

[Contracting Process for the Police Department Traffic Company and Forensic Services Division Project]

Ordinance modifying the requirements of Administrative Code, Section 6.68(H), to authorize the Director of Public Works to issue Requests for Proposals to pre-qualified Construction Managers/General Contractors (CM/GC) and their teams of pre-qualified core trade subcontractors to design-build the mechanical, electrical, plumbing, and exterior building envelope scopes of work for the Traffic Company and Forensic Services Division Project; use cost and non-cost criteria to evaluate the design-build proposals for the core trade work; and award a prime contract to the CM/GC based in part on an evaluation of cost and non-cost criteria for the core trade work; and making environmental findings.

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

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

Section 1. General Background and Findings.

(a) At an election held on June 3, 2014, San Francisco voters approved Proposition A, "Earthquake Safety and Emergency Response Bond," authorizing the City to incur bonded debt in the amount of \$400,000,000 to finance the construction, acquisition, improvement, and seismic retrofitting of, among other things, the facilities of the Police Department's Traffic Company (TC) and Forensic Services Division (FSD).

1 (b) The TC, and the FSD's Administration, Crime Scene Investigation, and
2 Identification units, are currently housed at the Hall of Justice (HOJ), located at 850 Bryant
3 Street. The City's 10-year Capital Plan calls for replacing the HOJ. The HOJ is over 50 years
4 old and seismically deficient. It is not expected to be operational in the event of a major
5 earthquake.

6 (c) The FSD's Crime Laboratory is housed at Building 606 in the Hunters Point
7 Shipyard ("Shipyard"). The U.S. Navy may have to demolish Building 606 as part of its
8 obligation to remove and mitigate the hazardous materials in the soil at the Shipyard before
9 transferring the Shipyard to the City. In any event, the City plans to develop the Shipyard as a
10 residential area and to use the area where Building 606 is located for public open space, as
11 an amenity for nearby residences.

12 (d) In November 2013, the Board of Supervisors approved and the Mayor signed
13 Resolution No. 390-13, authorizing the City to lease, with an option to purchase, a site located
14 at 1995 Evans Street. This site has been identified as a site to construct a proposed new
15 building to house the TC and FSD.

16 (e) The proposed project, called the Traffic Company and Forensic Services
17 Division (TC&FSD) Project, would be a four-story building with approximately 110,000 square
18 feet of floor space and a separate 2-story garage. The TC would occupy approximately
19 30,000 square feet and the FSD would occupy the remaining approximately 80,000 square
20 feet.

21 (f) On November 18, 2013, the Planning Department issued a Final Mitigated
22 Negative Declaration (FMND) for the TC&FSD Project, San Francisco Planning Department
23 Case No. 2013.0342E, which is on file with the Clerk of the Board in File No. 131190. In
24 issuing the FMND, the Planning Department determined that the TC&FSD Project could not
25 have a significant effect on the environment. By Resolution No. 34-14, passed on February 4,

1 2014, this Board approved the TC&FSD Project and, in so doing, adopted the FMND and a
2 Mitigation Monitoring and Reporting Program. The Board finds, on the basis of substantial
3 evidence and in light of the whole record, that since it passed Resolution No. 34-14 there
4 have been no changes in the Project, the circumstances under which the Project will be
5 undertaken, or new information that has become available since preparation of the FMND,
6 that would require additional environmental review.

7 Section 2. Construction Manager/General Contractor and Core Trade
8 Subcontractors Contracting Procedure for the TC&FSD Project.

9 (a) Administrative Code, Section 6.68 allows the City to procure construction
10 services for public work projects by a process known as “integrated project delivery” (IPD)
11 whereby the City retains a construction manager/general contractor (CM/GC) during the
12 design process to review and comment on the constructability of the Architect/Engineer's
13 design within the established budget for the project. Under the IPD process, pre-qualified
14 CM/GCs are invited to submit competitive proposals for the project. Each proposal is ranked
15 to determine which proposal provides the overall best value to the City with respect to non-
16 cost and cost criteria, with the cost criteria constituting not less than sixty-five percent (65%)
17 of the overall evaluation.

