UNIVERSITY OF CALIFORNIA

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December 18, 2015

The Honorable Mark Leno
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Dear Senator Leno:

Pursuant to Section 10506.8 of the Public Contract Code, Statutes of 2011, enclosed is the University of California's report to the Legislature on the Best Value Construction Contract Pilot Program.

If you have any questions regarding this report, Associate Vice President Debora Obley would be pleased to speak with you. She can be reached by telephone at (510) 987-9112, or by e-mail at Debora.Obley@ucop.edu.

Yours very truly,

Janet Napolitano
President

Enclosure

cc: Senate Budget and Fiscal Review
The Honorable Marty Block, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Ms. Anita Lee)
(Attn: Ms. Cheryl Black)
The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Amy Rutschow)
Ms. Peggy Collins, Joint Legislative Budget Committee
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Mr. Jim Lasky, Legislative Counsel Bureau
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Mr. Daniel Alvarez, Secretary of the Senate
Mr. Michael Cohen, Department of Finance

Mr. Christian Osmena, Department of Finance
Ms. Tina McGee, Legislative Analyst's Office
Mr. Mac Taylor, Legislative Analyst's Office
Mr. Jason Constantouros, Legislative Analyst's Office
Provost and Executive Vice President Aimée Dorr
Executive Vice President & Chief Financial Officer Nathan Brostrom
Senior Vice President Nelson Peacock
Associate Vice President Sandra Kim
Associate Vice President Debora Obley
Associate Vice President and Director Steve Juarez
Associate Vice President Deborah Wylie
Executive Director Jenny Kao
Director David Alcocer
Manager Bruce Kennedy
Executive Advisor Marsha Sato

University of California Legislative Report

Report on the Best Value Construction Contract Pilot Program

January 2016

Prepared by:

The University of California
Office of the President
Construction Services
1111 Franklin Street, 6th Floor
Oakland, CA 94607

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UNIVERSITY OF CALIFORNIA

Report on Best Value Construction Contract Pilot Program

I. Executive Summary

Chapter 636, Statutes of 2011, Senate Bill (SB) 835, was chaptered in October 2011. It established a five-year Best Value Construction Contract Pilot Program (BV Contractor Selection), effective January 1, 2012 until January 1, 2017 for all University of California ("UC" or "University") campuses and medical centers to utilize on projects with budgets of more than $1,000,000. This program, authorized under Public Contract Code section 10506.4 et seq., allows UC to consider specific factors in addition to low bid for award of construction contracts. It does not change University selection or bidding in any other respect.

The University's BV Contractor Selection process (where bids are evaluated on five mandatory statutory criteria: (a) financial condition; (b) relevant experience; (c) demonstrated management competency; (d) labor compliance; and (e) the safety record of the bidder) has been embraced by the construction community. It has attracted bids that are extremely thorough and well assembled with an appropriate balance of focus on experience, quality, competency, and price. The University has increased its bidding pool of well-qualified and respected contractors, including many who had previously declined to bid on University work. The disciplined selection process rewards well-researched bids thereby greatly eliminating bid risk to both University and the winning contractor. It greatly diminishes the circumstances wherein the winning bidder misunderstands the project value and/or unintentionally underbids the value of the work, thereby setting the stage for fewer future change orders or claims.

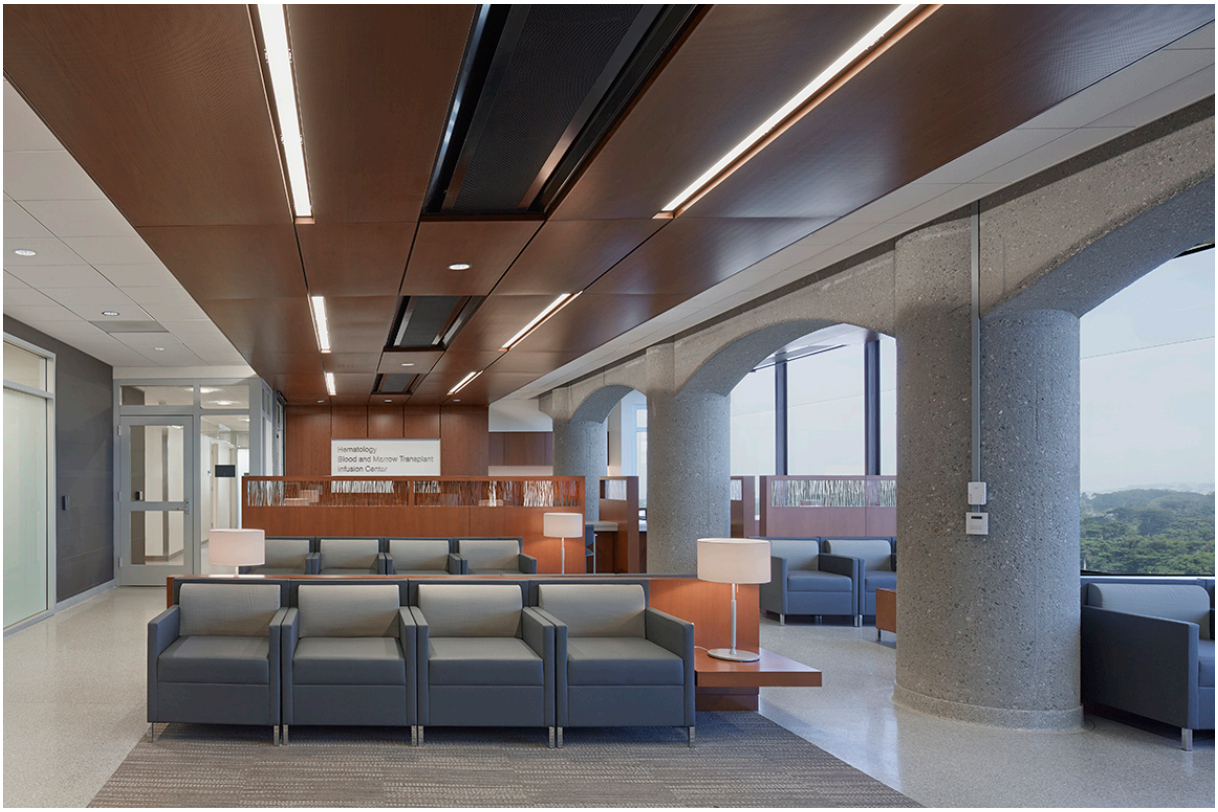
Since January 1, 2012, for those projects exceeding $1,000,000, UC awarded over three hundred and twenty (320) construction contracts totaling $4.05 billion. Forty (40) of these contracts - or 13% of total eligible projects totaling $1.19 billion - utilized the BV Contractor Selection authority. Given the additional time and administrative requirements associated with Best Value selection, the University screens projects carefully to maximize the value obtained from this process.

It takes about six (6) months from when a project is completed to finish the assessment of the contract's performance. Projects that were competed as of September 2015 have been assessed and have been delivered on time and on budget, with a high level of quality and no claims. Those projects experienced minor change orders, with those largely limited to owner requested changes and unforeseen conditions. This experience, albeit of limited scope thus, far, points to the efficacy of the Best Value selection process.

