Condensed Title:

Request For Approval To Issue A Request For Qualifications (RFQ) For A Construction Manager At Risk Firm To Provide Pre-Construction Services And Construction Phase Services Via A Guaranteed Maximum Price (GMP) Amendment For The 6th Street And 53rd Street Restroom Projects.

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 scope of work for this project consists of the demolition of the existing restroom facility located at Lummus Park at 599 Ocean Drive (6th Street Restrooms), and construction of a new 1,500 SF facility; and the demolition of the existing restroom facility and Ocean Rescue office (53rd Street Restrooms), located at 53rd Street and Collins Avenue, and construction of a new 864 SF restroom facility and 546sf office for Ocean Rescue Dept.

The Construction Manager's at Risk (CMR) Scope of Services shall include, without limitation, all of the Preconstruction Services set forth below and, upon approval by the City of the Guaranteed Maximum Price (GMP) and as contemplated in any GMP Amendment(s), all of the Construction Services required to complete the Work in strict accordance with the Contract Documents, and to deliver the Project to the City at or below the GMP and within the Contract time.

The CMR shall review Project requirements, existing on-site and off-site development, surveys and preliminary budget, and make recommendations to the City for revisions. The CMR shall prepare a Project Schedule in accordance with the Contract Documents and in coordination with the City and the Architect/Engineer, identifying all phases, critical path activities, and critical duties of each of the Project team members. The CMR shall review the permitted set of plans and advise the City and the Architect/Engineer regarding the constructability of the design and of any errors, omissions, or conflicts it discovers. The CMR shall prepare an outline of proposed bid packages and detailed cost estimates, and advise the City regarding trends in the construction and labor markets that may affect the price or schedule of the Project. The CMR shall attend all Project related meetings. The CMR's Preconstruction Services shall be provided, and the City shall compensate the CMR for such services, based upon a fixed fee. At the conclusion of the Preconstruction Services Phase, the CMR shall, provide the City a proposal for a GMP Amendment for construction phase services and without assuming the duties of the Architect/Engineer, warrant to the City, that the plans, specifications and other Contract Documents are consistent, practical, feasible and constructible, and that the Project is constructible within the contract time. CIP staff has studied the use of Construction Management at Risk (CMR) project delivery method for this project in lieu of a standard Design-Bid-Build process, and recommends the CMR option as the most advantageous project delivery method to successfully complete the construction of the new restroom facilities at 6th and 53rd streets. One of the most important distinctions between the CMR project approach and the Design-Bid-Build is that the CMR is selected based on the CMR firm's qualifications. The CMR approach will give the City the added value of having a qualified contractor evaluate the project documents for any inconsistencies, errors and omissions between the various design disciplines and constructability of the project.

This project delivery method also minimizes additional costs from the Contractor, including change orders and time extensions, since the GMP amendment prohibits most project cost adjustments. Under this approach, time is of the essence to the Contractor because there will be no compensation considered for delays. Furthermore, through the implementation of this type of delivery method, the City was recently able to capture savings in the amount of $171,555 for the Scott Rakow Project. The agreement between the City and CMR included a clause that stated "Should the Construction Manager at Risk realize any savings from the negotiated schedule of values, the City shall receive 75% of said savings with no line item integrity".

The Project Team, consisting of the Owner (City), Design Professional and CMR work together to produce a quality project with a design that is also buildable in an environment based on a collaborative effort between the three parties in order to work out all the potential conflicts in the project prior to construction. To this end the CMR firm is contracted to perform pre-construction services and provide at the City's request or option, a Guaranteed Maximum Price (GMP) and certifies by signing the GMP contract with the City that the CMR firm can build the project for the GMP.

Advisory Board Recommendation:

N/A

Financial Information:

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

Financial Impact Summary: N/A

City Clerk's Office Legislative Tracking:

Thais Vieira ext. 2702

Sign-Offs:

Department Director	Assistant City Manager	City Manager
GL FV	DB	JMG

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MIAMIBEACH

AGENDA ITEM C2C

DATE 7-13-11

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

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

FROM: Jorge M. Gonzalez, City Manager

DATE: July 13, 2011

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR QUALIFICATIONS (RFQ) FOR A CONSTRUCTION MANAGER AT RISK FIRM TO PROVIDE PRE-CONSTRUCTION SERVICES AND CONSTRUCTION PHASE SERVICES VIA A GUARANTEED MAXIMUM PRICE (GMP) AMENDMENT FOR THE 6TH STREET AND 53RD STREET RESTROOM PROJECTS.**

ADMINISTRATION RECOMMENDATION

Approve issuance of the RFQ.

