



The City of San Diego

Staff Report

DATE ISSUED: September 2, 2022

TO: City Council

FROM: Strategic Capital Projects Department

SUBJECT: Third Amendment to the Original Sole Source Agreement (H166798) with Moffatt & Nichol for additional consultant services during the design and construction for the OB Pier Replacement project.

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Council District(s): 2

OVERVIEW:

This requested action is to authorize the execution of the Third Amendment to the Original Sole Source Agreement (H166798) with Moffatt & Nichol for additional consultant services necessary during the design and construction for the OB Pier Replacement project in an amount not to exceed \$8,184,570.00 and to extend the contract from June 30, 2019 to December 30, 2028.

PROPOSED ACTIONS:

- 1) An Ordinance authorizing the Mayor, or his designee, to execute a Third Amendment to the Original Sole Source Agreement and extend the expiration date of the agreement from June 30, 2019 to December 30, 2028 and to increase the not to exceed value from \$685,495.00 to \$8,184,570.00 for additional consultant services necessary during the design and construction for the OB Pier Improvements project.
- 2) The Chief Financial Officer is authorized to expend funds under the established contract in a total amount not to exceed \$7,499,075.00 from CIP L-22001.1, Ocean Beach Pier Replacement Phase 1, from Fund 600001, Grant Fund State (1000706-2022), for the purpose of executing the Third Amendment.

DISCUSSION OF ITEM:

Pier Background and need for Replacement:

The Ocean Beach Pier opened in July 1966. The Pier was constructed to initially support sportfishing but has become a landmark for the City of San Diego and the local community of Ocean Beach, supporting a variety of recreational activities. The Pier has exceeded its useful life after 56 years of exposure to the harsh marine environment, wind, waves, and salt-laden air.

The Pier has undergone multiple structural repairs over the years. In 1991, the Pier underwent a structural rehabilitation effort. During the winter of 2019, a series of storms hit the San Diego coast causing substantial damage to the Ocean Beach Pier, notably impacting the superstructure. Before the Pier was restored to public access, the railings were structurally repaired. During the winter of 2021, another series of storms hit the coast, this time causing substantial damage to the Pier's super and sub structures. An emergency project was initiated to structurally repair two piles while City Facilities repaired more damaged railings. Additionally, operational restrictions were placed on the Pier to reduce loading demands as well as to protect the public in the case of extreme weather events.

The recent closures and limited access to the Ocean Beach Pier have created additional public safety concerns. The Ocean Beach Pier is critical for access to respond to water emergencies and to provide medical aid around the Pier. This access point is used by Police, Fire, EMS, and Lifeguard personnel.

After numerous repairs, continual corrosion, deterioration, sea level rise, increased storm frequencies, and other factors, rehabilitation of the Pier is no longer possible. A full replacement of the Pier is necessary to extend the useful life of the asset for future generations.

Consultant Background, Scope of Services, Cost, and Schedule:

In 2017 Moffatt & Nichol was contracted under the Sole Source Agreement (H#166798) to provide structural inspections, evaluations, repair recommendations, as well as to prepare bridging documents for the repair of the Pier. At the time, it was anticipated that the Pier would undergo a similar rehabilitation process as was completed in 1991. However, the major storm events of 2019 and 2021 have made it clear that the rehabilitation of the Pier will not address sea level rise, climate change, nor the continually deteriorating Pier conditions. Also, rehabilitation will not achieve compliance with current seismic codes. Rehabilitation unfortunately is no longer an option and a more extensive and complicated Pier replacement is required. The replacement option requires greater predesign services from Moffatt & Nichol than a less complicated rehabilitation effort.

Under this amendment, Moffatt & Nichol will provide the City a continuation of pre-design services to achieve complete bridging documents for the replacement of the Pier via a Design-Build Request-for-Proposal package, support to the City through the solicitation of a Design-Build team, as well as construction support for the City for the ultimate construction of the Pier. The City has appointed an Ocean Beach Pier Replacement Task Force consisting of local Community volunteers to develop the preferred Pier replacement scope and program. Under this amendment, Moffatt & Nichol and their sub consultants will support this Task Force in the development of the preferred alternative as well as the San Diego community at large. Additionally, as part of this scope, Moffatt & Nichol will obtain all necessary environmental permits including CEQA and NEPA documentation. Achieving final bridging documents and all associated environmental permits will bring the project to a "shovel ready condition", making the project much more competitive for future Federal, State, and private Grant Opportunities. This amendment will also provide for support to the City in the research and outreach for these grant opportunities.