UC Office of the President (UCOP) created standardized documents and procedures for prequalification, evaluation, scoring, and award for all projects under BV Contractor Selection to ensure consistency and adherence to statutory requirements. UCOP conducted seventeen formal and informal training sessions to disseminate broadly best practices

pertaining to Best Value contractor selection.

University representatives for all the BV Contractor Selection projects are unanimous in their endorsement of this process, citing numerous advantages such as: decreased bid protests; improved University-contractor communication; reduction of re-inspections and re-work; and fewer disputes, change order requests, claims and litigation. Additionally, the selection criteria reward contractors for maintaining strong safety and labor compliance standards, and delivering high quality workmanship.



Completed: ACC Hematology 4th floor waiting area – UCSF Medical Center

II. The Prequalification Process

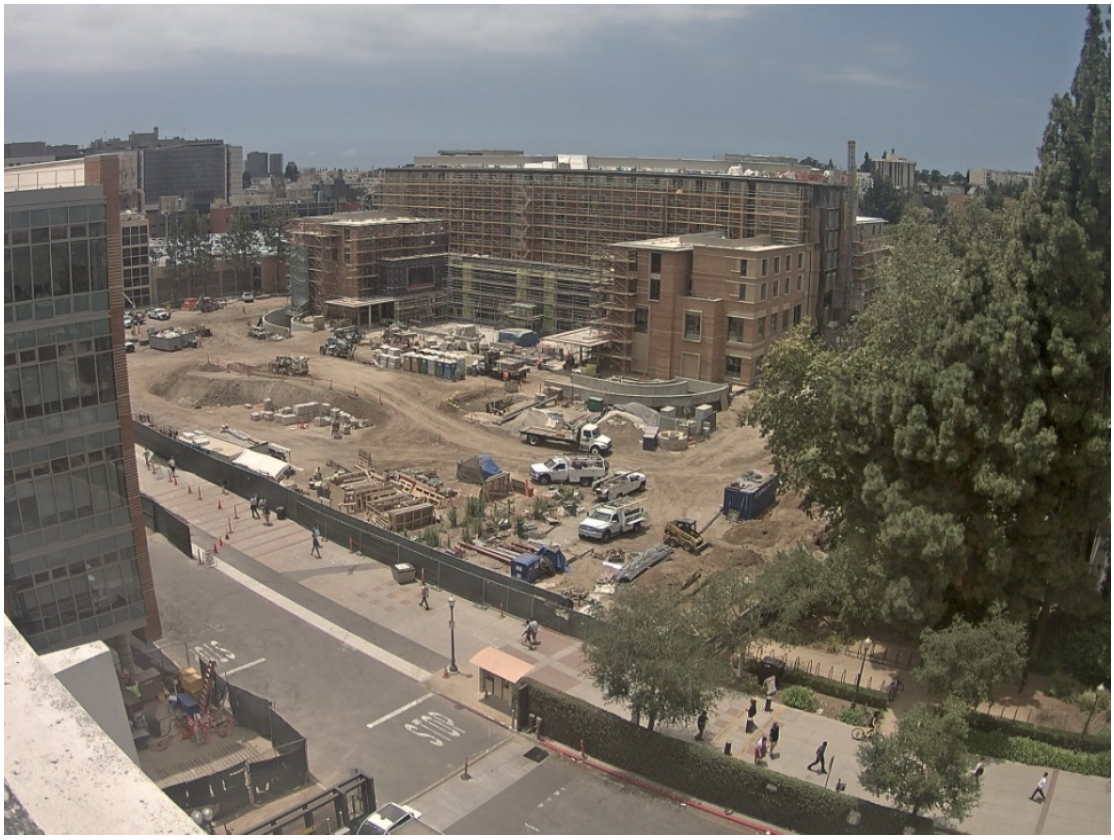
Prequalification is not only required by statute for BV Contractor Selection projects, it also represents a best practice. The University's approach to prequalification for BV Contractor Selection is identical to that used by UC for its non-best value projects. The prequalification process establishes minimum qualifications such that bidders, before committing to detailed bid activities, can determine that their firm's skills, expertise, and interest are appropriately matched with the subject project. UC Office of the President has established a basic prequalification questionnaire that each campus modifies based on unique project needs. UC's basic prequalification questionnaire is based largely on the Department of Industrial Relations' prequalification form for Public Works Projects. Under BV Contractor Selection the campus most often utilizes a two-step objective prequalification process, with the detailed steps as follows:

- advertisements for Contractor Prequalification are published in local publication(s) and on the campus website;
- interested bidders request and receive prequalification documents from the University that address a variety of qualifications issues;
- prospective bidders respond thereto and sign a declaration verifying that all information provided is true, accurate, and complete;
- responses to the questions are either evaluated on a point basis or pass/fail, as denoted in the instructions;
- prospective bidders that meet the pre-determined point threshold are deemed prequalified and are invited to participate in the second phase of the process, which entails completing the Best Value Questionnaire (BVQ) and submitting it with their sealed numerical dollar bid;
- non-qualifying bidders are notified of their status and are provided the reasons why they are not prequalified.

Under BV Contractor Selection, utilizing pre-qualification provides these additional benefits:

- prequalification sets forth the minimum qualifications enabling bidders to determine if BV Contractor Selection solicitation is appropriate for them;
- prequalification prevents bidders from wasting valuable time and resources in completing the more detailed Best Value Questionnaire, as well as in assembling a bid, only to find that they did not meet the threshold qualifications; and,
- prequalification generally requires a contractor to self-evaluate their capabilities and current work capacity before responding to a BV Contractor Selection solicitation.

Thus, the University has received a greater number of qualified contractors on BV Contractor Selection solicitations than it has historically on non-BV Contractor Selection solicitations.



Under construction: Luskin Conference Center, UCLA

III. Criteria Used to Evaluate Bids

Public Contract Code § 10506.4 et seq. enables the University to use BV Contractor Selection on projects with a value in excess of $1,000,000, yet allows the campus to select appropriate projects. To ensure that the BV Contractor Selection achieves the stated goals of the legislation and complies with the letter and spirit of the law, the University evaluates each construction project on a case-by-case basis to determine whether BV Contractor Selection is appropriate. In selecting appropriate projects for the best value selection process, the University considers a number of factors such as project scope, complexity, schedule, and cost. Campuses evaluate specific project needs to determine if the best value selection process was beneficial to the overall project delivery strategy. Factors may include:

- are unique skills and qualifications needed to address issues important to the success of a given project (working in an occupied space; highly specialized medical centers or research laboratories);
- will performance of the contractor be critical to minimizing disruption to ongoing critical mission-related activities of the University;
- is prior experience and demonstrated capabilities of the contractor, subcontractor, or the contractor/subcontractor team especially important in implementing a design or to meet a challenging schedule;
- will BV Contractor Selection allow UC to align contractor capabilities with the risks inherent in individual projects;
- does BV Contractor Selection advance the goal of delivering the best combination of cost, schedule and quality;
- does the potential benefit to the project justify the additional burden on bidders (such as the preparation of additional questionnaires and assembly and submission of fiscal data, safety records and detailed project delivery plans);
- do safety and labor compliance considerations warrant selection based on tighter safety and labor requirements; and,
- is BV Contractor Selection attractive to the pool of available bidders for the given project.