ANALYSIS

Because beach tourism is vital to the economic well being of our community, and the availability of safe, clean and accessible beachfront restrooms is vital to beach tourism, the Administration initiated an effort to replace the deteriorated facilities with new standardized facilities. Over the last few years, new restroom facilities have been constructed at 14th, 21st, 35th, 46th and 64th Streets. New restroom facilities are also currently being built at 72nd Street as part of the Oceanfront Community Center Project. The restroom facilities located at 6th and 53rd Streets are in deteriorated condition and cannot be effectively secured, and are not adequate to serve the large number of users.

6th Street Restroom:

The scope of work for this project consists of the demolition of the existing restroom facility located at Lummus Park at 599 Ocean Drive, and construction of a new 1,500 SF facility.

53rd Street Restroom:

The scope of work for this project consists of the demolition of the existing restroom facility and Ocean Rescue office, located at 53rd Street and Collins Avenue, and construction of a new 864 SF restroom facility and 546SFoffice for Ocean Rescue Dept.

CIP staff has studied the use of Construction Management at Risk (CMR) project delivery method for this project in lieu of a standard Design-Bid-Build process, and recommends the CMR option as the most advantageous project delivery method to successfully complete the construction of the new restroom facilities at 6th and 53rd streets. One of the most important distinctions between the CMR project approach and the Design-Bid-Build is that the CMR is selected based on the CMR firm's qualifications. The CMR approach will give the City the added value of having a qualified contractor evaluate the project documents for any inconsistencies, errors and omissions between the various design disciplines and constructability of the project.

This project delivery method also minimizes additional costs from the Contractor, including change orders and time extensions, since the GMP amendment prohibits most project cost adjustments. Under this approach, time is of the essence to the Contractor because there will be no compensation considered for delays. Furthermore, through the implementation of this

type of delivery method, the City was recently able to capture savings in the amount of $171,555 for the Scott Rakow Project. The agreement between the City and CMR included a clause that stated "Should the Construction Manager at Risk realize any savings from the negotiated schedule of values, the City shall receive 75% of said savings with no line item integrity".

The Project Team, consisting of the Owner (City), Design Professional and CMR work together to produce a quality project with a design that is also buildable in an environment based on a collaborative effort between the three parties in order to work out all the potential conflicts in the project prior to construction.

To this end the CMR firm is contracted to perform pre-construction services and provide at the City's request or option, a Guaranteed Maximum Price (GMP) and certifies by signing the GMP contract with the City that the CMR firm can build the project for the GMP.

The City will request Pre-Construction Services as follows:

- Constructability and Value Engineering
- Review of Onsite and Offsite Conditions
- Scheduling
- Bidding (GMP submittal & Negotiations)

The CMR is tasked to work with the Design Professional to advise the City of the constructability of the design and provide value engineering of the Design Professionals documents, to check the quality of the documents and advise the Owner of the most efficient, and economical ways to build the project pursuant to the Owner's goals and objectives.

The end result is a Guaranteed Maximum Price (GMP) from the Contractor, which is subject to restrictions in change order requests and minimizes, or eliminates, additional costs to the City. In order to ensure that the City is successful in negotiating the best value for this project, the City will hire an independent Construction Estimator to provide assistance in validating the CMR's construction costs according to the current market.

The "Best Value" Procurement process will be used to select a firm with the necessary experience and qualifications, as well as demonstrating the ability, capacity and proven past successful performance in providing Construction Management at Risk services.

The City's construction budget for the two restroom facilities is approximately $1million.

SCOPE OF SERVICES

The Construction Manager's at Risk (CMR) Scope of Services shall include, without limitation, all of the Preconstruction Services set forth below and, upon approval by the City of the Guaranteed Maximum Price (GMP) and as contemplated in any GMP Amendment(s), all of the Construction Services required to complete the Work in strict accordance with the Contract Documents, and to deliver the Project to the City at or below the GMP and within the Contract time.

