



# AGENDA ITEM

## Public Utilities Commission

*City and County of San Francisco*



DEPARTMENT Construction Management Bureau AGENDA NO. 15d  
 MEETING DATE July 14, 2009

**Construction Award: Consent Calendar**  
**Project Manager: Wendy Iwata**

**Contract No. HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay**

<b>Summary of Proposed Commission Action:</b>	Approve the plans and specifications, and award Power Enterprise funded Contract No. HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay, in the amount of \$3,000,000, to the lowest, qualified, responsible and responsive bidder, EMCOR Service/Mesa Energy Systems, Inc., to accomplish energy efficiency repair and renovation of mechanical systems in City buildings and facilities.
<b>Background:</b>	<p>A Job Order Contract is an indefinite quantity contract pursuant to which the San Francisco Public Utilities Commission may accomplish a series of projects with a single, competitively bid contract awarded before the projects are identified. Contractors bid an adjustment factor to pre-set unit prices. Work is accomplished by issuing task orders to the successful contractor during the two year term of the contract.</p> <p>HH-939, the first of three JOC's issued for HVAC Energy Efficiency projects will be utilized to accomplish energy efficiency repair and renovation of mechanical systems in City buildings and facilities in the following areas: HVAC Controls and Energy Management Systems/Building Management Systems; Central Plants: Boilers, Chillers and Cooling Towers; Air Handlers and Air-Side Distribution Systems; Hot and Chilled Water Distribution Systems; Domestic Hot Water Systems; and Testing, Adjusting, Balancing and Commissioning..</p>

**APPROVAL:**

DEPARTMENT / BUREAU \_\_\_\_\_

COMMISSION SECRETARY Mike Housh

FINANCE Todd L. Rydstrom

GENERAL MANAGER Ed Harrington

<b>Result of Inaction:</b>	A delay or denial awarding this contract will prevent these energy efficient projects from occurring in a timely manner. Power Enterprise Energy Efficiency project funds and Energy Community Development Block Grant funds are in place to complete this work.
<b>Budget &amp; Costs:</b>	<b>Baseline Budget:</b> \$3,000,000 <b>Award:</b> \$3,000,000 <b>Funding:</b> Work is accomplished by issuing task orders to the successful contractor during the two year term of the contract (with one year option period). Funds will be available mainly from SFPUC Power Enterprise funds.
<b>Schedule:</b>	<b>NTP:</b> August 2009 <b>End:</b> August 2011 <b>Duration:</b> Two years (24 months). An additional one-year option period may be approved by the Commission at a later date.
<b>HRC goals:</b>	<b>Set:</b> 4.9% LBE <b>Submitted:</b> 5.99% LBE
<b>Environmental Review:</b>	No task order will be issued for construction requiring environmental review, excluding categorical exemptions, until the Commission has been given the opportunity to review the environmental document and take action if deemed appropriate.

<p><b>Bid History:</b></p>	<p><b>Advertised:</b> May 19, 2009  <b>Bids Received:</b> Sealed bids were received from four (4) firms on June 18, 2009, as follows:</p> <table border="1" data-bbox="501 384 1524 764"> <thead> <tr> <th>Bid Rank</th> <th>ACF Bid</th> <th>Bid Preference</th> <th>Adjusted Bid</th> <th>Adjusted Rank</th> </tr> </thead> <tbody> <tr> <td>1. Best Contracting Services</td> <td>1.165</td> <td>0</td> <td>1.165</td> <td>1</td> </tr> <tr> <td>2. Western Allied Mechanical, Inc.</td> <td>1.2498</td> <td>0</td> <td>1.2498</td> <td>2</td> </tr> <tr> <td>3. Rodan Builders, Inc.</td> <td>1.255</td> <td>0</td> <td>1.255</td> <td>3</td> </tr> <tr> <td>4. Emcor/Mesa</td> <td>1.4956</td> <td>0</td> <td>1.4956</td> <td>4</td> </tr> </tbody> </table> <p>Although application of bid preferences in accordance with Chapter 14B of the San Francisco Administrative Code (“Chapter 14B”) did not change the final ranking of the low bidder, the top two bidders failed to comply with the requirements set forth in Chapter 14B, and the third bidder did not meet the minimum license requirements. Hence, 4<sup>th</sup> ranked EMCOR/Mesa is the only responsible, responsive bidder for HH-939.</p>	Bid Rank	ACF Bid	Bid Preference	Adjusted Bid	Adjusted Rank	1. Best Contracting Services	1.165	0	1.165	1	2. Western Allied Mechanical, Inc.	1.2498	0	1.2498	2	3. Rodan Builders, Inc.	1.255	0	1.255	3	4. Emcor/Mesa	1.4956	0	1.4956	4
Bid Rank	ACF Bid	Bid Preference	Adjusted Bid	Adjusted Rank																						
1. Best Contracting Services	1.165	0	1.165	1																						
2. Western Allied Mechanical, Inc.	1.2498	0	1.2498	2																						
3. Rodan Builders, Inc.	1.255	0	1.255	3																						
4. Emcor/Mesa	1.4956	0	1.4956	4																						
<p><b>Description of Scope of Work:</b></p>	<p>There have been several energy initiatives to reduce energy consumption by San Francisco City Departments, including a September 1995 Executive Directive (05-104) to reduce energy use through energy efficiencies by ten percent, and more recently, in March 2008, the Executive Directive (08-03) targeting an additional 5% energy reduction. SFPUC’s Energy Efficiency Services Group within the Power Enterprise is taking the lead to implement the Mayoral directive through such measures as repair and renovation of mechanical systems in City buildings. Audits were conducted of major city department buildings and mechanical HVAC improvement opportunities were identified. Job Order Contracts (JOC) were concluded to be the most appropriate vehicles to perform this work due to the time and cost efficiencies of JOC’s, and specific Construction Task Catalogs listing all possible types of mechanical HVAC tasks were produced for competitive bidding.</p> <p>Staff decided to advertise three (3) HVAC energy efficiency JOC’s at \$3,000,000 each so that a pool of contractors would be available to perform HVAC retrofit work throughout all City departments, instead of one large award to one company. Hence, three HVAC Energy Efficiencies contracts were advertised simultaneously, but bids are received at different times. This allows staff to review all losing bidder proposals and make recommendations for improvement in time for the subsequent bid. The next two JOC bids are due July 16, 2009 and HRC is working closely with all bidders to assist with compliance of Good Faith efforts. HH-939 award to Emcor Service/Mesa Energy Systems, Inc. is the first of the three HVAC JOC awards.</p>																									

