



Meeting Date: January 9, 2025

To: Public Works Commission

Through: Carla Short, Public Works Director
Albert Ko, Deputy Director Project Design and Development

From: Stephen Li, Project Architect

Subject: ZSFGH Inpatient Adolescent Behavioral Health Services (BHS) Early Demo - Contract Award

Director's Recommendation: Award ZSFGH Inpatient Adolescent Behavioral Health Services (BHS) Early Demo Contract in the amount of \$1,854,104 for 180 consecutive calendar days to Charles Pankow Builders, Ltd to complete demolition work, Ground Penetrating Radar scanning and floorplan layout for a new behavioral health facility on the 7th floor of Building 5 at Zuckerberg San Francisco General Hospital located at 1001 Potrero Ave.

Contract Background: In early 2023, San Francisco Department of Public Health was conditionally awarded a grant to fund the development of a facility to provide behavioral health services focused on the local youth community. This early demo project is the first phase in the project, focused on removing the existing 1970's construction back to the building shell and identify existing conditions that may impact the design. The work is permitted under the Department of Health Care Access and Information (HCAI), previously known as OSHPD, and includes the demolition of an existing, adult psychiatric clinic built in 1972 occupying Ward 7A and a small conference room in Ward 7E and construction of temporary barriers. After demolition, the work includes lay out of the walls, and plumbing fixtures and using GPR to scan the floor to identify potential conflicts with existing structural post-tension cables and rebar.

A subsequent construction contract will be bid out early next year for the full buildout of the Inpatient Adolescent BHS facility. That phase of the project will be pending the completion of the permit review and design updates that address the potential conflicts identified in this initial phase.

Solicitation Process: The project was advertised for bid on September 24, 2024, and received 5 bids on October 30, 2024. A summary of the five bids is as follows:

Bidders	LBE Status	Bid Amount	Bid Discount	Adjusted Bid w/ Discount
1. City Building, Inc.	Non-LBE	\$1,377,094.00	.5% (\$6,885.47)	\$1,370,208.53
2. Charles Pankow Builders, Ltd.	Non-LBE	\$1,854,104.00	N/A	\$1,854,104.00
3. Zone 4 Construction, Inc.	Non-LBE	\$1,974,563.00	.5% (\$9,872.82)	\$1,964,690.19
4. KLW Construction, Inc.	SF LBE – MBE (Micro)	\$2,733,544.78	10% (\$273,354.48)	\$2,460,190.30
4. Rubecon General Contracting, Inc.	SF LBE – MBE (Small)	\$3,062,580.00	11% (\$335,883.80)	\$2,725,696.20

The engineer’s estimate for this project was \$2,750,000.00

After bid opening, the apparent lowest bidder, City Building, Inc. (CBI) was notified on November 1, 2024 to submit within 10 calendar days, Supplementary Bidding Forms and documents as listed in Section 00 49 00 to substantiate their bid qualifications and experience. The City made multiple efforts to contact CBI to obtain the required documents by the November 18, 2024. The City even extended the deadline to November 21, 2024, but CBI ultimately did not submit the required documents. Without the documentation, the City could not determine whether CBI meet minimum requirements, and their bid was rejected. On December 9, 2024, Public Works issued CBI a Notice of Failure to meet Minimum Qualifications and Rejection of Bid and found CBI non-responsible.

The City proceeded to review the next lowest bidder, Pankow, and their Supplementary Bidding Forms and documents. Pankow’s listed key team members and subcontractors have demonstrated that they have the necessary experience working in hospital building construction projects of similar scope and complexity. Pankow and their subs have also completed previous work in ZSFG Building 5 with very similar scope, including the P6 PES Early Demo project to a satisfactory level. Pankow was deemed a responsible bidder by Public Works staff.

