



Agenda Item No. (4)(b)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of April 25, 2024

From: John Gray, Director of Engineering and Maintenance  
Michael S. Hoffman, Deputy General Manager, Ferry Division  
Joseph M. Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**  
**(b) BUDGET INCREASE IN THE FY 23/24 FERRY DIVISION CAPITAL**  
**BUDGET FOR PROJECT #2441, LARKSPUR TERMINAL FUEL HOSE**  
**REPLACEMENT**

### **Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize an increase in the FY 23/24 Ferry Division Capital Budget in the amount of \$57,500 for Project #2441, *Larkspur Terminal Fuel Hose Replacement*, to be funded with 100% District funds.

This matter will be presented to the Board of Directors at its April 26, 2024, meeting for appropriate action.

### **Summary**

The Larkspur Ferry Terminal is a pile-supported overwater structure with below deck fuel transmission infrastructure, including stainless-steel distribution piping, valves, fittings, and hoses. Hoses are installed in between fixed and floating structures (wharf deck construction joints) to accommodate differential displacements between moving structures.

These flexible hose connections must be replaced every five years, regardless of condition, to protect against failure, which is consistent with the Golden Gate Bridge, Highway and Transportation District's (District) Preventative Maintenance Plan, equipment exchange protocol, and an August 20, 2021 injunction, to which the District agreed. The hoses were last changed in April 2019.

On December 1, 2023, the District issued a Request for Quotations for Larkspur Fuel Hose Replacement, Contract No. 2023-F-067. On February 2, 2024, the District received a single response from Lescure Company, Inc. (Lescure Company) in the amount of \$59,411. Consistent with the District's Procurement Manual, staff reviewed the project specifications to ensure that they were not unduly restrictive and reached out to the contractors who decided not to submit quotes. Staff learned that some contractors decided not to submit quotes because the project

involved specialized work and was for a relatively small dollar amount. Staff determined that competition was adequate.

Staff evaluated Lescure Company’s quote and found the pricing to be fair and reasonable. Lescure Company’s estimated labor hours to complete the project closely matched staff estimates.

A portion of this work must be done on weekends or overnight to avoid disruption to normal passenger operations. Lescure Company’s quote includes a limited amount of labor planned at weekend rates so that work can be conducted around normally scheduled vessel operations. The budget increase includes funds for a 25% Prime Contract contingency to cover a potential increase in labor charges from coordinating work around ferry vessel refueling demand.

**Fiscal Impact**

Project #2441, *Larkspur Terminal Fuel Hose Replacement*, is included in the FY 23/24 Ferry Division Capital Budget in the amount of \$97,500 and is 100% District funded. Approval of this item would result in a \$57,500 increase to the total project budget as shown in Table 1 below. The revised total project budget of \$155,000 will be 100% District funded.

**TABLE 1: Proposed Project Budget -- #2441, *Larkspur Terminal Fuel Hose Replacement***

<b>DESCRIPTION</b>	<b>CURRENT PROJECT BUDGET</b>	<b>PROPOSED AMENDMENT</b>	<b>TOTAL PROPOSED PROJECT BUDGET</b>
General Project Expenditures	\$30,000	\$50,000	\$80,000
Prime Contract	\$60,000	\$0	\$60,000
Prime Contract Contingency	\$7,500	\$7,500	\$15,000
<b>TOTAL</b>	<b>\$97,500</b>	<b>\$57,500</b>	<b>\$155,000</b>