



**Meeting Date:** October 17, 2024

**To:** Public Works Commission

**Through:** Carla Short, Public Works Director  
Ronald Alameida, Deputy Director and City Architect

**From:** Lindsay Hu, Public Works Project Manager

**Subject:** Zuckerberg San Francisco General Hospital Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition – Contract Award

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**Director’s Recommendation:** Award the ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition Project (Sourcing ID No. 0000009068) construction contract to KLV Construction, Inc. in the amount of \$6,986,810.45 with \$689,681.05 for contingency, and with a contract duration of 630 consecutive calendar days with 63 consecutive calendar days contingency.

**Contract Background:** The project work includes the demolition and corridor renovation located on the 5<sup>th</sup> floor of Building 5, in Wards 5C and 5E at Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG), at 1001 Potrero Avenue, San Francisco, California for the Department of Public Health (DPH).

The ZSFG Building 5 Family Health Center Relocation (FHC) project is permitted under the Department of Health Care Access and Information (HCAI), formerly known as Office of Statewide Health Planning and Development (OSHPD). Due to funding constraints, the work includes only the first phase of the larger ZSFG Building 5 Family Health Center (FHC) Relocation Project. Specifically, the work consists of the interior demolition and corridor renovation of Ward 5C and Ward 5E located on the 5th floor of Building 5. The Phase 1 work also requires a phased demolition sequence to demolish the interior wards, set up construction barriers, and complete the new central corridor construction within an operational hospital. The remaining scope of work, under the larger FHC renovation project, will be bid out in future phases as separate construction projects, once additional funding has been secured by DPH.

**Solicitation Process:** Public Works advertised the project on April 25, 2024 and received 4 bids on June 26, 2024.

Below is a tabulation of the four bids received:

| <b>Bidders</b>                       | <b>LBE Status</b>    | <b>Base Bid</b> | <b>Adjusted Bid w/ Discount</b> |
|--------------------------------------|----------------------|-----------------|---------------------------------|
| 1. Buhler Commercial                 | SF LBE - OBE (Micro) | \$5,699,150.00  | \$5,129,235.00                  |
| 2. KLW Construction Inc.             | SF LBE - OBE (Micro) | \$6,986,810.45  | \$6,288,129.41                  |
| 3. City Building, Inc.               | Non-LBE              | \$6,955,313.00  | \$6,955,313.00                  |
| 4. Rubecon General Contracting, Inc. | SF LBE - OBE (Micro) | \$9,326,743.00  | \$8,394,068.70                  |

The engineer's estimate for this project was \$5,908,580.

On June 28, 2024, Contract Administration received a timely protest from the second-lowest bidder, KLW Construction Inc. ("KLW"), alleging that Buhler Commercial ("Buhler") failed to meet the minimum experience qualifications as listed under Section 00 45 13 - Bidders' Qualification Statement.

On July 8, 2024, Buhler Commercial submitted the bid protest response for the City's review.

**Bidder Qualification Analysis:**

The City conducted their review and analysis of Buhler Commercial's Bidder Qualification statement and determined that the project experience provided by Buhler did not meet the minimum contractor bidder qualifications, therefore the City found Buhler non-responsible. On August 28, 2024 the City issued the Notice of Non-Responsibility to Buhler Commercial.

The City proceeded with the review of the next lowest bidder KLW Construction, Inc. and KLW's Bidder's Qualification Statement, supplemental Experience Statements, and Key Team Member Qualifications.

The City reviewed the projects submitted by KLW and found that the \$6.0 million ZSFG Building 5 6H Surge Space project, the \$5.2 million Design-Build DPH Automated Dispensing Cabinets project, the \$2.2 million JOC J30 Renovation, Repair and Accessibility project and the ongoing \$3.9 million ZSFG Building 5 Rehabilitation Department Relocation Phase 3 project met the minimum qualification requirements.

KLW, the listed subcontractors, and key team members have demonstrated that they have the necessary HCAI experience working in hospital building construction projects of similar scope and complexity in the last ten (10) years. KLW has previously performed satisfactory and responsible work on City project and is qualified to do this work. In addition, KLW has previous experience in ZSFG Building 5 and has a greater understanding of the complex and challenging work in an operational hospital and the stringent environmental health and safety procedures specific to ZSFG. The bidder was deemed responsible by Public Works Project Management.

**Contract Details:**

|   |   |
|---|---|
| <b>Contract Title:</b>  | 0000009068 - ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition   |
| <b>Contract Award Amount:</b>   | \$6,986,810.45  |
| <b>Cost Estimate:</b>   | \$5,908,580   |
| <b>Contract Funding Sources:</b>  | San Francisco General Hospital (SFGH) Foundation Grant/Gift Donation  |
| <b>Anticipated Project Schedule:</b>                                    | Notice-to-Proceed: November 2024<br>Construction to Substantial Completion:<br>540 Calendar Days (November 2024 – May 2026)<br>Substantial Completion to Final Completion:<br>90 Calendar Days (May 2026 – August 2026)   |
| <b>Contract Duration:</b>   | 630 consecutive calendar days   |
| <b>Contractor Name:</b>   | KLW Construction, Inc.  |
| <b>Compliance with Chapter 14B Local Business Enterprise Ordinance:</b> | The Contract Monitoring Division (CMD) established a Local Business Enterprise (LBE) subcontracting requirement of 20% for this contract. The contractor committed to a LBE participation of 28.6% in its bid submittal, and Public Works received CMD’s recommendation to award. |
| <b>Environmental Determination (if applicable):</b>                     | CEQA Determination – Not a Project  |
| <b>Other Compliance:</b>  | Equal Benefits Ordinance Compliant  |
| <b>Additional Information:</b>  | N/A   |
| <b>Attachments:</b>   | Attachment 1: Resolution<br>Attachment 2: Bid Tabulations Results<br>Attachment 3: CEQA Determination – Not a Project<br>Attachment 4: Buhler – Notice of Non-Responsibility<br>Attachment 5: KLW – Bid Protest Determination<br>Attachment 6: CMD Pre-Award Memo                 |

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

**RESOLUTION NO. \_\_\_\_\_**

WHEREAS, the Work performed under the ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition Project (Sourcing ID No. 0000009068) consists of the demolition and corridor renovation located on the 5<sup>th</sup> floor of Building 5, in Wards 5C and 5E at Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG), at 1001 Potrero Avenue, San Francisco, California for the Department of Public Health (DPH); and

WHEREAS, On August 24, 2023, the San Francisco Planning Department issued a determination that the project is not defined as a project under the California Environmental Quality Act ("CEQA") according to sections 15378 and 15060(c)(2) of the CEQA Guidelines because it does not result in a physical change in the environment; and

WHEREAS, The Contract Monitoring Division ("CMD") established a Local Business Enterprise ("LBE") subcontracting requirement of 20% for this contract and the contractor committed to LBE participation of 28.6% in its bid submittal; and

WHEREAS, Public Works advertised the project on April 25, 2024 and received four (4) bids on June 26, 2024. Public Works staff and CMD staff reviewed the bids and determined that KLW Construction, Inc. is the lowest responsible bidder; and

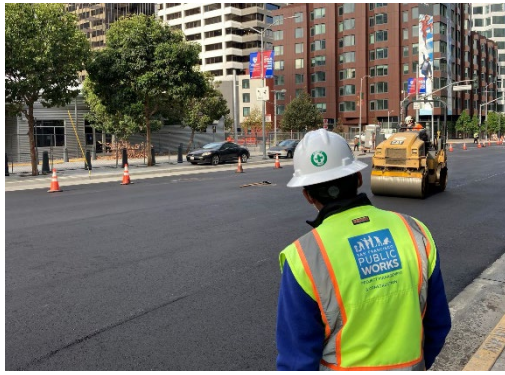
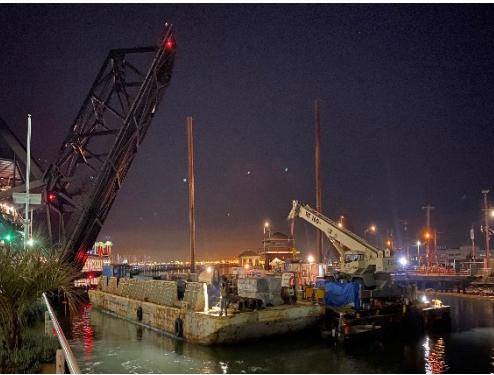
WHEREAS, The contract amount is \$6,986,810.45 and the contract duration is 630 consecutive calendar days; now, therefore, be it

RESOLVED, That this Commission hereby awards San Francisco Public Works Construction Contract, the ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition Project (Sourcing ID No. 0000009068) in the amount of \$6,986,810.45 with \$689,681.05 for contingency, and with a contract duration of 630 consecutive calendar days with 63 consecutive calendar days of contingency, to KLW Construction, Inc.

