For Council Meeting of: January 7, 2014

## CITY OF SANTA ROSA CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

SUBJECT: INTRODUCTION OF ORDINANCE ADDING CHAPTER 3-60

TO THE SANTA ROSA CITY CODE - DESIGN-BUILD

**PROCUREMENT** 

STAFF PRESENTER: CAROLINE FOWLER, CITY ATTORNEY

**CITY ATTORNEY** 

AGENDA ACTION: INTRODUCTION OF ORDINANCE

## ISSUE(S)

Shall the Council adopt an Ordinance adding Chapter 3-60 of the Santa Rosa City Code – Design-Build Procurement to implement the amendment to the City Charter approved by the voters as Measure S?



## **COUNCIL GOALS/STRATEGIES**

Goal 1: Create a strong and sustainable economic base.

The use of a Design-Build Procurement method of delivering projects can result in reduced costs for certain public projects and provide opportunities for public/private partnerships to cost effectively design and construct new facilities if advantageous to the City.

#### **BACKGROUND**

In 2012, the voters approved Measure S which authorized the use of Design-Build Procurement subject to the terms of an ordinance to be adopted by the City Council.

The City Attorney's office reviewed design-build ordinances from other jurisdictions and met with key stakeholders including representatives of the Chamber of Commerce and the North Coast Builders Exchange to obtain input on the draft ordinance. Input from these stakeholders was discussed and incorporated to the extent feasible including a suggestion that there be prior review by the awarding authority of the appropriateness of utilizing design-build procurement on major contracts. Major Contracts are currently defined as contracts in excess of \$270,000.

The City Attorney also presented the proposed ordinance to the Board of Public Utilities on November 7, 2013. The Board supported approval of the ordinance with the protections built into the ordinance to provide the Council and Board to have review of proposals to utilize a design review Request for Proposals for major contracts.

## **ANALYSIS**

- This proposed ordinance implements the provisions of Measure S approved by the voters in 2012 which authorized the City to utilize Design-Build Procurement as an alternative method of delivery projects. In a Design-Build Contract, the same entity acts as the Designer and Contractor on a public works project. It is not anticipated that this process would be used for the majority of our standard CIP projects.
- 2. The proposed ordinance was modeled largely on the Design-Build Ordinance adopted in the City of Riverside which has been in place since 2005 and has been successful in that community.
- Additional provisions were added to address concerns raised by interested stakeholders and the Board of Public Utilities.
- 4. The proposed ordinance does not change the current award authority under the City Code in terms of the dollar amount of contracts.
- 5. Staff may elect for minor contracts (contracts under \$270,000) to utilize a design-build procurement request for proposals consistent with the requirements set forth in the ordinance. This is projected to provide efficiencies and cost savings in areas such as installation of playground equipment, roofs and energy saving.
- 6. For major contracts (contracts over \$270,000), staff would first be required to seek authorization from the award authority—either the City Council or Board of Public Utilities—that utilizing a design-build procurement is in best interest of the City under the criteria established in the ordinance. Review of RFPs for design-build projects for major contracts would also require an evaluation panel to be part of the process.

## **ENVIRONMENTAL REVIEW STATUS**

The Council finds that the adoption and implementation of this ordinance are exempt from the provisions of the California Environmental Quality Act under section 15061(b) (3) in that the Council finds there is no possibility that the implementation of this ordinance may have a significant effect on the environment.

For any design-build project subject to CEQA, State law requires evidence of compliance with the California Environmental Quality Act (CEQA); either through the preparation, circulation, and adoption/certification of an environmental document; or by determining that the proposal is categorically or statutorily exempt prior to project approval.

**EXEMPT PROJECT** 

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# **RECOMMENDATION**

It is recommended by the City Attorney that, consistent with the direction of the voters approving the use of Design-Build Procurement, the City Council introduce an ordinance adding Chapter 3-60 – Design-Build Procurement to the City Code.

Author: Caroline Fowler, City Attorney

Attachments: None