

File No. 130616

Committee Item No. 16

Board Item No. 22

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee

Date: 07/17/2013

Board of Supervisors Meeting

Date: July 23, 2013

Cmte Board

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Completed by: Victor Young

Date July 12, 2013

Completed by: Victor Young

Date 7/18/13

22

1 [Alternative Bid Process to Award Contracts to Certain Core Trade Subcontractors to Perform
2 Pre-Construction Design-Assist Services - Moscone Expansion Project]

3 **Ordinance authorizing the San Francisco Department of Public Works to implement an**
4 **alternative bid process to award contracts to certain Core Trade Subcontractors to**
5 **provide pre-construction design-assist services for the proposed Moscone Expansion**
6 **Project.**

7 NOTE: Additions are *single-underline italics Times New Roman*;
8 deletions are *strike-through italics Times New Roman*.
9 Board amendment additions are double-underlined;
10 Board amendment deletions are ~~strikethrough normal~~.

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

12 Section 1. General Findings.

13 A. On February 5, 2013, the Board of Supervisors ("Board") of the City and County
14 of San Francisco ("City") adopted Resolution No. 26-13 (File No. 101051) (the "Resolution"),
15 which Resolution was signed by the Mayor on February 11, 2013, to establish a business-
16 based business improvement district designated as the "Moscone Expansion District"
17 ("MED") . In the Resolution, the Board authorized a system of assessments to be paid by
18 defined tourist hotel businesses within the MED to pay for the improvements, services and
19 activities to be provided within the MED.

20 B. In the Resolution, the Board also determined that the improvements, services
21 and activities within the MED will be administered and implemented by the San Francisco
22 Tourism Improvement District Management Corporation ("SFTIDMC") pursuant to a
23 management agreement to be approved by the Board.
24
25

1 C. In the Resolution, the Board also ratified, approved and confirmed its prior
2 approval of the Moscone Expansion District Management District Plan (including all
3 Appendices) dated September 25, 2012 as updated November 14, 2012 and again updated
4 January 29, 2013 (collectively, the "Plan") on file with the Clerk of the Board in File No.
5 130043. The Plan provides that a portion of the assessment revenues will be used to help
6 fund the design, engineering, planning, entitlements, and construction of the proposed
7 expansion of the Moscone Convention Center (referred to as the "Moscone Expansion
8 Project" or the "MEP"), currently estimated to cost up to \$500 million. The Plan further
9 provides that the MEP will be built using an alternative project delivery method called
10 Construction Manager/General Contractor ("CM/GC"). The MED will select the CM/GC with
11 input from the City, and also fund the cost of the CM/GC. The City will procure, pursuant to
12 the City's contracting rules, trade subcontractors and pay for those trade subcontractors. The
13 CM/GC will oversee the trade subcontractors.

14 D. Consistent with the Plan, in the Resolution, the Board approved the use of
15 assessment revenues for, among other things, the planning, design, engineering, entitlement,
16 construction, project management, and related services for the MEP. Further, in the
17 Resolution, the Board determined and declared that the City will issue or execute City
18 Obligations in an aggregate principal amount not to exceed \$507,880,000 to finance a portion
19 of the costs of the MEP. The Board further determined that the Office of Economic and
20 Workforce Development ("OEWD") shall be the City agency responsible for overseeing the
21 management agreement between the City and the SFTIDMC for the purpose of administering
22 and implementing the MED; will be responsible for coordinating the entitlement and
23 environmental review process for the MED; and will oversee expenditures related to that
24 process. The Board further determined that the Department of Public Works ("DPW") has
25 direct fiscal oversight and primary responsibility for overseeing the expenditures of MED funds

1 for construction and support services; will provide oversight of MED funds spent on
2 development and renovation activities of the Moscone Center; and, will review all Request for
3 Proposals for project design and construction that are issued by the SFTIDMC.

4 E. On February 12, 2013, the Board, by Ordinance No. 26-13 (File No. 130016),
5 which ordinance was signed by the Mayor on February 15, 2013, authorized the execution
6 and delivery of Certificates of Participation representing an aggregate principal amount of not
7 to exceed \$507,880,000 to finance the costs of additions and improvements to the Moscone
8 Center. The Board further determined that its approval of Ordinance No. 26-13 was not to be
9 construed as approval of the MEP; that the City will conduct an environmental review of the
10 proposed expansion project following further design development and study; and that the City
11 retained the absolute discretion to approve, reject, or modify the proposed expansion project.

