



Meeting Date: October 28, 2024

To: Public Works Commission

Through: Carla Short, Public Works Director
Albert Ko, City Engineer and Deputy Director for Public Works

From: Flora Law, Public Works Project Manager

Subject: Safer Taylor Street Project, Contract No. 1000015751 – Contract Modification

Director's Recommendation: Approve an increase of \$907,871.63 (a 10% increase of the original contract amount) and 60 calendar days to the contract cost and duration contingency for Safer Taylor Street Project, Contract No. 1000015751 with Esquivel Grading and Paving, Inc., and authorize the Director of Public Works to approve modifications to the contract for a total of contract cost of \$10,894,459.50 and contract duration of up to 1,128 calendar days.

Contract Background: The Safer Taylor Street Infrastructure Improvements Project consists of civil engineering roadway work, landscaping work, sewer and high-pressure fire hydrant relocation, traffic signal and streetlight modifications and subsidewalk basement work on Taylor Street between Turk and Ellis streets and on the Taylor Street and Geary Street intersection.

In May 2021, Public Works awarded Esquivel Grading and Paving, Inc. (Contractor) a construction contract for the Safer Taylor Street Project (Project). On January 31, 2022, the Notice-to-Proceed (NTP) was issued for construction services and the Contractor began construction on April 22, 2022. On December 1, 2023, Public Works Commission approved an increase of 210 calendar days to the original contract duration such that the contractor would have up to 1,068 days from NTP to final completion.

Explanation of Requested Contract Cost and Duration: While the Project team has been able to successfully work with the Contractor to mitigate several challenges encountered along this busy thoroughfare, the project schedule has been impacted due to unforeseen utility conflicts, coordination on work supporting various housing development projects, delay in the execution of subsidewalk basement license agreements, and unforeseen conditions while working in subsidewalk basements.

- **Unforeseen Utility Conflicts (Sewer):** Contractor started construction in April 2022 and uncovered numerous unforeseen utility conflicts at the start of sewer replacement. Project team directed Contractor to perform pothole investigation to obtain necessary information to assess the issue. Project team analyzed the data from the pothole investigation and determined that the sewer replacement is infeasible. Project team then coordinated with SFPUC and decided to mortar and line the sewer along the project corridor instead of replacement. Sewer work was completed on June 14, 2024.

- **Unforeseen Utility Conflicts and Added Scope (High-Pressure Fire Hydrant):** Contractor started construction in May 2022 and uncovered numerous unforeseen utility conflicts at the start of the high-pressure fire hydrant relocation. Project team directed Contractor to perform pothole investigation to obtain necessary information to assess the issue. Project team analyzed the data from the pothole investigation and redesigned the alignment for the water line. Some of the original parts ordered for the relocation were no longer applicable and will need to be reordered. Since the high-pressure fire hydrant and piping are long lead time items, reordering the necessary parts delayed the high-pressure fire hydrant relocation and the construction schedule. In addition, SFPUC added an additional high-pressure fire hydrant relocation after construction commenced, which further impacted the construction schedule. High-Pressure Fire Hydrant work and testing was completed August 23, 2024.
- **Unforeseen Utility Conflicts (Catch Basins):** Contractor was only able to install 5 out of 7 catch basins as designed in the plan set. Project team directed Contractor to perform pothole investigation to obtain necessary information to assess the issue. Project team analyzed multiple alternatives based on the data from the pothole investigation and designed an alternative that would resolve the issue but would require a variance from SFPUC. Project team is currently working with SFPUC on obtaining a variance to resolve this issue. Contractor was unable to move forward with curb ramp, sidewalk, and curb and gutter work at those locations until the issue was resolved. Catch basin work was completed on May 7, 2024.
- **Coordination on Work Supporting Affordable Housing Developments:** Project team coordinated closely with Tenderloin Neighborhood Development Corporation (TNDC) and Mayor’s Office of Housing and Community Development (MOHCD) to support various building projects along the alignment. Project team had to coordinate for frontage work and utility connections required for housing occupancy permits. Contractor had to re-sequence the construction schedule and modify scope of work to allow the contractor of the Ritz Hotel apartment building to complete work at the corner of Turk and Taylor Streets. Contractor had to delay start of subsidewalk basement work and modify scope of work at 111 Taylor to allow the 180 Jones contractor to construct electric vault and conduit for connection.
- **Unforeseen Condition of Subsidewalk Basements:** A subsidewalk basement is a portion of a building’s basement that extends beyond the property line and underneath the City sidewalk and is often used to provide delivery access to businesses. During the implementation of the Safer Taylor Street project, several unforeseen conditions related to subsidewalk basements were encountered during demolition. Although extensive subsidewalk basement investigation was performed and respective work was incorporated into the project plans during the design phase, many subsidewalk basement locations were found to have additional deterioration during the construction phase. Specifically, the discovery of deteriorated basement beams and walls, and utility conflicts necessitated additional engineering assessments and redesign.
- **Executing Subsidewalk Basement License Agreement:** Project team worked with building owners to obtain license agreements for the subsidewalk basement work. This

