

1 [Approval to Negotiate Prices for Construction Trade Packages for the Laguna Honda
2 Hospital Replacement Program]

3 **Ordinance authorizing the Department of Public Works to negotiate prices for trade**
4 **packages for the construction of the Laguna Honda Hospital Replacement Program.**

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

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

9 Section 2. The Laguna Honda Hospital Replacement Project is a multi-year project
10 intended to modernize this important San Francisco Hospital to provide better health care
11 services to the residents of the City and County of San Francisco;

12 Section 3. The Board of Supervisors has previously authorized the Department of
13 Public Works (by Ordinance No. 4-03, File No. 021914) to retain a CM-at-Risk and to bid out
14 all trade packages to no fewer than three pre-qualified subcontractors;

15 Section 4. The City and County of San Francisco has received bids for five trade
16 packages for this project, and such bids have been significantly greater than the original
17 estimates as a result of current world-wide volatility of steel and concrete material prices
18 combined with an unexpectedly strong demand for local construction services;

19 Section 5. The Laguna Honda Hospital Replacement Project would greatly benefit
20 from an exemption from the requirement of award to the lowest responsible bidder submitting
21 the lowest responsive bid for each of the trade packages;

22 Section 6. By Ordinance No. 4-03, File No. 021914, the Board of Supervisors waived
23 applicable requirements of Administrative Code Sec. 6.20(A) requiring the award of contracts
24 to the lowest competitive bidder. The Board of Supervisors hereby further waives the bidding
25 requirements set forth in Ordinance No. 4-03, File No. 021914 requiring the Department of

1 Public Works to award each trade package for the construction of the Laguna Honda Hospital
2 Replacement Project to the lowest responsible bidder submitting the lowest responsive bid;
3 Section 7. The Board of Supervisors does hereby authorize the Department of Public
4 Works to negotiate the price of each trade package with any of the bidders for that trade
5 package, and to reduce the scope of said trade package, if necessary, in an effort to achieve
6 cost savings to meet the construction budget of the Laguna Honda Hospital Replacement
7 Project. Award to a bidder on any trade package shall be made only upon the lowest price
8 received or the lowest price negotiated.

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

By: _____
LORENZO DONATI
Deputy City Attorney