

FILE NO. 041246

ORDINANCE NO.

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.**

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.

9              Section 8. Award to a bidder shall be made by Department of Public Works Director's  
10        Order after certification by the Controller, acting in his capacity as City Services Auditor, that  
11        such award will achieve the greatest cost savings for the Laguna Honda Hospital  
12        Replacement Program.

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

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17      By:        LORENZO DONATI  
18              Deputy City Attorney