

Monday, March 2, 2020, 6:00 p.m. to 8:00 p.m.
Potrero Yard, 2500 Mariposa Street

Note - the meeting minutes capture the overall tone of the group's discussion and is not meant to be an exact transcription.

Attendees

Present:

Alexandra Harker
Brian Renehan
J.R. Eppler
Magda Freitas
Scott Feeney
Thor Kaslofsky
Jolene Yee

Not Present:

Erick Arguello
Kamilah Taylor
Mary Haywood Sheeter
Roberto Hernandez
Benjamin Bidwell
Claudia DeLarios Moran

SFMTA Staff:

Rafe Rabalais
Adrienne Heim

Other Attendees:

Abigail Rolon (Arup)
Rosie Dilger (consultant)
Jim McHugh (consultant)
Joaquin Cabello (consultant)

Purpose of the Meeting

To discuss the 2020 meeting schedule, key takeaways from last month's Arup presentation and the upcoming project-specific legislation.

Item 1. Welcome

Rosie Dilger welcomed everyone to the meeting.

Item 2. Working Group Member Announcements

J.R. Eppler thanked Rafe Rabalais and Adrienne Heim for presenting to the Potrero Boosters last week.

Item 3: Meeting Logistics and 2020 Scheduling Discussion

Rosie Dilger asked the group about which days of the week they would like to meet and about appointing proxies/alternates in the event members are unable to attend a meeting.

J.R. Eppler: I personally like the idea of having a proxy, particularly as we are considering meeting on the first Tuesdays of the month. That is the standing meeting of the Potrero Hill Democratic Club. If we have meetings every other Monday or Tuesday, I am only missing about half of the meetings.

Thor Kaslofsky: Do you guys mean alternate or proxy in the context of Robert's Rules? Is there a difference?



Rosie Dilger: More of an Alternate.

Rafe Rabalais: I would say we have a number of at-large members and members who represent a certain interest, like Potrero Hill.

Rosie Dilger: Or Franklin Square Park.

Rafe Rabalais: Franklin Square Park is a perfect example, or small business owners. Optimally, if it is in the same category as the constituency you speak for, that would be optimal.

Thor Kaslofsky: I am in support of it generally speaking. I don't necessarily have a business owner in the community in mind. I don't know if there is a proxy for that, I know there are lots of people who are business owners.

Rosie Dilger: I think it depends on the topic, which can determine what your alternate can be.

Rafe Rabalais: In terms of management, if there is a logical proxy, just let us know as early as possible so we can have an onboarding session to gain context. If you have names you can email Rosie, myself, or Adrienne and we can start the process of reaching out to people.

Rosie Dilger: This is especially important now. Last year, there was so much information gathering. Now since the project is more real, people that come in should understand the history and all of the work that has been done to date. Rafe also brought up the idea of subcommittees for certain issues that might be of interest to this group such as art and green space.

Rafe Rabalais: Housing would be another one. As an aside, our one-on-one meetings have been fantastic, and we appreciate everybody's time. It has been great, and we can do a deeper dive into individual topics at those meetings. Something Brian mentioned, was the idea of topic specific subcommittees. Everybody's time is limited, so I will throw out the idea if folks are interested in a subcommittee, we can do them through a Google Doc as opposed to having a separate meeting. We welcome feedback on that topic.

Jolene Yee: So, would the idea that a subcommittee works with you all in terms of formulating? Like if there is a motion about having more open space?

Rafe Rabalais: I think with the immediate end goal being how that forms the RFQ and particularly the RFP. So, for example we have heard on the topics of greenspace, an interest in polylinear habitat and plantings that we have to encourage biodiversity. We have also heard the suggestion of a public restroom. Kind of formally vetting those ideas in a democratic format to end up guiding the solicitation.



Jolene Yee: That seems like a great idea.

