



**Meeting Date:** September 11, 2025

**To:** Public Works Commission

**Through:** Carla Short, Public Works Director  
Bruce Robertson, Deputy Director

**From:** Jacky Ng, Contract Manager

**Subject:** As-Needed Mechanical Engineering Services No. 3, Contract ID 1000031115 – Contract Modification

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**Director's Recommendation:** Approve modification to As-Needed Mechanical Engineering Services No. 3, Contract ID 1000031115 with Lee & Ro, Inc., to increase the not-to-exceed contract amount by \$750,000 for a new not-to-exceed amount of \$2,250,000.

**Contract Background:** Lee & Ro, Inc., with its team of sub-consultants, shall provide mechanical engineering services and other related services on an as-needed basis. Services to be performed include, but are not limited to, constructability analysis, condition assessment reports, field investigations, third-party Quality Assurance/Quality Control (QA/QC) peer reviews, value engineering, power system reliability studies, construction support, peer review validation, and other consultation work. Projects and facilities may include sewage and water treatment plants; pump stations; force mains; hydraulic and pneumatic systems, auxiliary water supply systems (AWSS), related industrial facilities and its appurtenances, heating, ventilation, and air conditioning (HVAC) systems, plumbing systems, fire and life safety systems, and emergency generators systems, surge analysis, energy modeling, and other related services. The consultant may provide the requested services for an entire project, a portion of a project, or a project phase.

**Reason for Modification:** The proposed modification would increase the contract amount by \$750,000. The additional contracting capacity will be used to award additional contract service orders under the As-Needed Mechanical Engineering Services No. 3 on an as-needed basis. These as-needed contract service orders are necessary to support Public Works staff with their workload and to harness the consultant's specialized services.

**Contract Details:**

<b>Contract Title:</b>	As-Needed Mechanical Engineering Services No. 3
<b>Personal Services Contract No. (Required for Professional Services Only):</b>	The Civil Service Commission approved the original contract on June 5, 2023 (44631-22/23)
<b>Contract Original Award Amount:</b>	Up to \$1,500,000

<b>Contract Original Duration:</b>	1,825 days
<b>Contractor Name:</b>	Lee & Ro, Inc.

**Summary of Total Amounts:**

	<b>Contract Amount</b>	<b>Contract Duration</b>	<b>Contract Dates</b>
Original Contract Amount:	\$1,500,000.00	1,825 Days	12/21/2023 – 12/20/2028
Previous Approved Modifications:	-	-	-
Proposed Modification:	\$750,000.00	0 days	12/21/2023 – 12/20/2028
<b>Total Contract Values, if approved</b>	<b>\$2,250,000.00</b>	<b>1,825 Days</b>	<b>12/21/2023 – 12/20/2028</b>

**Previously Approved Modifications:**

<b>Modification</b>	<b>Amount</b>	<b>Extension (days)</b>	<b>Description</b>
Mod #1	\$0.00	0 Days	Adjust billing rates based on the Consumer Price Index only and add one subconsultant.

<b>Contract Funding Sources:</b>	Client funding, depending on the project
<b>Compliance Information:</b>	Public Works Contract Administration staff verified that the Consultant complies with the Equal Benefits Provisions of Article 131 of the City’s Administrative Code.  Contract Monitoring Division (CMD) established a Local Business Enterprise (LBE) subcontracting requirement of 20% for this contract.
<b>Related Commission Actions:</b>	N/A
<b>Additional Information:</b>	N/A
<b>Attachments:</b>	Attachment 1: CMD Approval of MA Mod 2 Attachment 2: Resolution

**PUBLIC WORKS COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. \_\_\_\_\_**

WHEREAS, On December 21, 2023, San Francisco Public Works awarded As-Needed Mechanical Engineering Services No. 3, Contract ID 1000031115, to Lee & Ro, Inc. in the amount of \$1,500,000 with a contract duration of 1,825 calendar days; and

WHEREAS, On January 17, 2025, the Public Works Director approved modification no. 1 to adjust the billing rates based on the Consumer Price Index and add a new subconsultant to the master agreement; and

WHEREAS, An increase to the not-to-exceed contract amount by \$750,000 is requested for As-Needed Mechanical Engineering Services No. 3; and

WHEREAS, This \$750,000 increase to the contract will still be within the approved Personal Services Contract (PSC) amount; now, therefore, be it

RESOLVED, That this Commission hereby approves modification No. 2, an increase to the not-to-exceed contract amount by \$750,000, for a new not-to-exceed amount of \$2,250,000, for As-Needed Mechanical Engineering Services No. 3, with Lee & Ro, Inc.