BV Contractor Selection was established to ensure quality, timely and economical construction, and a fair selection process for bidders, for UC, and for the State of California. Pursuant to Public Contract Code § 10506.5, the University evaluates each bid received solely upon the five criteria set forth in the solicitation documents, and assigns a qualifications score to each bid. The criteria include: (a) financial condition; (b) relevant experience; (c) demonstrated management competency; (d) labor compliance; and (e) the safety record of the bidder. The contractor's bid is then divided into the qualifications score to determine Best Value.

A standard Best Value Prequalification Questionnaire (BVQ) framework was created by UCOP and is required for all UC projects using BV Contractor Selection. The campuses are encouraged to add additional detail as appropriate for the specific project. Minimum requirements for evaluation are also set by the Office of the President. UCOP has

developed a training program to educate the campuses on the law, policy, and best practices pertaining to BV Contractor Selection. All campus personnel participating in best value selection must be trained according to the Office of the President standards.

For consistency and facilitating program evaluation, UCOP has determined that scoring be on a scale of 1000 points. To avoid unbalanced scoring or a diminishing of the weight of any of the statutorily required criteria, each of the five (5) categories must be assigned a minimum of 150 of the 1000 points. Each campus determines the distribution of the remaining 250 points as appropriate for every project.

Exhibit A is attached as BVQ template,
Exhibit B is attached as sample Evaluation Form, and
Exhibit C is attached as sample of weighting of the criteria.

As an example, under Relevant Experience, for a number of University projects heavy emphasis was placed on the demonstrated success using Building Information Modeling (BIM). This resulted in greater interest from firms that had mastered BIM, and firms with little or no experience may have determined that the project was not appropriate for their skill set. Likewise, under the Demonstrated Management Competencies criterion, submission of past project schedules and work plans provided valuable insight into how the proposed project team would approach and competently manage the project at hand.

The ability of the University to use prequalification to accept bidders meeting the minimum qualifications, and then to objectively score the bidders on the five statutory criteria results in a successful bidder with the most appropriate balance of experience, record, capabilities, and price. This detailed competitive process is extremely important to the success of the program.

First, the process assures a competitive environment and continues to incentivize bidders to provide its best price for the specified scope of work. Second, it rewards bidders who choose a team (including individuals and potentially subcontractors) who they believe will provide the best value to the University. Third, it forces a bidder to consider strategically, prior to bid, how they will meet the budget, schedule, and contract obligations without relying on a strategy of an initial lowball bid with later high change orders and claims. Lastly, it provides a level playing field for prepared bidders who prefer to match their best personnel with the best projects, a change from sometimes competing against less qualified teams with low bids who are less likely to deliver on all aspects of a project to the satisfaction of the University.

IV. Description of Projects, Contractors and Contracts Award Amounts

Aside from University logistics, the nature of BV Contractor Selection requires significant effort of the University and the contractors at the time of bidding. Each bidder must fill out a detailed Best Value Questionnaire (BVQ). The process involves the assembly of financial data, safety performance data, recent project experience, and the submission of a detailed project delivery plan. As a result, the University has determined it is overly administratively burdensome for UC personnel and contractors for small or relatively straightforward projects. Traditional low bid is acceptable and successful for these projects.

The range of projects procured using BV Contractor Selection varies widely from sensitive medical facilities to complex mechanical, electrical, or plumbing (MEP) scopes. They include challenging schedules, difficult works sites, and anticipated excessive unforeseen conditions. In selecting appropriate projects for this BV Contractor Selection the University considers a number of factors, which include project/contract scope, schedule, complexity, and effort required of the bidders. The weighting of these factors and the specific issues addressed therein have been refined as experience has revealed the burdens and benefits of the process.

The average period for a typical UC construction project from the planning stage to the start of construction can be up to five (5) years. Larger projects and Office of Statewide Health Planning and Development (OSHPD) projects can be significantly longer. Because of the above dynamics, each project is evaluated at each step of the planning phase, design phase, and bidding phase to ensure that the invocation of BV Contractor Selection is not only appropriate, but also employed fairly and effectively. In response to industry demand, and as the program has matured, UC has successfully employed BV Contractor Selection for subcontractor selection, specifically within the Construction Manager-at-Risk delivery method.

The University has also used BV Contractor Selection in contractor/subcontractor project team selection. This has allowed the University and contractors to choose both prime contractors and subcontractors that have the best balance of price, skill set, labor compliance and safety record, and experience (including individuals employed by the subcontractors), thus providing benefits with respect to on-time on-budget performance and relatively claims-free project delivery. This advantage is not available in non-BV Contractor Selection.

For projects over $1,000,000, UC has awarded over three hundred and twenty (320) construction contracts totaling $4.05 billion since January 1, 2012. Of those, forty (40) contracts totaling $1.19 billion have been issued under BV Contractor Selection. Thus, the BV Contractor Selection has been exercised on approximately: (1) 29% of the total project value of UC's capital program for the period 2012 – 2015; and (2) 13% of the number of UC construction contracts awarded during that same period. These statistics align with the determination that BV Contractor Selection is most appropriate for complex and/or higher value projects. On some projects BV Contractor Selection was used for the contractor and

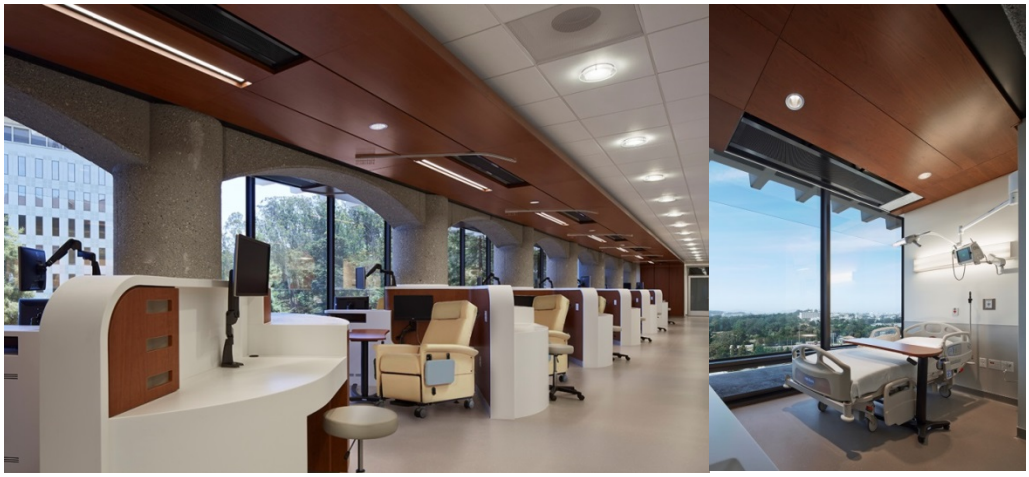
critical trade packages alone, and not for all of the work. See Exhibit D attached hereto for a list of contracts, contractors, and contract amounts awarded via the Best Value Contractor Selection program. Some projects had multiple BV contracts, especially when delivered under a Construction Manager at Risk method.