Rafe Rabalais: I would suggest for people that want to deep dive, having an RFQ subcommittee that is dealing with the RFQ itself in terms of evaluation criteria.

Thor Kaslofsky: I fully support any subcommittee. Whoever does the subcommittee, the group needs to do a good job with presenting its summary and reporting out. It should be short, but enough to cover what needs to be covered.

Rosie Dilger: Between now and the next meeting, if you think of a particular subcommittee you want to be involved in, shoot us an email and that way we can come up with something we think is good as well and we can talk about this at the next meeting.

Alexandra Harker: If there is an outline for the RFP, it might be nice if we can develop the subcommittees based on what kind of natural categories there are.

Rafe Rabalais: We have just started doing that for the RFQ. We have just started bringing an initial outline of the RFQ and what that would look like.

Rosie Dilger asked the group about future meeting dates and suggested alternating Monday and Tuesday dates and said that she will send out calendar invitations to members to hold those dates.

Jolene Yee: I was going to propose skipping December.

Rosie Dilger: We may skip December. We also may need to wait and see. Ideally, we would like to have a developer on board by the end of the year, so it might be a meeting we would want to keep.

It was decided that April 6, June 1, July 7, August 3, September 8, October 5, November 2 and December 8 will be the future meeting dates.

Item 4. General Project & Schedule Update

Rafe went over the project timeline and explained that the CEQA Scoping Meeting date has been changed to late May or early June. The scoping meeting collateral will be presented to the group for discussion at the early May meeting.

Magda Freitas: Who is going to present?

Rafe Rabalais: It is technically a Planning Department meeting, and it is SFMTA doing the presentation in concert with them.



Rosie Dilger: It is very process oriented.

Magda Freitas: Who is going to be presenting the scope at our next meeting?

Rosie Dilger: Planning will host the meeting. For our group, we are asking one of the Environmental Planners to come in and answer general CEQA questions and explain how that process works. We are really limited in what we can present at the actual scoping meeting. It's going to be much more technical and we are looking to you to help us come up with ways to communicate this technical content.

Thor Kaslofsky: Did you already decide on a location?

Rosie Dilger: We have not yet. So, if you have ideas let us know. We liked the pre-application meeting location and want the next location to be close to this building.

Scott Feeney: What space was that?

Rosie Dilger: The Archery.

Rafe Rabalais and Rosie Dilger completed the project schedule presentation and future approaches to outreach, including attending community events, hosting project office hours and pop-up tables. Thor Kaslofsky recommended conducting outreach at Temo Café and Jolene Yee recommended attending the 20th Street Block Party in August.

Item 5: Arup Presentation “Key Takeaways”

Abigail Rolon recapped the previous meeting’s presentation and explained the key takeaways. The unique challenges of joint development were discussed, as well as the general goals of the procurement process.

Item 6: RFQ + RFP Process

Abigail Rolon continued her presentation and recapped the RFQ and RFP process for identifying an infrastructure developer with the technical and financial expertise to deliver a successful project.

Jolene Yee: Have you put any more thought into whether you will compensate proposers with a stipend?

Abigail Rolon: Not at this point. Right now we are continuing market sounding, evaluating risk conversations with potential developers.



Brian Renehan: Have you given thought to whether you will require a fully formed team for the RFQ stage? For example, someone who has demonstrated that they will deliver on every aspect from the bus yard to the housing and everything in between? Or will we allow some developers to select their own team?

Abigail Rolon: I think most likely it is going to be a team that is going to understand the housing component, and understands the design and bus facility operations.

Rafe Rabalais: This is not something that has been formulated yet, so it is still very much a topic of conversation and a perfect topic for a subcommittee. If you think of it as the three components of the project, it is a minimum that they have that expertise. An open question is maybe the design as well. As mentioned earlier we are planning for a design-build approach and the designer for the developer will take the design to about a 25% level of completion before we would have a competitive bid for a design-build team.

