

**Condensed Title:**

Request For Approval To Issue A Request For Qualifications (RFQ) For Constructability, Cost, And Value Engineering Review Services

**Key Intended Outcome Supported:**

Ensure well-maintained infrastructure

**Supporting Data (Surveys, Environmental Scan, etc.):** The 2009 Customer Satisfaction Survey indicated that 79% of businesses rated recently completed capital improvement projects as "excellent" or "good."

**Issue:**

Shall the Mayor and City Commission approve the issuance of the RFQ?

**Item Summary/Recommendation:**

The City is in the process of implementing a capital improvement program with active projects representing approximately \$700 million in total value. Quality improvement opportunities can be found by having the ability to identify constructability issues and minimize unforeseen conditions which will mitigate the attendant impact on project costs and schedules. Staff recognizes the value of pursuing a two-pronged approach to implement more rigorous quality control initiatives utilizing dedicated in-house resources, as well as outside expertise from construction industry professionals that would be pre-selected as a result of the Request for Qualifications (RFQ) selection process.

The ROW portion of the program has been subdivided into several neighborhood projects located throughout the City that are in various stages of the design, bid, and award process. The probable cost estimates and construction drawings are developed by the design consultants during the design phase of the work and reviewed by the stakeholder City Departments prior to the issuance of the Invitation to Bid, (ITB). In the past the Special Assistant to the City Manager has successfully focused on construction and change order price negotiations. This proposed new initiative will bring forth a more expansive approach to determining cost adjustments during the design process, as well as through the bidding and value engineering stages of a project. Currently, the review of the design documents for constructability, equipment add/alternates, construction means and methods, level of service or value engineering are done post award of the contract. This after-the-fact review has led to delays in the issuance of the first notices to proceed to the selected contractors. The value engineering proposals are left in the hands of the contractor and are provided after award of contract. Contractually, the City then has to share these identified savings with the contractor. If this review is done prior to issuance of the ITB the City would therefore be able to capture potential value engineering opportunities pre-award and therefore maximize the value of the savings beforehand. Moreover, concerns over the level of service, constructability, and construction costs of these neighborhood projects have been expressed by the residents, members of the Capital Improvement Projects Oversight Committee (CIPOC) and at the Commission Meetings at the time of the award of these projects. These concerns have resulted in requests for extensive value engineering and level of service design reviews post award of the contracts. These reviews have resulted in additional time for the re-permitting of several identified design changes which has negatively impacted the projected construction start dates for several of the projects. The current system can be vastly improved by performing these comprehensive constructability and value engineering reviews prior to the issuance of the ITB.

The proposed quality control enhancements would utilize construction industry professionals, as needed, during various phases of a project to provide construction cost estimates; constructability reviews; identify value engineering alternatives; review pricing on bid submittals and provide overall input on construction quality control issues. This involvement of independent industry professionals during the design process to properly address the residents' needs, review alternate construction means and methods, establish quality assurance/quality control procedures, provide comprehensive peer review of construction documents to identify design deficiencies, identify potential value engineering alternatives and establish accurate project timelines, will allow the City to more precisely identify capital budget requirements. Accurately identifying the monetary requirements for construction allows the City to forecast the monies required prior to issuance of any necessary construction bonds and/or capital budget requirements. To accomplish this comprehensive peer review, this RFQ will need to be issued for the purpose of soliciting qualified firms to assist the City by providing constructability reviews, value engineering analysis to identify potential cost savings, technical specification reviews, identifying alternate construction means and methods, establishing accurate project scheduling, and establishing quality assurance/quality control guidelines. This goal will be met by the selected firm(s) meeting with the design team and City during the development of the project prior to the issuance of the ITB and participating in the review of bids after award of the contract. These review services will be for the various current and up-coming underground utility and facilities projects under development by the City's Capital Improvements Projects Office.

**Advisory Board Recommendation:**

N/A

**Financial Information:**

Source of Funds:	1	Amount	Account
OBPI	Total	N/A	

Financial Impact Summary: N/A

**City Clerk's Office Legislative Tracking:**

Charles Fossler ext. 6565

**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
GL FV	DB	JMG

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# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: May 11, 2011

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR QUALIFICATIONS (RFQ) FOR CONSTRUCTIBILITY, COST, AND VALUE ENGINEERING REVIEW SERVICES**

### ADMINISTRATION RECOMMENDATION

Approve issuance of the RFQ.

### ANALYSIS

The City is in the process of implementing a capital improvement program with active projects representing approximately \$700 million in total value.

Quality improvement opportunities can be found by having the ability to identify constructability issues and minimize unforeseen conditions which will mitigate the attendant impact on project costs and schedules.