12 F. In June 2012, the SFTIDMC, with input from and working closely with the City,
13 issued a combined Request for Qualifications/Request for Proposals to qualify and select an
14 architect/engineer to design and engineer the proposed expansion. After receiving and
15 evaluating, with input from the City, proposals from five of the seven qualified proposers, the
16 SFTIDMC awarded the design/engineering contract to the firm of Skidmore, Owings & Merrill
17 LLP ("SOM"). Further, in December 2012, the SFTIDMC, with input from and working closely
18 with the City, issued a combined Request for Qualifications/Request for Proposals to qualify
19 and select a CM/GC, who will review and provide comments as to the constructability of the
20 architect/engineer's design and, if the proposed expansion is approved, build the project. After
21 receiving and evaluating, with input from the City, proposals from five qualified proposers, the
22 SFTIDMC awarded the CM/GC contract to the firm of Webcor Builders ("Webcor"). The MED
23 will pay for all of SOM's and Webcor's services from assessment revenues.

1 G. Because of the size and complexity of the proposed expansion and the
2 challenges created by the project because work on the Convention Center will be performed
3 while the Center is in continuous revenue generating operation, the DPW, in conjunction with
4 the MED, has devised an approach that is intended to augment the design-assist role that the
5 CM/GC plays during the design phase of the project, that modifies the otherwise applicable
6 bidding and contracting requirements of Administrative Code section 6.68 for selected core
7 trade subcontractors who will be performing a design-assist role, and that the DPW has
8 determined to be in the best interest of the City. This approach is known as Core Trade
9 Subcontractor Design Assist whereby the City retains, through a competitive process,
10 subcontractors from selected core trades (referred to as the "Core Trade Subcontractors")
11 early in the design phase of the project who, assigned to the CM/GC, will review and provide
12 design assist including comments as to the constructability, completeness, and accuracy of
13 the architect's design. The DPW believes that Core Trade Subcontractor Design Assist will
14 promote better coordination and collaboration between the design and construction teams and
15 reduce the project delivery schedule by:

- 16 1. substantially reducing field and/or implementation errors, conflicts, and
17 duplication;
- 18 2. identifying opportunities to relocate, expand, salvage or reuse building systems
19 and materials;
- 20 3. allowing the design-assist work to take place concurrent with the project design
21 work; and,
- 22 4. making design recommendations for cost effective electrical, lighting, heating,
23 cooling, plumbing, audio visual, security, fire protection, structural and curtain wall
24 coordination, sizing, routing and other logistics.

1 H. By this Ordinance, the Board of Supervisors authorizes the DPW to take all
2 steps necessary to retain the services of specified Core Trade Subcontractors to provide
3 design assist services for the MEP in conformance with the provisions of this Ordinance and
4 approves all actions by the DPW to date which are consistent with this Ordinance.

5 Section 2. Core Trade Subcontractor Design Assist Contracting Procedure

6 A. Identity of Core Trade Subcontractors Performing Design-Assist.

7 The DPW, in consultation with the MED and the CM/GC, has determined that
8 the proposed expansion project would benefit from the early participation of Core Trade
9 Subcontractors from the following trades/disciplines: Electrical, Mechanical, Plumbing, Fire
10 Protection & Life Safety, Low Voltage, Structural Steel, and Curtain Wall. The CM/GC and
11 Core Trade Subcontractors will provide design assist services during the design phase, i.e.,
12 from schematic design through construction documents. The design phase is anticipated to
13 take approximately 18 months to complete.

14 B. Procurement of Core Trade Subcontractors to Perform Design Assist.

15 1. The DPW will procure the Core Trade Subcontractors in a two-step process.
16 First, issue a Request for Qualifications (RFQ) to qualify firms based on technical
17 qualifications, bonding capacity, relevant experience, safety record, claims history, and
18 commitment to meet the City's local hiring goals and Local Business Enterprise (LBE)
19 participation, consistent with the process and criteria set out in Administrative Code section
20 6.68 (C). Second, issue a Request for Proposals (RFP) only to the pre-qualified firms.

