

LEGISLATIVE DIGEST

[Waiving Competitive Bidding Requirement - Construction Contract - Pneumatic Tube Products Company - San Francisco General Hospital - Not to Exceed \$951,887]

Ordinance waiving the competitive bidding requirement in Administrative Code, Section 6.20, and authorizing the Director of Public Works to enter into a construction contract with Pneumatic Tube Products Company in an amount not to exceed \$951,887 for the purpose of modifying the pneumatic tube delivery systems in Buildings 5 and 25 at San Francisco General Hospital to make one integrated pneumatic tube system to service both buildings.

Existing Law

Section 6.20 of the Administrative Code requires departments when procuring outside construction services for public work projects greater than \$400,000 to have a competitive selection process.

Amendments to Current Law

This Ordinance waives the competitive solicitation requirement in Section 6.20 of the Administrative Code and authorizes the Director of Public Works to enter into a construction services agreement with Pneumatic Tube Products Company (“PTP”) in an amount not to exceed \$951,887 for the purpose of modifying and integrating the pneumatic tube delivery systems in Buildings 5 and 25 at San Francisco General Hospital.

Background Information

Hospital staff in Building 5, the current main hospital building at San Francisco General Hospital (“Hospital”), rely on a dual-tube pneumatic tube system to deliver critical patient care items such as medications and lab specimens throughout the eight floors in the building. PTP installed the dual-tube system in Building 5 in 1976 and has been servicing that system ever since.

In 2008, PTP was unable to bid on the work to install a new pneumatic tube system in Building 25, the building that will replace Building 5 as the new main hospital building when the Hospital rebuild project is completed. The work went to the lone remaining bidder, SwissLog, Inc., that installed its single-tube pneumatic tube system in Building 25.

The two systems must be fully integrated for the Hospital to preserve the same level of patient care that it was able to provide when only the one system in Building 5 was in place. To achieve that integration, either the SwissLog system in Building 25 has to be modified to function with the PTP system in Building 5 or the PTP system has to be modified to function with the SwissLog system.

The team responsible for building the new Hospital (“the Rebuild Team”) has determined that it would be significantly less costly and less disruptive to the Hospital’s ongoing operations to modify the SwissLog system to function with the PTP system.

PTP can convert its existing dual-tube system in Building 5 to a single-tube system without having to modify any of the 31 control boxes that are located at 31 stations in the building, and would only have to replace the SwissLog computer boards in Building 25 to make the SwissLog system compatible with the PTP system. The Rebuild Team estimates that it would cost approximately \$1 million for PTP to perform this work.

By contrast, SwissLog would have to demolish and reconstruct all 31 of the existing PTP stations in Building 5 to replace all 31 of PTP’s control boxes with SwissLog controls, and add ten new transfer stations and four blowers to the system to make the PTP system compatible with the SwissLog system. The Rebuild Team estimates that the alterations to Building 5 that would be required for SwissLog to make the PTP system function with the SwissLog system would add at least \$2 million to the cost of SwissLog’s work, for a total project cost of approximately \$3 million.

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