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

\_\_\_\_\_  
Commission Affairs Manager  
Public Works Commission

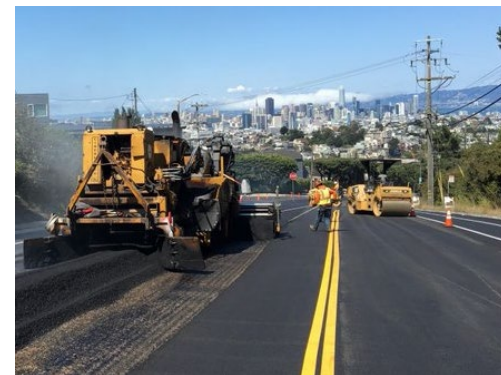
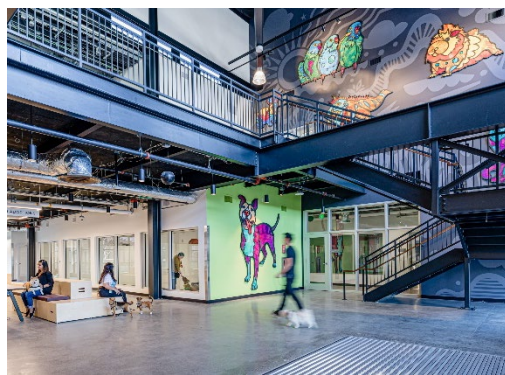




October 7, 2024

# ZSFG Building 5 Family Health Center Relocation – Phase 1 5C 5E Demolition

Lindsay Hu  
Public Works Project Manager



# ZSFG Building 5 Family Health Center Relocation – Phase 1 5C 5E Demolition Award Construction Contract

Recommend Commission:

**Award the ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition Project**

Contract Amount:

**\$6,986,810.45 with \$689,681.05 contingency**

Construction Duration:

**630 consecutive calendar days with 63 consecutive calendar days contingency**

Contractor:

**KLW Construction, Inc.**

Reason:

**The work is required for a clinical renovation to relocate the existing Family Health Center Clinic from the existing 1930s-era ZSFG Building 80/90 location to the seismically retrofitted ZSFG Building 5, currently in construction. The project will consolidate Family Health clinical services in a new centralized location.**

**Phase 1 includes the demolition and corridor renovation located on the fifth floor of Building 5.**



# ZSFG Building 5 Family Health Center Relocation – Phase 1 5C 5E Demolition

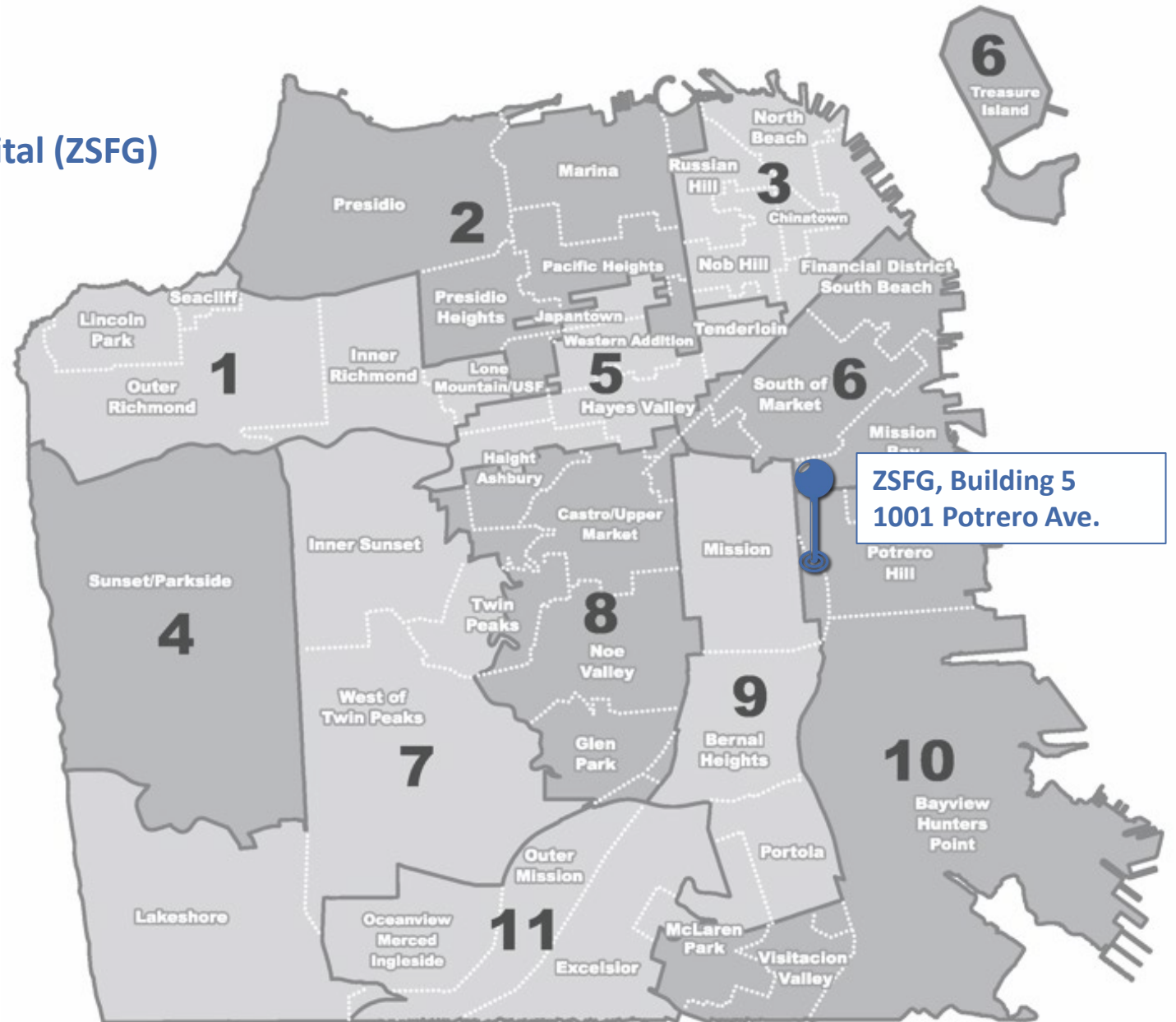
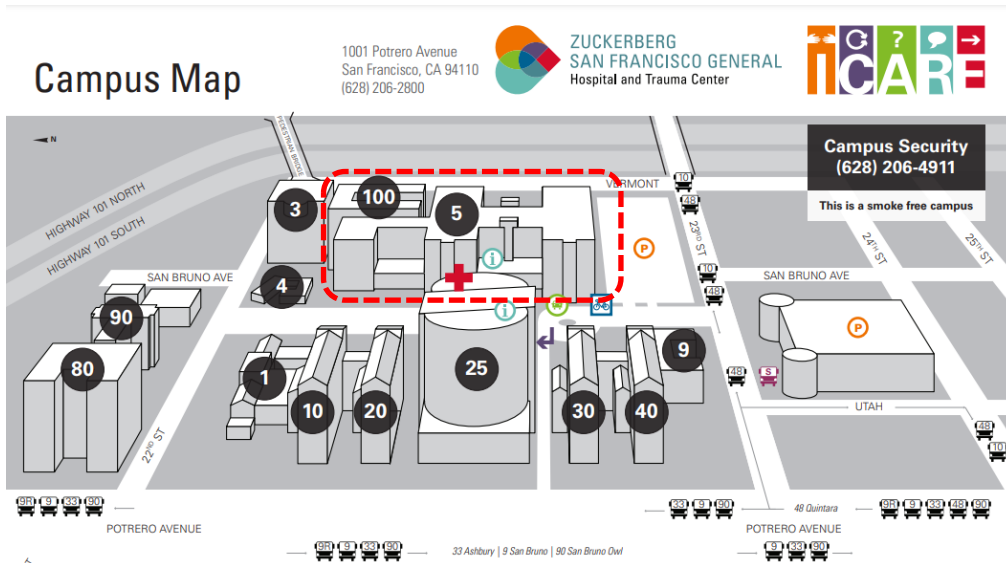
## Award Construction Contract

