

File No. 120255

Committee Item No. 2  
Board Item No. 9

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: April 18, 2012

Board of Supervisors Meeting Date 4-24-12

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget & Legislative Analyst Report            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ethics Form 126                                |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)               |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | * Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                         |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | * Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                   |
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#### OTHER (Use back side if additional space is needed)

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Completed by: Victor Young  
Completed by: Victor Young

Date: April 12, 2012  
Date: 4-19-12

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Contract Amendment - War Memorial Veterans Building Seismic Upgrade and Improvements  
2 Project - Not to Exceed \$11,621,721]

3 **Resolution authorizing the Director of Public Works to execute an amendment to the**  
4 **Executive Structural Engineering and Consultant Services for the War Memorial**  
5 **Veterans Building Seismic Upgrade and Improvements Project to increase the not-to-**  
6 **exceed amount from \$2,758,445 to \$11,621,721.**

7  
8 WHEREAS, San Francisco Charter Section 9.118, requires that the Board of  
9 Supervisors approve all contracts, other than construction contracts, with an anticipated  
10 expenditure of more than ten million dollars (\$10,000,000); and

11 WHEREAS, The City and County of San Francisco intends to seismically upgrade the War  
12 Memorial Veterans Building and to provide life safety and code mandated upgrades such as  
13 sprinklers, fire alarm and ADA as well as a new central plant that serves the Veterans Building  
14 as well as the Opera House. In addition, the project includes the repair/replacement of the  
15 building envelope, including numerous skylights, the mansard and flat roofs, the exterior terra  
16 cotta, which have all been damaged and have seriously deteriorated over the past 80 years;  
17 and

18 WHEREAS, Through a competitive process, the Department of Public Works has  
19 selected Simpson Gumpertz and Heger, Inc. (SGH), as a professional structural engineering  
20 firm possessing the special expertise, qualifications, and experience to provide professional  
21 design services for the War Memorial Veterans Building Seismic Upgrade and Improvements  
22 Project; and,

23 WHEREAS, On September 2, 2011, the Director of Public Works awarded an interim  
24 professional engineering services agreement to SGH (the Agreement) in conformance with  
25

1 San Francisco Administrative Code Section 6.40, *et seq.*, and authorized SGH to provide  
2 design services through Program Validation Phase in an amount not to exceed \$686,135;  
3 and,

4 WHEREAS, the Director of Public Works authorized four modifications to the  
5 Agreement for SGH to provide design services through the 50% Design Development Phase,  
6 for an amount not to exceed \$2,758,445; and,

7 WHEREAS, The Department of Public Works wishes SGH to proceed with the  
8 completion of the design and with construction administration services for a total Agreement  
9 amount of \$10,815,969; and,

10 WHEREAS, The Department of Public Works wishes include a 10% contingency of  
11 \$805,752 for a combined amount not-to-exceed \$11,621,721; now, therefore, be it

12 RESOLVED, That the Board of Supervisors does hereby approves modification of the  
13 Agreement between the City and County of San Francisco, by its Department of Public  
14 Works, and SGH, for the War Memorial Veterans Building Seismic Upgrade  
15 and Improvements Project, in a form substantially similar to the Agreement located in File  
16 120255, for an amount not to exceed \$11,621,721.



Edwin M. Lee, Mayor  
Mohammed Nuru, Director



March 13, 2012

Ms. Angela Calvillo  
Clerk of the Board  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
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RC

**Subject: Amendment to the Executive Structural Engineering and Consultant Services for the War Memorial Veterans Building Seismic Upgrade and Improvements Project, Job No. 7353A**

Dear Ms. Calvillo:

Pursuant to San Francisco Charter Section 9.118, which requires that the Board of Supervisors approve all contracts, other than construction contracts, with an anticipated expenditure of more than ten million dollars (\$10,000,000), the Department of Public Works (DPW) respectfully requests approval to execute an Amendment to the Executive Structural Engineering and Consultant Services with Simpson Gumpertz and Heger, Inc. (SGH) to increase the contract amount by \$8,057,524 from \$2,758,445 to \$10,815,969. In addition, we request a 10% contingency totaling \$805,752 for a combined amount not to exceed \$11,621,721.

DPW entered into an interim agreement with SGH on September 2, 2011 subsequent to a competitive RFQ and screening process to provide structural engineering and consultant services for the Seismic Upgrade and Improvements of the War Memorial Veterans. The basic services include the following phases (1) Program Validation; (2) Schematic Design; (3) Design Development; (4) Construction Documents; (5) Bid, Permit & Award; (6) Construction Administration and Warranty. The fee for these services were negotiated and agreed at \$10,815,969.

The interim agreement authorized SGH to proceed with the first two phases, Program Validation and Schematic Design, and 50% of the Design Development totaling \$2,758,445.



Ms. Angela Calvillo

March 13, 2012

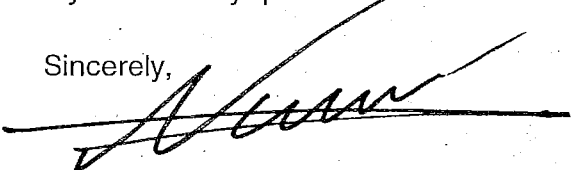
Page 2

The subject amendment will allow DPW to authorize SGH to proceed with the second half of the Design Development Phase and the remaining phases, 4 through 6, totaling \$8,057,524. The total SGH contract amount is \$10,815,969. In addition, DPW requests contracting authorization up to 10% of the requested amendment for \$805,752 as a contingency to allow DPW the flexibility to modify SGH's agreement for any additional services that may arise during the course of the project.

DPW respectfully requests approval from the Board of Supervisor to amend the Agreement with Simpson Gumpertz and Heger, Inc. in the form of the attached draft Resolution in order to continue the development of the War Memorial Veterans Building Seismic Upgrade and Improvements Project and enable it to proceed to construction.

If you have any questions, feel free to contact Tara Lamont of my staff at (415) 557-4664.

Sincerely,



Mohammed Nuru  
Director  
Department of Public Works

c Edgar Lopez, Tara Lamont, DPW

Attachment: Draft Resolution

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Edwin M. Lee, Mayor  
Mohammed Nuru, Director



DATE: March 12, 2012

TO: Ms. Debra Newman  
Budget & Legislative Analyst

FROM: Mohammed Nuru  
Director  
Department of Public Works

**Subject: Amendment to the Executive Structural Engineering and Consultant Services for the War Memorial Veterans Building Seismic Upgrade and Improvements Project, Job No. 7353A**

Pursuant to San Francisco Charter Section 9.118, which requires that the Board of Supervisors approve all contracts, other than construction contracts, with an anticipated expenditure of more than ten million dollars (\$10,000,000), the Department of Public Works (DPW) respectfully requests your recommendation for approval of the Amendment to the Executive Structural Engineering and Consultant Services with Simpson Gumpertz and Heger, Inc. (SGH) to increase the contract amount by \$8,057,524 from \$2,758,445 to \$10,815,969. In addition, we request a 10% contingency totaling \$805,752 for a combined amount not to exceed \$11,621,721.

