

TREASURE ISLAND

COMMUNITY DEVELOPMENT

March 1, 2023

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130

Re: 2022 Small Business Enterprise (SBE) Report

In accordance with the Small Business Enterprise Procedures adopted January 8, 2014 and amended April 13, 2022, Treasure Island Community Development (TICD) is providing our annual “SBE Report” documenting TICD’s progress toward meeting the SBE Goals for the calendar year 2022 and cumulatively to-date for 2014 through December 31, 2022. We are happy to report that TICD continues to exceed the goals for SBE participation on the project.

Highlights for this year include:

- Over 77% of the contracted work in 2022 was covered by change orders with most of the work continuing under existing contracts. Of the new contracts executed (change-orders excluded), the target goal for professional services contracts was exceeded with over 43% of the contracts awarded to SBE firms.
- The largest construction contracts/change orders executed in Stage 1 were for the Treasure Island and Yerba Buena Island Street Improvement Plans and the Causeway. Approximately half of these contract amounts were awarded to SBE firms (\$6,018,305 out of \$12,298,606) with San Francisco-based SBE firms comprising 45% of the total contract amount (\$5,529,730).
- The utility cut-cap work contracted through Plant was one of the largest contracts executed for Stage 2 and had 87% SBE participation (\$1,832,372 out of \$2,111,002).
- TICD awarded its first professional services contracts for Stages 3 through 5 (including preservation of existing buildings) with SBE firms covering 51% of the work (\$681,710 out of \$1,335,493).
- Over the life of the project, approximately 47% of all professional services contracts awarded by TICD have gone to SBE firms (\$59 million out of \$126 million), with almost 45% of all professional service contract amounts awarded to San Francisco-based SBE firms.
- Over the life of the project, over 45% of all construction contracts awarded by TICD have gone to SBE firms (\$180 million out of \$400 million), with approximately 36% of all construction contract amounts awarded to San Francisco-based SBE firms.

TREASURE ISLAND

COMMUNITY DEVELOPMENT

- Approximately 82% of the total SBE participation across professional service and construction contracts has been San Francisco-based SBEs.
- TICD has surpassed \$235 million in contract value awarded to SBE firms over the life of the project.

Outreach Activities:

TICD continues to work closely with One Treasure Island and its member organizations to promote opportunities for One Treasure Island residents and businesses to participate in construction. TICD and One Treasure Island meet frequently to coordinate our efforts.

On a regular basis, One Treasure Island and TICD check in on the progress toward meeting the One Treasure Island employment goals, to make sure that the project is on track. TICD keeps One Treasure Island informed about prospective construction contracting opportunities so that training programs can be targeted toward participating in upcoming scopes of work. One Treasure Island is invited to every pre-bid meeting, where they present about their program and provide information to prospective contractors on their training and placement services. TICD views One Treasure Island as an important project partner and we are pleased with how these programs are working to date.

A. Professional Services Contracts

Achieved SBE Measurement / SBE Progress on SBE Goals

The summary totals for cumulative to-date and 2022 calendar year's overall contract values, amount awarded to SBEs, and amount awarded to San Francisco SBEs, along with the percentage against total covered contract values are listed in the table below.

	CY 2022	Cumulative
Total Covered Contracts Value	\$ 7,687,960	\$ 126,425,377
Amount Awarded to SF SBEs	\$ 3,220,698	\$ 56,701,898
Amount Awarded to all SBEs	\$ 3,489,710	\$ 59,291,593
Achieved SBE Percentage	45.4%	46.9%
Professional Services SBE Goal	38%	38%

The majority of Professional Services work underway is proceeding under contracts that were executed prior to 2022. The total dollar value of Covered Professional Services Contracts awarded in 2022 was \$7,687,960, of which a total of \$3,489,710 was awarded to SBE consultants, accounting for over 45% of the total.

TREASURE ISLAND

COMMUNITY DEVELOPMENT

Of the new contracts executed (change-orders excluded), the target goal for professional services contracts was exceeded with over 43% of the contracts awarded to SBE firms, which were primarily based in San Francisco.

Cumulatively to-date, \$59,291,593 in contract value has been awarded to SBEs, representing 46.9% of the \$126,425,377 million total Covered Professional Services contract value awarded to date, which exceeds the overall project SBE Participation Goal of 38% for this project. Approximately 95% of SBE contract amounts for professional services have gone to San Francisco SBEs (45% of total professional service contracts).

