

1 [Amending Ordinance 202-07, authorizing award of contract for CM/GC services for the San  
2 Francisco General Hospital Rebuild Program, and making findings under CEQA.]

3 **Ordinance amending Ordinance 202-07 to add Drywall Subcontractor to the list of**  
4 **authorized Core Subcontractors for the San Francisco General Hospital Rebuild**  
5 **Program; authorizing the award of a contract for Construction Manager/General**  
6 **Contractor services for the San Francisco Hospital Rebuild Program; adopting findings**  
7 **under the California environmental Quality Act ("CEQA"), CEQA Guidelines and San**  
8 **Francisco administrative Code Chapter 31, including the adoption of a mitigation**  
9 **monitoring and reporting program and a statement of overriding considerations; and**  
10 **finding that the proposed project is in conformity with the priority policies of Planning**  
11 **Code Section 101.1(b) and with the General Plan consistency requirement of Charter**  
12 **Section 4.105 and Administrative Code Section 2A.53.**

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

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

19 Section 1. Amending Ordinance 202-07.

20 Section 2 of Ordinance 202-07, on file with the Board of Supervisors in File No.  
21 070901, is hereby amended to read as follows:

22 The Department of Public Works ("DPW") is authorized to solicit through a competitive  
23 Request for Proposals the pre-construction and construction phase services of a qualified  
24 Construction Manager/General Contractor (CM/GC) in conjunction with the Project. The  
25 CM/GC's proposal shall include, as members of the CM/GC team, the following Core  
Subcontractors consisting of the: Mechanical Subcontractor, Plumbing Subcontractor,

1 Building Automation and Control Systems Subcontractor, Building Fire & Life Systems  
2 Subcontractor, Electrical Subcontractor - High And Normal Voltage, Drywall Subcontractor, and  
3 Electrical Subcontractor and Low Voltage Electrical Subcontractor - Signal &  
4 Communications. The CM/GC team shall be retained prior to or as near as practical after the  
5 commencement of the Design Development Phase of the Hospital Project being preformed by  
6 the Executive Architectural and Engineering Team (A/E) under separate contract with the City.  
7 DPW shall establish a selection panel to evaluate CM/GC proposals and rank the proposers,  
8 taking into account the following criteria:

9 (1) the costs of pre-construction services and construction phase services  
10 necessary for the Project including the CM/GC's and Core-Subcontractors' pre-construction  
11 services fees, the CM/GC's construction phase overhead and fees and general conditions.

12 (2) the qualifications of the CM/GC and Core SubContractors relating to the  
13 following: (a) ability to perform required pre-construction and construction phase services, (b)  
14 evidence of financial capacity; (c) experience on hospital-type projects under OSHPD  
15 jurisdiction; (d) compliance with the goals and requirements of Administrative Code Chapters  
16 12 and 14, (e) ability to collaboratively and cooperatively deliver large complex projects on  
17 time and on budget; (f) liquidated damages for delay and other damages paid on prior  
18 projects, and prior litigation history; (g) reputation with owners of prior projects; (h) claims  
19 history with insurance carriers and sureties; (i) compliance with all of the requirements and  
20 criteria established in the Request for Proposals and other criteria that DPW may deem  
21 appropriate.

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

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

8 Section 2. Authorizing Award of contract for CM/GC Services.

9 In June 2007 the Director of Public Works ("the Director") issued a Request for Pre-  
10 Qualifications to identify candidates with the necessary qualifications to submit a proposal as  
11 a Construction Manager/General Contractor ("CM/GC") to provide pre-construction and  
12 construction phase services in conjunction with the San Francisco General Hospital Rebuild  
13 Program ("the Project"). The Director received one response that was subsequently rejected  
14 when it was determined that the proposer did not satisfy the pre-qualification requirements set  
15 forth in the request.

16 Section 3. After the Director rejected the one proposer, the Director determined that  
17 Webcor Construction LP, dba Webcor Builders ("Webcor") met the requirements set out in the  
18 Request for Pre-Qualifications. In order to evaluate and assist in the development of design  
19 and related pre-construction services, the Director entered into an interim agreement with  
20 Webcor to provide pre-construction phase services to the City and its design team for a fee  
21 not to exceed \$1,000,000 (one million dollars). The interim agreement generally limits the  
22 CM/GC services to reviewing and developing schematic design; providing information,  
23 estimates, and recommendations regarding construction materials, methods, systems,  
24 phasing and costs; and assisting in the determination of construction activity impacts and  
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1 recommended mitigation measures. The interim agreement does not guarantee that the City  
2 will award a contract for or authorize funds for the construction phase.