## Background

### Project Description

The **War Memorial Veterans Building (WMVB)** is located at 401 Van Ness Avenue in the San Francisco Civic Center Historic District, and, together with the Opera House and Memorial Court, is designated as City Landmark No. 84. In 1989, The Loma Prieta earthquake caused damage at all levels of this historic building. The seismic assessment conducted in 1996 concluded that in a major earthquake, the structure would sustain significant damage and pose appreciable life safety hazards to building occupants. In addition, the building has badly deteriorated building systems, comprised largely of the original 1932 equipment including 80-year old boilers.

Key components of the project are the seismic upgrade, life safety and code mandated upgrades such as sprinklers, fire alarm and ADA as well as a new central plant that serves the Veterans Building as well as the Opera House. Facility preservation elements include repair/replacement of the building envelope including numerous skylights, the mansard and flat roofs, the exterior terracotta, which have all been damaged and have severely deteriorated over



the past 80 years. As a separate privately-funded project, the San Francisco Opera is investing \$21 million to convert the 4<sup>th</sup> floor to a performance space for 300, an education and media center, a costume shop and administration space.

SGH Contract History

DPW entered into an interim agreement with SGH on September 2, 2011 subsequent to a competitive RFQ and screening process to provide structural engineering and consultant services for the Seismic Upgrade and Improvements of the War Memorial Veterans. The basic services will include the following phases (1) Program Validation; (2) Schematic Design; (3) Design Development; (4) Construction Documents; (5) Bid, Permit & Award; (6) Construction Administration and Warranty. The fee for these services were negotiated and agreed at \$10,815,969.

The interim agreement authorized SGH to proceed with the first two phases, Program Validation and Schematic Design, and 50% of the Design Development totaling \$2,758,445. A detail account of the modifications to the interim agreement is included in Appendix A along with copies of the original agreement. The subject amendment will allow DPW to authorize SGH to proceed with the second half of the Design Development Phase and the remaining phases, 4 through 6, totaling \$8,057,524. The total SGH contract amount is \$10,815,969. In addition, DPW requests contracting authorization up to 10% of the requested amendment for \$805,752 as a contingency to allow DPW the flexibility to modify SGH's agreement for any additional services that may arise during the course of the project. Phases 1 through 6 will be incorporated into a comprehensive agreement attached hereto as Appendix B. Table A below provides a fee breakdown totaling the amount not to exceed \$11,621,721 inclusive of the 10% contingency.

<b>Table A - Comprehensive Agreement Fee Breakdown</b>			
	<b>Phases</b>	<b>Fee</b>	<b>Total</b>
Interim Agreement			
Original Amount	(1) Program Validation	\$686,135	
Modification No. 2 & 3	(2) Schematic Design	\$1,114,343	
Modification No. 4	(3) 50% Design Development	\$957,967	
<b>Interim Agreement Subtotal</b>			<b>\$2,758,445</b>
Requested Amendment			
	(3) 50% Design Development	\$957,967	
	(4) Construction Documents	\$3,361,048	
	(5) Bid, Permit and Award	\$355,714	
	(6) Construction Administration & Warranty	\$3,382,794	
<b>Requested Amendment Subtotal</b>			<b>\$8,057,524</b>
<b>Comprehensive Agreement Fee Total</b>			<b>\$10,815,969</b>
10% Contingency (for 50% DD and Phases 4 through 6)			\$805,752.36
<b>Comprehensive Agreement Fee Total</b>			<b>\$11,621,721</b>



Schedule

Construction is scheduled to commence July 2013 and be completed on June 2015. In order to maintain the schedule, each phase must start and finish as scheduled. To avoid delays, DPW authorized 50% percent of the design development fee. DPW desires SGH to proceed with the completion of design development and continue with phases 4 through 6 and must receive Board of Supervisors approval before May 2012 in order to preserve the schedule.

The project milestone for each phase is noted in Table B – Project Schedule below.

<b>Project Milestone</b>	<b>Date</b>
Schematic Design Start	December 2011
100% Schematic Design	March 2012
Design Development Start	March 2012
50% Design Development	May 2012
100% Design Development	June 2012
Construction Documents Start	June 2012
30% Construction Documents	August 2012
60% Construction Documents	November 2012
90% Construction Documents	January 2013
100% Construction Documents	March 2013
Construction Start	July 2013
Construction Completion	June 2015
Warranty Phase	July 2015 – July 2016

Budget

The budget for the Seismic Upgrade and Improvements Project is \$132,455,590. The basic services fee of \$10,815,969 is within budget. Further, the 10% contingency of \$805,752 may be funded from the Additional A/E Services. Both budgets are highlighted in Table C – Project Budget below.

Table C - Project Budget

SEISMIC UPGRADE AND IMPROVEMENTS PROJECT		
1. PURCHASE, CONSTRUCTION, & MOBILIZATION		101,940,800
2. PROJECT CONTROL		
2.1 DPW PROJECT MANAGEMENT	3,095,030	
2.2 CITY ADMINISTRATIVE SERVICES	884,400	
2.3 REGULATORY AGENCY APPROVALS	3,087,570	
2.4 A/E SERVICES		
2.4.1 Basic A/E Services	11,055,000	
2.4.2 Construction Management, & Related Services	4,690,800	
2.4.3 Additional CM Services, Geotech, Surveys	2,633,811	
2.4.4 Additional A/E Services	2,412,589	
PROJECT CONTROL TOTAL		27,859,200
3. HAZ MAT ABATEMENT		500,000
4. OTHER PROGRAM COSTS		1,000,000
5. FINANCE COSTS		1,155,590
<b>SEISMIC UPGRADE AND IMPROVEMENTS PROJECT TOTAL</b>		<b>132,455,590</b>

Funding

In FY 2010-11, \$15,000,000 was appropriated for the project funded from proceeds of Certificates of Participation (COPs). The remaining \$117,455,590 is scheduled to be appropriated in the FY 2012-13 budget, also to be funded by proceeds from COPs. The project reserve is sufficient to fund this amendment as noted Table D – Cost Controls.

Table D - Cost Controls									
Firm - Scope	Appropriation			Expenditures			Encumbrance	Balance	Percentage of Expenditures
	Previous	Change +/-	Current	Previous	Current 02/01-01/28/12	Total			
Bureau of Architecture	\$500,000	\$18,951	\$518,951	\$231,923	\$89,949	\$321,866	\$0	\$197,085	62.02%
Bureau of Engineering	\$234,200	\$0	\$234,200	\$16,376	\$7,387	\$23,763	\$0	\$210,437	10.15%
Bureau of Construction Management	\$23,592	\$0	\$23,592	\$2,052	\$0	\$2,052	\$0	\$21,540	8.70%
<b>Total</b>	<b>\$757,792</b>	<b>\$18,951</b>	<b>\$776,743</b>	<b>\$250,351</b>	<b>\$97,336</b>	<b>\$347,687</b>	<b>\$0</b>	<b>\$429,062</b>	<b>44.75%</b>
Summary of Consultants & other City Services and Agencies									
Scope	Appropriation			Expenditures			Encumbrance	Balance	Percentage of Expenditures
	Previous	Change +/-	Current	Previous	Current 02/01-01/28/12	Total			
50. SGH	\$1,860,989	\$1,200,000	\$3,060,989	\$655,642	\$452,602	\$1,108,244	\$752,745	\$1,200,000	86.21%
51. JHI Environment	\$59,025	\$0	\$59,025	\$51,048	\$7,977	\$59,025	\$0	\$0	100.00%
52. ARUP	\$149,300	\$0	\$149,300	\$0	\$0	\$0	\$149,259	\$41	0.00%
53. Paulett Taggart	\$0	\$43,510	\$43,510	\$0	\$0	\$0	\$0	\$43,510	0.00%
54. Tom Elliot Fisch	\$0	\$145,888	\$145,888	\$0	\$0	\$0	\$145,888	\$0	0.00%
99. Project Reserve	\$12,172,894	-\$1,408,449	\$10,764,445	\$0	\$0	\$0	\$0	\$10,764,445	0.00%
<b>Total</b>	<b>\$14,242,208</b>	<b>-\$18,951</b>	<b>\$14,223,257</b>	<b>\$706,690</b>	<b>\$460,579</b>	<b>\$1,167,269</b>	<b>\$1,047,992</b>	<b>\$12,007,996</b>	<b>8.21%</b>
War Memorial Veterans Building	\$15,000,000	\$0	\$15,000,000	\$957,041	\$557,909	\$1,514,950	\$1,047,992	\$12,487,058	10.10%

