

**Members of the Board**

James Wunderman, Chair  
Monique Moyer, Vice Chair  
Jessica Alba  
Jeffrey DelBono  
Pippin Dew

**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS MEETING**

*Thursday, March 13, 2025 at 1:00 p.m.*

**Alameda City Hall  
Council Chambers  
2263 Santa Clara Avenue, 3rd Floor  
Alameda, CA**

*and*

**Videoconference**

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***The full agenda packet is available for download at [sanfranciscobayferry.com/next-board-meeting/](https://sanfranciscobayferry.com/next-board-meeting/)***

## **AGENDA**

1. CALL TO ORDER
2. ROLL CALL/PLEDGE OF ALLEGIANCE
3. REPORT OF BOARD CHAIR **Information**
  - a. Chair's Verbal Report
4. REPORTS OF DIRECTORS **Information**

Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.
5. REPORTS OF STAFF **Information**
  - a. Executive Director's Report on Agency Projects, Activities and Services
    - i. Alameda Ferry Terminal Access Update
    - ii. CARB Alternative Control of Emissions Approval and MV *Karl* Acceptance and Delivery
  - b. Review of Financial Statements
  - c. Federal Legislative Update
  - d. State Legislative Update
  - e. Ridership Report
  - f. Reliability and On-Time Performance Report
6. CONSENT CALENDAR **Action**
  - a. Approve Board Meeting Minutes – February 13, 2025
  - b. Approve Contract Award to Pacific Power Group, LLC for MV *Peralta* Main Engine Preventative Maintenance Services
7. APPROVE ACTIONS RELATIVE TO RFP 22-017, 400-PASSENGER REEF VESSEL PROCUREMENT **Action**

**Water Emergency Transportation Authority  
March 13, 2025 Meeting of the Board of Directors**

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|--|--------------------------------|
| 8. <u>MISSION BAY FERRY LANDING MEMORANDUM OF UNDERSTANDING</u>  | <b>Action</b>                  |
| 9. <u>AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A LEASE AT 375 BEALE STREET AND RELATED ACTIONS</u> | <b>Action</b>                  |
| 10. <u>OAKLAND ALAMEDA WATER SHUTTLE PILOT PROJECT UPDATE</u>  | <b>Information</b>             |
| 11. <u>APRIL 2025 SCHEDULE CHANGE</u>  | <b>Information</b>             |
| 12. <u>UPDATED AND RESTATED SF BAY FERRY ADMINISTRATIVE CODE</u>   | <b>Information/<br/>Action</b> |
| 13. <u>PUBLIC COMMENTS FOR NON-AGENDA ITEMS</u>  |                                |

**ADJOURNMENT**

***All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action and change by the Board of Directors.***

**PUBLIC COMMENTS** WETA welcomes comments from the public.

*If you know in advance that you would like to make a public comment during the meeting, please email BoardOfDirectors@sfbayferry.com with your name and item number you would like to provide comment on no later than 15 minutes after the start of the meeting. Comments will also be accepted in real time. During the public comment period, speakers will be allotted no more than 3 minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.*

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item.

Non-Agenda Items: A 15-minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period.

Upon request, WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, WETA will arrange for disability-related modifications or accommodations including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please send an email with your request to: contactus@sfbayferry.com as soon as possible and no later than 5 days prior to the meeting and we will work to accommodate access to the meeting.

**AGENDA ITEM 1**  
**CALL TO ORDER**

**AGENDA ITEM 2**  
**ROLL CALL**

**AGENDA ITEM 3**  
**REPORT OF BOARD CHAIR**

**AGENDA ITEM 4**  
**REPORTS OF DIRECTORS**

**NO MATERIALS**

TO: Board Members

FROM: Seamus Murphy, Executive Director

DATE: March 13, 2025

RE: Executive Director's Report

### **Federal Funding Impacts**

Staff continues to work closely with SF Bay Ferry's federal advocates to monitor the federal funding impacts of Executive Orders on capital grants, leveraging connections through the Public Ferry Coalition, and developing a regional coalition to advocate for projects if the need arises. The layoffs of FTA workers has impacted execution of awarded REEF grants. Region 9 staff have indicated that all awarded grants should continue to be processed as they normally would.

### **Bay Area Council Sacramento Day**

Executive Director Seamus Murphy joined Bay Area Council Chair Kristina Lawson, CEO Jim Wunderman, and business leaders, policymakers, and lobbyists for a day of impactful discussions with Bay Area legislators. The event featured an impressive lineup of speakers and panelists who addressed California's most pressing challenges, including housing affordability, transportation modernization, public safety, and artificial intelligence. Mr. Murphy moderated a session with Assembly Transportation Committee Chair Lori Wilson. The session covered the importance of approving stopgap funding to avoid immediate cuts to transit services and authorization of a transportation revenue measure to provide longer term certainty to transit agencies struggling to address lagging ridership linked to ongoing remote trends.

### **REEF Program**

The 150-passenger vessel production is well underway with authorization of the award of the 400-passenger vessel procurement the subject of the current Board meeting. The universal charging float procurement is proceeding with proposals due on March 31 along with continuing work on code compliance, fire/life safety considerations, and additional upcoming validation testing. The landside electrification planning and design work continued to advance with major emphasis on the Phase 1 Treasure Island and Mission Bay terminals, as well as the Phase 2 Seaplane Lagoon, Harbor Bay, Oakland, and Downtown SF terminals. SFBF project managers are directing the efforts of the consultant teams assigned to each of the projects. Proposals were received on March 3 for the latest on-call multi-bench professional services that will provide additional critical resources in support of the program. Memorandums of Understanding (MOUs) are currently being developed for the Mission Bay and Treasure Island terminals. There continues to be good coordination with the many stakeholders involved in the delivery of the overall program.

### **CARB Alternative Control of Emissions (ACE) Approval and MV Karl Acceptance and Delivery**

On March 6, the California Air Resources Board approved SF Bay Ferry's ACE Plan, certifying that the plan meets the State's Commercial Harborcraft regulation.

This accomplishment is represented well by the MV Karl's successful completion of Owner's Acceptance Trials on February 12, 2025, at Mavrik Marine in La Conner, Washington. As the first high-speed ferry in the fleet equipped with Tier 4 engines and Diesel Particulate Filters (DPFs), the Karl is also the first ferry to comply with the California Air Resources Board (CARB) Commercial Harbor Craft Rule, demonstrating a significant advancement in emissions reduction technology.

The crew is currently awaiting a suitable weather window for the vessel's delivery to Vallejo, California. In addition to its environmental benefits, the MV Karl boasts a fully loaded speed of 37 knots, making it the fastest vessel in the fleet. With a passenger capacity of 320, it is designed to operate on all existing routes, providing increased flexibility and efficiency. The vessel also features several passenger-focused enhancements, including an enclosed upper deck for improved weather protection and overall comfort.

This is the third vessel delivered in a four-vessel order by Mavrik Marine. The final vessel in the class, the MV Zalophus, is scheduled for completion by the end of 2025. Further updates will be provided as the Karl arrives and is integrated into passenger service. Staff will present to the board an overview of the vessel's key characteristics and highlight our collaboration with key stakeholders.

### **Regional Revenue Measure**

With the new two-year legislative session underway, Senator Wiener and Senator Arreguin introduced Senate Bill (SB) 63, that would authorize a regional transportation revenue measure to be placed on the ballot in 2026. At this point, SB 63 remains what is called a 'spot bill' a form of a placeholder for members to express their intent and to allow certain legislative deadlines to be met with detailed language to emerge later in the session.

At its February meetings MTC advanced two key items related to the revenue measure: 1) Adopted six principles to guide MTC's advocacy on SB 63, and 2) results of a public opinion poll that gauged voter support and attitudes on the potential transportation revenue measure. The six principles articulate the need for a measure to be successful, prevent major service cuts, account for local priorities, focus on rider benefits, be geographically balanced and include accountability provisions. The poll, which tested support and attitudes of 3,050 Bay Area voters, included three different funding frameworks that were considered by MTC's Transportation Revenue Measure Select Committee last year. Overall, two of the three options exceeded a simple majority, which is the threshold needed for a voter-qualified initiative. Legislators have been awaiting the results of this poll before moving forward with possible legislation. These results are similar to public and private polls, including a poll from the Bay Area Council, that shows a traditional local revenue measure remains out of reach.

Relatedly, Senators Wiener and Arreguin held a hearing in early February where they announced their plan to seek \$2 billion in this year's state budget to address transit funding shortfalls statewide. The Bay Area's funding share, the process in which it would be distributed, and which kind of projects or operators would be eligible is unknown. Given that the state's fiscal picture is unknown, a prognosis for this budget stop-gap is also uncertain.

### **Alameda Ferry Terminal Access**

SF Bay Ferry has been working collaboratively the City of Alameda to address terminal access issues at all three Alameda Ferry Terminals to ensure continued ridership growth on SF Bay Ferry services while maintaining a high-quality customer experience. Of concern, terminal parking lots are reaching capacity on certain weekdays at the Harbor Bay and Seaplane Lagoon terminals, which could potentially limit future ridership growth. Additionally, a need for additional security has been identified as instances of vehicle break-ins have been reported in the recent past at the City's ferry terminals. SF Bay Ferry is working with the City to develop a strategy that considers these issues in light of the City's plans to implement ferry terminal parking fees in the near-term future, as well as an existing SF Bay Ferry commitment to allow the City to retain certain sources of local subsidy. A Memorandum of Understanding (MOU) is being drafted to reflect an agreed upon comprehensive approach to these issues. Staff will provide an update of this work at the Board meeting. A final MOU will be presented to the Board for its consideration in later this Spring.

### **Website Redesign Project Award**

The redesign of sanfranciscobayferry.com was honored with a 2025 first place American Public Transportation Association (APTA) AdWheel award for best marketing or communications to increase ridership. The award was granted to Exemplifi LLC, the contracted firm who developed the new website. AdWheel awards recognize excellence in the marketing, communications, and customer experience efforts of APTA members. The website was chosen for its creative design, key user experience improvements, and innovative features.

### **P-Lo Film Shoot and Promotion**

On February 8, staff worked with NBA All-Star weekend entertainment ambassador P-Lo to film a promotional video on a ferry to use to market the entertainer's many public appearances throughout the Bay Area during All-Star weekend and SF Bay Ferry's special event service to Chase Center. Content was mainly shared on Instagram and had a tremendous reach and high engagement. SF Bay Ferry gained 276 followers in the week following the event (about 4%). P-Lo's team tagged SF Bay Ferry in 11 posts and 20 stories, reaching about 560,000 followers. Posts were shared by popular local organizations like Only in SF (327,000 followers), Senor Sisig (52,100 followers), and Golden State Entertainment (4,744 followers). Two influencers the agency partnered with in the "Ferry There" campaign with D&A Communications attended and promoted SF Bay Ferry, reaching 10,524 followers total. These high impression and engagement numbers indicate strong success in marketing SF Bay services to new audiences.

### **New Staff and Board Email Addresses**

In an effort to improve branding consistency, staff has received new email addresses. Instead of addresses ending in "watertransit.org," new staff addresses now end in "sfbayferry.com." The agency also moved to the more standard approach of using "firstname.lastname" instead of just last names.

These changes affect all watertransit.org email addresses, including for individual staff, as well as shared mailboxes and mailboxes for the Board of Directors. The old addresses can still receive messages and will do so for the foreseeable future to allow people time to update their address books. A small number of email addresses use sanfranciscobayferry.com, including the Customer Service and BayAlerts addresses. Those are in the process of being migrated to sfbayferry.com.

### **Released Request for Proposals**

There was one RFP released in the last month as shown below:

- Emergency Operations Planning Support : Released February 12

\*\*\*END\*\*\*

MEMORANDUM

**TO:** Board Members  
**FROM:** Seamus Murphy, Executive Director  
Erin McGrath, Chief Financial Officer  
**SUBJECT:** Review of FY 2024/25 Financial Statements Ending January 31, 2025

**Recommendation**

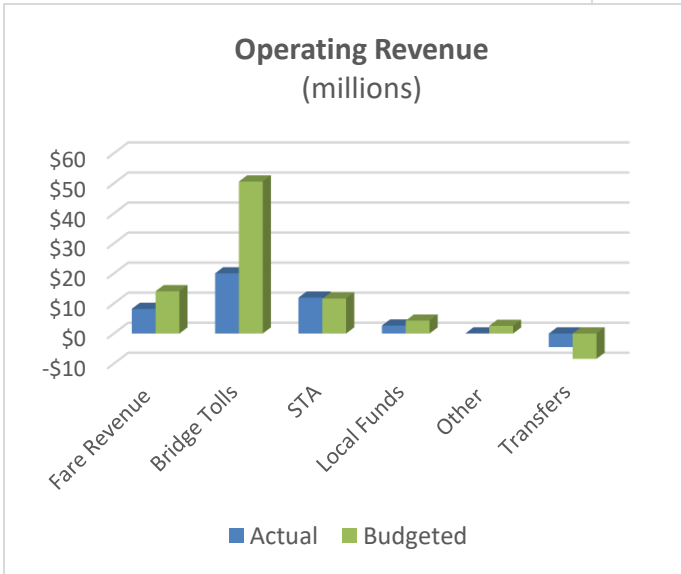
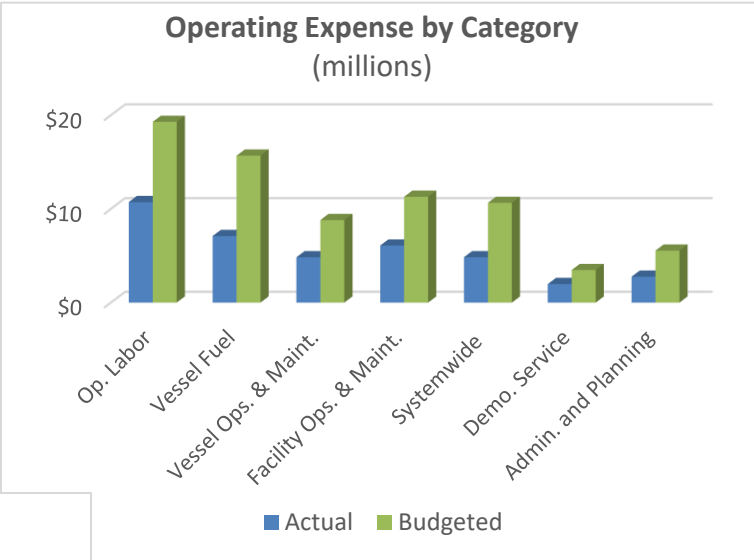
There is no recommendation associated with this informational item.

**Financial Summary**

This report provides a summary and review of financial activity against budget through January 2025.

**Operating Budget:**

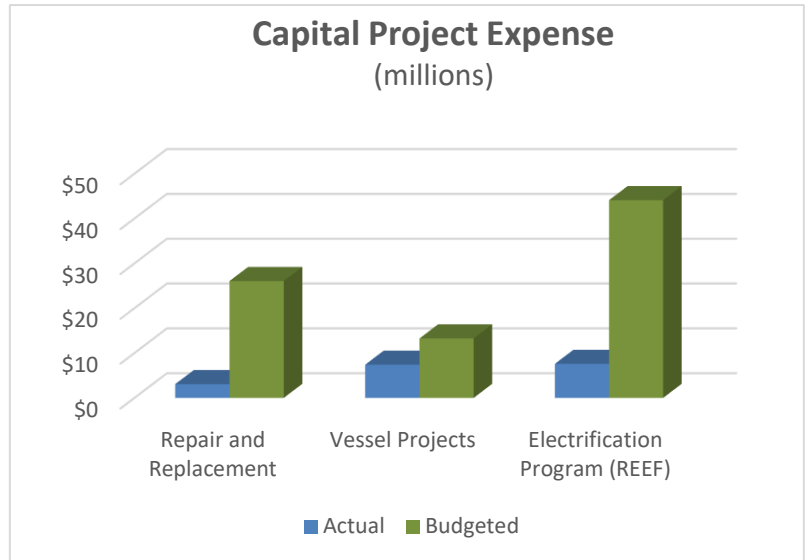
There are currently no budgetary challenges anticipated for the close of the Fiscal Year in June. Total revenue and expense to date for operations is \$38.3 million, 51% expended with 58% of the fiscal year completed. All components of the budget such as labor, vessel and system expenses are on budget. Fuel, which was conservatively budgeted, is trending below budget with only 45% expended.



Revenue accruals of \$38.3 million are also on budget. As discussed in prior reports, different funding sources are utilized at different rates depending on whether those funds are required to be used within the fiscal year or not. Fare revenue is on target after 7 months is 58% of budget. There is slightly more STA revenue being utilized this year than budgeted due to the rollover of some remaining funds from the prior year.

## Capital Program Expense

Capital Budget expenses are summarized by category in the graph shown. Expenses through the first 7 months are \$18 million. Significant initial payments were processed last month for the 150-passenger electric vessel contract. More detailed capital project data is provided on the last page of this report and a more narrative update is provided quarterly by the Chief Capital Officer.



## Investment Report

The total monthly balance held in both the Local Agency Investment Fund (LAIF) and our commercial bank as of January 31 is \$35.8 million as shown below.

	January 2025
Bank of America (Checking)	\$ 2,664,643
Bank of America (Measure B/BB)	7,075,043
Local Agency Investment Fund (LAIF)	26,021,357
<b>Total</b>	<b>\$ 35,761,043</b>

## Fiscal Impact

There is no fiscal impact associated with this informational item.

\*\*\*END\*\*\*

**San Francisco Bay Ferry (WETA)**  
**Operating & Administration Monthly Budget Report FY 2024/25**  
**Through the Month Ending 1/31/2025**

% of Year Elapsed 58%

	Month Jan. 2025 Actual	Year - To - Date		Total FY2024-25 Budget	% Budget
		FY2023-24 Actual	FY2024-25 Actual		
<b>OPERATING REVENUE</b>					
Fare Revenue	\$1,040,633	\$7,389,745	8,201,162	\$14,065,234	58%
Revenue Transfer to Reserve	(645,192)	-	(4,505,706)	(8,439,141)	53%
Federal Operating Assistance		17,185,638	-	-	-
Regional - Bridge Toll	2,891,768	6,792,632	20,031,712	50,606,165	40%
State Operating Assistance	1,982,520	-	11,955,635	11,664,129	102%
Local	402,977	2,194,335	2,647,611	4,307,450	61%
Other Revenue	2,645	25,717	24,999	2,545,000	1%
<b>Total Operating Revenue</b>	<b>\$5,675,351</b>	<b>\$ 33,588,067</b>	<b>\$ 38,355,412</b>	<b>\$ 74,748,837</b>	<b>51%</b>
<b>OPERATING EXPENSE</b>					
<b>Harbor Bay Ferry Service</b>					
Operations Labor	\$205,961	\$1,012,792	1,073,489	\$1,688,425	64%
Vessel Fuel	69,533	577,517	497,190	1,254,960	40%
Vessel Operations & Maintenance	39,490	288,230	477,231	1,023,362	47%
Facility Operations & Maintenance	64,711	440,537	388,219	760,837	51%
Systemwide Expense	60,304	431,823	444,217	966,188	46%
<b>Total Harbor Bay Farebox Recovery</b>	<b>\$439,998</b>	<b>\$2,750,899</b>	<b>\$ 2,880,346</b>	<b>\$ 5,693,772</b>	<b>51%</b>
	<b>22%</b>	<b>21%</b>	<b>22%</b>	<b>19%</b>	
<b>Alameda/Oakland Ferry Service</b>					
Operations Labor	\$477,438	\$2,426,515	\$2,472,752	\$4,408,474	56%
Vessel Fuel	198,665	1,618,492	1,420,966	2,823,660	50%
Vessel Operations & Maintenance	99,700	456,090	917,016	1,646,620	56%
Facility Operations & Maintenance	164,338	1,141,947	1,015,670	1,926,387	53%
Systemwide Expense	155,982	1,177,177	1,164,184	2,541,987	46%
<b>Total Alameda/Oakland Farebox Recovery</b>	<b>\$1,096,123</b>	<b>\$ 6,820,220</b>	<b>\$ 6,990,588</b>	<b>\$ 13,347,128</b>	<b>52%</b>
	<b>20%</b>	<b>28%</b>	<b>28%</b>	<b>24%</b>	
<b>Vallejo Ferry Service (Vallejo)</b>					
Operations Labor	\$556,096	\$2,847,177	\$2,898,421	\$5,851,832	50%
Vessel Fuel	437,062	3,792,956	3,126,124	\$6,745,410	46%
Vessel Operations & Maintenance	166,330	772,444	1,286,802	\$2,506,542	51%
Facility Operations & Maintenance	463,433	2,223,572	2,853,161	5,194,472	55%
Systemwide Expense	201,262	1,391,851	1,497,995	3,151,145	48%
<b>Total Vallejo Farebox Recovery</b>	<b>\$1,824,183</b>	<b>\$ 11,028,001</b>	<b>\$ 11,662,503</b>	<b>\$ 23,449,402</b>	<b>50%</b>
	<b>24%</b>	<b>29%</b>	<b>31%</b>	<b>27%</b>	
<b>South San Francisco Ferry Service (SSF)</b>					
Operations Labor	\$181,638	\$951,226	\$962,413	\$1,706,808	56%
Vessel Fuel	49,666	548,903	355,093	941,220	38%
Vessel Operations & Maintenance	37,720	368,449	570,850	1,129,078	51%
Facility Operations & Maintenance	51,394	433,198	433,365	719,434	60%
Systemwide Expense	44,611	289,604	330,067	800,037	41%
<b>Total South San Francisco Farebox Recovery</b>	<b>\$365,030</b>	<b>\$ 2,591,381</b>	<b>\$ 2,651,790</b>	<b>\$ 5,296,577</b>	<b>50%</b>
	<b>15%</b>	<b>7%</b>	<b>14%</b>	<b>13%</b>	
<b>Richmond Ferry Service (Richmond)</b>					
Operations Labor	\$370,731	\$1,876,270	\$1,932,281	\$3,384,571	57%
Vessel Fuel	139,065	1,121,834	994,824	2,196,180	45%
Vessel Operations & Maintenance	78,007	414,871	1,032,759	1,520,044	68%
Facility Operations & Maintenance	145,878	948,403	908,479	1,742,897	52%
Systemwide Expense	112,541	678,964	832,146	1,911,368	44%
<b>Total Richmond Farebox Recovery</b>	<b>\$846,222</b>	<b>\$ 5,040,342</b>	<b>\$ 5,700,490</b>	<b>\$ 10,755,060</b>	<b>53%</b>
	<b>12%</b>	<b>13%</b>	<b>13%</b>	<b>12%</b>	

(continued on next page)

**San Francisco Bay Ferry (WETA)**  
**Operating & Administration Monthly Budget Report FY 2024/25**  
**Through the Month Ending 1/31/2025**

% of Year Elapsed 58%

	Month Jan. 2025 Actual	Year - To - Date		Total FY2024-25 Budget	% Budget
		FY2023-24 Actual	FY2024-25 Actual		
<b>OPERATING EXPENSE (continued)</b>					
<b>Seaplane Lagoon Ferry Service</b>					
Operations Labor	\$267,750	\$1,309,744	\$1,395,536	\$2,251,233	62%
Vessel Fuel	99,332	790,712	710,631	1,725,570	41%
Vessel Operations & Maintenance	46,345	272,073	550,649	980,217	56%
Facility Operations & Maintenance	79,966	588,207	489,756	952,132	51%
Systemwide Expense	78,172	556,951	574,418	1,278,319	45%
<b>Total Seaplane Lagoon Farebox Recovery</b>	<b>\$571,566 20%</b>	<b>\$ 3,517,688 25%</b>	<b>\$ 3,720,990 23%</b>	<b>\$ 7,187,472 17%</b>	
<b>Subtotal Operations (Regular Service)</b>	<b>\$5,143,122</b>	<b>\$ 31,748,530</b>	<b>\$ 33,606,707</b>	<b>\$ 65,729,411</b>	<b>51%</b>
<i>Farebox Recovery (exclud. Admin.)</i>	<i>20%</i>	<i>23%</i>	<i>24%</i>	<i>21%</i>	
<b>Hydrogen Demonstration Project (Sea Change)</b>	\$46,919	151,251	\$ 1,500,163	<b>\$2,143,724</b>	70%
<b>Alameda - Oakland Demonstration Project (Woodstock)</b>	\$81,365	N/A	481,672	<b>\$1,330,000</b>	36%
<b>Subtotal Ferry Operations (All)</b>	<b>\$5,271,406</b>	<b>\$ 31,899,781</b>	<b>\$ 35,588,543</b>	<b>\$ 69,203,135</b>	<b>51%</b>
<b>Planning and Administration</b>					
Wages and Fringe Benefits	\$261,920	\$1,293,035	\$1,693,158	\$2,991,281	57%
Professional & Other Services	106,982	676,499	793,223	1,983,648	40%
Information Tech., Office, Supplies	7,005	15,353	47,939	99,000	48%
Utilities/Communications	3,051	11,927	16,660	25,632	65%
Insurance	1,941	17,533	15,240	28,059	54%
Dues, Memberships, Misc.	21,790	73,749	78,985	148,268	53%
Leases and Rentals	1,256	148,633	121,664	269,816	45%
Admin Overhead Expense Transfer		(548,443)	-		
<b>Subtotal Planning &amp; Administration</b>	<b>\$403,945</b>	<b>\$1,688,286</b>	<b>\$ 2,766,870</b>	<b>\$ 5,545,703</b>	<b>50%</b>
<b>Total Operating Expense</b>	<b>\$5,675,351</b>	<b>\$ 33,588,067</b>	<b>\$ 38,355,412</b>	<b>\$ 74,748,838</b>	<b>51%</b>
<b>Systemwide Farebox Recovery (Regular Service, incl. Admin.)</b>			<b>23%</b>		

**San Francisco Bay Ferry (WETA)**  
**FY 2024/25 Capital Revenue and Expense**  
**Year-to-Date Through January 31, 2025**

	Total Project Revenue/Expense	Prior Years	FY 2024/25 Budget (revised)	Year-To-Date FY2024/25 Actual	Total Future Year	% of Project Budget
<b>CAPITAL REVENUE</b>						
Federal Funds	\$ 142,951,683	\$ 17,266,907	\$ 37,035,764	\$ 10,832,517	88,649,012	20%
State Funds	78,802,033	25,932,860	22,204,389	725,587	30,664,784	34%
Regional - Bridge Toll	94,811,874	11,073,223	22,320,841	6,241,368	61,417,809	18%
Local /Other	6,590,000	707,943	1,856,893	266,141	4,025,164	15%
<b>Total Revenue</b>	<b>\$ 323,155,590</b>	<b>\$ 54,980,933</b>	<b>\$ 83,417,887</b>	<b>\$ 18,065,613</b>	<b>\$ 184,756,770</b>	
<b>CAPITAL EXPENSE</b>						
<b>Vessel Projects: Dorado Class</b>						
High Speed Vessels (Dorado/Delphinus)	30,420,100	30,183,002	237,098	-	-	99%
Vessel Replacements (Karl, Zalophus)	37,902,400	21,371,139	13,026,397	7,407,146	3,504,864	76%
<b>Repair and Replacement Program: Vessels</b>						
Vessel Mid-Life Reburishment - Gemini	4,488,000	20,275	4,213,000	41,779	254,725	1%
Vessel Waterjet Upgrade - Pyxis Class Vessels	700,000	214,429	360,528	159,086	125,043	53%
Vessel Mid-Life Refurbish. & Engine Overhaul - Pisces	4,679,000	8,381	4,670,000	5,674	619	0%
Water Jet Equipment	940,000	198,223	739,075	-	2,702	21%
Engine Overhauls and Improvements	9,425,000	249,824	9,175,176	1,081,042	-	14%
Component Improvements/Dry Dock	3,412,000	-	3,412,000	1,542,316	-	45%
<b>Repair and Replacement Program: Facilities</b>						
Vallejo Terminal Reconfiguration	16,696,000	451,663	600,000	94,907	15,644,337	3%
Passenger Floats Rehabilitation - Pier 9	1,362,000	-	1,362,000	-	-	0%
Vallejo Ferry Terminal Dredging	3,520,000	-	165,000	90,823	3,355,000	3%
Parking Lot Preservation & Maintenance - SSF	190,584	-	190,584	-	-	0%
NOBMF Fuel Farm Upgrades	420,000	-	420,000	-	-	0%
Mare Island-Pier 9 Office Reconfiguration	550,000	-	550,000	46,030	-	8%
Multiuse Emergency Float	200,000	-	200,000	-	-	0%
<b>Electrification Program (REEF)</b>						
<b>Vessels</b>						
New Electric Vessels (Three - 150 PX)	58,407,000	384,532	9,559,212	6,045,151	48,463,256	11%
New Electric Vessel (Intintoli Replacement)	26,446,700	956,722	11,469,302	293,071	14,020,676	5%
New Electric Vessel (Mare Island Replacement)	26,500,000	28,540	2,357,935	2,420	24,113,525	0%
<b>Facility Electrification</b>						
Central Bay Terminal	6,946,000	8,041	75,000	2,200	6,862,959	0%
Downtown San Francisco	28,315,432	848,878	12,447,141	688,956	15,019,413	5%
Treasure Island	6,798,681	-	2,593,681	69,611	4,205,000	1%
Main Street	5,689,830	-	640,313	-	5,049,518	0%
Seaplane Lagoon	11,189,000	-	780,313	237,920	10,408,688	2%
Harbor Bay	12,656,693	-	3,099,134	158,164	9,557,559	1%
Richmond Terminal	4,687,500	-	200,000	-	4,487,500	0%
Mission Bay Project	700,000	57,285	125,000	23,910	517,715	12%
Berkeley Pier/Ferry Project	3,000,000	-	200,000	57,955	2,800,000	2%
Oakland Ferry Terminal	16,913,670	-	550,000	17,453	16,363,670	0%
<b>Total Expense</b>	<b>\$ 323,155,590</b>	<b>\$ 54,980,933</b>	<b>\$ 83,417,887</b>	<b>\$ 18,065,613</b>	<b>\$ 184,756,770</b>	



**TO: SF Bay Ferry Board Members**

**FROM: Ray Bucheger, Mana Shim and Madison Hite**  
**SF Bay Ferry Federal Legislative Representatives**

**SUBJECT: SF Bay Ferry Federal Legislative Board Report – March, 2025**

This report covers the following topics:

- Update on FY25 Appropriations Process / SF Bay Ferry Advocacy
- FY26 Appropriations Process / Congressionally Directed Spending
- Surface Transportation Reauthorization / PFC Coalition Priorities

**Update on FY25 Appropriations Process / SF Bay Ferry Advocacy**

Government funding runs out on March 14<sup>th</sup> and Congress has not been able to reach an agreement on FY25 spending bills. We are barreling towards a potential government shutdown and / or a full year Continuing Resolution (CR). It is not clear how the deadline will play out. A full year Continuing Resolution will require bipartisan support in the House and Senate. Given how frustrated Democrats are with President Trump, Elon Musk and the Department of Government Efficiency (DOGE) cuts, Democrats are not currently inclined to help Republicans prevent a government shutdown. With that being said, shutting the government down is an extraordinary move, and one that neither Democrats nor Republicans take lightly. We are watching this process very closely and staying in regular contact with SF Bay Ferry staff.

**FY26 Appropriations Process / Congressionally Directed Spending**

While the FY25 appropriations process is unfinished, many on Capitol Hill have started turning their focus to the FY26 appropriations cycle. We are working with SF Bay Ferry staff to determine how to approach the FY26 Congressionally Directed Spending (CDS) process.

As we move into the FY26 appropriations process, SF Bay Ferry will continue to advocate for increased funding for two federal grant programs that are dedicated to public ferries:

- ***Electric or Low-Emitting Ferry Pilot Program authorized by Section 71102 of the Infrastructure Investment and Jobs Act (IIJA)***: The IIJA provided advanced appropriations for this program (\$50 million per year for five years for a total of \$250 million) and authorized additional funding which is subject to annual appropriations. SF Bay Ferry has requested that Congress fund the entire authorized amount for FY25, which is \$50 million.

- **FTA 5307(h) ferry program:** SF Bay Ferry has received numerous grants through this competitive grant program, which is funded at \$30 million per year. SF Bay Ferry has requested that the Appropriations Committee “plus-up” the FTA 5307(h) ferry program by at least \$20 million. The FY21, FY22, FY23 and FY24 Transportation-HUD Appropriations bills all provided additional money for the FTA program, thanks in part to SF Bay Ferry’s advocacy.

We have had much success in particular with increasing funding for the FTA 5307(h) ferry program, even given the fiscal climate of the past few years. We will continue working with Public Ferry Coalition members, especially Maine and Washington, given that Senators Susan Collins (R-ME) and Patty Murray (D-WA) are the chair and ranking member (respectively) of the Senate Appropriations Committee.

### **Surface Transportation Reauthorization / PFC Coalition Priorities**

Current surface transportation law (funding and program authorizations) does not expire until 2026, however, discussions on Capitol Hill on surface transportation reauthorization are already ramping up. Both the Senate Environment and Public Works (EPW) Committee and House Transportation and Infrastructure (T&I) Committee have held hearings this year to seek input from stakeholders on what they want to see in the next surface transportation bill. T&I Committee staff have told us they will start drafting a new bill by mid-year. We are currently working with SF Bay Ferry staff and the Public Ferry Coalition (PFC) to finalize PFC priorities for the surface transportation reauthorization debate. As part of this process, we are finalizing collateral that will be shared on Capitol Hill when advocating to key members of Congress about priorities for public ferry systems.

Respectfully Submitted,  
Ray Bucheger, Mana Shim and Madison Hite



1415 L Street  
Suite 1000  
Sacramento  
CA, 95814  
916-446-4656

March 3, 2025

TO: Board of Directors - San Francisco Bay Area Water Emergency Transportation Authority

FM: Matt Robinson, Partner  
Michael Pimentel, Partner

RE: **STATE LEGISLATIVE UPDATE – March 2025**

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***General Update***

Legislators had until February 21 to introduce bills for consideration in the first year of the two-year session. In total, 2,350 bills were introduced by the deadline. Many bills have started as “spot” bills and will need to be amended before they can be heard in the Legislature’s policy committees. The Assembly requires spot bills to be amended by March 17 and the Senate by March 26. The deadline for policy committees to meet and hear bills with a fiscal impact is May 2 (May 9 for non-fiscal) for bills in the first house. For information about key legislative and budget deadlines, please see the 2025 Legislative Calendar available [here](#).

***Assembly Member Wilson Submits Budget Request for WETA***

On March 3, Assembly Member Wilson (D-Suisun City), following coordination with WETA staff and our firm, submitted a budget request to Assembly Budget Committee leadership requesting \$6 million from the State General Fund to offset the impact of creating a partial state sales and use tax exemption for the purchase of zero-emission ferries by public transit agencies through January 1, 2030.