**Contract:** HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay  
**Commission Meeting Date:** July 14, 2009

<b>Recommendation:</b>	SFPUC staff recommends that the Commission adopt the attached resolution.
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. SFPUC Resolution</li><li>2. HRC Memo</li></ol>

# **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. 09-0114

WHEREAS, Contract No. HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay was advertised on May 19, 2009; and

WHEREAS, The baseline budget amount is \$3,000,000 for this construction contract work to accomplish energy efficiency repair and renovation of mechanical systems in City buildings and facilities, and

WHEREAS, The contract duration is 24 months with one, 12-month option for a total of 36 months; and

WHEREAS, Four (4)] bids were received and opened publicly on June 18, 2009; and

WHEREAS, San Francisco Public Utilities Commission (SFPUC) staff and Human Rights Commission (HRC) review of the bids for qualifications, responsibility, responsiveness and application of bid preferences resulted in the establishment of Emcor Service/Mesa Energy Systems, Inc. as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, A HRC subcontracting goal of 4.9% Local Business Enterprise (LBE) participation has been established for this contract; and

WHEREAS, The firm being awarded a contract by the SFPUC must be in compliance with the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code either at the time of the award, or within 2 weeks of the date of the Commission award; failure of the bidder to obtain compliance certification from HRC may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, Failure to reach successful agreement on contract terms and conditions within 60 days of the date of the Commission award may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, Funds are available from SFPUC Power Enterprise funds; and

WHEREAS, The Commission authorizes award of this job order contract for work to be performed under future task orders which will identify the scope of work, cost and duration of various discrete construction activities. No task order will be issued for construction requiring environmental review, excluding those eligible for statutory or categorical exemptions, until the Commission has been given the opportunity to review the environmental document and take action if deemed appropriate.

FURTHER RESOLVED, That this Commission hereby approves the plans and specifications and awards Power Enterprise funded Contract No. HH-939, Job Order Contract, HVAC Energy Efficiency (C-20 & B-Licenses), San Francisco/Peninsula/East Bay, in the amount of \$3,000,000, to the lowest, qualified, responsible and responsive bidder, Emcor Service/Mesa Energy Systems, Inc.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of July 14, 2009

A handwritten signature in black ink, appearing to read "Michael Horvath", written over a horizontal line.

*Secretary, Public Utilities Commission*



Gavin Newsom  
Mayor

Contract Compliance  
Dispute Resolution/Fair Housing  
Small and Micro Business Enterprise  
Lesbian Gay Bisexual Transgender & HIV Discrimination

Chris Iglesias  
Executive Director

**MEMORANDUM**

Date: July 2, 2009

To: Wendy Iwata, Project Manager, PUC  
Masoud Vafaei, Project Manager, PUC

From: James Soncuya, Contract Compliance Officer, HRC

Subject: HH-939, Job Order Contract, HVAC Energy Efficiency, San Francisco/Peninsula/East Bay

The Human Rights Commission (“HRC”) has reviewed the bids, the application of the appropriate discounts/bonuses, and determined responsiveness to Chapter 14B.

**Bid Discount**

None of the bidders were eligible for a 10% bid discount.

