



Meeting Date: April 7, 2023

To: Public Works Commission

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

From: Joe Chin, Public Works Program Manager

Subject: Contract No. 1000013710 Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2 - Contract Modification

Director's Recommendation: Approve an increase of \$2,489,400 to the contract cost contingency and authorize the Director Public Works to approve future modifications for Contract No. 1000013710 Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2 up to a total contract amount of \$29,872,800; and approve an increase of 92 calendar days to the contract duration contingency and authorize the Director of Public Works to approve future modifications up to a total contract duration of 1,196 calendar days.

Contract Background: The Work is located at 2403 Keith Street (between Bancroft Avenue and Armstrong Avenue) in the Bayview-Hunters Point Community (District 10) in San Francisco, California. The site consists of a single 52,500 S.F. lot that is open on 3 sides to the public right-of-way on Armstrong Avenue, Keith Street, and Bancroft Avenue. The Work consists primarily of a new medical office building for the Department of Public Health (DPH) built on-site at the corner of Keith Street and Bancroft Avenue in the existing parking lot adjacent to the existing clinic building. The new clinic consists of a separate standalone 2-story building with a building area over 22,000 square feet that is connected to the existing clinic by way of a covered walkway. Public spaces, including a lobby and large multipurpose room, specialty medical clinic spaces, and staff support spaces are located on the first floor. The second floor houses the medical and behavior health clinic. The Work also consists of new site utilities for the new building and site improvements, including a 3-stall parking lot at Keith Street, a 27-stall fenced parking lot at the rear of the site with electric vehicle charging stations, and a plaza at the new building entry. A small portion of the Work involves the existing, single-story, 16,950 square foot building that serves as the current outpatient clinic. The existing clinic building will be occupied and operational while the new building is under construction. When the new building is completed, most staff and services, except for the recently renovated dental clinic, will be moved to the new building. This project shall be LEED Certified and shall be built to

meet or exceed LEED v4 Gold certification under the Green Building Design Construction Rating System for New Construction.

On May 18, 2020, construction notice-to-proceed (NTP) was issued to the General Contractor, CLW Builders (CLW), with a time limit of 860 calendar days to achieve Substantial Completion and an additional 60 calendar days to achieve Final Completion. The total original contract duration from NTP to Final Completion is 920 calendar days. Based on the original contract durations, the project was to achieve Substantial Completion and Final Completion by September 24, 2022 and November 23, 2022, respectively. The original construction duration of 860 calendar days included three interim milestones: (1) Phase 1 milestone – Completion of the new clinic building within 600 calendar days after NTP; (2) Phase 2 milestone – DPH to move-in and occupy the new clinic building within 140 calendar days after completion of Phase 1; and (3) Phase 3 milestone – Contractor to remobilize and complete the front entrance and parking lot site improvements within 120 calendar days after the completion of Phase 2.

Explanation of Requested Contract Cost and Duration:

Previously, Public Works has approved a total of 10 change orders for a total contract amount increase of \$2,489,160.27 (9.99% increase to the original awarded contract amount) resulting in the current approved total contract amount of \$27,383,160.27 and a total contract duration increase of 24 calendar days (2.61% increase from original duration) and resulting in the current approved total contract duration of 944 calendar days.

Specifically, Public Works has approved the following contract modifications:

CO #	Amount	Duration (Calendar Days)
1	\$ 43,849.25	0
2	\$ 622,600.00	0
3	\$ 89,635.61	0
4	\$ 157,308.05	0
5	\$ 290,488.44	0
6	\$ 222,938.12	66
7	\$ 426,822.83	0
8	\$ 251,954.10	0
9	\$ 156,262.69	15
10	\$ 227,301.18	(57)
Total	\$ 2,489,160.27	24

Public Works issued NTP on March 18, 2020 at a time when a majority of San Francisco and the Bay Area was still under the “shelter-in-place” SF Health Order mandate because of the COVID-

19 pandemic. One of the first delays the Contractor experienced was a delay to site access and added scope to create a temporary access to the temporary COVID-19 testing site directly adjacent to the existing Southeast Health Center.

During the construction of Phase 1, the DPH, Public Works, and CLW mutually agreed to mitigate some of the project schedule delays by allowing CLW Builders to accelerate the construction schedule, without any additional cost to the City, by allowing CLW to proceed with the Phase 3 scopes concurrently with the Phase 1 scopes as long as CLW was able to perform the Phase 3 scopes without impacting patient and staff access to the existing clinic. Based on this resequencing approach, the project received a Temporary Certificate of Occupancy (TCO) from the SF Department of Building Inspection on June 14, 2022, and DPH moved into the new building and started seeing patients on July 29, 2022. Phase 1 milestone achieved Substantial Completion on August 19, 2022, and Phase 2/Phase 3 milestones achieved Substantial Completion on October 18, 2022. This project is currently in the closeout phase.

The requested contract duration contingency increase of 92 calendar days is needed to extend the contract duration to allow Contractor to complete owner-requested change order work that was requested by DPH clinical and facilities staff after occupancy of the new building and after the issuance of Substantial Completion. These owner-requested post-occupancy change order work items include, but not limited to, security camera/door control modifications, vehicular gate modifications, and toilet flush valve replacements, that were necessary to ensure that the new clinic functions efficiently and support the clinical staff patient care workflow requirements. In some instances, the Contractor is also experiencing delays to the material procurement timeline for these owner-requested change order work, which will increase the amount of time the Contractor needs to complete the extra work. Contractor is currently anticipating completing all remaining change order work by no later than June 2023, contingent on the timing to execute the change order approving the extra work and the vendor's material procurement timeline.

The requested contract cost contingency increase of \$2,489,400 is needed to allow Public Works to issue construction change orders to compensate the Contractor for the extra work that was completed during construction to not delay the project schedule while the Contractor's pricing was being tracked and negotiated by the Public Work Construction Management Team, as well as for post-occupancy added scopes that have been requested by DPH. Contractor's delay in submitting final pricing and adequate subcontractor backup information to substantiate extra costs also contributed to the delay in the issuance of a change order. There is \$239.73 of cost contingency remaining from the previously approved \$2,489,400 (10% contract cost contingency amount), of which would not be sufficient for the processing of all outstanding change orders to closeout the project. Public Works is estimating that there is approximately \$600,000 of outstanding change order costs that will need to be executed in future change order/modification.

Contract Details:

Contract Title:	Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2

*Contract No. 1000013710 Southeast Health Center Expansion & Behavioral Health Integration Project
Phase 2 - Contract Modification
Public Works Commission Meeting: April 7, 2023*

Contract Original Award Amount:	\$24,894,000
Contract Original Duration:	860 Calendar Days [Substantial Completion] + 60 Calendar Days [Final Completion]
Contractor Name:	CLW Builders, Inc.

Summary of Contract Value:

Contract Cost Amount	Amounts
Original Contract Amount:	\$24,894,000.00
Original Contingency Amount:	\$2,489,400.00
Previously Approved Contingency Reserve:	-
Additional Contingency Reserve Requested:	\$2,489,400.00
Authorized Contract Cost Limit:	\$29,872,800.00

Contract Duration	Calendar Days
Original Contract Duration (Substantial and Final Completion):	920
Original Contingency Duration:	92
Previously Approved Contingency Reserve:	92
Additional Contingency Reserve Requested:	92
Authorized Contract Duration Limit:	1,196

Contract Funding Sources:	2016 Public Health and Safety Bond Program (2016 PHS)
Compliance Information:	12B Equal Benefits Ordinance Compliant 12X Prohibiting City Travel and Contracting in States that Allow Discrimination 14B Local Business Enterprise and Non-Discrimination Ordinance
Related Commission Actions:	N/A
CEQA Compliance	On June 16, 2015, the Planning Department determined that the project was categorically exempt from environmental review under Class 32 of the CEQA Guidelines, Section 15332.
Attachments:	Attachment 1: Proposed Commission Resolution