DPW respectfully requests your recommendation for approval of the Amendment to the Executive Structural Engineering and Consultant Services with Simpson Gumpertz and Heger, Inc. (SGH) to increase the contract amount by \$8,057,524 from \$2,758,445 to \$10,815,969. In addition, we request a 10% contingency totaling \$805,752 for a combined amount not to exceed \$11,621,721.

Debra Newman  
March 12, 2012  
Page 5

If you have any questions, please contact Tara Lamont, Project Manager, at (415) 557-4664.

c Edgar Lopez, Tara Lamont, DPW

Attachment: **Appendix A – Interim Agreement, Modifications 1, 2, 3, & 4**  
**Appendix B - Agreement Between City and County of San Francisco and**  
**Simpson Gumpertz & Heger, Inc.**

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**Appendix A – Interim Agreement Between City and County of San Francisco  
and Simpson Gumpertz & Heger, Inc. including Modifications 1, 2, 3 & 4**

**CITY AND COUNTY OF SAN FRANCISCO  
DEPARTMENT OF PUBLIC WORKS**

**AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND  
SIMPSON GUMPERTZ & HEGER INC**

This Agreement is made this August 30, 2011, in the City and County of San Francisco, State of California, by and between:

Simpson Gumpertz & Heger, Inc.  
The Landmark @ One Market, Suite 600  
San Francisco, California 94105

hereinafter referred to as "Contractor," and City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of Public Works, hereinafter referred to as "Director."

**Recitals**

WHEREAS, the Department of Public Works wishes to contract for professional engineering services on an interim basis for the War Memorial Veterans Building Seismic Upgrades and Improvements Project; and,

WHEREAS, in the event the parties enter into a Final Contract for the War Memorial Veterans Building Seismic Upgrade & Improvements Project, the terms and conditions of the Final Contract will supersede the terms and conditions of this agreement as if the scope of services performed under the interim agreement would have been performed under the terms and conditions of the Final Contract; and,

WHEREAS, a Request for Qualifications ("RFQ") was issued on April 29, 2011, and City selected Contractor as the highest qualified scorer pursuant to the RFQ; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required for City as set forth under this contract; and,

WHEREAS, approval for said Agreement was obtained from the Civil Service Commission by Resolution No. PSC 4103-10/11 dated May 2, 2011.

Now, THEREFORE, the parties agree as follows:

**1. Definitions**

Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Agreement and Specifications, it shall have the meaning herein set forth.

**AUTHORIZATION**

Contract Order of the City and County of San Francisco properly executed by the Director, Director of Purchasing, and City Administrator, and certified by the Controller for the specific funding of this Agreement or any modification thereof

**CITY ADMINISTRATOR**

City Administrator of the City and County of San Francisco.

City and County of San Francisco  
Department of Public Works  
Contract Administration  
875 Stevenson Street, Room 420  
San Francisco, CA 94103-0935

**CONTRACT NO. DPAT12000031**  
**7353A – VETERANS BUILDING**  
**SEISMIC UPGRADES AND IMPROVEMENTS PROJECT**  
**MODIFICATION NO. 1**

Between the City and County of San Francisco and

**SIMPSON GUMPERTZ & HEGER, INC.**

The City and County of San Francisco and Simpson Gumpertz & Heger, Inc. have entered into an Agreement dated September 2, 2011. This Modification to the Agreement (“Modification No. 1”) is dated November 16, 2011, in the City and County of San Francisco, State of California, by and between the City and County of San Francisco (the “City”) and Simpson Gumpertz & Heger, Inc. (the “Contractor”).

RECITALS

WHEREAS, in accordance with Section 3 Term of the Agreement, the City and the Contractor wish to extend the Term of the Agreement by 152 days; and

NOW, THEREFORE, THE PARTIES AGREE as follows:

- A. Increase the number of days by 152 from 90 to 241 under Section 3 Term of the Agreement. Term from September 2, 2011 – April 30, 2012.
- B. In all other respects, the provisions of the Agreement dated September 2, 2011 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 1 to the Agreement on the day first mentioned above.

**DEPARTMENT OF PUBLIC WORKS**

**SIMPSON GUMPERTZ & HEGER, INC.**

**Recommended:**

By: Tara Lamont  
Tara Lamont, Project Manager  
Building Design and Construction Division

By: Ronald Hamburger  
Ronald Hamburger  
Senior Principal

**Recommended:**

Edgar A. Lopez  
Edgar A. Lopez, Deputy Division Manager  
Building Design and Construction Division

The Landmark at One Market, Suite 600  
Address

**Recommended:**

Fuad S. Sweiss  
Fuad S. Sweiss, City Engineer & Deputy Director  
Department of Public Works

San Francisco, CA 94105  
City, State, Zip

**Approved**

I have read and understood Sec. 30, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Mohammed Nuru

Mohammed Nuru  
Interim Director of Public Works

Approved as to Form:  
Dennis J. Herrera  
City Attorney

By: Dennis J. Herrera  
Deputy City Attorney

City and County of San Francisco  
Department of Public Works  
Contract Administration  
875 Stevenson Street, Room 420  
San Francisco, CA 94103-0935

CONTRACT NO. DPAT12000031  
7353A – VETERANS BUILDING  
SEISMIC UPGRADES AND IMPROVEMENTS PROJECT  
MODIFICATION NO. 2

Between the City and County of San Francisco and

**SIMPSON GUMPERTZ & HEGER, INC.**

The City and County of San Francisco and Simpson Gumpertz & Heger, Inc. have entered into an Agreement dated September 2, 2011. This Modification to the Agreement (“Modification No. 2”) is dated December 5, 2011, in the City and County of San Francisco, State of California, by and between the City and County of San Francisco (the “City”) and Simpson Gumpertz & Heger, Inc. (the “Contractor”).