Contract Details:

Contract Title:	ZSFGH Inpatient Adolescent Behavioral Health Services (BHS) Early Demo
Contract Award Amount:	\$1,854,104.00
Cost Estimate:	\$2,750,000.00

Contract Funding Sources:	Overall funding for the project is through a state grant issued by the State of California – Health and Human Services Agency, CA Department of Public Health and administered through the Behavioral Health Continuum Infrastructure Program (BHCIP)
Anticipated Project Schedule:	Anticipated NTP: January 17, 2025 Anticipated Substantial Completion May 17, 2025 Anticipated Closeout: July 16, 2025
Contract Duration:	180 consecutive calendar days (120 days from NTP to Substantial, 60 days from Substantial to Final)
Contractor Name:	Charles Pankow Builders, Ltd
Compliance with Chapter 14B Local Business Enterprise Ordinance:	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 26.9% in its bid submittal, and Public Works received CMD’s recommendation to award.
Environmental Determination (if applicable):	Project is an interior renovation only and under the jurisdiction of HCAI/OSHPD. Regulatory Affairs has deemed the project “Not a Project” for purposes of SF Planning review under CEQA.
Other Compliance:	Prevailing Wage
Additional Information:	State Grant funding is contingent upon construction completion of overall project by June 30, 2027.
Attachments:	Attachment 1: Resolution Attachment 2: Tabulation of Bids Attachment 3: “Not a Project” for CEQA Review Attachment 4: Bidder’s Reminder Attachment 5: Prelim Notice of Bid Rejection - City Building Attachment 6: Notice of Bid Protest – Pankow vs City Building Attachment 7: CMD Memo

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

RESOLUTION NO. _____

WHEREAS, The work to be performed under the ZSFG Building 5 Inpatient Adolescent Behavioral Health Services – Early Demo project (Sourcing ID No. 0000009898) will consist of the demolition, GPR scanning and floor plan layout on the 7th floor of Building 5 in wards 7A and 7E at Zuckerberg San Francisco General Hospital and Trauma Center (“ZSFG”), at 1001 Potrero Avenue, San Francisco, CA, for the San Francisco Department of Public Health (DPH); and

WHEREAS, The project is not for project for under the California Environmental Quality Act review; and

WHEREAS, The Contract Monitoring Division (“CMD”) established a Local Business (“LBE”) subcontracting requirement of 20% for this contract and the contractor committed to the LBE participation of 26.9%

WHEREAS, Public Works advertised the project on September 24, 2024 and received five bids on October 30, 2024. Public Works staff and CMD staff reviewed the bids and determined that Charles Pankow Builders, Ltd. is the lowest responsible bidder; and

WHEREAS, The contract amount is \$1,854,104.00 and the contract duration is 180 consecutive calendar days until Final Completion; now therefore, be it

RESOLVED, That the Public Works Commission hereby awards Charles Pankow Builders, Ltd. the ZSFG Building 5 Inpatient Adolescent Behavioral Health Services Early Demo project (Sourcing ID No. 0000009898) in the amount of \$1,854,104 with a \$185,410.40 for contingency and a contract duration of 180 consecutive calendar days with 18 consecutive calendar days for contingency.

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

Commission Affairs Manager
Public Works Commission

**City and County of San Francisco
Department of Public Works
TABULATION OF QUOTES**

SOURCING ID: 0000009898

CONTRACT TITLE: PW ZSFG BLD 5 BHS EARLY DEMO

FULL TITLE: ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) - Early Demo

BIDS RECEIVED: October 30, 2024

<u>PROPOSERS (in the order received & opened):</u>	<u>LBE Status Claimed</u>	<u>Total Bid Price</u>
KLW Construction, Inc.	Micro-LBE 10%	\$2,733,544.78
City Building, Inc.	N/A	\$1,377,094.00
Rubecon General Contracting, Inc.	Small-LBE 10%	\$3,062,580.00
Zone 4 Construction, Inc.	N/A	\$1,974,563.00
Pankow Builders	N/A	\$1,854,104.00
	Average Bid:	\$2,200,377.16
	Engineer's Estimate:	\$2,750,000.00
	% of Engineer's Estimate:	80%
	% of Engineer's Estimate vs. Low Bid Received	50%

cc:	Stephen Li Stephanie Tang Norbu Dhonyo	Albert Ko Ron Alameida Laura Tanigawa	Carla Short Julia Laue
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For complete subcontractor listings, check: <https://bidopportunities.apps.sfdpw.org/CaseLoad/Details/2540>

October 30, 2024



PROJECT QA/QC PLAN

(This form shall be completed by the PM or PL during the Planning Phase and saved in the Project Folder)