V. Performance Assessments of Completed Projects

While the BV Contractor Selection process has been in place, systemwide, for only forty-eight months, the delivery period for many UC projects from planning to completion sometimes exceeds that timeframe. Most projects have not yet closed out. Since it takes about six (6) months after final project close out to assess it for performance, the list below includes projects that were completely closed out as of September 2015. The results, just four years into a five-year system-wide program, demonstrate that BV Contractor Selection fosters improved cooperative project administration, better quality work, less labor and safety violations, better qualified persons/contractors, better on-time completion, and better on-budget performance. The results are particularly impactful given that most UC projects are complex, technical, and time and budget critical. Lessons learned to date include the value of setting appropriate scoring criteria, appropriate prequalification planning, targeted outreach, and better communication.

Campus: UCSF Medical Center

1. **ACC 4 Hematology Renovation**



Hematology Office Building Interior & Inpatient Room

- Project name: ACC 4th floor (Hematology)
- Type: Remodel
- Project Value: $15 Million

The Hematology Renovation involved a remodel of the entire 4th floor of Medical Office Building 1 at 400 Parnassus Avenue, in San Francisco. Seven General Contracting firms submitted prequalification packages and five met the qualification criteria. Four of those five firms submitted bids and Best Value packages. The project included a complicated HVAC system and updates to aging infrastructure serving the floor; it is on target to receive a LEED Silver certification. The initial project scope was delivered on budget, but there were cost increases and delays due to unforeseen conditions. The successful Best Value Contractor on this project received the lowest number of qualification points of the four bidders; and its dollar bid was 15% lower than the next lowest bidder. Thus, the best qualified contractor also submitted the lowest bid. The completed Outpatient Hematology program was consolidated from three different locations into a modern, updated clinic. In the words of the Project Manager, "*in the end, a strong prequalification was the most critical component of the process as any of the four bidders were considered capable of delivering this project. It is Best Value delivery that attracted high quality bidders*."

2. Mount Zion Inpatient Pharmacy

- Project name: Mount Zion Inpatient Pharmacy
- Type: Remodel
- Project Value: $1.928 Million

The project team selected Best Value for this project because of the complicated nature of building a 797 Compliant Pharmaceutical Clean Room for Chemotherapy compounding. The work was implemented in an existing Pharmacy that needed to remain in 24-hour operation in the basement of the inpatient facility at the UCSF Mt. Zion campus. Four contractors prequalified for the project and two submitted bids and Best Value packages. Of the two bidders, one submitted a detailed response to the Best Value questionnaire demonstrating appropriate experience and staffing as well as understanding of the issues related to delivering the Pharmacy project; the other turned in an incomplete submittal that did not provide the requested information, and could have been considered non-responsive. The bids were a mere $1,500 apart but because of Best Value selection criteria, the successful contractor was the higher bidder. The Project Manager said "*there was added scope and unforeseen complications connecting to existing HVAC systems which added cost and time to the project; however, the Best Value contractor worked with us to solve problems and provided fair and timely change orders*."

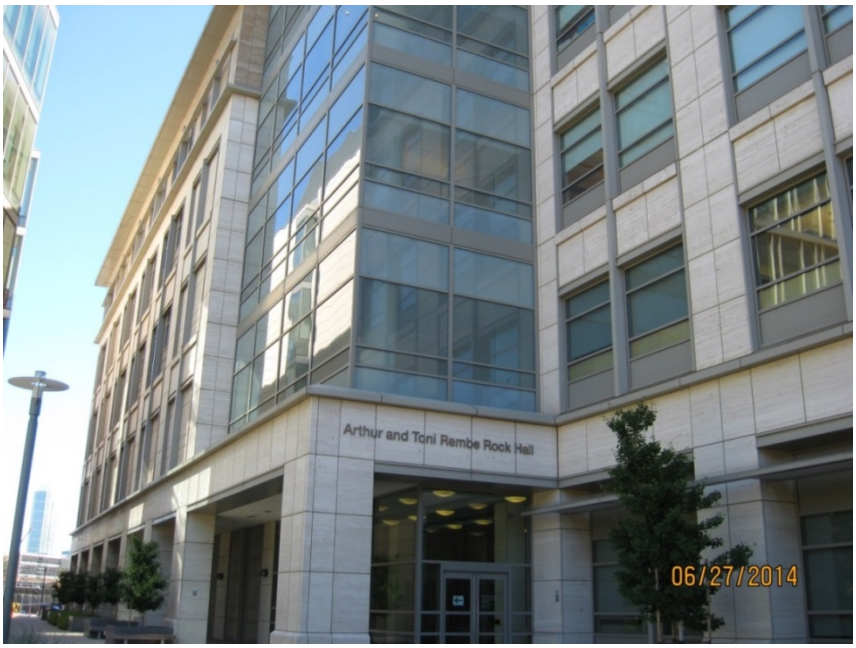
3. Mission Bay Hospital Trade Packages (Glass & Glazing and Signage)

- Project name: Glass & Glazing Trade Package (value: $3.41 Million)
- Project name: Signage (value: $1.18 Million)
- Type: Trade Packages for the Mission Bay Hospital

Both these contracts were at the sub-contractor level for trade packages on a larger project. No known claims, delays or non-owner driven change orders were reported on either of the contracts.