RECITALS

WHEREAS, in accordance with Section 5 Compensation, the City and the Contractor wish to increase the contract by \$1,174,854 from \$686,135 to \$1,860,989; and

WHEREAS, the City and the Contractor wish to append Appendix A Scope of Work to include the Schematic Design Services proposal; and

WHEREAS, the City and the Contractor wish to update Appendix B Calculation of Charges, Table 3 – Hourly Charges; and

WHEREAS, the City and the Contractor wish to add a new Appendix D Contract Modifications; and

NOW, THEREFORE, THE PARTIES AGREE as follows:

- A. Increase the amount by \$1,174,854 from \$686,135 to \$1,860,989 under Section 5 Compensation for the Schematic Design Services.
- B. Append Appendix A – Scope of Work with the Schematic Design Services proposal from Simpson Gumpertz & Heger, Inc. dated December 1, 2011.
- C. Update Appendix B Calculation of Charges, Table 3 – Hourly Rates and add staff members under Carey & Company Architecture.
- D. Add a new Appendix D – Contract Modifications.
- E. In all other respects, the provisions of the Agreement dated September 2, 2011 shall remain in full force and effect.



IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 2 to the Agreement on the day first mentioned above.

**DEPARTMENT OF PUBLIC WORKS**

**SIMPSON GUMPERTZ & HEGER, INC.**

Recommended:

By: Tara Lamont  
Tara Lamont, Project Manager  
Building Design and Construction Division

By: Ronald Hamburger  
Ronald Hamburger  
Senior Principal

Recommended:

Edgar A. Lopez  
Edgar A. Lopez, Deputy Division Manager  
Building Design and Construction Division

The Landmark at One Market, Suite 600  
Address

Recommended:

Fuad S. Sweiss  
Fuad S. Sweiss, City Engineer & Deputy Director  
Department of Public Works

San Francisco, CA 94105  
City, State, Zip

Approved

I have read and understood Sec. 30, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Mohammed Nuru  
Mohammed Nuru  
Interim Director of Public Works

Approved as to Form:  
Dennis J. Herrera  
City Attorney

By: Dennis J. Herrera  
Deputy City Attorney

Attachments:

- Attachment 1 - Appendix A – Scope of Work – Schematic Design Services proposal from Simpson Gumpertz & Heger, Inc. dated December 1, 2011.
- Attachment 2 – Appendix B – Calculation of Charges, Table 3 Hourly Rates
- Attachment 3 - Appendix D - Contract Modifications

City and County of San Francisco  
Department of Public Works  
Contract Administration  
875 Stevenson Street, Room 420  
San Francisco, CA 94103-0935

CONTRACT NO. DPAT12000031  
7353A – VETERANS BUILDING  
SEISMIC UPGRADES AND IMPROVEMENTS PROJECT  
MODIFICATION NO. 3

Between the City and County of San Francisco and

**SIMPSON GUMPERTZ & HEGER, INC.**

The City and County of San Francisco and Simpson Gumpertz & Heger, Inc. have entered into an Agreement dated September 2, 2011. This Modification to the Agreement (“Modification No. 3”) is dated February 24, 2012, in the City and County of San Francisco, State of California, by and between the City and County of San Francisco (the “City”) and Simpson Gumpertz & Heger, Inc. (the “Contractor”).

RECITALS

WHEREAS, in accordance with Section 5 Compensation, the City and the Contractor wish to decrease the contract by \$60,511 from \$1,860,989 to \$1,800,478; and

WHEREAS, the City and the Contractor wish to append Appendix A Scope of Work to include the Simpson Gumpertz & Heger, Inc.’s proposal reducing the Schematic Design Phase fees; and

WHEREAS, the City and the Contractor wish to replace Appendix D Contract Modifications to include Modification No. 3; and

NOW, THEREFORE, THE PARTIES AGREE as follows:

- A. Decrease the amount by \$60,511 from \$1,860,989 to \$1,800,478 under Section 5 Compensation due to changes to the project scope during the Schematic Design Phase.
- B. Append Appendix A – Scope of Work with the Schematic Design Services proposal from Simpson Gumpertz & Heger, Inc. dated February 21, 2012.
- C. Replace Appendix D – Contract Modifications to include Modification No. 3.
- D. In all other respects, the provisions of the Agreement dated September 2, 2011 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 3 to the Agreement on the day first mentioned above.

DEPARTMENT OF PUBLIC WORKS

SIMPSON GUMPERTZ & HEGER, INC.

Recommended:

By: Tara Lamont  
Tara Lamont, Project Manager  
Building Design and Construction Division

By: Ronald Hamburger  
Ronald Hamburger  
Senior Principal

Recommended:

Edgar A. Lopez  
Edgar A. Lopez, Deputy Division Manager  
Building Design and Construction Division

The Landmark at One Market, Suite 600  
Address

Recommended:

Fuad S. Sweiss  
Fuad S. Sweiss, City Engineer & Deputy Director  
Department of Public Works

San Francisco, CA 94105  
City, State, Zip

Approved

Mohammed Nuru  
Mohammed Nuru  
Interim Director of Public Works

I have read and understood Sec. 30, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Approved as to Form:  
Dennis J. Herrera  
City Attorney

By: Dennis J. Herrera  
Deputy City Attorney

Attachments:

- Attachment 1 - Appendix A - Scope of Work - Schematic Design Services proposal from Simpson Gumpertz & Heger, Inc. dated February 21, 2012.
- Attachment 2 - Appendix D - Contract Modifications

City and County of San Francisco  
Department of Public Works  
Contract Administration  
875 Stevenson Street, Room 420  
San Francisco, CA 94103-0935

CONTRACT NO. DPAT12000031  
7353A – VETERANS BUILDING  
SEISMIC UPGRADES AND IMPROVEMENTS PROJECT  
MODIFICATION NO. 4

Between the City and County of San Francisco and

**SIMPSON GUMPERTZ & HEGER, INC.**

The City and County of San Francisco and Simpson Gumpertz & Heger, Inc. have entered into an Agreement dated September 2, 2011. This Modification to the Agreement (“Modification No. 4”) is dated February 24, 2012, in the City and County of San Francisco, State of California, by and between the City and County of San Francisco (the “City”) and Simpson Gumpertz & Heger, Inc. (the “Contractor”).

RECITALS

WHEREAS, in accordance with Section 3 Term of the Agreement, the City and the Contractor wish to extend the Term of the Agreement by 52 days; and

WHEREAS, in accordance with Section 5 Compensation, the City and the Contractor wish to increase the contract by \$957,967 from \$1,800,478 to \$2,758,445; and

WHEREAS, the City and the Contractor wish to append Appendix A Scope of Work to include the 50% of the Design Development Services; and

WHEREAS, the City and the Contractor wish to update Appendix B Calculation of Charges, Table 3 – Hourly Charges; and

WHEREAS, the City and the Contractor wish to replace Appendix D Contract Modifications to include Modification No. 4; and

NOW, THEREFORE, THE PARTIES AGREE as follows:

- A. Increase the number of days by 52 from 241 to 293 under Section 3 Term of the Agreement. Term from September 2, 2011 – June 22, 2012.
- B. Increase the amount by \$957,967 from \$1,800,478 to \$2,758,445 under Section 5 Compensation which represents 50% of the Design Services.
- C. Append Appendix A – Scope of Work with the 50% Design Development Services proposal from Simpson Gumpertz & Heger, Inc. dated February 21, 2012.

