

**CITY OF SAN ANTONIO
PUBLIC WORKS DEPARTMENT
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: Thomas G. Wendorf, P.E., Director of Public Works

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer, Rebecca P. Waldman, Milo Nitschke, Andrew Martin, Louis A. Lendman, and file

SUBJECT: Alternative Project Delivery Methods

DATE: October 23, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the Director of Public Works to supplement existing traditional low bid project delivery processes by using alternative delivery processes for the selection, bidding, and award of facility, landscaping and construction projects. Municipalities were authorized to engage in this process by Senate Bill 510, on September 1, 2001, and incorporated into Sections 252 and 271 of the Texas Local Government Code.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Currently, the City of San Antonio utilizes project delivery methods for award of construction projects based solely on competitive low bid procedures. This process employs an architect or engineer under separate contract to design, prepare construction documents, initiate the bid process, and award a separate contract for a construction project based on the low bid received. This traditional bid delivery process will continue to be used for delivery of civil engineered related projects, as required by law, and other projects where alternative delivery methods may not be advantageous to the City. The traditional low bid process, however, may not always be in the best interest of the City when awarding projects for facility and landscaping construction.

Recognizing the need for cities to have more tools to deliver capital projects to the voters, Senate Bill 510, effective on September 1, 2001, was passed. With this bill municipalities could authorize, once approved by the governing body, the utilization of alternate delivery methods for architectural projects. Project delivery methods allowed under approved legislation authorize the use of:

- 1) Competitive Sealed Proposals
- 2) Design Build

Implementing these two alternative delivery methods will provide staff the alternative to select a team comprised of architectural, engineering and construction services for a design build project or, issue a competitive sealed proposal for construction only services, utilizing considerations and factors previously unavailable to staff in the “low responsible bid” process. The evaluation will be based upon factors such as:

- Proposal price, number of days and other terms specific to each project
- Contractors / Architects / Engineers relevant experience and reputation
- Past performance with owners
- Construction project management qualifications
- Subcontractors and suppliers support and qualifications
- SBEDA compliance

A matrix is attached which shows a comparison of the current low responsible bid process and the proposed alternative delivery methods.

This ordinance will do three things. First, it will authorize the Director of Public Works to make decisions regarding acceptable project types and the appropriate alternative project delivery methods. Second, approval of the ordinance will authorize the use of the Design Build method for implementation of critical projects in the proposed 2003 bond election if approved by voters on November 4. These projects may include the Emergency Operations Center, the Animal Care Facility and the Medical Center Senior Services and Health Center. The City has successfully utilized the Design Build method through the creation of the Municipal Facility Corporation and the construction of the Development Services Center facility on South Flores.

And third, this ordinance will authorize the use of a competitive sealed proposal for the construction of the Branch Library (Mystic Park) and Fire Station No. 49 (Northwest) Project. These two buildings have already gone through the design phase and are awaiting construction. If approval is given, the required solicitations for this project will be released immediately.

It is anticipated that these alternative delivery methods will increase SBEDA compliance, as contractors and design build teams will have an incentive to select small and minority businesses as part of their projects teams. The incentive is the “point system” in the selection criteria that will result in an overall high rating for firms that meet SBEDA participation goals in putting their project team together before proposals are submitted. This is in contrast to the method currently used in the low responsive bid process where the SBEDA goals may or may not be met, as long as a Good Faith Effort Plan is submitted.

Projects types which do not qualify for application of these alternative delivery methods are roads, streets, bridges, utilities, water supply projects, airport runways and taxiways, drainage projects or related types of projects associated with civil engineering construction or buildings or structures that are incidental to projects that are primarily civil engineering construction projects.

Staff recommends approval.

FISCAL IMPACT

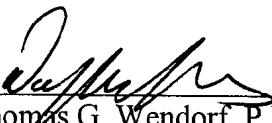
There is no direct fiscal impact as a result of this council action.

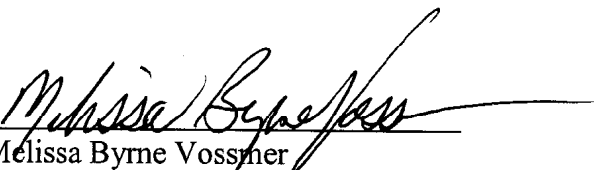
COORDINATION

This item was coordinated with the Public Works Department, the Department of Asset Management, and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

This item does not require a Discretionary Contracts Disclosure Form.

 P.E.
for Thomas G. Wendorf, P.E., Director 10/15/03
Public Works Department


Melissa Byrne Vossner
Assistant City Manager

APPROVED:


Terry M. Brechtel
City Manager

Alternative Project Delivery Methods

Comparison Matrix

	Delivery Process		
	<i>Traditional Low Bid</i>	<i>Competitive Sealed Proposal</i>	<i>Design-Build</i>
Separate contract for A/E & Construction	Yes	Yes	No
Joint contract for design & construction	No	No	Yes
Price consideration for construction award	Sole Basis	Considered	Considered
Project delivery team qualifications considered	Not Applicable	Not Applicable	Yes
Contractors past performance considered	No	Yes	Yes
Contractors project management qualifications considered	No	Yes	Yes
Ability to negotiate construction cost	No	Yes	Yes
SBEDA participation	Limited to Good Faith Effort Plan	Yes (Encourages more active participation)	Yes (Encourages more active participation)