

LEGISLATIVE DIGEST

[Modification of Design-Build Requirements - Airport's Terminal 1 Center Renovation and Boarding Area B Reconstruction Projects

Ordinance modifying or waiving certain required contracting procedures in the Administrative Code, as applied to the design-build of two Airport projects in the Terminal 1 Program (the Terminal 1 Center Renovation Project and the Boarding Area B Reconstruction Project).

Background and Existing Law

The Administrative Code Chapter 6 sets forth the City's rules and requirements for selecting and contracting for the design and construction of public work contracts. Public work projects generally involve separate contracts, one with a design professional and another with the construction contractor; selection of a design professional through a qualifications process and the selection of the construction contractor through competitive bidding, whereby the construction contract is awarded to the responsible bidder with the lowest responsive bid on a completed design. Chapter 6 also sets forth alternatives and exemptions from the standard competitive bidding process.

One of the alternatives to the standard process is design-build, found in Administrative Code Section 6.61 ("Section 6.61"). In design-build projects, the City competitively selects a single entity, known as the design-builder, to provide professional design and construction services. The design-builder performs the design work and then serves as the general contractor for construction.

Section 6.61 requires Pre-Qualification and a Final Selection Process by low bid or an Alternative Final Selection Process through a combination of qualifications and price, with price constituting at least 65% of the evaluation. The non-cost criteria includes some required qualification criteria and some optional criteria, including design and interviews.

During the project, the design-builder selects trade subcontractors. The trade subcontractors may be selected purely by competitive bid or Section 6.61 allows for a pre-qualification and competitive bid process. Section 6.61 also allows up seven and one-half percent (7.5%) of the total estimated trade subcontracts to be directly negotiated instead of competitively bid.

What the Legislation Will Do

The proposed ordinance modifies certain requirements of Section 6.61 for the Airport's Terminal 1 Center Renovation Project and the Boarding Area B Reconstruction Project (collectively "Projects").

1) Selection of Design-Builders:

The proposed ordinance moves required and optional non-cost evaluation from the final selection process into the pre-qualification, allowing more weight to be assigned to the oral interviews in the final selection scoring. More specifically, the proposed ordinance allows the Airport to consider the prospective proposer's (1) plan for expediency in completing the proposed project; (2) compliance with the goals set by the Contract Monitoring Division and requirements of the Administrative Code Chapters 12 and 14; (3) commitment to meet the City hiring goals; and (4) design in the pre-qualification process instead of the final selection process.

For the purpose of selecting design-builders that will provide the best value to the City, the final selection process for the Projects would be a combination of interview scores (35%) and price (65%).

2) Selection of Trade Subcontractors:

The proposed ordinance allows the following subcontractors ("Core Subcontractors") to be selected by qualifications only rather than by competitive bid:

- Mechanical,
- Electrical,
- Plumbing,
- Technology and Special System, and
- Building Envelope/Curtain Wall.

The proposed ordinance allows the Core Subcontractors to provide design services, and permits the design-builder to consider price proposals for the Core Subcontractors' own design. If a Core Subcontractor's does not exceed the Airport's independent cost estimate by 5%, the proposed ordinance allows the trade subcontract to be awarded to the Core Subcontractor without a competitive bid of the trade work.

Lastly, the proposed ordinance increases the limit from 7.5% to 15% for the trade subcontracts that the design-builder may directly negotiate rather than competitively bid. The Airport has a number of critical components and complex systems, such as PC Air/400 Hertz, passenger processing check-in systems, security systems, etc. The increase will allow the Airport to match systems between the Projects, which make up the Terminal 1 facility, and with the Airport's existing systems. If competitively bid under both contracts, the systems may not match or integrate properly within the Airport.

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