21 2. The DPW will convene a scoring panel to review and evaluate the RFPs and
22 select the Core Trade Subcontractors based on the following process and criteria:

23 a. Cost for a defined scope and set of deliverables will constitute 65% of the
24 overall evaluation;

1 b. A blended rate of hourly fees for additional services will constitute 10% of
2 the overall evaluation;

3 c. Non-cost criteria will constitute 25% of the evaluation and will be
4 evaluated based on the following:

5 i. Demonstrated results and experience on projects of similar size
6 and complexity;

7 ii. Experience with building large complex public works projects in a
8 dense urban setting and working in occupied spaces;

9 iii. Experience with integrated project delivery methodology utilizing
10 design-assist services that incorporate innovative and sustainable building systems and
11 technologies;

12 iv. Demonstrated experience working collaboratively and
13 cooperatively with design teams and general contractors to deliver large complex projects of
14 outstanding quality on time and on budget;

15 v. Experience providing innovative design solution recommendations,
16 quality assurance and value engineering during the design-assist phase; and,

17 vi. Experience that depicts organization, management practices,
18 virtual building design, construction capabilities that maximizes benefit to project owner,
19 minimizes potential claims; and implements best practices for efficiently realizing project
20 objectives.

21 3. The procurement process for the Core Trade Subcontractors as described
22 above, only applies to the initial contract for design-assist services.

23 Section 3. Trade Subcontractor Contracting Procedure for Construction

24 A. The City, in consultation with the architect and CM/GC and pursuant to the City's
25 public work contracting requirements, shall bid out all trade packages for all work to be

1 performed on the expansion project that the City does not award directly to a Core Trade
2 Subcontractor pursuant to the process described in B., below.

3 B. After the design is complete, and as soon as is practical, the Core Trade
4 Subcontractors shall furnish the City with firm prices for their respective trade work. The City
5 will retain the services of independent cost estimators who shall provide the City with cost
6 estimates of the work to be performed by the Core Trade Subcontractors. If the City, with the
7 help of the independent cost estimators, determines that the price submitted by a Core Trade
8 Subcontractor is no greater than 3% of the estimated cost for that work, the City shall award
9 the trade subcontract to that Core Trade Subcontractor. If the City, with the help of the
10 independent cost estimators, determines that the price submitted by a Core Trade
11 Subcontractor is more than 3% but not greater than 5% of the estimated cost for that work,
12 the City may, in its discretion, award the trade subcontract to that Core Trade Subcontractor
13 or solicit bids for that work from no less than three pre-qualified subcontractors. If the City,
14 with the help of the independent cost estimators, determines that the price submitted by a
15 Core Trade Subcontractor is greater than 5% of the estimated cost for that work, the City shall
16 solicit bids for that work from no less than three pre-qualified subcontractors. The new lowest
17 responsible responsive subcontractor shall be awarded a contract at the bid price, which shall
18 not be higher than the original Core Trade Subcontractor's price.

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20
21 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

22
23 By: 

24 Joseph Sandoval, Jr.
Deputy City Attorney

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LEGISLATIVE DIGEST

[Alternative Bid Process to Award Contracts to Certain Core Trade Subcontractors to Perform Pre-Construction Design-Assist Services - Moscone Expansion Project]

Ordinance authorizing the San Francisco Department of Public Works to implement an alternative bid process to award contracts to certain Core Trade Subcontractors to provide pre-construction design-assist services for the proposed Moscone Expansion Project.

Existing Law

Under Administrative Code section 6.68, the Construction Manager/General Contractor ("CM/GC") for a public work project reviews and provides comments on the constructability of the architect/engineer's design during the design phase of the project. Trade Subcontractors who will actually perform the construction work are selected after the design is complete through a pre-qualification and competitive bid process.

Amendments to Current Law

This Ordinance authorizes the Department of Public Works ("DPW") to award contracts to a specified group of Trade Subcontractors during the design phase of the project, through a combined Request for Qualifications/Request for Proposals process. These Trade Subcontractors, referred to in the Ordinance as the "Core Trade Subcontractors", will review and comment on the constructability of the architect/engineer's design within each of their respective trades, during the design phase of the proposed Moscone Expansion Project.

This Ordinance also authorizes the Department of Public Works to award a construction contract to a Core Trade Subcontractor if that Trade Subcontractor's bid price to perform the work does not exceed a specified percentage of the City's own independent estimate of the cost to perform that work, otherwise, the City will bid out all trade packages for the work to be performed to pre-qualified subcontractors.

Background Information

In Resolution No. 26-13, the Board of Supervisors established a business-based business improvement district designated as the Moscone Expansion District ("MED") and approved the MED's Management Plan (the "Plan"). The Plan provides that a portion of the assessment revenues collected by the MED will be used to help fund the design, engineering, planning, entitlements, and construction of the proposed expansion of the Moscone Convention Center.

In the Resolution, the Board also declared that the City will issue or execute City Obligations in an aggregate principal amount not to exceed \$507,880,000 to finance a portion of the proposed expansion plan.