This request follows her work to advance the WETA-sponsored AB 2061 (2024), which would have established a partial state sales and use tax exemption for this purpose, and directly responds to Governor Newsom’s veto message for that legislation, which noted that policy to establish a partial state sales and use tax exemption for these purposes “*should be considered in the context of the annual budget process given the general fund implications of a tax exemption.*”

***Senator Arreguin and Assembly Member Gonzalez Lead Effort to Secure Additional Funding for Transit***

Senator Arreguin (D-Berkeley) and Assembly Member Gonzalez (D-Los Angeles) are leading efforts in the Legislature to secure an additional \$2 billion in flexible transit capital and operations funding as part of the Fiscal Year 2025-26 budget. The effort is supported by the California Transit Association and numerous stakeholders in the Bay Area and statewide. If successful, this effort would result in additional funding for California transit agencies and help address near-term funding shortfalls as regions prepare to advance self-help measures.

### ***CalSTA Releases Update to Climate Action Plan for Transportation Infrastructure***

On February 28, the California State Transportation Agency released an update to the [Climate Action Plan for Transportation Infrastructure \(CAPTI 2.0\)](#). CAPTI 2.0 builds on the successful implementation of CAPTI 1.0 and identifies 14 new key actions to further reduce greenhouse gas emissions, confront longstanding inequities in our transportation system, and prioritize benefits for all Californians.

Among the 14 key actions CAPTI 2.0 introduces are:

- A commitment to working towards Vehicle Miles Traveled / Greenhouse Gas (VMT / GHG) neutrality in key state transportation programs.
- The creation of a central delivery team to coordinate zero-emission freight investment.
- A new Caltrans policy to minimize housing displacement as a result of highway projects.

CAPTI also supports the implementation of a Caltrans Transit Policy, as required by SB 960 (Wiener), to prioritize the movement of transit on the state highway system.

The release of CAPTI 2.0 follows 12 months of stakeholder and public engagement by CalSTA.

### ***CTC Elects New Leadership***

At its January 2025 business meeting, the California Transportation Commission elected Darnell Grisby as its Chair and Clarissa Falcon as its Vice Chair, effective March 1. Appointed to the Commission by Governor Newsom in March 2021, Grisby is a nationally recognized social impact leader who champions upward mobility by advancing policies that promote justice through economic opportunity and environmental stewardship. He currently serves as Senior Fellow at the Beneficial State Foundation, where he leads programs that support economic mobility through transportation and financial justice. He spent the previous nine years as Director of Policy Development and Research at the American Public Transportation Association, where he helped protect public transportation from budget cuts, assisted cities around the nation in pursuing local transit ballot initiatives, and showcased the economic power of transportation investments. Grisby served as a legislative director and senior advisor in the California State Legislature and a government affairs professional before working at Reconnecting America, a think tank devoted to smart growth. Grisby was reappointed to the CTC by Governor Newsom on February 27.

Appointed to the Commission by Senate President pro Tempore Toni Atkins, Clarissa Reyes Falcon is the President and Principal Consultant for Falcon Strategies. She previously worked for the California State Senate as a district director and as a public policy analyst for the San Diego Regional Economic Development Corporation. Falcon is a board member for the University of California, San Diego Chancellor's Community Advisory Board, the San Diego Union Tribune Community Advisory Board, the South County Economic Development Council, Circulate San Diego, and the Asian Business Association Board.

### ***CalSTA Holds Eighth Transit Transformation Task Force Meeting***

The California State Transportation Agency's Transit Transformation Task Force met for its eighth time in Riverside on February 5. The meeting included discussion on the process and timeline for completing the Task Force's report to the Legislature by October 30, 2025, and afforded Task Force members the opportunity to review the draft staff report on recommendations for fleet and asset management

transit system oversight and reporting and further discuss options for additional transit funding. The planned discussion on reforms to reduce transit capital construction costs and timelines was postponed until the next Task Force meeting.

As we have highlighted for you in our last few reports, the California Transit Association (the trade organization to which WETA belongs) continues to lead engagement in the Task Force discussions on behalf of California transit agencies. To inform the positions it takes at Task Force meetings, the Association continues to engage its membership, including WETA Executive Director Seamus Murphy, on the challenges / barriers they face in delivering improvements to transit service and has convened an internal Transit Transformation Advisory Committee to develop policy recommendations (for breaking past these challenges) for submittal to the Task Force. The next Task Force meeting will take place on March 11 in Sacramento.

### ***Bills of Interest***

#### **SB 63 (Wiener) Regional Measure – WATCH**

This bill states that it is the “intent of the Legislature to enact legislation authorizing a revenue measure to invest in transportation, including to, at a minimum, sustain and improve public transportation, in the San Francisco Bay area. It is the further intent of the Legislature that the details of this authorizing legislation, including the specific geography of the measure, be based on continued stakeholder engagement and consensus building, building off of a robust regional engagement process led by the Metropolitan Transportation Commission in 2024.”

#### **SB 71 (Wiener) CEQA Exemptions for Transit Projects – RECOMMEND SUPPORT**

This bill would extend indefinitely the current January 1, 2030 sunset date established by SB 922 (Wiener, 2022) for statutorily authorized CEQA exemptions for transit and transportation projects, add additional project-types to the list of exemptions (ferry terminals, transit operational analysis, bus stops, bus shelters), and make substantive procedural changes surrounding board actions (i.e. board process for establishing a project’s cost estimate).

#### **SB 79 (Wiener) Transit Oriented Development – WATCH**

This bill states that it is the “intent of the Legislature to enact legislation that would make housing more affordable for California families, reduce greenhouse gas emissions, and enhance public transit systems by, among other things, requiring the upzoning of land near rail stations and rapid bus lines to encourage transit-oriented development.”

#### **SB 239 (Arreguín) Brown Act Teleconferencing Advisory Bodies – WATCH**

This bill would authorize a subsidiary body to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation. The bill would require the subsidiary body to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform and would require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting. The bill would require the legislative body that established the subsidiary body electing to use teleconferencing pursuant to these provisions to establish the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before

the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. The bill would require the subsidiary body to approve the use of teleconference by two-thirds vote before using teleconferencing.

**AB 259 (Rubio) Brown Act Teleconferences – WATCH**

Existing law authorizes local agencies to use teleconferencing for board/council members under certain circumstances (illness, caring for others, travel, etc.) as long as a quorum of the members participate in person from the same location identified on the agenda and that the location is open to the public and in within the local agency's jurisdiction. Existing law establishes limits on the number of meetings members may participate in via teleconference to two meetings per year if the legislative body regularly meets once per month or less. These provisions sunset on January 1, 2026. This bill would remove the sunset date and extend the alternative teleconferencing procedures indefinitely.

**AB 939 (Schultz) Transportation Bond - WATCH**

This bill would enact the Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026 which, subject to voter-approval, would authorize \$20 billion in General Obligation bonds to finance transit and passenger rail improvements, local streets and roads and active transportation projects, zero-emission vehicle investments, transportation freight infrastructure improvements, and grade separations and other critical safety improvements. The bill still needs additional substantive amendments, but it sets aside \$6 billion for transit capital improvements, \$4 billion for intercity, regional, and commuter passenger rail improvements, and \$3 billion for zero-emission vehicle investments, including rolling stock, battery electric technology vehicles, and hydrogen technology vehicles.

MEMORANDUM

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**TO:** Board Members

**FROM:** Seamus Murphy, Executive Director  
Michael Gougherty, Director of Planning  
Gabriel Chan, Transportation Planner

**SUBJECT:** Ridership Report – March 2025

**Background**

The agency's Pandemic Recovery Plan (Plan) began on July 1, 2021 with the enhancement of the Vallejo, Oakland & Alameda, and Richmond routes, the restart of the suspended Harbor Bay route, and the launch of the new Alameda Seaplane route. The following weekend also marked the relaunch of weekend service on the Vallejo, Oakland & Alameda, and Richmond routes. SF Bay Ferry relaunched the South San Francisco service in November 2021.

The Plan enhanced service during midday and weekend periods to reflect changing demands from regular commuters and recreational riders. Lower fares, more in line with parallel transit options such as BART or Transbay buses, is an additional feature of the Plan. With the introduction of the new ridership database in January 2023, staff are now able to provide more in-depth insights about ridership data with greater precision and accuracy. This report provides a monthly update on ridership trends, comparisons to historical data and other regional transit operators, as well as upcoming service adjustments.

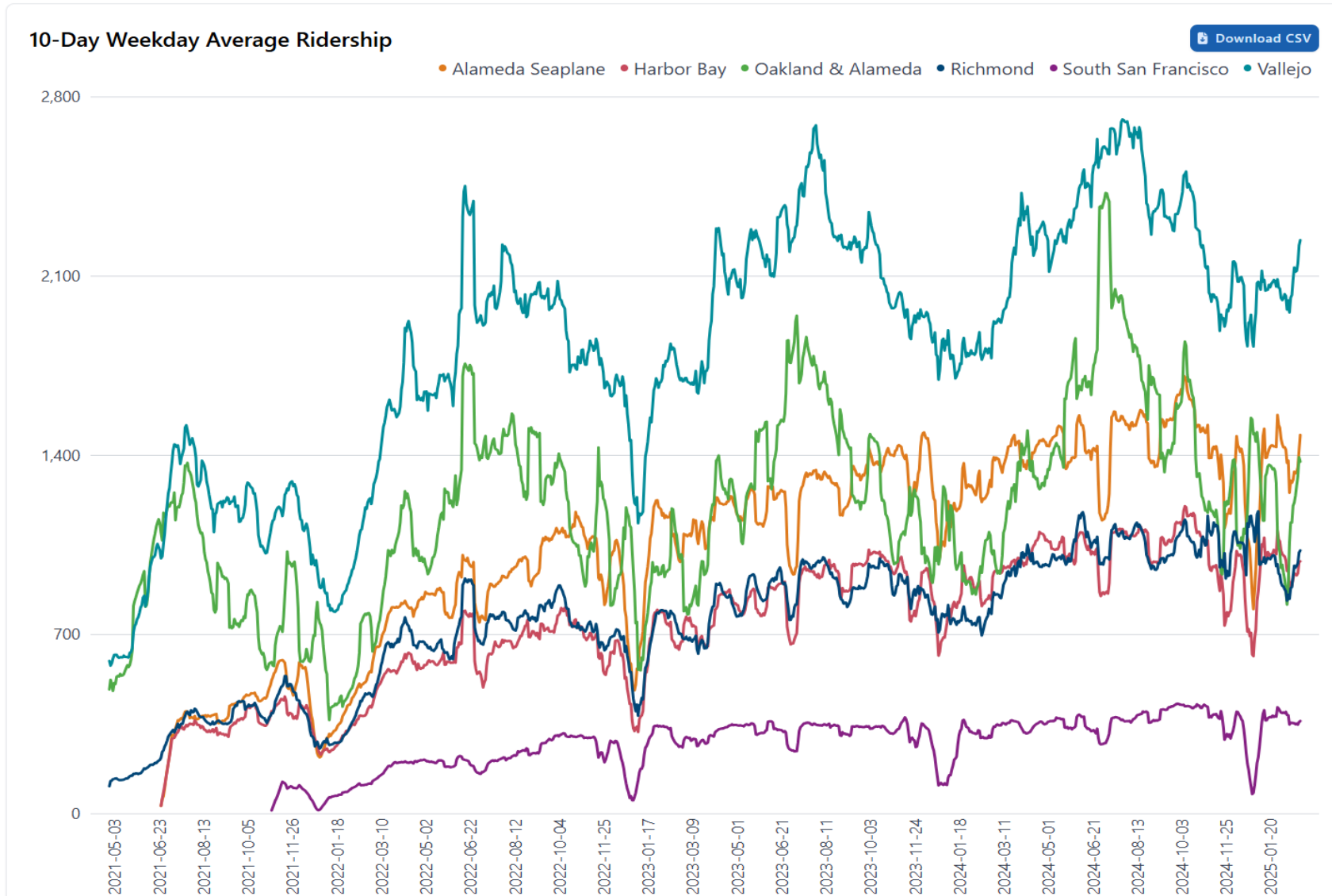
**Discussion**

This report includes ridership data for February. SF Bay Ferry had over 180,000 boardings in February—7% higher than projections in the budget. Compared to the same month in 2019, ridership was about 92% pre-pandemic. This past February was strong in terms of ridership in part driven by large events during the NBA All-Star game weekend in mid-February. Year-over-year SF Bay Ferry ridership is about 25,000 boardings higher than February 2024. Compared to BART and Caltrain, SF Bay Ferry still outperforms in terms of ridership recovery with the other regional transit operators still between 40-50% of pre-pandemic ridership.

This past month, the Alameda Seaplane route celebrated ferrying its 1 millionth rider across the bay. The route originally began with revenue service in July 2021. Combined with the Harbor Bay, South San Francisco, Oakland Alameda Water Shuttle, and the Alameda Main St. portion of the Oakland/Alameda route, ferry riders from the City of Alameda make up a plurality of weekday ferry riders system wide.

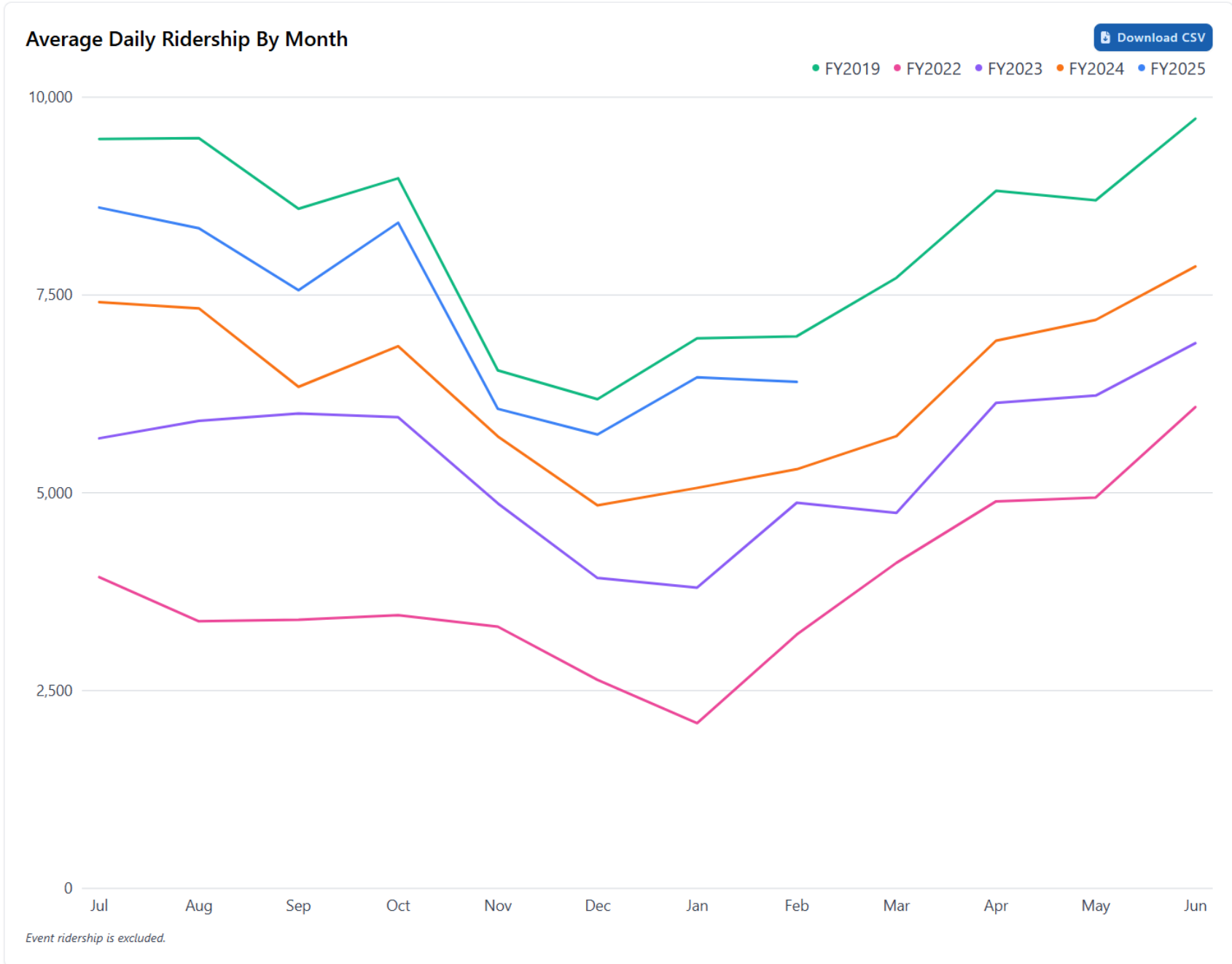
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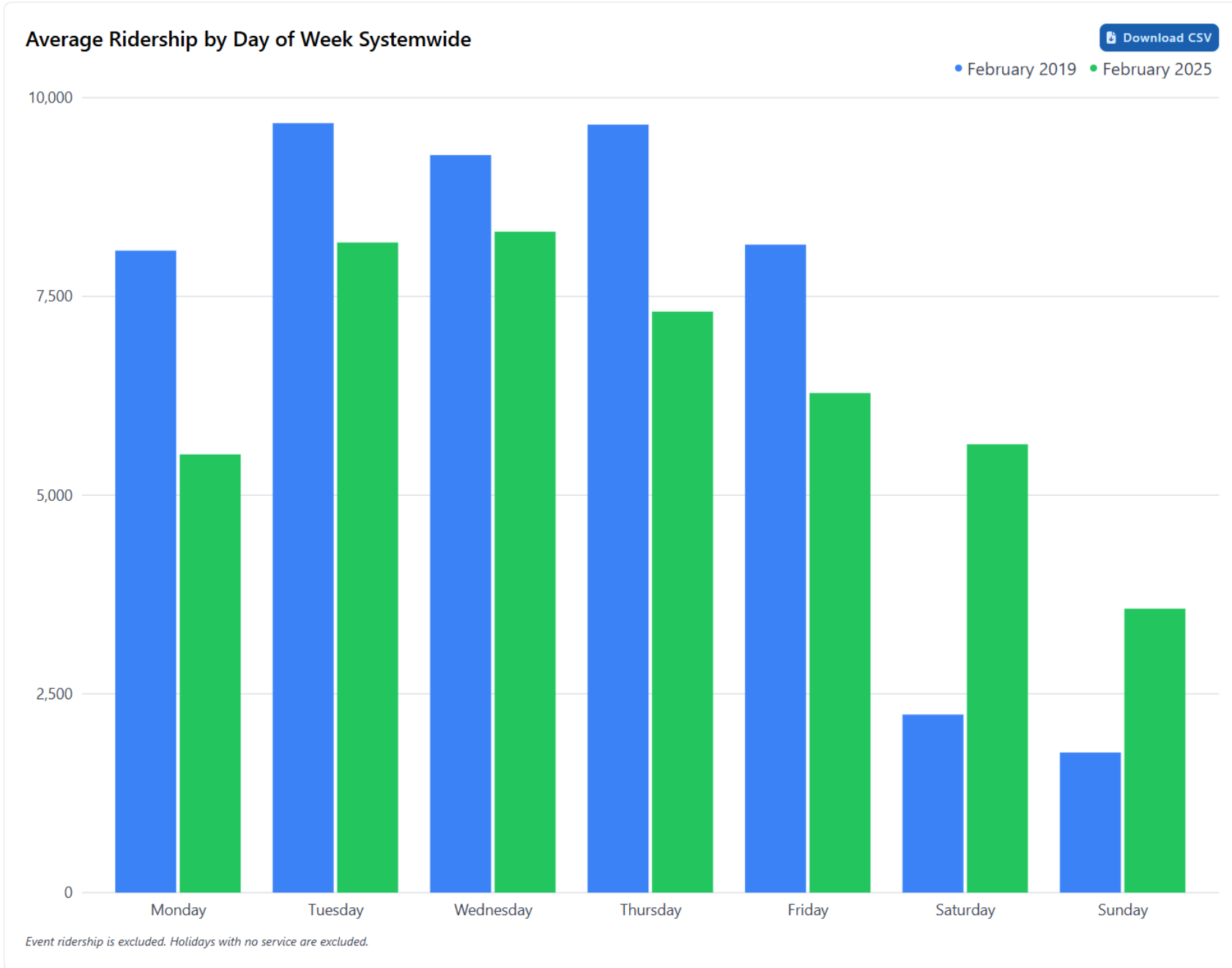
Appendix A. Ridership Data Summary

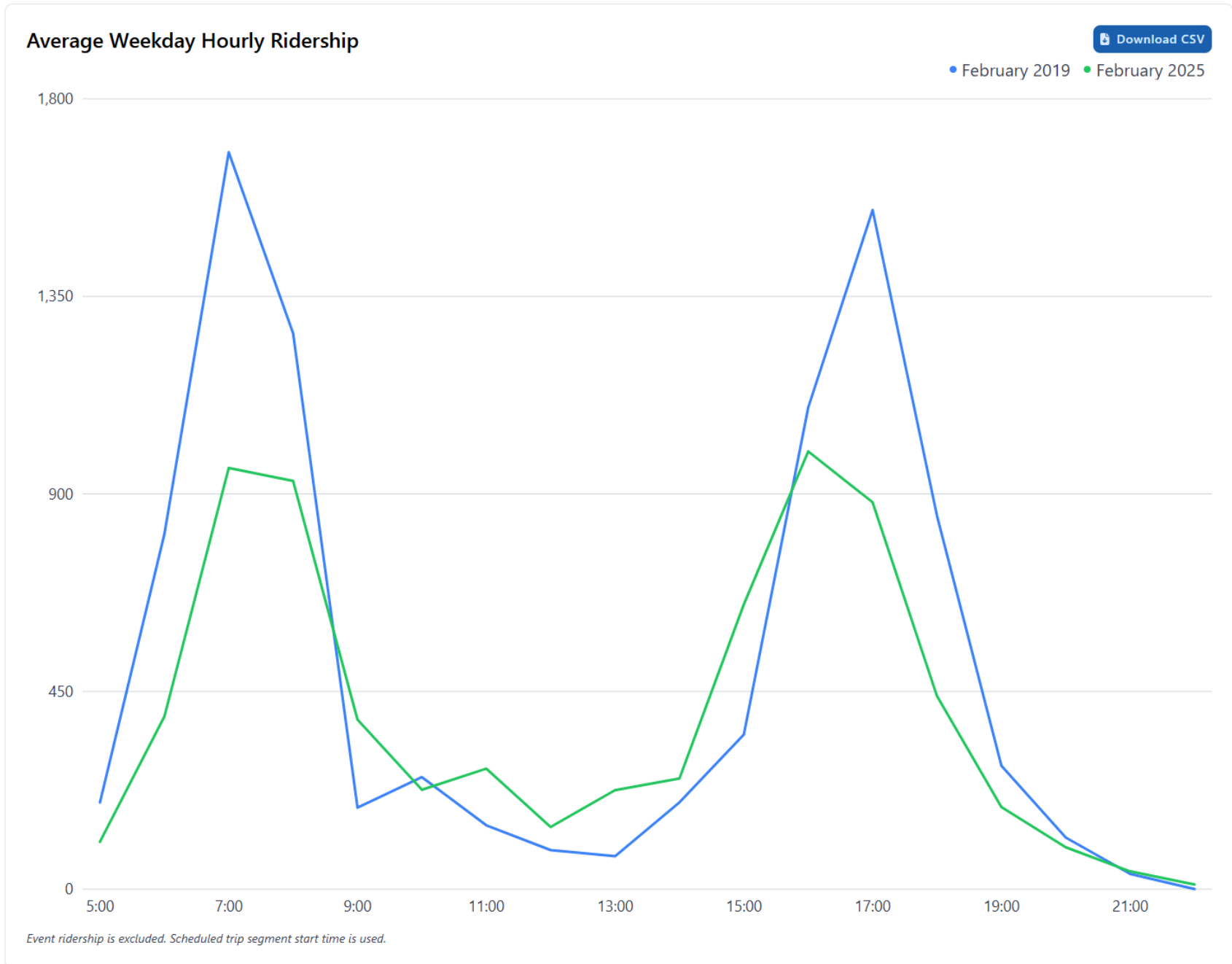


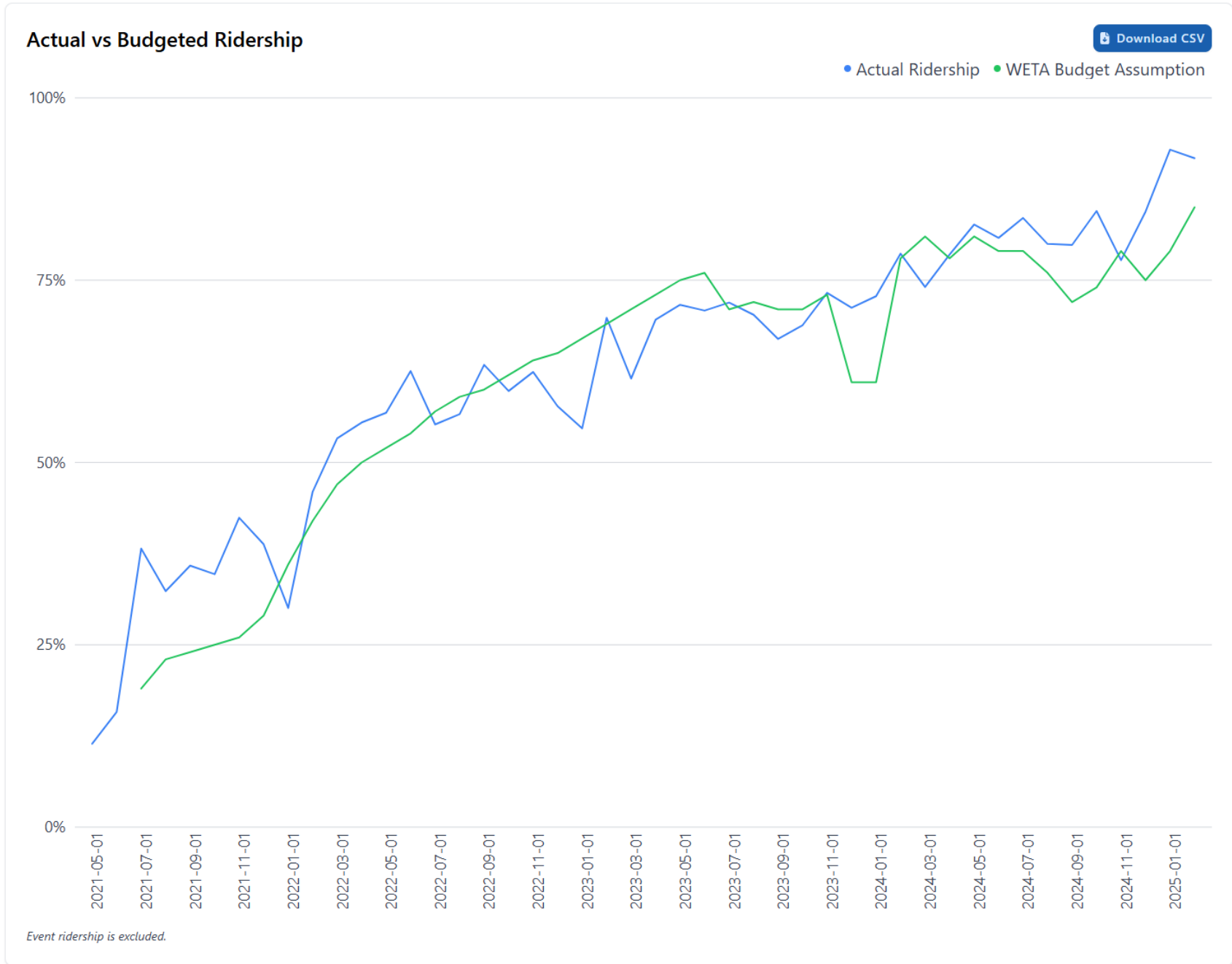
[Download CSV](#)

Ridership from other routes and event ridership is excluded.

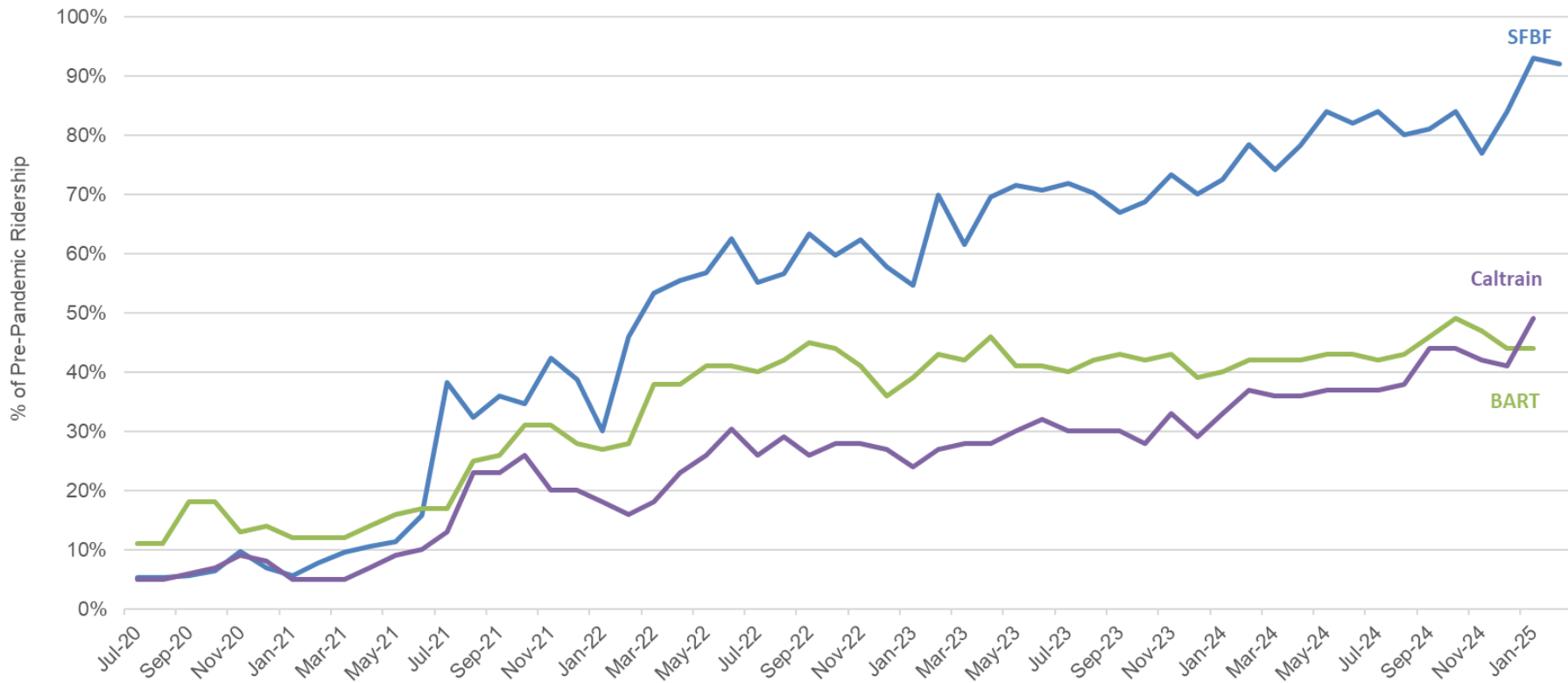








### Regional Transit Ridership



## Operational Statistics

[Download CSV](#)

	Oakland & Alameda	Richmond	Harbor Bay	South San Francisco	Alameda Seaplane	Vallejo	San Francisco Pier 41 Short Hop	Oakland Alameda Water Shuttle	Chase Center	Systemwide
Total Ridership February 2025	41,955	22,224	19,524	7,481	28,595	52,690	614	6,147	1,432	180,662
Total Ridership January 2025	47,501	25,338	22,598	8,046	30,834	56,789	705	8,410	3,525	203,746
Percent Change	-11.7%	-12.3%	-13.6%	-7%	-7.3%	-7.2%	-12.9%	-26.9%	-59.4%	-11.3%
Total Ridership February 2025	41,955	22,224	19,524	7,481	28,595	52,690	614	6,147	1,432	180,662
Total Ridership February 2024	35,708	18,803	18,377	6,528	27,375	46,406	441	0	1,809	155,447
Percent Change	17.5%	18.2%	6.2%	14.6%	4.5%	13.5%	39.2%	Infinity%	-20.8%	16.2%
Total Ridership FY2025 to date	467,478	216,538	172,248	62,178	244,087	509,999	13,657	66,004	11,432	1,791,577
Total Ridership FY2024 to date	395,783	179,456	151,954	51,903	230,272	463,436	12,038	0	12,489	1,525,227
Percent Change	18.1%	20.7%	13.4%	19.8%	6%	10%	13.4%	Infinity%	-8.5%	17.5%
Average Weekday Ridership February 2025	1,136	942	1,028	394	1,505	2,123	54	227	273	7,160
Weekdays Operated in February 2025	20	20	19	19	19	20	1	12	3	20
Average Weekend Ridership February 2025	2,405	423				1,280	70	427	204	4,682
Weekend Days Operated in February 2025	8	8	0	0	0	8	8	8	3	8
Ridership Per Hour February 2025	92	67	104	61	147	77	68	56	245	86
Ridership Per Mile February 2025 <sup>†</sup>	6.5	3.7	5.5	3.4	8.7	2.8	3.7	25.9	20.3	4.5
Revenue Hours February 2025	456	333	188	122	195	685	9	111	6	2,104
Revenue Hours FY To Date	3,888	2,916	1,568	1,049	1,669	5,942	152	919	38	18,231
Revenue Miles February 2025 <sup>†</sup>	6,459.2	6,084.4	3,560.4	2,190.5	3,270.4	18,556.4	167.4	237	70.5	40,596.2
Revenue Miles FY To Date <sup>†</sup>	55,111.1	53,222.6	31,063.2	18,458.9	28,033.6	160,712	2,321.9	1,654.8	465.3	352,921.1
% of planned trip segments February 2025	100%	99.3%	99.1%	100%	100%	99.8%	100%	99.2%	83.3%	99.6%
% of trip segments on time February 2025 <sup>*</sup>	99.6%	99.8%	97.8%	99.6%	100%	98.7%	100%			99.3%

[View Trips >](#)
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<sup>†</sup>Statute miles.

<sup>\*</sup>On time is less than 10 min of delay in arriving.