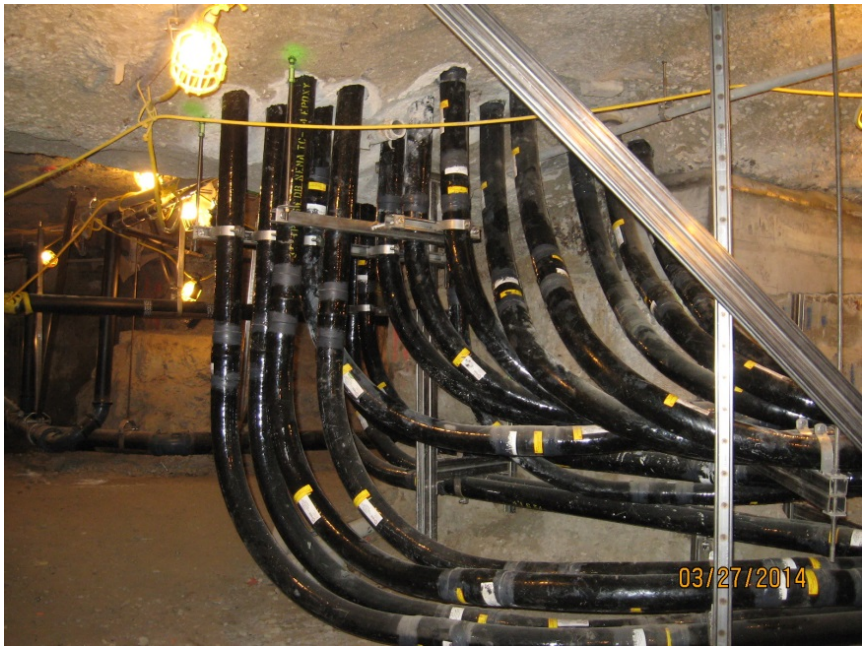
Campus: UCSF

1. **Rock Hall**

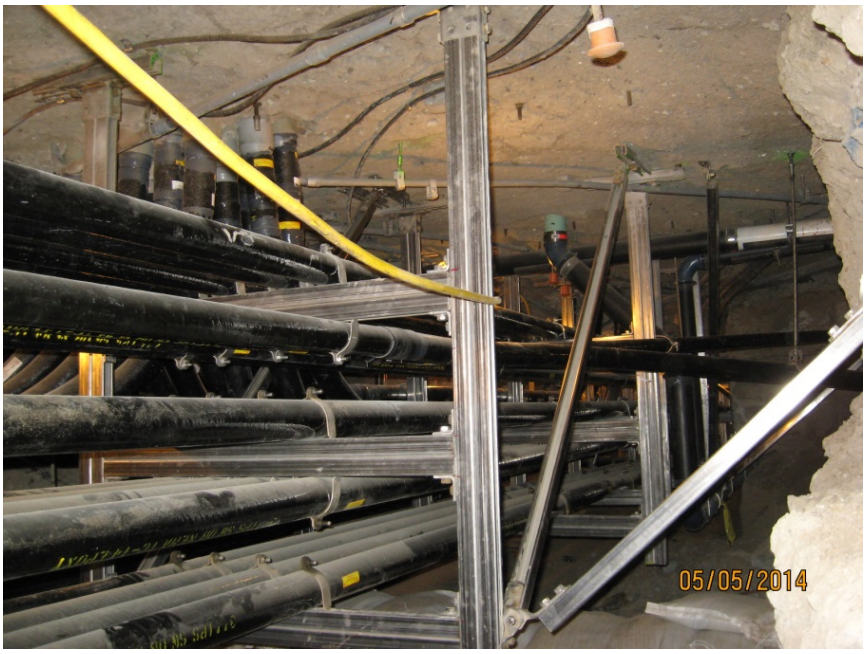


Rock Hall Research Building (the exterior)

- Project name: Rock Hall Remediation
- Type: Re-design & replacement of utilities (below the slab)
- Project Value: $16.5 Million



Rock Hall - below slab utilities



Rock Hall – below slab utilities replacement

This project involved the remediation, redesign and replacement of all below slab utilities (Sanitary Sewer, Lab Waste, Storm Drain, Electrical Distribution & Telecom) for the Rock Hall Research Building. Five general contractors submitted prequalification documents for the Contract Manager-at-Risk scope of work. Three succeeded in qualifying, and of those two contractors submitted bids. The project bid under the estimated budget, and the best value bidder was also the lowest dollar bidder. The University also selected the primary trade contractors, Electrical and Plumbing using the Best Value authority. According to the Project Manager, "*the use of this method resulted in extremely qualified field crews and a cost savings of nearly $5 million from the original total project budget. The construction was completed within the scheduled timeframe and the completion date was only delayed as a result of University-requested additional elective work. The University is very pleased with the quality of the contractor's work due to the intense coordination efforts necessary when conducting deeply invasive work in a fully occupied and operational research facility. It was very evident the best value process resulted in a competent management plan and construction personnel that understood the University's values and maintained a cooperative culture throughout the delivery of the project.*"

Campus: UCLA

1. **CHS South Tower Seismic Renovation – Tenant Improvements**

3D rendering of CHS South Tower Seismic Renovation – Tenant Improvements Project

- Project name: CHS South Tower Seismic Renovation
- Type: Tenant Improvements
- Project Value: $38 Million

This tenant improvement build out in an existing building was executed concurrently with an ongoing and separate core and shell seismic project. Three contractors submitted prequalification documents. Two were deemed to be prequalified and submitted bids. The "best value" bidder's dollar bid submittal was slightly higher than the lowest bidder. The Project Manager thought "*the low bid does not always lead to the highest quality projects or good value. The Best Value process resulted in selection of a quality contractor focused on solving challenges due to existing conditions and the complexity of the two overlapping projects, with a commonsense approach to construction rather than on creating a claims environment. The project completed on schedule and there were no claims on the Project.*"

2. Edie & Lew Wasserman – Tenant Improvements

3D rendering of Edie & Lew Wasserman – Tenant Improvements Project

- Project name: Edie & Lew Wasserman
- Type: Tenant Improvement
- Project Value: $43.8 Million

This tenant improvement build out was in a newly constructed core and shell building, that included the installation of clinics, operating rooms and administrative areas for UCLA's Stein Eye Institute and School of Medicine. Eight contractors submitted prequalification documents. Six passed the qualification requirements, and of these three contractors submitted bids. The project bids were under the estimated budget and closely bunched within $75,000 of each other. The "best value" bidder had the highest BV score but was not the lowest dollar bidder. The BV scores were within 35 points (0.35%) of each other. This was a very tight competition. There were no claims on the Project. As indicated by the Project Manager: "*Most of the pool of contractors that were interested in prequalifying and bidding on the project were new to UCLA. They felt that they could be competitive because the University was selecting on quality and price. This raised the standards for all bidders while keeping the bid competitive*."

VI. Bid Protest Summary

Under BV Contractor Selection formal written bid protests occur, and are managed in the same manner as those in non-BV Contractor Selection. An additional nuance pertaining to BV Contractor Selection projects is that a protestor may also protest the qualifications scoring undertaken by the Committee, similar to a protestor's ability to contest scoring on University design-build projects.

To date, no bidder, or third-party for that matter, has protested any qualification score determined by the University's BV Contractor Selection scoring committees.

The University has received only one written bid protest from the forty-two projects pertaining to any solicitation, bid or award under BV Contractor Selection; a considerably lower percentage below the number of protests during the same period from non-BV solicitations. The one protest, as described in more detail below, was for matters independent of the BV process and resolved fairly.

The bid protest at the Santa Barbara campus (UCSB) was in connection with a bid rejection. The original bid was rejected based on a page with material information missing from the Bid Form. The bidder protested on the grounds that the bid, except for the one missing page, was complete and comprehensive. The bidder also noted that it submitted the missing page after the bid was opened, and immediately after UCSB informed it of the missing item. As a material item was missing from the bid, the university had no other option but to reject the bid as non-responsive. As permitted in the standard bid documents for both Best Value and traditional selection methods, the complainant filed a protest with the Campus Official. The official reviewed the protest merits and denied the protest, whereby the complainant appealed to the Chair of the University's Construction Review Board. An impartial hearing officer heard the case and found in favor of the University's actions. The issue did not proceed further. Bidders failing to satisfy material bid requirements as required under the bid documents are not uncommon in public contracts and not unique to BV Contractor Selection, although experience has shown that protests and errors are much rarer in Best Value selections.

VII. Conclusion

The University's BV Contractor Selection has met with nearly unanimous praise from the design and contracting community. UC's ability to assess bids on quality criteria as well as price has resulted in UC projects attracting bidders who would not have otherwise participated in traditional low-bid work. The Best Value program generated significantly more interest amongst contractors/subcontractors with a track record of superior project success.

With continued appropriate debriefing and outreach training, it is the University's expectation that the BV Contractor Selection program will maintain its attractiveness amongst conscientious and qualified contractors and subcontractors in California, leading to more dependable project management, and projects completed on time, on budget, with high quality construction, excellent safety and labor compliance, and with fewer claims.

