



*San Francisco Public Library*

Date: February 12, 2010  
To: Honorable Library Commissioners  
From: Luis Herrera, City Librarian  
CC: Ed Reiskin, Department of Public Works  
Re: AGENDA ITEM #2 – BAYVIEW BRANCH LIBRARY PROJECT BID METHOD  
ALTERNATIVE – INTEGRATED PROJECT DELIVERY

The Bayview Branch library is housed in a facility located at 5075 3rd Street that is inadequate to meet the needs of the surrounding community. Last year, after analyzing several options, the Library Commission voted to purchase an adjacent storefront and to build a new expanded one story branch library building on the existing site.

On December 29, 2009 the new Bayview Branch Library project was advertised for bid. Additional community outreach was conducted to notify contractors in the Bayview community about this project including:

- Putting a large sign on the outside of the branch,
- Having the plans available in the branch,
- Notifying certified Local Business Enterprise (LBE) contractors from the Human Rights Commission (123 contractors) and the Redevelopment Agency (151 contractors) located in zip code 94124,
- Presenting the project at the Bayview PAC Economic Development Committee meeting,
- Placing an ad in the San Francisco Bay View Newspaper,
- Mailing the announcement to 74 contractors on the Southeast Neighborhood Jobs Initiative Roundtable list, and
- Extending the bid date for two weeks for added participation.

In addition, on January 13, 2010, members of jobs related organizations from the Bayview were invited to the branch to discuss employment opportunities for the project through the existing City Build project and First Source Hiring Program. Over 50 people attended including representatives from Young Community Developers, San Francisco Housing Development Corporation, Bayview Footprints, ArcEcology, Business Development Inc., Bay Area Black Builders and Aboriginal Black Men United (ABU). In addition to BLIP team members, DPW Director Ed Reiskin and City Build and Human Rights Commission (HRC) staff attended.

On January 14, 2010, over 90 contractors attended a pre-bid meeting at the branch. In addition to contractors, members of the above mentioned organizations and staff from DPW, HRC, City Build, CCSF Surety Bond program, Office of Labor Standards Enforcement, and the project architects participated.

Both meetings were highly charged, with neighborhood workers and contractors expressing frustration with the traditional bidding and hiring processes for City construction projects. They felt that not enough Bayview workers and contractors were being hired City wide and were especially adamant that for a project on Third Street, in the center of their community, more local people should be working on the job.

Based on this extensive community feedback during the bidding process, it became clear that a new approach was necessary to meet the needs of the community. To give contractors enough notice before the February 17<sup>th</sup> bid due date, on February 2<sup>nd</sup>, the DPW, on behalf of the SFPL, cancelled the bid for the construction of the new Bayview Branch Library.

DPW, HRC, and SFPL recommend that the City move forward with the project using an alternative contracting approach: Integrated Project Delivery (IPD). This is a method to procure construction services whereby a construction manager/general contractor ("CM/GC") is retained.

As opposed to the traditional one step low bid process, with Integrated Project Delivery, there is a three-step selection process:

1. Bidders are pre-qualified based on qualifications including their efforts and history of local hiring.
2. Pre-qualified bidders submit proposals for the project. After evaluating both cost and quality components in their proposals, a construction manager/general contractor ("CM/GC") is selected.
3. The selected CM/GC analyzes the entire project and creates trade sub contracts/packages. Specific hiring goals are applied to each trade package, which may result in the ability to meet higher local participation goals. In addition, up to 7.5% of the total estimated value of the trade packages can be negotiated to encourage hiring of local sub contractors.

This approach allows the CM/GC more flexibility to analyze the entire project and create trade sub contracts and sub packages. Significantly, the CM/GC is able to negotiate up to 7.5% of the total estimated value of the trade packages with subcontractors. Other benefits of IPD include providing a Team Approach to project delivery that can result in cost savings, more efficient schedules, and better overall construction performance. This approach is being used for complex projects such as the California Academy of Sciences and the SFPUC Building at 525 Golden Gate Avenue.

The City is committed to maximizing local hiring whenever possible. During these extremely challenging economic times with exceptionally high unemployment, the City must do everything it can to ensure San Franciscans get jobs. The new Bayview library project is designed as a model of sustainability and 21<sup>st</sup> century library practices – we hope to also make it a model of employment and job creation in the community.

Pursuant to the Integrated Project Delivery Ordinance, the Library Commission must first approve the solicitation of the integrated project delivery proposals. (San Francisco Administrative Code Chapter 6.68). To this end, the Library, DPW, and HRC staff request that the Library Commission take action at the February 18, 2010 meeting to approve the solicitation of integrated project delivery proposals for the construction of the new Bayview Branch Library. If the Library Commission does not choose to approve the IPD approach, DPW will re-advertise the project using the traditional low bid process. Note that under this scenario, there may be

delays if once the contract is awarded, the contract does not include a significant amount of local contractors.

Lastly, the City is exploring possible legislation to revise the Integrated Project Delivery ordinance to increase consideration of non-cost criteria as part of the selection process for the CM/GC. Currently, the City is required to take the lowest cost bid proposal among the pool of pre qualified bidders. Under the options the City is exploring, the bid proposals could be evaluated by quality as well as cost. This change could aid the Bayview project if the evaluation criteria included the contractors' employment plan for economically disadvantaged individuals and local businesses and/or hiring experience as part of the quality review.