Section 1: Project Information	
Project Title:	ZSFG B5 Inpatient Adolescent BHS – Early Demo Package
Project Description:	Preliminary demolition package to allow for scanning/existing conditions surveying at ZSFG Building 5, 7 th Floor Ward A. Demolition will be interior only and bring space back to shell condition. Future T1 package will follow for the build-out of an Inpatient Adolescent Behavioral Health Services Center.
FSP Project ID.:	10039993 Estimated Construction Cost: \$1.25 mil.
Client Department:	Department of Public Health
Project Manager:	Gabriel Lim
Submitted By:	Stephen Li
Funding Type:	<input type="checkbox"/> General Fund <input type="checkbox"/> Bond <input checked="" type="checkbox"/> State Grant <input type="checkbox"/> Federal Grant
Project Location:	<input type="checkbox"/> Within Right-of-Way <input type="checkbox"/> Within City Park or Open Space <input type="checkbox"/> Within the Shoreline Band/Coastal Zone

Section 2: QA/QC Review Plan						
Reviews & Milestones*:	IDC BDC	PD / PP	10% PS&E 100% SD	50% PS&E 100% DD	75% PS&E 50% CD	95% PS&E 95% CD
<i>Estimated Review Dates>></i>		-	N/A	N/A	N/A	4/15/2024
Section Project Review		A	B	B	B	A
Constructability Review		O	O	B	B	A
Contract Preparation Review		O	O	B	B	A
Bureau Manager Review		A	O	O	O	A
Disability Access Review		B	B	B	B	A
Regulatory Affairs Review		A	O	O	O	A
Site Assessment and Remediation		O	O	O	A	A
Other:		O	O	O	O	A

A – Required for All Projects B – Required for Building and Complex Projects
 O – Reviews are Optional *PD = Project Definition PP = Planning and Programming SD = Schematic Design
 DD = Design Development CD = Construction Documents

Section 3: Project Team			
<input checked="" type="checkbox"/> Architectural	<input type="checkbox"/> Structural	<input checked="" type="checkbox"/> Regulatory Affairs	<input type="checkbox"/> Materials Testing Lab
<input type="checkbox"/> Streets & Highways / Paving	<input checked="" type="checkbox"/> Mechanical	<input checked="" type="checkbox"/> SAR	<input type="checkbox"/> ADA Coordinator
<input type="checkbox"/> Hydraulics / Drainage	<input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Public Affairs	<input type="checkbox"/> Consultant Designer
<input type="checkbox"/> Landscape Architecture	<input type="checkbox"/> Consultant Services	<input checked="" type="checkbox"/> Construction Management	<input type="checkbox"/> 3 rd Party Project Lead

Section 4: Applicable Regulatory Agency Review			
<input type="checkbox"/> DBI	<input type="checkbox"/> PUC Commission	<input checked="" type="checkbox"/> DPH	<input type="checkbox"/> OSA
<input type="checkbox"/> BAAQMD	<input type="checkbox"/> Rec & Park Commission	<input type="checkbox"/> HRC	<input checked="" type="checkbox"/> OSHPD
<input type="checkbox"/> Caltrans	<input type="checkbox"/> Planning Commission	<input type="checkbox"/> MTA-DPT	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Port Commission	<input type="checkbox"/> 5-Year Excavation	<input type="checkbox"/> BSM	<input checked="" type="checkbox"/> DAC

Reviewed by:	Comments:
Disability Access Coordinator <i>Oliver Iberien</i> Regulatory Affairs Manager	Date: 4-16-24 Per Planning memo 6/11/20, not a project for purposes of Planning CEQA review. No further RA coordination necessary.
SAR Manager	Date
Construction Manager	Date
Technical Manager (BDC)	Date
Section Manager	Date
Approved:	
Project Manager	Date



PROJECT QA/QC PLAN

Bureau Manager _____

Date _____



MEMO

Date: 6/11/2020
To: Regulatory Affairs Division, San Francisco Public Works
Staff Contact: Devyani Jain, Acting Environmental Review Officer
Chelsea Fordham, Principal Environmental Planner
RE: Processing Guidance for Office of Statewide Health Planning and Development (OSHPD) Projects: Not a project under CEQA

PURPOSE

In evaluating the appropriate level of environmental review, the lead agency must first establish whether the proposed activity is considered a project under the California Environmental Quality Act (CEQA). This memorandum lists permit activities, reviewed by the San Francisco Planning Department, that are not considered a project, as defined by CEQA Section 21065 and State CEQA Guidelines Section 15378. Therefore, they are not subject to CEQA review.