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

RESOLUTION NO. _____

WHEREAS, On February 20, 2020, San Francisco Public Works awarded Contract No. 1000013710 Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2 to CLW Builders, Inc.; and

WHEREAS, The original contract amount was for a lump sum amount of \$24,894,000, and the original contract duration was 920 calendar days from the issuance of Notice to Proceed (NTP) to Final Completion; and

WHEREAS, The original contract amount was previously modified to increase the lump sum amount by \$2,489,160.27 and the original contract duration by 24 calendar days; and

WHEREAS, An increase of \$2,489,400 to the contract cost contingency and 92 calendar days to the contract duration contingency is being requested for this contract; and

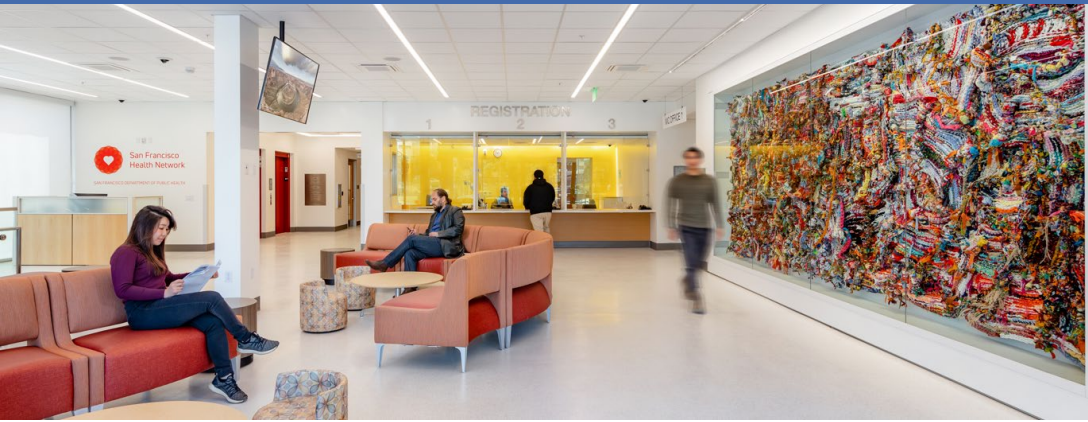
WHEREAS, An increase to the contract cost contingency and contract duration contingency approved by this action would allow the Contractor to complete the added scopes requested by Public Works and Department of Public Health for this contract and allow Public Works to issue Final Completion upon completion of the added scopes; now, therefore, be it

RESOLVED, That this Commission hereby approves an increase of \$2,489,400 to the contract cost contingency and an increase of 92 calendar days to the contract duration contingency; and, be it

FURTHER RESOLVED, That this Commission hereby authorizes the Director of Public Works to approve future modifications to increase the contract amount up to a total contract amount of \$29,872,800 and to increase the contract duration up to a total contract duration of 1,196 calendar days.

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

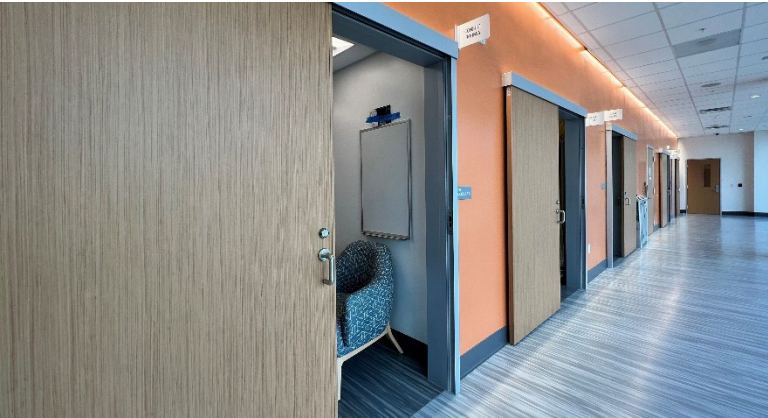
Commission Affairs Manager
Public Works Commission



April 7, 2023

Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2

Joe Chin
Public Works Program Manager



Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2 Increase to Contract Contingencies

Recommend Commission:

**Approve increase to contract contingencies and
authorize Public Works to approve future modifications:
Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2**

Amount:

\$2,489,400.00

Increase Contract Duration Contingency By:

92 consecutive calendar days

Contractor:

CLW Builders, Inc.

