

1 [Agreement Modification - Montgomery Corporation - San Francisco General Hospital Rebuild
2 Program - Not to Exceed \$11,610,866]

3 **Resolution authorizing the Director of Public Works to execute Modification No. 5 to a**
4 **Professional Services Agreement with Montgomery Corporation to provide inspector of**
5 **record inspection services for the San Francisco General Hospital Rebuild Program;**
6 **and increasing the contract from \$9,945,866 to an amount not to exceed \$11,610,866 for**
7 **a term expiring December 31, 2016.**

8
9 WHEREAS, The California Office of Statewide Health Planning and Development
10 (“OSHPD”) is responsible for, among other things, enforcing all building standards published
11 in the California Building Standards Code relating to the regulation of hospital buildings and
12 the enforcement of other regulations, and all other applicable state laws, including plan
13 checking and inspection of the design and details of the architectural, structural, mechanical,
14 plumbing, electrical, and fire and panic safety systems, and the observation of construction;
15 and

16 WHEREAS, California Health and Safety Code, Section 129825, requires a hospital
17 governing board or authority to provide for and require competent and adequate inspection
18 during construction or alteration by an inspector satisfactory to OSHPD; and

19 WHEREAS, The Director of Public Works entered into an agreement dated November
20 18, 2010, with Montgomery Corporation to provide Inspector of Record (“IOR”) professional
21 construction inspection services for the San Francisco General Hospital (“SFGH”) Rebuild
22 Program, in an amount not to exceed \$3,998,607; and

23 WHEREAS, Between November 2010 and January 2015, a combination of factors
24 including, (a) OSHPD’s demand for additional IORs, (b) an unanticipated aggressive
25 construction schedule imposed by the Construction Manager/General Contractor (“CM/GC”),

1 (c) the lack of City staff with IOR certification to assist with the inspection work, (d) the
2 extended duration of the work required to complete the Emergency Generator Project and the
3 modifications to the Service Building, and (e) the need for re-inspection when completed work
4 had to be re-worked, caused the Director of Public Works to issue four separate modifications
5 to the inspection contract, which added a cumulative total of \$5,947,259 to the contract and
6 increased the contract not to exceed amount to \$9,945,866; and

7 WHEREAS, The SFGH Rebuild Project is now 95% complete and the CM/GC has
8 started the final stages of the work, consisting of testing, balancing, and commissioning all of
9 the systems in the new hospital work; and

10 WHEREAS, The CM/GC is running construction crews on double shifts and weekends
11 in order to meet the Substantial Completion date; and

12 WHEREAS, This increase in construction activity beyond what was originally projected
13 requires a commensurate increase in inspection services to support the CM/GC's work, avoid
14 inspection caused delays, and meet current project demands; and

15 WHEREAS, The Public Works has updated its forecast of inspection costs based on
16 the current increased level of effort by the CM/GC and the IOR Team and has determined that
17 it must increase the IOR inspection services contract by a total of \$1,665,000, thereby
18 increasing the contract not to exceed amount from \$9,945,866 to \$11,610,866; and

19 WHEREAS, The funds to cover the projected increase in IOR inspection services costs
20 are available within the current budget for the SFGH Rebuild Project from projected but
21 unrealized costs, without the need for additional appropriations to the SFGH Rebuild Project;
22 and

23 WHEREAS, Charter, Section 9.118(b), requires that all agreements in excess of
24 \$10,000,000 or amendments to those agreements in excess of \$500,000 be approved by the
25 Board of Supervisors; now, therefore, be it

1 RESOLVED, That the Board of Supervisors authorizes the Director of Public Works to
2 enter into Modification No. 5 to the November 18, 2010, agreement with Montgomery
3 Corporation, resulting in a contract amount not to exceed \$11,610,866; and, be it

4 FURTHER RESOLVED, That within thirty (30) days of Modification No. 5 being fully
5 executed by all parties, the Public Works shall provide the final Modification No. 5 to the Clerk
6 of the Board for inclusion into the official file.

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8 RECOMMENDED BY:
9 DEPARTMENT OF PUBLIC WORKS

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11 _____
12 Mohammed Nuru, Director of Public Works

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