- D. Update Appendix B Calculation of Charges, Table 3 – Hourly Rates and add staff members under SGH, SJ Engineers, and add a new subconsultant, American Trash Management and their staff members.
- E. Replace Appendix D – Contract Modifications to include Modification No. 4.
- F. In all other respects, the provisions of the Agreement dated September 2, 2011 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 4 to the Agreement on the day first mentioned above.

**DEPARTMENT OF PUBLIC WORKS**

**SIMPSON GUMPERTZ & HEGER, INC.**

Recommended:

By: Tara Lamont  
Tara Lamont, Project Manager  
Building Design and Construction Division

By: Ronald Hamburger  
Ronald Hamburger  
Senior Principal

Recommended:

Edgar A. Lopez  
Edgar A. Lopez, Deputy Division Manager  
Building Design and Construction Division

The Landmark at One Market, Suite 600  
Address

Recommended:

Fuad S. Sweiss  
Fuad S. Sweiss, City Engineer & Deputy Director  
Department of Public Works

San Francisco, CA 94105  
City, State, Zip

Approved:

I have read and understood Sec. 30, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Mohammed Nuru  
Mohammed Nuru  
Interim Director of Public Works

Approved as to Form:  
Dennis J. Herrera  
City Attorney

By: Dennis J. Herrera  
Deputy City Attorney

Attachments:

- Attachment 1 - Appendix A - Scope of Work - 50% Design Development Services, Modification No. 4 to Interim Agreement dated February 21, 2012
- Attachment 2 - Appendix B Calculation of Charges, Table 3 - Hourly Rates
- Attachment 3 - Appendix D - Contract Modifications

\*\* Complete copy of document is  
located in

File No. 120255

AGREEMENT BETWEEN  
CITY AND COUNTY OF SAN FRANCISCO  
AND  
SIMPSON GUMPERTZ & HEGER, INC.  
TO FURNISH  
EXECUTIVE STRUCTURAL ENGINEERING AND  
CONSULTANT SERVICES  
FOR THE  
WAR MEMORIAL VETERANS BUILDING  
SEISMIC UPGRADE AND IMPROVEMENTS PROJECT

May 4, 2012

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
 (S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: <b>Simpson Gumpertz &amp; Heger Inc.</b>	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
1) Board of Directors: Glenn R. Bell, Werner H. Gumpertz; Ronald O. Hamburger; Gregory S. Hardy; Paul L. Kelley; Kenneth A. Klein; Dean A. Rutila; Thomas A. Schwartz; Howard Simpson; Niklas Vigener; Joseph J. Zona 2) CEO – Glenn R. Bell; CFO; George R. Reiter; 3) Persons owning more than 20% - none 4) Subcontractors: American Trash Management; Auerbach Glasow French; Auerbach Pollock Friedlander; Bello & Associates; Carey & Company Architecture; Glumac; Hesselberg Keese; Marshall Group; The Preview Group, Inc.; RLS; SJ Engineers; TBD Consultants; 5) Any political committee sponsored or controlled by contractor: none	
Contractor address: The Landmark @ 1 Market Street, 6 <sup>th</sup> Floor, San Francisco, CA 94105	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: <b>\$11,621,721</b>
Describe the nature of the contract that was approved: Provide Structural Engineering and Consultant Services for the War Memorial Veterans Building Seismic Upgrade and Improvements Project.	
<b>Comments:</b>	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: ( 415 ) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed



**Item 2**  
**File 12-0255**

**Departments:** Department of Public Works (DPW), War Memorial

### EXECUTIVE SUMMARY

#### Legislative Objective

The proposed resolution would authorize the Director of the Department of Public Works (DPW) to execute the fifth modification to an agreement between DPW and Simpson Gumpertz & Heger, Inc. (SGH), for engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project, to increase the not-to-exceed amount by \$8,057,524, from a not-to-exceed amount of \$2,758,445 to a not-to-exceed amount of \$10,815,969. With a contingency equal to 10 percent of the modification, or \$805,752, the total requested not-to-exceed amount is \$8,863,276, resulting in a total modified agreement not-to-exceed amount of \$11,621,721.

#### Key Points

- The proposed resolution would authorize the Director of the Department of Public Works (DPW) to execute a fifth modification to an existing agreement between DPW and Simpson Gumpertz & Heger, Inc. (SGH), for phase 3.b through phase 6 of engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project.
- On September 2, 2011, the DPW Director awarded an interim professional engineering services agreement to SGH and authorized SGH to provide engineering and architectural services in an amount not to exceed \$686,135. The DPW Director has since authorized four modifications to the Agreement for SGH to provide engineering and architectural services through the 50% Design Development Phase, for a total existing not-to-exceed amount of \$2,758,445.
- The DPW Director is now requesting authorization for SGH to proceed with the completion of the engineering and architectural services to complete the design work and additionally to provide construction administration services for an increased not-to-exceed amount of \$8,057,524, resulting in a new total amount of \$10,815,969, plus a 10 percent contingency of \$805,752, for a total not-to-exceed amount of \$11,621,721. Since the amended agreement amount would exceed \$10,000,000, Board of Supervisors approval is required.
- Services to be provided by SGH under the requested fifth modification of \$8,057,524 include (a) 50% design development, (b) construction documents, (c) bid, permit, and award, and (d) construction administration and warranty.
- According to DPW, the increases that are being requested are critical to completing the War Memorial Seismic Upgrade and Improvement Project on a timely basis.

#### Fiscal Impact

- The source of funds for the requested not-to-exceed \$8,863,276 increased authorization is revenue from the City's Commercial Paper Program; and revenue from Certificates of Participation (COPs), the issuance of which was previously approved by the Board of Supervisors. Any Commercial Paper costs would be refunded by revenue from COPs, which are projected to be issued in December 2012. The COPs would be repaid with General Fund revenues.

#### Recommendation

- Approve the proposed resolution.

**MANDATE STATEMENT & BACKGROUND****Mandate Statement**

Under San Francisco Charter Section 9.118, any agreement with a term of over ten years or expenditures of over \$10,000,000 is subject to approval by the Board of Supervisors.

**Background**

The San Francisco War Memorial complex includes two buildings, the Veterans Building and the War Memorial Opera House, and the adjoining outdoor Memorial Court, all of which were completed in 1932. The complex is designated as both a City Landmark and State Landmark. The Veterans Building currently provides: (a) office, exhibit, and meeting space for the San Francisco Posts of the American Legion and other veteran organizations; (b) office space for the City's War Memorial staff; (c) exhibition space for the San Francisco Arts Commission; (d) office and exhibition space for various local non-profit organizations; (e) office space for the Mayor's Office of Disability; (f) the City's Law Library; and (g) meeting space for the City's Department of Environment. In addition, the Veterans Building also houses the Herbst Theatre and the Green Room performance and reception hall.

