

ADMINISTRATIVE POLICIES AND PROCEDURES

SUBJECT: ALTERNATIVE DELIVERY PROCUREMENT POLICY

Effective: June 17, 2024

PURPOSE

To establish a uniform procedure utilizing the City's Charter authority to provide the ability to use design-build, Progressive design-build, and /or construction manager at-risk, project delivery procurements for up to five (5) public works projects per fiscal year, a total which may be adjusted by future action of the City Council.

POLICY

This policy contains the procedures to be followed when the City determines to utilize an alternative delivery procurement method to deliver a public works project valued over \$50,000. As currently approved, the City may utilize an alternative delivery procurement method for up to five (5) public works projects per fiscal year.

PROCEDURE

Section 1. Definitions.

“Alternative Delivery Methods” means collectively construction manager at-risk, design-build, and progressive design-build methods defined below.

"Best value" means a value determined by evaluation of objective criteria that may include, but are not limited to, price, features, function, life-cycle costs, experience, and past performance. A best value determination may involve the selection of the lowest cost proposal meeting the interests of the local agency and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by the City, or a tradeoff between price and other specified factors.

“Construction manager at risk” means the method of project delivery where a construction manager is contracted to provide preconstruction services during the design phase of the project and construction services during the construction phase of the project.

“Design-build” means the method of project delivery where the design and construction of a public works project are contracted with a single “design-build” entity.

“Progressive design-build” means the method of the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project.

Section 2. Initiating Use of Alternative Delivery Methods.

To utilize any of the Alternative Delivery Methods, the City Manager or his/her designee must make a written determination that utilizing an Alternative Delivery Method for a public works project will improve at least one aspect of the outcome of a public works project (improved quality, expedited project completion, reduced costs, or obtaining design features that were not achievable through the traditional design-bid-build method), and not hinder fair competition for the project. As part of this determination, the City Manager or his/her designee must designate the Alternative Delivery Method that will be used as well as the form of the procurement, he or she has determined will provide the most beneficial outcome to deliver the project. This written determination must be reviewed and approved by the City Manager.

Section 3. Basis of Award

Alternative Delivery Method projects may be awarded on the basis of lowest bid or best value. In either case, any evaluation criteria based on price must be set forth in the initial procurement documents for the project.

Section 4. Compensation.

The compensation terms for Alternative Delivery Method projects may be structured as a lump sum included in a proposal, a stipulated sum established by the City, or a lump sum or guaranteed maximum price negotiated after contract award.

Section 4. Solicitations.

The City Manager or his/her designee, in consultation with the City Attorney, will determine the type of solicitation to be used for the Alternative Delivery Method. This may include, but not be limited to, an Invitation For Bid (IFB), a Request for

Qualifications (RFQ), and/or a Request for Proposals. All Alternative Delivery Method solicitation documents must be reviewed and approved by the City Attorney, to ensure compliance with local, state, and federal laws and regulations where applicable. All solicitations must comply with the noticing requirements in Merced Municipal Code Section 3.04.230.

Section 5. Conflict of Interest.

All selected contractors utilizing this policy will be subject to the City's adopted conflict of interest code.

Section 6. Effective Date.

This policy was adopted by the Merced City Council on June 17, 2024 and will remain in effect until amended or rescinded.

APPROVED:

City Manager