Reason:

**Allow for the execution of additional change orders to complete the project and
allow for completion of post-occupancy change-order work**

Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2

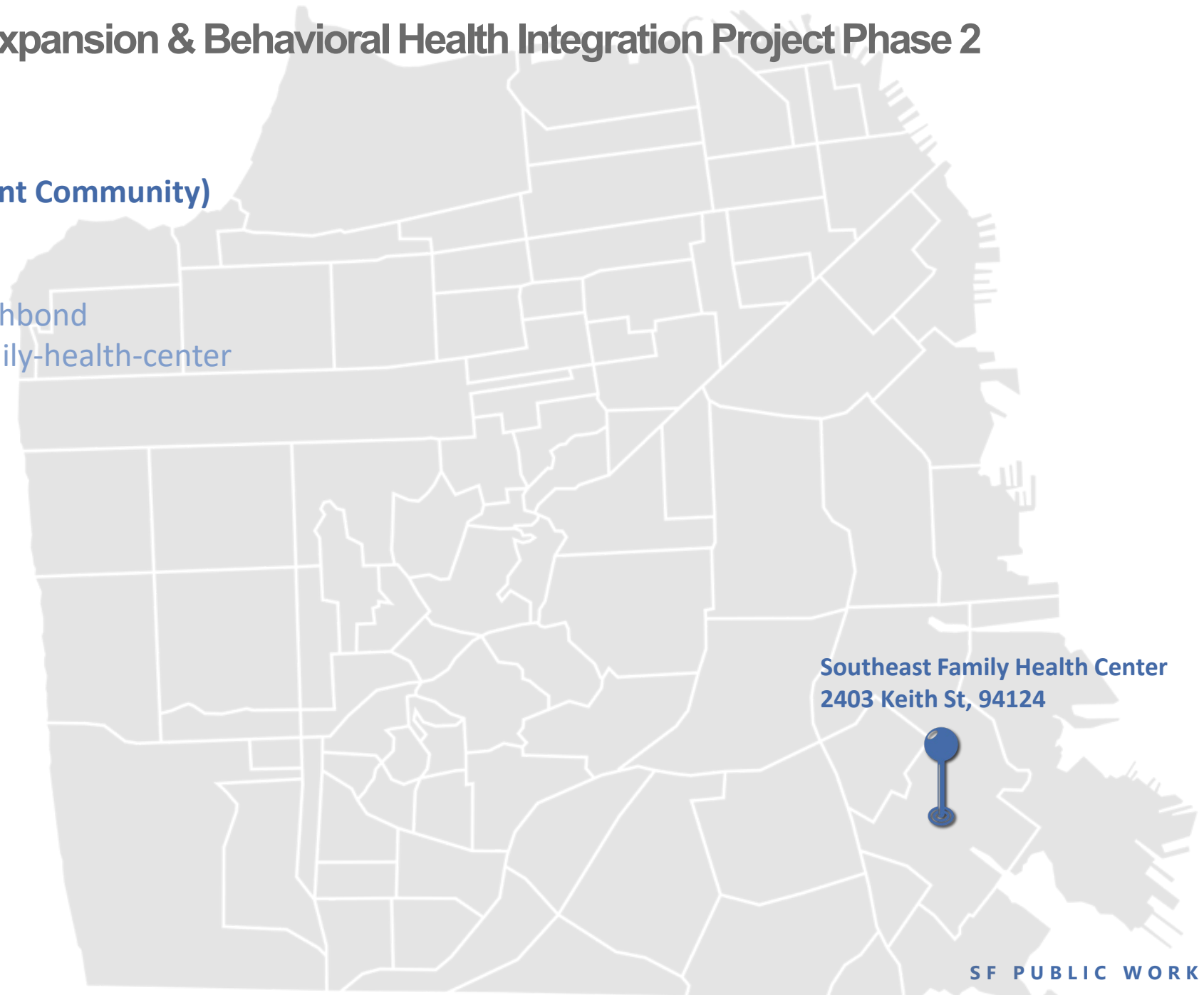
Location

2403 Keith Street, 94124

District 10 (Bayview-Hunters Point Community)

More info:

- sfpublishworks.org/publichealthbond
- sf.gov/location/southeast-family-health-center



Southeast Family Health Center
2403 Keith St, 94124

Project Overview

Client: San Francisco Department of Public Health
Program: 2016 Public Health and Safety Bond
Project: Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2
Architect: Public Works Bureau of Architecture (BOA)
Contractor: CLW Builders, Inc
DPH move in date: July 29, 2022

Scope:

- New 22,000-square-foot, two-story clinic adjacent to the existing clinic will remain. The two buildings are connected by a covered walkway.
- First floor consists of public spaces, including a lobby and large multipurpose room, specialty medical clinic spaces and staff support spaces. Second floor houses the medical and behavioral health clinic.
- Site construction includes new utilities for the new building, a new plaza with landscaping along the front of the existing and new clinic buildings, accessible parking at the front of the existing clinic and a secured parking lot at the rear of the site.
- Designed to meet LEED Gold Certification: includes design elements such as photovoltaic (PV) panels on the roof, electric vehicle (EV) charging units at the rear lot and permeable paving.



View of southwest corner of new facility.

Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2



Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2

Summary of Construction Contract Amount

Contract Cost Amount	Amounts
Original Construction Contract Amount:	\$24,894,000.00
Approved Change Orders to Date (COs #1-10):	\$2,489,160.27
Revised Contract Amount:	\$27,383,160.27
Approved Contingency Reserves to Date:	\$2,489,400.00
Approved Contingency Reserve Remaining:	\$239.73

