

1 [Approval to Implement an Alternative Bid Process to Award Contracts to Certain Core Trade  
2 Subcontractors to Perform Pre-Construction Design-Assist Services for the Proposed  
3 Moscone Expansion Project]

3

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

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

11

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

13 Section 1. General Findings.

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

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

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.

25

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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21 APPROVED AS TO FORM:  
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22  
23 By: \_\_\_\_\_  
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