Contact information:

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Office website: http://www.ucop.edu/capital-resources-management/index.html
Report website: http://www.ucop.edu/operating-budget/budgets-and-reports/legislative-reports/2015-16-legislative-session.html

Exhibits

Exhibit A: Sample Best Value Questionnaire

Exhibit B: Best Value Evaluation Form

Exhibit C: Sample of Weighting of Criteria

Exhibit D: Detailed List of Contracts Awarded

BEST VALUE EVALUATION QUESTIONNAIRE

As used herein, the term "entity" means the prospective bidder submitting this Prequalification Questionnaire regardless of whether the entity is a sole proprietorship, a corporation, joint venture, or partnership. Please note that the term "prospective bidder" may sometimes be used interchangeably with the term "entity."

SUBMITTED BY: _____

(Entity Name. If a Joint Venture, state name of JV Entity)

_____

(Contact Name)

_____

(Address)

_____

(City, State, Zip Code)

_____ _____

(Telephone Number) (Facsimile Number)

_____

(E-mail)

INSTRUCTIONS: The criteria used for each project should reflect the specific needs and requirements of that project. However, absent approval from the Office of the President: (1) the five categories listed may not be modified (2) no changes may be made to the specific questions in the Labor Compliance Issues category. Points allocated per category within the allowed range may be determined by the Campus

Total Points Available – 1000 Maximum

1. FINANCIAL CONDITION

Points – {Minimum Allocation = 150}

The University requires that Bidders provide the following information regarding their financial condition. To verify the following information, each Bidder shall also submit a copy of its latest financial statement, either reviewed or audited in accordance with Generally Accepted Accounting Principles.

Current assets $_____

Current liabilities $_____

Total Revenue $_____

Net Income $_____

Total Debt $_____

Total Assets $_____

Total net worth $_____

NOTE: A financial statement that is not either reviewed or audited is not acceptable.

2. RELEVANT EXPERIENCE

Points – {Minimum Allocation = 150}

a. Demonstrate overall experience of Bidder with the type of construction required for the Project by providing detailed and relevant examples of past or current projects that relate to or are similar in scope/complexity/design to the Project. With respect to each project listed herein, address all disputes/claims/delays and all value engineering/cost savings/schedule savings recommended by Bidder and implemented on the Project

b. Provide information on previous experience with University projects within the past 5 years by both the entity and Project team members, specifically addressing all disputes/claims/delays and all value engineering/cost savings/schedule savings recommended by Bidder and implemented on the Project. This area should provide detailed explanations of the issues involved and the resolution.

3. DEMONSTRATED MANAGEMENT COMPETENCY

Points – {Minimum Allocation = 150}

A. Proposed Contract Schedule

The University requires that Bidders develop and submit a Proposed Contract Schedule as part of its bid identifying all of the proposed phases of construction, key milestones, the interrelationship of phases, and a description of assumptions and schedule issues, if any.

B. Project Team Organization

Each Bidder shall include the following information:

1. Organizational Chart:

The University requires that Bidders develop and submit an Organizational Chart as part of its bid identifying all of the proposed key personnel of each team component and how the team will be managed. If any of the team members have changed from the originally submitted Prequalification Submittal, each new team member shall be identified along with background information describing the new team member.

2. Qualifications of Key Personnel:

Each Bidder shall submit resumes demonstrating qualifications of the key personnel who will be assigned to this project. Key personnel are defined as, but not limited to the following: {EXAMPLES: Project Planner, Project Manager, Project Engineer, Construction Project Manager, Construction Field Superintendent}. Resumes shall include a description of training and experience of the key personnel in their respective areas of expertise. Resumes shall describe their current position/title, proposed position/title, education, professional licensing, and work experience over the last ten (10) years. Each resume shall also indicate whether or not each key person has worked before as part of the proposed team on similar projects.

C. Management and Staffing Plan

Each Bidder shall also be responsible for developing and submitting a Management and Staffing plan which illustrates the management approach to performing the Work; and the required staff including the key personnel along with their identified time commitments required to perform the Work plan.

The Management and Staffing Plan must indicate all staff required through completion of Construction. Each Bidder must submit a staffing schedule tied to the Preliminary Schedule showing the time commitment of each individual identified under the key personnel item herein.

Each Bidder shall also be responsible for developing and providing as part of this bid a table or matrix showing the Bidder's current and pending major project commitments. Include in this table or matrix all Key Personnel, their current and planned project commitments and the percentage of time assigned to those commitments and the percentage of time available for this Project.

4. LABOR COMPLIANCE

Points – {Minimum Allocation = 150}

a. Provide the **name**, **address and telephone number** of the apprenticeship program (approved by the California Apprenticeship Council) from whom Bidder intends to request the dispatch of apprentices to Bidder for use on the Project.

Name _____

Address _____

Telephone Number _____

If Bidder operates its own State-approved apprenticeship program state the year in which each such apprenticeship program was approved, and attach evidence of the most recent California Apprenticeship Council approval(s) of Bidder's apprenticeship program(s).

b. If any of the trade work identified below will be performed by subcontractors listed by Bidder in the Subcontractor Listing that accompanies its bid then answer the question below for each of such affected subcontractors.

{EXAMPLE: Electrical, plumbing etc.}

Provide the **name**, **address and telephone number** of the apprenticeship program (approved by the California Apprenticeship Council) from whom Subcontractor intends to request the dispatch of apprentices to Subcontractor for use on the Project.

Name _____

Address _____

Telephone Number _____

If Subcontractor operates its own State-approved apprenticeship program state the year in which each such apprenticeship program was approved, and attach evidence of the most recent California Apprenticeship Council approval(s) of Subcontractor's apprenticeship program(s).

c. At any time during the last five years, has Bidder been found to have violated any provision of California apprenticeship laws or regulations, or the laws pertaining to use of apprentices on public works?

☐ Yes ☐ No

If yes, provide the date(s) of such findings, and attach copies of the Department's final decision(s).

d. If any of the trade work identified below will be performed by subcontractors listed by Bidder in the Subcontractor Listing that accompanies its bid then answer the question below for each of such affected subcontractors.

{EXAMPLE: Electrical, plumbing etc.}

During the last five (5) years, was [IDENTIFY SUBCONTRACTOR] found to have violated any provision of California apprenticeship laws or regulations, or the laws pertaining to use of apprentices on public works?

☐ Yes ☐ No

If yes, provide the date(s) of such findings, and attach copies of the Department's final decision(s).

e. During the last five (5) years, was Bidder required to pay either back wages or penalties for Bidder's failure to comply with the State's prevailing wage laws?

☐ Yes ☐ No.

If "yes," identify the violation by providing the project name, date of the violation, name of the entity (or entities), a brief description of the nature of the violation, and a brief description of the status of the violation (pending, or if resolved, a brief description of the resolution).

f. If any of the trade work identified below will be performed by subcontractors listed by Bidder in the Subcontractor Listing that accompanies its bid then answer the question below for each of such affected subcontractors.

{EXAMPLE: Electrical, plumbing etc.}

During the last five (5) years, was [IDENTIFY SUBCONTRACTOR] required to pay either back wages or penalties for [IDENTIFY SUBCONTRACTOR] failure to comply with the State's prevailing wage laws?

☐ Yes ☐ No.

If "yes," identify the violation by providing the project name, date of the violation, name of the entity (or entities), a brief description of the nature of the violation, and a brief description of the status of the violation (pending, or if resolved, a brief description of the resolution).

