[Waiving the Competitive Requirements of the Administrative Code for the Procurement of Construction Services for Portion of the Laguna Honda Hospital Replacement Project.]

Ordinance waiving the competitive requirements of Chapter 6 of the Administrative Code and authorizing the Director of Public Works, with the assistance of the Construction Manager-at-Risk, to negotiate the subcontracts for the renovation of Wing C and Building H of the Laguna Honda Hospital Replacement Project and modifying the contract with the CM-at-Risk to incorporate said subcontracts into the CM-at-Risk's scope of work.

Note: Additions are single-underline italics Times New Roman; deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Laguna Honda Hospital is an important San Francisco Hospital and an essential component of the health care infrastructure of the City and County of San Francisco;

Section 2. By Ordinance Nos. 4-03 and 252-04, the Board of Supervisors had authorized the Department of Public Works to retain a Construction Manager-at-Risk, to bid out all trade packages to no fewer than three prequalified subcontractors and to negotiate with any of the bidders of the trade packages on their prices and scope of work in order to meet the construction budget for the total project;

Section 3. With the assistance of Turner Construction Company, the CM-at-Risk, the City has bid, awarded and assigned all trade packages for the construction of the hospital complex, with the exception of the construction work related to the remodeling of Wing C and Building H, to the CM-at-Risk.
Section 4. The Department of Public Works has finally completed the plans and specifications for the remodel of Wing C and Building H. The work generally consists of life safety upgrades, relocation and expansion of outpatient services, expansion of the materials area, relocation of the kitchen to the new Link Building and development of a new east entrance. The estimated construction cost is $25 million.

Section 5. The Board of Supervisors had previously approved the construction manager-at-risk contracting format because of the complex phasing of the project, requiring the extensive coordination of multiple contractors working in limited construction and staging spaces. Presently there are in excess of fifty (50) subcontractors performing more than two hundred and sixty six million dollars ($266 million) worth of work within severely restricted staging areas. The addition of new subcontractors and search for additional staging areas would severely strain the logistics at the project site especially in light of the fact that the hospital is fully operational during construction. The addition of new subcontractors in a limited space could also lead to interference with each other’s work and result in delays to the total completion of the project.

Section 6. The Board hereby waives the competitive requirements of Chapter 6 of the Administrative Code and authorizes the Director of Public Works to construct the Wing C and Building H work in the following manner:

(A) The Director of Public Works will obtain a cost estimate for all of the trade packages involved in the construction;

(B) The existing CM-at-Risk, with the oversight of the City, will negotiate the cost of the trade packages with existing subcontractors presently performing similar trade package work on the project. Should the cost of any trade package work exceed the estimated cost of...
said work by more than ten percent or should there be no similar work being performed on the
site or should a subcontractor refuse to accept the new work, the CM-at-Risk will attempt to
bid out said work to no less than three qualified subcontractors. The contract for each trade
package will be awarded to the lowest price negotiated or lowest bid received, whichever is
lower.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: GEORGE W. WONG
Deputy City Attorney
Ordinance waiving the competitive requirements of Chapter 6 of the Administrative Code and authorizing the director of Public Works, with the assistance of the Construction Manager-at-Risk, to negotiate the subcontracts for the renovation of Wing C and Building H of the Laguna Honda Hospital Replacement Project and modifying the contract with the CM-at-Risk to incorporate said subcontracts into the CM-at-Risk's scope of work.

June 6, 2006 Board of Supervisors — CONTINUED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

June 13, 2006 Board of Supervisors — PASSED ON FIRST READING
Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Excused: 1 - Ma

June 20, 2006 Board of Supervisors — FINALLY PASSED
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Excused: 1 - Alioto-Pier
I hereby certify that the foregoing Ordinance was FINALLY PASSED on June 20, 2006 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom

Date Approved

06.22.2006