

File No. 101375

Committee Item No. 4  
Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: December 8, 2010

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report                        |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <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 type="checkbox"/> | Contract/Agreement *                         |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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Completed by: Victor Young  
Completed by: Victor Young

Date: December 3, 2010  
Date: \_\_\_\_\_

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



1 [Construction Management Services Agreement - San Francisco General Hospital Rebuild  
2 Program - Not to Exceed \$16,400,000]

3 **Resolution authorizing the Director of Public Works to execute an amendment to a**  
4 **professional construction management services agreement for the San Francisco**  
5 **General Hospital Rebuild Program from \$8,000,000 to \$16,400,000.**

6  
7 WHEREAS, The Director of Public Works entered into an agreement dated August 5,  
8 2008, with Jacobs Project Management Co. to provide professional construction management  
9 and inspection services throughout the pre-construction, construction, closeout, and post-  
10 construction phases of the San Francisco General Hospital Rebuild Program in an amount not  
11 to exceed \$8,000,000; and,

12 WHEREAS, Section 9.118(b) of the Charter requires that all agreements in excess of  
13 ten million dollars or amendments to those agreements in excess of \$500,000 be approved by  
14 the Board of Supervisors; and,

15 WHEREAS, The Director of Public Works intends to increase the scope of services  
16 under the agreement to include construction management services for the addition of the  
17 Emergency Generator Project to the General Hospital Rebuild Program and to account for (a)  
18 an increase in the construction manager's responsibility for cost and schedule review from  
19 what was originally contemplated two years ago, (b) greater responsibility for developing and  
20 maintaining the Rebuild Program's document control and inspection management systems,  
21 and (c) the current forecasted completion date and the forecasted level of effort necessary to  
22 meet that date. The Director intends to increase the sum under the agreement to  
23 \$16,400,000; now, therefore, be it

24 ///

25 ///

1           RESOLVED, That the Board of Supervisors authorizes the Director of Public Works to  
2 enter into an amendment to the August 5, 2008, agreement with Jacobs Project Management  
3 Co., resulting in a contract amount not to exceed \$16,400,000.

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**Item 4**  
**File 10-1375**

**Department:**  
Department of Public Works (DPW)

## EXECUTIVE SUMMARY

### Legislative Objective

- The proposed resolution would authorize an amendment to the existing Executive Construction Management Consultant (Executive CM) agreement, for the San Francisco General Hospital Rebuild Program, between the City and Jacobs Project Management to (1) increase the existing agreement by \$8,400,000, from \$8,000,000 to \$16,400,000, (2) add the Emergency Generator Project, and (3) increase Jacobs Project Management's responsibility for cost and schedule review from what was originally contemplated in the RFQ.

### Key Points

- The San Francisco General Hospital Rebuild Program has a total projected budget of \$887,400,000, including \$717,100,000 in construction costs. The Rebuild Program will be entirely funded from the sale of up to \$887,400,000 in General Obligation Bonds.
- After a competitive Request for Qualifications process for the Executive CM, the Department of Public Works (DPW) entered into an agreement with Jacobs Project Management for Jacobs Project Management to oversee and audit the Construction Manager/General Contractor (CM/GC) and its subcontractors by providing quality assurance, contract compliance inspections, hospital record inspections, and specialized construction expertise to DPW. The San Francisco General Hospital Rebuild Program has relied on Jacobs Project Management more than originally anticipated for frequent cost estimating, schedule reviews, and other oversight activities.
- On January 27, 2009, the Board of Supervisors authorized DPW to undertake an Emergency Generator Project at San Francisco General Hospital (File 08-1468) to (a) convert the outdated steam-powered system to a modern diesel-powered system and (b) install two diesel generators to supply emergency power for the Hospital and adjacent facilities. The San Francisco General Hospital Rebuild Program will add three more diesel generators for emergency power to the main General Hospital building.

### Fiscal Impacts

- Approval of the proposed resolution would authorize an amendment to the existing Executive Construction Management Consultant agreement between the City and Jacobs Project Management to increase the agreement by \$8,400,000, an increase of 105 percent, from \$8,000,000 to \$16,400,000. Of the \$8,400,000, \$1,200,000 would come from previously unallocated funds for the Emergency Generator Project, which is funded through lease-purchase financing, while the remaining \$7,200,000 (\$8,400,000 less \$1,200,000) would be funded from cost-savings and previously unallocated General Obligation Bond funds for the San Francisco General Hospital Rebuild Program. According to Mr. Ronald Alameida, Project Manager of the San Francisco General Hospital Rebuild Program, Jacobs Project Management has been able to identify \$16,327,247 in cost savings for the San Francisco General Hospital Rebuild Program.

### Recommendation

- Approve the proposed resolution.

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

City Charter Section 9.118 (b) requires any amendment to a contract or agreement for more than \$500,000, with the exception of construction contracts, be approved by the Board of Supervisors.

The Alfred E. Alquist Hospital Seismic Safety Act, enacted in 1973 by the California Legislature, requires that acute care hospitals in California meet seismic safety requirements to ensure that the acute care hospitals remain functional after a major earthquake. California Senate Bill 1801, adopted in 2000, offered two options: (a) retrofit the existing hospital building to meet the mandated seismic safety requirements, or (b) construct a new hospital building that meets the mandated seismic safety requirements by January 1, 2013. California Senate Bill 306, adopted in October 2007, extended the January 1, 2013 compliance deadline to January 1, 2020.

**Background**

In FY 2006-2007 and FY 2007-2008, the Board of Supervisors appropriated a total of \$25,000,000 from the City's General Fund to (a) conduct site feasibility and geotechnical studies, (b) draft a site master plan, (c) prepare the Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA), and (d) conduct the initial design for the San Francisco General Hospital Rebuild Program. Mr. Ronald Alameida of the Department of Public Works, Project Manager for the San Francisco General Hospital Rebuild Program, states that the initial appropriation of \$25,000,000 from the City's General Fund (\$13,100,000 in FY 2006-2007 and \$11,900,000 in FY 2007-2008) has been reimbursed from General Obligation Bond monies previously appropriated by the Board of Supervisors (Ordinance 04-09, File 08-1522; Ordinance 41-10, File 10-0101).

On November 4, 2008, San Francisco voters approved Proposition A, which authorized the issuance of up to \$887,400,000 in General Obligation Bonds to rebuild San Francisco General Hospital. On December 16, 2008, the Board of Supervisors authorized the sale of up to \$136,000,000 in General Obligation Bonds (File 08-1519), and on February 9, 2010, the Board of Supervisors authorized the sale of up to \$305,000,000 in General Obligation Bonds (File 10-0024). Mr. Ronald Alameida, Project Manager of the San Francisco General Hospital Rebuild Program, states that two further bond sales are anticipated in March 2011 and March 2012.

As shown in Table 1 below, San Francisco General Hospital Rebuild Program's original budget is \$887,400,000, which will be funded entirely through the sale of General Obligation Bonds.

**Table 1: San Francisco General Hospital Rebuild Program Budget**

<b>Construction</b>		
Site Utilities	\$ 35,072,977	
Service Building Modifications	13,755,359	
Increment #1 - Foundation/Structural	110,067,512	
Increment #2 - Building	558,204,152	
<b>Subtotal</b>		<b>\$ 717,100,000</b>
<b>Construction-related Costs</b>		
Temporary Relocation	\$ 1,100,000	
Telecommunications	3,000,000	
Art Enrichment Program	7,060,000	
<b>Subtotal</b>		<b>11,160,000</b>
<b>Project Control</b>		
Environmental & Regulatory Services	21,444,000	
Architectural/Engineering Services	96,695,305	
Project Management DPW/DPH	20,060,695	
City Agencies - Support Services	1,050,000	
<b>Subtotal</b>		<b>139,250,000</b>
<b>Program Costs</b>		
Program-Wide Contingency Fees	11,252,000	
<b>Subtotal</b>		<b>11,252,000</b>
<b>Finance Costs</b>		
	8,638,000	
<b>Subtotal</b>		<b>8,638,000</b>
<b>Total Budget</b>		<b>\$ 887,400,000</b>

In June 2007, the Department of Public Works (DPW) issued a Request for Qualifications (RFQ) for a Construction Manager/General Contractor (CM/GC) to provide pre-construction and construction phase services for the San Francisco General Hospital Rebuild Program. Mr. Alameida advises that two firms: (a) Turner Construction and (b) Webcor Construction LP, responded to the RFQ. Based on DPW's evaluation of the two bids, on October 7, 2008, the Board of Supervisors approved a not-to-exceed \$717,100,000 agreement with Webcor for the Construction Manager/General Contractor (Ordinance No. 222-08; File 08-796).

On March 20, 2008, DPW issued another RFQ for an Executive Construction Management Consultant, to oversee and audit the CM/GC and its subcontractors by providing quality assurance, contract compliance inspections, hospital record inspections, and specialized construction expertise to DPW. Table 2 below identifies the five firms that responded to this Executive CM RFQ, and the results of DPW's evaluation of the bids.

Firm	Oral Presentation	Written Proposal	Total Score
Cooper Pugada Management, Inc.	218.80	202.50	421.30
Jacobs Project Management	265.50	221.25	486.75
Parsons	234.10	211.75	445.85
URS Corporation	234.90	228.00	462.90
Vanir-CM West JV	230.75	206.75	437.50

As shown above in Table 2, Jacobs Project Management received the highest score with a total of 486.75 points out of a maximum of 600 points. On August 5, 2008, DPW entered into a not-to-exceed \$8,000,000 agreement with Jacobs Project Management, effective from September 10, 2008 to December 31, 2016.<sup>1</sup> As shown in Table 3 below, Jacobs Project Management will assign nine staff members to expend a total of 47,700 hours over eight years to oversee and audit the Construction Manager/General Contractor and the subcontractors. Based on an estimated total cost of \$8,000,000 and an estimated 47,700 hours, the Budget and Legislative Analyst notes that this existing agreement reflects an average hourly rate of \$167.71.

Position	Number of Positions	Total Hours	Total
Construction Manager	1.0	9,600	\$1,488,000
Scheduling Engineer	1.5	5,100	1,032,700
Hospital Inspection of Record	1.5	8,700	2,349,000
Cost Estimator	1.5	5,950	1,160,250
Administrative Assistant	1.0	9,050	597,300
Project/Field Engineer	1.5	7,700	1,212,750
Safety and Environmental Compliance Officer	1.0	1,600	160,000
<b>Total</b>	<b>9.0</b>	<b>47,700</b>	<b>\$8,000,000</b>

According to Mr. Alameida, construction of the new San Francisco General Hospital commenced in early 2010 and is currently estimated to be completed by May 2015. Mr. Alameida states that the original estimated completion date of January 2015 has been delayed by approximately four months due to delays in obtaining all the required permits for the construction of new utilities and the relocation or replacement of existing utilities, including sewer, water, steam, oxygen, fire protection water, telephones, and data cabling.

### DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize an amendment to increase the existing Executive Construction Management Consultant agreement between the Department of Public Works and Jacobs Project Management by \$8,400,000, from \$8,000,000 to \$16,400,000. The term of the agreement would remain unchanged, from September 10, 2008 to December 31, 2016.

According to Mr. Alameida, the proposed resolution would increase the scope of services under the existing agreement to (a) add the Emergency Generator Project and (b) increase Jacobs' responsibility for cost and schedule review from what was originally contemplated in the RFQ.

The Budget and Legislative Analyst notes that the requested agreement totaling \$16,400,000 would result in an increase of \$8,400,000 or 105 percent more than the existing agreement of \$8,000,000. Mr. Alameida explains on pages 1 to 3 of his attached November 22, 2010

<sup>1</sup> This agreement was not subject to Board of Supervisors approval because the agreement was under \$10,000,000 and the term was under ten years.



memorandum (Attachment I) the justification pertaining to the "changed conditions" for the requested \$8,400,000 increase to the existing Jacobs Project Management agreement to provide additional Executive Construction Management Consultant services for the San Francisco General Hospital Rebuild Program, including additional responsibilities for the Emergency Generator Project at the San Francisco General Hospital.

On January 27, 2009, the Board of Supervisors authorized the DPW to undertake an Emergency Generator Project at San Francisco General Hospital (File 08-1468) to (a) convert the outdated steam-powered system to a modern diesel-powered system and (b) install two diesel generators to supply backup emergency power for the Hospital and adjacent medical facilities. The San Francisco General Hospital Rebuild Program intended to add three more diesel generators to supply emergency power to the main San Francisco General Hospital building, which would result in a total of five diesel generators. Mr. Alameida advises that the Emergency Generator Project fell behind schedule and threatened to impact the schedule of the entire San Francisco General Hospital Rebuild Program.

DPW therefore is proposing to expand the scope of the San Francisco General Hospital Rebuild Program to add the Emergency Generator Project to the oversight responsibilities of the Executive Construction Management Consultant to ensure that this Project remains on schedule and budget. According to Mr. Alameida, the DPW staff did not have sufficient knowledge or details of the separate Emergency Generator Project to include this Project in the March 20, 2008 Executive Construction Management Consultant Request for Qualification (RFQ).

### **Reasons for Not Conducting a New RFQ Process**

Mr. Alameida states that a new RFQ process was not initiated for the proposed amended agreement to increase the agreement with Jacobs Project Management by \$8,400,000 from \$8,000,000, to \$16,400,000 a 105 percent increase. As stated on page 2 of Mr. Alameida's November 22, 2010 memorandum (Attachment I), "A separate RFQ for this additional work would be detrimental to the Project as valuable historic project knowledge and team synergy would be lost thus negatively impacting the schedule. The additional work effort is best addressed with Jacobs as they have become a very valuable member of the SFGH Rebuild team having to date provided data and talent directly attributed to savings of \$16.3 million to the Project." Such savings are identified in Attachment II, provided by Mr. Alameida.

According to Mr. Alameida, the San Francisco General Hospital Rebuild Program has also relied on Jacobs' Project Management Control System (PMCS) more than originally anticipated. Both Webcor (CM/GC) and Jacobs (Executive CM) have the capabilities to provide project controls. Mr. Alameida notes that Webcor's Project Management Control System is geared toward tracking costs and schedules for the purposes of constructing San Francisco General Hospital. However, Mr. Alameida advises that Jacobs' Project Management Control System is better suited to aid the City in tracking (a) daily construction reports, (b) change order logs, (c) drawing and specification logs, (d) environmental non-conformance reports, and (e) inspection requests.