5. SAFETY RECORD

Points – {Minimum Allocation = 150}

A. Does your firm have a written Injury and Illness Prevention Program (IIPP) that complies with California Code of Regulations, Title 8, Sections 1509 and 3203?

YES ☐ NO ☐

B. Does your firm have a written safety program that meets CAL/OSHA requirements? YES ☐ NO ☐

C. Will your firm have personnel permanently assigned and dedicated to Safety on this project?

YES ☐ NO ☐

If "Yes", state the names of all such personnel who will be assigned and individually list their specific duties:

Name, Title Specific Duties

_____
_____
_____
_____
_____
_____
_____
_____

Attach resumes (include certification and safety related training received.)

D. Have you had accidents, which resulted in a construction fatality, on any of your projects within the last five (5) years?

YES ☐ NO ☐

If yes, provide additional information.

_____

E. Do you have any recordable injury in the past 5 years?
YES ☐ NO ☐

If "yes", include the average total recordable injury for the past 5 years
Include a total recordable illness rate for the past 5 years.
Include lost work rate for the past 5 years.

F. Attach EMR verification from State of California or from insurance company for each of the past 5 years.

EMR Category Code: _____

G. Have you had Cal-OSHA fines in the Serious, Repeat or Willful categories?

If yes, provide additional information.

_____

I declare under penalty of perjury under the laws of the State of California that the information provided above is true and correct.

Bidders' Signature: _____ Date: _____

Name of the person signing: _____
Title/Position at the company: _____

BV.2 BEST VALUE EVALUATION SCORECARD

PROJECT NAME: {PROJECT NAME}

PROJECT NUMBER: {PROJECT NUMBER}

NAME: {BIDDER NAME}

DATE:{DATE}

NAME/SIGNATURE OF EVALUATOR:

_____

_____

_____

1. Financial Condition

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing Financial Condition:

CATEGORY	POINT RANGE	ASSIGNED POINTS
1. Current Ratio - Assets/Liabilities		_____
2. Debt Ratio - Debt/Net Worth		_____
3. Total Revenue -		
TOTAL EVALUATED PTS		_____

3. Relevant Experience

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing Past Performance:

CATEGORY	POINT RANGE	ASSIGNED POINTS
1. Experience of Bidder on similar non-University projects		_____
2. Experience on University projects		_____
3. Disputes/claims/delays and schedule savings/cost savings/ value engineering on similar non-University projects		_____
4. Disputes/claims/delays and schedule savings/cost savings/ value engineering on University projects		_____
TOTAL EVALUATED PTS		_____

3. Demonstrated Management Competency

Evaluators will consider the following evaluation elements when reviewing Demonstrated Management Competency:

A. Proposed Contract Schedule

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing the Proposed Contract Schedule:

CATEGORY	POINT RANGE	ASSIGNED POINTS
1. Realism of proposed timeframes		_____
2. Interrelationship of Phases (if applicable)		_____
3. Adequacy of time required for reviews		_____
4. Relative detail of Proposed Contract Schedule		_____
TOTAL EVALUATED PTS		_____

Schedule submitted which meets Contract Time requirements?

B. Project Team Organization

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing the Project Team Organization:

CATEGORY	POINT RANGE	ASSIGNED POINTS
1. Qualifications of Key Personnel		_____
2. History/Track Record of Keeping (Not substituting) Key Personnel on Project from Notice to Proceed through Substantial Completion?		
TOTAL EVALUATED PTS		_____

C. Management Staffing Plan

TOTAL AVAILABLE POINTS - {NUMBER}

1. Management and Staffing Plan		_____
TOTAL EVALUATED PTS		_____

4. Labor Compliance

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing Compliance Issues:

CATEGORY	POINT RANGE	ASSIGNED POINTS
1. Apprenticeship program		
2. Prevailing wage compliance		
TOTAL EVALUATED PTS		_____

5. SAFETY RECORD

TOTAL AVAILABLE POINTS - {NUMBER}

Evaluators will consider the following evaluation elements when reviewing Safety Record:

CATEGORY	POINT RANGE	ASSIGNED POINTS
Safety Program		
Past record (accidents/EMR/fines)		
TOTAL EVALUATED PTS		_____

BV.2 Best Value Questionnaire Evaluation Score Card

PROJECT NAME _ SAMPLE

Exhibit C

BV.2 Best Value Questionnaire Evaluation

12/16/13

Name of Evaluator:				**Prequalified CM/Contractors**				
Item	**Description**	**Points Available**	**Contractor A**	**Contractor B**	**Contractor C**	**Item**	**Notes**
1	**Financial Condition**	**150**	Minimum mandated points for Financial Condition			1	
1.	Submitted latest Financial Statement and the previous two (2) years, either reviewed or audited per Generally Accepted Accounting Principles.	150				1.	
	Subtotal Financial Condition	150	0	0	0		
2	**Relevant Experience**	**150**	Minimum mandated points for Relevant Experience			2	
Criteria A.	Seismic renovation of an historic structure or an extensive building renovation (including new building systems), and that the project contains mixed uses including office, educational and/or residential space, in an urban environment where at least some of the work was performed under a design build structure.					Criteria A.	
2.A.a.	Experience in Continuous Cost Modeling	10				2.A.a.	
2.A.b.	Experience in Continuous Budget Management	10				2.A.b.	
2.A.c.	Experience in Target Value Design Management	10				2.A.c.	
2.A.d.	Experience in Continuous Constructability Review Management	10				2.A.d.	
2.A.e.	Experience with Design Build Subcontractors	10				2.A.e.	
2.A.f.	Experience with Lean Construction methods and processes	20				2.A.f.	
2.B.i.	Project(s) that fully meet the criteria delineated in paragraph A will be scored favorably.	25				2.B.i.	
2.B.ii.	MEP coordination work using Lean Construction procedures and BIM will be scored favorably	5				2.B.ii.	
2.B.iii.	Complexity of the Work with emphasis on building systems and seismic renovation will be scored favorably.	10				2.B.iii.	
2.B.iv.	Projects that were completed at UCSF will be scored favorably	10				2.B.iv.	
2.B.v.	Projects required to comply with LEED New Construction Gold certification or demonstrate the application of sustainability principles to the systems, components and portions of the building being renovated will be scored favorably	10				2.B.v.	
2.B.vi.	Projects that demonstrate Lean Construction leadership role will be scored favorably	10				2.B.vi.	
2.B.vii.	A single project that can demonstrate all attributes	10				2.B.vii.	
	Subtotal Relevant Experience	150	0	0	0		
3	**Management Competency**	**400**	Minimum mandated points for Management Competency			**3**	
Criteria A.	Seismic renovation of an historic structure or an extensive building renovation (including new building systems), and that the project contains mixed uses including office, educational and/or residential space, in an urban environment where at least some of the work was performed under a design build structure.					Criteria A.	
3.A.a.	Competency Managing Preconstruction Services	25				3.A.a.	
3.A.b.	Competency in Managing Design Build Subcontractors; Program approach.	25				3.A.b.	
3.A.c.	Competency in managing Contract Schedule over Program	25				3.A.c.	
3.A.d.	Competency in Construction Budget Management; Program efficiencies.	25				3.A.d.	
3.B.	Project Team Organization; Program approach.	50				3.B.	
3.B.4.	Proposed team's previous experience together	50				3.B.4.	
3.C.	Demonstrate use of Last Planner TM System or similar tool to manage team performance across the CSB/UCH Program.	25				3.C.	
3.D.	Describe and document methods you have used to identify and avoid potential disputes or claims; multi-project program. Evaluate the effectiveness of the methods used.	25				3.D.	
3.E.	Design Build Subcontractor Coordination; Program approach.	25				3.E.	
3.F.	Quality Assurance and Quality Control; Program approach.	25				3.F.	
	Site Logistics and Access						
3.G.1.	Temp and Permanent site access adjacent to or through the construction operations boundary.	60				3.G.1.	
3.G.2.	Temp Facilities for Program/Project Management Team	10				3.G.2.	
3.G.3.	Relocation or Stabilization of Utilities around/through sites	30				3.G.3.	
	Subtotal Management Competency	400	0	0	0		
5	**Labor Compliance**	**150**	Minimum mandated points for Labor Compliance			**5**	
5.A.	Apprentice Program Participiation	50				5.A.	
5.B.	Apprenticeship violations - award full points for no violation	50				5.B.	
5.C.	Prevailing Wage violation - award full points for no violation	50				5.C.	
	Subtotal Labor Compliance	150	0	0	0		
6	**Safety Record**	**150**	Minimum mandated points for Safety Record			**6**	
6.A.	Written Injury and Illness Prevention Program (IIPP)	20				6.A.	
6.B.	Written safety program that meets CAL/OSHA requirements	10				6.B.	
6.C.	Personnel permanently assigned and dedicated to Safety on this projects? - if yes, award full points	10				6.C.	
6.D.	Construction fatalities in the last 5 years - if yes, award no points	20				6.D.	
6.E.	EMR Rating >1 = 0 points, <.85 = 15 points, <.75=30 points	30				6.E.	
6.F.	EMR of .50 or lower	20				6.F.	
6.G.	Cal/OSHA fines in the Serious, Repeat or Willlful categories - if yes, award no points	20				6.G.	
6.H.	Safety and Hazardous Waste Control program	20				6.H.	
	Subtotal Safety Record	150	0	0	0		
	Mandated Total Points	**1,000**	**0**	**0**	**0**		

