

**AGENDA ITEM 6c**  
**Treasure Island Development Authority**  
**City and County of San Francisco**  
**Meeting of May 8, 2024**

**Subject:** Resolution, Pending the City’s Administrative Approval, Authorizing the Treasure Island Director (“Director”) to Retroactively Amend the Agreement (“Agreement”) between the Treasure Island Development Authority (the “Authority”) and Harris and Associates, Inc. (“Contractor”) for Community Facility District (“CFD”) and Infrastructure and Revitalization Financing District Financial (IRFD”) Audit Services for the Treasure Island/Yerba Buena Island Development Project (the “Project”), to Increase the Agreement Amount by \$749,000 and Extend the Agreement Terms by Three Years with a New Expiration Date of April 5, 2027.

**Contact:** Robert Beck, Treasure Island Director

**SUMMARY**

On May 3, 2017, the Authority issued a Request for Proposal (“RFP”) for as needed professional audit and financial services in support of reviewing and processing the master developer’s construction reimbursement request. A detailed list of services is described below. The Contractor was selected as the highest qualified scorer pursuant to the RFP.

On September 17, 2017, the Authority Board passed Resolution #17-32-09/13 authorizing the Authority Director to execute an agreement between the Authority and the Contractor for a contract amount up to **\$1.5 Million**.

On April 11, 2018, the Authority entered into agreement with the Contractor for the aforementioned services for an amount not to exceed **\$975,000**. The term of the agreement (“Original Agreement”) expired on April 5, 2021. In Article 2.2, the Authority has two (2) options to renew the agreement for a period of 3 years each.

On March 16, 2021, the Authority entered into a First Amendment to the Original Agreement by exercising the option to extend the terms of the Original Agreement for 3 years, with a new expiration date of April 5, 2024.

Staff and management of the Authority have found the Contractor’s service indispensable to the continuing redevelopment of Treasure Island and Yerba Buena Island. Therefore, since the beginning of this year, staff have been working with the Contractor and pertinent Department of Human Resource (“DHR”) staff and Contract Monitoring Division (“CMD”) staff as well as the liaison to Civil Service Commission to explore a Second Amendment to the Original Agreement to increase the contract amount and to extend the contract duration.

City has administrative approval process for modifying personal service contracts such as the agreement in this case.

Pending City's administrative approval, staff recommends a Second Amendment to the Original Contract to increase the contract amount by \$749,000 and extend the contract term by 3 years, with a new expiration date of April 5, 2027,.

### **Contract Status**

To date, three task orders have been issued to the Contractor. The first task order was to compose a reimbursement manual that covers the procedures, process and timeline for the Treasure Island Community Development (the "Master Developer") to submit materials for reimbursement and for the Authority and pertinent City agencies to review and approval the reimbursement submittal. The second and third task orders were both to review Master Developer's reimbursement submittals and associated evidence of payments from the Master Developer to its contractors and compiling reports and recommendations of payment.

To date, the Contractor has reviewed 10 developer reimbursement packages and compiled audit-ready reports for each reimbursement package and recommended City's approval and reimbursement to the developer for a total of 136,152,467.06 dollars. In addition, the Contractor has reviewed 5 number of developer Exhibit B budgetary submittal as well as reviewed 430 of Change Orders packages for various project on YBI and TI. Exhibit B and Change Order reviews are all necessary intermediate steps to enable the Master Developer to submit a full reimbursement package.

As of March 2024, \$937,568 has been invoiced to the Authority from the Contractor, representing approximately 96.1% of the existing contract capacity.

### **SCOPE OF SERVICES FOR THE ADDITIONAL CONTRACT AMOUNT AND DURATION**

The Contractor is expected to provide the same financial audit services in support of the Authority's obligations to review and provide approval on qualified project and construction cost associated with the development of Treasure Island and Yerba Buena Island redevelopment. The Scope of Services includes the following general tasks, which are more fully detailed in Appendix A of the Original Agreement, "Services to be Provided by the Contractor":

The following are representative of the types of services which may be representative of the services requested under this Contract, but is not intended to be complete:

1. Review existing agreements between the Authority and San Francisco Public Works ("SFPW") and Master Developer to identify all project costs that Treasure Island CFD and IRFD are to reimburse.

