

FILE NO. 041459

ORDINANCE NO.

295-04

1 [Approval to Implement Alternative Bid Process for Construction Trade Packages for the  
2 Construction of the California Academy of Sciences Facility]

3 **Ordinance authorizing the Recreation and Park Commission to implement an**  
4 **alternative bid process for construction trade packages for the construction of the**  
5 **California Academy of Sciences Facility.**

6  
7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. In September 2003, the Board of Supervisors authorized, by Ordinance  
9 229-03 (File No. 031194) ("Ordinance", incorporated herein by reference), the Recreation and  
10 Park Commission to award contracts for construction and/or design/build services in  
11 connection with the reconstruction of the California Academy of Sciences, including the  
12 Steinhart Aquarium, the Morrison Planetarium, and the Natural History Museum (collectively,  
13 the "Academy Facility"). Capitalized terms not otherwise defined below have the meaning  
14 given to them in the Ordinance.

15 Section 2. Because of the unique public-private nature of the funding for the  
16 reconstruction Project and because of the equally unique technical and design challenges  
17 presented by the scope of the Project, the Ordinance amended the City's generally applicable  
18 public contracting statutory requirements for the purposes of this Project. Pursuant to the  
19 Ordinance, CAS retained Webcor Builders to act as the project's general contractor. Webcor,  
20 acting as General Contractor / Construction Manager "At Risk", will be paid entirely out of  
21 Other Funds. Work by specific trade subcontractors to be paid out of City Funds is to be  
22 publicly bid to a minimum of three pre-qualified trade contractors. The successful bidder in  
23 each trade will be awarded a contract which will then be novated to CAS, ultimately becoming  
24 a subcontract to Webcor.

1 Section 3. The Ordinance further provides that portions of the Project, including much  
2 of the new Steinhart Aquarium, could be bid as public design/build trade contracts in order to  
3 reduce costs, minimize change orders, and obtain access to expertise and proprietary  
4 information early in the design process that would not otherwise be available in a traditional  
5 publicly bid process.

6 Section 4. Comprehensive cost estimates based on the 50% Construction  
7 Documentation indicate that the Project faces a potentially severe budget crisis due to factors  
8 out of CAS's, the City's, or Webcor's control. Current and anticipated global, national, and  
9 State market conditions are expected to result in a dramatic increase in bid prices far beyond  
10 what was originally budgeted for the project. Specifically, substantial and largely  
11 unanticipated increases in the cost of basic building materials such as concrete and steel  
12 have combined with a strong demand for construction services in California to significantly  
13 increase the anticipated cost of the Academy Facility reconstruction project.

14 Section 5. Allowing the CAS and the City to incorporate value-engineering proposals  
15 into their bid packages, respond to certain of those proposals, and adjust the Project scope  
16 quickly and cost effectively through an alternative bid process would benefit CAS and the City.  
17 Such an approach would result in an anticipated cost savings by giving the bidders an  
18 opportunity to identify potential cost savings and by providing CAS, the City, and Webcor  
19 Builders the opportunity to incorporate these savings into the project's scope prior to awarding  
20 the contracts.

21 Section 6. The Board of Supervisors does hereby authorize the Recreation and Park  
22 Commission to implement the following alternative bid process:  
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24  
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1           A. The City, with CAS , its design team and Webcor (collectively, the "Project  
2 Team"), will advertise requests for qualifications for bidders for City Trade Contracts in  
3 conformance with City and Ordinance requirements.

4           B. The Project Team will review pre-qualification submittals and notify qualified  
5 bidders of their status to bid on the project. The Project Team will endeavor to attain at least  
6 three bids per trade package.

7           C. The Project Team will issue bid documents to pre-qualified bidders for City  
8 Trade Contracts.

9           D. Pre-qualified bidders will be requested to submit voluntary value-engineering  
10 proposals with an associated credit. For any such value-engineering proposal submitted, the  
11 bidders will be required to provide a specific price deduction.

12           E. Department of Public Works ("DPW") staff members who are not otherwise  
13 assigned to the Project will accept sealed value-engineering proposals, with respective price  
14 deductions, from pre-qualified bidders and will not open them publicly.