As part of the original contract, Moffatt & Nichol completed a portion of the pre-design services. As a result of this effort, Moffatt & Nichol has acquired a comprehensive understanding of the project and its challenges. The Pier replacement effort is currently in the preliminary design phase and this agreement will allow Moffatt & Nichol to complete the predesign effort and the preparation of bridging documents necessary for hiring a Design-Build contractor as well as providing construction support services during construction.

If this action is approved, Moffatt & Nichol will be scheduled to complete all services including the preparation of the bridging documents by summer of 2024. Additionally, the City may require Moffatt & Nichol to provide additional design and construction support throughout the replacement effort that shall not extend beyond December 30, 2028.

Finally, Moffatt & Nichol has more than 70 years of Southern California-based, waterfront engineering experience and the firm is an established expert in the highly specialized marine structural engineering industry.

The lengthy competitive process to procure a new consultant to provide predesign, bridging documents and construction support services would result in significant delays due to the learning curve of understanding the intricacies of the project, impacting the project schedule and put the grant funds at risk. Allowing Moffatt & Nichol to continue to provide bridging document preparation and construction support services under a Sole Source Agreement will allow the City to proceed with the necessary work and eliminate redundant costs.

Grant:

The City received \$8.4m in Local Assistance Specified Grant Funding from the State of California Natural Resources Agency Department of Parks and Recreation. These grant funds, with a performance period from July 01, 2021 to June 30, 2024, are to provide for the design and construction of a new Pier in Ocean Beach. This specific grant will be used to fund the Moffat & Nichol's scope of services as outlined in this amendment.

Summary:

Due to the deteriorating condition of Ocean Beach Pier and the ongoing impact of climate change, a less costly and simpler rehabilitation effort is no longer possible. Full replacement of the Pier is required. Moffatt & Nichol is the most qualified Marine Structural Engineering Consulting Firm to complete the predesign effort and preparation of bridging documents necessary for hiring a Design-Build contractor. Also, Moffatt & Nichol's services will assist the City in getting the Ocean Beach Pier Replacement Project to a "shovel ready condition", making the project much more competitive for future Federal, State, and private Grant Opportunities. Finally, the current \$8.4 million State Grant funding issued to the city for Ocean Beach Pier will be used to fund the consultant services.

The third amendment to the Sole Source Agreement with Moffatt & Nichol revises the expiration date of the agreement from June 30, 2019 to December 30, 2028 and increases the not to exceed value from \$685,495.00 to \$8,184,570.00.

City of San Diego Strategic Plan:

Goal 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods.
Objective 3: Invest in infrastructure.

Fiscal Considerations:

The total cost for providing services under this Third Amendment is \$7,499,075.00. Funding is available within CIP L-22001.1, Ocean Beach Pier Replacement Phase 1, from Fund 600001, Grant Fund State (1000706-2022).

Charter Section 225 Disclosure of Business Interests:

Eric A. Nichol	
39.45%	
Douglas Nichol, through Moffatt & Nichol Shares Trust Dated November 28, 2006	26.19%
Remaining Shareholders - Less than 2% Each	
34.36%	

Environmental Impact:

The City of San Diego conducted an environmental review which determined that this activity meets the statutory exemption criteria set forth in the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262 (Feasibility and Planning Studies), and a Notice of Exemption was prepared on July 6, 2022.

Climate Action Plan Implementation:

Climate change impacts and resiliency will be incorporated into the design/bridging documents of this project through the careful research and study of sea level rise. Additionally, the scope includes exploring ways to integrate sustainable features via solar, wind, and wave power generation into the new pier.

Equal Opportunity Contracting Information (if applicable):

This agreement is subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, San Diego Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

A resolution (R-313912) of the Council of the City of San Diego approving the application for California Department of Parks and Recreation Local Assistance Specified Grant Program Funds, and all related actions, for improvements to Ocean Beach Pier was passed on February 25, 2022.

Planning Commission Action:

N/A

Key Stakeholders and Community Outreach Efforts:

The key stakeholders are identified as Moffatt & Nichol, the public, and City of San Diego.

James Nagelvoort

Department Director

Kris McFadden

Deputy Chief Operating Officer