Ordinance authorizing the Director of Public Works to issue a Request for Proposals for the services of a Construction Manager/General Contractor for the San Francisco General Hospital Rebuild Program and to award a contract for such services based on the best qualifications and fee. This ordinance further authorizes the Director to negotiate and obtain prices from certain core subcontractors and to allow them to become subcontractors to the CM/GC, provided said prices are validated by City-retained cost estimators.

Note: This entire section is new.

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

Section 1. The Director of Public Works has determined that the construction of the San Francisco General Hospital Rebuild Project ("Project") requires specialized expertise and skill, which should be procured with an alternative delivery method, henceforth referred to as Project Integration. Project Integration is intended to address the unique schedule constraints resulting from the state-mandated deadlines set forth in State Senate Bill 1953, as well as to meet schedule extension criteria set forth in State Senate Bill 1661. Project Integration provides a means for the earliest practical engagement of contractors and subcontractors with California hospital construction experience to assist the design team in providing the City with a well designed and constructed Project. With the expected collaboration between the design team and the construction team, Project Integration should reduce or eliminate field and/or implementation errors and conflicts. Project Integration should compress the normal project schedule by eliminating or reducing wasted, redundant or erroneous project process steps and by performing design work and construction work in parallel and in phases, resulting in time and money savings.
Section 2. The Department of Public Works ("DPW") is authorized to solicit through a competitive Request for Proposals the pre-construction and construction phase services of a qualified Construction Manager/General Contractor (CM/GC) in conjunction with the Project. The CM/GC’s proposal shall include, as members of the CM/GC team, the following Core Subcontractors consisting of the: Mechanical Subcontractor, Plumbing Subcontractor, Building Automation and Control Systems Subcontractor, Building Fire & Life Systems Subcontractor, Electrical Subcontractor - High And Normal Voltage, and Electrical Subcontractor and Low Voltage Electrical Subcontractor - Signal & Communications. The CM/GC team shall be retained prior to or as near as practical after the commencement of the Design Development Phase of the Hospital Project being preformed by the Executive Architectural and Engineering Team (A/E) under separate contract with the City. DPW shall establish a selection panel to evaluate CM/GC proposals and rank the proposers, taking into account the following criteria:

1. the costs of pre-construction services and construction phase services necessary for the Project including the CM/GC’s and Core-Subcontractors’ pre-construction services fees, the CM/GC’s construction phase overhead and fees and general conditions.

2. the qualifications of the CM/GC and Core SubContractors relating to the following: (a) ability to perform required pre-construction and construction phase services, (b) evidence of financial capacity; (c) experience on hospital-type projects under OSHPD jurisdiction; (d) compliance with the goals and requirements of Administrative Code Chapters 12 and 14, (e) ability to collaboratively and cooperatively deliver large complex projects on time and on budget; (f) liquidated damages for delay and other damages paid on prior projects, and prior litigation history; (g) reputation with owners of prior projects; (h) claims history with insurance carriers and sureties; (i) compliance with all of the requirements and
criteria established in the Request for Proposals and other criteria that DPW may deem appropriate.

The Director may allocate a maximum of one hundred points towards the qualifications of a CM/GC’s team and, to arrive at the most qualified and most cost effective team, may divide a CM/GC’s proposed costs by the total qualifications points awarded to the team. The Director shall be authorized to and shall have the discretion to utilize any other method that he deems will result in the selection of the best CM/GC based upon qualifications and costs.

The Director may set forth in the RFP a target Guaranteed Maximum Price ("GMP"). The GMP shall be subject to a CPI increase for hospital-type construction. The GMP shall be inclusive of all construction costs, including the successful CM/GC’s overhead, fees and general conditions and all subcontractor and supplier costs. The CM/GC shall work with the A/E and the City to achieve this GMP.

Section 3. The Director of Public Works shall award the CM/GC contract to the qualified CM/GC submitting the highest ranked proposal. If the award to the highest ranked CM/GC is not made for any reason, the Director may award the contract to the next highest-ranked proposer, and so forth; or the Director shall reject all proposals and issue a new RFP.