Based on the requested increase of \$8,400,000 and an estimated 72,819 additional hours, the Budget and Legislative Analyst calculates an average hourly rate of \$115.35. Mr. Alameida states that the decrease of \$52.36 (\$167.71 under the existing agreement less \$115.35 for the

proposed amended agreement) is attributed to the greater utilization of specialized staff, compensated at higher hourly rates, early in the San Francisco General Hospital Rebuild Program. Table 4 below details the eight positions and the 72,819 additional hours that would be provided under the proposed amendment for the duration of the existing agreement, which is unchanged by the proposed amendment, from September 10, 2008 to December 31, 2016.

Position	Number of Positions	Total Hours	Total
Construction Manager	1.0	8,433	\$1,626,268
Scheduling Engineer	1.5	30,159	4,073,329
Hospital Inspection of Record	1.5	(3,298)	(1,508,887)
Cost Estimator	1.5	11,411	1,482,820
Administrative Assistant	1.0	9,632	1,357,742
Project/Field Engineer	1.5	16,482	1,267,701
General Requirements	--	--	101,027
<b>Total</b>	<b>8.0</b>	<b>72,819</b>	<b>\$8,400,000</b>

## FISCAL IMPACT

Approval of the proposed resolution would authorize an amendment to increase the existing agreement between the Department of Public Works and Jacobs Project Management by \$8,400,000 or a 105 percent increase from \$8,000,000 to \$16,400,000. As shown on page 3 of Attachment I provided by Mr. Alameida, of the \$8,400,000 increase, \$1,200,000 would be funded from the Emergency Generator Project, which is funded through lease-purchase financing, while the remaining \$7,200,000 would be funded from cost-savings and previously unallocated General Bond funds monies for the San Francisco General Hospital Rebuild Program. According to Mr. Alameida, the San Francisco General Hospital Rebuild Program is currently estimated to cost \$872,475,885 or \$14,924,115 less than the original estimated cost of \$887,400,000. However, Mr. Alameida notes that only an estimated 16 percent of the estimated construction contract costs have been awarded, as of October 7, 2010. Mr. Alameida states that the lower estimated project costs to date result from steel purchases and bid packages for excavation, site utilities, and elevator work coming in at approximately 12 percent below the original estimates.

## RECOMMENDATION

Approve the proposed resolution.

City and County of San Francisco



Gavin Newsom, Mayor  
Edward D. Reiskin, Director

Ron Alameida  
Project Manager

SFGH Rebuild Program Field Office  
1001 Potrero Ave., Bldg. 40, 3<sup>rd</sup> Floor  
Mailbox 173  
San Francisco, CA 94110-3518

PH 415.695.3861  
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Department of Public Works  
Fuad S. Sweiss, PE, PLS  
City Engineer & Deputy Director for Engineering  
Architecture Bureau  
Gary Hoy  
Construction Management  
Donald J. Eng, P.E.  
Engineering Bureau  
Patrick Rivera, P.E.  
Project Management Bureau  
Edgar A. Lopez  
Street Use and Mapping Bureau  
Jerry Sanguinetti

TO: Mr. Jonathan Tang  
Budget Analyst's Office

FROM: Mr. Ron Alameida, Architect  
SFGH Rebuild Program Manager

DATE: 11-22-2010

SUBJECT: San Francisco General Hospital Rebuild Program  
Amendment to the Executive Construction Manager Agreement

We are requesting an amendment to the Executive Construction Management Contract with Jacobs Project Management Co. Agreement by \$8,400,000 from \$8,000,000 to \$16,400,000 to pay for ongoing as required services as described in the original contract scope of work, to account for updated service utilization projections, current forecasted extended duration, and additional services resulting from the inclusion of the Emergency Generator Project to the San Francisco Rebuild Team responsibility.

**Background**

Following a competitive Request for Qualifications (RFQ) process, the Department of Public Works (DPW) on August 5, 2008 entered into an Agreement with Jacobs Project Management Co., to provide executive construction management services throughout planning, design, bid, construction, and post-construction for San Francisco General Hospital Program.

The original scope of work to be performed on an as needed basis includes:

**Pre-Construction Phase Services**

- A. Construction Planning/Document Control Tasks
- B. Budget/Cost Estimating/Cost Control Tasks
- C. Construction Scheduling/Schedule Control Tasks

**Construction Phase Services**

- A. Construction Administration/Document Control Tasks
- B. Construction Scheduling/Schedule Control Tasks
- C. Budget/Cost Estimating/Cost Control Tasks
- D. Inspector of Record Inspection, and Quality Assurance/Quality Control Inspection Tasks

**Close-Out Phase Services**

**Post-Construction Phase Services**

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*Customer Service Teamwork Continuous Improvement*

The SFGH Rebuild Program engaged Jacobs Project Management Co. on an as-required basis as the Program Team Integration was still in formulation. The Rebuild Program developed the Construction Management / General Contracting + Design Assist variation of an integrated design method of project delivery, and as such, the Team Integration began early in the Schematic Design phase of the project. As with the norm, we balanced out the team with the inclusion of the Executive Construction Manager role for cost/schedule validation and general Project support. The level of service utilization was indeterminate at time of contracting with integrated roles and responsibilities between Executive Construction Management Consultant and the Construction Manager / General Contractor, and the Architect / Engineer Team. A separate RFQ for this additional work would be detrimental to the Project as valuable historic project knowledge and team synergy would be lost thus negatively impacting the schedule. The additional work effort is best addressed with Jacobs as they have become a very valuable member of the SFGH Rebuild team having to date provided data and talent directly attributed to savings of \$16.3 million to the Project.