3 Section 4. The Board, in accordance with the actions contemplated in this  
4 ordinance, makes the following findings in compliance with the California Environmental  
5 Quality Act, California Public Resources Code Sections 21000 et seq., ("CEQA"), the CEQA  
6 Guidelines, 15 Cal. Code Regs., Section 15000 et seq., ("CEQA Guidelines") and San  
7 Francisco Administrative Code Chapter 31 ("Chapter 31"):

8 (a) On June 19, 2008, the Planning Commission, by Motion No. 1763, certified a  
9 Final Environmental Impact Report ("FEIR") for the San Francisco General Hospital Seismic  
10 Compliance Hospital Replacement Program (the "Project") in compliance with the CEQA, the  
11 CEQA Guidelines and Chapter 31, finding that the FEIR was completed in compliance with  
12 CEQA and was adequate, accurate and objective and reflected the independent judgment of  
13 the Planning Commission; a copy of the motion is on file with the Clerk of the Board in File  
14 No. 080664 and is incorporated into this ordinance by this reference.

15 (b) The Board has reviewed and considered the information contained in the FEIR  
16 and adopted CEQA Findings for the Project under CEQA, the CEQA Guidelines and Chapter  
17 31, including the adoption of a mitigation monitoring and reporting program and a statement of  
18 overriding considerations, ("CEQA Findings"). The CEQA Findings for the Project are on file  
19 with the Clerk of the Board in File No. 080664 and are incorporated into this ordinance by this  
20 reference.

21 (c) The Board finds, on the basis of substantial evidence and in light of the whole  
22 record, that (1) there have been no changes to the Project that will require important revisions  
23 to the FEIR due to the involvement of new significant environmental effects or a substantial  
24 increase in the severity of previously identified significant effects; (2) no substantial changes  
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1 have occurred with respect to the circumstances under which the Project will be undertaken  
2 which would require major revisions to the FEIR due to the involvement of new environmental  
3 effects, or a substantial increase in the severity of effects identified in the FEIR; and (3) no  
4 new information of substantial importance to the Project has become available which would  
5 indicate (a) the Project has significant effects not discussed in the Final ER, (b) significant  
6 environmental effects will be substantially more severe; (c) that mitigation measures or  
7 alternatives which would reduce one or more significant effects but which were found to be  
8 not feasible have now become feasible; or (d) mitigation measures or alternatives which are  
9 considerable different from those in the FEIR would substantially reduce one or more  
10 significant effects on the environment.

11 Section 5. The Board finds and declares that the proposed Project is (i) in conformity  
12 with the priority policies of Section 101.1(b) of the City Planning Code, (ii) in accordance with  
13 Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the City Administrative  
14 Code, and (iii) consistent with the City's General Plan, and adopts the findings of the City  
15 Planning Commission as set forth in Planning Commission Resolution No. 17625, dated June  
16 19, 2008, a copy of which is on file with the Clerk of the Board in file No. 080664 and  
17 incorporates such findings by reference.

18 Section 6. The Director has negotiated a proposed final contract with Webcor that  
19 will supercede the interim agreement, whereby Webcor will act as CM/GC and will provide all  
20 of the pre-construction and construction phase services necessary to complete the  
21 construction of the Project at an estimated (and escalated) construction cost of \$690,000,000  
22 (six hundred ninety million dollars). The proposed contract divides the Project into several  
23 major increments, generally described as Site Utilities Relocation, Service Building  
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1 Modifications, , and the New Main Hospital Building. The pertinent provisions of the proposed  
2 contract are as follows:

3 (a) the City will pay the CM/GC a fee equal to 5% (five percent) of the sum of: the  
4 awarded trade subcontracts, the CM/GC's general conditions costs (as reviewed and  
5 approved by the City), and the amounts expended from the CM/GC's contingency fund;

6 (b) the CM/GC and its Core Subcontractors will work with the City's design team to  
7 review the design for, among other things, constructability to eliminate or reduce errors during  
8 the construction phase;

9 (c) the CM/GC will provide construction cost estimates on a regular basis and  
10 recommend any changes necessary to keep the Project within the budget and the schedule;