**Address: Zuckerberg San Francisco General Hospital (ZSFG)**  
**1001 Potrero Ave.**

**District 10**

**More info:**

<https://www.zuckerbergsanfranciscogeneral.org/services/campus-projects-building-our-future/>



# Background and History



Building 80/90, 1937



Building 80/90, circa 2020



# Contract Overview

**Client:** San Francisco Department of Public Health  
**Program:** 2016 Public Health and Safety Bond  
**Funding:** SFGH Foundation Grant/Gift Donation Funds  
**Architect:** Public Works Bureau of Architecture (BOA)

**Contractor:** K LW Construction, Inc.

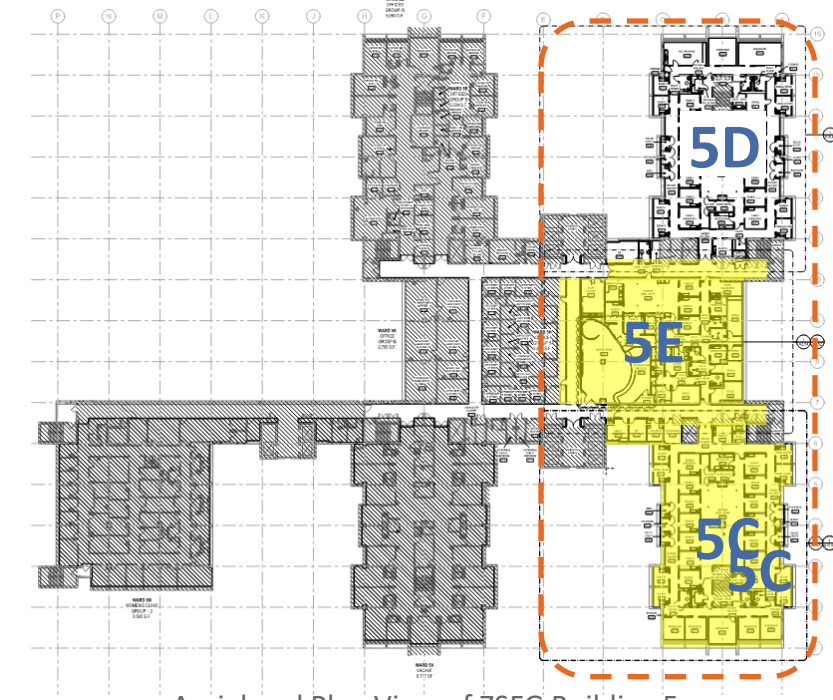
## Scope:

The ZSFG Building 5 Family Health Center Relocation (FHC) project is located at ZSFG, on the fifth floor of Building 5. The new wards will provide 25,000 gross square feet of new clinical space, with an increase in the number of exam rooms and a more efficient exam/team workroom layout.

The project is permitted under the Department of Health Care Access and Information (HCAI).

Due to funding constraints, the larger FHC Relocation Project will be phased. The first phase of the project, Phase 1, consists of the interior demolition and corridor renovation of Ward 5C and Ward 5E.

The remaining scope of work, under the larger FHC renovation project, will be bid out in future phases as separate construction projects, once additional funding has been secured by DPH.



Aerial and Plan View of ZSFG Building 5

# Family Health Center Relocation Project

5D

5E

5C

- ADMIN
- CIRCULATION
- CONSULT
- EXAM
- SUPPORT FOR EXAM
- SUPPORT FOR PATIENT
- SUPPORT FOR STAFF
- FACILITY OPERATIONS
- WAIT



## Family Health Center Relocation

Entire project will be delivered in four separate phases and construction contracts (bidding, award and construction)

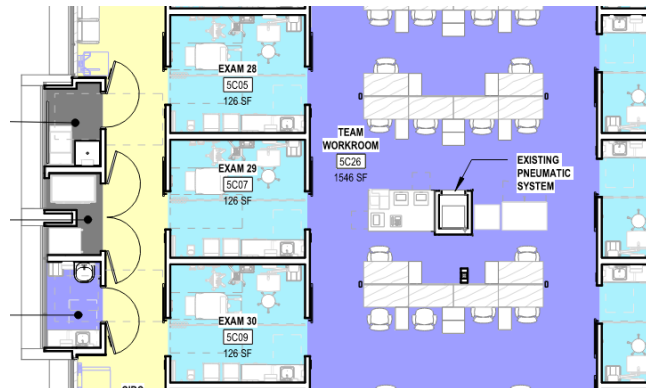
- Phase 1: 5C and 5E Demolition and Interior Corridor Construction
- Phase 2: 5E Clinical Construction
- Phase 3: 5C Clinical Construction
- Phase 4: 5D Demolition and Clinical Construction



5E Waiting Room



5E Registration



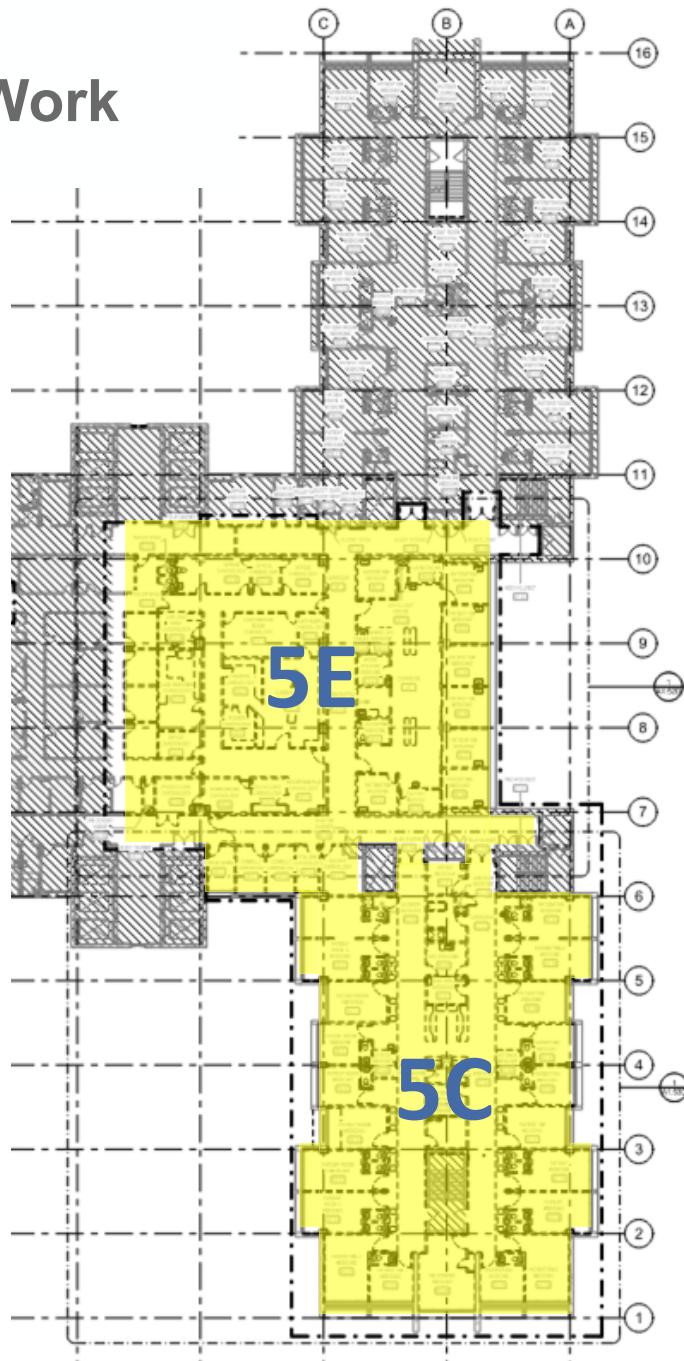
Team Workroom and Exam Room Layout



Exam Room



# Scope of Work



## Phase 1: 5C and 5E Demolition and Interior Corridor Construction

- Phase 1.1 5C and 5E Interior Ward Demolition
- Phase 1.2 5E North Demolition
- Phase 1.3 5E North Central Corridor Construction
- Phase 1.4 5E West Corridor Construction
- Phase 1.5 5E East Corridor Construction

