Construction Contracts Update

FACILITIES CONTRACTS
FEBRUARY 6, 2015
Best Value Construction Procurements

Job Order Contract Best Value Procurement

Implemented January 2013

- Best Value is intended to ensure we engage high quality construction contractors.
- JOC is procured via a request for proposals.
- Minimum experience qualifications are required.
- Contractor’s prequalification score and SBE points are divided into JOC bid adjustment factor to determine the most qualified contractor.
- Contractors are ranked by the most qualified score to determine the award.
Informal Best Value Procurement – A/B Letters

Effective February 2, 2015

• Provides a contracting means to quickly and cost effectively execute minor construction and maintenance work (maximum of $86,000) with the goal of obtaining the most qualified, safety prequalified bidder.

• Best Value Selection Methodology
  • Contractor Performance Score
  • Field Component - Contractor Evaluations
    • Compliance Component - e.g. labor compliance, PSA, bid issues, assessments
  • Bid Amount
  • Calculation: Bid Amount ÷ Contractor Performance Score ÷ 100
  • Contractor with Best Ranking is awarded the contract.
Formal Contracts Best Value Procurement

Coming January 2016

• Legislation in development for Formal Contracts greater than $1 Million

• Contractors will be assigned a qualification score that will include, at a minimum, qualifications, relevant experience, skilled and trained workforce, acceptable safety record, and prequalification requirements.

• Contractors bid price will be weighted no more than 50%. Bid will be divided by the qualifications score to determine the most qualified contractor. A 5% bid preference can be given for SBE contractors.

• Expect legislation to become Effective January 1, 2016.
Subcontractor Prequalification

Effective January 1, 2014

Revised construction contractor prequalification program.

• Our program complies with the PCC 20111.6 requirement for all Prime contractors and first tier Mechanical, Electrical and Plumbing subcontractors.

• It also focuses on areas of importance to LAUSD, including contractor performance, compliance with our PSA and Labor Compliance.

• LAUSD applied prequalification requirements to all formal and Job Order contracts.
Effective April 15, 2015

• Will apply to all first tier subcontractors.

• If currently prequalified as a Prime or Subcontractor, you don’t have to do anything.

• Must complete the Prime Contractor Prequalification Questionnaire or the Subcontractor Prequalification Questionnaire.

• If safety prequalified only, you must complete Prime or Subcontractor questionnaire.

• The list of Approved Subcontractors will be posted on the Facilities Contracts web site, and will include approval and expiration dates.
Subcontractor Prequalification Requirements

• Complete the appropriate Prequalification Questionnaire
• Have a current and active California Contractors License
• Current DIR Public Works Contractor Registration
• Receive and maintain safety approval
• Meet the Mandatory Qualifications and Applicant Disclosure requirements
• Achieve passing score on PART V - Scorable Questions.
• Provide a Letter of Bondability by a California-admitted surety company
Subcontractor Prequalification Requirements

• Provide proof of Workers’ Compensation and General Liability insurance coverage by a company licensed to do business in California

• Provide references for projects completed within the last 36 months

• Submit a current financial statement (at minimum a balance sheet and income statement)

• Achieve passing Contractor Performance Score
  • Field Component-performance evaluations.
  • Compliance Component-e.g. labor compliance, PSA, assessments.

• Prequalification approval is valid for one (1) year.
Important!

• First tier subcontractors must be selected from District’s prequalified list.

• Prime and subcontractors must be approved at least five days prior to bid date.
DIR Public Works Contractor Registration Requirements

• Senate Bill 854 - public works contractor registration program.

• Effective March 1, 2015 - All Contractors and subcontractors listed on a bid must be registered (informal, formal and JOC).

• Effective April 1, 2015 - All contractors and subcontractors working on any public works contract awarded on or after this date must be registered.
DIR Public Works Contractor Registration Requirements

• Bids will not be received from non-prequalified primes and will be deemed non-responsive if listed first tier subcontractor is not prequalified with the District at least five days prior to bid date.

• Inadvertent listing of unregistered subcontractor at the time of bid doesn’t invalidate bid and may be cured.

• Failure to register is grounds for substituting subcontractors

• District requires DIR registration as part of prime and first tier subcontractor prequalification.

• Contract with unregistered contractor or subcontractor subject to cancellation but is not void.

• Lower tier subcontractors must also be registered. Tracking will be managed via certified payroll (effective April 1, 2015).
Worker Certifications

Currently required by law. Our documents will reflect certification requirements for certain trades.

- Electricians working on construction projects in the State of California for a contractor with a class C-10 license must possess a California State Electrician certification.

- Journeymen plumbers must possess a plumbing certificate issued by the Los Angeles County and the City of Los Angeles, Building and Safety Divisions.

- HVAC technicians must possess a EPA-608 Certification.

- Elevator companies must possess a Certified Qualified Conveyance License (CQCC). Journeymen are required to have their Certified Competent Conveyance Mechanics License (CCCM) from the State of California. Journeymen working within the City limits of Los Angeles will be required to have their Journeymen Elevator mechanic’s License.
Contact Information

• Facilities Construction Contracts Prequalification Unit:
  • Phone: (213) 241-2651
  • Fax: (562) 654-9499
  • Email: prequalification@laschools.org
  • Website: http://www.laschools.org/new-site/prequalification/

• DIR Registration Information: http://www.dir.ca.gov/Public-Works/PublicWorks.html

• Labor Compliance
  • Phone: (213) 241-4665
  • Fax: (213) 241-8356
  • Email: lcp@lausd.net
  • Website: http://www.laschools.org/new-site/labor-compliance/