11 (d) the CM/GC will prepare all of the trade packages for the work to be bid on  
12 and/or awarded to subcontractors;

13 (e) the CM/GC (in conjunction with the City) will develop standards to pre-qualify  
14 trade subcontractors who will be bidding on the Project ;

15 (f) the CM/GC may award subcontracts to Core Subcontractors who submit prices  
16 within 110% of the City's estimated cost of their work and will solicit competitive bids for that  
17 same work where the price exceeds 110% of the estimated cost of that work;

18 (g) as a performance incentive to trade subcontractors, the City will share on a  
19 50/50 basis the costs savings realized by the trade subcontractors' value engineering  
20 proposals that meet the performance criteria in the design and reduce the cost of  
21 construction;

22 (h) there is a CM/GC contingency fund in the amount of 6.5% of the total cost of  
23 construction to cover scope gaps, coordination issues and other disputes arising from conflicts  
24 in the construction documents;

1 (i) as a performance incentive for the CM/GC to preserve the CM/GC contingency  
2 fund, the City will pay the CM/GC 10% of the unspent amount of the CM/GC contingency  
3 remaining after Final Completion if certain conditions are satisfied, including the CM/GC's  
4 release of the City from all claims;

5 (j) as a performance incentive for the CM/GC to complete the project ahead of  
6 schedule, the City will use any remaining unspent funds from the CM/GC contingency fund to  
7 pay the CM/GC up to \$4,000,000 (four million dollars), based on a per/day, sliding scale  
8 amount that is tied to the Substantial Completion date;

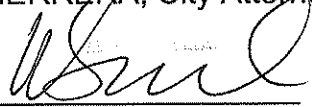
9 (k) the City will impose liquidated damages for delay in completing the Project  
10 based on a sliding scale starting at \$5,000 (five thousand dollars) per day after the first 60  
11 days of delay in meeting the Substantial Completion date up to a maximum of \$40,000 per  
12 day once the Project is delayed ten months or more from the Substantial Completion date;  
13 and,

14 (l) the City and the CM/GC agree to participate in certain dispute resolution  
15 procedures whose goal is to expeditiously and equitably resolve disputes that arise between  
16 the City and the CM/GC during construction.

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1           Section 7. Pursuant to Ordinance 202-07 as amended, the Board hereby authorizes  
2 the Director of Public Works to award the contract for CM/GC services for the Project to  
3 Webcor based upon the terms of the proposed negotiated contract. The Director is authorized  
4 to make modifications to the proposed contract, provided that the terms and conditions of the  
5 final contract are substantially similar to the terms of the proposed negotiated contract.

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

10 By:   
11       Joseph Sandoval, Jr.  
12       Deputy City Attorney

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# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Ordinance

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**File Number:** 080796

**Date Passed:**

Ordinance amending Ordinance 202-07 to add Drywall Subcontractor to the list of authorized Core Subcontractors for the San Francisco General Hospital Rebuild Program; authorizing the award of a contract for Construction Manager/General Contractor services for the San Francisco Hospital Rebuild Program; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines and San Francisco Administrative Code Chapter 31, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations; and finding that the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Charter Section 4.105 and Administrative Code Section 2A.53.

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September 23, 2008 Board of Supervisors — PASSED ON FIRST READING

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,  
Mirkarimi, Peskin, Sandoval  
Excused: 1 - McGoldrick

October 7, 2008 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,  
Mirkarimi, Peskin, Sandoval  
Excused: 1 - McGoldrick

File No. 080796

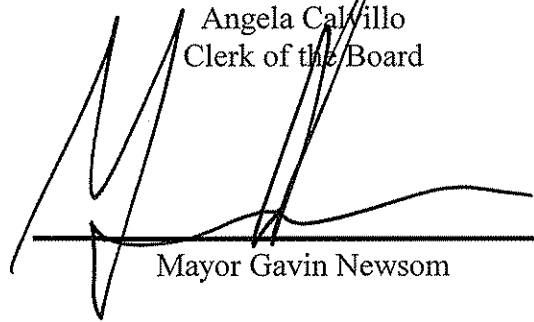
I hereby certify that the foregoing Ordinance was FINALLY PASSED on October 7, 2008 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo  
Clerk of the Board



Date Approved



Mayor Gavin Newsom