The history of utilization of services has been established over the last two years with a trend of approx. \$500,000 per quarter expenditures. We have now updated the projection of staff utilization as delineated in the attached Staff Utilization Projection dated August 2010 (Attachment A). The current staff utilization projection is based on the attached updated Project Management Team Organization Chart (Attachment B). The \$8.4 million increase will be spent on the following changed conditions from the original Request for Qualifications:

- The revised Executive Construction Management Services need forecast recognizes that the past two years have shown an intensification of cost and schedule review activity than originally contemplated. This elevated utilization correlates with an extended period of Preconstruction and Construction Services incrementally reviewed and released prior to complete Project Buy-Out as a Guarantee Maximum Price (GMP).
- The increased utilization also reflects an increased role of Jacobs Project Management in the development and maintenance of SFGH Rebuild specific Document Control and Inspection Management Systems (Prolog & Encompass customization).
- The current Project Schedule indicates a potential extended duration of needed services of an additional year. Presently the Program components under construction are trending towards schedule recovery; however, the Executive Construction Management Services need forecast is carrying the extended duration as a measure of conservatism.
- As a schedule preservation strategy the SFGH Rebuild Program has added the Project Management of the Emergency Generator Project (Contract #7025A). It became evident that the SFGH Emergency Generator Project -- which was originally a project separate from the Rebuild and required to be completed prior to the Rebuild's Service Building Modification component -- was beginning to impact the SFGH Rebuild Schedule. The SFGH Rebuild Team absorbed the Scope of Work associated with the Emergency Generator Project to occur concurrently with the Rebuild-driven Service Building Modifications thus adding to the required level of utilization of the Rebuild Team including the Executive Construction Management contracted services with Jacobs Project Management Co.

The SFGH Rebuild Team continues to actively manage the forecasted cost to achieve the lower range of construction management cost experienced in California as indicated in our survey of currently active comparable projects (Attachment C). The increased as-required contract requested will set the SFGH Rebuild Executive Construction Management Fee / Construction Cost Ratio at 2.24%. We have found that currently privately owned hospital projects have trended in a range of

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*Customer Service    Teamwork    Continuous Improvement*

2.2% to 3.2% and publicly-owned hospitals are in a range of 8% to 10% of construction cost. We have been able to maintain a lower cost ratio of cost in part by maintaining a high City Staff to Consultant ratio.

Funding for the requested contract value change is available within the current overall forecasted budget from earlier unrealized or unallocated cost forecasted originally and from the Emergency Generator Project funds. The Funding Sources are:

Fund Source (SFGH Rebuild Program)	Amount (in millions)
2008 SFGH General Obligation Bonds- 1st Series 2009A (1st Bond Sale)	\$7.2
2008 SFGH General Obligation Bonds- 2nd Series 2010B (2nd Bond Sale)	
2008 SFGH General Obligation Bonds- 3rd Series 2010C (2nd Bond Sale)	

Fund Source (SFGH Emergency Generator Project)	Amount (in millions)
SFGH Capital Lease Financing	\$1.2

The forecasted utilization of Jacobs personnel is projected to include the following level of effort:

Position	Total Hours	Total
1 Construction Manager	\$ 8,433	1,626,268
2 Scheduling Engineer	\$ 30,159	4,073,280
3 Hospital Inspection of Record	\$ (3,298)	(1,508,887)
4 Cost Estimator	\$ 11,411	1,482,870
5 Administrative Assistant	\$ 9,632	1,357,742
6 Project/Field Engineer	\$ 16,482	1,267,701
7 General Requirements	-	101,027
<b>TOTAL</b>	<b>\$ 72,819</b>	<b>8,400,000</b>

We respectfully request your approval to amend the Jacobs Project Management Co. Agreement in order to continue to support the SFGH Rebuild Program Projects (Project #6694A) and to add such services for the Emergency Generator Project (Project #7025A) throughout design, construction, commissioning and licensing to account for updated service utilization projections, current forecasted extended duration, and additional services resulting from the inclusion of the Emergency Generator Project to the San Francisco Rebuild Team responsibility. Having the benefit of the previous two years to optimize roles and responsibilities of the integrated team members, we are confident the revised utilization forecast will fulfill the Project needs for Executive Construction Management participation through the remainder of the Project duration.

If you have any questions, please feel free to call me at 415-695-3861.