2. Represent the Authority and SFPW in meetings or negotiations to determine reimbursable expenses, define discrete acquisition facility components, set reimbursement schedules, and establish cost allocation and reimbursement protocols. Staff should have cost estimation experience and include personnel to review construction and design related costs and reimbursement applications.
3. Review bid documents and schedule of values for reimbursement expenses and sufficient details.
4. Review contract change orders to assess the obligation to reimburse the Master Developer for costs for changes.
5. Review acquisition reimbursement applications to verify consistency with agreements and negotiated protocols; review and verify payroll records, invoices and other documentation submitted in support of acquisition reimbursement applications; recommend reimburse amount and represent Authority and SFPW in negotiations of acquisition reimbursement applications with the Master Developer.
6. Provide feedback and suggestion to the Master Developer and their consultants on reimbursement application and supporting materials to streamline the application and review process.
7. Other related tasks to complete the work requested by City in connection with the Master Developer reimbursement program.

## **BUDGET AND TERM**

The initial contract term was for a three-year term, with two (2) three-year options to extend, and the total contract amount is not to exceed \$975,000. The initial three year term of the Agreement expired on April 11, 2021. The First Amendment to the Original Contract extended the terms by 3 years with a new expiration date of April 5, 2024.

Subject to the Authority's approval and appropriations of funds, the proposed Second Amendment will increase the contract amount by \$749,000 as well as extend the contract duration retroactively to April 5, 2027.

Staff has included sufficient funds in the Authority's FY 24/25 budget to support the anticipated services under the Agreement and will include funds in future annual budgets to continue services.

## **RECOMMENDATION**

Pending City's administrative approval, staff recommends the Authority Board authorize the Director to retroactively execute the second amendment to the Original Agreement to increase the contract amount by \$749,000 and to extend the term of the Agreement by three years with a new contract expiration date of April 5, 2027.

**EXHIBITS**

- A. Draft Second Amendment of the Professional Service Agreement between the Treasure Island Development Authority and Harris and Associates, Inc.
- B. Harris Proposal and Breakdown of Work for 2<sup>nd</sup> Amendment
- C. Personal Service Contract Modification

Prepared by Wei Zhang, TIDA Staff

## SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "Second Amendment"), dated for reference purposes only as of May 8, 2024, is by and between the CITY AND COUNTY OF SAN FRANCISCO ("City"), acting through the Treasure Island Development Authority ("Authority"), and Harris & Associates, Inc., a California corporation ("Contractor").

### RECITALS

A. The City and Contractor entered into that certain Professional Services Agreement dated for reference purposes as April 11, 2018 (the "Original Agreement"), which expired on April 5, 2021.

B. The City and the Contractor entered into the first amendment to the Original Agreement on March 16, 2021 (the "First Amendment"), that extended the terms of the Original Agreement for three years, with the new expiration date of April 5, 2024.

C. The City and Contractor desire to amend the Original Agreement to (i) increase the agreement amount by \$749,000 and (ii) extend the agreement term for three years with a new expiration date of April 5, 2027 (the "Second Amendment").

D. The Original Agreement, the First Amendment and this Second Amendment shall collectively be referred to as the "Agreement". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the City and Contractor amend the Agreement as follows:

### AGREEMENT

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.

2. Effective Date. The effective date of this Second Amendment shall be retroactively set as April 4, 2024 (the "Effective Date").

3. Amending the term. As of the Effective Date, Article 2, Section 2.1 of the Original Agreement shall be amended to read as follows:

"The terms of this Agreement shall commence on the Effective Date and expire on April 5, 2027, unless earlier terminated as otherwise provided herein."

4. Compensation. As of the Effective Date, the original not to exceed amount of Nine Hundred Seventy Five Thousand dollars (\$975,000) shall be increased by Seven Hundred and Forty Nine Thousand dollars (\$749,000), for a new total amount of One Million Seven Hundred Twenty Four Thousand dollars (\$1,724,000).

5. Counterparts. This Second Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

6. Addendum. As of the Effective Date, the provisions set forth in Addendum A are incorporated into the Agreement.

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7. Full Force and Effect. Except as specifically amended herein, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City and the Contractor have executed this Second Amendment in San Francisco, California, as of the date first above written.

