

General Construction Contractor Services SPECIAL PROCUREMENT Executive Summary

<i>What</i>	<i>Request for Procurement(RFP) for (2) pools of general contractors (GC) to support projects for Facilities ranging from \$0-\$2.5M in direct construction costs.</i>
<i>Why</i>	<i>The Job Order Contracting (JOC) method and the use of cooperative contracts from other jurisdictions have not met the needs of the County with respect to accommodating the volume of work, creating price competition and meeting the County's supplier diversity goals and aspirations.</i>
<i>How</i>	<i>Facilities and Central Procurement will be seeking Board approval of a special procurement method for the County to contract with (2) pools of GC's (4-6 in each pool). This approval will allow the RFP process to begin.</i>
<i>When</i>	<i>We are looking for Board approval in October to release the RFP in November so contracts can be finalized after the first of the year.</i>
<i>Pros</i>	<ul style="list-style-type: none"> ● <i>Consistent GC resources for Facilities to utilize for the large volume of projects planned in the upcoming years</i> ● <i>Avoid the risks associated with failed procurements and save administration time</i> ● <i>Limit the use of cooperative contracts and service contracts which will result in a higher level of certified contractor participation</i> ● <i>Increase price competitiveness</i>

FREQUENTLY ASKED QUESTIONS

1. What is the General Contractor Services Procurement (GCSP)?

The General Construction Contractor solicitation is a combined Class Special Procurement and Alternative Contracting Methods process that will be used to solicit for and award contracts to a number of General Construction Contractors, in each of two classes (based upon project size). The purpose of these contracts will be for the delivery of construction, remodeling, and other Facilities related services necessary to complete Facilities related projects.

The GCSP procurement authority will have an initial term of three (3) years, with the ability to extend for up to four (4) additional years, following a favorable report back to the PCRB regarding the outcomes and sufficiency of the program.

This Special Procurement will allow the County to custom-design a solicitation and contracting approach to meet the County's General Contractor needs. A Class Special Procurement allows the County to define and undertake a procurement and contracting procedure that differs from the procedures described otherwise in PCRB Rules, and is for the purpose of entering into a series of Contracts over time for the acquisition of a specified class of Goods or services.

The plans and strategy for this Special Procurement have been carefully constructed to assure that the solicitation will be unlikely to encourage favoritism in the Awarding of Public Contracts or to substantially diminish Competition for Public Contracts. In addition, it is anticipated that this Special Procurement and the resulting contracts will provide for substantial administrative and construction cost savings to the County, while enhancing the County's direct and indirect use of diverse contractors.

2. Why do we need this General Contractor Services Procurement (GCSP)?

There are a number of factors driving the need for improved methods and practices to solicit, contract with, and engage General Contractors to meet County Facilities Project needs.

- There are 50 to 100 new projects in the Facilities Capital Improvement Program and Asset Preservation Program portfolios each fiscal year. Many of these projects will require the services of a General Construction Contractor to supply goods and services to support capital improvements and tenant improvements across all departments and programs. Depending on the size and complexity of the project they can extend over multiple fiscal years so at any one time we can have 125-160 projects in various phases at once.
- It is typical for the County to conduct a solicitation and contract for a General Contractor and potentially each area of speciality for each project. Based upon the number of projects currently in the portfolio, this will require scores of

individual solicitations and the development and execution of a similar number of contracts.

- This Special Procurement will allow the use of a pre-qualified pool of “on-call” General Contractors via the issuance of a single competitive solicitation with multiple awarded contracts. Future Construction projects which meet the requirements of this Special Procurement (see Description of Services) will be bid on by these pre-qualified Contractors, with each project assigned following the allocation method described below.
- The County has been successfully using Procurements that qualify multiple suppliers for years. This provides consistency, administrative cost savings, and available capacity to meet the County’s requirement.
- The awarded contracts will act as “Master Services Agreements” with a base contract using the County’s General Construction Services template, the terms and conditions being negotiated only once for each Awarded Contractor. Each Master Services Agreement will govern all of the subsequent projects allocated to the respective Contractor
- Central Purchasing, DCA Business Services - Contracting and Procurement, and DCA Facilities all have growing resource constraints with the increases in the projects that Facilities needs to complete.

3. Description of Services:

The following are the general services that would be provided by the qualified General Contractors.

