

COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY

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Policy:

Best Practices in Contract Management is a guiding principle for the management of all countywide contracts to achieve five essential goals:

- Achieve the highest quality project
- Deliver the project within budget limitations and schedule
- Control scope changes and accountability
- Maintain communication and concurrence with all stakeholders
- Create a transparent and accountable process for project delivery

This policy applies to all county departments, agencies, and districts herein called “Authorized Entities,” who may construct public works projects and procure professional services contracts pursuant to Board Policy H-7 as it relates to their specialized County mission.

It is the intent for this policy to be complementary to the provisions of Board Policy H-7 “Selection of Architectural, Engineering and Real Estate Related Services,” B-11 “Award of Public Works Contracts Pertaining to County Facilities and Certain Other Improvements,” and Board Policy B-22 “Capital Improvement Program.”

I. Best Practices of Contract Management: Professional Services Contracts for Public Works Projects

The following section of Best Practices of Contract Management is applicable to the professional services contracts (architectural, engineering, construction management, real estate related) for county public works projects managed by the Transportation and Land Management Agency, Regional Parks and Open Space & District, Flood Control and Water Conservation District, Economic Development Agency/Facilities Management, and Waste Management.

The Consultant Selection and Professional Services contracts should comply with United States Code (U.S.C.) Title 40-Chapter 11, Section 1101 -1104: Selection of Architects and Engineers (Brooks Act) or California Government Code Sections 25502.5(a) and 4525-4529.5 (Mini-Brooks Act) depending on the type of funds used in the contract. Both Brooks Act (Federal) and Mini-Brooks Act (State) require that Professional Services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable fee with the best qualified firm.

- A. Cost. Budget limitations are set and funding is approved early in the planning process,

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prior to the preliminary scoping process. Developing the scope of work is critical prior to the solicitation of proposals.

1. The project budget and the project scope should be compatible with each other.
 2. Budget or scope changes later in the project increases the risk of exceeding available funding. Scope changes should be in writing and accompanied by budget and schedule approvals.
- B. Schedule. Establishment of a project schedule showing project tasks and deliverables aids in making the work tasks visible to the project team. The project schedule should also identify regulatory requirements, Board approval dates, utility coordination, benchmarks for deliverables, and other key project milestones. By making the work tasks visible, the project team can deploy additional staff resources and plan ahead to complete complex tasks.
- C. Quality Assurance. In order to deliver the highest quality project and ensure the project is delivered on time and within budget, the project manager should use as many tools necessary to achieve the highest quality project.
1. Strong project management is critical to the success of efficient project delivery. Project managers will meet or exceed minimum education, training and field experience requirements.
 2. An evaluation team should consist of a minimum of three qualified County or other agency employees knowledgeable in the field or work solicited by the Request for Qualifications/Proposals (RFQ/RFP) that will evaluate the firms based on a predetermined set of detailed criteria and pre-defined weighting factors.

At minimum, one department stakeholder functioning as an evaluator in a procurement process should be from the requesting county department that will use the service or project. Evaluation team members should be free from any conflict of interest or appearance of conflict of interest and agree to and sign the "Evaluator's Code of Conduct and Ethics" statement (Form 116-321) which is found in the Purchasing/Fleet Countywide Procurement Manual.

The Evaluation Team should review the written information submitted to determine if the supplier meets the minimum qualifications to successfully propose on the project and, if awarded, successfully complete the project within the proposed cost and scope of work. Selection should be

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qualifications-based pursuant to California Government Code Sections 25502.5(a) and 4525-4529.5 (Mini-Brooks Act) or United States Code (U.S.C.) Title 40-Chapter 11, Section 1101 -1104: Selection of Architects and Engineers (Brooks Act) depending on the type of funds used in the contract. Cost should not be the determining factor in the selection criteria. Once the ranking list has been established, the fee proposal/cost can be negotiated with the most qualified consultant. Should negotiations fail or result in a price the department does not consider to be fair and reasonable, negotiations should be formally terminated and the department should then undertake negotiations with the second most qualified consultant. Due diligence of the Evaluation Team should be documented prior to the Evaluation Team's recommendation to the Board of Supervisors for the award of the professional services contract.

3. Constructability review. An independent, qualified professional outside the project team with technical knowledge and experience with the type of construction, should review the plans, specifications, and estimates for constructability prior to bidding and provide a cost estimate for the construction of the project. This estimate should be reconciled with the County's architect or engineer's estimate, if applicable, so that the county has an expectation of cost prior to receiving bids.

A line item cost for a constructability review of project scope and specifications should be included in the project budget.

4. Involvement and availability of key personnel to resolve issues
5. Each department should develop an internal standard procedures manual or project delivery manual to guide the project delivery as well as develop internal protocols.
6. Deliverable-based payments consistent with the schedule ensure that the budget is not expended before the project scope is completed. Regular reporting of deliverable-based payment and project schedule should be provided to stakeholders, or as required by regulatory agencies.
7. Regular rotation of consultants on any pre-qualified list of on-call consultants.

D. Customer Service. Responsiveness to the county department's needs is important to carry out the department's mission while keeping within budget limitations.