CITY AND COUNTY OF SAN FRANCISCO:

By: \_\_\_\_\_  
Robert P. Beck  
Treasure Island Director

CONTRACTOR:

Harris & Associates, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM:

David Chiu, City Attorney

By: \_\_\_\_\_  
Heidi J. Gewertz, Deputy City Attorney

Amendment Prepared By: Wei Zhang, TIDA staff \_\_\_\_\_

(initial)

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## Addendum A

### Additional City Provisions

1. Definitions. The following is hereby added to the Agreement as a Definition in Article 1:

“Confidential Information” means confidential City information including, but not limited to, personally-identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (Chapter 12M).

2. Assignment. The following is hereby added to Article 4 of the Agreement, replacing the previous Section 4.5 in its entirety:

4.5 Assignment. The Services to be performed by Contractor are personal in character. Neither this Agreement, nor any duties or obligations hereunder, may be directly or indirectly assigned, novated, hypothecated, transferred, or delegated by Contractor, or, where the

Contractor is a joint venture, a joint venture partner, (collectively referred to as an “Assignment”) unless first approved by City by written instrument executed and approved in the same manner as this Agreement in accordance with the Administrative Code. The City’s approval of any such Assignment is subject to the Contractor demonstrating to City’s reasonable satisfaction that the proposed transferee is: (i) reputable and capable, financially and otherwise, of performing each of Contractor’s obligations under this Agreement and any other documents to be assigned, (ii) not forbidden by applicable law from transacting business or entering into contracts with City; and (iii) subject to the jurisdiction of the courts of the State of California. A change of ownership or control of Contractor or a sale or transfer of substantially all of the assets of Contractor shall be deemed an Assignment for purposes of this Agreement. Contractor shall immediately notify City about any Assignment. Any purported Assignment made in violation of this provision shall be null and void.

3. Withholding. The following is hereby added to Article 7 of the Agreement:

7.3 Withholding. Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

4. Consideration of Salary History. The following is hereby added to Article 10 of the Agreement, replacing the previous Section 10.4 in its entirety:

10.4 Consideration of Salary History. Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or “Pay Parity Act.” Contractor is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for



employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

5. Limitations on Contributions. The following is hereby added to Article 10 of the Agreement, replacing the previous Section 10.11 in its entirety:

10.11 Limitations on Contributions. By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

7. Notification of Legal Requests. The following section is hereby added and incorporated in Article 11 of the Agreement:

11.15 Notification of Legal Requests. Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), or which in any way might reasonably require access to City's Data, and in no event later than 24 hours after it receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

8. Ownership of City Data. The following section is hereby added and incorporated in Article 13 of the Agreement:

13.2 Ownership of City Data. The Parties agree that as between them, all rights, including all intellectual property rights, in and to the City Data and any derivative works of the City Data is the exclusive property of the City.

9. Management of City Data and Confidential Information. The following sections are hereby added and incorporated in Article 13 of the Agreement:

### 13.3 Management of City Data and Confidential Information.

13.3.1 Use of City Data and Confidential Information. Contractor agrees to hold City's Data received from, or collected on behalf of, the City, in strictest confidence. Contractor shall not use or disclose City's Data except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City's Data outside the United States is subject to prior written authorization by the City. Access to City's Data must be strictly controlled and limited to Contractor's staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data solely for performing its obligations under the Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

13.3.2 Disposition of Confidential Information. Upon request of City or termination or expiration of this Agreement, and pursuant to any document retention period required by this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all data given to or collected by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City's Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractors environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.



**Harris & Associates**

March 14, 2024

Mr. Wei Zhang  
City and County of San Francisco  
Treasure Island Development Authority  
One Avenue of the Palms, Suite 241  
San Francisco, CA 94130

# **TREASURE ISLAND / YERBA BUENA ISLAND – COST REIMBURSEMENT REVIEWS**

Dear Wei:

Harris & Associates (Harris) is pleased to provide the Treasure Island Development Authority (TIDA) with this proposal to continue our work under our original Treasure Island/Yerba Buena Island contract. We have prepared a scope of work for the Cost Reimbursement Submittal Reviews for the Developer’s Payment Request, Exhibit B approvals, and Change Order Screening. We appreciate the opportunity to continue to provide cost reimbursement review and other services to TIDA and the City and County of San Francisco.