MEMORANDUM

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**TO:** Board Members

**FROM:** Seamus Murphy, Executive Director  
Thomas Hall, Director of Operations & Customer Experience  
Joseph Ramey, Project Development & Controls

**SUBJECT:** Service Reliability Report – January 2025

**Background**

The following metrics are included in this report:

- **On-Time Trips:** Trips arriving early, on-time, or less than five minutes after the scheduled arrival time.
- **Late Trips:** Trips arriving five minutes or more past the scheduled arrival time.
- **Cancelled Trips:** Cancelled trips not replaced by a substitute (backup) vessel.
- **On-Time Performance (OTP):** The percentage of total trips that arrived early, on-time, or less than five minutes after the scheduled arrival time.
- **Service Reliability:** The percentage of scheduled trips that were operated, after adjusting for trips cancelled.
- **Max-Out Trips:** Trips hitting maximum capacity based on the vessel assigned.

Every six months, staff will provide reliability metric comparisons to other public ferry operators.

The findings of this report will also inform potential initiatives that staff can pursue to improve on-time performance and reliability along with input from the Board and others. SF Bay Ferry's average on-time performance and service reliability goals for 2025 are both 95% for the system as a whole.

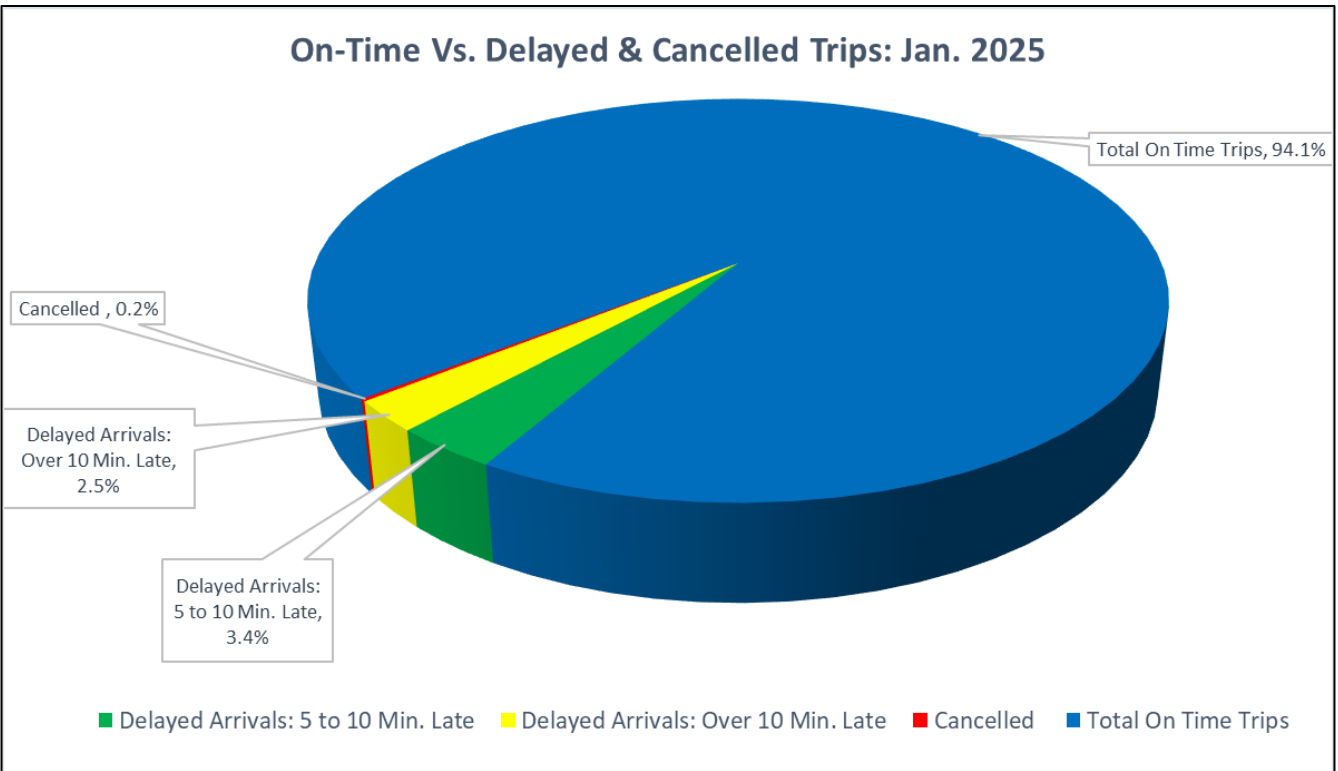
**Discussion**

These are highlights for the service's reliability and on-time performance for January 2025.

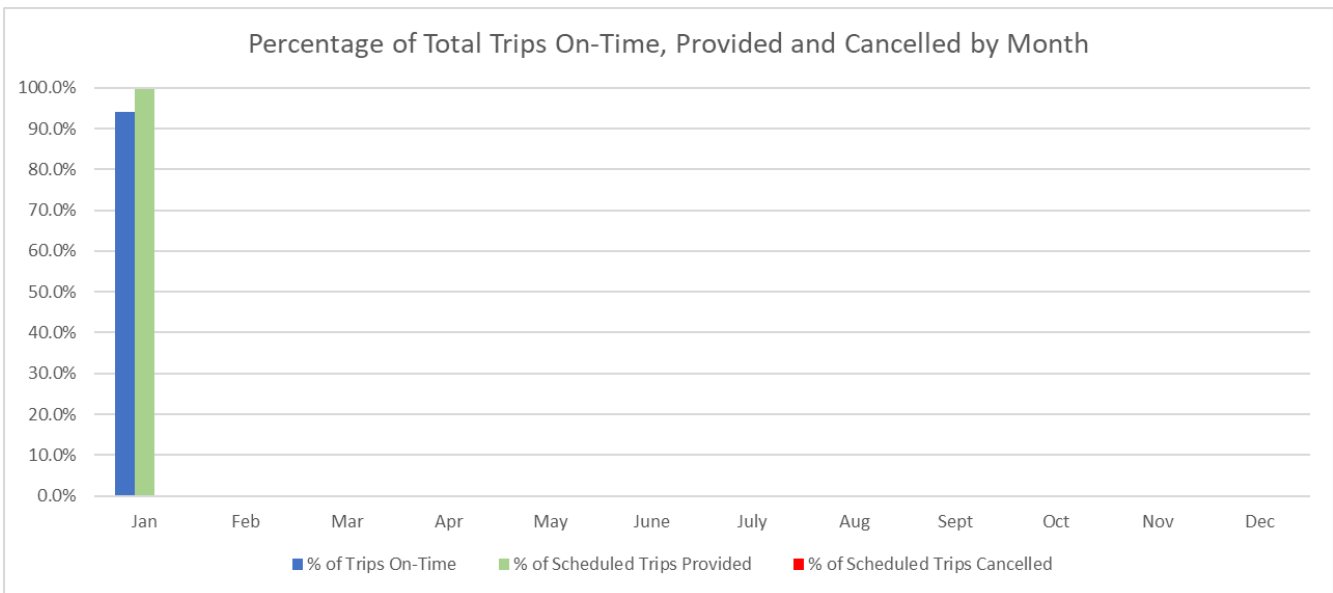
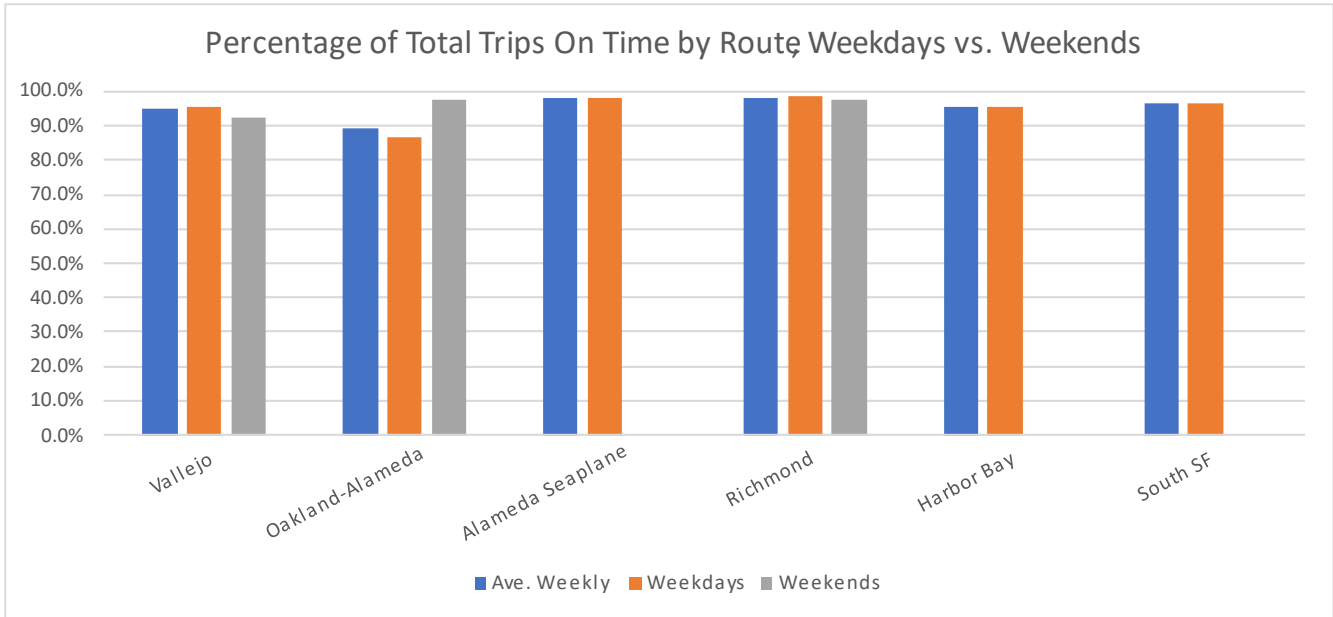
- **Reliability:** SF Bay Ferry completed 4,129 of 4,137 trips in January 2025, for a reliability rate of 99.8%. The eight trips cancelled were all due to mechanical issues.
- **On-time performance:** In January 2025, 94.1% of SF Bay Ferry's trips were considered on-time. Lower on-time performance was experienced primarily on weekdays on the Oakland & Alameda route. Schedule adjustments taking effect in April 2025 are designed to resolve tight dwell times amid growing ridership during afternoon hours on this route. In addition, there was a high rate of slow bells in the Oakland Estuary due to marine operations through January.
- **Max-Outs:** There were no transbay trips in January 2025 which hit maximum capacity.

**Appendix A. Operations Data Summary**

On-Time Performance - % of Trips On Time: Year-to-Date (Jan 2025)			
Route	Ave. Weekly	Weekdays	Weekends
Vallejo	95.0%	95.6%	92.2%
Oakland-Alameda	89.3%	86.7%	97.4%
Alameda Seaplane	97.9%	97.9%	Not Provided
Richmond	98.4%	98.5%	97.5%
Harbor Bay	95.4%	95.4%	Not Provided
South SF	96.8%	96.8%	Not Provided
<b>Total System</b>	<b>94.1%</b>	<b>93.8%</b>	<b>96.2%</b>



On-Time Performance & Reliability by Month			
Month	% of Trips On-Time	% of Scheduled Trips Provided	% of Scheduled Trips Cancelled
Jan	94.1%	99.8%	0.2%
Feb			
Mar			
Apr			
May			
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
<b>Year-to-Date Average</b>	<b>94.1%</b>	<b>99.8%</b>	<b>0.2%</b>



\*\*\* END \*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**  
**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*[February 13, 2025]*

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Port of San Francisco at Pier 1, San Francisco, CA and via videoconference.

**1. CALL TO ORDER**

Chair James Wunderman called the meeting to order at 1:01 p.m.

**2. ROLL CALL**

Chair James Wunderman, Director Jessica Alba, and Director Pippin Dew were in attendance.

Chair Wunderman led the Pledge of Allegiance. He welcomed directors, staff, and meeting guests and noted that the meeting was being conducted in person and by videoconference and was being recorded. He advised guests about offering public comment and how guests could sign up to speak throughout the meeting.

**3. REPORT OF BOARD CHAIR**

Chair Wunderman commented that he has noticed an increase in ridership on his daily ferry rides from Oakland.

**4. REPORTS OF DIRECTORS**

Director Dew reported that she had attended the Passenger Vessel Association Annual Convention at MariTrends in Savannah, GA where she rode the Artemis vessel and learned about systems, integration, and fire suppression challenges in the industry.

**5. REPORTS OF STAFF**

Executive Director Seamus Murphy stated that the Federal Legislative Update had been moved to the top of the staff reports for this meeting. He noted the uncertainty and impacts of the Trump Administration's actions and its effects on federal grants authorized by Congress.

Mr. Murphy introduced SF Bay Ferry Federal Legislative Representative Ray Bucheger of Accelerate Strategies to provide an update. Mr. Bucheger gave a high-level overview of actions by the Trump Administration and Congressional actions.

Mr. Murphy provided a summary of SF Bay Ferry's grants.

Chair Wunderman thanked Mr. Bucheger for his report and commented that local supporters involved with President Trump's campaign could be influential.

Mr. Murphy asked Director of Planning Michael Gougherty to provide an update on the Mission Bay Ferry Landing. Mr. Gougherty reminded the Board that the US Environmental Protection Agency Clean Ports Program, a coordinated grant with the Port of San Francisco, provided the final piece of funding necessary to bring the original project concept forward and the electrification of the terminal.

Mr. Gougherty stated that a Memorandum of Understanding (MOU) was being drafted defining roles and responsibilities as the path forward to delivering the Mission Bay project by 2028. He said that the exact terms of the MOU would be presented to the Board next month.

Chief Financial Officer Erin McGrath provided a breakdown of funding and sponsors for the \$75.8 million Mission Bay project.

Mr. Murphy invited Emergency Response and Safety Analyst Cameron Bochman to discuss SF Bay Ferry's emergency response training program. Mr. Bochman shared his presentation and provided an overview of the training program which included bimonthly training sessions, quarterly communication tests, a new hire onboarding program, and an annual functional exercise aimed at improving staff preparedness and familiarity with procedures and communications systems. He added that a Request for Proposal for Consultant Support for Emergency Response Planning had recently been released.

The Directors emphasized the importance of the training and welcomed the opportunity to participate.

Transportation Planner Gabriel Chan indicated that the ridership report indicated a strong performance in January. Chair Wunderman suggested separately charting weekday commute time year over year and teaming up with the Mayor's Office to help support City events with special ferry accommodations.

Mr. Murphy provided written reports and offered to answer questions before inviting Chief Capital Program Officer Gary Griggs to present the second quarterly review of the FY 2024/25 capital program. Mr. Griggs shared his presentation highlighting accomplishments, the schedule and cost performance, risk management, and look ahead summary.

The Directors thanked staff for their in-depth reports and updates and suggested that a summary highlighting important information or concerns about the financial statements would be helpful.

## **6. CONSENT CALENDAR**

Director Dew made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – January 9, 2025

Chair Wunderman called for public comments, and there were none.

Director Alba seconded the motion, and the consent calendar carried unanimously.

Yeas: Alba, Dew, Wunderman. Nays: None. Absent: DelBono, Moyer.

## **7. APPROVE CONTRACT AWARD TO BALLYHOO MEDIA FOR ADVERTISING SERVICES**

Director of Operations and Customer Experience Thomas Hall presented this item recommending authorizing the Executive Director to award a contract to Ballyhoo Media for advertising services and authorizing the Executive Director to negotiate and execute an agreement for a 5-year base term and one 5-year option term and take any other related actions to support this work.

Director Alba commented that SF Bay Ferry consider eliminating fossil fuel-related advertising as some European transit agencies have.

Director Dew made a motion to adopt Resolution No. 2025-04 approving this item.

Chair Wunderman called for public comments, and there were none.

Director Alba seconded the motion, and the item passed unanimously.

Yeas: Alba, Dew, Wunderman. Nays: None. Absent: DelBono, Moyer.

#### **8. MAINTENANCE AUDIT REVIEW UPDATE**

Senior Project Manager Jeffery Powell presented this informational item and shared his presentation on the maintenance audit that was conducted by Elliott Bay Design Group in 2024.

Mr. Powell explained the audit process, the categories of maintenance, and highlighted a few of the recommendations.

Chair Wunderman thanked Mr. Powell for his presentation. He called for public comments, and there were none.

#### **9. BERKELEY PIER/FERRY PROJECT UPDATE – FEBRUARY 2025**

Capital Planning Manager Chad Mason introduced this informational item stating that the project is advancing under the framework established by two previously adopted MOUs that were adopted in 2019 and 2024.

Mr. Mason introduced City of Berkeley staff, Director of Parks, Recreation, and Waterfront Scott Ferris, Capital Improvement Program Manager Liza McNulty, and Senior Management Analyst Roger Miller along with Senior Planner Dhawal Kataria of Kittelson & Associates, a transportation consultant assisting the City of Berkeley.

Mr. Ferris noted that the City of Berkeley has been jointly working on this project with SF Bay Ferry since 2018 and was happy with the progress. He turned the presentation over to Ms. McNulty who shared her presentation about the project.

Chair Wunderman thanked Ms. McNulty for her presentation.

#### **PUBLIC COMMENT**

Save the Berkeley Pier Founder Jim McGrath and City of Berkeley Parks, Recreation, and Waterfront Commission Member Claudia Kawczynska expressed their concerns about impacts on recreational use.

Berkeley resident Isabel spoke in support of the project.

#### **10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS**

Chair Wunderman called for public comments, and there were none.

#### **11. RECESS INTO CLOSED SESSION**

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code 54956.8)  
Property: 375 Beale Street  
Agency negotiator(s): Seamus Murphy and Erin McGrath,  
San Francisco Bay Area Water Emergency Transportation Authority  
Negotiating Parties for the Bay Area Headquarters Authority:  
John Walsh and Brandon Cane, Managing Directors Cushman & Wakefield  
Under Negotiation: Price and terms of payment

Chair Wunderman recessed the meeting at 2:58 p.m., and the Directors met in closed session.

#### **12. REPORT OF ACTIVITY IN CLOSED SESSION**

Upon returning to open session at 3:15 p.m., Chair Wunderman reported that no action was taken.

With all business concluded, Chair Wunderman adjourned the meeting at 3:15 p.m.

- Board Secretary

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director**  
**Timothy Hanners, Director of Project Delivery & Engineering**  
**Jeffery Powell, Senior Project Manager**

**SUBJECT: Approve Contract Award to Pacific Power Group, LLC for MV *Peralta* Main Engine Preventative Maintenance Services**

**Recommendation**

1. Approve the award of a Contract to Pacific Power Group, LLC (PPG) in the amount of \$157,491.62 for main propulsion engine maintenance services for the MV *Peralta*; and
2. Authorize the Executive Director to negotiate and execute an agreement with PPG and take any other required actions to support this work.

**Background**

The two Cummins QSK50 main propulsion engines installed in MV *Peralta* have been in operation since their last full overhaul in 2021; and are approaching the time for mid-life overhaul at 10,000 engine hours.

In order to remain in compliance with the preventative maintenance schedules for these engines, they must undergo mid-life overhauls by a Cummins service dealer. The work will also ensure that all engines remain within the OEM specifications for safe, reliable, and efficient operation.

The mid-life engine overhauls will take place dockside at WETA's North Bay Operations and Maintenance Facility. The vessel will then undergo a complete sea trial to validate the work. The work will take approximately two weeks to perform and will be scheduled for late March or early April to minimize impacts to service schedules.

**Discussion**

SF Bay Ferry released an RFP for this work on December 13, 2024. The RFP complies with FTA's procurement requirements and SF Bay Ferry's Administrative Code procurement requirements, in which SF Bay Ferry considers both price and other factors to determine the overall best value to SF Bay Ferry. By the January 10, 2025 deadline, SF Bay Ferry received one proposal, from PPG.

SF Bay Ferry staff has determined that PPG is qualified to provide the necessary technical, engineering, logistics, and service support. PPG is a Cummins-authorized service entity with a large workforce of mechanics experienced with Cummins engines and qualified to perform the necessary mid-life engine overhauls in a manner that preserves important factory warranties. PPG will complete the overhaul services on a schedule that best supports SF Bay Ferry service.

Staff analyzed PPG's price proposal and find it to be fair and reasonable. PPG's pricing is 13% below WETA's independent cost estimate; and the price is aligned with historical engine mid-life overhaul services on this type of engine.

SF Bay Ferry's overall annual Disadvantaged Business Enterprise (DBE) goal for Federal Fiscal Year 2023/24 is 0.48 percent and the Small Business Enterprise (SBE) goal is 7.5 percent for Federal Transit Administration (FTA) assisted contracts like this one. Staff has reviewed the DBE/SBE materials provided by PPG and has determined that 0 percent DBE 2023/24 participation and 0 percent SBE participation is anticipated during the performance of this contract.

**Fiscal Impact**

Funding for this agreement is included in the FY 2024/25 Capital Budget in the amount of \$228,000. This is funded 80 percent by FTA and 20 percent Bridge Toll funds.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2025-05**

**APPROVE CONTRACT AWARD TO PACIFIC POWER GROUP, LLC FOR  
MV *PERALTA* MAIN ENGINE PREVENTATIVE MAINTENANCE SERVICES**

**WHEREAS**, the MV *Peralta* requires a mid-life engine overhaul in order to remain in compliance with the preventative maintenance schedules for its four main propulsion engines; and

**WHEREAS**, SF Bay Ferry issued an RFP and received one proposal by the January 10, 2025 deadline, from Pacific Power Group, LLC (PPG); and

WHEREAS, SF Bay Ferry staff has determined that PPG, an authorized Cummins service dealer, is qualified to perform the necessary overhaul services; and

**WHEREAS**, SF Bay Ferry has conducted an analysis of PPG's proposed price and determined it to be fair and reasonable; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves entering into an agreement with Pacific Power Group, LLC for the necessary preventative maintenance services in an amount of \$157,491.62; and be further

**RESOLVED**, that the Board of Directors authorizes the Executive Director to execute the agreement with PPG and take any other related actions to support this work.

**CERTIFICATION**

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 13, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2025-05

\*\*\*END\*\*\*

MEMORANDUM

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director  
Timothy Hanners, Director of Project Delivery & Engineering  
Jeffery Powell, Senior Project Manager  
Erin McGrath, Chief Financial Officer**

**SUBJECT: Approve Actions Relative to RFP 22-017, 400-Passenger REEF Vessel Procurement**

**Recommendation**

Approve the following actions related to RFP 22-017, 400-passenger REEF Vessel Procurement:

1. Subject to satisfactory completion of the FTA-required Buy America pre-award audit, approve contract award to Ice Floe, LLC dba Nichols Brothers Boat Builders (NBBB) for the procurement of two high-speed ferries in an amount of \$59,557,312; and
2. Authorize a revision to the MV *Intintoli* replacement project budget from \$26,446,700 to \$41,019,000; and
3. Replace the MV *Mare Island* capital project with a new 400-Passenger vessel project with a budget of \$36,334,000; and
4. Authorize the Executive Director to negotiate and enter into an agreement with NBBB and take any other related actions as may be necessary to support this work.

**Background**

This project provides for the procurement of two new 400-Passenger Battery-Electric Vessels. These vessels are components of SF Bay Ferry's Rapid Electric Emission-Free (REEF) Program and will be capable of operating to terminals included in REEF Phases 2 and 3.

This procurement plan originally consisted of three vessels: the MV *Intintoli* and MV *Mare Island* replacement vessels and a third vessel funded by the EPA Clean Ports Grant. Today's recommended award includes the award of two vessels: The MV *Intintoli* replacement vessel and the EPA funded vessel. Exercising the option for a third vessel is included in the contract at SF Bay Ferry's discretion but would require a future board action. Further explanation of this recommended change is provided following the procurement discussion below.

Extensive preliminary design work was completed in advance of solicitation for this contract to ensure that the vessels could feasibly operate on the proposed routes, at required speeds, while integrating with proposed vessel charging infrastructure. In addition to the 150-passenger vessels currently under contract, these vessels will be among the first battery-electric high-speed vessels operating in North America. To minimize technical risk, the vessels' electric propulsion systems have been designed to achieve the performance standards of the MV *Medstraum* ferry vessel operating in Norway, which is similar in technology but smaller in size and capacity. The propulsion systems and batteries will utilize the same technology and design as the 150-passenger vessel but with approximately double the equipment.

**Discussion**

**Procurement & Evaluation Process**

The RFP was released on July 5, 2024. The RFP complies with FTA's procurement requirements and SF Bay Ferry's Administrative Code procurement requirements, in which SF Bay Ferry considers both price and other factors to determine the overall best value. Notice of the RFP was posted to SF Bay Ferry's procurement hub, posted on SF Bay Ferry's website and the agency's Bonfire procurement platform, and advertised in the Workboat trade publication and in the Passenger Vessel Association's newsletter. SF Bay Ferry staff issued two addenda to the RFP to clarify the specifications set forth in the RFP and respond to pre-proposal questions.

On July 22, 2024, SF Bay Ferry hosted a non-mandatory proposers' conference. There were over twenty-five attendees at this conference, including five shipyards, various suppliers, and other interested parties.

Proposers were required to submit a detailed Technical Proposal and a separate Price Proposal. SF Bay Ferry received two proposals by the RFP's due date of October 7, 2024, from the following shipyards:

Ice Floe LLC, dba Nichols Brothers Boat Builders
Hornblower Shipyard LLC

In accordance with the RFP, SF Bay Ferry first conducted a responsiveness check and preliminary evaluation. Both proposers were deemed to be responsive to the RFP's requirements. As discussed below, SF Bay Ferry staff also reviewed submissions related to the RFP's DBE project goal and deemed both proposers responsive to the DBE requirements.

The Proposal Evaluation Committee (PEC), which consisted of SF Bay Ferry staff and project management consultants, first conducted a preliminary evaluation of the two proposals. In accordance with the RFP's procedures, the PEC determined that both proposals fell within the competitive range and hence proceeded with the evaluation process with those two proposers. Proposals scoring results are listed below.

**Proposal Scoring Results**

<b>Proposer</b>	<b>Project Understanding &amp; Approach</b>	<b>Proposer's Qualifications and Experience</b>	<b>Qualifications &amp; Experience of Key Personnel</b>	<b>Total Price</b>	<b>Total Score</b>
<b>Possible Points</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>40</b>	<b>100</b>
<b>Nichols Brothers Boat Builders</b>	15.7	15.2	16.7	39.6	<b>87.2</b>
<b>Hornblower Shipyard LLC</b>	11.1	11.5	13	40.0	<b>75.6</b>

**Price Proposal Summary**

<b>Proposer</b>	<b>Price Proposal*</b>
Nichols Brothers Boat Builders	\$94,762,814
Hornblower Shipyard LLC	\$93,874,147

\* Rounded to the nearest dollar

In accordance with the RFP and FTA requirements, the Price Proposal amounts used in the evaluation include costs for two base contract vessels, options for spare parts, and an optional third vessel.

### **Recommendation for Contract Award**

Using the RFP's evaluation criteria, Nichol Brothers Boat Builders (NBBB) was deemed the highest ranked Proposer. NBBB is a full-service shipyard located on Whidbey Island, Washington, with a 19-acre facility capable of delivering turnkey vessels from production engineering through sea trials and delivery. The company has been in business since 1982, when it built the first high speed catamaran in the United States.

NBBB has successfully completed several vessel repowering projects for SF Bay Ferry. NBBB lengthened and repowered MV *Vallejo* in the early 2000's and subsequently repowered both MV *Intintoli* and MV *Mare Island* in the 2011-2013 timeframe. Many of the skilled workers and key management personnel that worked on these projects are still employed at NBBB; and they are listed in their current proposal as key personnel for this project.

The PEC found NBBB's technical solution to be superior, which was indicative of its experience building hybrid electric vessels with comparable propulsion systems. Further, the proposal's detailed analysis of weight impacts on the vessel and proposed focus to control weight growth during the shipbuilding process highlights an understanding of the challenges in delivering a battery-electric high speed passenger ferry. NBBB further highlighted the schedule and building process to meet the program requirements. The proposal's staffing plan and preliminary schedule provided a sense of confidence in NBBB's ability to monitor and control the schedule while employing a concurrent build approach.

After determining that NBBB was the highest ranked proposer, SF Bay Ferry entered into negotiations pursuant to the RFP's procedures. Through those negotiations, SF Bay Ferry agreed upon reasonable commercial terms with NBBB and identified an approximately \$2,315,081 (3.9%) cost reduction.

NBBB's price is approximately 43% greater than SF Bay Ferry's original 2021 independent cost estimate (ICE). There are several factors that have contributed to this, all of which are consistent with those affecting the Board's contract award for the 150-passenger electric vessels in December. These include:

- Pandemic-Era impacts of inflation and supply chain interruptions
- High demand and limited supply of U.S. shipyard capacity creating a sellers' market
- Perceived risks associated with new vessel technology
- Average annual increase in shipbuilding costs from 2020 to 2024 of 13.9% vs. the 4.9% CPI

For the industry, the cumulative result of these factors is that vessels procured in 2025 are 70% more expensive than vessels procured in 2020. Additionally, the ICE was originally developed for a single vessel, without consideration of integration into a larger electric fleet and support structure. As the expanded REEF program was developed, it was determined that integration of the vessel into a larger electric fleet would best be accomplished through the use of common equipment. For example, the propulsion units will be the same on the 400-passenger vessels and the 150-passenger vessels. This requirement resulted in increased cost.

. Despite the significantly higher cost of this project compared to the ICE, a review of other similar vessel projects for other agencies, as well as previous SF Bay Ferry vessel purchases show that the recommended award price is fair and reasonable as it is aligned with precedents.

The predicted schedule for NBBB to deliver the new vessels is Vessel 1 in Q4 2026 and Vessel 2 in Q1 2027.

**Cost Impact on Procurement**

Award of a contract to NBBB in the amount of \$59,557,312 for two vessels brings the total cost of the two-vessel project to \$77,352,000.

Procurement of three vessels would require an additional \$33 million. Awarding construction of two vessels instead of three will avoid overcommitment of RM3 funding. Replacement of the MV *Mare Island* will be paused until a combination of RM3-leveraged sources and FTA formula funding is secured to complete the project. A portion of the formula funding already secured for that project will be repurposed to provide the additional budget needed for the MV *Intintoli* replacement vessel. As a result, rather than committing more than \$33 million in RM3 funding to support a three-vessel procurement, SF Bay Ferry will commit \$8.3 million for a two-vessel project. Authority for an RM3 allocation will be brought to the Board at a subsequent meeting. If additional funds can be obtained for the option vessel, a funding plan will be presented to the Board at a future meeting, with a request to exercise the contract’s option.

The total budget for this project is summarized below.

**Project Budget  
(in thousands)**

The total project budget includes procurement of (2) 400-passenger vessels, construction management, staff and legal time, and taxes.

Phase/component	Current Approved Budgets or Funding			Proposed New Budgets*		
	Intintoli	Mare Island	Total	New Intintoli	New EPA	Total
Construction, Sales Tax, Misc.	\$25,505	\$25,505	\$51,010	\$37,693	\$34,831	\$72,523
Construction Mgt, Oversight, Design	\$750	\$750	\$1,500	\$2,560	\$1,258	\$3,817
Staff, Labor, Legal	\$192	\$245	\$437	\$767	\$245	\$1,012
<b>TOTAL*</b>	<b>\$26,447</b>	<b>\$26,500</b>	<b>\$52,947</b>	<b>\$41,019</b>	<b>\$36,334</b>	<b>\$77,352</b>

\*Numbers may not add due to rounding

NBBB has certified compliance with Buy America statutes. In accordance with FTA requirements, any Board award of a contract to NBBB, is contingent upon completion of applicable Buy America pre-award audit requirements in accordance with 49 CFR Part 663.

**FTA Disadvantaged Business Enterprise (DBE) Project Goal**

This project is funded in part with Federal Transit Administration (FTA) funds. In 2021, staff developed the required DBE project goal for the procurement of the FTA funded zero emission vessel. Following the requirements of 49 CFR § 26.45, SF Bay Ferry analyzed the availability of DBE firms ready, willing, and able to participate in this project. FTA approved SFBF/WETA’s 1.72% DBE project goal for the FTA funded zero emission vessel on January 7, 2022. This FTA-approved project goal is important for SF Bay Ferry, which is not ordinarily allowed to include a required goal on its solicitations.

Staff reviewed the DBE/SBE materials provided by Nichols Brothers Boat Builders and have determined that 0.1 percent DBE participation and 0.1 percent SBE participation is anticipated

during the performance of this contract. Though NBBB did not meet the required 1.72% DBE goal, staff determined NBBB provided sufficient documentation of good faith efforts to meet the goal; accordingly, and in compliance with DBE program requirements, its proposal was found responsive. NBBB was able to secure some DBE participation through subcontracting interior design consulting. For reference, All American Marine was able to exceed the project goal for the 150-passenger vessel procurement awarded in December 2024 because of the nature of the type of subcontracting work they sought such as safety equipment purchasing, shipping services and composite repair services. NBBB's proposal included different types of subcontracting work that had less DBE availability. Staff recommends award of a contract to NBBB in the amount of \$59,557,312 for two vessels. The attached resolution would provide authority for the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work and for the Chief Financial Officer to revise the Capital budget to reflect the \$77,352,000 project cost.

**Fiscal Impact**

Award of this contract will mean use of \$32.8 million in FTA funding for the MV *Intintoli* replacement matched by \$8.2 million in combined STA and RM1 funding, and \$28 million in EPA funding for a second vessel to be supplemented by \$8.3 million in RM3 funding. Total project costs to deliver both vessels is \$77,352,000 and will be reflected in a revised capital report next month.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2025-06**

**APPROVE ACTIONS RELATIVE TO RFP 22-017 400-PASSENGER  
REEF VESSEL PROCUREMENT**

**WHEREAS**, SF Bay Ferry has established a Rapid Electric Emission-Free Ferry Program (REEF), which will provide ferry service using battery electric zero emission vessels in compliance with new CARB regulations; and

**WHEREAS**, on July 5, 2024, SF Bay Ferry issued a Request for Proposals (RFP) for new 400-Passenger Battery-Electric Vessels; and

**WHEREAS**, SF Bay Ferry followed all procedures in its Administrative Code and FTA regulations for this procurement; and

**WHEREAS**, by the RFP due date of October 7, 2024, SF Bay Ferry received two proposals from qualified firms in response to the RFP; and

**WHEREAS**, SF Bay Ferry established a Proposal Evaluation Committee (PEC) made up of SF Bay Ferry staff and its project consultants to evaluate the proposals; and

**WHEREAS**, the PEC has reviewed the proposals according to the RFP's evaluation criteria, and as a result of its review recommends the award of a contract to the highest ranked proposer, Ice Floe LLC, dba Nichols Brothers Boat Builders (NBBB); and

**WHEREAS**, entering into the Agreement with NBBB necessitates a change to the total MV *Intintoli* replacement project budget to reflect a total cost of \$41,019,000 and the addition of a new 400-Passenger REEF vessel for a total cost of \$36,334,000 while delaying the MV *Mare Island* replacement project to a later date; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves an agreement with NBBB. to design, build, and deliver two new 400-Passenger battery electric ferry vessels in the amount up to \$59,557,312, including an option for a third vessel exercisable by SF Bay Ferry only after further Board action; and be it further

**RESOLVED**, that MV *Intintoli* replacement project budget shall reflect a total cost of \$41,019,000 and a new 400-Passenger REEF vessel for a total cost of \$36,334,000 is added to the Capital Budget in place of the MV *Mare Island* replacement project; and be it further

**RESOLVED**, that the Board of Directors authorizes the Executive Director to negotiate and execute a contract with NBBB as specified in this resolution and to take any other related actions as may be necessary to support this work.

## CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 13, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2025-06

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director**  
**Erin McGrath, Chief Financial Officer**  
**Gary Griggs, Chief Capital Program Officer**  
**Michael Gougherty, Director of Planning**  
**Chad Mason, Capital Planning Manager**

**SUBJECT: Mission Bay Ferry Landing Memorandum of Understanding**

**Recommendation**

Authorize the Executive Director to execute a Memorandum of Understanding with the Port of San Francisco for the Mission Bay Ferry Landing Project.

**Background**

The Mission Bay Ferry Landing (MBFL) project is a joint effort between the Port of San Francisco (Port) and SF Bay Ferry to construct a permanent ferry terminal at 16<sup>th</sup> Street and Terry Francois Boulevard to operate new service to the Downtown San Francisco Ferry Building and special event services to the Chase Center. The project will help connect emerging job centers and other attractions in the Mission Bay neighborhood with regional commuters traveling not only to the Ferry Building but also to the Downtown Embarcadero Station served by BART and Muni. The MBFL project is included in the SF Bay Ferry 2050 Service Vision as a Tier I expansion project, Phase 1 of the Rapid Electric Emissions Free (REEF) Program, and the MTC Plan Bay Area 2050+ Regional Transportation Plan.

In June 2017, the Port and SF Bay Ferry entered into a Memorandum of Understanding (MOU) for the planning, design, entitlement, and funding of the MBFL project. This MOU established a coordinated planning process between the Port and SF Bay Ferry, whereby the Port would undertake design, environmental review, and construction of the project; and SF Bay Ferry would be the future ferry operator. Both the Port and SF Bay Ferry also agreed to collaborate and coordinate to pursue the necessary capital funding required to proceed with project development.

**Discussion**

In November 2024, the Port was awarded a grant from the U.S. Environmental Protection Agency (EPA) Clean Ports Program that represents the final funding required to proceed with construction of the MBFL. The Port and SF Bay Ferry have drafted this MOU to define roles for delivery of the MBFL project, as well as operation, maintenance, and ownership responsibilities. The roles set forth in this MOU, included as *Attachment A*, are largely consistent with the terms of the 2017 MOU, with the notable addition of plans to operate battery electric zero emission ferry vessels at the MBFL and associated infrastructure to support terminal electrification. Upon execution, this MOU would replace the 2017 MOU in its entirety.

Full funding in the amount of \$74.4 million has been secured to construct the Project, including an amount not to exceed \$26 million in Regional Measure 3 (RM3) funds from the Ferry Enhancement Program. Consistent with the 2017 MOU, the Port will remain the lead

entity for design, environmental review and construction of the project, with the exception of the universal charging float, which will be designed and owner-furnished by SF Bay Ferry for installation by the Port. Should future additional funds be required for the project, the Port and SF Bay Ferry have agreed to work cooperatively to identify sources for those funds.

Prior to completion of the project, the MOU sets forth that the Port and SF Bay Ferry will enter into lease and license agreements to define operations, maintenance, and ownership responsibilities in a manner consistent with similar agreements for the Downtown San Francisco Ferry Terminal Expansion. The MOU establishes that SF Bay Ferry will generally be responsible for project components built on the waterside of the access control gate, while the Port will be similarly responsible for components on the landside. Additionally, the Port and SF Bay Ferry would agree to work cooperatively to identify and secure future funds for dredging work, as needed.

*Next steps*

The Port will be seeking approval of the MOU at its March 11<sup>th</sup> Commission meeting. Pending execution of the MOU, staff will continue to closely monitor the status of all federal and state funds that are committed to this project. All committed funds will need to be available in order to proceed with construction. The Port intends to move forward with construction contracting this calendar year, which will require an allocation of \$26 million RM3 funds. That allocation request will be brought to the Board next month. Construction of the Project is anticipated to be complete in 2028. Staff will provide additional information concerning project design and schedule as part of its presentation to the Board.

**Fiscal Impact**

Approval of the MOU will commit SFBF to providing \$26 million in RM3 funding to the project to be delivered at Mission Bay.

\*\*\*END\*\*\*

*Attachment A: Memorandum of Understanding between the Port of San Francisco and SF Bay Ferry*

## MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) dated as of March 13, 2025 for reference purposes only, by and among the **CITY AND COUNTY OF SAN FRANCISCO** (“City”), acting by and through the **SAN FRANCISCO PORT COMMISSION** (“Port”) and the **SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY** (“WETA”, or “SF Bay Ferry,” and together with the Port, the “Parties”), replaces that certain “Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project” between the Parties dated June 30, 2017, which established a framework for development of a future Mission Bay Ferry Landing.

### RECITALS

A. The Port of San Francisco oversees, manages, and holds 7.5 miles of waterfront lands, from Aquatic Park in Fisherman’s Wharf to Heron’s Head Park near India Basin, in public trust for the use and enjoyment of the people of California. The Port works to advance environmentally and financially sustainable maritime, recreational, and economic opportunities for the residents of and visitors to the City, Bay Area, and the State of California.

B. WETA was created by the State of California to develop and operate a regional ferry transit system on San Francisco Bay and to coordinate water transit response in the event of a natural disaster or regionally disruptive event. WETA, under the operating brand SF Bay Ferry, currently operates service to San Francisco from six terminals throughout the Bay Area.

C. The Mission Bay Ferry Landing (“MBFL”) is a ferry terminal to be constructed in the Mission Bay neighborhood near the intersection of Terry A. Francois Boulevard and 16th Street, adjacent to Agua Vista Park and near the Bayfront Park. The MBFL project (“Project”) includes the construction of a ferry terminal and equipment installation, including a Universal Charging Float (UCF) capable of mooring and charging battery electric ferry vessels with a connection to the local electrical grid. The Project also includes the construction of a fixed pier with canopy, a gangway, and shoreside public access and open space improvements. Project components are illustrated in Exhibit 1B.

D. On June 30, 2017, the Parties entered into a Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project; this MOU replaces the 2017 Memorandum of Understanding in its entirety, and upon full execution and delivery of this MOU, the Parties declare the Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project to be null and void.

E. The Port completed a Mitigated Negative Declaration (State Clearing House No. 2018052002, July 6, 2018) that meets the requirements of the California Environmental Quality Act (CEQA) for environmental clearance of the Project.

F. The Parties acknowledge that new ferry service at Mission Bay was identified in Plan Bay Area 2050, San Francisco Bay Area's long-range Regional Transportation Plan jointly developed and adopted in 2021 by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). New ferry service at MBFL is also identified in SF Bay Ferry's 2050 Service Vision as a Tier I expansion project.

G. The Port and other departments within the City have invested \$16.7 million in early-phase project expenses for the Project including design, permitting, and environmental mitigation.

H. SF Bay Ferry intends to request allocation of up to \$26.0 million for the Project from the \$300 million Ferry Enhancement Program approved by voters in June 2018 as part of Regional Measure 3 ("RM3") to purchase new vessels, upgrade and rehabilitate existing vessels, build facilities and landside improvements, and upgrade existing facilities.

I. The Parties agree that the Project will be designed and constructed to support the operation of zero emission battery electric ferry vessels, in addition to SF Bay Ferry's current fleet of diesel vessels.

J. SF Bay Ferry has been awarded grant funds from the California State Transportation Agency (CalSTA) Transit via its Intercity Rail Capital Program (TIRCP) for electrification of MBFL to support zero emissions ferry service.

K. In addition to this MOU, it is the intent of the Parties to enter into a long-term lease ("Lease") and companion long-term license ("License"), which collectively will delineate the ongoing operation and maintenance rights and responsibilities at the MBFL upon Project completion. Furthermore, the Parties agree to enter into any necessary subrecipient or funding agreements required to access or disburse funds awarded for the Project and to comply with all terms and conditions of those fund sources.

L. Under a separate agreement (Lease No. L-16591, as will be amended), the Port agrees to allow continued use of Pier 48.5 by SF Bay Ferry as an interim landing for special event services and potentially short hop service to the San Francisco Ferry Terminal until commencement of operations at the MBFL. If mutually desirable, the Parties agree to explore the future feasibility of a permanent landing at Pier 48.5 serviced by SF Bay Ferry.

M. SF Bay Ferry anticipates that it will initially serve the MBFL with service from the North Bay and East Bay during normal morning and evening commute times. Depending on ridership demand and operating fund availability, SF Bay Ferry may also

provide service to the MBFL for special events at the Chase Center or other nearby locations, as well as for the short-hop service to the San Francisco Ferry Terminal and to other regional terminals.

## **AGREEMENT**

The parties hereby agree as follows:

### **I. Incorporation of Recitals**

The above recitals are specifically incorporated into this MOU.

### **II. Term**

This MOU will be effective on the last date this MOU is signed by all Parties and, subject to either Party's ability to terminate the MOU for any reason upon 90 days' notice, will expire upon full execution of the long-term lease and license agreements referenced in Recital K above.

### **III. General Principles**

By and through this MOU, the Parties agree to:

- 1) Work collaboratively to pursue timely implementation of the Project in support of the respective organizational missions of the Parties.
- 2) Acknowledge the current funding plan including Port and SF Bay Ferry funding commitments for MBFL as summarized in Exhibit 1A to this MOU.
- 3) Work together to advocate for the preservation and allocation of all funding committed to the project.
- 4) Acknowledge the potential for additional Project or Project-related costs to arise in the future. The parties will partner to secure future sources of revenue as needed, including but not limited to potential regional transportation measures.
- 5) Acknowledge that SF Bay Ferry's total requested allocation of RM3 funds to support construction of the Project shall not exceed \$26.0, the total commitment indicated in Exhibit 1A.
- 6) Delineate specific roles and responsibilities for SF Bay Ferry and the Port related to the Project.

### **IV. General Approach to Project Implementation**

Planning and implementation of the Project is being undertaken as a partnership between the Port and SF Bay Ferry. The Project also involves close coordination with additional local, State, and Federal agencies, as well as community stakeholder groups.

The Port will continue to serve as the lead agency throughout the planning and implementation phase of the Project, supported by SF Bay Ferry. Specifically, the Port has lead agency responsibilities regarding:

- Regulatory permits and environmental clearance
- On-site construction contracts and building permits
- Overall Project management, construction management and
- Public outreach and external Project-related communications.

Further details related to Project funding, design and delivery, and the division of responsibilities are included below and in Exhibits 1A and 1B.

## **V. Project Financing**

The Project is understood to be fully funded as of the date of this MOU and supported by \$74.4 million of local, regional, state and federal sources that are being managed by the Port and SF Bay Ferry. The Port and SF Bay Ferry acknowledge that each agency's budget is subject to an appropriations process, and therefore its ability to pay for its allocated costs is subject to the appropriations of funds.

The funding details below illustrate the availability of funding and agreed-upon intended uses by source; however, both funding sources and uses may be adjusted by the Parties if necessary.

- 1) **City and County of San Francisco Capital Funds (\$19.8 million).** Several departments within the City and County of San Francisco have or will contribute funding to various phases of the Project:
  - *Port of San Francisco (\$7.0 million)* – The Port contributed \$7.0 million towards early-phase project expenses including design, permitting, and environmental mitigation.
  - *Parks Bond (\$2.0 million)* – The Port will also invest \$2.0 million City Parks Bond proceeds in Aqua Vista Park improvements, which is directly adjacent to the landing; Project construction includes installation of landing utilities in the park area and using the area as the contractor's temporary staging area during construction.
  - *General Fund (\$1.2 million)* – The City's General Fund supported early-phase project expenses including design, permitting, and environmental mitigation.
  - *Office of Community Investment and Infrastructure ("OCII") (\$8.5 million)* – OCII contributed funding toward the early-phase project expenses including design, permitting, and environmental mitigation.
  - *San Francisco Public Utilities Commission ("SFPUC") (\$1.1 million)* – The SFPUC will fund infrastructure for the City's Auxiliary Water Service System (AWSS), which is used to support fire suppression. It is anticipated that the

SFPUC will support the full amount of these costs, which is currently estimated to at \$1.1 million.

2) **University of California San Francisco (“UCSF”) (\$4.0 million).** UCSF has pledged \$4.0 million in grant funding to the Port to support the Project, recognizing the benefit of improving and diversifying transportation options for its employees and to support environmental mitigation of the waterways utilized by the ferry system.

3) **San Francisco Sales Tax (\$4.2 million).** The San Francisco County Transportation Authority (SFCTA) committed \$4.2 million Proposition L sales tax revenue to support the Project. These funds are anticipated to support environmental mitigation of the waterways utilized by the ferry system but may be used to support other project costs.

4) **Regional Measure 3 (\$26.0 million).** SF Bay Ferry intends to request allocation of up to \$26.0 million from the RM3 Ferry Enhancement Program to support construction of the Project.

5) **Transit and Intercity Rail Capital Program (\$2 million).** The Transit and Intercity Rail Capital Program (TIRCP), administered by the California State Transportation Agency (CalSTA), is a state initiative utilizing Cap and Trade sale proceeds to achieve transformative capital improvements that will significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. SF Bay Ferry received over \$20.4 million in funding through this program, of which \$2.0 million is anticipated to support construction of the Project.

6) **Clean Ports Program Grant (\$18.4 million).** The United States Environmental Protection Agency (EPA) received \$3 billion from the 2022 Inflation Reduction Act of 2022 to fund zero-emission port equipment and infrastructure as well as climate and air quality planning at U.S. ports. The Port, in partnership with SF Bay Ferry, was one of 55 selected grantees and received a total award of \$55.4 million. Of these funds, an estimated \$2.8 million will support Project soft costs, \$15.6 million will support construction of the UCF and piles.

The Parties will enter into further agreements relating to financial processes and commitments for subrecipient obligations, invoice processing and procedures, and other related matters.

## **VI. Design**

Project design has been and will continue to be a multi-year effort involving various City agencies and partnerships. Project scope and design responsibilities are broken out as follows:

- a. Except as set forth in sub-paragraph (b), the Port is responsible for entering and managing contracts to create a design for the Project, subject to the availability of funding sources identified for Project components.

- b. SF Bay Ferry is responsible for entering and managing contracts to create a design for the UCF and will fund 100% of the design cost associated with the UCF from funds other than those described in this MOU.

SF Bay Ferry and the Port will collaborate to ensure effective and efficient design. Each Party will engage the other at key milestones to request design review of their respective design elements, which will be completed by each party in a thorough and timely manner. The Parties agree to incorporate the operation and charging of SF Bay Ferry battery-electric vessels into the Project design, as required.

## **VII. Project Permitting and Environmental Review**

The Project requires CEQA and NEPA environmental clearances and permits listed below. The Port is the lead agency for Project permitting and is responsible for securing additional design review, environmental clearances and permit extensions to proceed with construction. The Port will incorporate the operation and charging of SF Bay Ferry battery-electric vessels into the Project permitting and environmental review, as required. The Port will fund 100% of the cost for Project permitting and environmental review with the support of SF Bay Ferry, as necessary.

- a. City of San Francisco Planning Department, Mitigated Negative Declaration, 2017-008824ENV issued July 6, 2018; and City of San Francisco Planning Department, Addendum to Mitigated Negative Declaration, 2017-008824ENV, issued June 4, 2019.
- b. San Francisco Regional Water Quality Control Board Section (Regional Water Board) 401 Water Quality Certification, CIWQS Place ID 841395, issued October 28, 2019; and Regional Water Board Letter of Modifications to MBFL CIWQS 841395, issued August 17, 2020. Port requesting an extension of the time limit to complete the construction from December 31, 2025 through 2028.
- c. San Francisco Bay Conservation and Development Commission (BCDC) Major Permit No. 2017.008.00 issued December 17, 2019 and Federal Consistency Certification, including BCDC Design Review Board review. Port requesting an extension of the time limit to complete the construction and Agua Vista Park improvements from June 23, 2025 through 2028.
- d. U.S. Army Corps of Engineers (USACE) Section 404 and Section 10 Individual Permit SPN-2017- 00264S, issued May 4, 2020; and USACE Letter of Modification to Permit No. 2017-00264S, issued June 4, 2020. Port requesting an extension of the time limit to complete the construction from May 1, 2025 through 2028.
- e. National Marine Fisheries Service (NMFS) No: WCRO-2019-00444 – Federal Endangered Species Act 7(a)(2) Concurrence Letter and Magnuson-Stevens

Fishery Conservation and Management Act Essential Fish Habitat Response, issued August 9, 2019.

- f. U.S. Fish and Wildlife Service (USFWS) – Federal Endangered Species Act 7(a)(2) Consultation for 2024 listing of longfin smelt.
- g. National Oceanic and Atmospheric Administration (NOAA) – Marine Mammal Protection Act Incidental Harassment Authorization (IHA), issued June 1, 2019 (expired May 30, 2020).
- h. California Department Fish & Wildlife (CDFW) Incidental Take Permit #2081-2018-062-07, issued December 19, 2018; and Minor Amendment to ITP Permit #2081-2018-062-07-A1, issued January 25, 2021. Port requesting an extension of the time limit to complete the construction from November 30, 2025 through 2028.

### **VIII. Construction/Procurement/Delivery**

Project construction/procurement/delivery responsibilities are as set forth as follows:

- a. Mission Bay Ferry Landing – The Port is responsible for awarding and overseeing construction and construction management contracts for the entire Project excluding the Universal Charging Float. SF Bay Ferry will participate in the Port-led procurement process and will review and, as appropriate approve all contracting awards and change orders. The Port’s construction contract scope includes, but is not limited to, ferry landing site preparation, waterside infrastructure, landside improvements, ferry electrification infrastructure, and Emergency Firefighting Water System (EFWS) features.
- b. Universal Charging Float – SF Bay Ferry will fabricate and deliver the UCF as owner-provided equipment at a delivery date and location mutually agreed upon by the Parties. The UCF will be installed by the Port’s contractor team.
- c. Testing and Commissioning – The Port’s contractor team will perform testing and commissioning of the various Project components with input and oversight of the Parties, and in accordance with their respective Project responsibilities as set forth herein.

### **IX. Operation and Maintenance**

The Parties will enter into new lease and license agreements defining roles and responsibilities relating to, but not limited to, operation, maintenance, capital rehabilitation and landing rights of the facility prior to Project completion. Terms of the lease and license agreements will include:

- a. "Waterside Operational Elements" are those improvements located eastward of the access control gate at the eastern end of the pier and specifically include the float, gangway, piles supporting the float, Clipper infrastructure, and the access control gate leading to the gangway. Upon completion of the Project, SF Bay Ferry will own or lease, maintain, repair, and rehabilitate, and if necessary, replace all Waterside Operational Elements in addition to any SF Bay Ferry signage westward of the access control gate.
- b. The Port will own, maintain, repair, rehabilitate, and, if necessary, replace all Project components, other than the Waterside Operational Elements (and other than any SF Bay Ferry signage westward of the access control gate). The Port will provide and maintain a 500kW connection between the access control gate and the connection to the local power grid to support ferry service operations.
- c. Property Rights: Paragraphs a and b describe the Parties' intended ownership rights in the Project upon completion. Such ownership must be consistent with any funding agreement obligations for which either Party is responsible. If permitted by funding agreements, the Parties may enter into agreements for the transfer of ownership of Project components to give effect to the division of operating and maintenance responsibilities set forth in this MOU.
- d. SF Bay Ferry will be the sole and exclusive operator of MBFL. SF Bay Ferry may allow other operators to land at the facility provided they have a valid landing agreement with SF Bay Ferry and do not interfere with SF Bay Ferry services. SF Bay Ferry may charge landing fees for the privilege of landing at MBFL.
- e. The Port and SF Bay Ferry will execute a Lease for a 66-year duration for the Waterside Operational Elements that are not SF Bay Ferry's property, commencing upon completion of construction. The terms for the Lease will generally be consistent with the existing lease dated July 6, 2020 for the downtown San Francisco terminal.
- f. The Port and SF Bay Ferry will execute a License for portions of the MBFL that are outside the Lease premises but will need to be accessed by SF Bay Ferry and its agents and invitees for the purpose of operating the MBFL. The terms for the License will generally be consistent with the existing license dated July 6, 2020 for the downtown San Francisco terminal.
- g. Without limiting the Port's authority in the event of a local emergency (for example, the berthing of the San Francisco Fire Department boat or San Francisco Police Department boat for rescues, responses to crime, etc.),

the Lease and License will include provisions consistent with SF Bay Ferry's statutory authority to plan, manage, operate, and coordinate regional emergency activities of water transportation and related facilities.

- h. The Parties acknowledge the potential future need to perform maintenance dredging to support ferry operations at the MBFL and agree to work cooperatively to identify funding sources to cover the cost of maintenance dredging related activities at the appropriate time, should such need arise. The responsibility for paying for the cost of dredging is not yet determined or set by this MOU.

The Port and SF Bay Ferry have entered into this Memorandum of Understanding as of the last date set forth below.

**San Francisco Bay Area Water  
Emergency Transportation  
Authority**

**City and County of San Francisco,  
acting by and through the San  
Francisco Port Commission**

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Seamus Murphy  
Executive Director

Elaine Forbes  
Executive Director

**Approved as to form:**

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

Steven D. Miller  
Legal Counsel to WETA

Reviewed:

DAVID CHUI, City Attorney

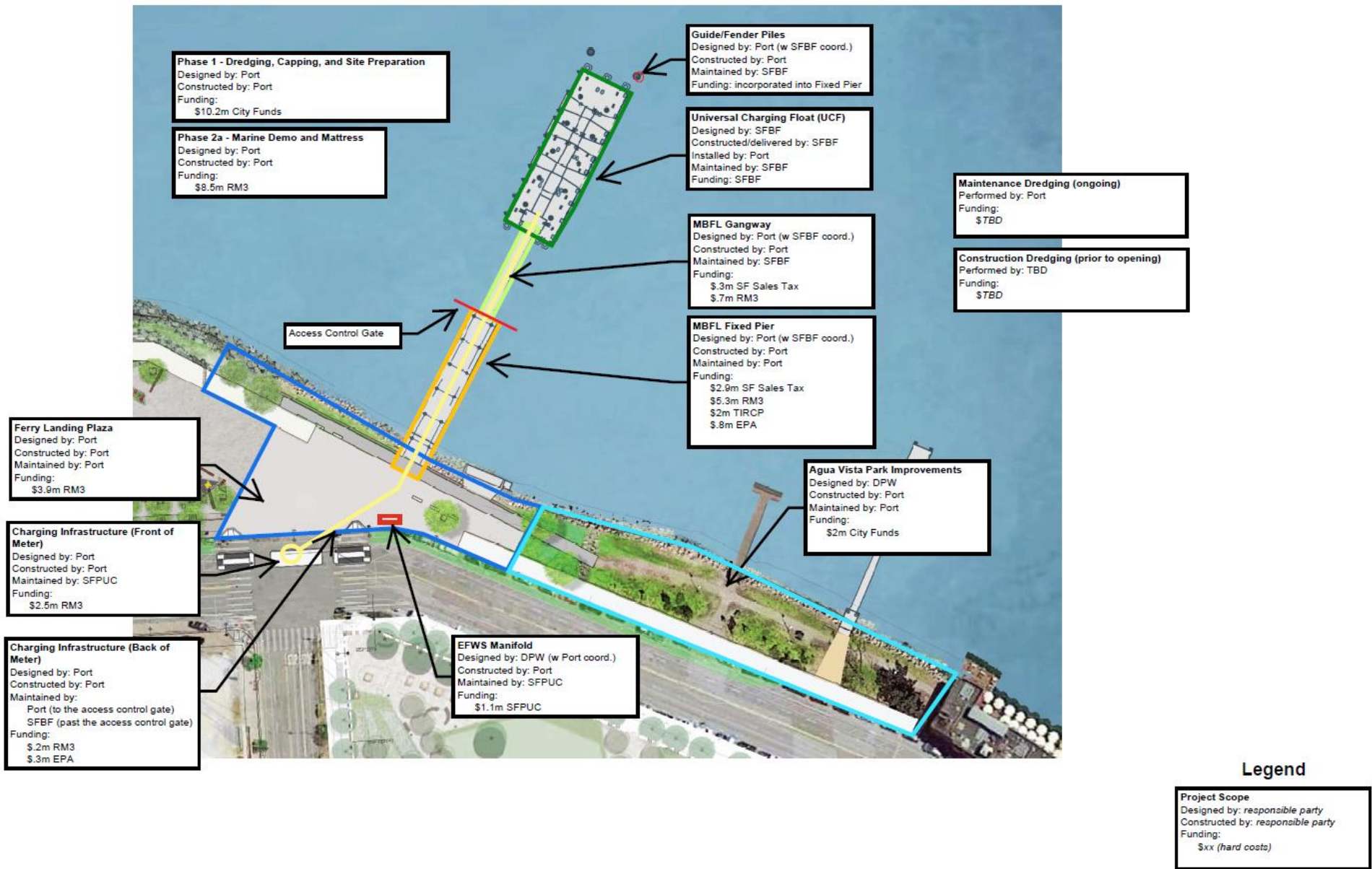
By: \_\_\_\_\_

Deputy City Attorney (CCSF)

**Exhibit 1A – MBFL Project Funding and Delivery**

	Delivered By:	City Funds	UCSF	SF Sales Tax	RM3	TIRCP	EPA	TOTAL
<u>Soft Costs</u>		<u>\$6.5</u>	<u>\$4.0</u>	<u>\$0.6</u>	<u>\$0.2</u>	<u>\$-</u>	<u>\$2.8</u>	<u>\$14.1</u>
Project Management and related Port staff labor	Port	\$0.4	\$-	\$-	\$-	\$-	\$0.2	\$0.6
Design, Entitlements, & Regulatory Fees	Port	\$6.1	\$1.1	\$-	\$-	\$-	\$-	\$7.2
Construction Management, Inspections, and Monitoring	Port	\$-	2.9	\$0.6	\$-	\$-	\$2.4	\$5.9
WETA labor for Phase 2b	SFBF	\$-	\$-	\$-	\$0.2	\$-	\$0.2	\$0.4
<u>Construction</u>		<u>\$13.3</u>	<u>\$-</u>	<u>\$3.6</u>	<u>\$25.8</u>	<u>\$2.0</u>	<u>\$15.6</u>	<u>\$60.3</u>
Phase 1 Dredging, Capping and Site Preparation	Port	\$10.2	\$-	\$-	\$-	\$-	\$-	\$10.2
Phase 2a Marine Demo and Mattress	Port	\$-	\$-	\$-	\$8.5	\$-	\$-	\$8.5
Phase 2b Ferry Landing and Upland Improvements		\$-	\$-	\$-	\$-	\$-	\$-	
Shorepower and Anchoring Systems	SFBF/Port	\$-	\$-	\$-	\$-	\$-	\$14.0	\$14.0
Gangway	Port	\$-	\$-	\$0.3	\$0.7	\$-	\$-	\$1.0
Fixed Pier	Port	\$-	\$-	\$2.9	\$5.3	\$2.0	\$0.8	\$11.0
Ferry Plaza	Port	\$-	\$-	\$-	\$3.9	\$-	\$-	\$3.9
Shoreside Charging infrastructure - Back of Meter	Port	\$-	\$-	\$-	\$0.2	\$-	\$0.3	\$0.5
Shoreside Charging infrastructure - Front of Meter	Port	\$-	\$-	\$-	\$2.5	\$-	\$-	\$2.5
Contingency/ Escalation 2 additional years (5%)	Port	\$-	\$-	\$0.4	\$4.7	\$-	\$0.5	\$5.6
Emergency Firefighting Water System (SFPUC)	Port	\$1.1	\$-	\$-	\$-	\$-	\$-	\$1.1
Agua Vista Park Improvements	Port	\$2.0	\$-	\$-	\$-	\$-	\$-	\$2.0
<b>EXPENSES</b>		<b>\$19.8</b>	<b>\$4.0</b>	<b>\$4.2</b>	<b>\$26.0</b>	<b>\$2.0</b>	<b>\$18.4</b>	<b>\$74.4</b>

# Exhibit 1B – Mission Bay Ferry Landing – Funding and Delivery



**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2025-07**

**APPROVE ENTERING INTO A NEW MEMORANDUM OF UNDERSTANDING WITH THE PORT OF SAN FRANCISCO FOR THE MISSION BAY FERRY LANDING PROJECT**

**WHEREAS**, in June, 2017, SF Bay Ferry and the Port of San Francisco (Port) entered into a Memorandum of Understanding (MOU) for the planning, design, entitlement, and funding of the Mission Bay Ferry Landing (MBFL) Project; and

**WHEREAS**, in November, 2024, the Port was awarded a grant from the U.S. Environmental Protection Agency (EPA) Clean Ports Program that represents the final funding required to proceed with construction of the MBFL; and

**WHEREAS**, the Port and SF Bay Ferry wish to enter into a new MOU, replacing the 2017 agreement, to define roles for delivery of the MBFL project, as well as to set responsibilities for the operation, maintenance, and ownership of the project after construction is complete; and

**WHEREAS**, staff has worked with the Port to draft a new MOU, which the Port Commission approved at its meeting of March 11, 2025; a copy of the MOU is included in the agenda packet for this March 13, meeting; and

**WHEREAS**, the Executive Director recommends that the Board authorize him to execute the MOU with the Port for the delivery of the MBFL project; now, therefore, be it

**RESOLVED**, that the Board of Directors authorizes the Executive Director to execute the MOU with the Port for the delivery of the MBFL project.

**CERTIFICATION**

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 13, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2025-07

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director  
Erin McGrath, Chief Financial Officer**

**SUBJECT: Authorize the Executive Director to Enter into a Lease at 375 Beale Street and Related Actions**

**Recommendation**

Authorize the Executive Director to enter into a lease with the Bay Area Headquarters Authority for new administrative office space at 375 Beale Street and take related actions to relocate staff to the new leased space and work with the Port of San Francisco to modify or terminate the current lease for administrative office space at Pier 9.

**Background**

SF Bay Ferry (SFBF) has been leasing office space at Pier 9 from the Port of San Francisco since 2006. Since that time, SFBF has grown from a small planning-focused organization with nine full-time employees, to a mature transit authority with budget authority for 32 full-time staff and two temporary staff. Two years ago, staff took steps to expand the number of workspaces at Pier 9 but, with only 5,500 square feet of available space, the office has proven to be insufficient for current needs. As a result, staff has been temporarily working from three separate locations, limiting the ability for all-hands, in-person collaboration.

In addition to identifying a need for larger office space, staff has identified a need for more reliable and better-equipped space for the agency's monthly Board of Directors' meetings. The Board currently meets in a Port of San Francisco conference room. The room is sometimes not available for the Board's scheduled meetings and access to technology sufficient to conduct reliable hybrid meetings has proven to be limited.

**Discussion**

Staff worked with the Port of San Francisco over the past year to explore options in the Port's real estate portfolio that would be sufficient to accommodate SFBF's needs. This work did not yield any options that provided the right combination of overall space, public access, and Board meetings facilities.

Staff broadened the search and identified ideal space at the Metropolitan Transportation Commission (MTC) headquarters at 375 Beale Street, a building that is owned by the Bay Area Headquarters Authority (BAHA), a Joint Powers Agency of which MTC is a member. The space at 375 Beale consists of 9,000 square feet on the third floor of the building. The lease would accommodate all staff currently working at Pier 9 and potentially allow for growth in the future. It would also include reserved access to meeting space that is ideal for Board meetings on the first floor at no additional cost. The lease rate for this building would be \$45 per square foot per year, which would increase by 3% each year over a ten-year term. In subsequent years, SFBF would be responsible for its share of any cost increases in building operating services which are included in first year rental rate.

SFBF's current lease at Pier 9 is comprised of three components including approximately 5,562 square feet of office space, 6,007 square feet of non-exclusive outdoor "apron" space and 22,162 square feet of exclusive lay berth area. The office space rate in the final year of the lease (which begins December 1 of this year) is \$45.36 per square foot. While there are different costs associated with the Port lease versus the Beale Street lease, the all-in estimated costs, taking into account the rental and utility costs, Board meeting room rentals, and other associated operating costs, are comparable to what SFBF would pay for the same footprint at a Port facility.

The five-year cumulative cost increase over the Pier 9 rate is \$115,481. Because the number of square feet would increase from the current 5,562 to 9,000 at the new space, SFBF's operating costs will increase by \$184,725 in the first year of the new lease. There are also qualitative benefits to co-locating with MTC and other regional entities; such co-location would assist SFBF staff in their coordination with our biggest funding partner.

Pending Board approval, the Executive Director and BAHA have entered into a non-binding Letter of Intent, or LOI, that reflects the terms described in this report.

**Related Actions:**

While SFBF will no longer need the office space at Pier 9, it would benefit SFBF to be able to continue to lease the berthing area as an important facility for ferry landings during an emergency situation and to support general operations when needed. Accordingly, staff will work with the Port of San Francisco to indicate that SFBF is interested in terminating or modifying the lease before it expires in December 2026 and maintaining access to the berthing area in some fashion.

We recommend that the Board authorize the Executive Director to work with the Port to negotiate the termination or modification of the lease in a manner that minimizes the cost as much as practicable. The apron space has an annual cost of approximately \$28,834 and berth space of \$53,189. If SFBF were unable to terminate or modify the current lease and had to pay for the entire facility under the current lease terms, it would require potentially \$317,701 in costs related to a facility the agency would no longer have use for.

The LOI for Beale Street requires the landlord to complete tenant improvements to the space up to an agreed-upon amount (for expenses such as new carpet, paint, and buildout of offices). However, SFBF will need to purchase and install furniture and equipment needed for the new location, as well as procure moving services. Staff recommends the Board grant the Executive Director authority to enter into necessary purchase and service contracts to accomplish a move to new offices in a manner that is in SFBF's best interest.