**ATTACHMENTS**

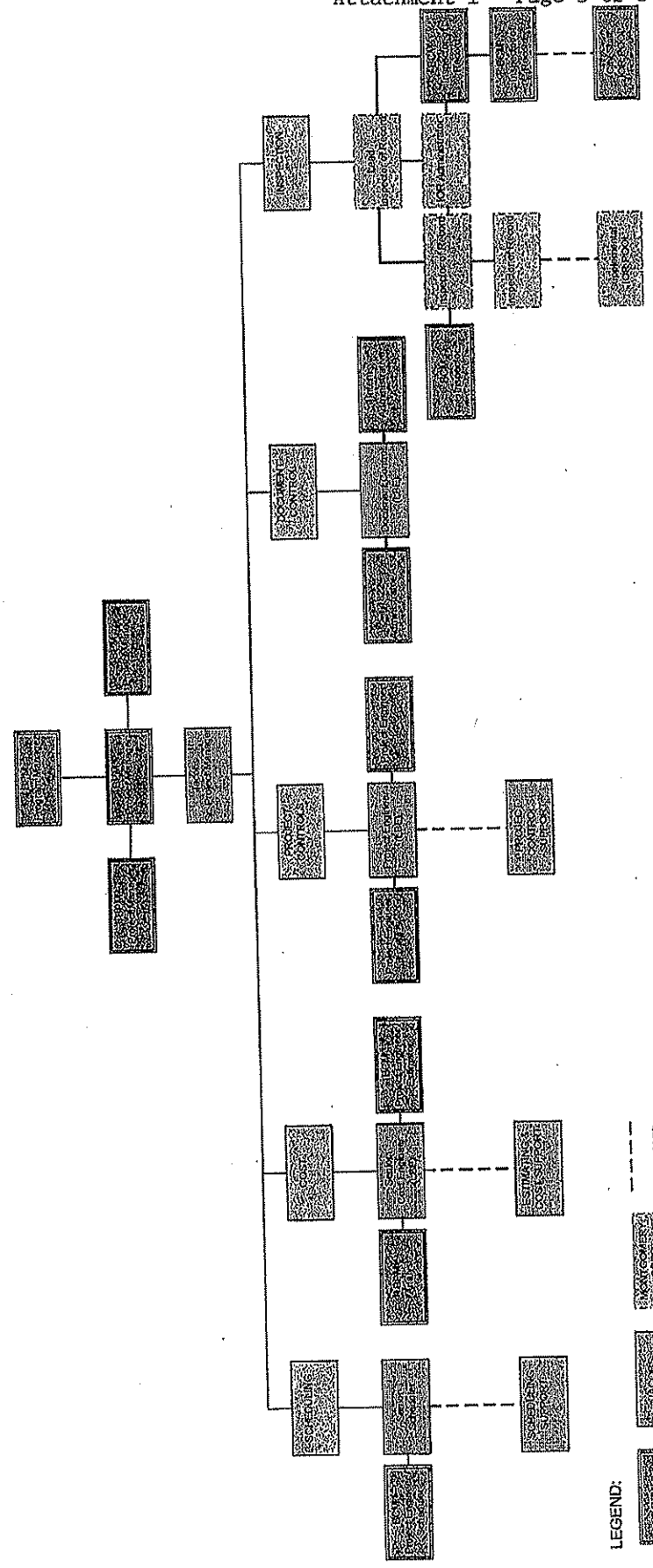
- A. Staff Utilization Projection, dated September 15, 2010
- B. Project Management Team Organization Chart
- C. Executive Construction Management Comparable Project Benchmarking

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ATTACHMENT 3  
11-22-2010

SFGH REBUILD PROJECT  
DPW - JACOBS - INSPECTION ORGANIZATION CHART



LEGEND:


  
 AS NEEDED RESOURCES

# Executive Construction Management



**BENCHMARKING** ATTACHMENT 4  
11-22-2010



Comparable Projects	Const. Cost	Fee/Const. Cost
<b>Private Projects</b>		
Catholic Healthcare West	-	2.5% - 3%
Children's Hospital of Orange County	\$278M	2.2%
Hoag Women's Tower	\$134M	3.2%
Sequoia Hospital	\$150M	3.75%
Washington Hospital	\$115M	3%
<b>Public Projects</b>		
Alameda County Medical Center (1)	\$400M	9%
LAC+USC Medical Center (2)	\$500M	8%
Martin Luther King Medical Center	\$190M	7.5%
UC Davis Medical Center	\$423M	10%
<b>SFGH Rebuild (3)</b>	<b>\$715M</b>	<b>2.2%</b>

(1) includes full project accounting and support services for County Staff (3 FTEs)

(2) includes FF&E and support services for County Staff (5 FTEs)

(3) based on amended fee with Rebuild plus the Emergency Generator Project



City and County of San Francisco



Gavin Newsom, Mayor  
Edward D. Reiskin, Director

Ron Alameida  
Project Manager

SFGH Rebuild Program Field Office  
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Mailbox 173  
San Francisco, CA 94110-3518

PH 415.695.3861  
www.sfdpw.org

Attachment II

Page 1 of 3

Department of Public Works  
Fuad S. Sweiss, PE, PLS  
City Engineer & Deputy Director for Engineering

Architecture Bureau  
Gary Hoy

Construction Management  
Donald J. Eng, P.E.