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1. Obtaining buy-in of stakeholders for any project changes prior to authorizing those project changes.
 2. Regular reporting budget status and project schedule to stakeholders
 3. Involvement and availability of key personnel to resolve issues
- E. Communication. Not all county departments may be familiar with the capital project development process, its tasks, costs, timelines, or regulatory requirements. Therefore, good communication between project management staff, the county department and funding entities is a vital part of customer service.
1. Good communication fosters better customer service
 2. The flow and quality of project information between stakeholders facilitates better and more-timely decision-making for critical changes that may affect project cost or schedule.
 3. A consistent method of documenting correspondence allows for the monitoring of project decisions that may affect the scope, cost, schedule or quality of the project delivery.
- F. Sustainable Building Design. Board Policy H-29 “Sustainable Building Policy” (Item 3.1 February 10, 2009) was adopted to establish the use of sustainable building practices in the design of county projects.

Sustainable building design (sometimes referred to as “green building design”) will help to reduce pollution, conserve natural resources, enhance asset value, and optimize building performance. At the same time, sustainable construction reduces operating costs associated with building mechanical systems, municipal water consumption, storm water management, solid waste disposal, and construction materials.

G. Project Performance. Following the end of the professional services contract term, a post-project review should take place to summarize and document the final contract cost and additional services associated with the contract against the initial approved scope of work.

1. Lessons learned should be documented in the project delivery manual to improve project controls.

Evaluation of changed conditions, errors and omissions, unforeseen conditions, or owner requests provides knowledge that can improve

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project delivery in similar, future projects.

2. Evaluation of the project should include the ability to provide deliverables, reaching project benchmarks, and communication with stakeholders.
3. Each department should develop their internal performance review checklist as it pertains to the specific project type or mission of their public works projects.
4. On or before May 1, an annual performance report of public works professional services contracts for which construction was completed in the prior fiscal year compiled by all county departments with a brief overview of the contract performance should be submitted to the Executive Office.

II. Best Practices of Contract Management: Construction Contracts for Public Works Projects

The following section of Best Practices of Contract Management is applicable to the construction contracts for county public works projects constructed by the Transportation and Land Management Agency, Regional Parks and Open Space & District, Flood Control and Water Conservation District, Economic Development Agency/Facilities Management, and Waste Management:

- A. Cost. Budget limitations are set and funding is approved early in the planning process, prior to the construction contract award.
- B. Schedule. The General Contractor should be required to submit a construction schedule for approval prior to issuance of Notice-to-Proceed and should regularly produce an updated schedule showing the order and dates in which the Contractor proposes to carry on the various parts of work; including estimated completion dates.
- C. Quality Assurance. In order to deliver the highest quality project and ensure the project is delivered on time and within budget, the project manager should use as many tools necessary to achieve the highest quality project.
 1. Strong project management is critical to the success of efficient project delivery. Project managers will meet or exceed minimum education, training and field experience requirements.
 2. Involvement and availability of key personnel to resolve issues

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3. Each department should develop an internal standard procedures manual or project delivery manual to guide the project delivery as well as develop internal protocols.
- D. Customer Service. Responsiveness to the county department's needs is important to carry out the department's mission while keeping within budget limitations.
1. Obtaining buy-in of stakeholders for any project changes prior to authorizing those project changes.
 2. Regular reporting budget status and project schedule to stakeholders
 3. Involvement and availability of key personnel to resolve issues
- E. Communication. Not all county departments may be familiar with the capital project construction process, its tasks, costs, timelines, or regulatory requirements. Therefore, good communication between project management staff, the county department and funding entities is a vital part of customer service.
1. Good communication fosters better customer service.
 2. The flow and quality of project information between stakeholders facilitates better and more-timely decision-making for critical changes that may affect project cost or schedule.
 3. A consistent method of documenting correspondence allows for the monitoring of project decisions that may affect the scope, cost, schedule or quality of the project delivery.
- F. Project Performance. As part of the Notice of Completion, a post-project review should take place to describe the actual cost, final scope, number and type of change orders associated with the contract against the initial approved project components.

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1. Lessons learned should be documented in the project delivery manual to improve project controls.
2. Evaluation of change orders shall be by categories of errors and omissions, unforeseen conditions, or owner requests, and summarized by those that were avoidable, unavoidable and “other” with an explanation. This provides knowledge that can improve project delivery in similar, future projects.

For each construction project that requires Board approval for any Construction Change Order (CCO) and/or Notice of Completion (NOC), the following information should be included with an accompanying comparison table showing:

- Initial construction award amount
 - Number of Construction Change Orders (CCO)
 - Dollar amount of the Construction Change Orders
 - Percentage of CCOs to initial construction award amount
 - Total Construction Payments
3. Evaluation of the project should include the ability to provide deliverables, reaching project benchmarks, and communication with stakeholders.
 4. Each department should develop their internal performance review checklist as it pertains to the specific project type or mission of their public works projects.
 5. On or before May 1, an annual compilation report of public works construction contracts completed in the prior fiscal year compiled by all county departments with a brief summary of the contract performance should be submitted to the Executive Office.

Reference:

Minute Order 3-5 of 07/02/13

Minute Order 3.4 of 05/22/18 (RESCINDED)