was necessary to allow the project to move forward with construction permitting on their behalf. Coordination took longer than expected which impacted contractor’s ability to re-sequence schedule to prioritize this work. In addition, Contractor was ready to start work at 118 Taylor Street basement in September 2023, but property owner asked project team to hold as they were waiting for insurance to assess water damage in their basement caused by a separate arson incident that triggered the water sprinkler system.

Due to the project issues described above, the increased contract duration contingency will allow the Project to reach final completion by March 4, 2025.

Staff propose to increase the contract amount by \$907,871.63 and contract duration contingency by 60 non-compensable consecutive calendar days to the original contract duration to address aforementioned issues.

Contract Details:

Contract Title:	Safer Taylor Street Project
Contract Original Award Amount:	\$9,078,716.25
Contract Original Duration:	720 days
Contractor Name:	Esquivel Grading and Paving, Inc.

Summary of Contract Value:

Contract Cost Amount	Amounts
Original Contract Amount:	\$9,078,716.25
Original Contingency Amount:	\$907,871.63
Previously Approved Contingency Reserve:	-
Additional Contingency Reserve Requested:	\$907,871.63
Authorized Contract Cost Limit, If Approved:	\$10,894,459.50

Contract Duration	Days
Original Contract Duration:	780
Original Contingency Duration:	78
Previously Approved Contingency Reserve:	210
Additional Contingency Reserve Requested:	60
Authorized Contract Duration Limit, If Approved:	1,128

Contract Funding Sources:	Prop A General Obligation Bond
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Compliance Information:	Equal Benefits Ordinance Compliant 14B Local Business Enterprise and Non-Discrimination Ordinance
Related Commission Actions:	N/A
Additional Information:	N/A
Attachments:	Attachment 1: Commission Resolution

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

RESOLUTION NO. _____

WHEREAS, On May 23, 2021, San Francisco Public Works awarded the Safer Taylor Street Project Contract No. 100001571 under DPW Order No. 204,806 to Esquivel Paving and Grading, Inc. in the amount of \$9,078,716.25 with the contract duration of 780 calendar days; and

WHEREAS, On October 16, 2018, the San Francisco Municipal Transportation Agency Board of Directors approved the transit bulbs installation, upgrade signals, and traffic modifications associated with the Safer Taylor Street Project; and

WHEREAS, On March 8, 2019, the San Francisco Planning Department determined in Case No. 2018-010856ENV that the project is exempt from the California Environmental Quality Act (“CEQA”) under the Class 1 categorical exemption (CEQA Guidelines Section 15301); and

WHEREAS, On December 1, 2023 Public Works Commission approved a contract duration increase of 210 calendar days for the Safer Taylor Street Project; and

WHEREAS, Public Works staff now requests an increase of \$907,871.63 and 60 calendar days to the contract cost and duration contingency for the Safer Taylor Street Project; and

WHEREAS, The duration modification approved by this resolution would cover the longer contract duration impacts caused by unforeseen utility conflicts, utility coordination, sidewalk license agreement coordination, and coordination on work supporting affordable housing developments in the project corridor; now, therefore, be it

RESOLVED, That this Commission hereby approves an increase of \$907,871.63 and 60 calendar days to the contract cost and duration for the Safer Taylor Street Project Contract with Esquivel Grading and Paving, Inc.; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the Director of Public Works to approve modifications to the contract for a total contract cost of \$10,894,459.50 and contract duration of up to 1,128 calendar days.

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

Commission Affairs Manager
Public Works Commission