On July 13, 2011, the Board of Supervisors approved the execution and delivery of Certificates of Participation (COPs) to finance certain improvements to the War Memorial Veterans Building (File 11-0750). The War Memorial Seismic Upgrade and Improvement Project consist of the following improvements:

- Seismic upgrades and earthquake damage repair;
- Hazardous materials mitigation;
- Improvements to preserve and improve building facilities, including:
  - Roof and skylights renovation;
  - Replacement or upgrade of attic catwalks and service platforms; and
  - Elevator upgrades;
- Accessibility upgrades;
- Local, State, and Federal Building Code-mandated upgrades, including:
  - Energy efficiency upgrades;
  - Mechanical system upgrades; and
  - Central plant replacement; and
- Replacement of the building's water piping and drinking water system.

The total approved War Memorial Seismic Upgrade and Improvement Project budget is \$132,455,590, as shown in Table 1 below.

**Table1: War Memorial Seismic Upgrade and Improvement Project Budget**

<b>1. Hard Costs - Construction Contract Costs (contract to be competitively bid)</b>	<b>\$101,940,800</b>
Includes all seismic elements, put back of historic finishes, life safety and code mandated improvements including sprinkler & fire alarm systems, Americans with Disabilities Act (ADA), central plant replacement, elevator upgrades, replacement of domestic drinking water systems, design & construction contingencies.	
<b>2. Soft Costs - Project Management, Design, Permits, etc.</b>	
a. Basic Engineering/Architectural Services	\$11,055,000
b. Supplemental Engineering/Architectural Services	2,412,589
c. Additional Construction Management Services, Geotech, Surveys	2,633,811
d. Construction Management and Related Services	4,690,800
e. DPW Project Management Services	3,095,030
f. City Administrative Services	884,400
g. Regulatory Agency Approvals	3,087,570
<b>Subtotal - Soft Costs</b>	<b>\$ 27,859,200</b>
<b>Total - Hard Costs and Soft Costs</b>	<b>\$129,800,000</b>
<b>3. Commercial Paper Program Interest</b>	<b>1,155,590</b>
<b>4. Relocation Costs for Existing Veterans Building Tenants</b>	<b>1,000,000</b>
<b>5. HazMat Abatement</b>	<b>500,000</b>
<b>Total Project Costs</b>	<b>\$132,455,590</b>

Source: Department of Public Works

### Existing Engineering and Architectural Services Agreement

On April 29, 2011, the Department of Public Works (DPW) issued a competitive Request for Qualifications (RFQ) for engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project. Minimum qualifications, as defined by the RFQ, included experience in seismic upgrade and facility preservation of historic buildings in California. In addition, the RFQ required experience in acoustics, theatrical improvements, mechanical, electrical, plumbing, elevator replacement, telecom, lighting, and cost estimating.

According to Ms. Tara Lamont, Project Manager for DPW, six teams responded to the RFQ. Simpson Gumpertz & Heger, Inc. (SGH) was the highest ranked respondent.

On September 2, 2011, DPW entered into an interim agreement with SGH for SGH to provide engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project for a Program Validation Phase. SGH is responsible for selecting and overseeing

architectural and engineering subconsultants for project analysis, design, and construction administration.

The initial not-to-exceed agreement amount was \$686,135 for SGH to provide engineering and architectural services and the DPW Director has since authorized four modifications to the Agreement, for a total revised not-to-exceed amount of \$2,758,445. A summary of the first four modifications is shown in Table 2 below.

**Table 2: SGH Agreement Modification History**

Agreement Stage	Reason for Modification	Additional Cost	Total Not-to-Exceed Amount
Original Agreement	N/A	N/A	\$686,135
Modification 1	Agreement Period Extension	\$0	\$686,135
Modification 2	Added Schematic Design Tasks	\$1,174,854	\$1,860,989
Modification 3	Added Schematic Design Tasks	(\$60,511)	\$1,800,478
Modification 4	Added 50% Design Development	\$957,967	\$2,758,445

Source: Department of Public Works

Because the original agreement and first four modifications were for a period of less than 10 years and for a cost of less than \$10 million, the existing agreement and the first four modifications were not subject to Board of Supervisors approval.

## DETAILS OF PROPOSED LEGISLATION

According to Ms. Lamont, the Department of Public Works (DPW) entered into an agreement between DPW and Simpson Gumpertz & Heger, Inc. (SGH) with an initial not-to-exceed amount of \$686,135, in order for SGH to provide the initial stages of engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project. Ms. Lamont stated “we needed to get a clear idea on the scope of work and this early phase allowed us to do this. We tested the building envelope; evaluated mechanical, electrical, plumbing, theatrical systems, etc.; developed the new space program; and derived a cost estimate.” Based on this information, Ms. Lamont notes that DPW then developed the fifth modification for additional requested services that is the subject of the proposed resolution.

The proposed resolution would authorize the Director of the DPW to execute a fifth modification to the existing agreement between DPW and SGH, for phase 3.b. through phase 6 of the engineering and architectural services required for the War Memorial Seismic Upgrade and Improvement Project, to increase the agreement by a not-to-exceed amount of \$8,863,276, including a 10 percent contingency of \$805,752, from a not-to-exceed amount of \$2,758,445 to a not-to-exceed amount of \$11,621,721. Table 3, below, summarizes the cost details of the existing agreement, as well as the requested fifth modification (Phase 3.b through phase 6, plus the 10 percent contingency).

As is noted in the Background section above, the current SGH agreement commenced on September 2, 2011. Under DPW’s schedule for the War Memorial Seismic Upgrade and Improvement Project, design development under the SGH agreement would be completed in June 2012, construction documents would be completed in March 2013, and construction of the

Veterans Building improvements would commence in July 2013 and is anticipated to be completed by July 2015.

**Table 3: Summary Cost Details of the Agreement with SGH**

<b>Project Phase</b>	<b>Existing Agreement</b>	<b>Amount</b>
1	Program Validation (Original Agreement)	\$686,135
2	Schematic Design	1,114,343
3.a.	50% Design Development (first half)	957,967
	<b>Subtotal: Existing Not-to-Exceed Amount</b>	<b>\$2,758,445</b>
	<b>Proposed Fifth Modification</b>	
3.b	50% Design Development (second half)	\$957,967
4	Construction Documents	3,361,048
5	Bid, Permit, and Award	355,714
6	Other Costs of Issuance	3,382,794
	<b>Subtotal</b>	<b>\$8,057,524</b>
	<b>Subtotal: Phases 1-6</b>	<b>\$10,815,969</b>
	10% Contingency of \$8,057,524 for Phases 3.b through 6	\$805,752
	<b>Total Requested Not-to-Exceed Agreement Amount</b>	<b>\$11,621,721</b>

\* Off by \$1 due to rounding.

Source: DPW

The agreement with SGH includes 12 subconsultants. Table 4, below, breaks down the agreement by firm, services performed, current not-to-exceed amount, the proposed fifth agreement modification, and the proposed total amount.