Thor Kaslofsky: How much input from the LBE small business community will impact the project and what does that mean in terms of compliance? What input will small business enterprise folks have in the RFQ and RFP process?

Rafe Rabalais: We've started having those conversations as well. Any time there are city dollars involved, there are LBE, local hire, and first source hiring requirements. All of that will be included in the solicitation. We are working with the City's Contract Monitoring Division (CMD) and the solicitation is technically going to be issued by Public Works. We have had those conversations with SFMTA Contract Compliance, and they are on board with that approach and CMD has been briefed. A question to fine tune is when those requirements apply in the process.

Thor Kaslofsky: I encourage you guys, when you are thinking about what elements of the team you want at the RFQ stage, to have your compliance people give you a lot of feedback. As I have experienced in my career with the city, there is a cost and a time tension that you create. The more time, potentially more costs. But to have as many procurement opportunities as possible. And if you don't have that, to compensate by encouraging pairing, joint ventures and all that sort of stuff. And be a little heavy handed with it because the market does not want to do it, generally speaking, and it doesn't always add costs in my experience. People just don't want to do it. It is an opportunity cost kind of thing.

Rafe Rabalais: That is a great observation and completely in context with professional services contracts I have worked on. They have Local Business Enterprise requirements and we have truly great local businesses working in San Francisco on the professional services side that are doing a fantastic job.



Scott Feeney: I am kind of surprised to hear you say that after we select a developer, that there is going to be a separate process for design-build. I thought this was the selection of a developer that is going to do everything?

Rafe Rabalais: Think of it as a three-phase process. One is the RFQ that results in a shortlist. Two is the RFP where there is some designer on board that submits a conceptual design. Phase three is when a developer team is on board and negotiates terms with the city. So, we would not ask the team to have a general contractor on board initially, but it's important to encourage competitive tension to ensure that there is competitive bidding for the actual construction of the project.

Alexandria Harker: But then they would be under the umbrella of the developer, just in terms of the risk?

Abigail Rolon: Yes.

Rafe Rabalais: They are a separate company, so it would be a developer/contractor kind of relationship except that in this instance it would be a designer as well as the contractor.

Scott Feeney: Does the developer select the General Contractor or does the city?

Rafe Rabalais: The developer will be making the selection under city guidelines.

Abigail Rolon: In the proposals they are going to provide an indicative price. The final price will not be available until they have the contractor. We want to make sure that the price adjusts to what they are thinking.

Rafe Rabalais: The idea is that the cost proposal is not a major criterion for scoring at the proposal stage. We want them to demonstrate sophistication in approaching the problem. We are not looking at a low bid selection at the RFQ stage.

Magda Freitas: So, it is not a budget decision?

Rafe Rabalais: No. We can factor that into the scoring to the extent that the methodology is sound.

Scott Feeney: How does this process compare to what the city is doing for Balboa Reservoir?

Rafe Rabalais: I do not know off hand, but the financial structure is different.



Brian Renehan: In the RFP process they have a designer, but the contractor is still left open. So, in my experience, there is a lot that goes into the scoring of the history of a design-build team working together. Are we asking them to name potential teams they have worked with like, a smaller group or leave that open to negotiation for a later time?

Abigail Rolon: We want to make sure we have the best project with a price that we can work with at the end of the day. Right now, we are thinking about keeping the competitive tension until the end. That is why we are doing market sounding and should have some feedback in a couple of weeks.

Alexandra Harker: I think it goes without saying, but it seems like one of the main criteria for an RFP would be a demonstration of a successful design-build project. Is that something you guys are adding?

Abigail Rolon: Yes, absolutely. We need to make sure that whoever works on the project has the experience with these types of complex projects and that the team they are putting together has the right qualifications.

Rafe Rabalais: It is not just overall project delivery experience; it is design-build entity experience, managing costs and managing schedules.