Because of the size and complexity of the proposed expansion and the challenges created by the project because work on the Convention Center will be performed while the Center is in continuous revenue generating operation, the DPW, in conjunction with the MED, devised an approach that is intended to augment the design-assist role that the CM/GC plays during the design phase of the project. This approach, referred to as "Core Trade Subcontractor Design Assist", allows the DPW to retain, through a competitive process, subcontractors from selected core trades early in the design phase of the project to review and provide design assist including comments as to the constructability, completeness, and accuracy of the architect's design. DPW believes that this will promote better coordination and collaboration between the design and construction teams and help to reduce the overall project delivery schedule and cost by, among other things, substantially reducing field and/or implementation errors, conflicts, and duplication; identifying opportunities to relocate, expand, salvage or reuse building systems and materials; allowing the design-assist work to take place concurrent with the project design work; and, making design recommendations for cost effective electrical, lighting, heating, cooling, plumbing, audio visual, security, fire protection, structural and curtain wall coordination, sizing, routing and other logistics.



Edwin M. Lee, Mayor
Mohammed Nuru, Director

Deputy Director for Buildings
30 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
(415) 557-4700 ■ www.sfdpw.org

Orig Sup Avalos
C! BOS-10
File 130616
Cpage



Edgar Lopez, Deputy Director and City Architect

July 18, 2013

Supervisor John Avalos, District 11
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: Requested information from July 17, 2013 Budget and Finance Sub-committee

Dear Supervisor Avalos,

At the July 17 Budget and Finance Sub-committee hearing (Item #16 – File No 130616 – *Alternative Bid Process to Award Contracts to Certain Core Trade Subcontractors to Perform Pre-Construction Design-Assist Services – Moscone Expansion Project*), you requested the status of Local Hire figures and Local Business Enterprise (LBE) participation for the Moscone Renovation and San Francisco General Hospital Rebuild Projects. These figures are listed below:

Moscone Renovation Project – \$38.5M construction (completed in May 2012).

LBE Goal 18% Achieved 28.6%
32 LBE subcontracts awarded for \$11,057,343
Local Hire achieved – 18.2%

San Francisco General Hospital Rebuild - \$690M construction (completion date April 2015)

LBE Goal 5% Currently tracking at 9%
151 LBE subcontracts awarded to date for a value of \$62.8M
Local Hire currently tracking at 25.7%
126 CityBuild Academy graduates hired by contractors since October 2009

CMD will assign an overall goal for LBE participation prior to the anticipated start of construction in December 2014. The Moscone Expansion Project team will work diligently to meet or exceed these as well as all Local Hire goals for construction during the 42 month duration.

Sincerely,

Brook Mebrahtu,
Project Manager
Department of Public Works

RECEIVED
BOARD OF SUPERVISORS
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PN



CC: Angela Calvillo, Clerk of the Board

President David Chiu

Supervisor London Breed

Supervisor David Campos

Supervisor Malia Cohen

Supervisor Mark Farrell

Supervisor Jane Kim

Supervisor Eric Mar

Supervisor Katy Tang

Supervisor Scott Weiner

Supervisor Norman Yee

5

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *EW* Mayor Edwin M. Lee *JE*
RE: Approval to Implement an Alternative Bid Process to Award Contracts to
Certain Core Trade Subcontractors to Perform Pre Construction Design
Assist Services for the Proposed Moscone Expansion Project
DATE: June 11, 2013

Attached for introduction to the Board of Supervisors is the ordinance authorizing the San Francisco Department of Public Works to implement an alternative bid process to award contracts to certain Core Trade Subcontractors to provide pre-construction design-assist services for the proposed Moscone Expansion Project.

I request that this item be calendared in Government Audit and Oversight.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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President, District 3
BOARD of SUPERVISORS



Mayor Lee
CAO, chair & Clerk
B/F, chair, clerk
City Hall, Leg Dep, COB
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-5227

DAVID CHIU
邱信福
市參事會主席

PRESIDENTIAL ACTION

Date: 7/12/2013
To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,

Pursuant to Board Rules, I am hereby:

- Waiving 30-Day Rule (Board Rule No. 3.23)
File No. _____ (Primary Sponsor)
- Transferring (Board Rule No. 3.3)
File No. 130616 MAYOR
(Primary Sponsor)
From: Government Audit & Oversight Committee
To: Budget & Finance Committee
- Assigning Temporary Committee Appointment (Board Rule No. 3.1)
Supervisor _____
Replacing Supervisor _____
For: _____ Meeting
(Date) (Committee)

David Chiu
David Chiu, President
Board of Supervisors