**Table 4: SGH Agreement Subconsultant Breakdown, Excluding 10% Contingency**

<b>Firm</b>	<b>Services Performed</b>	<b>Current Not-to-Exceed Amount</b>	<b>Proposed Increase - Modification Number 5</b>	<b>Proposed Total Not-to-Exceed Amount</b>
Simpson Gumpertz & Heger	Project Management, Structural Engineer, & Building Envelope Analysis	\$923,879	\$3,415,807	\$4,339,686
Bello & Associates (LBE)	Structural Engineer	40,084	81,354	121,438
Carey & Co. (LBE)	Historic Preservation Consultant	299,985	1,224,684	1,524,669
SJ Engineers (LBE)	Mechanical & Plumbing Engineer	473,162	1,407,642	1,880,804
Glumac Associates	Electrical Engineer	225,100	713,877	938,977
Auerbach Pollack Friedlander	Theatrical Consultant	125,135	239,830	364,965
Auerbach Glasow French	Lighting Consultant	135,285	303,265	438,550
Hesselberg Keesee & Associates	Elevator Consultant	19,470	27,330	46,800
RLS	Acoustics & Security Consultant	205,275	328,990	534,265
Debora Nichols Design (LBE)	Signage	38,585	85,745	124,330
Marshall Associates	Food Service Consultant	10,205	13,425	23,630
The Preview Group	Code Review Consultant	57,900	40,480	98,380
TBD Consultants	Cost Estimating	202,630	173,345	375,975
American Trash Management	Trash System Analysis	1,750	1,750	3,500
<b>Total:</b>		<b>\$2,758,445</b>	<b>\$8,057,524</b>	<b>\$10,815,969</b>
<b>Total with 10 percent contingency:</b>			<b>\$805,752</b>	<b>\$11,621,721</b>

According to Mr. Mohammed Nuru, Director of DPW, the requested 10 percent contingency of \$805,752 would "allow DPW the flexibility to modify SGH's agreement for any additional services that may arise during the course of the project." According to Ms. Lamont, the construction contract will be competitively bid. Construction is anticipated to commence in July 2013 and be completed by July 2015.

## FISCAL IMPACTS

As noted above, based on a competitive Request for Qualifications (RFQ) process, the existing agreement to provide engineering and architectural services for the War Memorial Seismic Upgrade and Improvement Project was awarded to Simpson Gumpertz & Heger, Inc. (SGH) in a not-to-exceed amount of \$686,135.

The subject request would result in the fifth modification to the existing agreement, increasing the agreement cost by a not-to-exceed amount of \$8,863,276 resulting in a total modified not-to-exceed agreement amount of \$11,621,721.

Funding for the existing agreement and proposed fifth modification would be provided by a combination of Commercial Paper and Certificates of Participation (COPs), both of which have been previously approved by the Board of Supervisors (Files 10-0701 and 11-0750, respectively). According to Mr. Anthony Ababon of the Office of Public Finance, the City anticipates issuing the COPs in December 2012. Until the COPs are issued, the City's Commercial Paper program would provide the funding for the agreement with SGH. According to Mr. Ababon, costs associated with the issuance and refunding of Commercial Paper are estimated to be 3 percent of issuance. The Commercial Paper would be repaid by revenue from the issuance of the COPs. The COPs would be refunded by General Fund revenues, subject to Board of Supervisors approval.

According to the Office of Public Finance, the planned use of Commercial Paper is in accordance with the City's Commercial Paper program, approved by the Board of Supervisors on April 6, 2010 (File 10-0269). The Office of Public Finance notes, "Commercial paper is an alternative form of short-term (or interim) financing for capital projects that permits the City to pay project costs as project expenditures are incurred."

## POLICY CONSIDERATION

### **Delay or Inaction on the Proposed Resolution Could Result In Delays to the War Memorial Seismic Upgrade and Improvement Project**

According to a March 13, 2012 memorandum from Mr. Nuru to the Budget and Legislative Analyst's Office (see attached), timely approval of the proposed resolution, authorizing the fifth modification the SGH agreement, is critical to maintaining the existing schedule for the War Memorial Seismic Upgrade and Improvement Project. Mr. Nuru noted, "DPW desires SGH to proceed with the completion of design development (phase 3.b) and continue with phases 4 through 6 and must receive Board of Supervisors approval before May 2012 in order to preserve the schedule." As is noted above, construction is estimated to be completed by July 2015.

## RECOMMENDATION

Approve the proposed resolution.

SAN FRANCISCO BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST



Edwin M. Lee, Mayor  
Mohammed Nuru, Director



DATE: March 13, 2012  
TO: Ms. Debra Newman  
Budget & Legislative Analyst  
FROM: Mohammed Nuru  
Director  
Department of Public Works

**Subject: Amendment to the Executive Structural Engineering and Consultant Services for the War Memorial Veterans Building Seismic Upgrade and Improvements Project, Job No. 7353A**

Pursuant to San Francisco Charter Section 9.118, which requires that the Board of Supervisors approve all contracts, other than construction contracts, with an anticipated expenditure of more than ten million dollars (\$10,000,000), the Department of Public Works (DPW) respectfully requests your recommendation for approval of the Amendment to the Executive Structural Engineering and Consultant Services with Simpson Gumpertz and Heger, Inc. (SGH) to increase the contract amount by \$8,057,524 from \$2,758,445 to \$10,815,969. In addition, we request a 10% contingency totaling \$805,752 for a combined amount not to exceed \$11,621,721.

**Background**

Project Description

The War Memorial Veterans Building (WMVB) is located at 401 Van Ness Avenue in the San Francisco Civic Center Historic District, and, together with the Opera House and Memorial Court, is designated as City Landmark No. 84. In 1989, The Loma Prieta earthquake caused damage at all levels of this historic building. The seismic assessment conducted in 1996 concluded that in a major earthquake, the structure would sustain significant damage and pose appreciable life safety hazards to building occupants. In addition, the building has badly deteriorated building systems, comprised largely of the original 1932 equipment including 80-year old boilers.

Key components of the project are the seismic upgrade, life safety and code mandated upgrades such as sprinklers, fire alarm and ADA as well as a new central plant that serves the Veterans Building as well as the Opera House. Facility preservation elements include repair/replacement of the building envelope including numerous skylights, the mansard and flat roofs, the exterior terracotta, which have all been damaged and have severely deteriorated over





the past 80 years. As a separate privately-funded project, the San Francisco Opera is investing \$21 million to convert the 4<sup>th</sup> floor to a performance space for 300, an education and media center, a costume shop and administration space.

SGH Contract History

DPW entered into an interim agreement with SGH on September 2, 2011 subsequent to a competitive RFQ and screening process to provide structural engineering and consultant services for the Seismic Upgrade and Improvements of the War Memorial Veterans. The basic services will include the following phases (1) Program Validation; (2) Schematic Design; (3) Design Development; (4) Construction Documents; (5) Bid, Permit & Award; (6) Construction Administration and Warranty. The fee for these services were negotiated and agreed at \$10,815,969.

The interim agreement authorized SGH to proceed with the first two phases, Program Validation and Schematic Design, and 50% of the Design Development totaling \$2,758,445. A detail account of the modifications to the interim agreement is included in Appendix A along with copies of the original agreement. The subject amendment will allow DPW to authorize SGH to proceed with the second half of the Design Development Phase and the remaining phases, 4 through 6, totaling \$8,057,524. The total SGH contract amount is \$10,815,969. In addition, DPW requests contracting authorization up to 10% of the requested amendment for \$805,752 as a contingency to allow DPW the flexibility to modify SGH's agreement for any additional services that may arise during the course of the project. Phases 1 through 6 will be incorporated into a comprehensive agreement attached hereto as Appendix B. Table A below provides a fee breakdown totaling the amount not to exceed \$11,621,721 inclusive of the 10% contingency.