The following outlines our proposed scope of services and estimated fee for the next three years to April 2027.

## **PROJECT UNDERSTANDING**

Harris will continue to provide Cost Reimbursement Review Services for the Treasure Island / Yerba Buena Island public improvements to be reimbursed from Community Facilities District (CFD) and Infrastructure and Financing District (IRFD) bond funds.

TIDA is currently working with Treasure Island Community Development (TICD) to develop an expedited reimbursement review process for the Stage II improvements. It is anticipated the Acquisition Agreement will be amended to further define the revised submittal and reimbursement process and allow for the use of General Fund Bonds to fund the development of the Stage II improvements.

## **SCOPE OF SERVICES**

### **Task 1 – Reimbursement Request Reviews**

#### **Task 1.1 – Review Proposed Exhibit B and Supplemental Exhibit B Packages**

Harris will review the Developer’s proposed Exhibit B and Supplement Exhibit B submittals for the Infrastructure Improvements within the Treasure Island/Yerba Buena Island Project on behalf of DPW/TIDA. Harris will confirm the Developer’s budgeted costs, review the proposed Discrete Component numbers, and verify any public/private allocations associated with the submitted Facility.

Harris will submit a review email to Department of Public Works (DPW) confirming the completeness of the Exhibit B submittal and will identify any missing documentation or clarification needed prior to approving the Exhibit B submittal.

### **Task 1.2 – Tracking Approved Exhibit B Budgets**

Harris will track all DPW approved Exhibit B and Supplemental Exhibit B budgets on a component level to ensure that the total reimbursement does not exceed the approved Exhibit B amounts. This tracking spreadsheet will be shared with TIDA and the Developer as needed for reimbursement purposes.

### **Anticipated upcoming Exhibit B Reviews**

Below is a list of Stage I improvements that could potentially be submitted for Exhibit B review. This list is not comprehensive and does not include the Stage II improvements that the Developer plans to submit in the next two-year period.

- Ferry Waterside Improvement (Base Contract \$30M)
- TI Ave of the Palms Extension (this is likely a change order to TI SIP)
- 12kV Switchyard
- Interim Gas line (Base Contract &2
- 12kV Temporary Overhead
- TI Stage 2 Building and Utility Demo/Relocation
- Wastewater Treatment Geotechnical Improvement
- TI and YBI Sanitary Sewer Pump Stations
- Cityside Park

### **Assumptions**

- Developer will submit proposed Exhibit B and Supplemental Exhibit B Packages electronically.
- Associated Change Orders will be pre-reviewed and confirmed by DPW/Harris prior to inclusion in an Exhibit B Package.
- Harris will only be completing the review of the Exhibit B and Supplemental Exhibit B and providing DPW with a recommendation for approval.
- DPW will be providing the final Approval Letter to the Developer for the Exhibit B and Supplemental Exhibit B with copies to Harris.
- The acquisition agreement will be amended to further define the description of a Component and will clarify the maximum budget amounts for each Component within a Facility.

### **Task 1.3 – Review Developer’s Payment Request Submittals & Determine Eligible Reimbursement Amount**

Harris will review the information submitted by the Developer to determine the amount eligible for reimbursement under the CFD/IRFD based on the requirements of the financing documents for the Treasure Island/Yerba Buena Island Project. Harris will confirm that all required documentation has been provided by the Developer, that the Developer has met all the requirements described in the Acquisition Agreement, and that all necessary approval letters have been issued by DPW/TIDA. Harris will review all submitted costs, confirm all cost allocations, and verify that all submitted costs pertain to the requested discrete component/facility.

Harris will issue an Additional Information Request (AIR) Letter to the Developer should any documentation be missing or if additional information or clarification is needed.

Based on the review of the submittal documents, as well as conversations with TIDA and TIDC, Harris will determine the total eligible reimbursement amount for each submitted discrete component/facility.

Harris will provide a detailed Reimbursement Report to the City that will summarize the Developer’s submitted costs, the allowed reimbursement amounts for each submitted discrete component/facility, and a description of any disallowed amounts.

## Anticipated Reimbursement Package Review

Below is a list of Stage I improvements that could potentially be submitted for Reimbursement Review. This list is not comprehensive and does not include the Stage II Reimbursement Reviews that the Developer plans to submit in the next two years.