15           F. Such DPW staff members who are not otherwise assigned to the Project will  
16 open the sealed value-engineering proposals and will prepare a summary of the proposals  
17 and the respective price deductions without identifying the name of the bidder. If necessary,  
18 such DPW staff members may contact the bidders to clarify the scope of any value-  
19 engineering proposals. This summary will be provided to the Project Team to evaluate.

20           G. The Project Team will evaluate the summary of value engineering proposals  
21 and advise the DPW staff members with access to the full value engineering proposals as to  
22 which proposals the Project Team will accept.

1 H. Once the Project Team has decided which value engineering proposals to  
2 accept, the Project Team may, at its discretion, issue an addendum to all pre-qualified bidders  
3 instructing them to include the accepted value engineering proposals in their bids.

4 I. If the bid package is for a design-build City Trade Contract, the Project Team  
5 will interview the bidders to review their design-build and design-assist capabilities. Based in  
6 part on these interviews and in part on information submitted with the bid packages, the  
7 Project Team will rate the bidders.

8 J. After the foregoing value- engineering process has occurred, bidders will  
9 submit their base bid in compliance with all bid documents. The base bid will not contain any  
10 of the value-engineering proposals.

11 K. After bids are received, but not yet opened, DPW staff members who are not  
12 part of the Project Team will make public the accepted value-engineering proposal and  
13 respective price deductions, with each bidder now identified in connection with his or her  
14 suggested proposal. The City will publicly open the bids at this time.

15 L. With both the base bids and the accepted value-engineering proposals now  
16 made public and publicly identified with the bidder who submitted them, the price of the  
17 accepted value-engineering proposal(s) will be deducted from the base bid of the bidder who  
18 submitted that proposal to determine the apparent low bidder.

19 M. If the bid package is for a design-build City Trade Contract, the apparent low  
20 bid will be weighted at least sixty percent; the bidder's rating regarding the other criteria such  
21 as experience, financial capacity, and design quality, among others, will be weighted at up to  
22 forty percent, to determine the bidder to whom the contract will be awarded.

23 Section 7. Award of City Trade Contracts shall be made by the Recreation and Park  
24 Commission as provided in the Ordinance.

1 Section 8. Webcor shall not be precluded from bidding for a particular City Trade  
2 Contract if it is pre-qualified pursuant to the Ordinance; provided, however, that if Webcor is  
3 seeking to be pre-qualified for a particular City Trade Contract, then Webcor shall not  
4 participate in the pre-qualification of bidders nor in the evaluation of value-engineering  
5 proposals or bids for that City Trade Contract.

6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8 By:

  
\_\_\_\_\_  
9 LORENZO DONATI  
10 Deputy City Attorney



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Ordinance

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**File Number:** 041459

**Date Passed:**

Ordinance authorizing the Recreation and Park Commission to implement an alternative bid process for construction trade packages for the construction of the California Academy of Sciences Facility.

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December 7, 2004 Board of Supervisors — PASSED ON FIRST READING

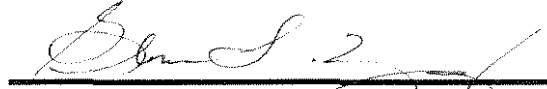
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval

December 14, 2004 Board of Supervisors — FINALLY PASSED

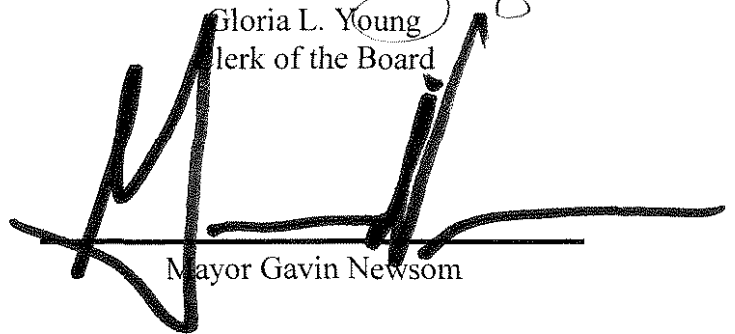
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval  
Absent: 1 - Alioto-Pier

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I hereby certify that the foregoing Ordinance  
was **FINALLY PASSED** on December 14,  
2004 by the Board of Supervisors of the City  
and County of San Francisco.



Gloria L. Young  
Clerk of the Board



Mayor Gavin Newsom

12/24/04

Date Approved