18 (b) Under Administrative Code, Section 6.68(H), the selected CM/GC procures
19 subcontracts for the trade work by inviting pre-qualified trade subcontractors to submit
20 competitive bids. Those bids are evaluated on price alone, and the CM/GC awards the
21 subcontract to the lowest responsive bidder. In addition, the Director of Public Works
22 (“Director”) may authorize the CM/GC to negotiate subcontracts for trade work up to an
23 amount that does not exceed 7.5% of the total estimated subcontract costs.

24 (c) The Director has determined that neither of these currently authorized methods
25 of procuring trade subcontractors is the optimal solution to deliver the mechanical, electrical,

1 plumbing (MEP) and exterior building envelope work (collectively referred to as the “core
2 trades”) for the TC&FSD Project.

3 (d) The current industry standard for delivering laboratories in the San Francisco
4 Bay Area is to procure the MEP and exterior building envelope work on a design-build basis
5 where the prospective core trade subcontractors submit their proposed design and cost to
6 build based on a criteria package developed by the owner’s architect and engineering teams.

7 (e) The Director has determined that a hybrid approach to procuring both the
8 CM/GC and the core trade subcontractors that combines elements of IPD and design-build is
9 necessary and appropriate for the TC&FSD Project, and in the best interest of the City. By
10 letter dated May 15, 2014, to City Administrator Naomi Kelly, DPW requested the City
11 Administrator’s approval to use this approach. The City Administrator approved DPW’s
12 request on May 20, 2014.

13 (f) Under this hybrid approach, the City’s architect/engineering team will develop
14 the design for the MEP and exterior building envelope work to the level of 100% schematic
15 design (the “criteria package”) that clearly defines the criteria that are essential to ensure that
16 the MEP and exterior building envelope work is designed and constructed to meet the City’s
17 needs. The City then will invite pre-qualified CM/GCs (including their teams of pre-qualified
18 core trade subcontractors) to submit proposals. The CM/GC’s would submit a proposal to
19 construct the entire project, as they normally would under Administrative Code, Section 6.68,
20 except that the proposals would split out the core trade work portion of the project and submit
21 that on a design-build basis, based on the 100% schematic design/criteria package. The City
22 will evaluate the proposals qualitatively and quantitatively, based on cost (65% of the total
23 score) and non-cost (35% of the total score) factors, and award a contract to the CM/GC
24 whose proposal receives the highest overall score.

1 The City would procure the non-core trade subcontractors in the usual way under
2 Administrative Code, Section 6.68(H).

3 (g) There are several advantages to using this hybrid method to procure the CM/GC
4 and core trade subcontractors. One advantage is that it controls risk to the City by assigning
5 the responsibility to design and build the core elements of the Project to the CM/GC and its
6 team of core trade subcontractors. Another advantage is that it provides cost certainty for
7 work that accounts for a large percentage of the overall construction cost, earlier than would
8 be the case if the City waited until the design was fully complete before bidding out the trade
9 work. Third, it minimizes design conflicts (and resulting change orders) by involving the core
10 trades early in the design process where they have an incentive to work together to achieve
11 the shared goal of building with the least amount of disruption, unforeseen cost, and
12 inefficiency, and in the shortest time practicable. In turn, this can improve control of the
13 project schedule. Long lead time materials can be ordered earlier, and the overlap of the
14 design and construction phases can help to reduce the duration of the overall construction
15 schedule.

16 Section 3. Modification of Requirements of Administrative Code, Section 6.68(H).

17 Notwithstanding the provisions of Administrative Code, Section 6.68(H), the Board of
18 Supervisors hereby authorizes the Department of Public Works to take all necessary steps to
19 procure the CM/GC and its core trade work subcontractor team for the TC&FSD Project as
20 described in and in conformance with Section 2(f) of this ordinance.

21 Section 4. Effective Date. This ordinance shall become effective 30 days after
22 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

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1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

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

7 By: _____
8 Joseph Sandoval, Jr.
9 Deputy City Attorney

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