General Construction and/or Subcontracting Services scope included the following but not limited to:

- General building alteration, repair and Replacement
 - Carpentry
 - Door and door hardware
 - Cabinetry and Surfaces
 - Envelope/windows and Roofing
 - Flooring, drywall, and all interior finishes
 - Framing and masonry
 - Minor Constructability review and costing
- Electrical Repair and Replacement
 - Service, Panels and distribution
 - Emergency and Standby Systems

- Branch Circuits, Outlets, Fixtures, and Fixture Controls
- Fire Alarm, Security, and Intrusion
- Conduit and Cabling
- Mechanical and Plumbing Repair and Replacement
 - Water service, piping distribution, and fixtures
 - Air handlers, Terminal units, Boilers, Cooling towers, and Chillers
 - Fire Suppression and Irrigation
 - Pumps, valves, Controls
- Site Improvements and Replacement
 - Excavation and Materials movement
 - Civil Storm, Sanitary, Water service, underground conduit and vaults
 - Landscaping and irrigation installing
 - Concrete, asphalt, and curbs
 - Fencing, Tree removal, and stone work

4. At what dollar thresholds of the classes/pools of Contractors?

We anticipate the GCSP will have two classes of Contractor pools.

- One for projects with an initial estimated direct construction cost of \$400,000 or less , and
- the second for projects exceeding an initial estimated direct construction cost greater than \$400,000 and not to exceed \$2,500,000.

5. Structure of the Awarded Pools:

General Contractor Pool A

- Projects with an initial estimated direct construction cost of \$400,000 or less
- 3-5 General Contractor awards

General Contractor Pool B

- Projects with an initial estimated direct construction cost over \$400,000 and less than \$2,500,000
- 4-6 General Contractor awards

6. General Contractor Requirements:

General Contractors in BOTH Pools will be subject to the County's xxxxxxxxxx requirements, which included:

- Good Faith Effort Requirements for soliciting Subcontractor bids
 - Each project bid, for projects with an initial estimated direct construction cost over \$150,000, will include the documentation of the Good Faith Effort as applicable under (PCRB Division 60)
- Workforce Training and Hiring Requirements will follow the same standards and practices as other County Construction Contracts
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- Performance and payment bonds will be required on a project specific basis. This is for projects with initial estimated direct construction costs over \$150,000.

General Contractors only in Pool B will be subject to the following additional requirements:

- Subcontractor Utilization Plan

All General Contractors will be required to submit a diversity plan that will identify the percentage of intended use of Diverse Subcontractors for each of the trade group/services categories described in the subcontracting services scope listed above.

7. Project Award Method:

Projects will be awarded on a standardized, equitable, competitive, “round robin” basis as follows:

For each project identified (for each pool),

- A minimum of 2 GCs (but fewer than all GCs in the pool) will receive an invitation to submit bids for the Project.
- If both/all invited GCs accept the invitation to bid, they will submit bids. If an invited GC declines the invitation to bid, the next GC (in the same Pool) will be invited to bid, until at least 2 GCs have accepted the invitation to bid for the Project.
- The invited GCs submit their bids, and the Project will be awarded on a lowest responsive bid basis.
- For each subsequent Project, the non-winning GC from the prior project and the next GC in the same pool will be invited to submit bids for the project and the previously described cycle will repeat.

8. Contracting Methodology

A base contract template (“Template”) will be established for use with all of the GCs across the two pools. This Template will be used to negotiate a contract with each GC. The Template will contain language establishing all of the requirements that will apply to each pool, and would serve as a “Master Agreement” for each respective GC, allowing the addition of “Project Agreements” to each GCs respective Master Agreement for each project awarded to the GC.

9. How does this Special/Alternative Procurement differ from the County’s standard practice?

The County standard practice for soliciting, awarding, contracting with, and engaging General Contractors requires the County perform the aforementioned steps individually for every project, or to use some alternative procurement authority such as a Cooperative Agreement. This means that for every project, a solicitation must be written and managed, after award, a contract is drafted, negotiated and executed, and each

Contractor is engaged by and indoctrinated into the County's processes by the Project Manager.

The GCSP will allow the County to conduct a single solicitation, awarding multiple contracts to Contractors, with those contracts acting as "Master Services Agreements" for each Contractor, and subsequent solicitation of bids for the Work Allocation to a specific Contractor. In comparison to standard practices, this results in one solicitation, one contract for each Contractor (not one for every project), and engagement/indoctrination of a fixed number of Contractors over time, improving the Contractor's ability to do business with the County and reducing the overhead in all of these areas. This approach also eliminates the risk/occurrence of rejected bids which will reduce/eliminate the need to "re-bid" a solicitation/project, reducing Contractor frustration, County overhead, and costs (when the Low Bidder is rejected).