CEQA defines a “project” as “an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment” and is undertaken, supported, or approved by a public agency. (Pub. Res. Code, § 21065.) Approvals, including any permits submitted to the Office of Statewide Health Planning and Development (OSHPD), for the following below activities should receive no further action under CEQA.

REVIEW PROCEDURES

The following activities have been deemed as “not a project” by the San Francisco Planning Department:

- Interior renovations of structures, where the interiors are not publicly accessible, the renovations do not increase the density or intensity of use (i.e. no change of use), and there are no exterior modifications;
- Exterior in-kind repair or replacement work on portions of an existing structure not visible from the public right-of-way involving no expansion of the structure (i.e. in-kind repair or replacement of windows, stairs, fences, stucco, siding, roofing and decks);
- Interior renovations of publicly-accessible structures involving no change or expansion of use, where the interior of the structure is not historically significant and/or does not contribute to the building’s historic significance¹;

No exemptions shall be issued for any of the activities listed above. Not a project determination regarding interior renovations to historically significant structures or buildings shall be reviewed by the planning department preservation planner. All OSHPD permits shall be reviewed for conformance with the above criteria by the Regulatory Affairs Division of Public Works. If a project does not meet any of the above criteria, a public project application shall be submitted to the planning department for further review.

¹ Historic significant building or structures are identified as Category A resources.



Carla Short, Director | Director's Office

carla.short@sfdpw.org | T. 628.271.3078 | 49 South Van Ness Ave. Suite 1600, San Francisco, CA 94103

November 1, 2024

To: All Bidders of Sourcing ID No. 0000009898

Title: ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) – Early Demo

Subject: Reminder to all bidders to submit required Supplementary Bidding Forms:

Bidders are reminded to submit the following required documents (or others as listed in the Specifications Section 00 49 00) by the scheduled due dates.

The following documents shall be submitted **via emailed PDF copies to:**

Contract Monitoring Division 12B Unit: Complete the online 12B Declaration at <https://sfcitypartner.sfgov.org/pages/index.aspx>

Documents	Which Bidder	Due
12B-101 Declaration & all supporting documents, if required.	Bidders not certified 12B Compliant (Equal Benefits in Contracts) & eligible for a contract award.	Within 10 working days after bid opening.

San Francisco Public Works (SFPW), Division of Contract Administration, ContractAdmin.Staff@sfdpw.org (Attn: Rob Loftus – Robert.Loftus@sfdpw.org):

Documents	Which Bidder	Due
Certificate of Subcontractor, Lower Tier subcontractor or Supplier Regarding Debarment and Suspension. (Section 00 49 14)	The apparent low bidder and any other bidder so requested.	Within 10 working days after date of the City's notification of the lowest Bidder.
Certificate of Subcontractor Regarding Apprenticeship Training Program (Section 00 49 15)	The apparent low bidder and any other bidder so requested.	Within 10 working days after date of the City's notification of the lowest Bidder.

Building Design & Construction, San Francisco Public Works (SFPW), City and County of San Francisco, (Attn: Stephen Li, Project Manager – Stephen.Li1@sfdpw.org):

Documents	Which Bidder	Due
Experience Statement (Section 00 49 12)	The apparent low bidder and any other bidder so requested.	Within 10 working days after date of the City's notification of the lowest Bidder.

Contract Monitoring Division 14B Unit:

Email the CMD forms electronically (PDFs) to: Norbu Dhonyo, Contract Compliance Officer at norbu.dhonyo@sfgov.org

Documents	Which Bidder	Due
CMD Forms <ul style="list-style-type: none">• CMD Non-Discrimination Affidavit. (Form 3)• CMD LBE Subcontractor Participant Affidavit. (Form 6)• CMD LBE Trucking Form. (Form 6A)	The apparent low bidder, and any other bidders so requested.	Within 5 working days after the date of the City's notification of the bid results.

