

FILE NO. 021914

ORDINANCE NO. 4-03

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 approve the  
assignment of a current contract for professional services.]

3  
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; further authorizing the Director to modify**  
8 **and approve the assignment of 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.**

13  
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:

- 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.

8

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.

12

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.

18

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.
- 25

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.

8  
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.

16  
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.

21  
22       **Section 3.**

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

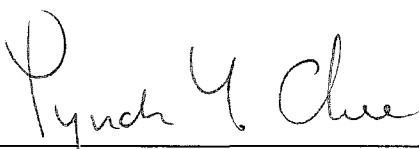
1 In order to maximize competition for the CM-at-Risk services, Turner Construction Company  
2 (Turner), a large general contracting firm with extensive experience in building hospitals,  
3 would be released from their current contract and be permitted to compete in the CM-at-Risk  
4 RFP process.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

9  
10 **Section 4.**

11 The Board acknowledges that the decision to modify the current construction management  
12 contract with Turner/CPM, JV is not related in any way to Turner/CPM, JV's performance.  
13 The Board recognizes that it is in the City's best interest to maintain continuity in the provision  
14 of such services to the Project. Therefore, the Board of Supervisors hereby authorizes the  
15 Director to take all necessary steps to modify and approve the assignment of the remaining  
16 scope of work of the Turner/CPM, JV, to Cooper Puga Management, Inc. and any  
17 necessary subconsultants. The Director is empowered with the discretion whether or not to  
18 proceed with the forgoing process.

19  
20 APPROVED AS TO FORM:

21 DENNIS J. HERRERA, City Attorney

22  
23  
24 By   
25 LYNDON Y. CHEE  
Deputy City Attorney



# 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:** 021914

**Date Passed:**

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

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December 16, 2002 Board of Supervisors — PASSED ON FIRST READING

Ayes: 10 - Ammiano, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom,  
Peskin, Sandoval  
Absent: 1 - Daly

January 13, 2003 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsom,  
Peskin, Ammiano, Sandoval

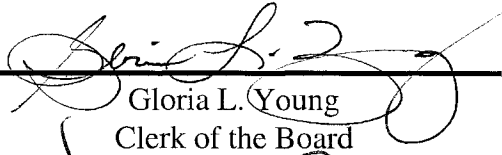
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I hereby certify that the foregoing Ordinance  
was **FINALLY PASSED** on January 13, 2003  
by the Board of Supervisors of the City and  
County of San Francisco.

JAN 24 2003

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Date Approved

  
Gloria L. Young  
Clerk of the Board

  
Mayor Willie L. Brown Jr.