	Phases	Fee	Total
Interim Agreement			
Original Amount	(1) Program Validation	\$686,135	
Modification No. 2 & 3	(2) Schematic Design	\$1,114,343	
Modification No. 4	(3.a.) (3) 50% Design Development	\$957,967	
<b>Interim Agreement Subtotal</b>			<b>\$2,758,445</b>
Requested Amendment			
	(3.b.) (3) 50% Design Development	\$857,967	
	(4) Construction Documents	\$3,381,048	
	(5) Bid, Permit and Award	\$355,714	
	(6) Construction Administration & Warranty	\$3,382,794	
<b>Requested Amendment Subtotal</b>			<b>\$8,057,524</b>
<b>Comprehensive Agreement Fee Total</b>			<b>\$10,815,969</b>
10% Contingency (for 50% DD and Phases 4 through 6)			\$805,752.38
<b>Comprehensive Agreement Fee Total</b>			<b>\$11,621,721</b>

Schedule

Construction is scheduled to commence July 2013 and be completed on June 2015. In order to maintain the schedule, each phase must start and finish as scheduled. To avoid delays, DPW authorized 50% percent of the design development fee, DPW desires SGH to proceed with the completion of design development and continue with phases 4 through 6 and must receive Board of Supervisors approval before May 2012 in order to preserve the schedule.

The project milestone for each phase is noted in Table B – Project Schedule below.

<b>Project Milestone</b>	<b>Date</b>
Schematic Design Start	December 2011
100% Schematic Design	March 2012
Design Development Start	March 2012
50% Design Development	May 2012
100% Design Development	June 2012
Construction Documents Start	June 2012
30% Construction Documents	August 2012
60% Construction Documents	November 2012
90% Construction Documents	January 2013
100% Construction Documents	March 2013
Construction Start	July 2013
Construction Completion	June 2015
Warranty Phase	July 2015 – July 2016

Budget

The budget for the Seismic Upgrade and Improvements Project is \$132,455,590. The basic services fee of \$10,815,969 is within budget. Further, the 10% contingency of \$805,752 may be funded from the Additional A/E Services. Both budgets are highlighted in Table C – Project Budget below.

**Table C - Project Budget**

<b>SEISMIC UPGRADE AND IMPROVEMENTS PROJECT</b>		
<b>1. PURCHASE, CONSTRUCTION, &amp; MOBILIZATION</b>		<b>101,940,800</b>
<b>2. PROJECT CONTROL</b>		
2.1 DPW PROJECT MANAGEMENT	3,095,030	
2.2 CITY ADMINISTRATIVE SERVICES	884,400	
2.3 REGULATORY AGENCY APPROVALS	3,087,570	
2.4 A/E SERVICES		
2.4.1 Basic A/E Services	11,055,000	
2.4.2 Construction Management, & Related Services	4,690,800	
2.4.3 Additional CM Services, Geotech, Surveys	2,633,811	
2.4.4 Additional A/E Services	2,412,589	
<b>PROJECT CONTROL TOTAL</b>		<b>27,859,200</b>
<b>3. HAZMAT ABATEMENT</b>		<b>500,000</b>
<b>4. OTHER PROGRAM COSTS</b>		<b>1,000,000</b>
<b>5. FINANCE COSTS</b>		<b>1,155,590</b>
<b>SEISMIC UPGRADE AND IMPROVEMENTS PROJECT TOTAL</b>		<b>132,455,590</b>

**Funding**

In FY 2010-11, \$15,000,000 was appropriated for the project funded from proceeds of Certificates of Participation (COPs). The remaining \$117,455,590 is scheduled to be appropriated in the FY 2012-13 budget, also to be funded by proceeds from COPs. The project reserve is sufficient to fund this amendment as noted Table D – Cost Controls.

**Table D - Cost Controls**

Firm - Scope	Appropriation			Expenditures			Encumbrance	Balance	Percentage of Expenditures
	Previous	Change +/-	Current	Previous	Current 02/01-01/31/12	Total			
Bureau of Architecture	\$500,000	\$18,951	\$518,951	\$231,822	\$28,843	\$260,665	\$0	\$197,085	67.02%
Bureau of Engineering	\$234,200	\$0	\$234,200	\$16,376	\$7,307	\$23,683	\$0	\$210,437	10.15%
Bureau of Construction Management	\$23,592	\$0	\$23,592	\$2,082	\$0	\$2,082	\$0	\$21,510	8.70%
<b>Total</b>	<b>\$757,792</b>	<b>\$18,951</b>	<b>\$776,743</b>	<b>\$250,280</b>	<b>\$36,150</b>	<b>\$286,430</b>	<b>\$0</b>	<b>\$429,032</b>	<b>44.76%</b>
<b>Summary of Consultants &amp; other City Services and Agencies</b>									
Scope	Appropriation			Expenditures			Encumbrance	Balance	Percentage of Expenditures
	Previous	Change +/-	Current	Previous	Current 02/01-01/31/12	Total			
SGH	\$1,820,918	\$1,200,000	\$3,020,918	\$855,642	\$855,602	\$1,711,244	\$752,745	\$1,200,000	85.21%
SL IH Environment	\$39,025	\$0	\$39,025	\$51,088	\$7,977	\$59,065	\$0	\$0	100.00%
SL ARUP	\$148,300	\$0	\$148,300	\$0	\$0	\$0	\$148,250	\$43	0.02%
SL Paullett Teggart	\$0	\$43,510	\$43,510	\$0	\$0	\$0	\$0	\$43,510	0.02%
SL Tom Edol Firsh	\$0	\$145,988	\$145,988	\$0	\$0	\$0	\$145,988	\$0	0.02%
99. Project Reserve	\$12,177,854	-\$1,408,445	\$10,769,409	\$0	\$0	\$0	\$0	\$10,769,409	0.00%
<b>Total</b>	<b>\$14,286,097</b>	<b>-\$1,154,951</b>	<b>\$13,131,146</b>	<b>\$906,730</b>	<b>\$863,579</b>	<b>\$1,770,309</b>	<b>\$1,047,983</b>	<b>\$12,007,896</b>	<b>8.25%</b>
War Memorial Veterans Building	\$15,000,000	\$0	\$15,000,000	\$937,041	\$297,909	\$1,234,950	\$1,047,592	\$12,437,058	10.10%

DPW respectfully requests your recommendation for approval of the Amendment to the Executive Structural Engineering and Consultant Services with Simpson Gumpertz and Heger, Inc. (SGH) to increase the contract amount by \$8,057,524 from \$2,758,445 to \$10,815,969. In addition, we request a 10% contingency totaling \$805,752 for a combined amount not to exceed \$11,621,721.

Debra Newman  
March 13, 2012  
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Attachment  
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If you have any questions, please contact Tara Lamont, Project Manager, at (415) 557-4664.

c Edgar Lopez, Tara Lamont, DPW

**Attachment: Appendix A – Interim Agreement, Modifications 1, 2, 3, & 4  
Appendix B - Agreement Between City and County of San Francisco and  
Simpson Gumpertz & Heger, Inc.**

mfernand  
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