- Dog Park
- Hilltop Park
- Causeway Park
- Waterfront Plaza
- YBI SIP, Water Tanks, Forest Road Detour
- Ferry Waterside Improvement
- TI Stage 1 Geotechnical Improvement
- TI Stage 1 and Ave of Palms Extension
- Interim Gas line
- 12kV Temporary Overhead
- Wastewater Treatment Geotechnical Improvement
- Sanitary Sewer Pump Stations
- Cityside Park

### Assumptions:

- Developer will submit payment request documentation electronically.
- Developer will only request reimbursement of Facilities/Discrete Components that have an associated Exhibit B that has been approved by DPW/TIDA.
- Only one AIR will be required per payment request package.
- For the Stage II improvements, it is assumed that the Developer will be submitting one progress payment submittal per month.

## Task 2 – Change Order Screening & Repackaging

### Task 2.1 – Change Order Screening

Harris will review the change order information submitted by the Developer to determine if their change order submittal is complete based on the requirements of DPW for their eligible review process. Harris will confirm that all required documentation has been provided by the Developer, that the Developer has met all the requirements described in the Acquisition Agreement, and that necessary negotiations were conducted.

Harris will issue an AIR Letter to the Developer should any documentation be missing or if additional information or clarification is needed.

### Task 2.1 – Change Order Repackaging

Harris will compile all the completed change order documentation in an organized fashion with the completed checklist and submit the repackaged change orders to DPW for their final eligibility review.

### Task 2.3 – Change Order Tracking

Harris will maintain an online tracking spreadsheet so that the TIDA and DPW can see the status of all pending change order screenings and access the change order packages. Harris will answer questions from the City and Developer as needed to complete the project. Harris will submit monthly status reports to the City and Developer summarizing the status of work completed to date and any pending change order screenings.

Harris will track the DPW approved Change Order totals by Facility/Discrete Component. Information will be available to TIDA, DPW, and Developer as requested.

## Anticipated Reimbursement Package Review

Below is a list of Stage I improvements that could potentially be submitted for Change Order Screening and Repackaging. This list is not comprehensive and does not include the Stage II Reimbursement Reviews that the Developer plans to submit in the next two years.

- Ferry Waterside Improvement (COs \$5-7M)
- TI Stage 1 Geotechnical Improvement (COs \$15M)
- TI Stage 1 SIP and Ave of Palms Extension (CO 10M)
- TI Stage 2 Building and Utility Demo/Relocation (CO negligible)
- Interim Gas line (CO negligible)
- 12kV Temporary Overhead (CO negligible)
- Wastewater Treatment Geotechnical Improvement (CO >1M)
- TI and YBI Sanitary Sewer Pump Stations (Cos 2-3M)
- Cityside Park

**Assumptions:**

- Developer will provide the change order documentation electronically.
- For current improvements, change order packages will be submitted shortly after they have been executed on site.
- Harris will only be reviewing change order packages for completeness and will not be determining eligibility of any of the submitted change orders.
- DPW will issue the approval letters for each Change Order to the Developer with copies to Harris for tracking.
- The acquisition agreement will be modified to address how the total Maximum Budget for a Component/Facility is impacted by the approval of Change Orders by DPW.

**PROPOSED FEES**

It is anticipated that the Developer will be submitting proposed Exhibit Bs and supplemental Exhibit Bs for completed improvements in preparation of submitting the Payment Request submittals at a later date. More details are not known regarding the timing or number of anticipated Exhibit Bs, Payment Request submittals, and Change Order Reviews.

Harris has estimated, based on our prior work with TIDA and DPW and similar projects we have completed with the City, that the following amount will cover the services through April 2026. This is based on an estimated average of \$40,000 in monthly billings. Should the level of effort exceed this, Harris will request an amendment with the City.

**Submittal & Change Order Reviews (through April 2027).....\$749,000**

Harris will bill on a time-spent basis for each submittal in accordance with the hourly rates below:

<b>Job Classification</b>	<b>Billing Rate</b>
Principal-In-Charge	\$325.86
Project Manager	\$263.35
Lead Audit Engineer	\$175.00
Project Engineer	\$140.00 - \$185.00
Senior Financial Analyst	\$140.00 - \$170.00
Financial Analyst	\$125.00 - \$155.00
System Support	\$182.77 - \$211.68
Cost Estimating/Change Order Reviewer	\$224.34 - \$241.61

Invoices will be submitted monthly for services provided in the previous month and shall be paid within 30 days of receipt in accordance with our professional services agreement.

