

1 [Revisions to Integrated Project Delivery Construction Contracting Procedures]

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3 **Ordinance amending San Francisco Administrative Code Chapter 6 to revise Section**  
4 **6.68 concerning integrated project delivery contracting procedures.**

5 Note: Additions are *single-underline italics Times New Roman*;  
6 deletions are *strikethrough italics Times New Roman*.  
7 Board amendment additions are double underlined.  
8 Board amendment deletions are ~~strikethrough normal~~.

8 Be it ordained by the People of the City and County of San Francisco:

9 Section 1. The San Francisco Administrative Code is hereby amended by amending  
10 Section 6.68, to read as follows:

11 **SEC. 6.68. INTEGRATED PROJECT DELIVERY**

12 Integrated project delivery is an approach to the procurement of construction services  
13 whereby a construction manager/general contractor ("CM/GC") is retained during the design  
14 process to review and provide comments as to the constructability of the Architect/Engineer's  
15 design within the established budget. The department heads authorized to execute contracts  
16 for public work projects are authorized to seek proposals from qualified CM/GCs for  
17 construction of public work projects using an integrated project delivery under the following  
18 conditions:

19 (A) Before the request for qualifications is issued, the department head shall  
20 determine that an integrated project delivery is necessary or appropriate to achieve  
21 anticipated cost savings or time efficiencies, or both, and that such a process is in the public's  
22 best interest.

23 (B) If the proposed public work project is for the use or benefit of a department that  
24 is under the jurisdiction of a commission, then such commission shall first approve the  
25 solicitation of integrated project delivery proposals. If the public work is for the use or benefit

1 of a department not under the jurisdiction of a commission, then the City Administrator must  
2 first approve this process.

3 (C) Pre-qualification. Department heads shall require that prospective proposers be  
4 pre-qualified to submit proposals on a specific project. The procedure for pre-qualification is  
5 as follows:

6 (1) The department head shall issue a request for qualifications inviting interested  
7 parties to submit their qualifications to perform the project. The request for qualifications shall  
8 include criteria by which the prospective proposers shall be evaluated. The evaluation criteria  
9 shall be based on qualifications and experience relevant to the services needed for the  
10 particular project. The list of criteria may include, but is not limited to the following: ~~including:~~ (i)  
11 ability to perform required pre-construction and construction phase services; (ii) evidence of  
12 financial capacity; (iii) experience on ~~similar~~ projects of similar size and complexity; (iv)  
13 commitment to comply with the goals and requirements of Administrative Code Chapters 12  
14 and 14; (v) ability to collaboratively and cooperatively deliver projects on time and on budget;  
15 (vi) liquidated damages for delay and other damages paid on prior projects, and prior litigation  
16 history; (vii) reputation with owners of prior projects; (viii) claims history with insurance carriers  
17 and sureties; and (ix) compliance with all of the requirements established in the request for  
18 qualifications and other criteria that the department head in consultation with the Human Rights  
19 Commission may deem appropriate. The department head shall set objective scoring criteria  
20 and incorporate the criteria into any scoring procedure.

21 (2) The department head shall designate a panel to review pre-qualification  
22 responses and interview and rate respondents with respect to the request for qualifications.  
23 Only those respondents found to be qualified will be eligible to submit proposals. The list of  
24 pre-qualified respondents shall be valid for not more than two years following the date of initial  
25 pre-qualification.

1 (D) Request for Proposals. The department head shall issue a request for  
2 proposals inviting pre-qualified CM/GCs to submit competitive ~~cost~~ proposals for the project.  
3 The request for proposals shall include information describing the scope of pre-construction  
4 and construction phase services for the project. The request for proposals shall request the  
5 following minimum cost information from each proposer: (i) fees for pre-construction services  
6 and (ii) fees for construction phase services, including overhead, profit and general conditions.

7 (E) Final Selection Process. The department head may recommend the award of a  
8 contract to the responsible CM/GC bidder submitting the lowest responsive bid. If the award to  
9 that CM/GC bidder is not made for any reason, the department head may recommend the  
10 award of a contract to the responsible CM/GC bidder submitting the next lowest responsive  
11 bid, and so forth. ~~The department head may, at his or her sole discretion, conduct any negotiations~~  
12 ~~that are necessary to effectuate the award of a contract.~~

13 (F) Alternative Final Selection Process. If the department head determines that it is in the  
14 City's best interest to consider non-cost criteria as part of the final selection process, the department  
15 head shall issue a request for proposals inviting pre-qualified CM/GCs to submit integrated project  
16 delivery proposals, which will be evaluated based upon both non-cost criteria and project costs.

17 (1) The department head shall designate a panel to evaluate integrated project delivery  
18 proposals and rank the proposals to determine which provides the overall best value to the City with  
19 respect to non-cost and cost criteria. The list of non-cost criteria may include but is not limited to the  
20 following: (i) plan for expediency in completing the proposed project; (ii) quality of proposal; (iii)  
21 commitment to comply with the goals set by the Human Rights Commission and requirements of  
22 Administrative Code Chapters 12 and 14; (iv) commitment to meet City hiring goals (e.g. CityBuild or  
23 First Source Hiring); and (v) compliance with all the requirements and criteria established by the  
24 department head or HRC in the request for proposals. The department head shall set objective scoring  
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1 criteria and incorporate the criteria into any scoring procedure. The cost criterion shall constitute not  
2 less than sixty-five percent (65%) of the overall evaluation.

3 (2) The department head shall set forth in the request for proposals and in the contract  
4 liquidated damages to be assessed against the successful CM/GC in the event it fails to fulfill the  
5 commitments made in its proposal.

6 (3) The department head may recommend the award of a contract to the highest-ranked  
7 CM/GC whose total proposed fee is not more than twenty percent (20%) greater for contracts the  
8 estimated cost of which is \$10 million or less, or is not more than ten percent (10%) greater for  
9 contracts the estimated cost of which is in excess of \$10 million, than the total proposed fee of the  
10 lowest responsive bid. If award to such CM/GC is not made for any reason, the department head may  
11 recommend the award of a contract to the next highest-ranked CM/GC whose total proposed fee is not  
12 more than ten percent (10%) greater than the total proposed fee of the lowest responsive bid, and so  
13 forth. In making the final determination, the department head shall apply the LBE discount to  
14 proposals submitted by LBEs, in accordance with Administrative Code Chapter 14B..

15 (GF) The City shall retain the absolute discretion to determine, at any time during the  
16 process, not to proceed with any proposed project, which right may be exercised without  
17 liability to CM/GCs for costs incurred during the entire pre-qualification, proposal and  
18 negotiation process, and such rights shall be reserved in all requests for qualifications and  
19 proposals.

20 (HG) The bid security and subcontractor listing requirements of section 6.21 will not  
21 apply to the selection of CM/GCs under this section 6.68. Any resulting contract with a  
22 CM/GC shall comply with section 6.22.

23 (IH) Procurement of Trade Subcontractors. Department heads shall require the  
24 selected CM/GC to procure trade work contracts through a pre-qualification and competitive  
25 bid process, as follows:

1 (1) Pre-qualification. The department head shall require the CM/GC to pre-qualify  
2 all trade subcontractors, subject to the approval of the department head. The CM/GC shall  
3 attempt to establish a pool of no fewer than three pre-qualified subcontractors for each trade  
4 package, subject to the approval of the department head.

5 (2) Competitive Bid. The department head shall require the CM/GC to receive  
6 sealed bids from the pre-qualified trade subcontractors. The bid security provisions of section  
7 6.21 will not apply. The CM/GC shall award a trade package subcontract to the responsible  
8 bidder submitting the lowest responsive bid, except that the CM/GC may negotiate and award  
9 a portion of the trade package subcontracts as provided in paragraph (3), below. Only those  
10 Administrative Code provisions that normally apply to subcontracts will apply to the trade  
11 package subcontracts.

12 (3) The department head may authorize the CM/GC to negotiate subcontracts for  
13 trade work as appropriate for the project, up to an amount not exceeding seven and one-half  
14 percent of the total estimated subcontract costs. The department head shall establish a  
15 maximum dollar value for each negotiated trade subcontract as appropriate for the project.

16 (JF) All actions heretofore taken by a department head consistent with the provisions  
17 of this section are hereby approved.

18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20 By: \_\_\_\_\_  
21 Deputy City Attorney  
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