10. Are there any limitations to what projects can be considered under the GCSP?

Yes, there are exclusions that prevent a project from being undertaken using the GCSP approach. The include but are not limited to the following:

- *Projects that included Seismic upgrades to the building structure*
- *Projects that included a Zoning Change of Use*
- *Projects that required Design Review with the Agency Having Jurisdiction*
- *Projects that require a General Contractor Construction Management services*
- *Projects that require Public Labor Agreement*
- *Projects that require Community Conservation Partnership Program engagement*

11. Will the GCSP result in fewer Facilities/Union Jobs?

No. Any work that will be undertaken under the GCSP will follow the same internal assessment of the County's ability to self perform the work, and only after it is determined that the County does not have sufficient resources to do the work, will outside resources be engaged.

12. What impact will it have on the Certified Firm participation rate we currently have by contracting directly?

There are two important aspects to this question that are important to address:

- *The first being the structure of the Contractor "Pools". Having one of the contractor pools that is explicitly for smaller projects, we expect to be able to attract and contract with diverse contractors that are more suited to work/manage smaller projects. Thus, both having direct relationships with diverse firms, and also allowing those smaller firms the opportunity to grow into larger roles in the future.*
- *The second important aspect is related to the approach that will be used to determine the assignment of projects to the Contractors in the pool. This process will include largely the same process to document and enforce the Contractor's*

Good Faith Efforts (GFE) to solicit bids from diverse subcontractors, as well as the same Workforce Training & Hiring, Construction Diversity Equity Fund participation, and Certified Payroll Tracking that are customary for other Projects that are individually solicited.

13. Will there be any impact on the use of Cooperative Agreements by DCA/FPM?

Yes, currently, in order to minimize the procurement and contracting burdens and delays, DCA-Hub and FPM have employed the use of many cooperative contracts and other alternative arrangements that unintentionally but unavoidably limit County's ability to impact Certified Firm participation. We anticipate a significant amount of work that has been done under cooperative agreements or the Job Order Contracting model will fit under the WCSP, providing even better results for the County.

14. How does the County benefit by trying a GCSP approach?

There are a number of benefits by piloting the GCSP approach, including:

- a. Lower barrier to doing business with the County for the Contractors in the \$400,000 or less pool*
- b. Increased focus on diverse firm participation and not just "aspirational goals"*
- c. Reduction of the time and effort required to individually solicit for each project's General Contractor (and potentially specialty contractors), saving FPM Management and Project Managers, DCA Procurement and Contracting staff, and Central Purchasing, procurement and contracting workload by shifting the use of the majority of these services to the GCSP.*
- d. Enhances the direct County's direct oversight of WFTH and Certified Payroll compliance*
- e. Reduced use of alternative approaches such as cooperative arrangements.*

15. How does the GCSP approach differ from the Job Order Contracting (JOC) approach?

There are a number of ways that these two approaches differ. Those include:

- a. JOC made use of ONLY a single General Contractor and relied upon that single Contractor's ability to source and provide resources to the County and all of their other customers.
GCSP relies on pools of qualified General Contractors with their own resources and each having the ability to subcontract for work to meet the County's needs.*
- b. JOC used "aspirational goals" for the JOC's use of Diverse Firms
GCSP uses both direct and indirect Diverse Firm participation in the Solicitation award and subsequently, in the Project Allocations.*
- c. JOC was responsible for oversight of Diverse Firm participation and Certified Payroll.
GCSP provides the County with direct oversight of Diverse Firm participation, WFTH and Certified Payroll compliance*

16. Will this GCSP approach be offered cooperatively to other Government Agencies?

NO, because of the nature of this approach, the County does not plan to add cooperative language to the resulting GCSP contracts.

17. What happens if the County is not pleased with the work of an awarded Contractor?

The solicitation and the contracts will explicitly describe the County's ability to temporarily remove a non-performing Contractor from the project award cycle. In addition, the County will retain the right to terminate any non-responsive or non-performing Contractor at any time during the Contract, and to conduct an adjunct competitive solicitation to select and contract with a replacement Contractor to add them to the appropriate Pool, under the same expectations and terms/conditions.

18. How will this approach avoid collusion?

The planned Work Allocation method's use of Round Robin bidding, multiple/different Contractors included in each bid, and the General Contractor's use of subcontractors for most projects all serve to make any price fixing very difficult to achieve.

19. What changes will occur in Facilities with the implementation of the GCSP?

Facilities staff will need to be trained on the GCSP and its parameters/limitations, as well as the Bid Request Process. Facilities staff will be able to focus on managing projects and providing more intensive guidance and oversight of projects, instead of a drawn out sourcing process.

20. Can the GCSP approach be used elsewhere in the County?

The concepts that are being applied are actually already in use in other areas of the County. Because of the specificity of the Contractors that would be awarded contracts under the GCSP, there are NO other areas in the County that should be doing the kind of work that would be contracted for under the GCSP. However, the concepts that are described in the GCSP could be adapted to fit the work of other areas in the County, under their own competitive solicitation.