Staff recognizes the value of pursuing a two-pronged approach to implement more rigorous quality control initiatives utilizing dedicated in-house resources, as well as outside expertise from construction industry professionals that would be pre-selected as a result of the Request for Qualifications (RFQ) selection process.

The ROW portion of the program has been subdivided into several neighborhood projects located throughout the City that are in various stages of the design, bid, and award process. The probable cost estimates and construction drawings are developed by the design consultants during the design phase of the work and reviewed by the stakeholder City Departments prior to the issuance of the Invitation to Bid, (ITB). In the past the Special Assistant to the City Manager has successfully focused on construction and change order price negotiations. This proposed new initiative will bring forth a more expansive approach to determining cost adjustments during the design process, as well as through the bidding and value engineering stages of a project.

Currently, the review of the design documents for constructability, equipment add/alternates, construction means and methods, level of service or value engineering are done post award of the contract. This after-the-fact review has led to delays in the issuance of the first notices to proceed to the selected contractors. The value engineering proposals are left in the hands of the contractor and are provided after award of contract. Contractually, the City then has to share these identified savings with the contractor. If this review is done prior to issuance of the ITB the City would therefore be able to capture potential value engineering opportunities pre-award and therefore maximize the value of the savings beforehand. Moreover, concerns over the level of service, constructability, and construction costs of these neighborhood projects have been expressed by the residents, members of the Capital Improvement Projects Oversight Committee (CIPOC) and at the Commission Meetings at the time of the award of these projects. These

concerns have resulted in requests for extensive value engineering discussions and level of service design reviews post award of the contracts. These reviews have resulted in additional time for the re-permitting of several identified design changes which has negatively impacted the projected construction start dates for several of the projects. The current system can be vastly improved by performing these comprehensive constructability and value engineering reviews prior to the issuance of the ITB.

The proposed quality control enhancements would utilize construction industry professionals, as needed, during various phases of a project to provide construction cost estimates; constructability reviews; identify value engineering alternatives; review pricing on bid submittals and provide overall input on construction quality control issues. This involvement of independent industry professionals during the design process to properly address the residents' needs, review alternate construction means and methods, establish quality assurance/quality control procedures, provide comprehensive peer review of construction documents to identify design deficiencies, identify potential value engineering alternatives and establish accurate project timelines, will allow the City to more precisely identify capital budget requirements. Accurately identifying the monetary requirements for construction allows the City to forecast the monies required prior to issuance of any necessary construction bonds and/or capital budget requirements.

To accomplish this comprehensive peer review, this RFQ will need to be issued for the purpose of soliciting qualified firms to assist the City by providing constructability reviews, value engineering analysis to identify potential cost savings, technical specification reviews, identifying alternate construction means and methods, establishing accurate project scheduling, and establishing quality assurance/quality control guidelines. This goal will be met by the selected firm(s) meeting with the design team and City during the development of the project prior to the issuance of the ITB and participating in the review of bids after award of the contract. These review services will be for the various current and up-coming underground utility and facilities projects under development by the City's Capital Improvements Projects Office.

### **SCOPE OF SERVICES**

The scope of services consists of the following, but not limited to:

- Provide detailed quantity take off of materials required to complete various projects in accordance with Technical Specifications and design documents.
- Provide detailed estimate of labor and material costs in an Excel spreadsheet format showing unit prices, based on past comparable unit costs specifically associated with the South Florida Market
- Provide detailed constructability review with recommendations for alternate means and methods of construction activities, value engineering, scheduling and construction sequencing that will potentially reduce costs of the project.
- Provide a cost comparison to a recognized construction cost estimating service adjusted for South Florida construction. (RS Means or equivalent)
- The estimates will be contained in a single spreadsheet showing cost comparisons individually tabulated.
- Identify any comparable projects, including completion dates that were used to develop the construction cost estimate.
- Support City Staff and participate in the value engineering reviews with contractor.
- Support City Staff in the bidding and award phase of projects.

## **MINIMUM REQUIREMENTS**

For purposes of compliance with this minimum experience requirement, the term “Proposer” is hereby defined to mean the firm and/or business entity which is submitting a proposal pursuant to this RFQ. Accordingly, the firm and/or business entity must meet the minimum requirements listed below in order to be deemed responsive. Non-responsive bids will be disqualified from consideration.

Qualifications will be considered only from State of Florida Certified General Contractors, State of Florida Certified Under Ground Utility Contractors or consultants that are regularly engaged in the business of providing the professional specialization services as described in this RFQ.