## Benefits of early demolition

- Allows earlier start of construction work and additional time to buy out future scope, phases and General Contractor for trades
- Demolition will expose majority of the unforeseen conditions to avoid design changes during active construction which often leads to delays and change orders
- Phasing is necessary to accommodate client funding constraints





# Scope of Work

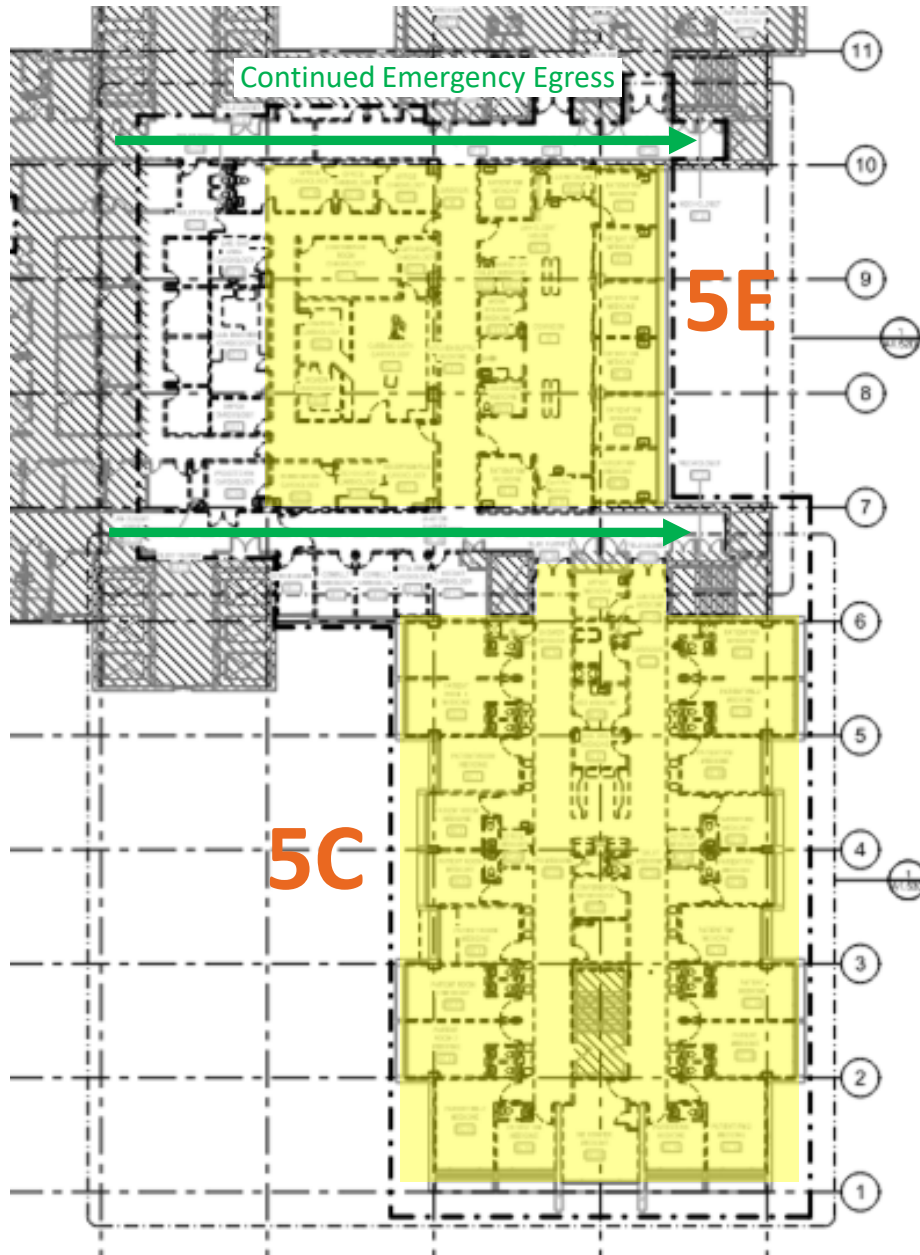
1.1 5C and 5E Interior  
Ward Demo

1.2 5E North Demo

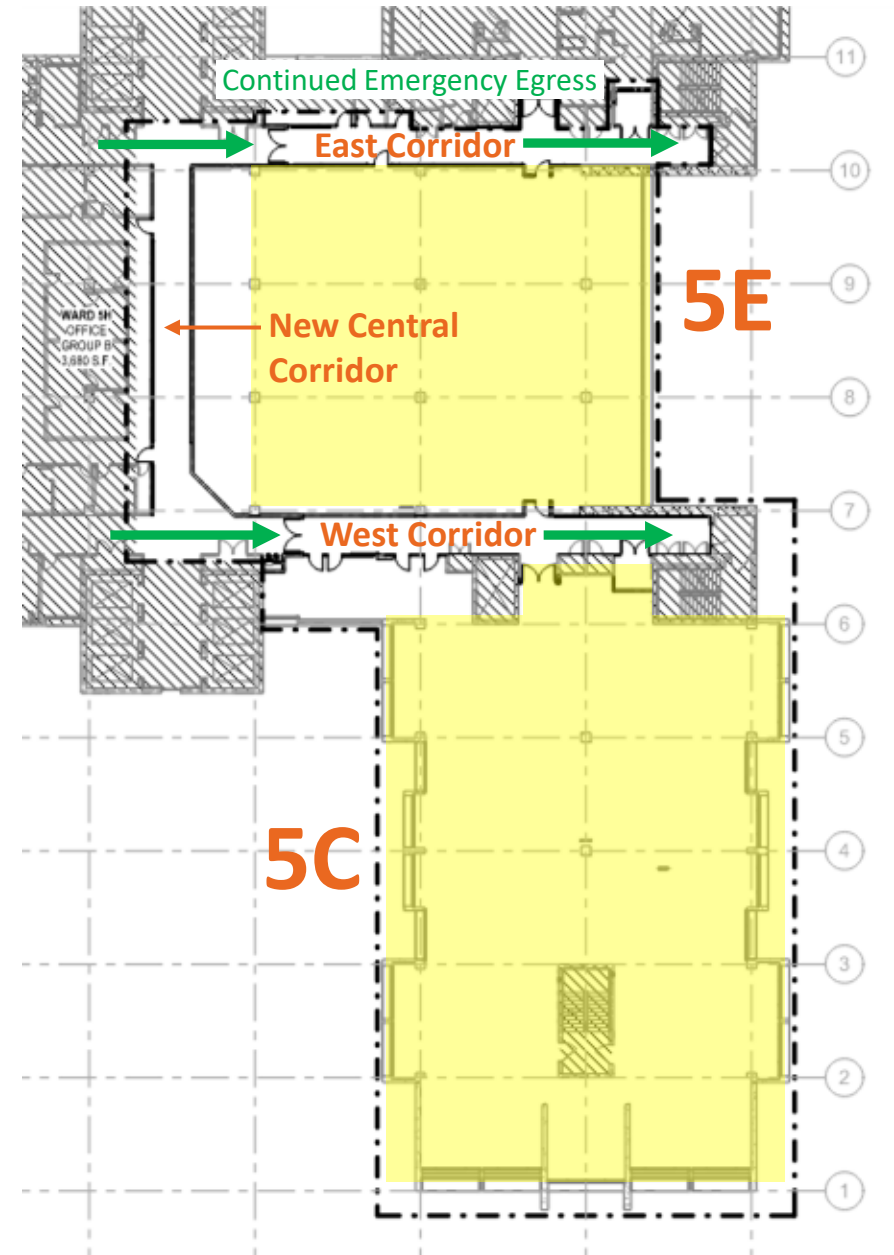
1.3 5E North Central  