Engineering Bureau  
Patrick Rivera, P.E.

Project Management Bureau  
Edgar A. Lopez

Street Use and Mapping Bureau  
Jerry Sanguinetti

TO: Mr. Jonathan Tang  
Budget Analyst's Office

FROM: Mr. Ron Alameida, Architect  
SFGH Rebuild Program Manager

DATE: 11-22-2010

SUBJECT: San Francisco General Hospital Rebuild Program  
Amendment to the Executive Construction Manager Agreement  
Achieved Project Cost Savings

Please find the attached Work Release Letter Log dated 11-22-2010. Over the past two years as the Project has progressed with various Phases and Increments of development, work scope has been released for implementation incrementally. It is the responsibility of the Executive Construction Manager to review the proposals and scope buy-outs that the CM/GC and Subcontractors present to the City. The CM/GC's strength has been in assembling trade packages, implementation strategies and logistics; however, it is Jacobs' experience and depth of hospital construction cost knowledge that brings to the team the necessary third party perspective to identify savings. Jacobs as the Executive Construction Manager has been an exceptional and indispensable contributor of data and experience not available among other integrated team members in advising and assisting the City in evaluating scope definition, cost estimating and proposal validation. As such, Jacobs has been instrumental in the analysis of the Work Release request scopes of work such that an original cumulative request of \$75,903,274 has been negotiated to a valued at \$59,576,027 representing a savings of \$16,327,247 from originally proposed scope values.

I trust that this log helps clarify the source of the cited savings attributed to the Jacobs efforts towards cost review and management of the SFGH Rebuild.

If you have any questions, please feel free to call me at 415-695-3861.

"IMPROVING THE QUALITY OF LIFE IN SAN FRANCISCO" We are dedicated Individuals committed to teamwork, customer service and continuous improvement in partnership with the community.  
Customer Service Teamwork Continuous Improvement





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

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s):  Mayor Gavin Newsom	City elective office(s) held:  Mayor, City and County of San Francisco

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor:  Jacobs Project Management Co.	
<i>Please list the names of (1) members of the contractor's board of directors; George Kunberger, Greg Landry, Philip Stassi (2) the contractor's chief executive officer- Craig Martin, chief financial officer- John Prosser, Jr. and chief operating officer- none ; (3) any person who has an ownership of 20 percent or more in the contractor-100% of stock is owned by Jacobs Engineering Group Inc. parent company; (4) any subcontractor listed in the bid or contract - APSI, Chaves &amp; Associates, Davis &amp; Associates, Luster, Montgomery Corp., and Saylor Consulting; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Contractor address: 160 Spear St., Suite 330, San Francisco, CA 94105	
Date that contract was approved: Original Contract was approved in August 2008	Amount of contract: Original Contract \$8,000,000 Proposed amendment would increase contract to \$16,400,000
Describe the nature of the contract that was approved: Executive Construction Management Services	
Comments: DPW seeks to increase the contract amount by \$8,400,000 to allow the consultant to continue to provide needed professional services and to reconcile between 2007 forecasted utilization versus 2010 actual utilization trends reflecting restructured responsibilities. The requested increased contract amount fits within the project budget.	

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 \_\_\_\_\_

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

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Nicole Wheaton, Policy Analyst, Office of the Mayor	Contact telephone number: (415) 554-7940
Address: City Hall, Room 294	E-mail: Nicole.wheaton@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

City and County of San Francisco



Gavin Newsom, Mayor  
Edward D. Reiskin, Director

November 1, 2010

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

**Subject: San Francisco General Hospital Rebuild Program  
Modification to the Executive Construction Management Contract**

Dear Ms. Calvillo:

The Department of Public Works is requesting approval to execute an amendment to the Executive Construction Management Contract with Jacobs Project Management Co. Agreement by \$8,400,000 from \$8,000,000 to \$16,400,000 to pay for ongoing as-required services as described in the original contract scope of work to account for updated service utilization projections, current forecasted extended duration, and additional services resulting from the inclusion of the Emergency Generator Project to the San Francisco Rebuild Team responsibility.

**Background**

Following a competitive Request for Qualifications process, the Department of Public Works on August 5, 2008 entered into an Agreement with Jacobs Project Management Co. to provide executive construction management services throughout planning, design, bid, construction, and post-construction for San Francisco General Hospital Program.