Contract Duration	Calendar Duration
Original Contract Duration:	920
Approved Contract Durations to date (COs #1-10):	24
Revised Contract Durations:	944
Approved Contingency Reserves to Date:	1104
Approved Contingency Reserve Remaining (as of 3/26/23):	0

Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2

Summary of Contract Contingencies

Contract Duration	Calendar Days
Original Contract Duration:	920
Original Contingency Duration (10%):	92
Previously Approved Contingency Reserve:	92
Additional Contingency Reserve Requested (10%):	92
Authorized Contract Duration Limit:	1,196 (6/27/2023)

Contract Cost Amount	Amounts
Original Contract Amount:	\$24,894,000.00
Original Contingency Amount (10%):	\$2,489,400.00
Previously Approved Contingency Reserve:	-
Additional Contingency Reserve Requested (10%):	\$2,489,400.00
Authorized Contract Cost Limit:	\$29,872,800.00

Reasons for Increasing Contract Cost and Duration Contingencies



Front view along Keith Street.

- Additional contract duration will allow contractor to complete post-occupancy change-order work. Targeting final completion by June 2023, pending lead time to procure added scope materials.
- Allows Public Works to issue future contract modifications for previously completed and accepted change-order work during construction.
- Allows Public Works to issue future contract modifications for client requested post-occupancy change-order work to support the clinical workflow requirements.

Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2 Increase to Contract Contingencies

Recommend Commission:

**Approve increase to contract contingencies and
authorize Public Works to approve future modifications:
Southeast Health Center Expansion & Behavioral Health Integration Project Phase 2**

Amount:

\$2,489,400.00

Increase Contract Duration Contingency By:

92 consecutive calendar days

Contractor:

CLW Builders, Inc.

Reason:

**Allow for the execution of additional change orders to complete the project and
allow for completion of post-occupancy change-order work**



QUESTIONS