Corridor

1.4 5E West Corridor

1.5 5E East Corridor



Phase 1 Demolition Plan



Final Phase 1 Corridor Construction Plan



# Scope of Work

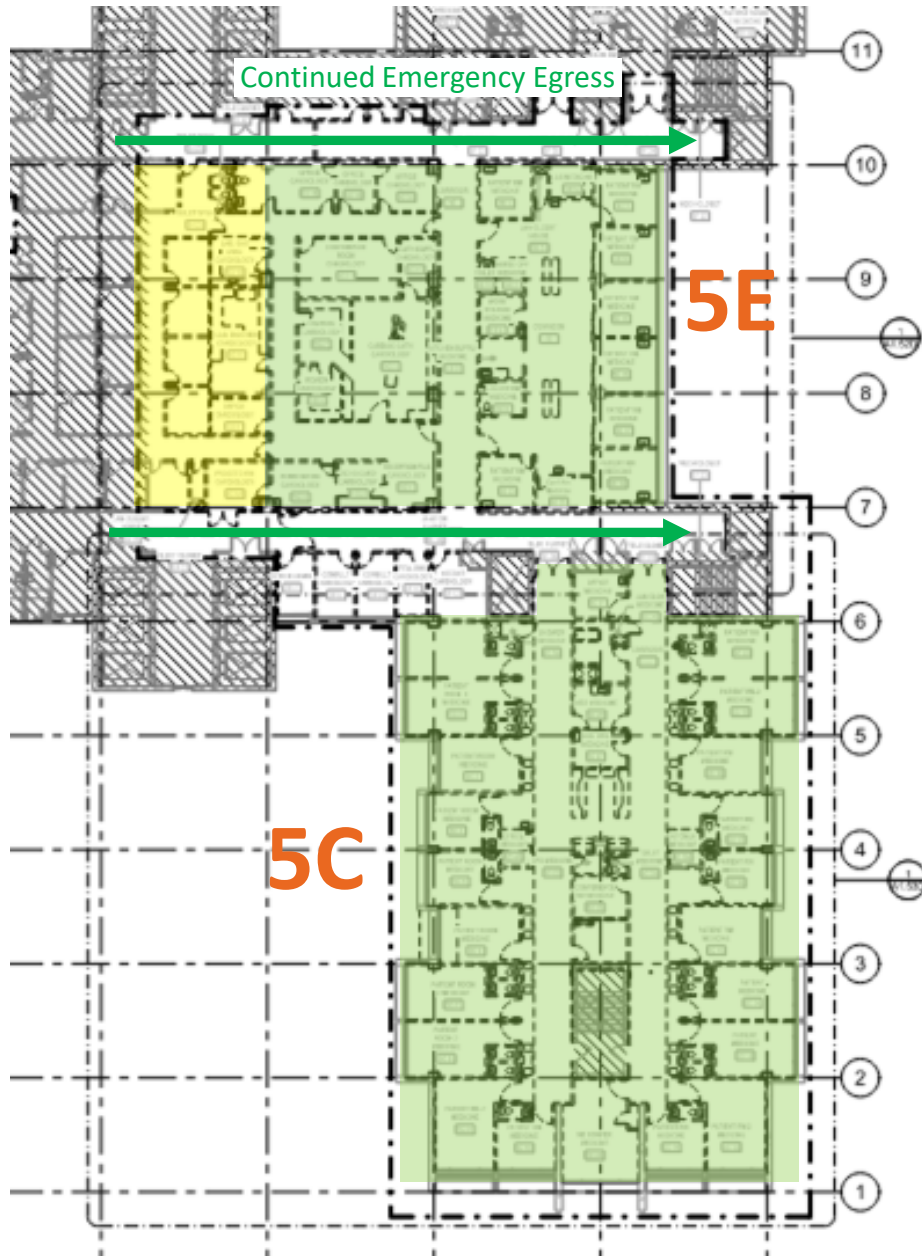
1.1 5C and 5E Interior Ward Demo

1.2 5E North Demo

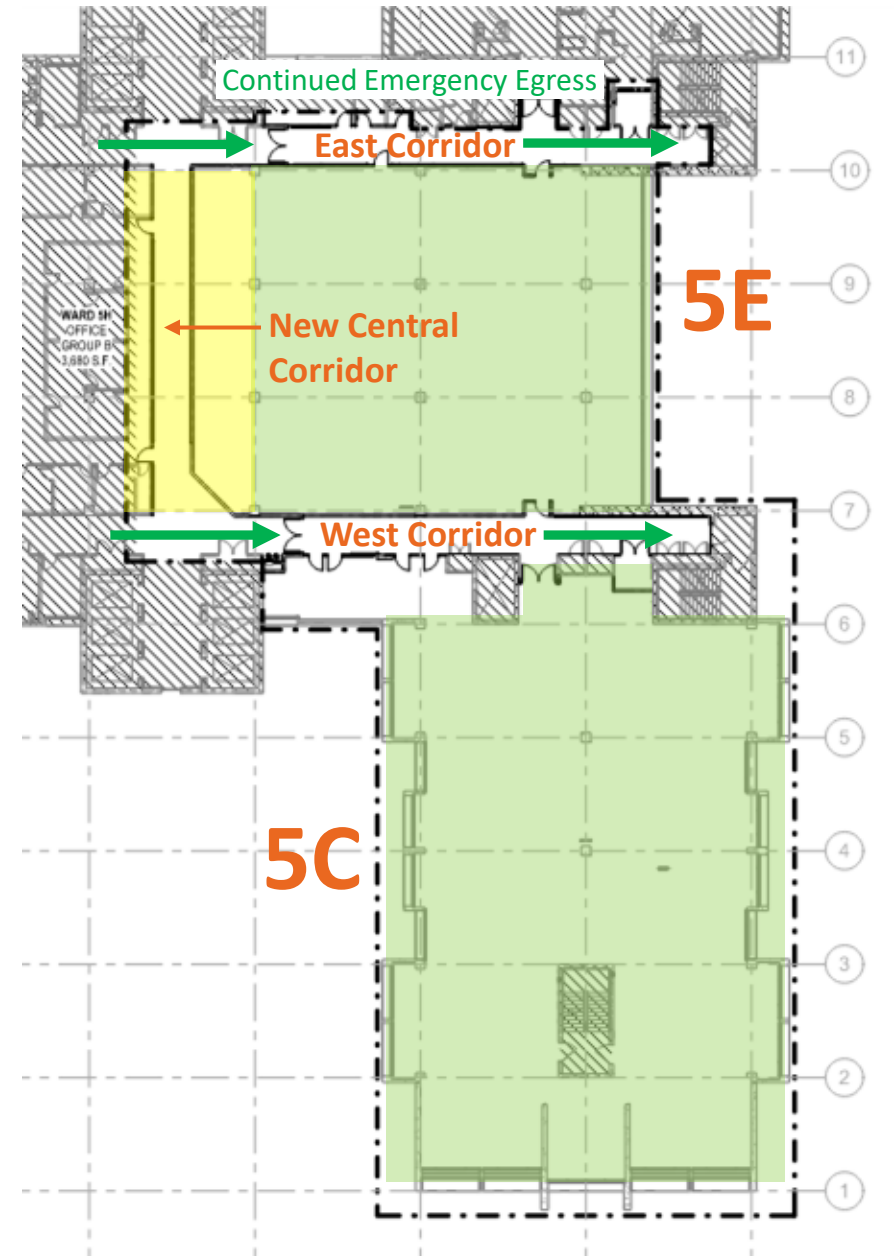
1.3 5E North Central Corridor

1.4 5E West Corridor

1.5 5E East Corridor



Phase 1 Demolition Plan



Final Phase 1 Corridor Construction Plan





# Scope of Work

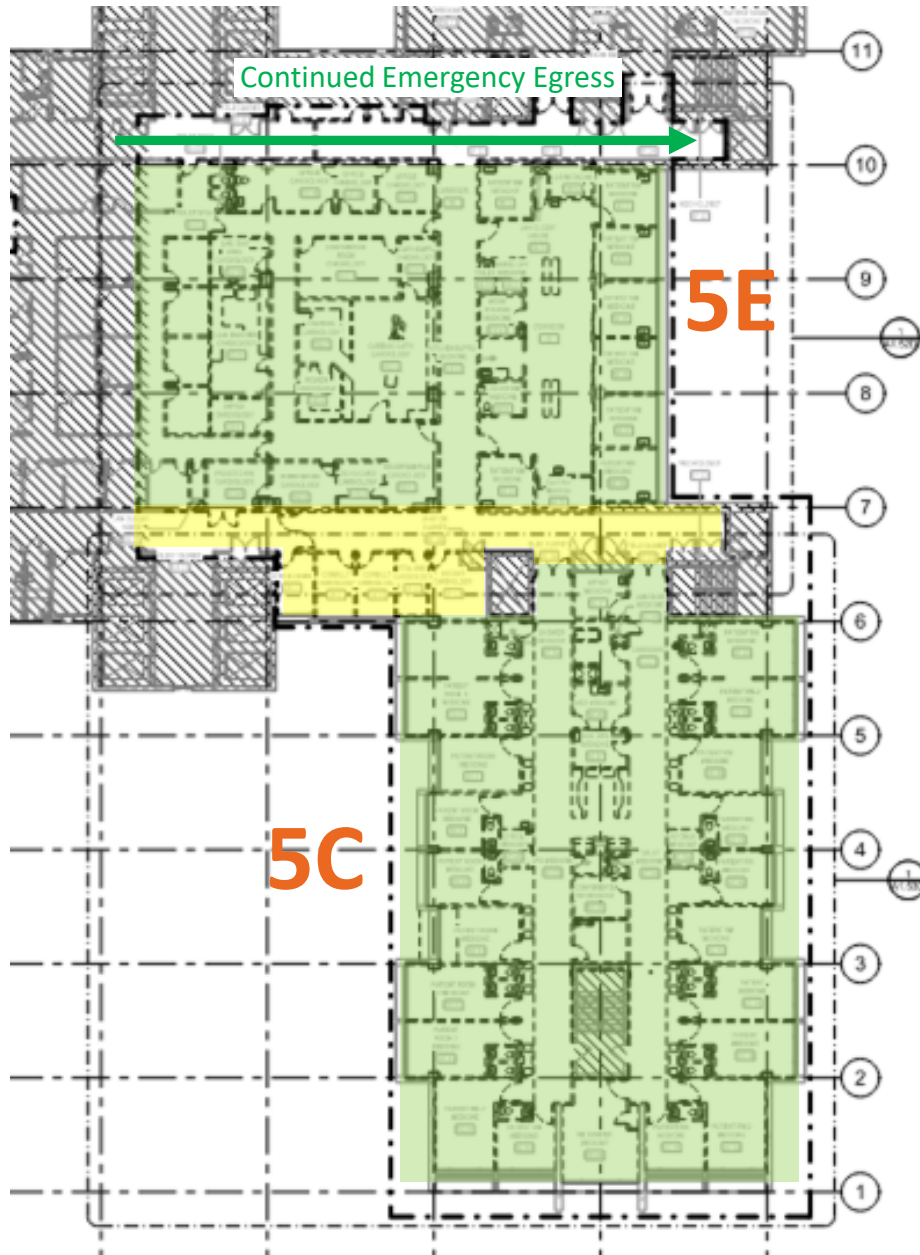
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1.2 5E North Demo