*I hereby certify that the foregoing resolution was adopted by the Public Works Commission at its meeting of \_\_\_\_\_.*

\_\_\_\_\_  
Commission Affairs Manager  
Public Works Commission



**MEMORANDUM**

Date: August 14, 2025

To: Jacky Ng, Department of Public Works

From: James Chung for Vivian Liu, Contract Monitoring Division

Subject: CMD Review of Amendment No.1 for 1000031115 PW As-Needed Mechanical Engineering Services No. 3

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The Department of Public Works ("PW") has requested an amendment for the above referenced contract by increasing the contract amount by \$750,000.00 for a total agreement amount of \$2,250,000.00. Per PW, the scope of work for Amendment No. 1 is to continue providing as-needed mechanical engineering design services for the City.

**LBE Subconsulting Participation Requirement**

The Micro/Small-LBE subconsulting participation requirement established for this contract is 20%. The Micro/Small-LBE subconsulting participation requirement applies to the entire contract including any amendments, change orders, and modifications. As of June 30, 2025, LEE + RO, Inc ("LEE + RO"), the prime consultant for this project, invoiced \$757,872.54. The Micro/Small-LBE participation reflected on the LEE + RO's CMD Form 2A at the time of proposal and the Micro/Small-LBE participation achieved by LEE + RO based on the Form 7 submitted to CMD is as follows:

Subcontractor	Scope of Work	Status	LBE Credited Participation (Form 2A at Time of Proposal)	LBE Participation To-Date (NOT including Amendment No. 1)	
M Lee Corporation	Cost Estimating	SF LBE-MBE (Small)	2.00%	\$9,462.88	1.25%
MHC Engineers, Inc.	MEP, Low Voltage, Fire/Life Safety, Security Access/Controls/Energy Modeling	SF LBE-MBE (Micro)	10.00%	\$28,805.40	3.80%
AGS, Inc.	Auxiliary Water Supply Systems (AWSS)	SF LBE-MBE (Micro)	2.00%	\$0.00	0.00%
EdesignC, Inc.	MEP, Low Voltage, Fire/Life Safety, Security Access/Controls/Energy Modeling	SF LBE-WBE (Micro)	10.00%	\$0.00	0.00%

McGovern McDonald Engineers	Mechanical Engineering Support	SF LBE-WBE (Micro)	3.00%	\$0.00	0.00%
A & S Engineers	CSO# EM3-LR-04	SF LBE-WBE (Micro)	0.00%	\$92,769.18	12.24%
		<b>TOTAL</b>	<b>27.00%</b>	<b>\$131,037.46</b>	<b>17.29%</b>

Per communication with LEE + RO, the following attributed to the LBE participation shortfall:

M Lee Corporation ("M Lee") and MHC Engineers ("MHC"):

M Lee and MHC have received work on the contract and is expected to receive additional work.

AGS, Inc ("AGS") and McGovern McDonald Engineers ("MME"):

The contract has not required the services from AGS and MME but LEE + RO is still committed in assigning both LBE firms work as needs arise on the contract to meet their original LBE commitments.

EDesignC, Inc. ("EDesignC"):

EDesignC's participation is currently at 0.00% because they declined to take any work. LEE + RO added A&S Engineers in 2024 to replace EDesignC to perform the same scope of work. A&S Engineers is contracted to perform additional work with Amendment No. 1 and will meet the original 10% LBE commitment made to EDesignC.

Pursuant to communications with LEE + RO, an accurate LBE projection is not feasible due to an absence of projected work in the pipeline. LEE + RO provided that should PW proceed with their HVAC, treatment plant, and pipeline and pump station projects, there is potentially \$370,000 of LBE work. However, PW has yet to approve any of the projects.

LBE firm, Saylor, was also used for \$4,400 for cost estimating services. However, LEE + RO did not seek CMD approval for Saylor's addition, nor is Saylor listed on the project team. LEE + RO intends to work with PW and CMD to add Saylor to the contract.

Going forward, PW staff and LEE + RO will continue to obtain CMD approval for each subconsultant addition and LBE substitution according to established procedures. Additionally, in order to ensure compliance with the LBE ordinance and requirements, PW and LEE + RO must notify CMD of any changes to the scope of work as well as any changes to information provided to CMD. Contingent on the conditions set forth above, CMD approves the subject amendment/modification.

Should you have any questions, please contact Vivian Liu at [vivian.y.liu@sfgov.org](mailto:vivian.y.liu@sfgov.org).