**Bids**

Four firms submitted bids as follows:

Bidder	Status	Calculated ACF	Adjusted ACF Taking Into Account Bid Discount
Best Contracting Services, Inc.	Non-LBE	1.165	1.165
Western Allied Mechanical, Inc.	Non-LBE	1.24987	1.24987
Rodan Builders, Inc.	Non-LBE	1.255	1.255
Emcor/Mesa Energy Systems, Inc.	Non-LBE	1.4956	1.4956



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The following bids were deemed non-responsive:

<u>Bidder</u>	<u>Reason</u>
Best Contracting Services, Inc.	Not compliant with Chapter 14B requirements
Western Allied Mechanical, Inc.	Not compliant with Chapter 14B requirements
Rodan Builders, Inc.	Not compliant with SFPUC minimum qualification requirements

Best Contracting Services, Inc.

HRC has completed its review of Best Contracting Services, Inc.'s ("Best") HRC 14B submittals. Based on that review, the HRC has determined that Best is non-responsive because Best failed to submit the required supporting documentation for HRC Form 2B by the bid due date/time.

Although Best did submit HRC Form 2B, it did not submit the required supporting documentation with that form with the bid.

HRC Form 2B states that "This Good Faith Outreach" form, along with the required supporting documentation must be completed and submitted per the instructions in this form..."

Additionally, HRC Attachment 1, Part I, Section 1.02 (B) clearly states the following:

"Submit the following HRC form with the bid:

**FORM 2B: HRC "Good Faith Outreach" Requirements Form:** Bidder shall meet the specified LBE subcontractor participation goal and demonstrate adequate good faith efforts to meet the LBE subcontracting goal. Bidder is required to submit Form 2B and all good faith documentation as specified therein. Failure to meet the LBE subcontracting goal and demonstrate/document adequate good faith efforts shall cause the Bid to be determined non-responsive and rejected."

This information is also reiterated in Part III, Section 3.01(A) of HRC Attachment 1.

Western Allied Mechanical, Inc.

HRC has completed its review of Western Allied Mechanical, Inc.'s ("Western") HRC 14B submittals. Based on that review, the HRC has determined that Western is non-responsive because Western failed to adequately perform the Good Faith Requirements as required by HRC Form 2B, which states that "Bidders must achieve at least 80 points, as determined by HRC, to be deemed compliant with the "good faith outreach" requirements. A bidder who fails to achieve at least 80 points will be declared non-responsive, and the bid will be rejected."

Although Western did submit HRC Form 2B, it did not advertise or contact LBE firms at least 10 calendar days prior to the due date of the bid. Under the applicable rules, bidders are required to advertise and contact LBE firms at least 10 calendar days prior to the due date of the bid.

HRC Form 2B, number 2 requires a bidder to "advertise, not less than 10 calendar days before the due date of the bid, in one or more daily or weekly newspapers, trade association publications, LBE trade oriented publications, trade journals, or other media ..." (the "Advertisement Requirement"). HRC Form 2B, number 4 requires a bidder to "contact LBE

firms ... not less than 10 calendar days prior to the due date of the bid.”(“The Contacts Requirement”).

The Advertisement Requirement and the Contacts Requirement is worth 10 and 45 points, respectively, toward meeting the minimum 80 points required under the HRC Form 2B Good Faith Requirements. Due to Western’s failure to meet the Advertisement Requirement and the Contacts Requirement, Western did not achieve the required minimum 80 points on HRC Form 2B.

Rodan Builders, Inc.

Rodan Builders, Inc. was deemed non-responsive by the SFPUC for failing to meet the SFPUC’s minimum qualifications for the project.

Lowest Responsible Bidder

Emcor/Mesa Energy Systems, Inc., the lowest responsible bidder, met the 4.9% LBE subcontracting goal by listing the following LBE firms:

<b>Subcontractor</b>	<b>Scope of Work</b>	<b>Status</b>	<b>Listed Amount</b>	<b>Participation</b>
Temper Insulation	Insulation/Acoustical	LBE	\$80,000	2.66%
Bauer Transportation	Trucking and Hauling	LBE	\$30,000	1.00%
Linoleum Larry’s	Window Covering & Repair/Flooring	LBE	\$30,000	1.00%
Watertight Restoration		LBE	\$40,000	1.33%
T. Hunt Plumbing	Domestic Plumbing	LBE	*TBD	*TBD
Rhodes Painting	Painting	LBE	*TBD	*TBD
<b>TOTAL</b>			\$180,000	5.99%

\*Due to the uncertainty with respect to whether the particular scope of work will arise during the contract, Emcor/Mesa Energy Systems, Inc. did not put an exact amount. Emcor/Mesa Energy Systems, Inc. has confirmed that they will utilize T. Hunt Plumbing for any and all domestic plumbing tasks and Rhodes Painting for any and all painting tasks that arise during the course of the contract.

Based on the foregoing, HRC has determined that Emcor/Mesa Energy Systems, Inc. has complied with pre-award HRC 14B requirements and is eligible for award of this contract.

Should you have any questions, or if I can be of any further assistance, please do not hesitate to contact me at 554-3106.