



COUNTY OF HUMBOLDT

For the meeting of: 6/8/2021

File #: 21-672

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Bidder Prequalification Process for Complex Capital Projects Estimated at Five Million Dollars (\$5,000,000) or More

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Director of Public Works to require, at his or her discretion, bidder prequalification for complex capital projects, estimated at Five Million Dollars (\$5,000,000) or more, including, without limitation, projects that require intense project management due to technical or other reasons, involve numerous subcontractors or have an anticipated construction duration of more than four (4) months;
2. Approve, and authorize the Director of Public Works to utilize, the attached contractor prequalification packet template for appropriate County of Humboldt construction projects;
3. Authorize the Director of Public Works to revise the attached contractor prequalification packet template as necessary to address the requirements of individual projects; and
4. Authorize the Director of Public Works to appoint, prior to the commencement of the prequalification process, three (3) or more public employees, who have expertise regarding similar projects, to serve on an appeals panel for each project that the prequalification process will be utilized.

SOURCE OF FUNDING:

When used, the prequalification process will be funded by the project budget.

DISCUSSION:

In 1999, Section 20101 of the California Public Contract Code was enacted as part of California Assembly Bill 574, which allows many public agencies, including the County of Humboldt, to require licensed contractors that wish to bid for public works jobs to “pre-qualify” for the right to bid on a specific public project or on projects undertaken by a public agency during a specified period of time.

Section 20101 of the California Public Contract Code requires every public agency that creates a prequalification process to: use a standardized questionnaire and financial statement in a form specified by the public entity, adopt and apply a uniform system of rating bidders on objective criteria

and create an appeals procedure, by which a contractor that is denied prequalification may seek a reversal of that determination.

The California Department of Industrial Relations (“DIR”), in collaboration with various public agencies, the construction industry, the surety industry and other interested parties, has developed model guidelines for rating bidders, and has drafted a standardized questionnaire, that may be used by public entities for prequalifying contractors. In order to protect the due process rights of each contractor and subcontractor seeking prequalification in accordance with the requirements of Section 20101(d) of the California Public Contract Code, the model guidelines established by DIR include an administrative appeals process which allows prospective bidders to appeal their prequalification rating to an appeals panel appointed by the public agency prior to the closing time for receipt of bids.

The Humboldt County Department of Public Works (“Public Works”) will be managing several large, technically complex, capital projects, including, without limitation the Community Corrections Re-Entry Resource Center Project, which will be benefitted by prequalification of the general contractors prior to bidding. As a result, Public Works has prepared the attached contractor prequalification packet template which is based on DIR’s standard questionnaire. The attached contractor prequalification packet template sets forth a procedure for prequalifying contractors to bid on complex capital projects estimated at Five Million Dollars (\$5,000,000) or more, including, without limitation, projects that require intense project management due to technical or other reasons, involve numerous subcontractors or have an anticipated construction duration of more than four (4) months, on a pass-fail basis using objective criteria.

The attached contractor prequalification packet template allows for prequalification on a project-by-project basis rather than an annual basis for the following reasons:

- A project-specific prequalification process allows staff to ask for information critical to evaluating the contractor qualifications for the particular project type.
- A project-specific prequalification process allows staff to prequalify subcontractors whose work is most critical to the success of the project.
- A project-specific prequalification process allows staff to determine whether prequalification is warranted for certain projects or not.
- A project-specific prequalification process allows staff to tailor the contractor prequalification packet template as necessary to address the requirements of individual projects.

Due to the tight timelines for the completion of many public works projects, the attached contractor prequalification packet template provides that the Director of Public Works will appoint, prior to the commencement of the prequalification process, three (3) or more public employees, who have expertise regarding similar projects, to serve on an appeals panel for each project that the prequalification process will be utilized.

Accordingly, Public Works recommends the Board of Supervisors: authorize the Director of Public Works to require, at his or her discretion, bidder prequalification for complex capital projects, estimated at Five Million Dollars (\$5,000,000) or more, including, without limitation, projects that require intense project management due to technical or other reasons, involve numerous subcontractors or have an anticipated construction duration of more than four (4) months; approve, and authorize the Director of Public Works to utilize the attached contractor prequalification packet template for appropriate County of Humboldt construction projects; authorize the Director of Public Works to revise the attached contractor prequalification packet template as necessary to address to the requirements of individual projects; and authorize the Director of Public Works to appoint, prior to the commencement of the prequalification process, three (3) or more public employees, who have expertise regarding similar projects, to serve on an appeals panel for each project that the prequalification process will be utilized.

FINANCIAL IMPACT:

There are no immediate costs associated with utilization of the proposed bidder prequalification process. When the contractor prequalification procedure is used for a complex capital project, there will be minor expenses incurred through staff time needed to implement the prequalification process. The recommended actions will not impact the Humboldt County General Fund.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

Contractor Prequalification Packet Template

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A