



Legislation Text

File #: 17-248, **Version:** 1

Consider adopting a resolution for the necessary findings required under the Best Value procurement process consistent with Public Contract Code sections 20155-20155.9 and to conditionally award a contract in the amount of \$18.5 million to Hensel Phelps Construction Co. of San Jose to construct the SB1022 Classroom and Vocational Training Center Project at the Claybank Campus in Fairfield; and Authorize the County Administrator to execute the agreement and any amendments within the approved project budget

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends the Board of Supervisors:

1. Consider adopting a resolution (Attachment A) for the necessary findings required under the Best Value procurement process consistent with Public Contract Code sections 20155-20155.9 and to conditionally award a contract in the amount of \$18.5 million to Hensel Phelps Construction Co. of San Jose, to construct the SB1022 Classroom and Vocational Training Center Project at the Claybank Campus in Fairfield; and
2. Authorize the County Administrator to execute the agreement and any amendments within the approved project budget.

SUMMARY:

On January 10, 2017, the Board of Supervisors authorized the Department of General Services to request bid proposals from pre-qualified contractors for the construction of the SB1022 Classroom and Vocational Training Center Project ("Project") under Best Value procurement consistent with Public Contract Code sections 20155-20155.9. Four bid proposals were received and duly evaluated. Staff is now returning to the Board to recommend adoption of a resolution to make necessary findings under Best Value procurement and to conditionally award a contract to Hensel Phelps Construction Co. to construct the Project (Attachment B). The general scope of the Project consists of constructing two new buildings of approximately 39,340 square feet containing classrooms, vocational training, administrative and support space, and associated site improvements. An overall site plan of the project is shown in Attachment C.

FINANCIAL IMPACT:

The Board has previously approved the SB1022 Project budget in the amount of \$25.6 million of which 90% (\$23.037 million) will be funded by the State and 10% (\$2.563 million) will be funded by the County with a combination of cash and in-kind contributions. On March 10, 2017, the State Public Works Board adopted a resolution authorizing actions to be taken to provide for interim financing and authorize the sale of lease revenue bonds and other related actions necessary to fund the State's contribution towards the construction of the Project (a budget and financing summary is shown in Attachment D). The Project bid proposal requirements stipulated a maximum sum of \$18.5 million for construction of the base project scope plus any proposed enhancements. This amount is within the approved project construction budget.

DISCUSSION:

Project Description:

The SB1022 Project will provide facilities to support programs that establish or expand rehabilitation programs for adult offenders and prepare offenders for productive employment in order to reduce the recidivism rate among Solano County's incarcerated population. The project provides space for several instructional classrooms, administrative and support space, space for vocational training including diesel engine maintenance, automotive repair, electrical repair, carpentry, welding, sheet metal, and plumbing. The environmental impacts of the SB1022 Project were reviewed in accordance with CEQA on September 10, 2013 when the Board of Supervisors, by resolution, certified an addendum to the Final Environmental Impact Report for the Claybank Adult Detention Facility Expansion Project, originally certified by the Board on July 24, 2007.

Best Value Bid Process:

Under Public Contract Code sections 20155-20155.9, Solano County is one of seven California counties having statutory authority to deliver construction projects in excess of one million dollars by alternative bidding means in which the bidder may be selected on the basis of the best value. "Best Value" is defined as a procurement process whereby the bidder may be selected on the basis of objective qualifications based criteria for evaluating the bidders, with the resulting selection representing the best combination of price and qualifications.

On October 4, 2016, the Board of Supervisors authorized "Best Value" procurement of construction services for the Project. Thereafter, the Department of General Services solicited statements of qualifications from contractors interested in bidding the Project in accordance with requirements of the Public Contract Code. A total of six statements of qualifications were received and evaluated by an evaluation committee comprised of the members of the SB1022 Project Steering Committee, with input from the Auditor-Controller's Office and Risk Management. A total of four contractors met the prequalification criteria and were invited to submit bid proposals for construction of the Project.

