

1 [Administrative Code - Best Value Public Works Procurement]

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3 **Ordinance amending the Administrative Code to allow departments authorized to**
4 **perform public work to procure public work contracts through a best value process**
5 **that selects contractors using a combination of price and qualifications, with bid**
6 **discounts applicable to price; and to require completion of public works contractor**
7 **performance evaluations, and require the creation and maintenance of a database to**
8 **collect the contractor performance evaluations.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
12 **Board amendment additions** are in double-underlined Arial font.
13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

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

18 Section 1. The Administrative Code is hereby amended by adding Section 6.74, to
19 read as follows:

20 **SEC. 6.74. BEST VALUE PROCUREMENT.**

21 *Best value procurement is a procurement process for construction services whereby a*
22 *Contractor is selected on the basis of objective criteria to determine the best combination of price and*
23 *qualifications. Department Heads are authorized to contract for Public Work or Improvements*
24 *estimated to cost more or equal to \$1,500,000 using a best value process under the following*
25 *conditions:*

1 (a) Selection Process and Criteria. Department Heads shall advertise for competitive best
2 value Bids in accordance with the procedures and requirements set forth in Section 6.21. Department
3 Heads shall prequalify Bidders pursuant to Section 6.20(f) or shall include in the best value solicitation
4 specified minimum qualification criteria that all Bidders must meet in order for their Bids to be
5 evaluated. Best value Bids shall include both cost and qualitative information. The best value
6 Advertisement For Bids shall further include: (1) criteria that the City will consider in evaluating Bids;
7 (2) the methodology and rating or weighting system that will be used to evaluate Bids; and (3) the
8 relative importance or weight assigned to the criteria identified in the advertisement. The Department
9 Head shall designate a qualified panel to evaluate the qualifications of the Bidders based solely upon
10 the criteria set forth in the solicitation documents. The selection panel shall assign a qualifications
11 score to each Bid. The selection criteria used to evaluate the Bidder qualifications may include but is
12 not limited to the following:

13 (A) Safety record. The prior history concerning the safe performance of construction
14 contracts.

15 (B) Past performance. The satisfactory performance on prior City contracts.

16 (C) Labor compliance. The ability to comply with, and past performance compliance
17 with, contract and statutory requirements for the payment of wages and qualifications of the workforce.

18 (D) Demonstrated management competence. The experience, competency, capability,
19 and capacity of the specific project's proposed management staffing to timely complete projects
20 similar in size, scope, or complexity to the project under consideration.

21 (E) Financial condition. The financial resources needed to perform the contract. At
22 a minimum, the criteria shall include a Bidder's capacity to obtain all required bonds and insurance.

23 (F) Relevant experience. The experience, competency, capability, and capacity to
24 timely complete projects of similar size, scope, or complexity.

1 Cost information shall be sealed separately in a form prescribed by the Department Head. The
2 evaluation shall be done in a manner that prevents cost or price information from being revealed to the
3 selection panel evaluating the qualifications.

4 (b) **Final Selection and Award.** The Department Head may recommend award of a
5 Contract to the Responsible Bidder whose Responsive Bid provides the best value to the City. To
6 determine the Bid with the best value to the City, the Department Head shall divide each total Bid price
7 by that Bidder's qualifications score. The lowest resulting quotient, or cost per quality point will
8 represent the best value Bid. If award to the successful best value Bidder is not made for any reason,
9 the Department Head may recommend the award of a Contract to the Bidder with the next lowest best
10 value score, and so on.

11 (c) **Contract Terms.** Except as provided above in subsections (a) and (b), Contracts
12 awarded under this Section 6.74 shall conform to the requirements of this Chapter 6 and
13 Administrative Code Chapters 12B, 12C, and 14B. Departments shall apply applicable Administrative
14 Code Chapter 14B Discounts as provided in Section 14B.7.

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17 Section 2. The Administrative Code is hereby amended by revising Section 14B.7, to
18 read as follows:

19 **SEC. 14B.7. PRIME CONTRACTS.**

20 * * * *

21 (N) **Best Value Public Works Contract Discounts.**

22 For Contracts authorized under Administrative Code Section 6.74, Contract Awarding
23 Authorities shall apply the applicable Discount to the price or cost portion of the Bid only. No
24 Discount shall apply to the qualifications ~~or non-cost~~ portion of the solicitation.

1 Section 3. The Administrative Code is hereby amended by adding Section 6.26, to
2 read as follows:

3 **SEC. 6.26. CONTRACTOR PERFORMANCE EVALUATION AND DATABASE**

4 (a) Each Department Head or Director authorized to enter into Contracts for Public Works
5 or Improvements under Article IV of this Chapter 6 shall document, evaluate, and report the
6 performance of all Contractors awarded construction Contracts under this Chapter 6.

7 (b) The awarding departments shall work with the Office of the Controller to create and
8 maintain a database to collect the Contractor performance evaluations.

9 (c) This Section 6.26 shall become operative on ~~March 31, 2017~~ September 1, 2016 and
10 shall apply to all Contracts first advertised or initiated on or after this date.

11 (d) Within one year of the effective date of this Section 6.26, the Department Heads
12 referenced in subsection (a) shall submit to the Board of Supervisors a report that describes
13 the departments' implementation of this contractor performance evaluation program and
14 database. The report shall include each department's outreach with different stakeholders
15 including the Contract Monitoring Division. Concurrent with the report, the Department Heads
16 shall submit to the Board of Supervisors a proposed resolution to accept the report.

17 Section 3. Effective Date. This ordinance shall become effective 30 days after
18 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
19 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
20 of Supervisors overrides the Mayor's veto of the ordinance.

21 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
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1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Yadira Taylor
8 Deputy City Attorney

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