Exhibit D

Campus	Project Description*	Best Value Selection Contract Award Amount**	Selected Contractor	Total Construction Project Value
UCSFMed	RFP Bulk Medical Gas Tank Farm	$475,439	Air Liquide	$500,000
UCSF	Mission Bay Rock Hall Emergency Drain Remediation	$1,636,000	Herrero Contractors, Inc.	$16,276,518
UCSB	Davidson Library Addition and Renewal Project, Bldg 525	$4,821,588	C.W. Driver	$62,000,000
UCSFMed	UCSFMC Job Order Contract	$938,000	MTM	$1,000,000
UCLA	Wasserman Tenant Improvements	$29,977,000	PCL Construction Services, Inc.	$29,977,000
UCLA	Luskin Conference Center	$11,535,743	McCarthy Building Companies, Inc.	$110,780,000
UCLA	Teaching and Learning Center (TLC)	$6,691,000	Rudolph and Sletten, Inc.	$50,000,000
UCB	Berkeley Art Museum and Pacific Film Archive	$5,713,760	Plant	$66,000,000
UCSD	Hillcrest Clinical Lab Renovation	$655,614	Swinerton Builders	$655,614
UCSFMed	Mount Zion Basement Inpatient Pharmacy 797 Compliance	$979,000	TCB Builders	$1,100,000
UCSFMed	8DA-HOE Interior Glass & Glazing	$3,412,425	Royal Glass	$3,806,000
UCSFMed	Ambulatory Care Center (ACC) 4th Floor Hematology Renovation	$590,872	Level 10	$8,000,000
UCSB	San Joaquin Apartments and Precinct Improvements	$9,594,284	Harper Construction	$130,000,000
UCSFMed	UCSF Medical Center at Mission Bay- SIGNAGE	$1,187,465	Arrow Sign Company	$3,230,000
UCSB	Sierra Madre Apartments	$4,455,000	Prowest Constructors	$5,000,000
UCLA	CHS South Tower Seismic Renovation - TI	$38,478,000	PCL Construction Services, Inc.	$59,200,000
UCSD	Main OR HVAC Upgrades	$1,315,555	BSD Builders	$7,500,000
UCSF	Mission Bay Rock Hall Emergency Drain Remediation- Electrical	$2,198,695	Cupertino Electric	$16,276,518
UCSF	Mission Bay Rock Hall Emergency Drain Remediation - Plumbing	$2,016,100	Bellanti Plumbing	$16,276,518
UCSF	HSIR Program	$2,306,445	Rudolph & Sletten	$28,064,000
UCSF	CSB/UCH Seismic Renovation Program	$13,147,500	McCarthy	$135,500,000
UCLA	Engineering VI-Phase 2	$6,210,000	Clark Construction	$55,000,000
UCSB	Henley Hall Institute for Energy Efficiency	$3,773,000	Sundt Construction	$38,500,000
UCM	COAB Glass & Glazing Bid Package 8-2	$1,998,000	Montez Glass	$2,250,000
UCM	COAB Metal Panels Bid Package 7-3	$1,429,400	Best Contracting	$1,650,000
UCSB	Davidson Library Compact Shelving	$1,799,390	McMurray Stern	$1,180,000
UCSB	Bioengineering Building	$5,000,771	Rudolph & Sletten	$53,255,000
UCM	Central Plant/Telecommunications Relaibility Upgrade	$2,373,700	Otto Construction	$12,000,000
UCB	Jacobs Hall	$2,305,406	Hathaway Dinwiddie	$160,000,000
UCB	CMS Tenant Improvements	$611,920	Rudolph & Slutten	$4,000,000
UCLA	Football Performance Center	$12,697,000	PCL Construction Services, Inc.	$44,000,000
UCSFMed	Ambulatory Care Center (ACC) 5th Floor Heart & Vascular	$695,413	Bidder B	$4,200,000
UCSF	MSB Renovations - CSB Decant Program	$974,000	Herrero Contractors	$9,325,000
UCLA	Jules Stein Seismic Correction and Program Improvements	$42,279,000	PCL Construction Services, Inc.	$43,978,970
UCSB	North Campus Faculty Housing - Phase III Project	$13,454,542	Pat McCarthy Construction	$13,340,000
UCSFMed	Moffitt Long Hospital Nursing Units L7/M7S, L11, L12 & L15/M15S	$24,306,792	XL Construction Corporation	$24,306,792
UCB	Wheeler Hall Renewal	$2,017,907	Herrero Builders	$21,000,000
UCB	Moffitt Library 4th & 5th Floor Renovation, HVAC, Roof	$8,470,927	Turner Construction	$13,000,000
UCM	UCM Downtown Center - Mechanical	$4,096,165	F.M. Booth	$30,400,000
UCLA	Basketball Practice Facility	$8,480,770	PCL Construction Services, Inc.	$25,100,000

* Contracts sorted by Bid Date

** Projects awarded under Construction Manager at Risk delivery method may not have used BV Contractor Selection for all trades