Jolene Yee: I have a question about the RFP. Let's say there are different components to the design from one team that you like, but you like the general design of the other. Is there a way to use that? Is there a way to compensate the other firm but use one part of a really great idea?

Abigail Rolon: We are talking about that. The city will own the materials they develop, but we need to figure out compensation and how much of that we can incorporate. It is a discussion we are having as to how we can do that.

Item 7: Project-Specific Legislation (Board of Supervisors)

Rafe Rabalais explained the Project-Specific Legislation, which is needed because the project is moving forward with a best value selection instead of a low-bid selection and the possible stipend for ownership of material.

Jolene Yee: So, it sounds like we are going with the stipend?

Rafe Rabalais: We are leaving that open as a possibility and are seeking the legal right to do that.



Alexandra Harker: Can we be more direct about the stipend? Say we require an SBE or LBE as part of the RFP team. It would be nice if they can be compensated for their work. It is hard for a small business to front that kind of cost.

Rafe Rabalais: That is a great suggestion.

J.R. Eppler: Who is going to introduce the special legislation?

Rafe Rabalais: Our policy is to start with the Mayor's office.

Brian Renehan asked if they need a fully formed team to deliver every aspect or can there be a master developer and they discuss who they will acquire.

Rosie Dilger: Can you explain a little bit more about the first part of the legislation? The best value versus low bid?

Rafe Rabalais: The existing administrative code requirements make it difficult to not go with a low bid contractor, so the legislation would give us more flexibility in selecting a proposal with a "best value" approach. With the low bid approach, there is a built-in incentive to go aggressively low on price and there is the potential for more change orders, so the low-bid number must always be taken with a grain of salt. With a design-build approach, there is a more collaborative effort and fewer change orders.

Thor Kaslofsky asked about how we would look at Small Business Enterprise (SBE) and equity compliance.

Thor Kaslofsky: One thing I would suggest is at the RFQ stage, there is an emphasis on the actual personnel assigned to the project. I have had experience where firms with national experience do not bring in people with local experience. So, personnel-specific experience on the projects they are referencing is important to their qualifications.

Rosie Dilger: What about picking personnel for different projects?

Thor Kaslofsky: One point to that, is that firms will come in and hold somebody to an exclusive and prevent them from having opportunities. In my former career, we plucked different consultants from other teams. I think for your market sounding we have to figure out how teams will look at that.

Abigail Rolon: There is a lot of confidentiality about the RFP process. It is very sensitive for developers. It is more of a question of level of comfort and if it will be seen as a challenge for them.



Thor Kaslofsky: A Non-Disclosure Agreement (NDA) takes care of confidentiality. Exclusiveness is another matter.

Abigail Rolon: I think we should say in terms of outcome. What is the outcome that we want and how does that lead to the qualifications that we need? We want the best possible ideas, so how can we incorporate that into RFQ or RFP?

Rafe Rabalais: Another question is, how many heads are we looking at for the RFQ stage as well? We are not going to say we need to know who your surveyor is or anything like that.

Brian Renehan: Oftentimes there is a key personnel clause, which you have to name your top people. Then there is a question at the RFP stage, which is have these names changed and if so why?

Thor Kaslofsky: Is the contractor going to be presented during the RFP stage?

Rafe Rabalais: Not a contractor at that stage. It will be a designer.

Thor Kaslofsky: So, whoever is selected after the RFP process, they will identify a General Contractor?

Rafe Rabalais: Yes. That would be a subsequent competitive process.

Item 8: Next Steps

Rosie Dilger asked members to research similar projects and find elements that they like and how those elements may have impacted the success of a given project for discussion at the next meeting.

Examples included: Penn Station, SEPTA Amtrak 30th Street, Moynihan Station, and Downtown Long Beach Civic Center.

Thor Kaslofsky mentioned that it would be great to see how other projects respond to small business when we're disrupting the streetscape and how that would be compensated.

Rafe Rabalais added that street disruption is also something that should be factored in.