If you have any questions regarding the above you may contact me at 949-536-2507 or via e-mail at [Anna.Tan-Gatue@WeAreHarris.com](mailto:Anna.Tan-Gatue@WeAreHarris.com).

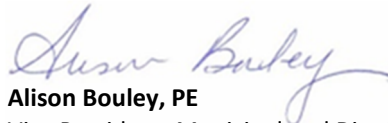
Sincerely,

**Harris & Associates, Inc.**



**Anna C. Tan-Gatue, PE**

Project Manager, Municipal and District Finance  
(949) 536-2507 ■ [Anna.Tan-Gatue@WeAreHarris.com](mailto:Anna.Tan-Gatue@WeAreHarris.com)



**Alison Bouley, PE**

Vice President, Municipal and District Finance  
(949) 536-4832 ■ [Alison.Bouley@WeAreHarris.com](mailto:Alison.Bouley@WeAreHarris.com)

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - CITY ADMIN Dept. Code: ADM

Type of Request: [ ] Initial [x] Modification of an existing PSC (PSC # 49736 - 16/17)

Type of Approval: [ ] Expedited [ ] Regular [ ] Omit Posting

Type of Service: Financial consulting

Funding Source: Inter-departmental work orders
PSC Original Approved Amount: \$1,500,000 PSC Original Approved Duration: 08/01/17 - 07/15/24 (6 years 50 w
PSC Mod#1 Amount: \$749,000 PSC Mod#1 Duration: 08/01/17-07/15/27 (3 years)
PSC Mod#2 Amount: PSC Mod#2 Duration:
PSC Cumulative Amount Proposed: \$2,249,000 PSC Cumulative Duration Proposed: 9 years 50 weeks

1. Description of Work

A. Scope of Work:

Advise the Treasure Island Development Authority (TIDA) and San Francisco Department of Public Works (DPW) on the setting of cost allocation and acquisition reimbursement protocols, the determination of reimbursable expenses, and the review of reimbursement requests and recommendation of payments in connection with development of Treasure Island and Yerba Buena Island and developer's reimbursements submitted. Review existing agreements between the TIDA and DPW and the Master Developer of Treasure Island to identify all project costs that Treasure Island Community Facilities District (CFD) and Infrastructure Revitalization Finance District (IRFD) are to reimburse. Review bid documents and schedule of values for reimbursement expenses and sufficient detail. Review contract change orders to assess the obligation to reimburse the Master Developer for costs for changes. Review acquisition reimbursement applications to verify consistency with agreements and negotiated protocols; review and verify payroll records, invoices and other documentation submitted in support of

B. Explain why this service is necessary and the consequence of denial:

This contract will provide important support for TIDA and DPW. TIDA and DPW have multiple responsibilities and obligations under the Deposition and Development Agreement (DDA) and Acquisition Agreement (AA). Pertinent to this contract is the obligation to review and approval of the developer's request for reimbursement in the time frame as stated in the DDA and AA. These services to be rendered include specialized audit and accounting services not possessed by existing staff. Because the timing and level of services required is not consistent or predictable - months may pass without the services being required followed by a heightened demand during a brief period. Without this contract, TIDA and DPW will not be able to complete the work properly in the time allowed and fulfill its obligations. This will delay the progress of the development project and erode developer's

C. Has this service been provided in the past. If so, how? If the service was provided via a PSC, provide the most recently approved PSC # and upload a copy of the PSC.

By contract

D. Will the contract(s) be renewed? Unknown

2. Union Notification: On 04/18/24, the Department notified the following employee organizations of this PSC/RFP request: Architect & Engineers, Local 21;

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FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 49736 - 16/17

DHR Analysis/Recommendation:



**3. Description of Required Skills/Expertise**

A. Specify required skills and/or expertise:

Knowledge of current local, state and federal laws and practices on the establishment and management of tax increment financing districts and community facilities districts under California Government Code section 53369 and the Mello-Roos Act. Experience in establishing, reviewing and interpreting public finance districts formation documents and acquisition reimbursement applications. Experience in construction process and construction cost estimate and management

B. Which, if any, civil service class(es) normally perform(s) this work?

1650,1652,1654,1657,1684,1686,

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If yes, explain:

No.