Projects Controls & Services, (Attn: Mimi Lee – Mimi.Y.Lee@sfdpw.org):

Documents	Which Bidder	Due
<i>Escrow Bid Documents</i> <ul style="list-style-type: none">• Escrow Bid Documents accompanied by Escrow Bid Documents Declaration Form (Section 00 49 16) in a sealed container in accordance with Section 00 22 30. <i>(Only applies to projects over \$1 Million)</i>	The apparent low bidder <u>receiving written notice from the City.</u>	Within ten (10) working days after receiving notification of award.

Note: No bidder has the right to the award of a public work contract and no contract exists until properly awarded and certified as to the availability of funds in conformance with the requirements of the Charter and Administrative Code Chapter 6.

ec: Stephen Li - Project Manager
Mimi Lee - PC&S
Norbu Dhonyo - CMD



Bruce Robertson, Deputy Director | Financial Management & Administration

bruce.robertson@sfdpw.org | T. 628.271.3128 | 49 South Van Ness Ave. Suite 1600, San Francisco, CA 94103

December 9, 2024

VIA EMAIL ONLY: mbaldwin@citybuilding.com

City Building, Inc.
212 N. San Mateo Drive
San Mateo, CA 94401
Attn: Matt Baldwin, CEO

Subject: Sourcing ID No. 0000009898
ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) – Early Demo
Preliminary Notice of Failure to Meet Minimum Qualifications and Rejection of Bid

Dear Matt Baldwin:

The City and County of San Francisco (“City”) has made a preliminary determination based upon City Building, Inc.’s (“City Building”) failure to timely provide qualifications and experience information for the ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) – Early Demo project. The information provided by City Building was not sufficient to meet the contractor bidder minimum qualifications.

The City has broad discretion to determine whether a low bidder is "responsible"; that is, "whether the bidder has the fitness, quality, and capability to perform the proposed work satisfactorily." *D.H. Williams Construction, Inc. v. Clovis Unified School Dist.*, 146 Cal.App.4th 757, 763 (2007). In evaluating a bidder's responsibility, the City is not limited to the information presented with the original bid, but must consider any additional information received regarding the bidder's responsibility. *City of Inglewood v. Superior Court*, 7 Cal.3d 861, 870 (1972).

The subject project was bid on October 30, 2024. At bid time, City Building did submit the Bidder’s Qualification Statement (Section 00 45 13), but it was deemed to be incomplete and inadequate for the City to make a determination of whether City Building met the minimum qualifications and was therefore “responsible.” Post-bid opening, Contract Administration issued a Bidder’s Reminder on November 1, 2024, which requires the apparent low bidder to submit an Experience Statement (Section 00 49 12) to the Project Manager (“PM”), Stephen Li, within ten (10) working days after the date of City’s notification of the low bidder, by November 18, 2024. Between November 1 - 18, the PM called and emailed City Building numerous times requesting additional proof of experience and qualifications to meet the contract requirements. As detailed below, the City ensured City Building was fully aware of the required post-bid submissions, even granting a three-day extension. To date, City Building has not submitted the required information to confirm contractor qualifications.

Bidder Qualification Analysis

1. Per Section 00 21 13, Paragraph 1.11.A, the apparent low Bidder, and any other Bidder so requested, shall submit to Contract Administration the information required by this Article "Contractor Bidder Qualifications" regarding the qualifications and experience of Bidder and certain proposed key team members and entities (i.e., Subcontractors and/or Suppliers) proposed to perform the Work. Failure to timely provide and furnish complete information prior to contract award may result in a determination that Bidder is not responsible and result in the rejection of Bidder's bid.
2. The below is a catalog in chronological order of the PM's attempts to establish correspondence with City Building and obtain the required post-bid information.
 - 11/7/24 – Phone Call, left message with City Building office personnel (No Response)
 - 11/12/24 – Phone Call, left voicemail (No Response)
 - 11/13/24 – Sent email to City Building CEO Matt Baldwin (No response)
 - 11/15/24 – Sent subsequent email to follow up with City Builders CEO Matt Baldwin
 - 11/15/24 – Received call from Matt Baldwin indicating City Building would submit documents stated in the Bid Reminder as soon as possible and also provide response to protest received from second low bidder, Charles Pankow Builders, Ltd. ("Pankow"), claiming City Building's bid to be non-responsive.
 - 11/19/24 – Sent Email to Matt indicating the official deadline line has passed, but the City would extend deadline to 11/21 at 5:00 PM
 - 11/21/24 – Received phone call from Matt, indicating City Building bid and bid quals for the GPR Scanning portion was missed and could not be met. PM recommended they submit what information City Building had and to call Robert Loftus for additional recommendation.
 - 11/21/24 – By 5:00 PM the required post-bid Contractor Bidder Qualification documents were not provided by City Building.
 - 11/25/24 – City Building has not submitted any post-bid information nor communicated any further with the City regarding the subject project.

