

## *Measure W Explained: “Best Value” City Contracting Proposal on the March 2020 Ballot*

Across the nation, public agencies of all sizes are grappling with the urgent need to replace aging and failing infrastructure and how to manage the cost of that work.

The Santa Cruz City Charter currently specifies that infrastructure projects should be designed and built by using the “Design-Bid-Build” method, in which contracts for public works are awarded to a contractor determined to be the “lowest responsible bidder,” after competitive bidding based on detailed plans and specifications. Measure W would amend the Charter to authorize the use of another method many communities throughout the country have adopted, known as “Best Value.”

Under the traditional “Design-Bid-Build” method, the design and construction are separate processes with two different contracts. The design team prepares plans and details specifications that are supposed to be 100% complete and accurate, and then contractors base their bids on those documents. Designers and contractors have no contractual relationship with to each other, and if problems arise during construction, often find themselves in conflict as to who bears responsibility for the cost of their resolution, with the City standing in the middle. Under these circumstances, significant delays, change orders and cost increases can occur.

Under the “Best Value” process one contracting entity, comprised of both design and construction firms, is hired to design and build a project under the terms of a single contract. This enables the “design-build team” to incorporate the contractor’s knowledge of construction methods for a complex project into the design, finding ways to save money and speed up the process. “Best Value” is intended to foster high levels of collaboration between designers and contractors while maintaining the best interests of the City.

As an example, many manufacturers of solar equipment will provide design and installation services for their products at little or no additional cost to the City. Under the current Charter, the City is unable to take advantage of these savings.

The City of Santa Cruz anticipates numerous large-scale construction projects in the coming years for its water, wastewater, trash and recycling utilities, and streets. By authorizing the choice of construction methods, Measure W can offer significant financial and operational benefits to the City and the community.



## *Questions and Answers About Measure W on the March 2020 Ballot*

### **BACKGROUND**

**Measure W would amend the City Charter to allow greater flexibility in the process of contracting for major construction projects, potentially resulting in significant savings of both time and money.**

Under the City Charter, the City is currently limited to one way of building projects, called “Design-Bid-Build.” Measure W would allow the City to use alternative contracting methods in order to lower construction costs, save taxpayer money, and expedite project completion. These alternative methods are called “Best Value.”

### **FREQUENTLY ASKED QUESTIONS**

**Q: How is Best Value different from the current way the City does projects?**

**A:** Currently the City Charter mandates separate contracts for design and construction services, called “Design-Bid-Build.” Sometimes that makes sense, for example when the City is very clear, specific and detailed about its needs. But increasingly, public agencies are finding that including the contractor in the design process can lead to increased innovation, schedule efficiency, and cost savings, for example when a public agency is clear about its desired outcome, but not on the best way to achieve it. With Best Value, the contractor is hired much earlier in the design process as a member of the design/build team.

*(continued)*

## *Frequently Asked Questions (continued)*

**Q: Does Best Value project delivery affect union contractors?**

**A:** No, Best Value project delivery offers a level playing field for any contractor to team with a designer to propose on City projects.

**Q: Does Best Value affect the current City prevailing wage, local hire requirements and use of apprentices on projects during construction?**

**A:** No, all of the current prevailing wage, local hire, and apprentice requirements will be included in the appropriate contract documents.

**Q: Is there currently any local organized opposition to Measure W?**

**A:** No. Measure W is supported by: The Santa Cruz County Democratic Central Committee, The Democratic Women's Club

of Santa Cruz County, the Coastal Watershed Council, The Santa Cruz Chamber of Commerce, and the Santa Cruz County Business Council.

**Q: What other communities in California use Best Value?**

**A:** Across the state, Best Value is used by many Cities, Counties, special districts, and community colleges. Locally and in northern California, Cabrillo College, the Cities of Monterey, Santa Rosa, Napa, San Jose, and San Mateo, allow the use of Best Value contracting.

**Q: What are some examples of City projects that could benefit from Best Value practices?**

**A:** Best Value could be used on a wide range of projects from renewable energy projects like solar installations, to building renovations, trash and recycling facilities, streets improvements, and upgrading the water treatment plant.