**4. Why Classified Civil Service Cannot Perform**

A. Explain why civil service classes are not applicable:

This service is highly specialized. Skills and experience in auditing and construction cost estimate and construction process as well as public financing are required. The service is intermittent. This service is as-needed and will only be needed when development submit reimbursement request. We expect long gaps of time between services.

B. Would it be practical to adopt a new civil service class to perform this work? Explain.

No. Work is currently required for specifics as needed services related to the Treasure Island development and there is not believed to be sufficient city-wide demand to justify full time positions. Additionally, the work is meant to be an independent, third party review and audit of the developer's reimbursement request. We expect an

**5. Additional Information (if "yes", attach explanation)**

**YES NO**

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| A. Will the contractor directly supervise City and County employee?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| B. Will the contractor train City and County employee?<br>No training will be provided.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| C. Are there legal mandates requiring the use of contractual services?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| D. Are there federal or state grant requirements regarding the use of contractual services?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| E. Has a board or commission determined that contracting is the most effective way to provide this service?                               | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? Additional work is necessary | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

THE ABOVE INFORMATION IS SUBMITTED AS COMPLETE AND ACCURATE ON BEHALF OF THE DEPARTMENT HEAD

ON 04/18/24 BY:

Name: Joan Lubamersky Phone: 4155544859 Email: joan.lubamersky@sfgov.org

Address: One Carlton B. Goodlett Place Room 362 San Francisco, CA 94102

1    **RESOLUTION AUTHORIZING THE TREASURE ISLAND DIRECTOR (“DIRECTOR”) TO**  
2    **RETROACTIVELY AMEND THE AGREEMENT BETWEEN THE TREASURE ISLAND**  
3    **DEVELOPMENT AUTHORITY AND HARRIS AND ASSOCIATES, INC. FOR COMMUNITY**  
4    **FACILITY DISTRICT AND INFRASTRUCTURE AND REVITALIZATION FINANCING**  
5    **DISTRICT FINANCIAL AUDIT SERVICES FOR THE TREASURE ISLAND/YERBA BUENA**  
6    **ISLAND DEVELOPMENT PROJECT (“AGREEMENT”), TO INCREASE THE AGREEMENT**  
7    **AMOUNT BY \$749,000 AND EXTEND THE AGREEMENT TERM BY THREE YEARS WITH**  
8    **A NEW EXPIRATION DATE OF APRIL 5, 2027 .**

9  
10           **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No.  
11    380-97, authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public  
12    benefit corporation known as the Treasure Island Development Authority (the “Authority”) to  
13    act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation,  
14    reuse and conversion of the former Naval Station Treasure Island for the public interest,  
15    convenience, welfare and common benefit of the inhabitants of the City and County of San  
16    Francisco (the “City”); and,

17           **WHEREAS**, In June 2011 the Board of Supervisors authorized the Disposition  
18    and Development Agreement (“DDA”), including a Financing Plan (the “Financing Plan”),  
19    between the Authority and Treasure Island Community Development, LLC (“TICD”); and,

20           **WHEREAS**, The DDA and the Financing Plan identified certain financial goals  
21    and a framework for cooperation between the Authority, the City and TICD; and,

22           **WHEREAS**, The Financing Plan, among other things, obligates the City to (i) form  
23    requested community facilities district (“CFD”) and take related actions under the Mello-Roos  
24    Community Facilities Act of 1982 to pay for Qualified Project Costs, Ongoing Park  
25    Maintenance and Additional Community Facilities (as those terms are defined in the Financing

1 Plan), (ii) form requested infrastructure and revitalization financing districting (“IRFD”) and  
2 take related actions under the applicable provisions of the Government Code of State of  
3 California to pay for Qualified Project cost; and,

4 **WHEREAS**, On October 12, 2016, this Board authorized the Treasure Island Director  
5 (the “Director”) to submit Resolutions of Intent to the Board of Supervisors to initiate the  
6 Formation of a CFD and IRFD; and,

