



**Meeting Date:** January 9, 2025

**To:** Public Works Commission

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

**From:** Paul De Freitas, Architect

**Subject:** Professional Services Contract - San Francisco Public Utilities  
Commission - Millbrae Campus Improvements Engineering Services –  
Contract Award

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**Director’s Recommendation:** Award contract for professional and specialized engineering services for the San Francisco Public Utilities Commission Millbrae Campus Improvements Project to Arup US, Inc. in the amount of \$9,630,607 for a contract duration of 2,920 days (8 years), extendable by the City to 3,650 calendar days (10 years).

**Contract Background:** The San Francisco Public Utilities Commission (SFPUC) seeks to upgrade its regional Water Enterprise headquarters, the Millbrae Campus, located at 1000 El Camino Real in Millbrae. The Project will alleviate overcrowding, address code and safety issues, consolidate operations, eliminate inefficiencies and accommodate current and future operational needs. The campus improvements will be constructed in phases to allow continued operation and minimize disruption in the Millbrae campus. Similarly, the design will also be implemented in phases with staggered design deliverables, allowing construction to start on some phases of the site, while design activities are ongoing.

As a Chapter 6 department, SFPUC leads and will hold the construction contract – engaging the Construction Manager/General Contractor (CMGC), and remains responsible for environmental clearance, community outreach, and regulatory affairs. In a collaborative approach, SFPUC has engaged Public Works Bureau of Architecture to lead the design process – responsible for leading and managing the full design team of in-house staff and engaging, contracting, and managing consultants.

The Project consists of the following new structures and site upgrades throughout the 15-acre campus:

1. New Laboratory and Administrative Office building – 2 stories, 66,000 square feet – LEED Gold.
2. New Wellness Pavilion – 1 story, 2000 sf
3. Full Renovation of Existing Administration Office Building, 1 story, 28,000 square feet, LEED Gold
4. New South Shops – (adaptive reuse of Existing Retail building into new Industrial workshops and Offices – 1 story, 38,000 square feet, LEED Gold

5. New and Reconfigured campus utilities, including campus WDT Electrical plant infrastructure, backup power generation, and Solar resilient EV charging infrastructure.
6. Demolition of existing structures, and temporary facilities
7. Grading, paving, landscape and fencing work

Given the large volume of work, Public Works and SFPUC worked collaboratively with our in-house engineering and architecture teams to assess future workload forecasts and special skillsets needed – and jointly developed a plan that utilizes both in-house workforce as well as consultants to deliver the required services in an efficient and timely manner. This strategy was presented and approved by the Civil Service Commission in PSC number 45763-23/24.

**Solicitation Process:** On March 19, 2024, the San Francisco Public Works issued an RFQ for engineering design, construction administration, and specialty consulting services related to the San Francisco Public Utilities Commission - Millbrae Campus Improvements Project. The Sourcing Event was created and advertised through the City’s Financials and Procurement System “PeopleSoft” notifying potential bidders of the opportunity. The project was also featured on the Public Works Bid Opportunities website, ensuring widespread visibility of upcoming projects.

Furthermore, good faith outreach efforts were made through targeted e-mail announcements to the San Francisco Library, Contract Monitoring Division and Plan Holder exchanges, alerting them of the bid opportunity and providing access to the relevant solicitation documents via accessible links. A Preproposal Conference was held on March 26, 2024, attracting around thirty-two (32) interested Proposers in attendance, of which 7 proposers indicated their interest as prime consultants for the proposal.

Due to the project’s complexity, size, and stringent design and technical criteria, the RFQ solicited integrated engineering teams that could demonstrate their expertise in the technical engineering, coordination, and relevant experience in similar project types via the following Qualifications:

1. Minimum of 10 years relevant project experience from the principal or lead personnel of each Integrated Engineering Discipline (Structural, Mechanical, Electrical, Plumbing).
2. Minimum of 2 Completed mass-timber projects of at least \$5 million (construction cost) by the Structural Engineering principal or lead personnel.
3. The prime consultant must have provided integrated engineering services (including Structural, Mechanical, Electrical and Plumbing) on at least 3 projects with a construction cost greater than \$50 Million in the last 10 years. At least one of these projects must feature a laboratory, hospital, higher-education facility, or civic building (City Hall, Courthouse, Museum)
4. Furthermore, integrated engineering subconsultant principals or lead personnel (Structural, Mechanical, Electrical, Plumbing) must have a minimum of 10 years of relevant project experience).

The City received one proposal for the aforementioned RFQ on April 19, 2024, from Arup US, Inc. City staff reviewed the proposal in detail to ensure it met the qualifications of the solicitation.

**Summary of Proposal Analysis:**

Post submission, the City contacted three firms that had expressed initial interest but did not submit proposals. These firms generally cited internal resource constraints and the complexity of assembling multidisciplinary teams required for large-scale projects as primary reasons for their decision not to submit proposals.

The specific qualifications requested in the solicitation are common, and well below the project threshold required for a team working on a project of this caliber and complexity. It is also important to note that while these requirements may seem high, this is an estimated \$270 million construction contract, where the largest component is a new \$170M 2-story, mass timber laboratory building that is designed for an essential facility seismic level, thus the need for an engineering team of the highest caliber.