**Fiscal Impact**

As indicated above, the cost of leasing 9,000 square feet of space at 375 Beale Street is anticipated to be \$423,000 in the first year of the lease. The five-year cost is anticipated to be \$2.3 million. This will be funded by RM2 and RM3 funds in the proposed annual budget to be presented in May.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2025-08**

**AUTHORIZE A LEASE WITH THE BAY AREA HEADQUARTERS AUTHORITY FOR  
OFFICE SPACE AT 375 BEALE STREET  
IN SAN FRANCISCO AND RELATED ACTIONS**

**WHEREAS**, SF Bay Ferry has been leasing its administrative office at Pier 9 from the Port of San Francisco (Port) since 2006; and

**WHEREAS**, the space at Pier 9 no longer is sufficient for SF Bay Ferry's needs as it has grown from nine full time employees to include 32 full-time staff and two temporary staff, and is also unable to support Board meetings at the current location; and

**WHEREAS**, after working with multiple entities to explore options for new administrative office space, the Executive Director has entered into a non-binding Letter of Intent with the Bay Area Headquarters Authority to lease space at 375 Beale Street, the same location as the Metropolitan Transportation Commission's headquarters; and

**WHEREAS**, the terms of the lease at 375 Beale Street are favorable to SF Bay Ferry, starting at \$45 per square foot per year with 3% increases each year over a ten-year term, and include both an allowance for improvements paid for by the landlord and, at no additional cost, the ability to host SF Bay Ferry Board meetings in a dedicated meeting room with sufficient technological capacity for hybrid meetings; and

**WHEREAS**, to facilitate a move to 375 Beale Street, SF Bay Ferry will need to take a number of related actions, including purchasing furnishings, hiring a moving service, and working with the Port to modify or terminate the existing lease at Pier 9; and

**WHEREAS**, the Executive Director recommends entering into a new lease with the Bay Area Headquarters Authority at the terms set forth above, as well as additional related actions; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby authorizes the Executive Director to enter into a lease agreement with the Bay Area Headquarters Authority for a ten-year term at the yearly amount of \$423,000 in year one, escalating 3% each year; and be it further

**RESOLVED**, that the Board of Directors authorizes the Executive Director to take necessary actions related to the new lease if deemed to be in SF Bay Ferry's best interest, including purchasing new furnishings and equipment, arranging for a move to the new location, and negotiating a modification or termination of the existing lease at Pier 9.

## CERTIFICATION

The undersigned, the Secretary to the Board, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 13, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

---

/s/ Secretary to the Board

2025-08

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Michael Gougherty, Director of Planning**  
**Thomas Hall, Director of Operations & Customer Experience**  
**Gabriel Chan, Transportation Planner**

**SUBJECT: Oakland Alameda Water Shuttle Pilot Project Update**

**Background**

The Oakland Alameda Water Shuttle (OAWS) Pilot Service is a free temporary water shuttle service between Alameda Landing and Jack London Square in Oakland. The service operates five days a week, Wednesday through Sunday for 12 hours each day with an estimated annual operating cost of \$1.5 to \$2 million. Blue & Gold Fleet (BGF) crews operate and maintain the vessel with administrative support from agency staff and project partners including the City of Alameda, the Alameda Transportation Management Association (ATMA) and CIM Group, the property manager for Jack London Square. The service is funded primary through a grant from the Alameda County Transportation Commission (ACTC) as well as in-kind contributions from both public and private sources. The pilot service launched on July 17, 2024 and is slated to operate for two years with the potential to grow over time. The service uses a vessel procured by the project partners with assistance from SF Bay Ferry and BGF staff. The vessel, Woodstock, is owned by ATMA.

Before the start of the service, SF Bay Ferry staff developed a set of performance metrics and evaluation criteria in coordination with the project partners to measure and track the success of the pilot service. Following review and input from the SF Bay Ferry Pilot Service Subcommittee, staff presented the goals, objectives, and evaluation metrics to the Board of Directors in July 2024 and committed to collecting data in the following areas:

- Ridership
- Operations
- Finance
- Customer Experience
- Economic Impact and Sentiment
- Environment
- Equity
- Partnership and Coordination

With SF Bay Ferry's operational database, staff can track some of these metrics in real time. Following the end of calendar year 2024, staff have developed a 6-month progress report that includes ridership, operations, and some qualitative customer experience data for the OAWS. This report covers data and SF Bay Ferry feedback received through December 31, 2024. Data regarding other metrics will be compiled and assessed as additional information becomes available during further implementation and completion of this pilot project.

**Discussion**

Initial results from the first six months of service are promising. Between July and December 2024, the Oakland Alameda Water Shuttle provided 51,447 total trips with 10,525 of those travelling with bikes. The first week of service saw the highest ridership with numbers decreasing as the year progressed—consistent with seasonal trends on other ferry routes. Overall, ridership is highest on midday weekend runs thus far. Weekday ridership typically peaks in the afternoon and evening commute period.

In terms of operations, the service has been generally reliable. Initially, the pilot service offered 187 runs per week. This increased to 237 per week with only a marginal increase in fueling cost. This was facilitated by a coordinated effort to optimize the schedule between SF Bay Ferry staff, the project partners, and BGF in response to rider feedback and operational experience gained in the early months of service. Apart from 46 cancelled runs in the first week of service due to damage to the vessel, most other cancellations were due to weather impacts. Out of about 4,800 scheduled runs, the water shuttle completed 95% of its scheduled runs. This is on par with the high reliability statistics of the SF Bay Ferry system which typically registers between 95% and 99.9% reliability.

Following an encouraging first six months, staff will continue to collect and monitor the ridership and reliability data of the water shuttle service with regular progress reports. Additionally, the project partners plan to conduct rider and non-rider surveys and solicit feedback from nearby businesses. This information will be included in the comprehensive evaluation report at the conclusion of the pilot. SF Bay Ferry has received relatively few comments from the public regarding the service, as riders have been encouraged to submit feedback directly to the City of Alameda.

A full summary of data collected and analyzed through December 31, 2024 is available in Appendix A.

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

Appendix A. OAWS 6-Month Summary of Data through December 31, 2024

1) Ridership

- a. 51,447 total OAWS boardings July 17, 2024 – December 31, 2024.
- b. 10,525 total OAWS bike boardings July 17, 2024 – December 31, 2024.
- c. Week 1 had the highest average daily ridership: 677 pax.
- d. Weeks in December had the lowest average daily ridership: ~250-290 pax.
- e. Rain and inclement weather has an outsized negative impact on ridership, even when there are no service disruptions and ridership on SF Bay Ferry’s transbay routes remains stable.
- f. Summer months showed the strongest ridership with the largest declines in December. This is consistent with the observed trends on all other SF Bay Ferry routes.

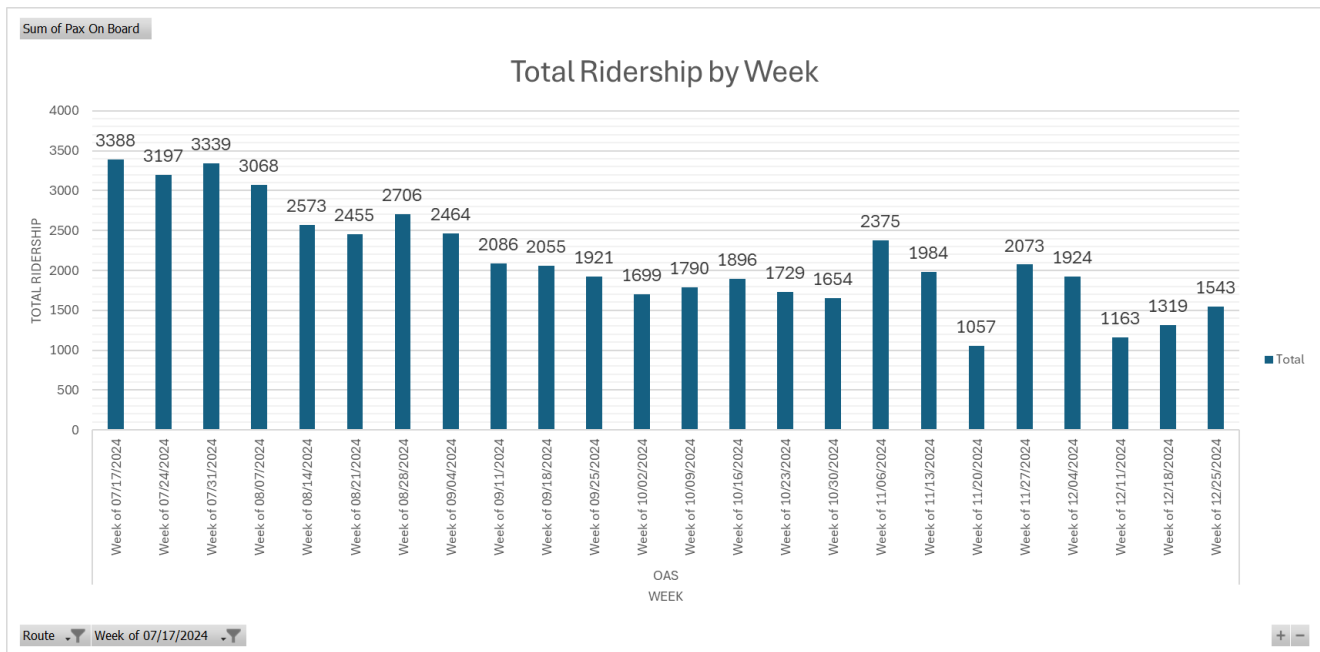


Figure 1. Total Ridership by Week.

- g. Bikes make up on average ~20% of total ridership with some weeks going as high as 25%. This is at or above the proportion of bike riders on other SF Bay Ferry routes.

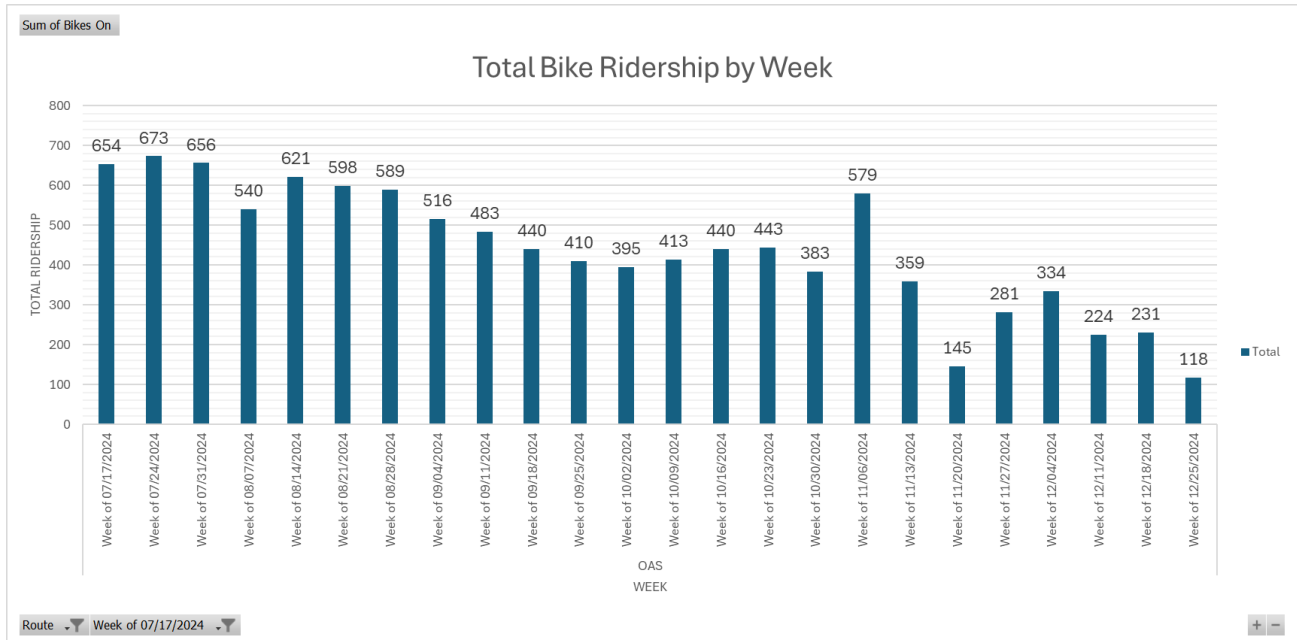


Figure 2. Total Bike Ridership by Week.

h. The highest average ridership per run occurs on departures between 12pm and 5pm.

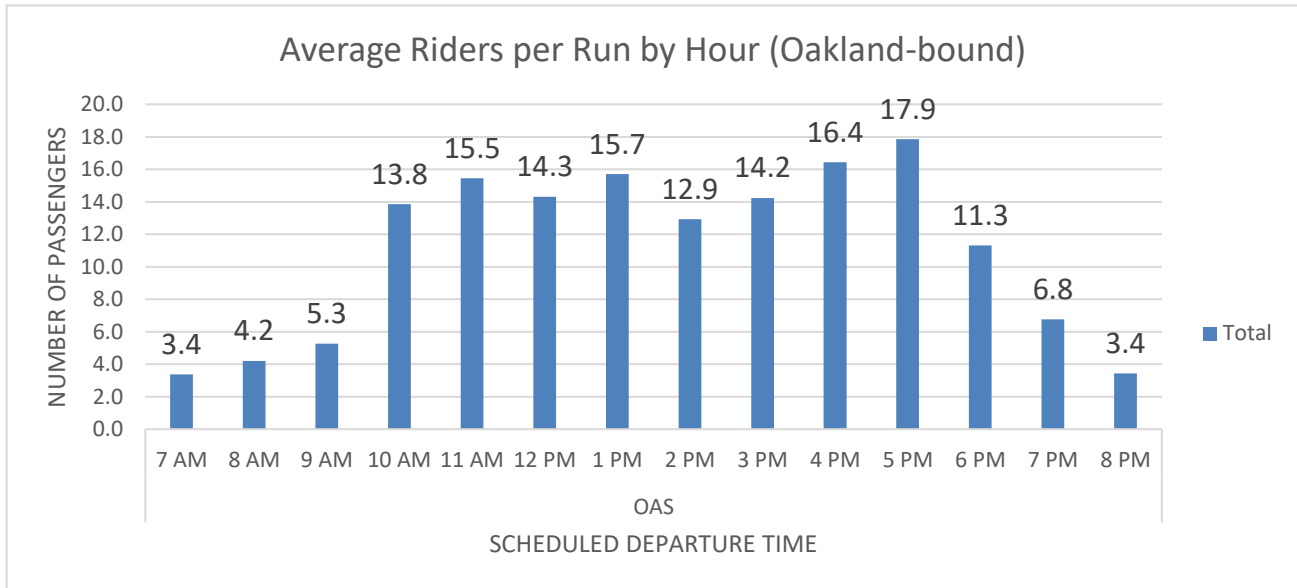


Figure 3. Average Riders per Run by Hour (Oakland-bound).

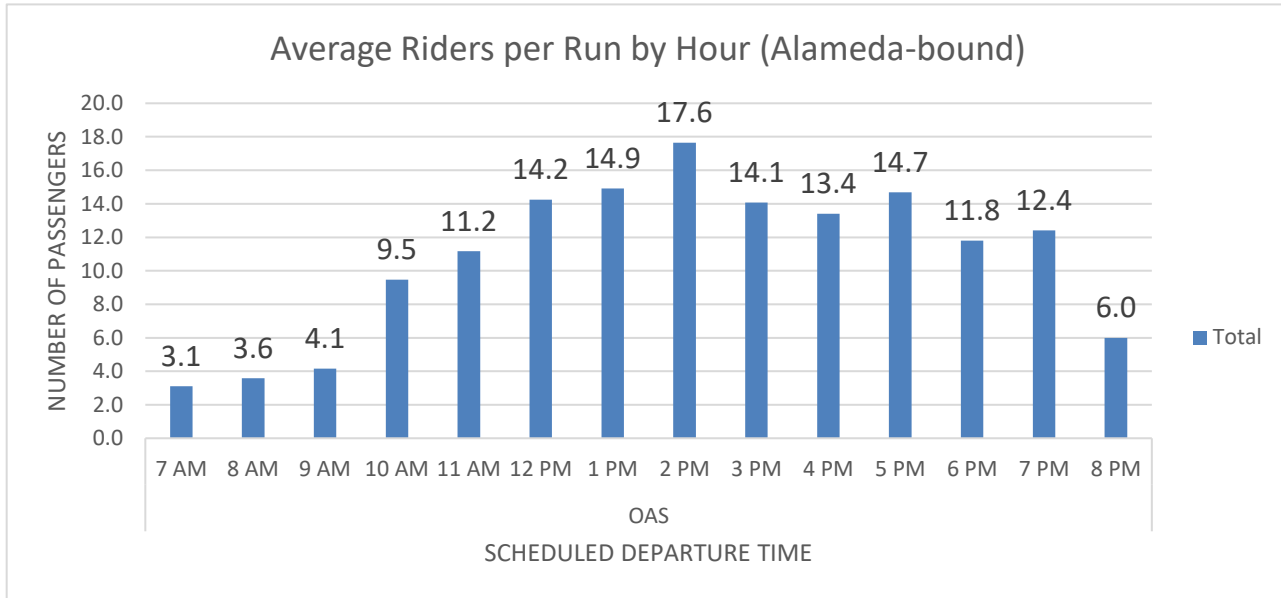


Figure 4. Average Riders per Run by Hour (Alameda-bound).

- i. Most popular days of the week are Sunday, followed by Saturday and Friday.

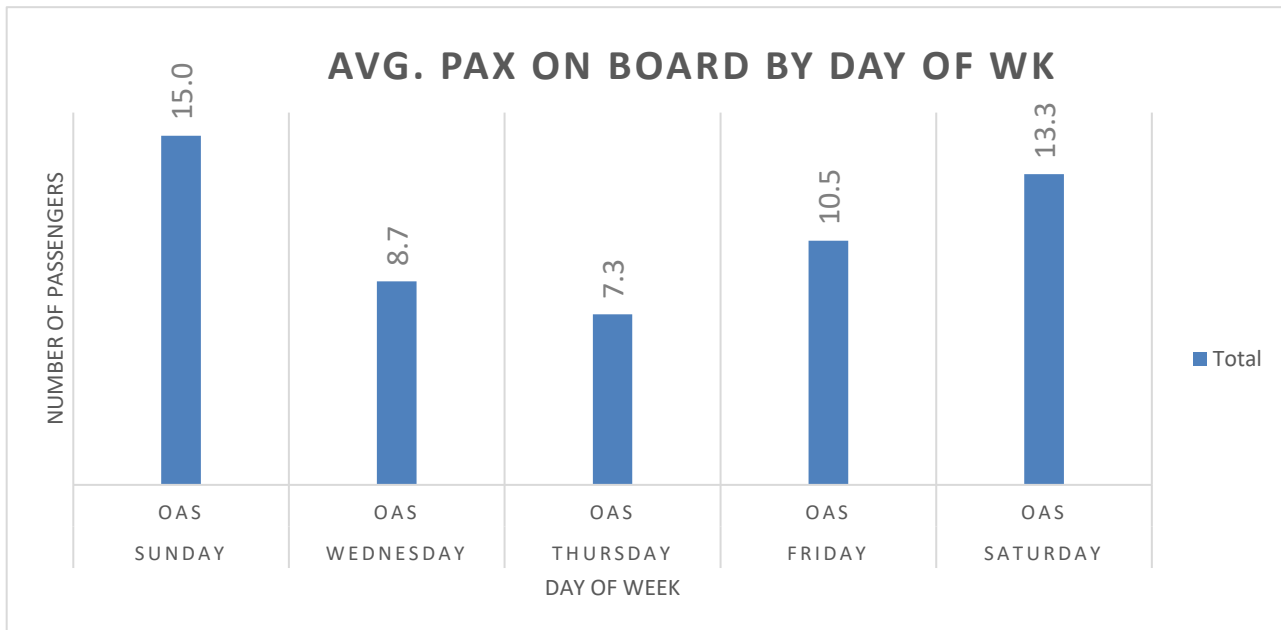


Figure 5. Average Passengers On Board by Day of Week.

**2) Operations and Reliability**

- a. The service operates with one vessel and no back-ups. No other vessels in the SF Bay Ferry fleet are able to land at either dock used for the OAWS.
- b. Initially, 187 runs were scheduled per week. Service increased to 239 runs scheduled per week in November after for schedule optimization.
- c. In July, a rough landing required maintenance and repair work for the vessel that resulted in service being suspended for 1.5 days. Most other cancellations were due to weather impacts.

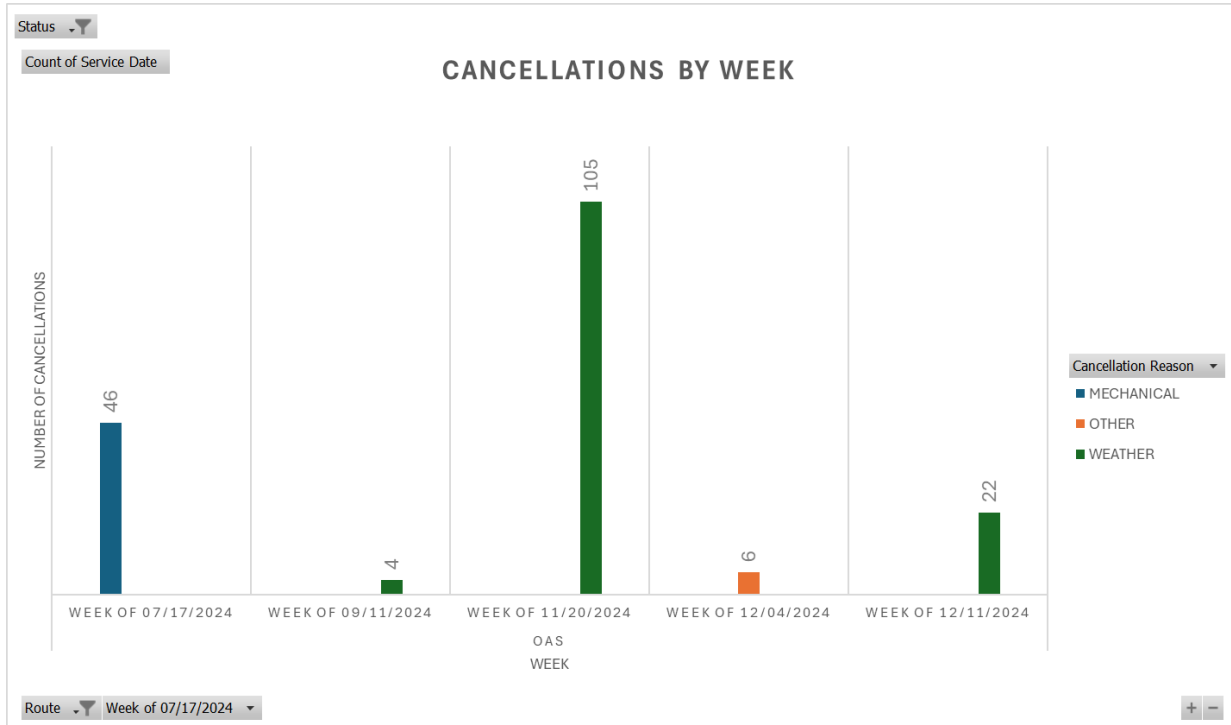


Figure 6. Cancelled Runs by Week.

### 3) Public Feedback

As noted, SF Bay Ferry has received relatively few comments from the public regarding the service, as riders have been encouraged to submit feedback directly to the City of Alameda. Of the 8 comments received by SF Bay Ferry, most were asking for better adherence to schedules or more service. Two commenters took issue with the infrastructure/amenities of the service (ramps and shade). Two commenters included words of praise for the new water shuttle service in their feedback as well.

MEMORANDUM

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**TO:** Board Members

**FROM:** Seamus Murphy, Executive Director  
Michael Gougherty, Director of Planning  
Thomas Hall, Director of Operations & Customer Experience  
Arthi Krubanandh, Senior Transportation Planner  
Dorry Funaki, Transportation Planner

**SUBJECT:** April 2025 Schedule Change

**Recommendation**

There is no recommendation associated with this informational item.

**Background**

SF Bay Ferry periodically adjusts its schedules to better meet passenger demand and improve service reliability and efficiency. The last schedule change occurred on November 4, 2024 with relatively minor changes. The next schedule change will take place on April 7, 2025 and remain in effect until November 3, 2025.

**Discussion**

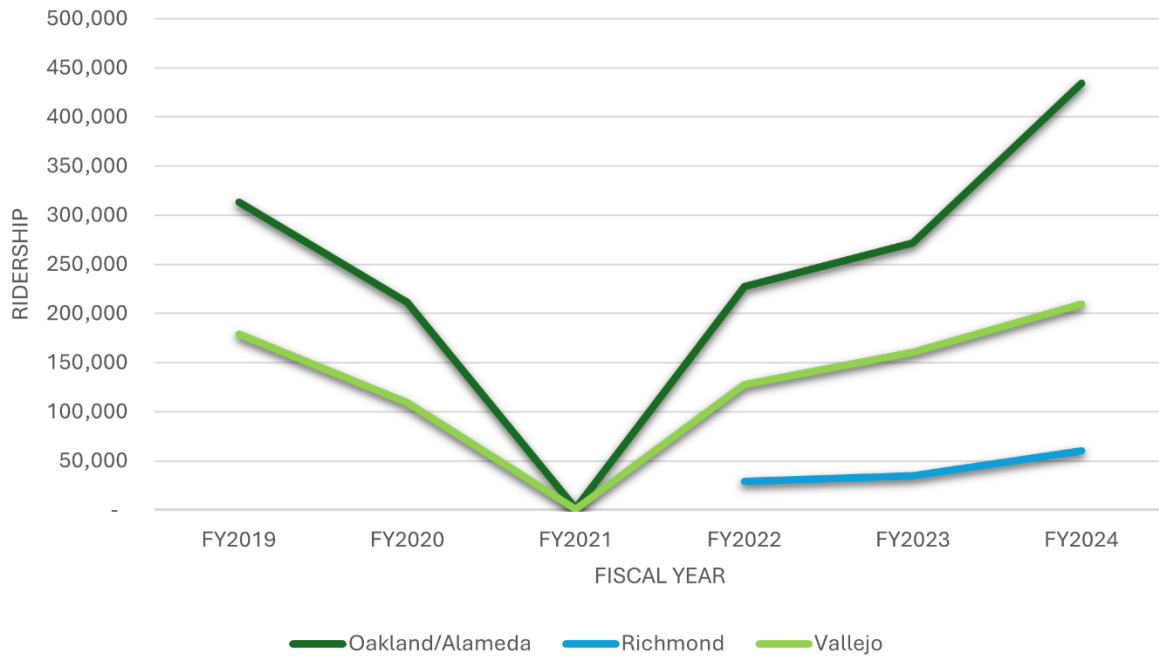
Staff from SF Bay Ferry's Operations & Customer Experience and Planning Departments and key ferry operations staff from Blue & Gold Fleet (BGF) meet to discuss priorities to consider at the start of every schedule development cycle. The priorities set for the April schedule change cycle are as follows:

- Enhance the Richmond weekend schedule
- Improve weekday on-time performance for the Oakland & Alameda and Richmond routes
- Review the service plan for special event service

***Richmond Weekend Enhancement***

The current Richmond weekend service will be enhanced by adding two new roundtrips during potentially high demand travel times. These changes will be made on a seven-month trial basis for the upcoming schedule period. A primary goal of the service enhancement is to better assess the overall ridership demand for Richmond weekend service to inform future long-term service planning decisions. The proposed service enhancement has been vetted with key funding partner staff at the Contra Costa Transportation Authority (CCTA) and West Contra Costa County Technical Advisory Committee (WCCTAC).

While the Richmond route has seen impressive recovery and growth overall, weekend ridership has been low compared to other weekend routes. The chart below shows annual ridership trends on SF Bay Ferry weekend services since FY 2019. The Richmond route accounts for just 8.7% of SF Bay Ferry's weekend ridership while the Oakland & Alameda and Vallejo routes accounting for the remaining 91%. (Regular Richmond weekend service began in FY 2022 as part of SF Bay Ferry's Pandemic Recovery Program.)



A comparison of the current and new Richmond weekend schedules is shown below. With two additional roundtrips, the new schedule better matches the periods of high demand observed on other SF Bay Ferry weekend services. Critically, the westbound schedule before 1 PM will provide three trips instead of the current two, addressing a key limitation that is potentially contributing to low ridership volumes.

<b>CURRENT</b>	
<b>Westbound</b>	
Depart Richmond	Arrive Downtown S.F.
9:50 AM	10:25 AM
12:00 PM	12:35 PM
5:15 PM	5:50 PM
6:45 PM	7:20 PM
8:55 PM	9:30 PM

<b>NEW</b>	
<b>Westbound</b>	
Depart Richmond	Arrive Downtown S.F.
8:55 AM	9:30 AM
10:20 AM	10:55 AM
12:25 PM	1:00 PM
4:15 PM	4:50 PM
6:40 PM	7:15 PM
8:05 PM	8:40 PM
9:30 PM	10:05 PM

<b>CURRENT</b>	
<b>Eastbound</b>	
Depart Downtown S.F.	Arrive Richmond
11:15 AM	11:50 AM
2:05 PM	2:40 PM
4:30 PM	5:05 PM
6:00 PM	6:35 PM
8:10 PM	8:45 PM

<b>NEW</b>	
<b>Eastbound</b>	
Depart Downtown S.F.	Arrive Richmond
9:35 AM	10:10 AM
11:45 AM	12:20 PM
1:05 PM	1:40 PM
3:30 PM	4:05 PM
5:00 PM	5:35 PM
7:20 PM	7:55 PM
8:50 PM	9:25 PM

The two new roundtrips for the Richmond weekend schedule will be added by temporarily redeploying crews providing Pier 41 Short Hop weekend service. Ridership for this service has been consistently low since the launch of the Pandemic Recovery Program, except for holidays or special events like Independence Day or Fleet Week. As an alternative to Pier 41 Short Hop weekend service, the MUNI F-line historic streetcar offers high frequency service connecting Pier 41 and the Ferry Building as well as popular destinations in between and beyond. Ferry riders transferring between the ferry and F-line can receive a \$0.50 fare discount offered by SF Bay Ferry and MUNI. Staff believes this crew redeployment will ultimately be a more efficient use of SF Bay Ferry's high capacity, high-speed vessels. Staff will closely monitor results and potential impacts during the trial period of the redeployment. SF Bay Ferry plans to continue providing special service on the Pier 41 Short Hop route for high-demand periods.

#### *Weekday On-Time Performance*

Staff were able to find solutions to improve on-time performance on the Oakland & Alameda and Richmond routes. Most Oakland & Alameda evening commute times will be adjusted to improve on-time performance and reduce dock congestion. These adjustments will result in several minor changes during non-impact times for other routes, as well. Overall, commute trips will remain well-spaced.

#### *Special Event Service*

The Golden State Valkyries will launch their inaugural season in the Women's National Basketball Association (WNBA) at Chase Center in San Francisco in May 2025. Currently, SF Bay Ferry offers pre- and post-game service to all Golden State Warriors home games from Oakland and Main Street-Alameda using the Pier 48 ferry landing. SF Bay Ferry plans to match that service plan for Valkyries home games. Due to dock capacity at Pier 48, there are no plans to offer Chase Center service connecting to any other East Bay terminals. This service plan will be re-visited once the permanent Mission Bay Ferry Landing opens.

The WNBA season runs from May through September, which creates overlap with the San Francisco Giants season. The Warriors and Giants rarely overlap barring long playoff runs (such as in May and June 2022). Staff has identified four weeknights in which both the Valkyries and Giants have home games. For these weeknights, SF Bay Ferry will provide its normal Valkyries service at Pier 48 before and after the games and will provide post-game service from Oracle Park to Oakland and Main Street-Alameda utilizing a different crew on planned overtime. Travelers to Oracle Park will be able to book one-way pre-game tickets on the Valkyries service and walk approximately 10 minutes from Pier 48 to Oracle Park.

SF Bay Ferry is also planning a Richmond Ballpark Pilot Service that will offer special service from Richmond for up to six weekend Giants games via Pier 48. The goal of the service is to support publicity for the Richmond weekend enhancement. The service will be similar to the Redwood City Ballpark Pilot Service that was operated in 2024. Dates will be released in mid-March and will be selected to avoid conflicts with other major events and test a variety of timing options. The Richmond Ballpark Pilot Service has been reviewed and vetted with the SF Bay Ferry Pilot Service Subcommittee.

There will be no other changes to special event service. Direct service from Oracle Park to Vallejo will be provided after every evening and weekend game. Direct service from Vallejo to Oracle Park will be provided for all weekend games. Direct service in both directions will be provided for Giants games on weekends for Oakland and Main Street-Alameda riders. There is no direct service for weekday afternoon games due to vessel availability. SF Bay Ferry staff will continue working closely with the Giants and Warriors to identify opportunities for successful non-sports ferry service to Oracle Park and Chase Center, respectively.

*Other Changes*

Additional changes in the April 2025 schedule change include:

- Adjustment to the Oakland Alameda Water Shuttle (OAWS) schedule on Wednesdays and Thursdays to allow for morning commute connections to SF Bay Ferry's OA route.
- Addition of one late-evening trip on OAWS on Fridays, Saturdays and Sundays.
- Replacement of a redundant weekday Oakland & Alameda roundtrip with two westbound and one eastbound Alameda Seaplane trips, filling a wide afternoon gap on that route in both directions.
- The weekday 3:15 PM eastbound trip on the Oakland & Alameda route will be moved to 3:30 PM to provide better spacing for the afternoon commute. The MSA stop on this trip has low usage and will be eliminated.
- Southbound trips on weekend afternoons on the Vallejo route will be better spaced to provide additional options for travelers visiting Vallejo, Six Flags Discovery Kingdom and Wine Country.

**Passenger Outreach**

Staff will proceed with its normal passenger outreach plan used for other schedule changes. Additional promotional communications and marketing will be invested to highlight the enhanced Richmond weekend service and Richmond ballpark pilot, leveraging the agency's marketing partnership with the Contra Costa Transportation Authority and the West Contra Costa Transportation Advisory Committee. Special attention will also be given to communicating the suspension of the Pier 41 Short Hop, the launch of service for Valkyries games and commute time changes on the Oakland & Alameda route.

**Fiscal Impact**

There is no fiscal impact associated with this informational item. Service cost changes associated with this schedule change are projected to be minimal and within the approved operations budget. Cost allocations by service may change due to trip assignment changes.

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director  
Erin McGrath, Chief Financial Officer  
Steven Miller, General Counsel**

**SUBJECT: Updated and Restated SF Bay Ferry Administrative Code**

**Recommendation**

This item presents for Board feedback and consideration a draft of an updated and restated SF Bay Ferry Administrative Code. As the Board directs, a proposed draft of an updated and restated Administrative Code may be brought back to the Board for consideration and action at a future meeting.

**Background/Discussion**

SF Bay Ferry's Board adopted the first portion of the Administrative Code in 2001. Over the next six years the Board adopted portions of the Administrative Code sequentially until early 2008, when it adopted the Administrative Code essentially in the same form it is in today. The 2001-2008 Administrative Code was appropriate for a small planning agency without a significant capital program. But that version of the Administrative Code is not designed to facilitate the efficient function of the agency as it exists today. In 2008 SF Bay Ferry had less than one-quarter of its current employee head count, and less than 20 percent of today's budget. The updated Administrative Code is designed to better reflect the current agency operations and will better facilitate the agency's current work and priorities.

