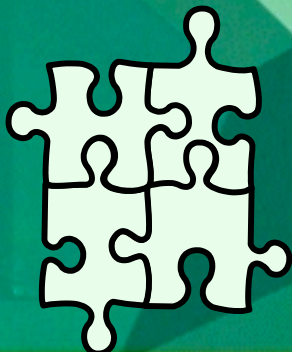




Laborers-Employers Cooperation and Education Trust

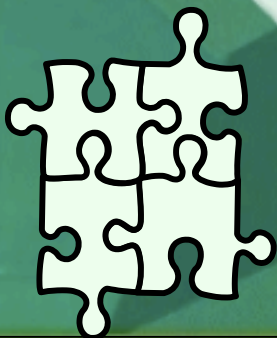
Best Value Contracting & Responsible Employer Ordinances





What is Best Value Contracting?

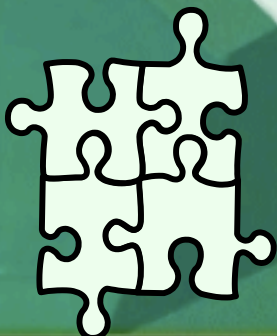
- Permits contracting officers to consider factors other than price, such as:
 - Past performance
 - Training
 - Recruiting/Manpower
 - Health Insurance
 - OSHA violations
- Shifts the focus from the initial low bid to the true and final cost of a project



Recent Developments



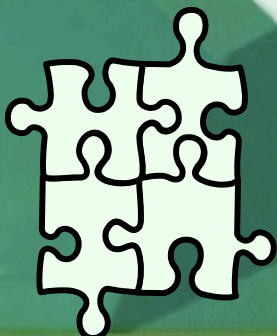
- Used in 50% or more of new federal construction projects
- Corp of Engineers supports best value (see: http://www.amc.army.mil/amc/rda/rda-ap/ssrc/ssp_toc.htm)



Governmental Agencies Supporting



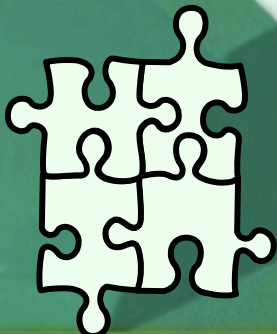
- Delaware – 1999 passed the “Quality Construction Improvement Act”
- California – 2000 passed “California Public Contract Code” regarding pre-qualification of bidders and contractor responsibility
- Oregon – 1999 passed contractor responsibility and pre-qualification requirements
- Kansas – House bill 2850 pending



Governmental Agencies Supporting



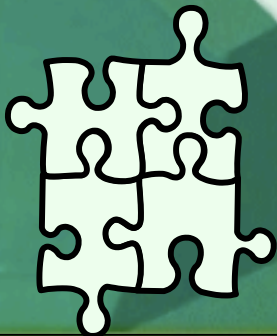
- West Virginia – Design-build/Best value regulation pending
- New Jersey – 2000 passed “N.J. Education Facilities Construction and Financing Act”
- New York – 1999 issued state procurement council guidelines
- Pennsylvania – 1999 Governor’s Management Directive 215.9





Governmental Agencies Supporting

- Mercer County, N.J. – 1999 issued Executive Order 99.1
- Boston, MA – 1998 passed Code Ordinance Chapter 9-8.1
- Federal Acquisition Regulations, Part 15 Revisions
48 C. F. R. § 15.000 et seq.





Definition of Evaluation Factors

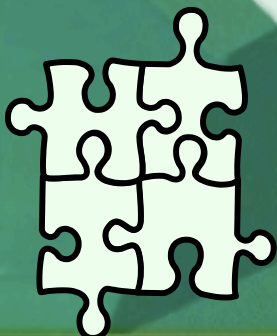
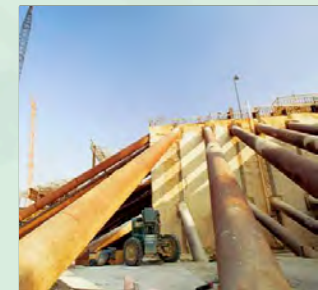
- Price – Lowest bid
- Past Performance
 - Has contractor:
 - completed projects on time and on budget?
 - completed projects of a similar type?
 - complied with applicable laws and regulations?
 - completed projects safely?





Definition of Evaluation Factors

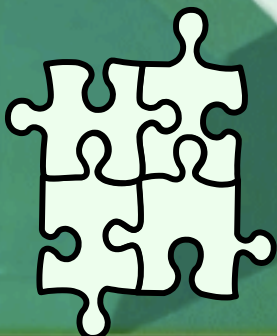
- Management Plan/ Schedule
 - Management team experience and key personnel
 - Quality control program
 - Project schedule
- Staffing/Training/Safety Plan
 - Staffing – Sources used for obtaining craft workers (union hiring halls)
 - Training – Bona fide registered apprenticeship programs
 - Safety Plan – Accident record and OSHA training programs





Definition of Evaluation Factors

- Wages and Fringe Benefit Plans
 - Wage scales meeting or exceeding prevailing rate in the area
 - Type of fringe benefit and level of contribution
- Local Economic Benefits Plan
 - Employment for local residents
 - Use of local subcontractors
 - Tax revenue generated for local economy



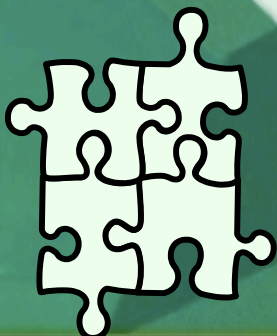


Model Best Value Contracting Policy

- Open to all contractors
- Requests for Proposals (RFPs)
- Example of best value award method:



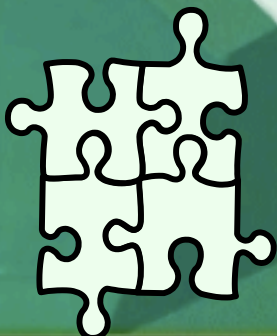
<u>Evaluation Factors</u>	<u>Points</u>
Price	100
Past Performance	20
Management Plan/Schedule	20
Staffing/Training/Safety Plan	20
Wages & Fringe Benefit Plan	20
Local Economic Benefits Plan	<u>20</u>
Total	200





Responsible Employer Ordinances

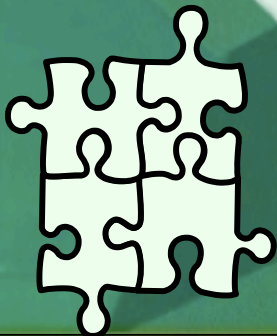
- Ordinances vs. Best Value Contracting
 - Ordinances are laws passed by a political jurisdiction requiring components of best value
 - Incorporated into bid specifications and enforceable
 - Contractor may be denied future work for violation of prevailing wage laws, misclassifying workers, bogus apprenticeship programs, failing to hire local residents, etc.
 - Contractor may be fined for violating the ordinance





Responsible Contractor Ordinances

- Examples of Specific Requirements
 - Pay the prevailing wage
 - Provide health insurance for all employees
 - Have access to a bona fide apprenticeship program
 - Classify workers as employees vs. independent contractors
 - Provide appropriate workers compensation insurance
 - Comply with local hiring requirements





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*Thanks to the Laborers' New England
Regional Office, and Gerald M. Waites, Esq.
of the law firm O'Donoghue & O'Donoghue,
for the information contained in this
presentation.*