The Proposer’s demonstrated experience project experience of the key personnel of the proposer and key integrated engineering sub-consultants exceeds the requirements of the minimum qualifications, and the relevant project experience also exceeds the qualifications required in this solicitation. Of note – the proposer’s team organization, and members placed in key roles such as Project Director, Project Manager, and leads of each integrated engineering discipline have clearly demonstrated evidence of experience and effective alignment of resources to ensure clear project communications and management both internally to the team and the project sub-consultants.

Based on the above, the project team felt confident that the proposer’s assembled team could be counted on to deliver a successful project, the proposer was deemed Responsible, and the City issued a Notice of Intent to Award to Arup US, Inc. on July 11, 2024.

The City then jointly negotiated the cost component of the proposal with Arup, ensuring that the billing rates complied with the proposal, and that schedule durations, hours, staffing assignments, and anticipated reimbursable costs were fair, reasonable, and appropriate for the project scope, schedule and complexity. These were referenced against past comparable projects and budgetary benchmark evaluation tools including the California Multi-Agency Benchmarking report.

**Contract Details:**

<b>Contract Title:</b>	San Francisco Public Utilities Commission – Millbrae Campus Improvements
<b>Personal Services Contract No.:</b>	45763-23/24 approved by Civil Service Commission on May 6, 2024
<b>Contract Award Amount:</b>	\$9,630,607

<b>Contract Funding Sources (if applicable):</b>	San Francisco Public Utilities Commission – Water Enterprise Capital Improvements Program	
<b>Anticipated Project Schedule:</b>	Notice To Proceed	January 31, 2025
	100% Schematic Design Milestone Goal (Phases I, II, and III)	April 2025
	100% Construction Documents Milestone Goal (Phase I)	June 2026
	Construction Notice To Proceed (Phase I)	March 1, 2026
	100% Construction Documents Milestone Goal (Phase II)	December 2027
	Construction Notice To Proceed (Phase II)	January 3, 2028
	100% Construction Documents Milestone Goal (Phase III)	February 2029
	Construction Notice To Proceed (Scope III)	December 1, 2029
	Substantial Completion	August 1, 2031
	Final Completion	December 30, 2031
<b>Contract Duration:</b>	2,920 days (8 years), extendable by the City to 3,650 calendar days (10 years)	
<b>Contractor Name:</b>	Arup US, Inc.	
<b>Compliance with Chapter 14B Local Business Enterprise Ordinance:</b>	20% LBE, (3% Micro-Small LBE)	
<b>Other Compliance:</b>	Article 131/132 Equal Benefits ; MCO; HCAO; First Source Hiring;	
<b>Additional Information:</b>	N/A	
<b>Attachments:</b>	Attachment 1: Resolution Attachment 2: RFQ 9154 CMD Award Memo Attachment 3: RFQ 9154 Notice of Intent to Award Attachment 4: PSC 45763 – 23/24 Form 1 Approval Attachment 5: RFQ 9154 Award Summary Memo 07-10-24 – FINAL	

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

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

WHEREAS the **San Francisco Public Works** (“Department”) wishes to procure professional and specialized engineering services in connection with the design of San Francisco Public Utilities Commission, Millbrae Campus Improvements Project, from Arup US, Inc.; and

WHEREAS, Public Works advertised a Request for Qualifications (“RFQ”) on March 19, 2024, and held a pre-proposal conference on March 26, 2024, attracting around thirty-two (32) interested Proposers in attendance, of which 7 proposers indicated their interest as prime consultants; and

WHEREAS, Consultant was competitively selected under Sourcing Event ID 9154, as required by San Francisco Administrative Code Chapter 6.40 through a RFQ issued on March 19, 2024; and

WHEREAS, the City and County of San Francisco (“City”) received one proposal for the aforementioned RFQ on April 19, 2024, from Arup US, Inc. Public Works staff and Contract Monitoring Division (“CMD”) staff thoroughly reviewed the proposal and determined that the Sole Proposer meets the qualifications of the Solicitation, and issued a Notice of Intent to Award on July 11, 2024; and

WHEREAS CMD established a Local Business Enterprise (“LBE”) subcontracting requirement of 20% for this contract and the contractor committed to LBE participation of 20% in its proposal; and

WHEREAS approval for the Agreement was obtained on May 6, 2024, from the Civil Service Commission, under PSC number 45763-23/24; and

WHEREAS, Public Works staff negotiated the contract terms with the proposer to a total sum of \$9,630,607, and a contract duration of 2,920 days (8 years), with options to extend the term for 2 additional years, for a total of 3,650 calendar days (10 years), and

FURTHER RESOLVED, That this Commission hereby awards a contract for professional and specialized engineering services for the San Francisco Public Utilities Commission Millbrae Campus Improvements Project in the amount of \$9,630,607 and an initial contract duration of 2,920 days (8 years).

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

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Commission Affairs Manager  
Public Works Commission