SF Bay Ferry staff and General Counsel have been working together to produce an updated and restated Administrative Code that meets SF Bay Ferry's current and future needs. A draft is included as **Attachment 1**. It is guided by the following principles, consistent with best practices of other local government agencies:

- The Administrative Code should comply with all Federal and State legal requirements.
- The Administrative Code should set Board and Agency Policies and reflect the Executive Director's roles and responsibilities which include crafting and maintaining Procedures that implement those Policies.
- The Administrative Code should set the powers and duties of Board members and management officers.
- The Administrative Code should describe the structure of Board meetings in compliance with all legal requirements, while maintaining the SF Bay Ferry Board's flexibility to conduct meetings as it desires.
- The Administrative Code should include a Director Code of Conduct.

The current Administrative Code does not entirely meet the above principles. For example, the current Administrative Code does not effectively distinguish between Policies adopted by the Board and Procedures implemented by the Executive Director, which can make it difficult for the Executive Director to efficiently manage the day-to-day operations of SF Bay Ferry. The best example of this blurred distinction between Policy and Procedure is in the area of contracts and procurement. The current Administrative Code includes detailed, and in some cases outdated, procurement procedures that would be best included in a stand-alone Procurement Procedures Manual. The Federal Transit Administration requires such separate procedures and expects them to be included in a separate manual within the Executive Director's control. The proposed draft updated and restated Administrative Code includes the Board's Procurement Policy, and delegates to the Executive Director the responsibility to maintain a Procurement Procedures Manual that implements that Policy. The Procurement Procedures Manual, which is a very extensive manual for staff to follow and utilize in everyday procurement practice, is included as **Attachment 2**.

In addition, the current Administrative Code is not up to date with all Federal and State legal requirements. An example is the Travel and Reimbursement Policy that will be updated to be fully compliant with State law. Finally, the current Administrative Code is incomplete, or silent, in describing some of the roles of Directors and Officers and in particular lacks a Director Code of Conduct. These omissions do not currently interfere with current SF Bay Ferry operations. However best practices in board management include such provisions in order to best guide and protect the agency.

The proposed updated and restated Administrative Code includes the following key sections:

- Powers and Duties of the Board, Directors, and Officers
  - Among other things, this section empowers the Executive Director to implement and maintain procedures that implement Board Policy.
- Conduct of Meeting
  - This section memorializes the structure by which SF Bay Ferry currently conducts its meetings while preserving flexibility for the future. Documenting this meeting preserves and protects agency actions in the future.
- Director Code of Conduct
  - This section establishes a common sense set of behavioral norms all Directors should uphold. Approving such a Code of Conduct is a best practice that could become important in the future.
- Contract and Procurement Policy
  - This section updates SF Bay Ferry procedures in compliance with federal and State laws and best practices; details will be discussed at some length during the meeting.
- Expense Reimbursement and Travel Policy
  - This Policy is required by State law. SF Bay Ferry's Expense Reimbursement and Travel Policy will apply both to Directors and to staff.
  -

**Fiscal Impact**

There is no fiscal impact associated with this item.

\*\*\*END\*\*\*

# SF BAY FERRY ADMINISTRATIVE CODE

Draft March 13, 2025

## I. Title and Authority

This Administrative Code is enacted pursuant to the provisions of California Government Code Title 7.10, commencing with Section 66540, and may be referred to as the “SF Bay Ferry Administrative Code” or “Administrative Code.” This Administrative Code describes the powers and duties of SF Bay Ferry Board of Directors, officers, and employees, SF Bay Ferry’s rules for the conduct of its Board meetings, and policies governing the operation and management of SF Bay Ferry. Some provisions of this Administrative Code may be based upon or paraphrase provisions of applicable statutes. In the event of conflict between the provision of any such statute and this Administrative Code, the provision of the statute controls, and no section of this Administrative Code will change or modify any such statute.

This Administrative Code restates and replaces the Administrative Code adopted by SF Bay Ferry Board of Directors on March 31, 2008 and most recently amended on August 17, 2022 (“Administrative Code”).

If a court of competent jurisdiction rules that any of the terms of this Administrative Code, including the attachments hereto, are invalid, unenforceable, void or voidable for any reason whatsoever, all of the remaining terms of the Administrative Code will not be affected by such ruling and will be valid and enforceable to the fullest extent permitted by law.

## II. Definitions

- A. “SF Bay Ferry” is the San Francisco Bay Area Water Emergency Transportation Authority, a local governmental entity of regional government, with jurisdiction extending throughout the bay area region, established pursuant to Government Code Sections 66540 et seq.
- B. “Board” or “Board of Directors” is the governing body of SF Bay Ferry.
- C. “Director” is a member of the Board.

## III. Board of Directors

### A. Powers of the Board

The legal responsibilities of the Board are set forth by applicable state and federal laws, rules, and regulations, and any policies the Board may adopt that hold Directors to standards of conduct above and beyond what is required by law.

The Board is a policymaking and governing body. The Board recognizes it is a collective body and each Director recognizes that his/her power as a Director is derived from the collective deliberation and action of the Board as a whole in a duly constituted meeting. Directors have no legal authority to act for the Board outside of official meetings.

The Board reserves to itself the authority to do the following on behalf of SF Bay Ferry:

- (a) The Board will approve the water transportation facilities SF Bay Ferry should acquire or construct, and will regulate and set all charges for the use of such facilities.
- (b) The Board will approve and oversee the implementation of SF Bay Ferry's annual budget.
- (c) The Board may cause SF Bay Ferry to incur any form of indebtedness that is authorized by law on the terms and conditions that the Board in its discretion determines will further any of SF Bay Ferry's purposes.
- (d) The Board will require SF Bay Ferry to contract with an independent certified public accountant for an annual audit of SF Bay Ferry's financial records and books. The accountant must submit a report of the audit to the Board, and the Board will make copies of the report available to the public.
- (e) The Board may adopt rules and regulations governing the employment of staff including the establishment of a retirement system. The Board has adopted SF Bay Ferry's Human Resources Guide; the Executive Director will maintain, and update as necessary, the Human Resources Guide, consistent with policies established by the Board.
- (f) The Board may appoint committees from its membership and delegate such authority to such committees as it deems advisable and may appoint advisory committees to advise on issues related to SF Bay Ferry's mission.
- (g) The Board will employ an Executive Director who will have charge of administering the day-to-day affairs and responsibilities of SF Bay Ferry, subject to the policy direction of the Board. The Executive Director will oversee the hiring of all staff necessary to carry out SF Bay Ferry's functions.
- (h) The Board will appoint a General Counsel, responsible for managing the legal affairs of SF Bay Ferry.
- (i) The Board will appoint a Chief Financial Officer. Once appointed, the Board delegates to the Executive Director the authority to supervise and manage the Chief Financial Officer, consistent with the Executive Director's general management of the day-to-day affairs of SF Bay Ferry.
- (j) The Board may adopt additional policies for the governance of SF Bay Ferry beyond those contained in this Administrative Code .
- (k) The Board may do any and all other things necessary to carry out SF Bay Ferry's purposes.

**B. Appointment, Removal and Terms**

The appointment, removal, and terms of Directors are as provided by state law.

#### IV. Officers and Directors

The Officers of SF Bay Ferry are the Chair of the Board, Vice Chair of the Board, the Executive Director, the Chief Financial Officer, and the General Counsel. Pursuant to state law, the Governor designates one Director as the Board Chair and one Director as the Vice Chair of the Board.

##### A. Duties of Chair

1. The Board Chair may act as the official Board representative of SF Bay Ferry for ceremonial purposes.
2. The Board Chair may sign all orders, contracts, and grant documents as approved by the Board.
3. The Board Chair, in consultation with the Executive Director, may set the date, time, and location of regular meetings.
4. The Board Chair may prepare or approve the agenda for each meeting of the Board.
5. The Board Chair may appoint Directors to committees and serve as an ex officio member of all committees.
6. The Board Chair presides over all meetings of the Board, including declaring the opening and closing of each agenda item, ruling on points of order, regulating the individuals that may address the Board during meetings, and putting issues to vote. The Chair will determine all questions or interpretation of the rules of order, or other questions of procedure requiring ruling during a Board meeting. A majority of the Board may override the Chair's decision.
7. The Board Chair has such other powers and duties as may be prescribed by state law and from time to time by the Board.

##### B. Duties of Vice Chair

The Vice Chair performs the duties of the Chair in that person's absence or disability and, when so acting, will have all the powers of and be subject to all the restrictions upon the Chair, and will exercise and perform such other powers and duties as may from time to time be prescribed by the Board.

##### C. Temporary Chair

In the event that both the Chair and the Vice Chair are absent, or unable to act, the remaining Directors may select one of their members to act as Chair until either the Chair or the Vice Chair are able to resume their duties.

D. Executive Director

The Executive Director must be a full-time employee of SF Bay Ferry and reports directly to the Board. The Board delegates the administrative, personnel, and executive functions to the Executive Director to carry out its legislative and policy-making decisions. As delegated by the Board, the powers and duties of the Executive Director are:

- (a) To have full charge of SF Bay Ferry's affairs, within policy guidelines established by the Board.
- (b) To manage SF Bay Ferry to meet the Board's expected outcomes, including the provision of data from which the Board can evaluate SF Bay Ferry's achievements.
- (c) To administer the personnel system of SF Bay Ferry, including without limitation hiring, supervising, promoting, transferring, disciplining, suspending with or without pay, or discharging any employee on terms the Executive Director deems in SF Bay Ferry's best interest.
- (d) The Board has adopted the SF Bay Ferry's Human Resources Guide; the Executive Director will maintain, and update as necessary, the Human Resources Guide, consistent with Board policies.
- (e) To maintain and update as necessary SF Bay Ferry's Organization Chart.
- (f) To act as the purchasing agent for SF Bay Ferry. Subject to the procurement authority set forth in this Administrative Code, the Executive Director is authorized to procure all goods and services necessary to carry out SF Bay Ferry's operations. The Executive Director will develop, maintain, and update as necessary a Procurement and Contracting Procedures Manual consistent with Board policies.
- (g) To review and rule on all protests related to solicitations submitted in accordance with Board policy.
- (h) With the advice of General Counsel, to carry out the following functions of the Board with respect to handling administrative claims presented to SF Bay Ferry: ascertaining the sufficiency of claims with respect to the required contents of a claim, notifying claimants of insufficiency, notifying claimants of failure to present claims within the time allowed by law, allowing or denying applications for leave to file late claims, rejecting claims, and allowing claims in whole or in part. The Executive Director may, upon the advice of General Counsel, allow, compromise, or settle any administrative claim or lawsuit against SF Bay Ferry up to and including \$50,000.
- (i) To approve SF Bay Ferry's engineering and design standards, and all aspects of the design and construction of projects that modify or otherwise pertain to the SF Bay Ferry's affairs, including, its terminals,

property or facilities, or that affect operations. The Executive Director may delegate this approval authority in his/her discretion.

- (j) To see that all rules, regulations, ordinances, policies, procedures and resolutions of SF Bay Ferry are observed and enforced.
- (k) To keep the Board advised as to the needs and the status of operations of SF Bay Ferry.
- (l) To represent the interests of SF Bay Ferry in day to day contact with community members, other interested parties, community, and governmental agencies.
- (m) To advise the Board, seek out, and make recommendations regarding possible sources of funds which may be used to implement present or contemplated SF Bay Ferry services.
- (n) To establish and maintain an effective community relations program including effective relationships with the media.
- (o) To communicate openly, systemically, and in a timely manner to the Board, staff, and the community, and promptly inform the Board of critical issues or incidents.
- (p) To authorize, approve and make expenditures in accordance with and subject to Board Policies and the Board-adopted budget.
- (q) To prepare and distribute the agenda for all Board meetings.
- (r) To undertake such other duties, powers and responsibilities as may from time to time be assigned by the Board.
- (s) To enter into temporary agreements pertaining to the use of real property, such as easements, licenses, or entry permits, and to prepare and execute certificates of acceptances.
- (t) To update and maintain the Conflict of Interest Code as required by state law.
- (u) To implement and maintain procedures for the retention of SF Bay Ferry records in compliance with applicable law.
- (v) If the Executive Director is absent or incapacitated for a finite period (for example a vacation) the Executive Director may appoint an interim Executive Director. If the Executive Director's absence is open-ended, or if the Board Chair so prefers, the Board Chair may appoint any person to serve as an interim Executive Director until the next meeting of the Board at which time the Board may appoint an Executive Director on a temporary or permanent basis. At no time will there be more than one person appointed to act as the Executive Director.

E. Chief Financial Officer

The powers and duties of the Chief Financial Officer are:

- (a) To serve as SF Bay Ferry's Chief Financial and Administrative Officer—references to that title are to the Chief Financial Officer.
- (b) To create and maintain all financial records and accounts of SF Bay Ferry in accordance with generally accepted accounting principles.
- (c) With supervision by the Executive Director, present the annual budget and salaries for approval by the Board no later than the June meeting of each year and provide regular reporting to the Board on budgetary matters.
- (d) With supervision by the Executive Director, to be responsible for executing grant documents and financing documents under the policy guidelines established by the Board.
- (e) To implement and oversee policies and procedures for the expenditure of SF Bay Ferry funds and for the receipt of revenues from all available sources.
- (f) To serve as the treasurer delegated with the authority to oversee SF Bay Ferry investments, in accordance with all statutes and with generally accepted principles applicable to governmental entities.
- (g) To implement, maintain, and update as necessary, the Board-adopted Investment Policy and Reserve Policy. The Chief Financial Officer will recommend any revisions to these policies for approval by the Board.
- (h) To cause to be prepared by an independent certified public accountant retained by SF Bay Ferry, and to submit to the Board, the annual audit report required by Government Code Section 66540.54, and any other financial reports requested by the Board.
- (i) To establish and maintain administrative procedures which ensure the security and integrity of SF Bay Ferry operations, including but not limited to procedures related to accounts payable, reimbursements, contract management, payroll, and reporting.
- (j) To manage financial risk to SF Bay Ferry as needed including procurement and management of insurance policies to protect against loss.

F. General Counsel

The General Counsel is the chief legal officer of SF Bay Ferry and is responsible for managing the legal affairs of SF Bay Ferry. The General Counsel's client is SF Bay Ferry as a whole and not any single Director or member of staff. Accordingly, the General Counsel will not take mandatory direction from any individual Director. The

General Counsel reports to the Board, but may also provide legal counsel at the direction of the Executive Director.

The General Counsel will attend all SF Bay Ferry Board meetings unless directed otherwise by the Board Chair or the Executive Director. When in SF Bay Ferry's best interest, the General Counsel, in consultation with the Executive Director, may contract for additional legal counsel or other legal assistance, including experts and consultants, up to the Executive Director's procurement authority.

The General Counsel approves all contracts to form. This approval may be accomplished by approval of general contract forms that are used without substantive alteration.

## V. Meetings

### A. Meetings Generally

SF Bay Ferry's Board will conduct its meetings and business of the Board in compliance with the requirements of the Ralph M. Brown Act ("the Brown Act" Gov. Code § 54950 et seq.) and other applicable provisions of law. Ordinarily, the Board will annually establish the date, time, and location of regular meetings of the Board. However, the Board Chair, in consultation with the Executive Director, may alter the date, time, and location of regular meetings. The Board Chair, or a majority of the Board, may call a special meeting at any time.

Directors are expected to attend all regular and special meetings of the Board. Directors may attend Board and Committee meetings via teleconference in accordance with the Brown Act. Directors are expected to participate fully in deliberation and voting.

### B. Quorum and Voting

Three members of the Board constitutes a quorum. The Board may act by ordinance or resolution. The Board may also act, at the recommendation of the Board Chair or the Executive Director, by motion to approve administrative or ministerial items.

### C. Rules of Order During Meeting

The Board has established a flexible format for meetings as the most effective way to conduct business. Generally, the conduct of the Board's meetings are informed by Rosenberg's Rules of Order. Rosenberg's Rules of Order are intended to set rules that accomplish the following three goals: (1) Rules should establish a framework for the orderly conduct of meetings; (2) Rules should be clear and user-friendly, in particular for the public; and (3) Rules should enforce the will of the majority while protecting the rights of the minority. The Board does not insist that its meetings be conducted strictly in accordance with Rosenberg's Rules of Order and failure to comply with formal rules of procedure will not invalidate any action taken by the Board.

### D. Agendas

#### 1. Preparation

Prior to every meeting of the Board (or any committee of the Board), the Executive Director, in consultation with the Board Chair (or committee Chair), must prepare an agenda which sets forth a brief general description of each item of business to be transacted or discussed by the Board (or committee), including matters to be discussed in closed session and matters specifically requested for consideration by any Director.

Matters to be placed on the agenda for any regular meeting of the Board may be submitted to the Chair or the Executive Director by any Director no later than ten working days prior to the date of the meeting.

The Executive Director is responsible for posting all meeting agendas in accordance with the Brown Act.

## 2. Order of Business

The Order of Business for regular meetings of the Board is generally as follows:

- Call to Order
- Roll Call
- Pledge of Allegiance
- Report of Board Chair
- Reports of Directors
- Reports of Staff
- Consent Calendar
- New Business
- Public Comments for Non-Agenda Items
- Adjournment

The Executive Director, in consultation with the Board Chair, may use a different order of business for a particular meeting agenda, as necessary.

Any Director may request that an item be taken out of order. The Board Chair may take any item out of order in response to a request by the Executive Director, a Director, or on his or her own initiative.

The Consent Calendar may include items that are regularly presented to the Board and are routine in nature, such as minutes, financial statements and routine contracts. Upon presentation of the Consent Calendar for approval, any Director may request that an item or items listed on the Consent Calendar be considered and acted upon separately. Each such request will ordinarily be granted and the item(s) separately heard and acted upon by the Board after approval of the remainder of the Consent Calendar.

## E. Minutes

The official action of the Board is represented by written minutes as supplemented by the video of the meeting, if a video exists. The Secretary of the Board/Clerk of the Board will prepare the written minutes of each Board meeting for Board approval at a subsequent meeting. The written minutes of Board meetings are in an action format and include at a minimum: the date and location of the meeting; identification of public

speakers, the title of the subject matter to which their remarks were directed and an indication as to whether they spoke in support or in opposition to such matter if applicable; and the actions taken on each agenda item, if any.

F. Committees

The Chair of the Board may organize committees of the Board and appoint Directors to serve on such committees, including naming the chair of each committee. Such committees will meet in accordance with the Brown Act. All Committees will be advisory in nature, with no authority to act on behalf of SF Bay Ferry. If appropriate, a committee may prepare a mission statement or bylaws for approval by SF Bay Ferry Board.

VI. Director Code of Conduct

Directors should observe the following code of conduct designed to guide their actions in carrying out their responsibilities. Directors will:

1. Respect the rights of members of the public to be heard at official meetings, within established parameters and guidelines for public comment.
2. Declare conflicts of interest into the public record.
3. Conduct all District business in an ethical manner.
4. Refuse to use a position on the Board for personal gain.
5. Refrain from interference in procurement processes that follow Board policies.
6. Represent SF Bay Ferry with appropriate decorum, dignity, and respect when appearing at public non-SF Bay Ferry events.
7. Support the Executive Director's administrative authority for properly discharging duties within the limits of established Board policies. Individual Directors will not mandate direction to the Executive Director or any staff member regarding the management of SF Bay Ferry or the solution to specific problems.
8. Give staff the respect and consideration due skilled professional personnel and avoid interference in the management of staff under the Executive Director.
9. Comments about staff performance should be made to the Executive Director privately. Directors should not express concerns about the performance of an SF Bay Ferry employee in public, to the employee directly, or to the employee's manager.
10. Directors may not engage in any form of public humiliation of the staff, nor threaten any such public humiliation to unduly influence decisions or the work of SF Bay Ferry personnel.

VII. Director Compensation for attending SF Bay Ferry Meetings

In accordance with Government Code Section 66540.15, Directors serve without compensation. In lieu of reimbursement for their actual expenses incurred in attending SF Bay Ferry Board

meetings, SF Bay Ferry will provide Directors a per diem of \$100 per Board meeting, not to exceed a combined total of five meetings in any one calendar month. Reimbursement for other non-Board meeting costs are addressed in the Travel and Reimbursement policy.

#### VIII. Additional Board Approved Policies

The Board has adopted additional stand-alone policies governing or related to SF Bay Ferry. The Board reserves to itself the authority over any revisions to Board-approved policies. The Executive Director is authorized to create, maintain, and update procedures consistent with Board-approved policies.

#### IX. Contract and Procurement Policy

##### A. Introduction

The procedures governing SF Bay Ferry's procurements derive from SF Bay Ferry's enabling legislation, as well as California and federal law. In addition, certain standards, regulations, orders of the United States Office of Management and Budget, and requirements for grants-in-aid to local governments mandated by the United States Department of Transportation, Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) apply to SF Bay Ferry in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between SF Bay Ferry's policies and procedures and local, state or federal law, such local, state or federal law take precedence.

This Procurement Policy does not apply to agreements applicable to rights in real property (for example leases or easements). Such agreements for rights in real property are subject to different statutory requirements depending if they are State or federally funded. Nor does it apply to permits or licenses to enter SF Bay Ferry property for the purposes of filming, photographing, or other such purposes that are within the Executive Director's authority to manage SF Bay Ferry's day-to-day administration..

##### B. Goals.

SF Bay Ferry's Procurement Policy is guided by six basic goals:

1. To promote the greatest economy and efficiency for SF Bay Ferry;
2. To provide safeguards to maintain a procurement system of quality and integrity;
3. To instill public confidence in SF Bay Ferry's procurement process and adherence to proper standards of conduct by all SF Bay Ferry personnel;
4. To ensure fair and equitable treatment for all vendors who seek to deal with SF Bay Ferry while creating a level playing field on which Disadvantaged Business Enterprises and Small Business enterprises can compete fairly for contracts and subcontracts.
5. To foster maximum open and free competition in the expenditure of public funds; and,

6. To maintain procurement policies and procedures that ensure compliance with applicable local, state, and federal laws and regulations.

C. Manner of Procurement

1. All purchases and contracts will be made on a competitive basis to the greatest extent practicable given the nature and value of the purchases.
2. The method of procurement will be appropriate for the type of project or procurement and will be in SF Bay Ferry's best interest.
3. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive. An award, if made, will ordinarily be to the lowest responsive and responsible bidder.
4. Formal competitive proposals require issuance of Requests for Proposals that clearly set forth all the requirements, and state the qualitative factors in addition to price, which will be used to evaluate and rank proposals in order to determine the proposal that provide SF Bay Ferry the best value. An award, if made, will be to the proposer receiving the highest ranking, subject to successful negotiations.
5. When appropriate, SF Bay Ferry may seek proposals to establish a panel of contractors to perform services that are needed on an on-call basis.
6. If a procurement is for those types of professional services listed in California Government Code Section 4525, SF Bay Ferry will comply with applicable requirements of federal and State law to ensure that such services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public.
7. SF Bay Ferry may use alternative methods of formal procurement when appropriate under the circumstances, including without limitation using a Design Build or Construction Manager at Risk methodology, issuing a Request for Qualifications, or relying on a cooperative procurement program.
8. SF Bay Ferry may participate in cooperative procurement programs led by other public agencies, or cooperative organizations in order to reduce duplicative effort and to achieve cost economies.
9. When appropriate, SF Bay Ferry may use an informal procurement process or, in particular for small purchases, may procure goods and services on the open market.
10. SF Bay Ferry may reject any and all bids or proposals if it is in SF Bay Ferry's best interest to do so.

11. SF Bay Ferry may only contract with contractors who are trustworthy and are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.
12. When a project is assisted with federal funding, SF Bay Ferry will comply with all federal requirements in determining the manner of a procurement.
13. Solicitations will be publicized in a manner designed to maximize competition and in compliance with applicable federal and state laws, regulations, and requirements.

D. Executive Director's Procurement Authority

1. The Executive Director or designee may award and execute agreements and leases for equipment, supplies, materials, services or construction when the amount to be paid by SF Bay Ferry does not exceed \$250,000, exclusive of any change orders, amendments and options. The Executive Director may approve change orders or amendments to agreements under this paragraph without Board authorization if the total amount of the agreement including the amendment or change order does not exceed \$250,000. A report summarizing the transactions made within the Executive Director's authority will be presented to the Board of Directors on a periodic basis, no less than quarterly.
2. The Board of Directors must approve the award of all contracts and leases for equipment, supplies, materials, services or construction when the amount to be paid by SF Bay Ferry exceeds \$250,000.
3. If not otherwise approved by the Board, the Executive Director is authorized to execute options included in an original contract up to the established procurement authority, provided that funds for the options are included in SF Bay Ferry's approved budget.
4. The Executive Director is authorized to approve change orders or amendments to contracts awarded by the Board up to the established contract contingency. For contracts approved by the Board without an established contract contingency, the Executive Director may authorize change orders or amendments within the adopted budget that cumulatively do not exceed 25 percent of the original contract price. All other change orders or amendments must be approved by the Board of Directors.
5. The Executive Director may delegate to managers or other employees the responsibility and authority to approve purchases within the Executive Director's procurement authority, which delegation must be in writing.
6. The Executive Director will develop, maintain, and update as necessary a Procurement and Contracting Procedures Manual consistent with this Procurement Policy.

E. Conflicts of Interest.

No director, officer, employee or agent of SF Bay Ferry may participate in any procedure, task, or decision relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals, has a financial or other interest in a firm that participates in a SF Bay Ferry procurement process or that is selected for a contract award. The standards governing the determination as to whether such an interest exists are set forth in Sections 1090, 1091, and 1091.5 of the California Government Code and the California Political Reform Act.

F. Protest Procedures.

A protest may be filed for contracts with an expected value in excess of \$250,000 only by an Interested Party, defined as an actual or prospective bidder or proposer whose direct economic interest could be affected by SF Bay Ferry's conduct of the solicitation. Interested Parties do not include subcontractors or suppliers of an actual or prospective bidder/proposer, or individual firms that make up a Joint Venture, acting independently of the Joint Venture. Notice of the protest procedures and the applicable protest deadlines will be provided in all formal solicitations. To be considered by SF Bay Ferry, a protest must be filed in a timely manner and must satisfy all of the applicable requirements set forth in the solicitation documents. The Executive Director is authorized to review and rule with finality on all protests, in consultation with legal counsel, and will report on the disposition of protests to the Board. All protests must be in accordance with the written procedures set forth in the Procurement and Contracting Procedures .

G. Contract Administration.

SF Bay Ferry will administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Each contract file will contain documentation concerning the contract administration, including, but not limited to, monitoring of the contract budget, change orders, and final disposition. Undocumented actions on all contracts must be committed to written memoranda and promptly included in the contract file.

H. Emergency Contracts.

The Executive Director is authorized to procure goods and services without competition when necessary for the preservation of the public health, welfare, or safety, or protection of SF Bay Ferry property or when necessary to prevent impacts to ferry service. When emergency conditions do not permit a delay resulting from a formal competitive solicitation process, the Executive Director is authorized to make purchases without giving notice for bids or proposals. The Executive Director will report on the reasons and necessity for proceeding without a competitive solicitation to the Board of Directors at the next available meeting after the emergency action is taken. Board ratification is required for any contract in excess of \$250,000, and must be obtained as soon as it is practicable to do so.

I. Sole Source.

Regardless of the estimated cost of the procurement, SF Bay Ferry is not required to engage in the competitive procurement process, either formal or informal, when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, SF Bay Ferry must verify that the particular procurement meets the definition of a sole source and SF Bay Ferry must perform a cost or price analysis to determine the reasonableness of the price of the sole source.

J. Discretion to Waive the Competitive Process.

The Board of Directors, or the Executive Director for procurements within the Executive Director's procurement authority, may waive the requirements for a formal competitive process or other procedures set forth in this Procurement Policy when (1) permissible under applicable law; and (2) the best interests of SF Bay Ferry would be served by waiving such requirements under the circumstances. These circumstances will be evaluated on a case-by-case basis, in consultation with legal counsel, and keeping in mind the fundamental principles of procurement set forth in this Procurement Policy .

K. Disposal of Surplus Property

The Executive Director, in consultation with legal counsel and the Chief Financial Officer as appropriate, may determine the manner of disposition of surplus supplies, equipment, and materials that are beyond their useful life and whose depreciated value does not exceed \$500,000. The Board must approve all other disposal of surplus property. Regardless of the depreciated value, the Board must approve the disposition of all vessels.

L. Revenue Generating Contracts/Concessions.

To the extent they are not otherwise governed by SF Bay Ferry policies, revenue generating agreements or concession agreements are contracts where SF Bay Ferry grants permission to use SF Bay Ferry facilities or property to vendors to sell products or services, for which SF Bay Ferry receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to SF Bay Ferry. Examples of such agreements include advertising and/or the sale of food or beverages on SF Bay Ferry facilities, including ferries. Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive proposal "best value" procedure should be followed, and award made to the highest ranked proposer, taking into consideration the economic return to SF Bay Ferry, quality of the product, service and experience of the vendor.

When a revenue generating agreement has an anticipated value greater than \$250,000 and either involves a new concession activity or program, or involves policy-sensitive or controversial activities or programs, the Board must approve soliciting proposals for the concession/program before an RFP is circulated.

M. Implementation.

The Executive Director or designee will develop, maintain, and update as necessary Procurement and Contracting Procedures that set forth implementing procedures consistent with the Board's policies and all State and Federal laws and regulations. The Executive Director or designee will maintain and update the Procurement and Contracting Procedures as necessary to give effect to these policies and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices. The Executive Director or designee will ensure that there will be periodic training to ensure that all SF Bay Ferry staff with responsibility for procurement activities are trained in, and adhere to, these policies and the Procurement and Contracting Procedures. Changes or deviations from Board policy must be approved by the Board, unless the change results from federal or state law or regulation, in which case the Executive Director is authorized to amend these policies and provide a report to the Board advising them of the change.

X. Expense Reimbursement and Travel Policy

A. Purpose.

The purpose of this Expense Reimbursement and Travel Policy is to establish uniform standards for authorized travel and reimbursement of expenses incurred by members of the Board of Directors (Board) of the San Francisco Bay Area Water Emergency Transportation Authority (SF Bay Ferry) and SF Bay Ferry employees.

B. Definitions.

1. "Allowable Expense" is an actual, appropriate and reasonable expense that is necessary to achieve a business purpose. Per diem and other specified rates are used in lieu of evidencing and calculating "actual" expenses for certain categories of expense reimbursement.
2. "Business Purpose" establishes that a particular good, service, or activity is necessary to fulfill the mission of the SF Bay Ferry, as opposed to benefitting only or primarily an individual.
3. "Business-related Travel" is travel for a business purpose to a location other than a SF Bay Ferry office or facility.
4. "Per Diem Rates" refers to the federal General Service Administration's (GSA) established domestic per diem rates for the amount employees may receive for breakfast, lunch, dinner, and incidental expenses for a single calendar day of approved business-related travel within the continental U.S. (<https://www.gsa.gov/travel/plan-a-trip/per-diem-rates/mie-breakdowns?gsaredirect=mie>). The U.S. Department of State (DOS) has established foreign Per diem rates by location for the amount employees may receive for lodging, meals, and incidental expenses for a single calendar day of approved business-related international travel ([https://aoprals.state.gov/web920/per\\_diem.asp](https://aoprals.state.gov/web920/per_diem.asp)).
5. "IRS Mileage Rate" is established by the Internal Revenue Service (IRS) and serves as a standard per-mile rate set for tax reporting or obtaining

reimbursement for use of a private vehicle for business travel (<https://www.irs.gov/tax-professionals/standard-mileage-rates>).

6. “Pre-approval” is authorization for travel expenses before they are incurred. The persons responsible for pre-approving travel expenses are as follows:
  - (i) For Board members other than the Chair: Pre-approval may only be provided by the Chair, with notice to the Executive Director.
  - (ii) For the Chair: Pre-approval may only be provided by the Executive Director with concurrence by the Chief Financial Officer.
  - (iii) For employees: Pre-approval requires approval from a Department Manager.
  - (iv) For Executive Director: Pre-approval may only be provided by the Board Chair.
7. "Receipt" is documentation of a business transaction and provides proof of payment of an expense. A receipt will typically include the date of transaction, merchant name, list of items purchased or received, form of payment (cash, check, credit card), and amount paid.

C. Policy.

1. General Policy

SF Bay Ferry recognizes that in some instances it is necessary and/or convenient for Board members and authorized SF Bay Ferry personnel to incur expenses for travel and other business purposes in connection with the official SF Bay Ferry business. Additionally, the SF Bay Ferry recognizes the benefit of attendance at meetings, conferences and other functions that advance professional knowledge and provide opportunities to exchange information related to transportation and government operations. Members of the Board and employees may travel, at the SF Bay Ferry’s expense, to attend conferences, trainings, seminars, and other events that serve a business purpose and are consistent with this policy. SF Bay Ferry will reimburse Board members and employees for allowable expenses pursuant to this is policy.

2. Travel Requiring Advance Authorization

In order to be eligible for reimbursement, business-related travel to a destination over 100 miles from one of SF Bay Ferry’s offices/facilities must have the necessary pre-approval, as documented on the Travel Authorization Form. Expenses related to business-related travel to a destination 100 miles or less from one of SF Bay Ferry’s offices/facilities does not require advance approval.

3. Reporting Travel by Directors

Directors must provide, no later than the next Board meeting following return from a pre-approved event for which they receive reimbursement, a brief oral or written summary of their activities and/or information learned.

D. Reimbursable and Non-Reimbursable Expenses

1. Reimbursable Expenses

Board members and employees may be entitled to reimbursement of allowable expenses for the following items incurred in the discharge of their official duties, subject to submission of proper receipts and to the limitations set forth below:

- (i) Registration Fees. Registration fees for a conference, training, or seminar that will support or enhance Board member(s)/employee(s)' development or skill set or other events that are directly related to a business purpose.
- (ii) Airfare. The actual cost of economy class/coach airfare for flights of less than four hours. For longer flights, premium economy may be purchased.
- (iii) Lodging. The reasonable lodging costs, including resort fees or other mandatory charges associated with the reservation, as supported by the detailed receipt showing each day that lodging away from home is required for a business purpose. If lodging is related to attending a conference, lodging expenses must not exceed the conference group rate. If a group rate is unavailable, reimbursement should not exceed the applicable GSA or DOS per diem rate for a single room. Exceptions to these rate limits must be pre-approved by the Chief Financial Officer.
- (iv) Personal Vehicles and Rental Vehicles. In instances where a Board member or employee uses his or her personal vehicle for business-related travel, reimbursement will be at the published IRS mileage rate. Employees' personal auto coverage is the primary coverage in the case of an incident with that vehicle. Reimbursement will not be provided for travel within 100 miles of an SF Bay Ferry office/facility where an automobile allowance has been provided for such purposes. Rental car rates may not exceed the rate charged for a full-sized vehicle and rental car insurance unless previously authorized.