7 **WHEREAS**, On February 3<sup>rd</sup>, 2017, the Board of Supervisors adopted the Resolution  
8 of formation of City and County of San Francisco Community Facilities District No.2016-1  
9 (Treasure Island), Improvement Area No.1 and a future annexation area; and

10 **WHEREAS**, On February 9<sup>rd</sup>, 2017, the Board of Supervisors passed an Ordinance  
11 forming Infrastructure and Revitalization Financing District No. 1 (Treasure Island); and

12 **WHEREAS**, TICD, the Authority and the City have entered into an Acquisition and  
13 Reimbursement Agreement; and,

14 **WHEREAS**, TICD is constructing infrastructure in accordance with the DDA and will  
15 seek reimbursement from the Authority using CFD and IRFD public finances sources; and,

16 **WHEREAS**, The Authority seeks as-needed support in cataloging, reviewing, and  
17 auditing TICD’s reimbursement requests; and,

18 **WHEREAS**, On May 8, 2017, the Authority issued a Request for Qualifications (“RFQ”)  
19 for qualified consultants to provide Community Facilities District and Infrastructure  
20 Revitalization Financing District Financial Auditing Services; and,

21 **WHEREAS**, On September 17, 2017 the Authority’s Board of Directors passed  
22 Resolution #17-32-09/13 authorizing the Authority Director to enter into contract with Harris  
23 and Associates for the abovementioned services; and

24  
25

1           **Whereas**, By City regulations, the City’s Civil Service Commission reviews and  
2 approves all Personal Service Contracts, and

3           **Whereas**, On September 22, 2017, the City’s Civil Service Commission approved  
4 Personal Service Contract number PSC #49736, 16/17, the contract between the Authority  
5 and Harris and Associates for the abovementioned services; and

6           **WHEREAS**, on April 11, 2018, the Authority entered into agreement with Harris and  
7 Associates for an amount not to exceed Nine Hundred and Seventy Five Thousand Dollars  
8 (\$975,000) for a term of three years with the Authority having two (2) options to renew the  
9 contract for a period of three years each; and

10           **WHEREAS**, on March 16, 2021, the Authority exercised the first option and entered  
11 into the First Amendment to the Agreement to extend the contract for a period of three years  
12 with a new expiration date of April 5, 2024; and

13           **WHEREAS**, the Agreement between the Authority and Harris and Associates, Inc. has  
14 expired; and

15           **WHEREAS**, The Treasure Island Director recommends a second amendment of the  
16 Agreement to: (i) increase the contract amount by Seven Hundred and Forty Nine Thousand  
17 Dollars (\$749,000) and (ii) extend the terms for three years with a new expiration date of April  
18 5, 2027; and

19           **WHEREAS**, City’s Department of Human Recourses is reviewing the proposed second  
20 amendment key terms for administrative approval of modification of this Personal Service  
21 Contract (PSC 49736 -16/17);and

22           **RESOLVED**, That, subject to an administrative approval of modification to Personal  
23 Service Contract (PSC 49736-16/17), the Authority hereby authorizes the Director to  
24 retroactively execute an Amendment to the Agreement between the Authority and Harris and  
25

1 Associates for Community Facility District And Infrastructure And Revitalization Financing  
2 District Financial Audit Services for the Treasure Island/Yerba Buena Island Development  
3 Project to (i) increase the contract amount by \$749,000 and (ii) to extend the term of the  
4 agreement through April 5<sup>th</sup>, 2027 and,

5 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director to  
6 enter into any additions, amendments or other modifications to the Agreement(s) that the  
7 Director determines, in consultation with the City Attorney, are in the best interests of the  
8 Authority, that do not materially increase the obligations or liabilities of the Authority, that do  
9 not materially reduce the rights of the Authority, and are necessary or advisable to complete,  
10 such determination to be conclusively evidenced by the execution and delivery by the Director  
11 of the documents and any amendments thereto.

12

13 **CERTIFICATE OF SECRETARY**

14

15 ***I hereby certify that I am the duly elected and acting Secretary of the Treasure***  
16 ***Island Development Authority, a California nonprofit public benefit corporation, and***  
17 ***that the above Resolution was duly adopted and approved by the Board of Directors of***  
18 ***the Authority at a properly noticed meeting on May 8, 2024.***

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21

**Jeanette Howard, Secretary**

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