The most significant Professional Services scopes that were contracted in 2022 to SBE firms were related to YBI construction administration and close-out, Stage 2 utility design, Stage 1 park design, and planning and design work for existing buildings to be retained (including Administration Building, Chapel, and Quarters 10).

B. Construction Contracts

Achieved SBE Measurement / SBE Progress on SBE Goals

The summary totals for cumulative to-date and 2022 calendar year's overall contract values, amount awarded to SBEs, and amount awarded to San Francisco SBEs, along with the percentage against total covered contract values are listed in the table below.

	CY 2022	Cumulative
Total Covered Contracts Value	\$ 34,145,466	\$401,876,296
Amount Awarded to SF SBEs	\$ 6,640,679	\$144,090,0400
Amount Awarded to all SBEs	\$ 9,416,702	\$180,618,181
Achieved SBE Percentage	27.6%	44.9%
Construction SBE Goal	41.0%	41.0%

The construction work in 2022 was dominated by change orders related to finishing the Treasure Island and Yerba Buena Island street improvement projects, completion of hilltop parks, and demolition of the gas regulation station.

While our overall SBE participation remains above the targeted 41% goal, for contracts signed in 2022, the rate was below the target at 27.6%. This was primarily driven by the fact that we have existing contracts in place for highly specialized work related to the installation of utilities and infrastructure work, and the majority of the work contracted in 2022 was covered by change orders to these existing contracts. Approximately 46% (\$6.3 million of \$13.4 million) of the

TREASURE ISLAND

COMMUNITY DEVELOPMENT

construction contracts executed for Stage 2 were for specialized geotechnical work, including vibro-compaction and the installation of prefabricated vertical drains, in which there is a limited pool of subcontractors able to perform this work.

TICD and our contractors have been successful in maximizing participation by San Francisco based SBEs, with over 80% of the value of SBE contracts going to San Francisco-based firms (approximately 36% of total construction contracts).

C. Summary of 2022 Good Faith Efforts

New Construction Work Covered Contracts

TICD signed three new construction contracts in 2022 for the following scopes of work:

1. Waterfront Plaza (RFP Solicitation)
2. Gas Reg Demolition (RFP Solicitation)
3. Stage 2 Geotech (RFP Solicitation)

As part of the outreach efforts related to the solicitation process, the RFPs were advertised via the following mechanisms:

- TIDA Website
- SF Office of Contract Administration website
- SF Office of Contract Monitoring Division's list of certified SBEs – sorted by trade
- TIDA List of Interested Contractors
- One Treasure Island Member Organizations
- Small Business Exchange
- San Francisco Examiner

Pre-bid meetings were held for each of the RFP scopes of work. The pre-bid meetings included a discussion of the SBE Policies for the project and contractors were encouraged to take steps to meet or exceed the project goals. One Treasure Island and TIDA Staff are also invited to participate in the meetings to explain their programs and how contractor can participate.

D. PROJECTED 2023 ACTIVITIES

TREASURE ISLAND

COMMUNITY DEVELOPMENT

Construction Work:

2023 will be a year of transition as large construction scopes for Yerba Buena Island and Treasure Island Street improvement projects have reached substantial completion and Notices of Completion will be obtained. Construction of parks and open space areas will continue on YBI and TI Stage 1 with some bid opportunities expected, and Stage 2 street improvement plans are expected to progress.

The following scopes of construction work may proceed to bid for construction in 2023:

- Cityside Park
- Cultural Park
- Beach Park
- Treasure Island Stage 2 Street Improvements
- Building Abatement and Demolitions as needed

Professional Services:

We do not expect to generate significant bidding opportunities for Professional Services in 2023. The Stage 1 parks work and some early work for Stage 2 comprises most of the Professional Services work for 2023, and contracts are largely in place. However, the ongoing infrastructure work will likely allow for additional bid opportunities, and we will continue to look for opportunities to increase participation as new scopes are identified. TICD continues to encourage our consultants to form joint ventures or associations with SBE firms to further increase SBE involvement in the project. The most significant upcoming Professional Services scope will be preparation of the next Major Phase application, although timing of this work is still being determined.