The costs of any personal automobile liability insurance coverages are the Board member's or employee's responsibility and will not be reimbursed.

- (v) Other Ground Transportation. Expenses for taxis, rideshare services (e.g., Uber, Lyft), shuttle services, subway, bus, ferry, or other forms of transportation to and from hotels, airports, railroad stations, or other businesses for business-related travel are reimbursable. Tips of up to 20% are reimbursable. Transportation to non-business-related meetings will not be reimbursed.
  
- (vi) Meals. While on approved business-related travel, reimbursement for Board members meals will be for actual expenditures, and reimbursement for employee meals will be for actual expenditures or on a per diem basis, consistent with the applicable GSA or DOS guidelines. Reimbursement for meals will not be provided if meals are included in a conference, seminar, or training package. Additionally, outside of approved business-related travel, the SF Bay Ferry will reimburse meals connected to a business purpose when a Board member or employee is required to:
  - (a) Attend a meeting related to SF Bay Ferry business as a result of the individual's official position. Other staff may also request reimbursement for attendance in their official capacity at such meetings;
  - (b) Be away from regular or normal work area during a meal hour because of a particular work assignment;
  - (c) Attend consecutive or continuing morning and afternoon or afternoon and evening sessions of a SF Bay Ferry, board, city council, commission, district or other public agency and is unable to return home for an evening meal;
  - (d) Act as host for official guests of the SF Bay Ferry, such as members of examining boards, official visitors, and speakers or honored guests at banquets or other official functions;
  - (e) Work more than two hours of overtime beyond a normal eight hour shift, if such overtime is authorized by the SF Bay Ferry for completion of work assignments;
  - (f) Attend on-site training events (e.g., training workshops, seminars and retreats). The SF Bay Ferry may, at its discretion, provide meals to the attendees or authorize individuals to purchase their own meals and request reimbursement in accordance with this policy; or
  - (g) The cost of banquets and meals associated with conferences may be reimbursed at rates higher than those authorized in this section, when attendance at the meal is an essential part of the professional training or technical content of the event or is a periodic event (e.g., a monthly

lunch meeting) with a fixed cost. For staff, such attendance must be authorized by a Department Manager.

- (vii) Additional Necessary Expenses. Other business expenses that may be reimbursed include:
  - (a) Bridge tolls and parking;
  - (b) Taxes (e.g., transit occupancy, airport, sales);
  - (c) Tips and gratuities, up to 20% of the reimbursable expenses, are reimbursable for normal services associated with the SF Bay Ferry business travel;
  - (d) Communication or internet charges in connection with SF Bay Ferry business that are not duplicative of monthly mobile phone reimbursements; and
  - (e) Other necessary travel expenses with appropriate pre-approval.

2. Non-Reimbursable Expenses

The following expenses are not authorized for reimbursement:

- (i) Personal expenses and the personal portion of any trip.
- (ii) Alcohol or mini-bar.
- (iii) Political, religious, or charitable contributions.
- (iv) Mileage reimbursement for travel in an SF Bay Ferry-owned vehicle.
- (v) Traffic citations.
- (vi) Family expenses, including partner or child expenses, if accompanying Board member or employee for SF Bay Ferry business
- (vii) Travel, such as airline tickets and hotel rooms, purchased with rewards, credits, or points.
- (viii) Airline upgrades (except as outlined in IV.A), early check-in fees, flight insurance, or optional items offered by the airline during the flight.
- (ix) Hotel room upgrades, and late check out fees.
- (x) Lodging after the close of a conference or other event unless due to unavailability of travel.

- (xi) Entertainment expenses, including but not limited to the theater, movies (in-room or at the theater), sporting events (including gym, massages, and/or golf-related expenses), or other cultural events.
- (xii) Meals that are included in a conference, seminar, or training package or meals eaten at home.
- (xiii) Passport fees.
- (xiv) Tips greater than 20% percent (unless automatically included in the bill).
- (xv) Personal automobile expenses, including but not limited to repairs, toll rates for express lanes, insurance, gasoline, or EV charging.
- (xvi) Loss of personal apparel and accessories (e.g., eyeglasses, briefcases, luggage, headphones).

3. Combining Business and Personal Travel

- (i) When business-related travel is extended for personal reasons, the Board member or employee is responsible for expenses incurred as part of their personal travel. When travel includes transportation to or from a non-business travel location, the SF Bay Ferry will reimburse only that portion of business-related transportation. The employee must provide documentation to support the cost of the portion of the trip related to a business purpose.
- (ii) A Board member or employee extending business-related travel for personal reasons must compare the cost difference between traveling on the original departure and/or return date(s) and the extended departure and/or return date(s). In addition to comparing flights for departure and/or return dates, the Board member or employee must take into account any additional costs incurred due to changes in transportation and lodging reservations (e.g., change fees, fare differences, or any other related expenses). Board members and employees are responsible for paying the flight and lodging cost differences and any other associated costs. Board members and employees must attach quotes or estimates for the cost of flights and lodging for both the required travel dates and the extended travel dates. This allows the SF Bay Ferry to compare the financial implications of the travel extension.

E. Procedures to Complete and Submit Expense Reimbursement Forms

1. Expense Reimbursement Form

Reimbursement for expenses incurred on behalf of the SF Bay Ferry must be submitted on an Expense Reimbursement Form.

2. Required Information for Expense Reimbursement Form

Each expense reimbursement form must indicate the date, nature of expense, and dollar amount.

When seeking reimbursement for business travel and/or training expenses, Board members and employees must submit receipts or proof of payment to substantiate expenditures. Expenses without receipt of less than \$50 may be claimed if receipts are not easily obtainable or if the receipt is for services rendered to a group of individuals from which the expense is derived.

If applicable, attach the written pre-approval with the expense reimbursement report when seeking reimbursement for travel expenses.

3. Deadline to Submit Expense Reimbursement Form

Expense reports related to a trip or event should be submitted within 30 calendar days but no later than 90 calendar days after the Board member or employee has returned home. If a Board member or employee fails to timely submit an expense report, the Board member or employee's expense report may be denied.

All expense reports for expenses incurred within the fiscal year must be submitted by deadlines stated above, but no later than July 31 of that fiscal year.

4. Approval Required for Expense Reimbursement Forms

- (i) For Board members, the Executive Director will review and approve expense reimbursement for pre-approved travel and expenses authorized by this policy.
- (ii) For the Executive Director, the Chief Financial Officer will review and approve expense reimbursement forms.
- (iii) For employees, Department Managers will review and approve expense reimbursement forms.

F. Compliance with Policy

1. Violation of Expense Reimbursement and Travel Policy

Violations of this policy by Board members will be handled pursuant to Section VI of the Administrative Code. WETA may take all appropriate actions to enforce violations of this policy by employees, including but limited to:

- (i) Loss of reimbursement privileges;
- (ii) Payment of restitution to the SF Bay Ferry;

- (iii) Reporting of the expenses as income to state and federal tax authorities; and/or
- (iv) Discipline up to and including employee termination

2. Public Records

All expense reports, associated receipts, and other documentation are public records subject to disclosure under the California Public Records Act.

XI. Conflict of Interest Code

Until updated by the Executive Director, and approved by the Fair Political Practices Committee, the Conflict of Interest Code dated August 17, 2022 remains in effect. The Executive Director will update and maintain the Conflict of Interest Code as required by law.

XII. Compliance and Enforcement

A. Investigation and Determination.

Suspected or alleged violations of SF Bay Ferry policy by a Director or by the Executive Director may be reported to the Board Chair or General Counsel. Upon receipt of the report, the General Counsel will preliminarily investigate the matter to determine whether a violation may exist. If the General Counsel determines that the complaint does not allege a violation of SF Bay Ferry policy, the General Counsel will notify the Board and the matter will be deemed closed absent Board direction. If the General Counsel determines that a violation may have occurred, then the General Counsel will refer the matter to the Board of Directors for further action, including possible referral to an independent outside investigator. In order to address the alleged violation, the Board will conduct such proceedings and utilize such personnel as it deems necessary to determine how the matter may proceed, be resolved, or be reported to the appropriate authorities. As appropriate and necessary, the General Counsel may consult with the Board Chair throughout the investigation process.

B. Disciplinary Action.

Upon completion of the process referred to in Paragraph A, the Board of Directors may place the matter on a meeting agenda for possible action and imposition of appropriate discipline. The intended purpose of this policy is to promote ethical behavior, so disciplining a Director or the Executive Director should be considered a last resort and additional training or other corrective processes should be implemented before formal discipline is imposed. If the Board reasonably determines that additional training and other corrective processes likely will not adequately address the issue, then formal discipline may be imposed. With regard to Directors, such discipline may include, without limitation, (1) public reprimand or censure, (2) removal from all appointed committee assignments, (3) referral of the violation to the District Attorney or Grand Jury, (4) request for the Director to resign from their Board position, or (5) such other discipline as the Board deems appropriate.

XIII. Amendment

This Administrative Code may be amended by resolution approved by a vote of a majority of the Board.

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**SF Bay Ferry  
Procurement and Contracting Procedures Manual**

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## Chapter 1 General Considerations

**Section 1.1. Definitions.** Whenever the following words are used in this Procurement Manual, their intent and meaning is as follows:

- "FTA": Federal Transit Administration
- "Government Code" or "Gov. Code": the California Government Code
- "SF Bay Ferry": the San Francisco Bay Area Water Emergency Transportation Authority
- "Solicitation": a procurement
- "U.S. DOT": the United States Department of Transportation
- "Board": SF Bay Ferry Board of Directors

**Section 1.2. Procurement Authority.** SF Bay Ferry's procurement authority is derived from its enabling legislation (Gov. Code Sections 66540 et seq.) and applicable state and federal law. The Board of Directors has adopted a Contract and Procurement Policy ("Procurement Policy"), attached as Appendix A, which establishes SF Bay Ferry's procurement rules consistent with applicable law. The Executive Director is authorized to develop, maintain, and update, as necessary, this Procurement and Contracting Procedures Manual consistent with Board policies.

**Section 1.3. Signature Authority for Contracts, Amendments, Change Orders, and Purchase Orders.**

- A. Authority of Executive Director. Consistent with the Authority's Procurement Policy, and provided sufficient funds are included in the Board-adopted budget, the Executive Director, or a designee, may:
- Award and execute agreements and leases for equipment, supplies, materials, services, or construction when the amount to be paid by SF Bay Ferry does not exceed \$250,000, exclusive of any change orders, amendments and options.
  - Award and execute revenue-generating agreements when the anticipated amount to be paid does not exceed \$250,000.
  - Execute options included in an original contract up to the established procurement authority.
  - Approve change orders or amendments to contracts awarded by the Board up to the established contract contingency. For contracts approved by the Board without an established contract contingency, the Executive Director may authorize change orders or amendments that cumulatively do not exceed 25% of the original contract price. The Executive Director may approve change orders or amendments without Board authorization if the total amount of the agreement including the amendment or change order is within the Executive Director's procurement authority. All other change orders or amendments must be approved by the Board of Directors.

- B. Delegation of Executive Director's Procurement Authority. The Executive Director may delegate the authority to approve contracts, amendments, change orders, and purchase orders within the Executive Director's procurement authority. Such delegation, if provided, is attached as Appendix B.
- C. Board Approval. The Board will approve the award of all contracts and leases for which the amount to be paid by SF Bay Ferry exceeds the limits of the Executive Director's authority. Upon Board approval, the Executive Director will sign or execute those contracts and leases.
- D. Approval as to Form. SF Bay Ferry's legal counsel approves all contracts as to form.

**Section 1.4. Procurement Methods.** When determining a procurement method, staff will follow applicable federal, state, and local procurement laws. SF Bay Ferry will follow the strictest applicable law, i.e. if state procurement requirements are stricter than the federal requirements, SF Bay Ferry will follow state requirements.

The types of procurement methods are summarized below. Each of these methods, and the procedures to be followed, are described in further detail in subsequent chapters of this Manual. In most cases, the Project Manager is responsible for preparing an Independent Cost Estimate (ICE). Establishing the ICE may help determine whether informal bidding may be used. The ICE will vary in complexity and detail based on the cost and type of goods or services being purchased. For more information on how to conduct an ICE, see Chapter 9.

- A. Informal Bidding. Informal bidding entails obtaining one or more quotes for goods or services up to \$250,000. All quotes must be documented in writing. Contract award will be made to the responsible offeror submitting the lowest responsive bid at a price that SF Bay Ferry determines to be fair and reasonable; or, as determined by SF Bay Ferry, award may be made to the responsible offeror submitting the proposal that provides the best value to SF Bay Ferry when considering price and other qualitative factors, and the price offered is fair and reasonable. Informal bidding may be used for micro-purchases and small purchases. Chapter 3 provides further information on micro-purchases and small purchases that are informal procurements with unique procedures.
- B. Invitation for Bids. An Invitation for Bids (IFB) is a formal competitive sealed bid process under which a contract is awarded to the lowest responsive and responsible bidder. SF Bay Ferry typically uses this method for projects that involve public works as defined by the California Public Contract Code.
- C. Request for Proposals. A request for proposals (RFP) is a best value procurement method that may be used for services (including construction services and ferry refurbishment/maintenance services when appropriate), certain specialized equipment, or the procurement of vessels, when the estimated expenditure exceeds \$250,000. Proposals are evaluated based on evaluation criteria set forth in the RFP. A contract is generally awarded to the highest-ranking proposer based on the evaluation criteria set forth in the RFP, which include qualitative factors and price. An RFP is also used to conduct a qualifications-based procurement for certain professional services pursuant to Government Code Section 4525 et seq.

- D. Alternative Methods of Procurement. SF Bay Ferry may use alternative methods of procurement including design-build contracts, construction management at-risk contracts, or public private partnerships in cases where it may be efficient or in the public's best interest. These are contracts which SF Bay Ferry has determined are not appropriate for sealed bidding or a typical RFP procurement process.
- E. Non-Competitive Purchases. SF Bay Ferry may directly enter into a contract with a vendor for goods or services without engaging in a competitive procurement process for sole source procurements, emergency procurements, intergovernmental agreements, and any other procurements when permitted by applicable law and when the Executive Director or Board of Directors determine that a non-competitive procurement is in SF Bay Ferry's best interest.

**Section 1.5. Federally Assisted Procurements**. Contracts financed in whole or in part by U.S. DOT and FTA are subject to federal regulations, guidance, and grant requirements, including but not limited to SF Bay Ferry's Disadvantaged Business Enterprise (DBE) Program.

**Section 1.6. Fair and Reasonable Price**. For all contracts, SF Bay Ferry will ensure it is paying a price that it determines is fair and reasonable. Especially if federally funded, SF Bay Ferry will perform a cost or price analysis.

**Section 1.7. Preparing Contracts and Solicitations**. SF Bay Ferry has developed procurement templates in consultation with Legal Counsel that are used to prepare solicitations and contracts. In general, the Project Manager will contact the Administrative Specialist to initiate a new procurement or to prepare a new contract. The Administrative Specialist will develop a draft of the appropriate documents using the templates. Before the solicitation is issued, and before a contract is sent to a contractor, the documents must be reviewed and approved by the Project Manager (and any other necessary SF Bay Ferry staff). Staff may also ask Legal Counsel to review the documents before issuance.

The Administrative Specialist will keep a list of solicitations for purposes of the Executive Director's report to the Board on solicitations issued.

**Section 1.8. Procurement Portal**. SF Bay Ferry uses an online procurement portal called Bonfire to advertise and administer all solicitations. Additional advertising methods may be used depending on the type of solicitation.

**Section 1.9. Advertising of Contracting Opportunities**. In addition to the use of the Bonfire portal, SF Bay Ferry will provide notice of its contracting opportunities in other ways as is necessary to further competition and business outreach.

**Section 1.10. Administration of RFP and IFBs**.

- A. Pre-bid Conferences and Site Visits. SF Bay Ferry may, but is not required to, hold a pre-bid conference or site visit to inform prospective offerors of the contract requirements. This tool can be especially useful for federally assisted contracts, which are subject to additional terms, conditions, and forms, such as DBE requirements. FTA discourages the use of *mandatory* pre-bid conferences because such a requirement may hinder competition.

- B. Requests for Clarification. Solicitations generally include a “requests for clarification” process by which offerors can submit written questions regarding the procurement to SF Bay Ferry. This ensures offerors communicate in writing with a designated point of contact to maintain fairness. SF Bay Ferry generally responds to requests for clarification through addenda.
- C. Addenda. SF Bay Ferry may modify the solicitation documents and respond to requests for clarification by issuing written addenda posted to Bonfire.
- D. Reviewing Proposals/Bids.
1. Irregularities. Consult with Legal Counsel to determine how to address any irregularity in a proposal/bid (e.g. an incomplete or missing form). While some irregularities may be minor and waivable, others may pose risks to the procurement process.
  2. DBE Review. SF Bay Ferry's Disadvantaged Business Enterprise (DBE) Program applies to FTA assisted procurements only. For FTA-assisted procurements, the DBE program requires that offerors complete certain forms. Additional, and more complex, requirements apply to contracts for which there is a project DBE goal or a contract DBE goal. Bids/proposals that do not comply with the applicable DBE Program requirements may be rejected as non-responsive to the solicitation. To this end, for FTA-assisted solicitations, review of compliance with DBE requirements by the Disadvantaged Business Enterprise Liaison Officer must be completed before bids/proposals are reviewed and scored by the Evaluation Committee.
- E. Notice of Intent to Award a Contract. Prior to awarding a contract pursuant to a solicitation over \$250,000, SF Bay Ferry must notify bidders/proposers of its intent to award the contract to the selected bidder. This notification triggers the protest period for certain contracts (see Chapter 8). To this end, for contracts that will be awarded by the Board, the notice of intent to award may include a copy of or a link to the published staff report recommending award.

### **Section 1.11. Important Contractual Concepts**

- A. Bonding.
1. Bidder's Bond. A bidder's bond (also referred to as a bid bond or bidder's security) protects SF Bay Ferry in the event a bidder fails or refuses to honor its bid or enter into a contract with SF Bay Ferry. It may be in the form of a bond (using SF Bay Ferry's bond form), letter of credit, certified check, or cashier's check. The amount of the bond depends on the risk/damage SF Bay Ferry would experience should the bidder fail or refuse to honor its bid or enter into a contract. For contracts solicited by IFB that are not FTA assisted, SF Bay Ferry may, but is not required to, require a bidder's bond. For FTA-assisted construction contracts in excess of \$250,000, SF Bay Ferry will require a bidder's bond of at least 5% of the bid price. A bidder's bond provided by an unsuccessful bidder

should be returned after contract award. A Bidder's Bond is not required for RFPs.

2. Performance Guaranty. A performance guaranty protects SF Bay Ferry in the event a contractor is unable to complete the contract. It may be in the form of a bond (using SF Bay Ferry's bond form), letter of credit, certified check, or cashier's check. For FTA-assisted construction contracts in excess of \$250,000, a performance guaranty in an amount equal to 100% of the contract price is required. For all other contracts, SF Bay Ferry will consider the following factors to determine if a performance guaranty is appropriate and to establish the performance guaranty amount: (a) risk of non-performance, including the capability of such bond to cover the likely differential in price between the contractor and the next lowest responsible bidder or a firm that could be retained from the open market should SF Bay Ferry have to reassign the contract; (b) industry practices or norms; and (c) other considerations as determined by SF Bay Ferry. The term of the performance guaranty is tied to when all work, generally including warranty period(s), is completed.

3. Payment Bond. A payment bond protects the contractor's workers, subcontractors, and suppliers by providing security that they will be paid as required by law. It must be in the form of a bond (using SF Bay Ferry's form); other forms of security are not permitted. For public works projects in excess of \$25,000, a payment bond in an amount equal to 100% of the contract price is required. Payment bonds are not legally required for non-public works contracts.

B. Insurance. SF Bay Ferry's contracts should contain appropriate insurance requirements. SF Bay Ferry has established standard insurance requirements for routine contracts. For non-routine contracts, staff should consult with the Chief Financial Officer and, if appropriate, SF Bay Ferry's insurance broker, to determine the appropriate insurance requirements of the project.

C. Liquidated Damages. Liquidated damages represent SF Bay Ferry's reasonable estimate of the anticipated damages that may be caused by a delay in contract performance. For each day a contractor fails to complete all or a portion of the work in accordance with the contract, the contractor must pay SF Bay Ferry liquidated damages, to be deducted from payments due or to become due to the contractor. Liquidated damages may be included in contracts when it would be inconvenient, difficult, or impracticable at the time of contract award to determine actual damages for the delay, or to prove the losses or to assess the actual quantity of damages. The contract file must include a justification for including liquidated damages and an explanation of why the amount of liquidated damages is reasonable in light of the anticipated harm that may be caused by a delay in the contract performance.

D. Indemnification. Contracts will ordinarily include SF Bay Ferry's standard indemnity provisions in order best to protect SF Bay Ferry from claims.

E. Approved Equals. In order to establish a basis of quality, a scope of work may specify brand names or manufacturers, but in such event, SF Bay Ferry should

provide for an approved equal process whereby the selected contractor may request the use of an alternative product of equal quality.

- F. Use of Options. An option is a contract right in which SF Bay Ferry may, for a specified time, elect to purchase additional goods or services identified in the contract, or it may elect to extend the term of the contract. In some cases, an option may be advantageous to SF Bay Ferry. There are specific guidelines SF Bay Ferry must follow when using options for federally-assisted contracts.

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## Chapter 2 Standards of Conduct

**Section 2.1. Duty to Disclose Conflicts of Interest.** The Political Reform Act requires state and local government agencies to adopt conflict of interest codes. The Board has adopted a Conflict of Interest Code under which certain employees and consultants are required to disclose economic interests, and are prohibited from participating in decisions that will have a reasonably foreseeable material effect on their financial interests.

No SF Bay Ferry director, officer, employee, or agent may participate in any procedure, task, or decision related to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (1) the director, officer, employee, or agent, (2) any member of their immediate family, (3) their business associate, or (4) an organization that employs, or that is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in an Authority procurement process or that is selected for a contract award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act and Sections 1090, 1091, and 1091.5 of the California Government Code.

In cases where there may be a conflict of interest, the director, officer, employee, or agent must, at the earliest possible date, report the conflict in writing to the Executive Director.

**Section 2.2. Levine Act.** California Government Code Section 84308, commonly referred to as the Levine Act, prohibits any Authority Board member from participating in any action related to a contract if they received or will receive from the person or entity awarded the contract any political contributions totaling more than \$500 during the twelve months before or after the date a final decision concerning the contract has been made. The Levine Act also requires a Board member who has received such a contribution to disclose the contribution on the record of the proceeding.

**Section 2.3. Communication Protocols.** All communications relating to a SF Bay Ferry solicitation from offerors should be directed to the staff members listed in the solicitation. In particular, offerors' representatives may not communicate about a solicitation with any other SF Bay Ferry staff or officer, director, employee, or agent of SF Bay Ferry, outside the procedures set forth in the solicitation, until after a final agreement between the selected offeror and SF Bay Ferry has been executed. Any communication in violation of this rule may be grounds for SF Bay Ferry rejecting the offeror's proposal/bid and will be subject to public disclosure. Offerors are not prohibited from making oral statements or presentations in public to one or more SF Bay Ferry representatives during a public meeting.

**Section 2.4. Confidential Information.** Those involved in the development and administration of a procurement may be privy to confidential information of SF Bay Ferry. No director, officer, employee, or agent may use confidential information for their actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee as such relationship is defined in Section 2.1 above. "Confidential Information" is defined to include any proprietary, privileged, or nonpublic information coming to the person's attention as a result of an office or employment position with the Authority, the knowledge of which makes possible financial gain.

**Section 2.5. Discipline for Violation.** Failure to disclose a potential conflict of interest or engaging in a practice determined to be a conflict of interest may result in disciplinary action, up

to and including termination. If an employee has questions regarding what may be a conflict of interest, the employee should contact their supervisor or the Executive Director or authorized designee to discuss the circumstances.

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## Chapter 3 Informal Bidding

**Section 3.1. Applicability.** This chapter discusses the informal bidding procedures that may be used for micro-purchases and small purchases, as defined herein, unless the Executive Director determines an alternative procurement method should be used.

All purchases should follow the Manual procedures; micro and small purchases made with a Cal-Card must also follow Appendix C: Cal-Card Guidelines.

**Section 3.2. Micro-Purchases.** A micro-purchase is a purchase of goods or services that does not exceed \$10,000, including taxes, shipping and handling, and all other costs. SF Bay Ferry may make micro-purchases by obtaining one quote and determining that the price to be paid is fair and reasonable. Micro-purchases should not be used to avoid the requirements for competition for purchases that exceed the \$10,000 threshold.

**Section 3.3. Small Purchases.** A small purchase is a purchase of goods or services that is estimated to cost between \$10,000 and \$250,000. The following informal bidding process may be used for small purchases:

- A. Depending on the nature of the procurement, and in particular if factors other than price may distinguish one contractor from another, SF Bay Ferry may award a contract to either the lowest responsive and responsible bidder or to the responsible bidder providing the “best value” to SF Bay Ferry.
- B. Depending on the nature of the procurement, SF Bay Ferry may solicit quotations or informal bids/proposals using an informal request for bids/proposals template or by other means (e.g., email to known vendors).
- C. To the extent practicable, SF Bay Ferry should obtain at least three written quotations or informal bids/proposals. Documentation of the quotes/bids/proposal received should be included in the procurement file. If SF Bay Ferry is unable to obtain three quotations, a justification should be included in the procurement file, explaining why three quotations could not be obtained.
- D. The bidder/proposer is selected based on the method chosen. This determination should be documented in the procurement file.

**Section 3.4. Contracting Documents.** SF Bay Ferry uses a variety of contract forms and associated templates, all of which are contracts. Please refer to Appendix B for signature/approval authority thresholds and additional requirements.

- A. **Purchase Order.** A purchase order is a form of contract used for purchases of goods in an amount greater than \$1,000, up to \$250,000. No purchase order is required for contracts for goods under \$1,000.
- B. **Contract.** Unless there are special circumstances, SF Bay Ferry’s standard contract template should be used to procure goods, services, or mixture of both that exceed \$100,000.

- C. **Non-standard contracts.** Staff should consult with legal counsel to determine the appropriate contracting documents for non-standard contracts. Examples of such contracts might include software licenses and agreements for which the vendor may have its own unique contracting documents (e.g., utilities, car deals, IT equipment manufacturers, and the like).

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## Chapter 4 Formal Competitive Bidding

**Section 4.1. Applicability.** This chapter discusses the formal competitive bidding procedures used to award a contract to the lowest responsive and responsible bidder. Although not required, SF Bay Ferry may follow the appropriate and applicable procedures set forth in the California Public Contract Code (“PCC”) for “public works contracts” as defined in PCC Section 1101. The Executive Director may waive the formal competitive bidding procedures for public works contracts if doing so is in SF Bay Ferry’s best interest and consistent with applicable law. Additionally, SF Bay Ferry may use these formal competitive bidding procedures for other types of procurements (for which other methods of procurement are permitted), if formal competitive bidding is in SF Bay Ferry’s best interest, as determined by the Executive Director, and consistent with applicable law.

**Section 4.2. Invitation for Bids (IFBs).** An IFB is used for formal competitive bidding. SF Bay Ferry maintains IFB template documents which consist of the following components: notice, general conditions, special conditions, technical specifications, bid form, sample contract, sample contract bonds, and other bid documents/forms. However, SF Bay may tailor to meet project. The IFB should comply with all federal and state legal obligations.

**Section 4.3. Opening of Bids.** Bids should be opened at the date and time specified in the Notice. Unless impractical, the SF Bay Ferry staff person responsible for opening bids will open and read aloud the name of the bidder and their Grand Total Bid Price (unless compensation is structured differently on the Bid Form).

**Section 4.4. Evaluation of Bids.** SF Bay Ferry will award all formally bid contracts to the lowest responsive and responsible bidder.

- A. **Lowest Bid.** In determining which bid is the lowest, the following rules apply:
  - a. The method for determining the bid price stated in the IFB must be used.
  - b. The bid price normally includes any pricing given for options.
  - c. The unit price governs whenever there is an inconsistency between the unit price and extended price(s) or total(s).
  - d. All bids showing item extensions and/or totals should be reviewed for accuracy. Any errors must be noted in the contract file and addressed in consultation with SF Bay Ferry’s legal counsel.
  
- B. **Responsiveness Determination.** The lowest monetary bid will be examined to determine if it is responsive to the IFB’s requirements. If the lowest bidder appears nonresponsive, staff will notify SF Bay Ferry’s legal counsel of the deficiency. A determination will be made as to whether the deficiency is a minor irregularity that SF Bay Ferry may waive, or whether the deficiency is more substantive in nature. If the deficiency is substantive in nature and may not be waived, staff will determine which bidder is the next lowest bidder and will follow the procedures above to determine the responsiveness of that bidder.

- C. Responsibility Determination. The lowest responsive bidder is reviewed to determine if it is a “responsible” bidder, i.e., whether the bidder has sufficient trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. Such a determination may be made on the basis of bidder’s past experience and history of service to SF Bay Ferry, if any; the bidder’s responses to the bid documents requiring a listing of experience, qualifications, and references, if required; and the expertise, dependability, and financial stability of the bidder as disclosed to SF Bay Ferry or from any other source.
- D. Tied Bids. If two bids are identical and are also the lowest responsible bids, SF Bay Ferry may freely choose to which firm to award the contract.

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## Chapter 5 Best Value Procurements

**Section 5.1. Use of Best Value Procurement Procedures.** This Chapter outlines SF Bay Ferry's procedures for best value procurements, also known as a competitive requests for proposals (RFP) process. For purposes of this Procurement Manual, the term RFP encompasses "requests for qualifications" or RFQs which refers to a price-blind, qualifications-based best value procurement. SF Bay Ferry has developed RFP templates that should be used for best value procurements.

The procedures in this Chapter will be used for:

- A. Contracts for professional services, including but not limited to architectural, engineering, construction management, legislative advocacy, planning, and accounting services;
- B. Contracts for the maintenance, repair, refurbishment, or rebuild of vessels and floats;
- C. Procurement of vessels, specialized equipment, floats, and other equipment and apparatus; and
- D. Other contracts that the Executive Director has determined are to be awarded on a best value basis.

**Section 5.2. Solicitation of Proposals – General.**

- A. SF Bay Ferry will use an RFP to communicate its requirements and process to be followed to prospective contractors when seeking proposals.
- B. Staff should seek to maximize competition by issuing the solicitation documents to an adequate number of potential qualified proposers. Staff may publish pre-solicitation announcement notices in a manner reasonably likely to attract proposers.

**Section 5.3. Proposal Evaluation.**

- A. In each RFP, staff will tailor the evaluation criteria that will be considered in evaluating proposals, and include only those criteria that will have an impact on selecting proposers. The Executive Director has broad discretion to determine the evaluation criteria that apply to a particular procurement and the relative importance of those criteria. The criteria that are to be considered in an award of a contract should be identified in the RFP (though sub-criteria that might reasonably be considered part of a criteria are not required be spelled out) and should allow for a fair evaluation of all proposals. Evaluation criteria generally include: project understanding and approach, proposer's qualifications and experience, qualifications and experience of key personnel, and price (see Section 5.5 below for qualifications-based competitive proposals).
- B. The Executive Director may establish an Evaluation Committee to evaluate proposals based on the evaluation criteria in the RFP. The Evaluation Committee

may conduct discussions or interviews with firms whose proposals the Evaluation Committee considers sufficiently viable to allow for further consideration. The Evaluation Committee will consider the results of the interviews in making the selection recommendation. Depending on the value of the contract, the evaluation committee will either recommend a selection to the Executive Director or the Board of Directors for contract award.

**Section 5.4. Final Negotiations.** Each RFP will describe entire procurement process including evaluation, negotiations, and recommendation of award.

**Section 5.5. Qualifications-Based Competitive Proposals for Architectural and Engineering (A&E), Construction Management, and Environmental Services.**

Certain professional services are required by Government Code to be engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices. Those professional services listed in California Government Code Section 4525 include:

- “Architectural, landscape architectural, engineering, environmental, and land surveying services” or “A&E services” includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.
- “Construction project management” means those services provided by a licensed architect, registered engineer, or licensed general contractor which meet the requirements of Government Code Section 4529.5 for management and supervision of work performed on construction projects.
- “Environmental services” means those services performed in connection with project development and permit processing in order to comply with federal and State environmental laws. “Environmental services” also includes the processing and awarding of claims pursuant to Health and Safety Code Section 25299.10 et seq.

When procuring A&E, construction management, or environmental services, SF Bay Ferry will, in addition to meeting the other requirements of this Chapter, comply with applicable requirements of California and federal law (Gov. Code, § 4525 et seq.; 40 U.S.C. § 1101 et seq.). In particular, the Evaluation Committee will evaluate technical proposals based on each firm’s qualifications without considering price. To facilitate this procedure, proposers should submit technical proposals and price proposals separately, and the Project Manager may not share the price proposals with the members of the Evaluation Committee.

After SF Bay Ferry has identified the most qualified proposer based on the technical proposal, it may negotiate with that firm and open their price proposal. If the parties are unable to negotiate a contract, then the negotiations will be closed and SF Bay Ferry will open the price proposal of the second most qualified proposer and commence negotiations. This process will continue until an agreement is reached or SF Bay Ferry determines to reject all proposals.

Chapter 6  
Alternative Procurement Methods for Construction and Other Services

**Section 6.1. Purpose.** In certain cases, it may be efficient or preferable for a successful outcome for SF Bay Ferry to use a solicitation process other than an IFB or an RFP. Such contracts could include design-build contracts (including design services as well as construction services), construction management at-risk contracts (including professional services as well as a guarantee of the cost of construction services), public-private partnerships (which may include professional services, construction services, finance services and/or operation and maintenance services), and cooperative procurements and contracts.

**Section 6.2. Process.** Procurements under this Chapter will be conducted in accordance with the terms, conditions, processes, rules and procedures as stated in the procurement documents. The procurement documents may include any of the following procedures:

- A. Procurement by RFP or through a multi-stage process in which SF Bay Ferry invites prospective proposers, through a Request for Information (RFI) or similar process, to submit statements indicating the potential proposer's approach to the project and interest in proposing.
- B. Prequalification or short listing or a similar process whereby a shortened list of potential proposers are invited to submit proposals.
- C. Final evaluation of proposals based on qualifications and/or best value. For purposes of this Chapter, "best value" means a value determined by criteria, including, but not limited to, price, features, functions, life-cycle costs, and other criteria deemed appropriate by SF Bay Ferry. SF Bay Ferry will develop and adopt criteria for making that evaluation in advance.
- D. Negotiations with proposers prior to award.
- E. Requests for modified proposals or for best and final offers from proposers.
- F. Acceptance of unsolicited proposals, with or without issuance of requests for competing proposals.