On January 10, 2017, the Board of Supervisors authorized the Department of General Services to request bid proposals from the four pre-qualified contractors. The Request for Proposals (RFP) was published containing procedures and required criteria to ensure that the selection of the Best Value General Contractor was conducted in a fair and impartial manner as required by the enabling legislation. The RFP document is included in Attachment E and is on file with the Clerk of the Board.

State Department of Finance approval of the contract award is expected to occur in May 2017. When approved, the County will issue the Notice to Proceed to the Contractor with anticipated Project completion in summer 2018.

Best Value Bid Evaluation Process:

On March 9, 2017, Best Value bid proposals were received from DPR Construction, Hensel Phelps Construction Co., Otto Construction, and C. Overaa & Co. Each firm acknowledged the stipulated sum of \$18.5 million for the construction of the base project. Each firm also submitted project team qualifications and other required qualifying information as identified in the published RFP. Additionally, proposed enhancements to the Project beyond the base design selected from a list of County-identified items were submitted in separate sealed envelopes, along with any additional contractor-proposed enhancements, for inclusion within the stipulated sum.

Consistent with the legislation, an evaluation committee comprised of members of the Project Steering

Committee evaluated the bid proposals submitted by the pre-qualified contractors consistent with the established objective criteria, and assigned an overall score to each proposal. Points were earned for meeting the specific criteria published in the RFP, including points for additional facility enhancements identified in the RFP and/or proposed by the bidders as achievable within the stipulated contract sum.

To determine the best value contractor, the price is divided by the qualifications score. The lowest resulting cost per quality point represents the best value bid. Of the four bid proposals received, the Hensel Phelps Construction Co. proposal represents best value at the lowest cost of \$20,647 per quality point (stipulated construction sum of \$18.5 million divided by Hensel Phelps's quality score of 896 points).

Hensel Phelps Construction Co.	896 points - \$20,647 per Quality Point
C. Overaa & Co.	820 points - \$22,561 per Quality Point
DPR Construction	809 points - \$22,868 per Quality Point
Otto Construction	791 points - \$23,388 per Quality Point

Awarding the contract to Hensel Phelps on the basis of best value for the Project will expedite the completion by 13 calendar days and provide project features not otherwise achievable through awarding the contract on the basis of the lowest bid price, including a highly qualified project construction management team, additional contractor-provided building enhancements, and the General Contractor's voluntary commitment to local labor, vendor, and supplier participation goals.

Project Labor Agreement and Owner Controlled Insurance Program:

The project will be delivered under a previously negotiated Project Labor Agreement with the Napa-Solano Building and Construction Trades Council. Additionally, the project will be enrolled in the County's Owner Controlled Insurance Program (OCIP), pending confirmation by the Board of State and Community Corrections of OCIP premium reimbursement eligibility. In an OCIP program, the owner of the enrolled project provides Commercial General Liability and Worker's Compensation, Excess Liability and Contractors Pollution coverage for contractors and subcontractors. The policy covers liabilities related to the project that occur during the course of construction. The benefits of the OCIP program include coverage control, claims control, higher limits, elimination of gaps in coverage, elimination of cross litigation and higher potential for small and local business participation at the sub-contractor level.

ALTERNATIVES:

1. The Board could reject the bid proposals. This action is not recommended since it would terminate the Project and result in the loss of the County's investment in the Project to date and loss of State funding.
2. The Board could choose to postpone or re-bid the Project on the basis of traditional low bid procurement. These actions are not recommended since the bid process was conducted in conformance with the Public Contract Code. Re-bidding the Project would increase the overall project costs and delay implementation of the Project. If awarded on the basis of low bid, the project would not benefit from the best value procurement process features.

OTHER AGENCY INVOLVEMENT:

The California Board of State and Community Corrections, State Fire Marshal, State Department of General Services, State Department of Finance, and the State Public Works Board have been involved in review and approval of the Project documents. In addition, Solano Community College and the Solano County Office of Education have been involved in the programming and design of the vocational training component of the Project. Additional review of the Project utility and infrastructure requirements has been provided by Pacific

Gas & Electric, the City of Fairfield, and the Fairfield-Suisun Sewer District.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION