

1 [Allows the Director of Public Works to competitively procure the services of a Construction
2 Manager-At-Risk for the Laguna Honda Replacement Project and modify and assign a current
3 contract for professional services.]

4 **Ordinance authorizing the Director of Public Works (Director) to issue a competitive**
5 **request for proposals (RFP) for the services of a Construction Manager-At-Risk (CM-at-**
6 **Risk) for the Laguna Honda Hospital Replacement Project, and to award a contract for**
7 **such services based on best qualifications. This ordinance further authorizes the**
8 **Director to modify and assign the City's current professional services contract for**
9 **construction management services with Turner Construction Company/Cooper Pugeda**
10 **Management, Inc., a joint venture (Turner/CPM, JV) to Cooper Pugeda Management,**
11 **Inc. (CPM); and to permit Turner Construction Company to participate in the RFP for**
12 **the services of a CM-at-Risk.**

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14 Note: This entire section is new.

15

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

17

18 **Section 1.**

19 Given the complex phasing of the Laguna Honda Hospital Replacement Project, requiring the
20 extensive coordination of multiple contractors working in limited construction and staging
21 spaces, the Director of Public Works (Director) has determined that it is in the best interest of
22 the City to use the Construction Manager-at-Risk (CM-at-Risk) approach to building the
23 Replacement Project. A Construction Manager-at-Risk acts as a General Contractor and may
24 provide some of the following services:

25

- 1 • Performing a pre-qualification process for major trade contractors;
- 2 • Competitively bidding all construction work to the trade contractors, except as noted
- 3 in Section 2, (C), iv) below;
- 4 • Holding all contracts with the trade contractors;
- 5 • Coordinating the work of trade contractors;
- 6 • Guaranteeing the price for the project once the cost of the trade packages have
- 7 been included in the CM-at-Risk's contract.

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9 **Section 2.**

10 (A) The Board hereby authorizes the Director to advertise a Request for Proposals
11 (RFP) and award a CM-at-Risk contract based on best qualifications.

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13 (B) The Director shall issue an RFP for the services of a CM-at-Risk, select the best
14 qualified firm, negotiate a fee, and award a contract in conformance with the
15 selection process promulgated in Administrative Code Sec. 6.40, *et seq.* for the
16 procurement of professional services for public work projects in excess of the
17 Minimum Competitive Amount.

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19 (C) The CM-at-Risk Contract awarded pursuant to this ordinance will include provisions
20 that conform to the following:

21 i) The CM-at-Risk will use a competitive bid process to procure all the
22 construction work to be provided by subcontractors and suppliers, with the
23 possible exception noted in iv) below.

24 ii) The CM-at-Risk will pre-qualify major trade contractors.

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1 iii) For subcontracts for labor, equipment, material and supplies, the CM-at-Risk
2 shall use best efforts to obtain competitive bids from at least three qualified
3 bidders, and shall award the corresponding subcontract for the relevant trade
4 to the lowest responsive and responsible bidder. The bidding and award of
5 subcontracts and supply contracts are subject to the review and approval of
6 the City. The City further reserves the right to reject any subcontractor or
7 supplier proposed by the CM-at-Risk.

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9 iv) If the Director, in consultation with the CM-at-Risk, determines it is in the City's
10 best interest, he may negotiate the terms of subcontracts or supply contracts
11 with qualified local disadvantaged businesses. The total value of subcontracts
12 or supply contracts procured under this provision shall not exceed ten-percent
13 of the total estimated value of the CM-at-Risk contract. The Director shall
14 have the sole discretion in determining whether to proceed under this
15 provision.

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17 (D) In order to award a contract only to the lowest responsive, responsible, pre-
18 qualified bidder, or negotiate a subcontract as noted in (C), iv) above, the Board
19 hereby waives any otherwise applicable requirements of Administrative Code Sec.
20 6.20(A) requiring low competitive bidding for the construction of the Project.

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22 **Section 3.**

23 The City has a current contract with Turner Construction Company/Cooper Pugaeda
24 Management, Inc., a joint venture (Turner/CPM, JV) for professional services, including
25 construction cost estimating, scheduling and construction-contract administration services.

1 The Board acknowledges that Turner Construction Company (Turner) has been providing
2 satisfactory professional services to the Project. In order to allow the most competition for the
3 CM-at-Risk services, Turner Construction Company, which is a large General Contracting firm
4 with extensive experience in building hospitals, would be released from their current contract
5 and be permitted to compete in the CM-at-Risk RFP process. The Board hereby waives any
6 conflict of interest that may exist as a result of Turner's present participation in the Project,
7 and any such conflict shall not be the basis for disqualifying Turner from participating in the
8 RFP process; and if determined to be the most qualified, being awarded a CM-at-Risk
9 contract. Therefore, Turner may compete for the CM-at-Risk contract.

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11 **Section 4.**

12 The Board acknowledges that Cooper Pugeda Management, Inc. (CPM) has been providing
13 satisfactory professional services to the Project. The Board further acknowledges that
14 M/WBE subconsultants to the Turner/CPM, JV have been providing satisfactory professional
15 services to the Project. The Board recognizes that it is in the City's best interest to maintain
16 continuity in the provision of such services to the Project. Therefore, the Board of Supervisors
17 hereby authorizes the Director to take all necessary steps to modify and assign the scope of
18 the Turner/CPM, JV, to CPM Inc., along with any necessary subconsultants. The Director is
19 empowered with the discretion whether or not to proceed with the forgoing process.

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21 APPROVED AS TO FORM:

22 DENNIS J. HERRERA, City Attorney

23 By _____

24 GEORGE K. WONG

25 Deputy City Attorney