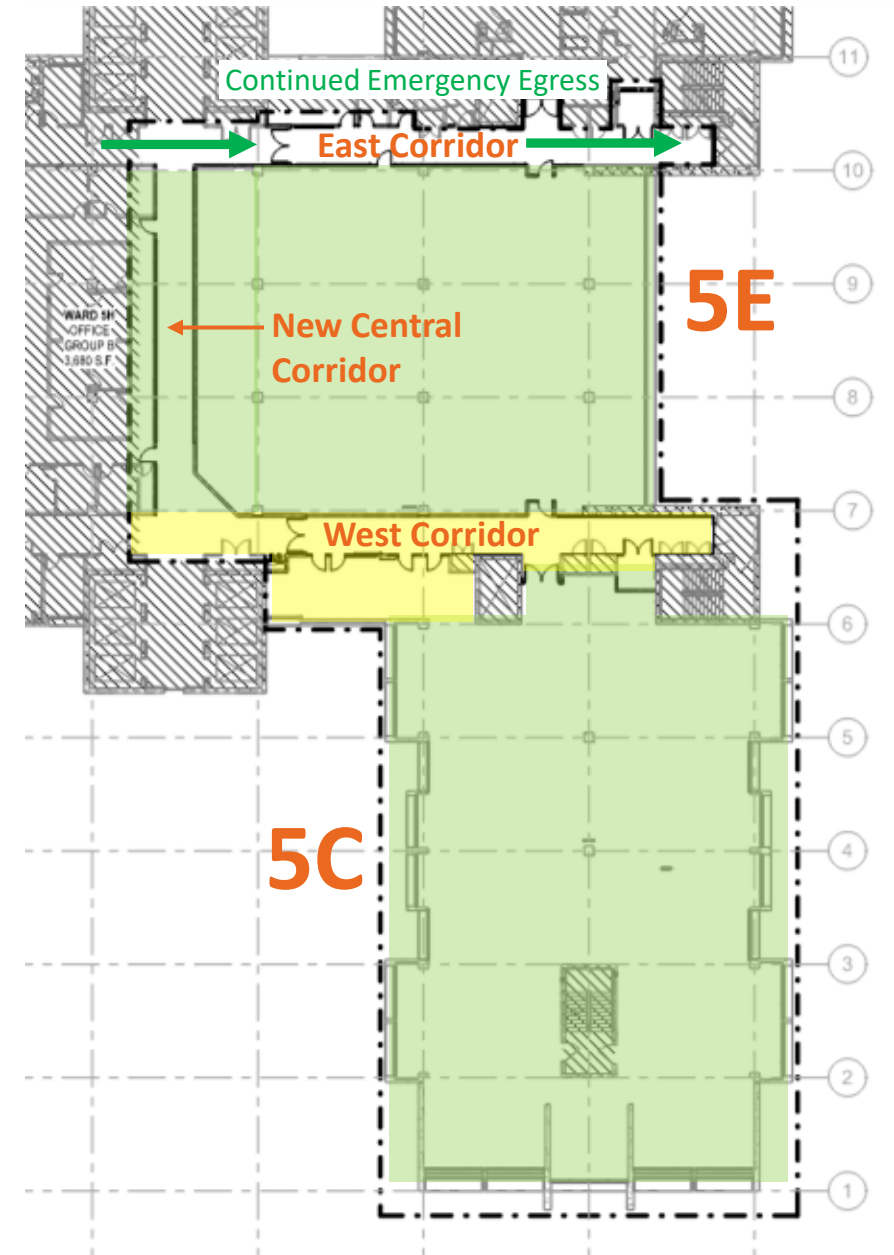
1.3 5E North Central Corridor

1.4 5E West Corridor

1.5 5E East Corridor



Phase 1 Demolition Plan



Final Phase 1 Corridor Construction Plan