The original scope of work to be performed on an as needed basis includes:

**Pre-Construction Phase Services**

- A. Construction Planning/Document Control Tasks
- B. Budget/Cost Estimating/Cost Control Tasks
- C. Construction Scheduling/Schedule Control Tasks

**Construction Phase Services**

- A. Construction Administration/Document Control Tasks
- B. Construction Scheduling/Schedule Control Tasks
- C. Budget/Cost Estimating/Cost Control Tasks
- D. Inspector of Record Inspection, and Quality Assurance/Quality Control Inspection Tasks



Phone: (415) 554-6920  
Fax: (415) 554-6944  
TDD: (415) 554-6900  
www.sfdpw.org

Department of Public Works  
Office of the Director  
City Hall, Room 348  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4645

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2010 NOV - 1 AM 11:40  
BY \_\_\_\_\_

Ms. Angela Calvillo  
SFGH Modification to the Executive Construction Manager Contract  
November 1, 2010  
Page 3



that current privately owned hospital projects have trended in a range of 2.2% to 3.2% and publicly-owned hospitals are in a range of 8% to 10% of construction cost. We have been able to maintain a lower cost ratio of cost in part by maintaining a high City Staff to Consultant ratio.

*Funding for the requested contract value change is available within the current overall forecasted budget from earlier unrealized or unallocated cost forecasted originally and from the Emergency Generator Project funds.*

We respectfully request your approval to amend the Jacobs Project Management Co. Agreement in order to continue to support the SFGH Rebuild Program Projects (Project #6617A) and to add such services for the Emergency Generator Project (Project #7025A) throughout design, construction, commissioning and licensing to account for updated service utilization projections, current forecasted extended duration, and additional services resulting from the inclusion of the Emergency Generator Project to the San Francisco Rebuild Team responsibility.

If you have questions, feel free to contact me at (415) 554-6920 or Edgar Lopez of my staff at (415) 557-4675.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Reiskin', is written over the word 'Sincerely,'.

Edward D. Reiskin  
Director

ATTACHMENTS



SFGH Rebuild re: Jacobs Project Management Co. Contract

Dea, Michelle

to:

Lamug, Joy

11/01/2010 03:12 PM

Cc:

"Lopez, Edgar", "Alameida, Ronald", "Higuera, Charles",

"Fernandez, Marisa"

Show Details

## 1 Attachment



Jacobs Contract.pdf

Joy,

Attached, please find the contract for Jacobs Project Management Co. for the San Francisco General Hospital Rebuild Program.

### Michelle Dea

City and County of San Francisco  
Department of Public Works  
SFGH Rebuild Program  
Field Office: 415-695-3863  
Fax: 415-695-0530

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**From:** Lopez, Edgar  
**Sent:** Monday, November 01, 2010 2:35 PM  
**To:** Dea, Michelle; Fernandez, Marisa  
**Cc:** Alameida, Ronald; Higuera, Charles  
**Subject:** Fwd: BOS Link

The clerk of the BOS asked that I provide a copy of the current contract with HOK and Jacobs. Please a PDF copy to joy and cc me. Thanks

Begin forwarded message:

**From:** "Lamug, Joy" <Joy.Lamug@sfgov.org>  
**Date:** November 1, 2010 2:15:47 PM PDT  
**To:** "Lopez, Edgar" <Edgar.Lopez@sfdpw.org>  
**Subject:** BOS Link



Hi Edgar,

Here's the link.

<http://mission.sfgov.org/doccenter/ByDept.aspx?S=0&T=Board%20of%20Supervisors%20|%20All%20Documents&K=All1>

Click on the reference number to access the document.

Please email or call me if any questions.

Thanks,  
Joy

Joy Lamug  
Board of Supervisors  
Legislative Division  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Tel: 415.554.7712  
Fax: 415.554.7714  
Email: [joy.lamug@sfgov.org](mailto:joy.lamug@sfgov.org)

MONDAY DEADLINE: Departments must submit electronic version of legislation by 9:00 am with original and 4 copies to be submitted by 12:00 noon.

Complete a Board of Supervisors Customer Satisfaction form by clicking the link below.  
[http://www.sfgov.org/site/bdsupvrs\\_form.asp?id=18548](http://www.sfgov.org/site/bdsupvrs_form.asp?id=18548)

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

**AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND**

This Agreement is made this 5<sup>th</sup> day of August, 2008, in the City and County of San Francisco, State of California, by and between:

Jacobs Project Management Co.  
160 Spear Street, Suite 330  
San Francisco, CA 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 services in construction management for the San Francisco General Hospital Rebuild Program (See also Appendix A); and,

WHEREAS, a Request for Qualifications ("RFQ") was issued on March 20, 2008, 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 #4087-07/08 dated January 22, 2008

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	City and County of San Francisco, a municipal corporation.
CONTRACTOR	Jacobs Project Management Co.
CONTROLLER	Controller of the City and County of San Francisco.
DIRECTOR	Director of Public Works of the City and County of San Francisco.
WORK	The work to be done in providing the services as described and specified in Appendix A.

Whenever the words "as directed", "as required", "as permitted", or words of like effect are used, it shall be understood as the direction, requirement, or permission of the Department of Public Works. The words "sufficient", "necessary", or "proper", and the like, mean sufficient, necessary or proper in the judgment of the Department of Public Works.