



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** March 8, 2022

**DATE:** February 28, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Nick Milos, Manager Corporate Facilities  
Rod Jackson, Capital Project Manager

**SUBJECT: P69 Underdock Utility Replacement – Irregular Bid (CIP #801102) (Short Form)**

**Amount of this request:** \$350,000

**Total estimated project cost:** \$3,800,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to award and execute a construction contract to the low bidder for the P69 Underdock Utility Replacement project due to an irregular bid outcome for the three bids submitted, and to increase the project budget in the amount of \$350,000 to fund the irregular bid outcome.

The amount of this request is \$350,000 for a total estimated project cost not to exceed \$3,800,000.

**SUMMARY**

This request is for authorization to proceed with awarding and executing a construction contract on an irregular bid as required by Resolution No. 3605 Paragraph 4.2.3.4. Three bids were received in response to the construction advertisement which qualifies the bids as irregular. Additionally, the lowest bid came in 10.7% over the engineer's estimate which also qualifies the bid as irregular. The bid received was \$2,585,864 which is \$251,864 over the engineers estimate of \$2,334,000. The additional funds requested in this action will be used to cover the difference of the bid amount and to ensure funds are available for project contingency.

The recommendation is to accept the low bid. The low bidder (Derian Inc.) is a certified Prime Contractor, a Women and Minority Business Enterprise (WMBE), and a Disadvantaged Business Enterprise (DBE). Acceptance of the low bid would exceed the project goal of 10% WMBE participation.

The project scope has been value engineered during the planning and design process to balance the underdock utilities needs for daily operation versus the longevity of the systems. Rejecting this current bid would further delay the needed replacements and upgrades and will incur

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significant additional costs required to readvertise the project that may not result in any additional bids or in lower bids.

The P69 Underdock Utilities and associated on-dock utilities such as domestic water, fire protection water, electrical power/shore power, communications, and sanitary sewer systems at Pier 69 are vital to building and dock operations for both the Port and our tenants. Most of these utilities are approaching 30 years of age, well exceeding the typical 20-year design service life. This project would replace the aging utilities. The replacement systems are designed to provide reliable services for the next 30 years. This funding request will allow the construction phase to begin. The target date for completion is Q2/2023 with closeout scheduled for Q4/2023.

There are no attachments to this memo.

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

November 16, 2021 – Construction funding authorization

December 8, 2020 – Design funding authorization