



Meeting Date: July 23, 2026

To: Public Works Commission

Through: Carla Short, Public Works Director
Albert Ko, Deputy Director

From: Youcef Bouhamama, Project Manager

Subject: 1660 Mission Health Recovery and Connection Center Project - Contract Award

Director's Recommendation: Award construction contract for 1660 Mission Health and Recovery Connection Center Project to Charles Pankow Builders, Ltd. & LDA in the amount of \$60,766,900 with a contingency of \$6,076,690 and a term of 820 consecutive calendar days with a contingency of 82 consecutive calendar days.

Contract Background:

The Health Recovery and Connection Center, "the Project," is situated at 1660 Mission Street in San Francisco. It is a six-story, steel-framed building constructed in 1987, built over a basement parking garage. The building's footprint measures approximately 98 by 145 feet, with a total gross floor area of around 95,000 square feet. The basement was originally part of a two-story concrete structure from 1927, which was later demolished to make way for the current building. The existing building served as a city permitting and regulatory facility with several public counters and customer service areas until 2021. Purchased by the City in October 2025, the building is now vacant.

The proposed project will transform the building into the Department of Public Health (DPH) Health Recovery and Connection Center. It will consolidate several Department of Public Health (DPH) behavioral health and clinical programs, which are currently spread across multiple sites, into a single facility at 1660 Mission Street. The proposed project will consolidate the key components of the City's response to housing instability and untreated behavioral health conditions.

The renovated building will include a behavioral health intake and a 24/7 center where law enforcement can safely transfer intoxicated individuals for monitoring, stabilization, and linkage to care, all on the first floor as part of the City's behavioral health diversion program. It will also feature a mental health services center providing outpatient behavioral health treatment and support, the City Clinic offering public health and clinical care, administrative offices for DPH program staff, and dedicated fleet vehicle parking in the existing basement.

The facility will serve both walk-in clients and individuals referred by public safety and health care agencies, with operations on weekdays across all program areas and 24/7 activity at the 24/7 center.

The City Clinic sees approximately 60 patients daily on a drop-in basis, resulting in over 18,000 encounters each year. The Behavioral Health programs (24/7 Center and Mental Health Services Center) are expected to serve 8,500 people annually (1,800 clients at the 24/7 Center and 6,700 clients at the Mental Health Services Center). Additionally, there will be more than 200 staff offices.

It would involve selective seismic structural upgrades, demolishing and reconstructing interior spaces, replacing mechanical, electrical, plumbing, and fire-protection systems, and implementing related accessibility and life-safety upgrades.

Exterior construction would involve limited modifications to the building entries and utilities to support the new interior layout. The sidewalks along both Mission and Otis Streets would be removed and replaced to meet current accessibility standards.

Additional physical improvements would include installing one new elevator to serve client areas, modernizing the two existing elevators for staff use, and building a convenience stair connecting the behavioral-health floors (floors 1 -3). Accessibility upgrades would involve installing power door operators and other code-compliant enhancements at entrances and interior routes.

The project would also include replacing and refinishing interior finishes, installing new tactile and identification signage, restoring or replacing portions of the roof and exterior envelope for weather protection.

The building would continue to use the existing basement for secure fleet-vehicle parking. Primary construction activities would occur entirely within the existing building envelope and along the adjoining sidewalks within the public right-of-way.

The primary functions of the six-story building are outlined below:

- Existing basement and exterior parking areas: Dedicated DPH staff parking
- Level 1: Sobering Center operated jointly with the Sheriff's Office
- Levels 2–3: Mental Health Services Center (MHSC)
- Level 4: City Clinic
- Levels 5–6: DPH Administration Offices

The project is scheduled for completion by the end of 2028 and is funded by multiple sources. The project is under the jurisdiction of the Department of Building Inspection (DBI).

The Design-Build procurement and contract will comply with all Chapter 6 requirements as amended by Section 6.76 "Public Works Addressing Homelessness," including Local Hiring goals, Project Labor Agreement (PLA), and other City mandates. As the entity responsible for

both design and construction, the Design-Builder will be responsible for delivering the project within a fixed budget limit, on schedule, and to the City's satisfaction.

Solicitation Process:

This project is both budget and schedule-focused. In October 2025, the Public Works team conducted a study comparing delivery methods: Design-Bid-Build, Design-Build, Progressive Design-Build, and CM/GC at Risk. In consultation with DPH, the team concluded that the Design-Build method best suits the Health Recovery and Connection Center project's needs and funding schedule.

Design-Build delivery method was used to procure design and construction services pursuant to San Francisco Administrative Code Chapter 6, Section 6.61 (b), Fixed Budget Limit Procurement with a two-step process (Step 1: Request for Qualification (RFQ) and Step 2: Request for Proposal (RFP))

In November 2025, Public Works advertised an RFQ to identify a pool of highly qualified Design-Build teams as outlined in SF Code Administration Chapter 6, Section 6.61(b)(1)(A) and (B), which requires that at least three prequalified teams be shortlisted to advance into the RFP stage.

In December 2025, the City received (7) RFQ packages, which were reviewed and evaluated by a highly qualified Panel. In February 2026, the City completed the RFQ review and scoring and sent notifications to the DB teams who participated in the RFQ process. Below is the official ranking of the (7) Design-Build teams.