**Section 6.3. Evaluation and Award.** Depending on the procurement type, the procurement documents may include the following evaluation elements:

- A. When evaluating a proposal submitted by the proposer, SF Bay Ferry may award a contract on the basis of the proposer's qualifications, the lowest bid, or best value.
- B. The proposer should have the following qualifications:
  - 1. Evidence that the members of the proposer's team have completed, or have demonstrated the experience, competency, capability, and capacity to complete a project of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the

project, and financial information that ensures that the proposer's team has the fiscal capacity to complete the project.

2. The licenses, registration, and credentials required to design and construct the project where applicable, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.
3. Evidence that establishes that members of the proposer's team have the capacity to obtain all required payment and performance bonding or related securities and required insurance policies.

**Section 6.4. Methods and Criteria.**

A. Procedures. The Executive Director must approve of the use of alternative procurement procedures under this Chapter and the methods, procedures, and criteria for selection.

B. Contents of Procurement Documents. In general, the procurement documents should include all of the following:

1. A reasonable description of the services to be provided and work to be performed;
2. A description of the format that proposals must follow and the elements they must contain, including the qualifications and relevant experience of the design professional and the contractor;
3. A summary of the criteria that will be used in evaluating the submittals; and
4. The date on which the proposals are due, and the timetable that will be used in reviewing and evaluating the proposals.

**Section 6.5. Cooperative Procurements.** For goods and services, SF Bay Ferry may enter into or utilize contracts associated with joint procurements, state cooperative purchasing programs, and assignments of existing contract rights ("piggyback" procurements) with public agencies, local governments, state governments, non-profits or cooperative organizations, and federal agencies as long as the underlying procurement process was not prohibited by SF Bay Ferry's Procurement Policy, and applicable state and federal requirements.

Chapter 7  
Non-Competitive Procurements

**Section 7.1. General Rule.** There are certain circumstances in which the competitive procurement process may be waived, including emergencies, instances in which there exists only a sole source of supply, and instances in which the Board or Executive Director waives the competitive process in accordance with the Procurement Policy.

**Section 7.2. Emergency Contracts.**

- A. Emergency Conditions. The Executive Director is authorized to procure goods and services without competition that are necessary for the preservation of the public health, welfare, or safety, or protection of SF Bay Ferry property or when necessary to prevent impacts to ferry service. When such emergency conditions do not permit a delay resulting from an informal or formal competitive solicitation process, the Executive Director is authorized to make purchases without giving notice for bids or proposals or obtaining a minimum number of quotes.
- B. Documentation. The procurement file should include documentation explaining the justification for the emergency procurement. In the case of purchases of goods, the procurement file should also include documentation that the quantity of goods being purchased is limited to what SF Bay Ferry has reasonably determined in necessary based on the emergency circumstances.
- C. Reporting. The Executive Director must report the emergency contract to the Board of Directors at the next available meeting after the emergency action is taken. Board ratification is required for any contract in excess of \$250,000 and will be obtained as soon as it is practicable to do so.

**Section 7.3. Sole Source.**

- A. Sole Source. Regardless of the estimated cost of the procurement, SF Bay Ferry is not required to engage in a competitive procurement process, either formal or informal, when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. A sole source exists when there is only one responsible source of the necessary goods or services and one of the permitted justifications listed below applies. A sole source is distinguishable from a single source, which occurs when SF Bay Ferry receives a single bid or a single proposal in response to a solicitation.
- B. Permitted Sole Source Justifications. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. Materials, equipment, supplies or services may be available from a sole source if one of the following conditions applies:
  - 1. Unique or Innovative Concept: The offeror demonstrates a unique or innovative concept or capability not available from another source. For example, where the item to be purchased is a capital maintenance item that is available only from the original manufacturer or supplier or is required to maintain a warranty.

2. Patents or Restricted Data Rights: Patent or data rights restrictions preclude competition.
  3. Substantial Duplication of Costs: In the case of a contract for the continued development or production of highly specialized equipment and major components thereof (sometimes referred to as a “follow-on” contract), when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
  4. Unacceptable Delay: In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling SF Bay Ferry’s needs.
  5. Public Interest: When the Executive Director determines full and open competition in connection with a particular acquisition is not in the public interest.
- C. Unpriced Options. If a contract has one or more options and those options were not evaluated in determining the original contract award, exercising those options after contract award will result in a sole source award. This means that the original contract award must be made on the total price of all items, include both base and option(s).
- D. Documentation. When issuing a sole source contract, SF Bay Ferry should (1) verify the particular procurement meets the definition of a sole source, and (2) perform a cost or price analysis to determine the reasonableness of the price of the sole source.

Additionally, if the purchase requires Board approval, the Board item associated with the purchase should address these two requirements.

**Section 7.4. Discretion to Waive the Competitive Process**. The Board of Directors, or the Executive Director within their delegated procurement authority, may waive the requirements for a formal competitive process or other procedures set forth in the Procurement Manual when (1) permissible under applicable law; and (2) the best interests of SF Bay Ferry would be served by waiving such requirements under the circumstances. These circumstances will be evaluated on a case-by-case basis, keeping in mind the fundamental principles of procurement set forth in the Procurement Policy.

- A. Best Interest. Examples of circumstances in which it may be appropriate to waive competitive requirements include, but are not limited to:
1. Where SF Bay Ferry desires to extend or renew the term of an existing contract under substantially the same terms and conditions.
  2. Where SF Bay Ferry has advertised the contract as required by the Procurement Policy and has undertaken reasonable efforts to solicit potential contractors and has obtained one bid or proposal or has otherwise determined that competition is inadequate.

3. Where availability of a known vendor (for example a shipyard that has performed satisfactorily in the past) is limited, and unavoidable time factors will not permit for a competitive process.
- B. Documentation: The procurement file should include documentation explaining the justification for waiving the competitive process.

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## Chapter 8 Protest Procedures

**Section 8.1. Right to File Protests.** A protest may be filed for contracts in excess of \$250,000 only by an Interested Party, defined as an actual or prospective bidder or proposer whose direct economic interest could be affected by SF Bay Ferry's conduct of the solicitation. Interested Parties do not include subcontractors or suppliers of an actual or prospective bidder/proposer, or individual firms that make up a Joint Venture, acting independently of the Joint Venture. All protests relative to RFPs or IFBs must be filed in accordance with the procedures and within the time periods stated in this chapter, unless otherwise specified in the solicitation.

To the extent that any provision below conflicts or is otherwise inconsistent with a process or procedure set forth in an RFP or IFB, the provision in the RFP or IFB will prevail. To the extent that a provision of an RFP or IFB does not permit protests, that prohibition will prevail over and negate a process permitted below that is inconsistent with that prohibition.

### **Section 8.2. Requirements for Protests.**

- A. Protests Based on Solicitation Requirements. The following procedures apply to protests based on solicitation requirements:
1. Protests dealing with restrictive specifications or alleged improprieties in a solicitation must be filed no later than ten (10) calendar days prior to the date for submittal of proposals, statements of qualifications, or bids. Protests must be in writing (email or mail is acceptable) and addressed to the Executive Director.
  2. The protest must contain a statement describing the reasons for the protest and any supporting documentation. Additional materials in support of the initial protest will only be considered if filed within the time limit specified above. The protest must indicate the ruling or relief desired from the Executive Director.
  3. Materials submitted by a protester or bidder will not be withheld from any other interested party, except to the extent that the withholding of information is permitted or required by law or regulation. If the protest contains proprietary material, a statement advising of this fact may be affixed to the front page of the protest document and the alleged proprietary information must be identified wherever it appears. Notwithstanding a designation of material as proprietary, the Executive Director will have the discretion to determine whether or not such material should be withheld from the other interested parties, and if the Executive Director determines that the material should be made available, the protesting potential proposer or bidder waives any claim based on such disclosure.
- B. Protests Based on Contract Award. The following procedures apply to protests based on award of a contract:

1. Interested Parties may protest SF Bay Ferry's Notice of Intent to award a contract by filing a protest in writing (email or mail is acceptable) with the Executive Director within 72 hours after the Notice of Intent to award a contract is issued by SF Bay Ferry.
2. The protest must identify the specific procurement involved and specify in detail the grounds of the protest, the facts supporting the protest, and the status of the protester.
3. The protest must include all relevant supporting documentation with the protest at the time of submittal.

Except as modified by the procurement documents, if a protest does not comply with the above requirements, the protest will not be considered and will be returned to the protester.

Evidentiary statements, if any, will be submitted under penalty of perjury. The protester will have the burden of proving its protest by clear and convincing evidence. Failure to file a protest within the applicable period will constitute a waiver of the right to protest the determination, authorization, or award, as applicable, other than any protest based on facts not reasonably ascertainable as of such date.

**Section 8.3. Statements by Other Interested Parties.** SF Bay Ferry may distribute a copy of the protest and/or the Executive Director's decision to all bidders or proposers. SF Bay Ferry may invite Interested Parties to submit a response to a protest.

**Section 8.4. Resolution of Protest.** The Authority's Executive Director will respond to protests as soon as possible. The Executive Director will advise the protester of the decision in writing. All decisions of the Executive Director are final, unless the protestor appeals to the FTA as outlined in Section 8.5 below.

**Section 8.5. FTA Review.** If the procurement is subject to FTA procurement rules and requirements, the protester may file an appeal of the Executive Director's final decision with the FTA within five working days of receiving the Executive Director's final decision. The protester should submit a copy of the appeal to the Executive Director. FTA's review of an appeal will be limited to alleged violations of federal law or regulations, as well as allegations that SF Bay Ferry has not reviewed a protest or has not complied with SF Bay Ferry's protest procedures.

Chapter 9  
Procurements Funded by the Federal Transit Administration

**Section 9.1. Applicability.** SF Bay Ferry is a recipient of grants from the Federal Transit Administration (FTA). This Chapter describes the federal requirements for procuring supplies, equipment, or services with FTA funds based on applicable federal procurement guidelines, including but not limited to, those set forth in the FTA Master Agreement, 2 CFR Part 200, 2 CFR Part 1201, FTA Circular 4220.1G, and the FTA's Best Practices Procurement and Lessons Learned Manual (BPPM), as may be revised.

**Section 9.2. Maintenance of Procurement Records.** SF Bay Ferry will maintain records sufficient to document the significant history of each FTA-funded procurement in accordance with 2 CFR Part 200. Such records will include, but are not limited to:

- A. Document(s) evidencing the rationale for using the particular procurement method, including a sole source justification for any non-competitive procurement;
- B. Document(s) evidencing the rationale for using the particular contract type;
- C. Document(s) evidencing the rationale for selecting or rejecting contractor(s), including a written responsibility determination for the successful contractor;
- D. An Independent Cost Estimate (ICE) for all procurements in excess of the simplified acquisition threshold (currently \$250,000). The ICE is the basis for the cost or price analysis described below;
- E. Document(s) evidencing that the price being paid by SF Bay Ferry is fair and reasonable (i.e., cost or price analysis);
- F. Signed required certifications from bidders or proposers (e.g., Lobbying Certification, Buy America Certification); and
- G. A copy of the Excluded Parties List from the System for Award Management (SAM) demonstrating that the contractor is not excluded from receiving federal contracts prior to award of contracts expected to equal or exceed \$25,000 and contracts for a federally required audit (irrespective of the contract amount). SAM is the U.S. Federal government's primary supplier database for collecting, validating, and storing data from suppliers and making that data available to various government acquisition agencies.

Please also see Chapter 10, Contract Administration, for a more general list of items to include in the contract file.

**Section 9.3. General Procurement Standards.** SF Bay Ferry will avoid acquisition of unnecessary or duplicative items, and consider consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

**Section 9.4. Contract Types.** FTA-funded contracts will conform to all applicable federal requirements based on the contract type. For example, 2 CFR Section 200.318(j) provides special requirements for time-and-materials contracts.

**Section 9.5. Independent Cost Estimate (ICE).** Before receiving bids or proposals, SF Bay Ferry will prepare an ICE. The ICE is SF Bay Ferry's estimate of what the item or service "should cost." The ICE may be based on published price lists, historical pricing information from contracts awarded by SF Bay Ferry, comparable purchases by other agencies, engineering estimates, and independent third party estimates.

**Section 9.6. Contract Cost and Price.** After bids or proposals are received and prior to contract award, SF Bay Ferry will perform a cost or price analysis for every procurement action in excess of the simplified acquisition threshold, including contract modifications. The method and degree of analysis depends on the facts surrounding the particular procurement situation.

- A. **Cost Analysis.** A cost analysis is the process of reviewing and evaluating the separate cost elements, proposed profit of an offeror's cost or pricing data, and judgmental factors applied in estimating the costs. SF Bay Ferry must use a cost analysis in the following circumstances:
1. When the bidder or proposer is required to submit elements of estimated cost (e.g., labor hours, overhead, materials), such as in professional consulting and A&E contracts;
  2. When a price analysis will not provide sufficient information to determine the reasonableness of the contract cost;
  3. When adequate price competition is lacking (e.g., single or sole source procurements); or
  4. When the reasonableness of the price cannot be established.
- B. **Price Analysis.** A price analysis is the process of reviewing and evaluating a proposed price without evaluating its separate cost and profit elements. A price analysis is based on data that are verifiable independently from the offeror's data. A price analysis may be used to determine the reasonableness of the proposed contract price, except in the instances described in Section 9.6.A above.
- C. **Profit.** In all contracts where there is no price competition and in all cases where a cost analysis is performed, SF Bay Ferry is required to negotiate profit as a separate element of the price. In establishing a fair and reasonable profit, SF Bay Ferry will consider the complexity of the work, the contractor's risk and investment, the amount of subcontracting, the contractor's past record, and industry profit rates for similar work.
- D. **Cost Principles.** Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (set forth in 2 CFR Part 200, Subpart E—Cost Principles).

- E. The cost plus a percentage of cost and percentage of construction cost methods of contracting should not be used in FTA-funded contracts.

**Section 9.7. Responsibility Determinations.** Before awarding an FTA-funded contract, SF Bay Ferry staff will determine whether the contractor is responsible—meaning the contractor possesses the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract, as required by 49 USC Section 5325(j) and 2 CFR Section 200.318(h).

**Section 9.8. Options.** Options are only allowed in FTA-funded contracts when:

- A. The option price is evaluated as part of the bid or proposal evaluation process; and
- B. The option price is advantageous for SF Bay Ferry when compared against market prices.

**Section 9.9. Advance Payments.** Ordinarily, SF Bay Ferry may not use FTA assistance to make payments to a third party contractor before the contractor has incurred the costs for which the payments would be attributable. Any exception to this rule, including the use of local share funds for advance payment, will be in accordance with FTA Circular 4220.1G.

**Section 9.10. Progress Payments.** Progress payments are payments for contract work that has not been completed. In compliance with FTA Circular 4220.1G, SF Bay Ferry may use FTA assistance to support progress payments provided it obtains adequate security for those payments and has sufficient written documentation to substantiate the work for which payment is requested. Adequate security may include obtaining title to property (materials, work in progress, and finished goods) for which progress payments are made. Alternative security for progress payments by irrevocable letter of credit or equivalent means may be used in lieu of obtaining title to protect SF Bay Ferry's interest in the progress payments.

For FTA-funded construction contracts—but only for construction contracts—any progress payments will be made on a percentage of completion method as described in Circular 4220.1G.

**Section 9.11. Disadvantaged Business Enterprise (DBE) Program.** SF Bay Ferry is committed to and has adopted a DBEs Program applicable to SF Bay Ferry's federally assisted contracting opportunities in accordance with 49 C.F.R. Part 26, as may be amended. The Government & Regulatory Affairs Manager is designated as the Disadvantaged Business Enterprise Liaison Officer (DBELO), which is the primary person responsible for implementing all aspects of the DBE Program. The DBELO reviews and monitors federally assisted solicitations for compliance with SF Bay Ferry's DBE Program and federal DBE regulations.

**Section 9.12. Request for Proposals Procedures.**

- A. **General Requirements.** The FTA requires that all RFPs issued for FTA-funded contracts are publicized in a manner that maximizes competition. Proposals should be solicited from an adequate number of qualified sources. RFPs must include the method for conducting evaluations of competitive proposals received and for determining the most qualified offeror, including identifying all evaluation criteria and their relative importance. Contracts must be awarded to the

responsible firm whose proposal is most advantageous to SF Bay Ferry with price and other factors considered. SF Bay Ferry may make a selection based on the original proposals, without conducting interviews or negotiations with any proposer, or it may elect to engage in interviews and/or request revised proposals from proposers within the competitive range. Refer to Section 4.3 of the BPPM for FTA guidance on various approaches to evaluating competitive proposals.

- B. A&E Contracts. The FTA requires that SF Bay Ferry use competitive proposal procedures for all qualifications-based procurement of architectural and engineering and related services, such as construction management, feasibility studies, surveying, design, mapping or related services. Following this method, SF Bay Ferry is required to evaluate the competitor's qualifications and select the most qualified competitor subject to negotiation of fair and reasonable compensation.
- C. Davis-Bacon Act Requirements. Davis-Bacon General Decisions apply to all federally-funded public works projects in excess of \$2,000. Applicable minimum wages determined by the Secretary of Labor must be included in any solicitation documents and in any contract.
- D. Revenue-generating Contracts. A revenue contract is a contract whereby SF Bay Ferry grants permission to use SF Bay Ferry facilities, property or merchandise to vendors to sell products or services, for which SF Bay Ferry receives a percentage of the proceeds and/or a flat rate of compensation. The proceeds of these contracts support transit operations and are generally at no direct cost to SF Bay Ferry. Examples of such agreements include advertising and/or the sale of food or beverages on SF Bay Ferry facilities, including ferries. SF Bay Ferry has broad latitude in determining the extent and type of competition appropriate for a particular revenue contract. Nevertheless, to ensure fair and equal access to FTA-assisted property and to maximize revenue derived from such property, SF Bay Ferry will conduct its revenue contracting as follows:
- Limited Contract Opportunities. If there are several potential competitors for a limited opportunity (such as advertising space on the side of rolling stock), then SF Bay Ferry will use a competitive process to provide interested parties with an equal chance to obtain that limited opportunity.
  - Open Contract Opportunities. If, however, one party seeks access to a public transportation asset and SF Bay Ferry is willing and able to provide contracts or licenses to other parties similarly situated, then competition is not necessary because the opportunity to obtain contracts or licenses is open to all similar parties.

**Section 9.13. Contractual Provisions.** All applicable FTA third party contract clauses and certifications, including without limitation those specified in 2 CFR Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, will be included in FTA-funded contracts. SF Bay Ferry will comply with 2 CFR Part 200, 2 CFR Part 1201, FTA Master Agreement, FTA Circular 4220.1G and the FTA's Comprehensive Review Contractor's Manual, as they may be amended in the future. A checklist of the FTA's required third party contract clauses is maintained with SF Bay Ferry's template solicitation documents.

**Section 9.14. Rejection of Bids.** The FTA authorizes SF Bay Ferry to reject any and all bids or proposals if, in its discretion, there is a sound business reason for such rejection. SF Bay Ferry will document these reasons in its procurement files.

**Section 9.15. Adequate Competition.** SF Bay Ferry's procurement processes are designed to promote adequate competition in all its procurements, including those that are FTA-funded, to the extent feasible. After soliciting several sources, in the event of receipt of only a single bid or proposal, SF Bay Ferry will review its specifications, conduct, and document outreach as appropriate to determine if they were unduly restrictive or if changes could be made to encourage submission of more bids or proposals. Prior to award to a single bidder or proposer, SF Bay Ferry will make a determination that competition was adequate.

**Section 9.16. Design-Bid-Build and Design-Build Projects.** When FTA funds are used in a design-build contract, SF Bay Ferry will separate and calculate the estimated costs of the various contract activities to be undertaken in order to ensure use of the appropriate procurement methodology depending on whether design or construction costs predominate. Ordinarily, construction costs of a design-build project will be predominant. In such a case, SF Bay Ferry is not required to use the qualifications-based procurement methodology called for by the Brooks Act (40 USC 1101 et. seq.).

**Section 9.17. Prohibitions.** FTA Circular 4220.1G prohibits solicitation requirements that contain features that unduly restrict competition. FTA grant recipients are also prohibited by 49 U.S.C. Section 5325(h) from using FTA assistance to support an exclusionary or discriminatory specification. Some situations considered to be impermissibly restrictive of competition include, but are not limited to, the following:

- A. Prohibition Against Tag-Ons. SF Bay Ferry may not use FTA assistance to finance a change order or contract amendment that constitutes a cardinal change. A cardinal change, sometimes informally referred to as a "tag on," is a significant change in contract work that causes a major deviation from the original purpose of the work such that the contractor is required to perform very different work from that described in the original contract. While the FTA has not adopted a formal test or finite list of cardinal changes, FTA Circular 4220.1G and the BPPM provide guidance for identifying cardinal changes.
- B. Restrictive Specifications or Processes that Limit Competition or Interfere with the Competitive Process. In all its procurements, and in particular those funded with FTA assistance, SF Bay Ferry will not impose any unreasonable requirements on firms in order for them to qualify to do business with SF Bay Ferry. These include, but are not limited to, unnecessary experience or qualifications requirements, and unreasonable or excessive bonding requirements, as further described below.
- C. Excessive Qualifications. Imposing unreasonable business requirements for bidders or proposers.
- D. Unnecessary Experience. Imposing unnecessary experience requirements for bidders or proposers.
- E. Improper Prequalification. Using prequalification procedures that conflict with the prequalification standards described in this Procurement Manual.

- F. Excessive Bonding. To encourage greater contractor participation in FTA-assisted projects, the FTA does not require SF Bay Ferry to impose bonding requirements on its third party contractors, other than construction bonding, for contracts exceeding \$250,000. Consult with legal counsel if bonding requirements exceeding those listed in Chapter 1 are being considered; written concurrence from the FTA may be needed.
- G. Brand Name Only. The FTA prohibits specifying only a “brand name” product without allowing offers of “an equal” product, or allowing “an equal” product without listing the salient characteristics that the “equal” product must meet to be acceptable for award.
- H. Retainer Contracts. The FTA prohibits making a noncompetitive award to any person or firm on a retainer contract if that award is not for the property or services specified for delivery under the retainer contract.
- I. Organizational Conflicts of Interest. The FTA prohibits SF Bay Ferry from engaging in practices that result in organizational conflicts of interest. (FTA Circular 4220.1G; 2 CFR Parts 200 and 1201.) The FTA expects SF Bay Ferry to analyze each planned acquisition in order to identify and evaluate potential organizational conflicts of interest as early in the acquisition process as possible, and avoid, neutralize, or mitigate potential conflicts before contract award. An organizational conflict of interest occurs when any of the following circumstances arise:
1. Lack of Impartiality or Impaired Objectivity. When the contractor is unable, or potentially unable, to provide impartial and objective assistance or advice to the recipient due to other activities, relationships, contracts, or circumstances.
  2. Unequal Access to Information. The contractor has an unfair competitive advantage through obtaining access to nonpublic information during the performance of an earlier contract.
  3. Biased Ground Rules. During the conduct of an earlier procurement, the contractor has established the ground rules for a future procurement by developing specifications, evaluation factors, or similar documents.
- J. Restraint of Trade. SF Bay Ferry is prohibited from supporting or acquiescing in noncompetitive pricing practices between firms or between affiliated companies. Questionable practices would include, but are not limited to, submissions of identical bid prices for the same products by the same group of firms, or an unnatural pattern of awards that had the cumulative effect of apportioning work among a fixed group of bidders or offerors.
- K. Arbitrary Action. In all its procurements, and in particular those funded with Federal assistance, SF Bay Ferry will not take any arbitrary or capricious action that would interfere with the competitive selection of contractors.

Chapter 10  
Contract Administration

**Section 10.1. Project Manager.** The Executive Director or designee will designate the appropriate SF Bay Ferry employee as Project Manager for the purposes of contract administration. The Project Manager is responsible for monitoring and reviewing the project to determine whether contract terms and conditions are being met. The Project Manager has primary responsibility for communicating with contractors about the commencement and progress of the contract. The Project Manager is also responsible for ensuring invoices submitted against any contract comply with the terms of the contract, and will coordinate all financial matters related to the contract with the Chief Financial Officer. To the extent there are other regulatory compliance matters (such as DBE participation), Project Managers will coordinate with appropriate SF Bay Ferry staff.

**Section 10.2. Notice to Proceed.** A Notice to Proceed is a document that authorizes the contractor to begin work. It should be dated, identify the contract and task order, if applicable, and be included in the contract file. Before contract execution and before issuing the Notice to Proceed for federally funded contracts, the Administrative Specialist or other appropriate staff member will check [www.sam.gov](http://www.sam.gov) to ensure that the contractor does not have an active exclusion record. (See Chapter 9, Procurements Funded by the Federal Transit Administration). The Project Manager will issue the Notice to Proceed after the contractor submits any required performance guaranty, documents, and evidence of insurance, and executes the contract.

**Section 10.3. Maintenance of Procurement Records.** The Administrative Specialist or other appropriate staff member will maintain all original executed contracts and a procurement file for each contract. The procurement file will contain all records sufficient to document the significant history of the contract, which at minimum must include:

- A. Document(s) evidencing the rationale for using the particular procurement method, including a sole source justification for any non-competitive procurement;
- B. Document(s) evidencing the rationale for using the particular contract type;
- C. Document(s) evidencing the rationale for selecting or rejecting contractor(s), including a written responsibility determination for the successful contractor;
- D. Independent Cost Estimate;
- E. Document(s) evidencing that the price being paid by SF Bay Ferry is fair and reasonable (i.e., cost or price analysis);
- F. Change orders and contract amendments;
- G. Board approval documents;
- H. Hourly labor increase requests and approvals for on-call contracts, if applicable;
- I. Work directives or task orders, if any;
- J. Up-to-date summary of contract expenditures; and

- K. Formal and informal significant correspondence between SF Bay Ferry and the vendor, supplier, contractor, or consultant, including communications related to insurance.

If the contract is federally funded, please also refer to Chapter 9, Procurements Funded by the Federal Transit Administration.

#### **Section 10.4. Change Orders and Contract Amendments (Contract Modifications).**

- A. Summary. When, in the course of contract performance, the Project Manager deems it necessary that extra work be performed, or that certain authorized work be omitted, or that contract requirements be modified, SF Bay Ferry will modify the contract by a written change order or contract amendment. Modifications may include changes in the scope of work, extension of the term, exercise of an option term or service, price adjustments, novation(s), administrative amendments, or other contract changes.

SF Bay Ferry and the contractor may disagree about the price and other terms of a contract modification. The contract modification procedures below assume that any such dispute has been resolved. SF Bay Ferry will follow the dispute resolution procedures described in the contract.

- B. Contract Modification Procedures.

- 1. Initiation of Contract Modifications.

- a) By Contractor. The contractor must follow the “Changes” procedures described in the contract when initiating contract modifications.
- b) By SF Bay Ferry. SF Bay Ferry will follow the “Changes” procedures described in the contract when initiating contract modifications. The Project Manager will notify the Administrative Specialist or other appropriate staff member that a change order or contract amendment is needed, and provide supplemental information as necessary to adequately describe the contract, the contract modification required, and the reasons for the contract modification.

- 2. Contract Modification Preparation and Review.

- a) The Project Manager or other appropriate staff member will request a proposal from the contractor covering, at a minimum, the areas of cost impact, schedule change, and increase or decrease in scope.
- b) The Administrative Specialist or other appropriate staff member will verify that the modification complies with the terms of the Board resolution authorizing the original contract (if any) and with the terms of the original contract.

c) In consultation with the Administrative Specialist, the Project Manager or other appropriate staff member will be responsible for documentation adequately describing the contract, the contract modification required, a justification, the record of negotiations, an independent cost estimate, and the contractor's cost proposal, if applicable. The contract modification, which may be in the form of a contract amendment drafted by SF Bay Ferry or a change order produced by the contractor using their form, will identify the cost of the change in dollar amount.

3. Approval of Contract Modification. The Administrative Specialist or other appropriate staff member will obtain necessary approval of the contract modification. Depending on the contract amount, either the Executive Director (or designee) or Board will approve the contract modification. Please refer to Appendix B for information about signature authority and to Appendix A for the Procurement Policy.

If the modification requires Board approval, the Project Manager or other appropriate staff member will submit a staff report and resolution for approval at the next available Board meeting. Following Board approval, if necessary, the Administrative Specialist or other appropriate staff member will review and verify that the modification package is accurate and complete. Upon completion of this approval process, the Administrative Specialist or other appropriate staff member will issue the contract modification to the contractor.

C. Contract Modifications for FTA-Funded Projects. For FTA-funded projects, a contract modification may need to meet the FTA's criteria for noncompetitive procurement. (See Chapter 9, Procurements Funded by the Federal Transit Administration, for more information about "cardinal changes").

### **Section 10.5. Exercise of Options.**

A. Summary. Options are contract provisions that allow SF Bay Ferry to purchase additional equipment, supplies, or services called for by the contract, or to extend the term of the contract. Options are exercisable in accordance with the terms set forth in the contract. Use of contract contingency is not considered an exercise of an option.

B. Use of Options. SF Bay Ferry should evaluate the option quantities or time periods contained in the contractor's offer as part of the contract award process. In rare cases when options have not been evaluated as part of the award, the exercise of such options should be justified as a sole source procurement.

C. Action by Executive Director. Based on the option analysis, the Project Manager will forward to the Executive Director a recommendation about the exercise of the contract option. Please refer to the Contract and Procurement Policy to determine whether the Executive Director may exercise the option or Board approval is required. Renewal or extension of the contract term will be in accordance with the terms and conditions specified in the original solicitation and contract documents.

**Section 10.6. Warranty Repairs.** The following procedures apply only if the contract does not address warranty repairs.

- A. Warranty Claim. A written warranty claim will be filed promptly with the contractor upon discovery of any breakdown, patent or latent defect, or other failure in any item procured that is under warranty, following consultation with Legal Counsel, if needed, and confirmation that the failure is covered by the warranty.
- B. Failure to Satisfy Warranty. Legal Counsel should be informed of any failure by the contractor to timely meet its obligations under the warranty. In contracts where the term of the performance bond is extended to cover the warranty period, the Administrative Specialist or other appropriate staff member should consult with Legal Counsel to notify the surety in writing on such bond of any such failure on the part of the contractor.

**Section 10.7. Contract Expiration.** The Administrative Specialist or other appropriate staff member will provide notice to the Project Manager whenever a contract is due to expire. If needed, the Administrative Specialist or other appropriate staff member will work with the Project Manager to develop a new solicitation document. The Administrative Specialist or other appropriate staff member will make the necessary changes to the new document.

**Section 10.8. Contract Closure.**

- A. Contract-Specific Closure Procedures. The Project Manager will review the contract to confirm that all contractual requirements have been satisfied before closing out the contract. For example, ensuring that subcontractors have been fully paid before issuing final acceptance.
- B. The Administrative Specialist will confirm documentation of completed contracts, including the Third Party Contracting Checklist and associated documents.
- C. Performance Comments. At the time of contract closure, the Administrative Specialist or other appropriate staff member, Project Manager, and Legal Counsel, if needed, will have the opportunity to submit comments to the file on the contractor's performance. Such comments will be relevant for future contracting purposes.

Chapter 11  
Sale of Surplus or Scrap Property

**Section 11.1. General.** SF Bay Ferry staff will notify the Administrative Specialist or other appropriate staff member regarding property that may be considered surplus or scrap. Pursuant to the Procurement Policy, the Executive Director may determine the manner of disposition of surplus supplies, equipment, and materials that are beyond their useful life and whose depreciated value does not exceed \$500,000—as determined with the concurrence of the Chief Financial Officer. The Board must approve all other disposal of surplus property. Regardless of the depreciated value, the Board must approve the disposition of all vessels.

**Section 11.2. Methods of Disposal.** The method of sale or disposition of any surplus or scrap items will depend on the nature of the items. Such methods may include: (1) sale by advertisement for bids, (2) sale by auction, (3) trade-in as part of a new procurement and negotiation, (4) transfer or sale to other public agencies, or (5) where appropriate, proper recycling or disposal.

The Executive Director, or designee, may approve the disposal of the surplus or scrap items by any of the above reasonable means designed to maximize the property's disposal value to SF Bay Ferry.

SF Bay Ferry will require the receiver of the surplus or scrap items to indemnify SF Bay Ferry against loss or liability that may result from use of the items after disposition, transfer, or sale. All solicitation documents prepared in connection with the disposition, transfer, or sale of surplus or scrap items will be submitted to Legal Counsel for review and approval.

- A. **Bid Procedure.** The surplus or scrap items may be disposed of by a bid procedure, conducted similarly to the formal competitive bid procedure. The Administrative Specialist will advertise the upcoming disposition. Such advertisement will adequately describe the items to be sold and the date, time, and location for acceptance of bids. The advertisement will state that the sale will be made to the highest responsive bidder, and that the items will be sold in an “as-is,” “where-is” and “with all faults” condition. The advertisement may also specify the amount of a minimum bid, if any. The Administrative Specialist or other appropriate staff member may contact known interested dealers and other parties.
- B. **Auction.** SF Bay Ferry may dispose surplus and scrap items by an auction. The sale may be conducted by SF Bay Ferry, or by a public auction service. Each item will be sold to the highest bidder.
- C. **Trade-In and Negotiation.** Disposition may include trading the surplus or scrap property in for new supplies, equipment, or materials. The Administrative Specialist or other appropriate staff member will only arrange for a trade-in in connection with a SF Bay Ferry procurement conducted in accordance with the procedures in this Procurement Manual. In no case will a trade-in represent a lower dollar value than could verifiably have been realized by another method of disposition. The Administrative Specialist or other appropriate staff member may dispose of the property by negotiating the sale.

- D. Discard, Donation, or Recycling. Obsolete, broken, or nominal value items may be disposed of by discarding as refuse. If necessary, the Administrative Specialist or other appropriate staff member may initiate disposal by first acquiring an appraisal of the goods or other such fair market value assessment of the items in question. Items that have no auctionable or trade-in value may be disposed of as garbage, donated to a non-profit entity, recycled, or other similar means at the least possible cost to SF Bay Ferry.

**Section 11.3. Disposition of FTA-Funded Property.** SF Bay Ferry's disposition of any property acquired in whole or in part with federal funds will be in accordance with 2 CFR Part 200 and FTA Circular 5010.1F, both as may be amended from time to time.

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