# Scope of Work

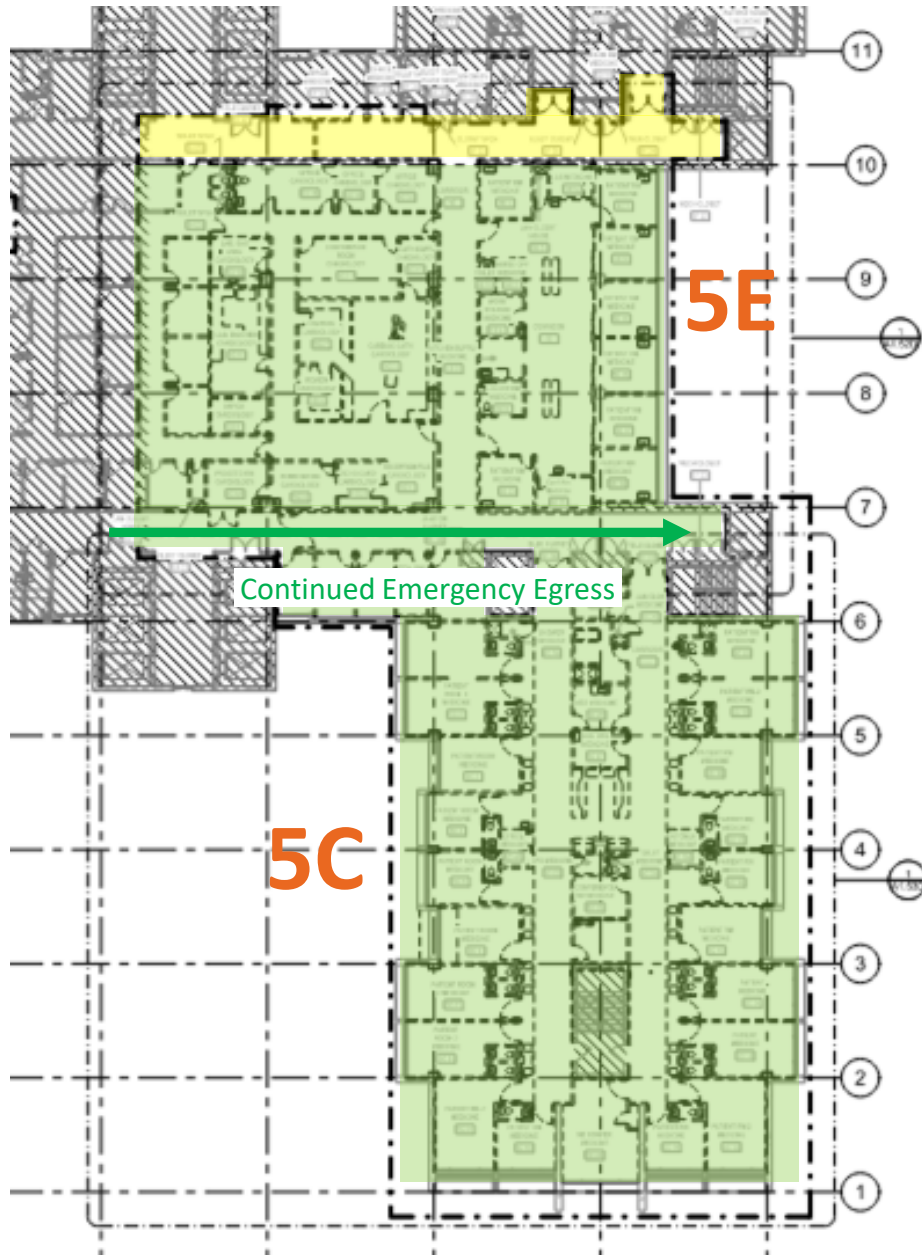
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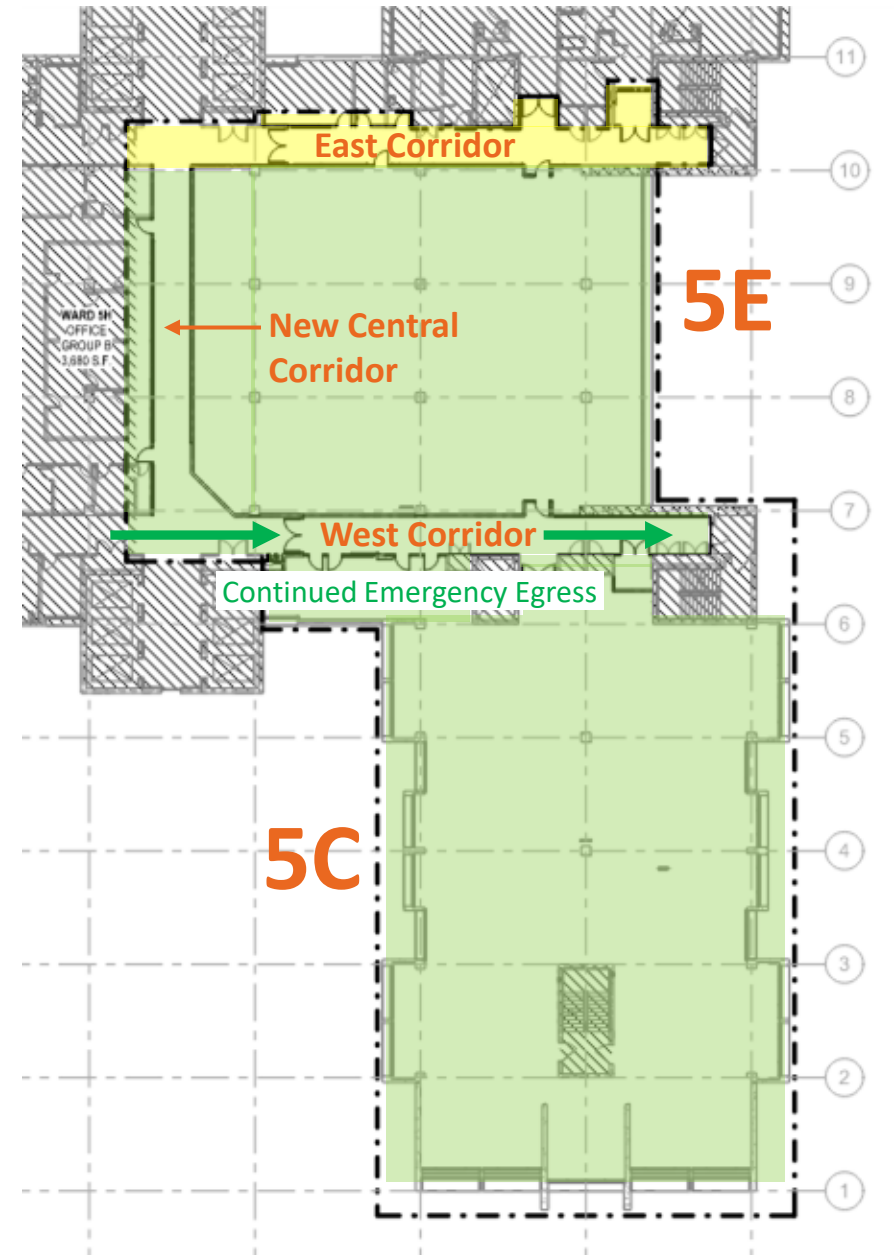
1.3 5E North Central Corridor