RFQ Total Scores and Ranking

Rank	Respondent	Overall Score
1	Charles Pankow Builders, Ltd. & LDA	268.67
2	Clark Construction Group – CA, LP & Stantec	267.67
3	Truebeck Construction & TEF Design	263.67
4	Suffolk Construction Co., Inc. & SmithGroup	259.00
5	Skanska USA Building, Inc. & DGA	256.33
6	Cahill Contractors LLC & Gensler / PTA	254.00
7	Guzman Construction Group & WRNS	252.67

In April 2026, the City issued the RFP to the (3) highest-ranked Design-Build teams (1- Pankow + LDA, 2- Clark Construction + Stantec, and 3- Truebeck + TEF).

In May 2026, the City held one-on-one meetings with (2) Design-Build teams, Pankow + LDA and Truebeck + TEF, separately. Clark Construction + Stantec declined to submit an RFP proposal and did not attend the one-on-one meeting.

On June 22, 2026, the City received RFP responses from Pankow + LDA and Truebeck + TEF and proceeded with oral interviews on July 9, 2026.

On July 14, 2026, the City issued the scoring results and notifications to both teams. Pankow + LDA was the highest-ranked Design-Build team, based on the cumulative RFQ and RFP scores. See below.

Combined Evaluation Score		
	Truebeck Construction & TEF	Charles Pankow Builders & LDA
RFQ - Written	263.67	268.67
RFP - Written	547.00	524.67
RFP - Oral	180.33	173.00
Non-Cost Criteria Score	991.00	966.33
Cost Proposal	446.82	500.00
TOTAL SCORE	1,437.82	1,466.33
RANKING:	2	1

Contract Details:

Contract Title:	1660 Mission Health Recovery and Connection
Contract Award Amount:	\$60,766,900.85
Cost Estimate:	\$68,000,000 (Fixed Budget Limit)
Contract Funding Sources:	General Fund: Behavioral Health Services Act (BHSA), Behavioral Health Continuum Infrastructure Program grant fund, round 5 (BHCIP-5) for the Sobering Center Share; the 2020 Health & Recovery (HR) Bond for the Mental Health Service Center; the 2024 Healthy, Safe and Vibrant San Francisco Bond for the City Clinic Share; Prop C
Anticipated Project Schedule:	Anticipated NTP: October 1, 2026 Anticipated Substantial Completion: September 30, 2028 Anticipated Final Completion: December 31, 2028
Contract Duration:	820 consecutive calendar days (NTP 1: 60 consecutive calendar days for Programming, NTP2: 670 consecutive calendar days from NTP2 for Design and Construction to Substantial Completion, and 90 days from Substantial to Final)

Contractor Name:	CHARLES PANKOW BUILDERS, Ltd. & LDA
Compliance with Chapter 14B Local Business Enterprise Ordinance:	The 1660 Mission Street project qualifies as a public work project used primarily to provide services to people experiencing homelessness. San Francisco Administrative Code Chapter 6, Chapter 14B, does not apply pursuant to San Francisco Administrative Code Section 6.76.
Environmental Determination (if applicable):	Planning Department will identify CEQA applicability and issue the appropriate determination (exemption, categorical exemption, or other review) after the Design Builder is on board
Other Compliance:	Prevailing Wage
Additional Information:	
Attachments:	Attachment 1: Resolution Attachment 2: Selection Result Attachment 3: Public Works Project Manager Recommendation

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

RESOLUTION NO. _____

WHEREAS, In October, 2025 San Francisco Public Works entered into an agreement with the Department of Public Health to renovate the vacant City-owned building at 1660 Mission Street to create the Health Recovery and Connection Center; and

WHEREAS, The renovated building will include a behavioral health intake center where law enforcement can safely transfer intoxicated individuals for monitoring, stabilization, and linkage to care; and,"

WHEREAS, The building will also include a mental health services center providing outpatient behavioral health treatment and support, the City Clinic offering public health and clinical care, administrative offices for program staff, and dedicated fleet vehicle parking, and

WHEREAS, In November 2025, Public Works advertised a Request for Qualifications to identify a pool of highly qualified Design-Build teams as outlined in SF Code Administration Chapter 6, Section 6.61(b)(1)(A) and (B), which requires that at least three prequalified teams be shortlisted to advance into the RFP stage, and

WHEREAS, In December 2025, the City received RFQ packages, which were reviewed and evaluated by a highly qualified Panel, and

WHEREAS, In February 2026, the City completed the RFQ review and scoring and sent notifications to the DB teams who participated in the RFQ process. Below is the official ranking of the (7) Design-Build teams

WHEREAS, In April 2026, the City issued the Request for Proposals to the three highest-ranked teams, and

WHEREAS, In May 2026, the City held one-on-one meetings with the two finalist teams, and

WHEREAS, On June 22, 2026, the City Received Request for Proposals responses and proceeded with oral interviews on July 9, 2026, and

WHEREAS, On July 14, 2026 the City issued the scoring results and notifications to both teams with Charles Pankow Builders, Ltd. & LDA as the highest-ranked Design-Build team, now, therefore, be it

RESOLVED, The this Commission hereby approves the award of construction contract for 1660 Mission Health and Recovery Connection Center to Charles Pankow Builders, Ltd. & LDA in the amount of \$60,766,900 with a contingency of \$6,076,690 and a term of 820 consecutive calendar days with a contingency of 82 consecutive calendar days.

I hereby certify that the foregoing resolution was adopted by the Public Works Commission at its meeting of _____.

Commission Affairs Manager
Public Works Commission