Interested Firms shall address the following items in the RFQ response:

### **Item 1. Team Experience:**

- Indicate the team’s number of years of experience in providing the requested professional services;
- List all similar projects undertaken in the past five (5) years, describe the scope of each project in physical terms and by cost, describe the respondent’s responsibilities, and provide the name and contact telephone number of an individual in a position of responsibility who can attest to respondent’s activities in relation to the project;
- Provide the name(s) of the person, or persons within your organization who was most actively concerned with managing each project.
- List and describe all legal claims against any member of the team alleging errors and/or omissions, or any breach of professional ethics, including those settled out of court, during the past five (5) years.

**Item 2. Project Manager’s Experience:** Provide a comprehensive summary of the experience and qualifications of the individual who will be selected to serve as the Project Manager. This individual must have a minimum of eight (8) years experience in the planning, design, and construction administration of public or private projects with similar scope of work.

**Item 3. Previous Similar Projects:** Please provide a list of a minimum of five (5) projects which demonstrates the Team’s experience in providing the services as required under this RFQ and in the scope of services for this project. Please provide the following information for each sample project:

- Client name, address, phone number, e-mail address
- Consultant (Architect or Engineer) name, address, phone number, fax and email
- Description of the scope of the work
- Month and Year the project was started and completed
- Total cost and/or fees paid to your firm
- Total cost of the construction, estimated and actual
- Role of the firm and the responsibilities

**Item 4. Qualification of Project Team:** Provide a list of the personnel / subconsultants to be used on this project and their qualifications. A resume of each individual, including education, experience, and any other pertinent information shall be included for each team member including any subcontractors, to be assigned to this project.

**Item 5. Project Approach:** Provide a detailed description on the Project Team approach to the required services. Information should include:

- Organizational structure of project team.
- Project specific approach to this neighborhood.

### **RFQ PROCESS**

The procedure for response evaluation and selection is as follows:

1. Request for Qualifications issued.
2. Receipt of responses.
3. Opening of responses and determination if they meet the minimum standards of responsiveness.
4. An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each response in accordance with the requirements of this RFQ. If further information is desired, consultants may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee will recommend to the City Manager the response or responses acceptance of which the Evaluation Committee deems to be in the best interest of the City. The following criteria shall be utilized by the Evaluation Committee for the selection of the Consultant:
  - **(20 points)** - The experience, qualifications and portfolio of the Principal Firm
  - **(20 points)** - The experience and qualifications of the professional personnel assigned to the Project Team as well as their familiarity with this project and a thorough understanding of the methodology and design approach to be used in this assignment.
  - **(20 points)** - The experience, qualifications and portfolio of the Project Manager, as well as his/her familiarity with this project and a thorough understanding of the methodology and design approach to be used in this assignment.
  - **(10 points)** - Past performance based on quality of the Performance Evaluation Surveys and the Administration's due diligence based upon reference checks performed of the Firm(s) clients.
  - **(5 points)** - Willingness to meet time and budget requirements as demonstrated by past performance, methodology and approach
  - **(5 points)** - Risk Assessment Plan that reflects a clear understanding of project objectives; a thorough review of existing conditions; familiarity with the project site; a thorough understanding of all permitting and regulatory requirements and impacts; and other considerations that may impact the design and construction of the proposed improvements.
  - **(5 points)** - Certified minority business enterprise participation. Either the Prime Consultant or the sub-Consultant team may qualify for proof of certification for minority business enterprise participation. Accepted minority business enterprise certifications include the Small Business Administration (SBA), State of Florida, or Miami-Dade County.
  - **(5 points)** - Location
  - **(5 points)** - Recent, current and projected workloads of the firms

- **(5 points)** - The volume of work previously awarded to each firm by the City, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firm.

The City may request, accept and consider proposals for the compensation to be paid under the contract only during competitive negotiations.

6. After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the response or responses acceptance of which the City Manager deems to be in the best interest of the City.
7. The City Commission shall consider the City Manager's recommendation(s) in light of the recommendation(s) and evaluation of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject City Manager's recommendation(s) and select another response or responses. In any case, City Commission shall select the response or responses acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.
8. Negotiations between the selected respondent and the City Manager will take place to arrive at a contract. If the City Commission has so directed, the City Manager may proceed to negotiate a contract with a respondent other than the top ranked respondent if the negotiations with the top ranked respondent fail to produce a mutually acceptable contract within a reasonable period of time.
9. A proposed contract or contracts are presented to the City Commission for approval, modification and approval, or rejection.
10. If and when a contract or contracts acceptable to the respective parties is approved by the City Commission, the Mayor and City Clerk sign the contract(s) after the selected respondent(s) has (or have) done so.

## **CONCLUSION**

The Administration recommends that the Mayor and the City Commission authorize the issuance of a Request for Qualifications (RFQ) for constructability, cost, and value engineering review services.