1.4 5E West Corridor

1.5 5E East Corridor



Phase 1 Demolition Plan

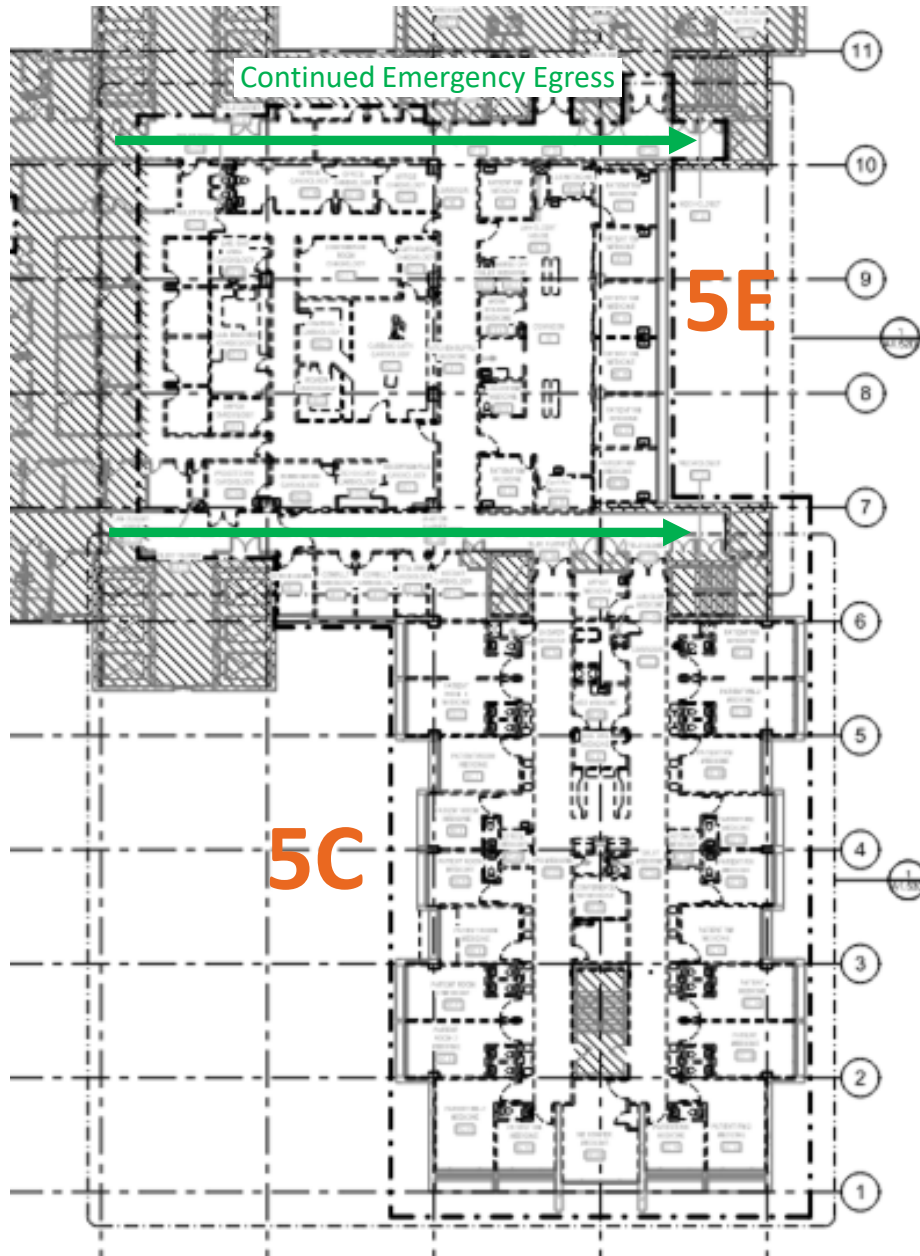


Final Phase 1 Corridor Construction Plan

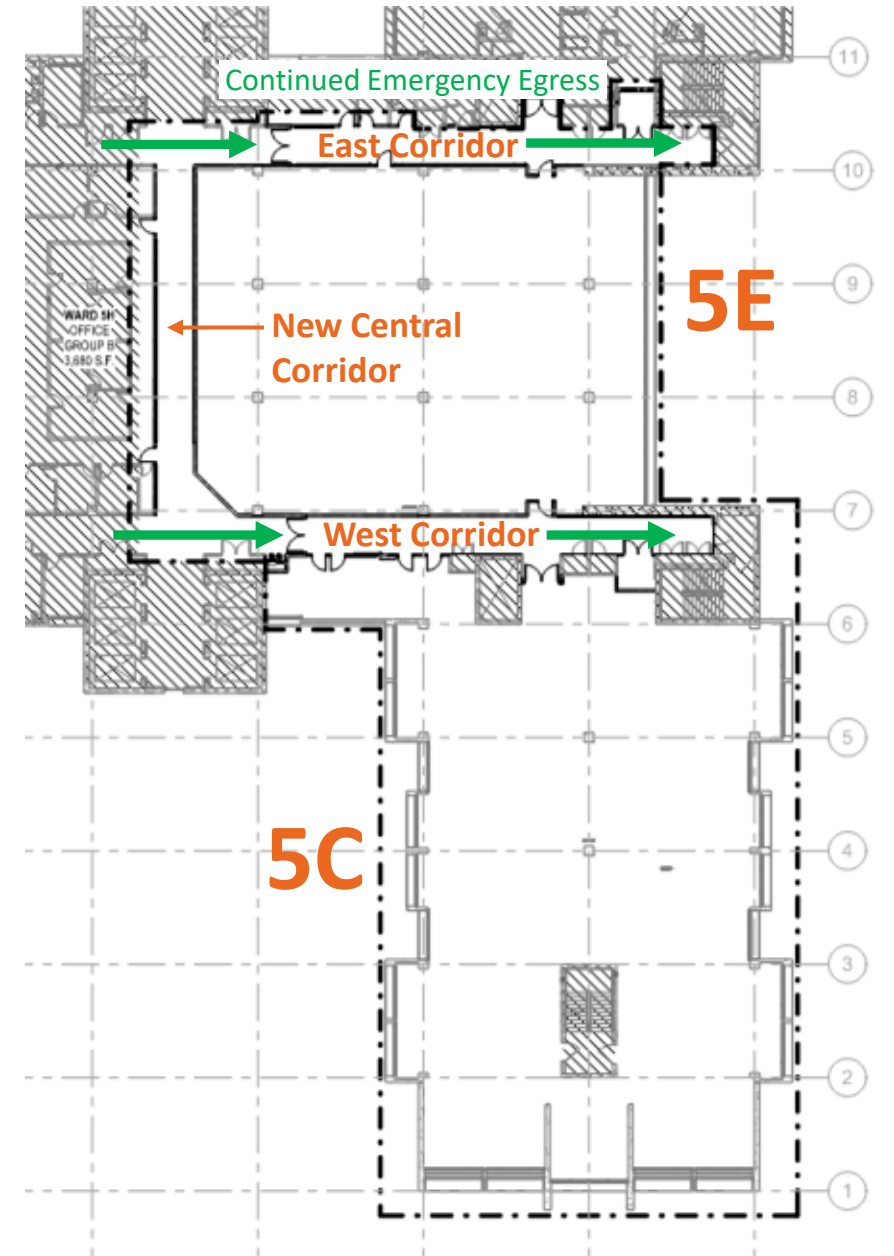


# Scope of Work

- 1.1 5C and 5E Interior Ward Demo
- 1.2 5E North Demo
- 1.3 5E North Central Corridor
- 1.4 5E West Corridor
- 1.5 5E East Corridor



Phase 1 Demolition Plan



Final Phase 1 Corridor Construction Plan



# Bid and Award

## Bid Process:

- Public Works advertised the FHC Phase 1 5C 5E Demo project on April 25, 2024.
- By bid due date June 26, 2024, Public Works received four bids. Buhler was the apparent low bidder.

| <b>BIDDERS:</b>                      | <b>LBE Status</b>    | <b>Base Bid</b> | <b>Adjusted Bid w/Discount</b> |
|--------------------------------------|----------------------|-----------------|--------------------------------|
| 1. Buhler Commercial                 | SF LBE - OBE (Micro) | \$5,699,150.00  | \$5,129,235.00                 |
| 2. KLW Construction Inc.             | SF LBE - MBE (Micro) | \$6,986,810.45  | \$6,288,129.41                 |
| 3. City Building, Inc.               | Non-LBE              | \$6,955,313.00  | \$6,955,313.00                 |
| 4. Rubecon General Contracting, Inc. | SF LBE - MBE (Small) | \$9,326,743.00  | \$8,394,068.70                 |

- KLW issued a timely bid protest, alleging Buhler Commercial (“Buhler”) failed to meet the minimum experience qualifications.
- City reviewed and determined that Buhler failed to meet the minimum contractor bidder qualifications. Buhler lacked the required construction experience in an operational hospital with similar scope and complexity. The City determined that Buhler was non-responsible.
- The Notice of Non-Responsibility was issued to Buhler on August 28, 2024.
- The final Bid Protest Determination was issued on September 12, 2024.



# Bid and Award

## Bid Process:

- The City reviewed the next apparent low bidder, KLW Construction, Inc. (“KLW”), and determined that KLW met the minimum contractor qualifications
  - KLW, the list subcontractors and key team members have the necessary and required experience in HCAI hospital building construction projects of similar scope and complexity
  - KLW has previous experience in ZSFG Building 5 and a greater understanding of the complex and challenging work in an operational hospital and the stringent environmental health and safety procedures specific to ZSFG
- KLW was deemed responsible by the City

Deemed non-responsible

| <b>BIDDERS:</b>                      | <b>LBE Status</b>               | <b>Base Bid</b>           | <b>Adjusted Bid w/Discount</b> |
|--------------------------------------|---------------------------------|---------------------------|--------------------------------|
| <del>1. Buhler Commercial</del>      | <del>SF LBE - OBE (Micro)</del> | <del>\$5,699,150.00</del> | <del>\$5,129,235.00</del>      |
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# ZSFG Building 5 Family Health Center Relocation – Phase 1 5C 5E Demolition Award Construction Contract

Recommend Commission:

**Award the ZSFG Building 5 Family Health Center Relocation Phase 1 5C 5E Demolition Project**

Contract Amount:

**\$6,986,810.45 with \$689,681.05 contingency**

Construction Duration:

**630 consecutive calendar days with 63 consecutive calendar days contingency**

Contractor:

**KLW Construction, Inc.**

Reason:

**The work is required for a clinical renovation to relocate the existing Family Health Center Clinic from the existing 1930s-era ZSFG Building 80/90 location to the seismically retrofitted ZSFG Building 5, currently in construction. The project will consolidate Family Health clinical services in a new centralized location.**

**Phase 1 includes the demolition and corridor renovation located on the fifth floor of Building 5.**



# QUESTIONS