Based upon the above analysis, the City finds City Building to be non-responsible.

If City Building believes the City's determination has been made in error and/or would like to respond to the preliminary finding, please submit any response with all supporting materials to Robert.Loftus@sfdpw.org, by 5:00 PM on Friday, December 13, 2024. Failure to respond by the date and time provided will result in Public Works' initiating procedures to find City Building non-responsible.

City Building may also contact Robert.Loftus@sfdpw.org, if there is no plan to object the determination and City Building would like to assist in expediting this process.

Yours truly,

DocuSigned by:
Bruce Robertson 12/9/2024 | 3:19:16 PM PST
63398308AB81447...

Bruce Robertson
Deputy Director, Finance & Administration
San Francisco Public Works

Cc: Stephen Li, Project Manager
Joe Chin, Program Manager
Julia Laue, BDC Bureau Manager
Yadira Taylor, City Attorney
Norbu Dhonyo – Contract Monitoring Division
City Building



Bruce Robertson, Deputy Director | Financial Management & Administration

bruce.robertson@sfdpw.org | T. 628.271.3128 | 49 South Van Ness Ave. Suite 1600, San Francisco, CA 94103

November 7, 2024

City Building, Inc.
212 N. San Mateo Drive
San Mateo, CA 94401
Attn: Matt Baldwin, CEO
Via Email: mbaldwin@citybuilding.com

Subject: NOTICE OF BID PROTEST
Public Works Sourcing ID No. 0000009898
ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) – Early Demo

Dear Matt Baldwin,

The attached letter from Charles Pankow Builders, Ltd. (“Pankow”) was timely received by our office on Tuesday, November 5, 2024. Pankow alleges that City Building Inc.’s (“City Building”) bid submitted on October 30, 2024 should be deemed non-responsive due to the following:

- 1) Pankow claims that City Building’s bid did not list a qualified hazardous abatement subcontractor, nor is City Building themselves qualified to self-perform the work;
- 2) Pankow asserts City Building’s bid did not list a qualified subcontractor to perform GRP Scanning & Mark Out, nor is City Building themselves qualified to self-perform the work;
- 3) Pankow’s last claim is that City Building’s bid did not meet the 20% LBE Subcontractor participation requirement

The City will be conducting a review and analysis of the validity of Pankow’s claims. Should you have any supporting information as to the legitimacy of the bid protest, please submit a written response and any supporting documents within five (5) working days of the date of this letter. San Francisco Public Works will review the protest and any response received, and will issue a decision in a timely manner. If, in the interim, you have any questions, please contact Rob Loftus at robert.loftus@sfdpw.org.

Regards,

DocuSigned by:

Alex Burns

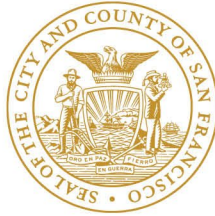
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Alexander Burns

Manager, Contract Administration
San Francisco Public Works

ec: Stephen Li, Project Manager
Ron Alameida, Deputy Director
Carla Short, Director of Public Works
Norbu Dhonyo, Contract Monitoring Division
Yadira Taylor, Deputy City Attorney
All Bidders



MEMORANDUM

Date: December 12, 2024

To: Stephen Li, Project Manager, DPW
Robert Loftus, Contract Administration, DPW

From: Norbu Dhonyo, Contract Monitoring Division

Subject: CMD Review of Bids Submitted on 10/30/2024 for ZSFG Building 5 Inpatient Adolescent Behavioral Health Services (BHS) – Early Demo, [Sourcing Event ID No. 000009898]

Pankow Builders (“Pankow”) is the apparent low bidder after the bid discount.