Section 4. The CM/GC and the Core Subcontractors shall provide design assistance in the form of value engineering proposals and constructability, completeness and accuracy of design review to eliminate errors and omissions. As soon as is practical, the Core Subcontractors shall furnish the City with firm prices on their respective trade work. The City shall at all times retain the services of cost estimators who shall provide the City with cost estimates of the work to be performed by the Core SubContractors. Should the City determine with the help of the cost estimators that the prices submitted by each of the Core Subcontractors are reasonable and reflect market prices, then the Core Subcontractors shall
become subcontractors to the CM/GC at said prices. Should the City determine that a Core
Subcontractor's prices are excessive, the City shall require the CM/GC to solicit bids for said
Core Subcontractor's work from no less than three qualified subcontractors. If the City
determines that there are fewer than three qualified subcontractors, then bids shall be
obtained from all subcontractors determined to be qualified. The new lowest responsible
responsive subcontractor shall become a subcontractor to the CM/GC at the bid price, which
shall not be higher than the original Core Subcontractor's price.

Section 5. The selected CM/GC with the approval of the City shall bid out the trade
packages for the remaining work for the project. Said trade packages shall be developed in
conjunction with the City, the A/E and the CM/GC. The CM/GC, with the approval of the
Director, shall have the authority to negotiate subcontracts for work not exceeding seven and
one half percent (71/2%) of the GMP, less CM/GC's overhead, fees and general conditions.
The value of each said subcontract shall not exceed two million dollars.

Section 6. The Director of Public Works shall provide the following information to
and shall obtain the following approvals from the Board of Supervisors as follows:

<table>
<thead>
<tr>
<th>Project Key Events and Milestones</th>
<th>Information to be Provided to Board of Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Future Material Changes to Project Cost Estimate and with Each Milestone described below.</td>
<td>Notification to Board of Supervisors and report on any material changes to project cost estimates, causes for increases in cost estimates and mitigation measures available to consider.</td>
</tr>
<tr>
<td>Hiring of A/E and CM/GC</td>
<td>Information required for Board of Supervisors approval</td>
</tr>
</tbody>
</table>

**Name of Supervisor/Committee/Department**
BOARD OF SUPERVISORS

7/26/2007
<table>
<thead>
<tr>
<th>Phase I: Completion of Programming and Planning</th>
<th>Report of Results to Board of Supervisors; EIR submission to Board of Supervisors for certification.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase II: Completion of Design</td>
<td>Report of Results to Board of Supervisors, status of OSHPD approvals and permits.</td>
</tr>
<tr>
<td>Phase III: Commencement of Construction and ongoing through construction phase</td>
<td>Periodic (at least annually) report to Board of Supervisors on project timing, progress toward completion, summary information on significant change orders, budget versus actual cost, other pertinent information.</td>
</tr>
<tr>
<td>Project Completion</td>
<td>Final report on project results compared to original design and budgeted costs.</td>
</tr>
</tbody>
</table>

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

By:  
GEORGE K. WONG  
Deputy City Attorney

**Name of Supervisor/Committee/Department**

BOARD OF SUPERVISORS
Ordinance authorizing the Director of Public Works to issue a Request for Proposals for the services of a Construction Manager/General Contractor for the San Francisco General Hospital Rebuild Program and to award a contract for such services based on the best qualifications and fee. This ordinance further authorizes the Director to negotiate and obtain prices from certain core subcontractors and to allow them to become subcontractors to the CM/GC, provided said prices are validated by City-retained cost estimators.

July 31, 2007 Board of Supervisors — PASSED ON FIRST READING
Ayes: 10 - Alioto-Pier, Ammiano, Daly, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Absent: 1 - Dufty

August 7, 2007 Board of Supervisors — FINALLY PASSED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on August 7, 2007 by the Board of Supervisors of the City and County of San Francisco.

8/15/07

Date Approved

Angela Calillo
Clerk of the Board

Mayor Gavin Newsom