The bid discount was applied to bidders who are certified by the Contract Monitoring Division, (“CMD”) as an LBE in the type of work that is specified for the bidder by the Contract Awarding Authority.

Bidder	LBE Status, Type and Size	Base Bid	Bid Discount	Adjusted Bid with Bid Discount
City Building, Inc	Non-LBE	\$1,377,094.00	0.50% = \$6,885.47	\$1,370,208.53
Pankow Builders	Non-LBE	\$1,854,104.00	Not eligible	\$1,854,104.00
Zone 4 Construction, Inc.	Non-LBE	\$1,974,563.00	0.50% = \$9,872.82	\$1,964,690.18
KLW Construction Inc	SF LBE - MBE (Micro)	\$2,733,544.78	10% = \$273,354.48	\$2,460,190.30
Rubecon General Contracting Inc	SF LBE - MBE (Small)	\$3,062,580.00	11% = \$336,883.80	\$2,725,696.20

City Building, Inc. (“CBI”) qualifies for a (0.5%) discount under the pilot Neighborhood LBE Program because LBE subcontractors in the project neighborhood make up at least 50% of the LBE subcontractor participation requirement. [Sec. 14B.22(d)(3)]. However, CBI was found non-responsible by the Department of Public Works (“DPW”) and their bid was rejected due to their failure to meet minimum qualifications. Thus, Pankow is the lowest responsive and responsible bidder.

Zone 4 Construction, Inc. qualifies for a (0.5%) discount under the pilot Neighborhood LBE Program because LBE subcontractors in the project neighborhood make up at least 50% of the LBE subcontractor participation requirement. [Sec. 14B.22(d)(3)]

Rubecon General Contracting, Inc. qualifies for an additional (1.0%) discount under the pilot Neighborhood LBE Program because the project is located in the same neighborhood as the LBE bidder’s principal place of business. [Sec. 14B.22(d)(1)]

Pankow satisfactorily demonstrated how they will meet the LBE subcontractor participation requirement.

A combination of Micro-LBE and Small-LBE participation will count toward LBE subcontractor participation compliance. Pankow’s commitment for this contract:

	Requirement %	Commitment %
Micro/Small LBE	20.00%	26.90%

In their bid, Pankow listed the following subcontractors on this contract.

Supplier Name	Scope of Work	LBE	LBE Size	LBE Percent	Percent Of Work	Amount
CPM Environmental, Inc.	Demolition and Hazmat Abatement	LBE	SML	100%	26.90%	\$498,738.00
Value Fire Protection Inc	Fire Sprinkler	LBE	MICR	100%	3.06%	\$56,702.00*
Bellanti Plumbing Inc	Plumbing				5.07%	\$94,041.00
Control Air	HVAC				10.45%	\$193,690.00
McClure Electric	Electric and Fire Alarm				15.35%	\$284,620.00
Digital Scanning	GPR Scanning				5.72%	\$106,000.00

* Pankow failed to list the amount of work for Value Fire Protection Inc (“VFP”) on Section 00 43 36 at the time of bid. However, Pankow confirmed it is committed to using VFP for 3.06% of the contract on Form 6. VFP’s subcontract amount is not counted towards the LBE sub participation commitment but the work performed by VFP through the life of the contract will be counted towards the final LBE sub participation.

Pankow satisfied the “Good Faith Efforts” requirement.

Pankow utilized Approach C by achieving at least 50 points with their demonstration of outreach.

CMD finds Pankow is responsive to pre-award requirements of Chapter 14B. Once awarded, the contract will be monitored for compliance with the LBE subcontractor participation commitment, as well as other 14B requirements.

Primary CMD contact for the contract: Norbu Dhonyo, norbu.dhonyo@sfgov.org

CMD must be contacted immediately for:

- Subcontractor addition/substitution;
- Contract modification that cumulatively increases the original contract value by 20%;
- Prompt payment issues;
- Any other issues pertaining to LBE subcontractor participation

Noncompliance may result in penalties, including monetary fines. Please communicate with CMD early.

ND