The CMR shall review Project requirements, existing on-site and off-site development, surveys and preliminary budget, and make recommendations to the City for revisions. The CMR shall

prepare a Project Schedule in accordance with the Contract Documents and in coordination with the City and the Architect/Engineer, identifying all phases, critical path activities, and critical duties of each of the Project team members. The CMR shall review the permitted set of plans and advise the City and the Architect/Engineer regarding the constructability of the design and of any errors, omissions, or conflicts it discovers. The CMR shall prepare an outline of proposed bid packages and detailed cost estimates, and advise the City regarding trends in the construction and labor markets that may affect the price or schedule of the Project. The CMR shall attend all Project related meetings. The CMR's Preconstruction Services shall be provided, and the City shall compensate the CMR for such services, based upon a fixed fee. At the conclusion of the Preconstruction Services Phase, the CMR shall, provide the City a proposal for a GMP Amendment for construction phase services and without assuming the duties of the Architect/Engineer, warrant to the City, that the plans, specifications and other Contract Documents are consistent, practical, feasible and constructible, and that the Project is constructible within the contract time.

The successful firm will be tasked with the following duties and responsibilities:

Task 1 – Coordination with the Design Professional: In providing the services described in this Agreement, the CMR shall maintain a working relationship with the Architect/Engineer. However, nothing in this Agreement shall be construed to mean that the CMR assumes any of the responsibilities or duties of the A/E. The CMR shall be solely responsible for construction means, methods, techniques, sequence and procedures used in the construction of the Project and for the safety of its personnel, property, and operations in accordance with the CMR's Agreement with the City. The A/E is responsible for the design requirements of the Project as indicated in the Agreement between the City and the A/E. The CMR's services shall be rendered in conjunction with and in cooperation with the A/E's services under the City. It is not intended that the services of the A/E and the CMR be competitive or duplicative, but rather be complementary.

Task 2 – Review of Design Documents, Scheduling, Estimating, and Cost Control: The CMR, as a result of the review of the design documents and recommendations provided to the City, shall be fully responsible for the coordination of the drawings with the written specifications. This includes but is not limited to, the CMR's review of the construction documents in coordination of the drawings and specifications themselves, with the existing buildings and sites to ensure proper coordination and constructability, lack of conflict and to minimize unforeseen conditions. The CMR shall, during this phase, be responsible for the proper identification and location of all utilities, services, and other underground facilities which may impact the Project. The CMR agrees specifically that no Contract Amendments shall be requested by the CMR or considered by the City for reasons involving conflicts in the documents; questions of clarity with regard to the documents; and incompatibility, or conflicts between the documents and the existing conditions, utilities, code issues and unforeseen underground conditions.

Task 3 – Bid and Award Phase: The CMR shall prepare a Subcontractor's Prequalification Plan in compliance with the requirements currently determined by the City. The CMR shall submit to the City the CMR's list of pre-approved sub-contractors for each element of the Work to be sub-contracted by the CMR. This list shall be developed by the execution by the CMR of the sub-contractor's Pre-qualification Plan noted above. The City reserves the right to reject any sub-contractor proposed for any bid to be considered by the CMR. Any claims, objections or disputes arising out of the Pre-qualification Plan or list, are the responsibility of the CMR. The CMR shall hold harmless, indemnify, and defend the City, its employees, agents, and

representatives in any matter arising out of the pre-qualification plan and/or the sub-contractor's list, except where the sole cause of the matter is a City directed decision.

Task 4 – Guaranteed Maximum Price (GMP): After taking, reviewing and identifying the proposals from the responsive and responsible sub-contractors, the CMR shall propose to the City, a GMP, which shall be the sum of the proposed sub-contracts and the CMR's General Conditions (including any fee, profit, overhead and all like amounts) and the agreed upon Contingency amount. The GMP shall be the full and complete amount for which the CMR agrees to go forward from the receipt of sub-contract bids to the full completion of the Project. Prior to acceptance and execution of the GMP, the CMR shall submit a Best Value Quality Control Plan that identifies risks and potential risks that the CMR does not control, or risk that is impacted by factors that the CMR does not control, and includes the CMR's plan to minimize that risk. A risk would be any existing or potential condition, situation or event that could negatively impact the project's cost, schedule, quality and the City's expectations.

Upon acceptance and execution of the GMP proposal, by the City, the CMR shall enter into sub-contract agreements with the sub-contractors selected for the amounts included in the GMP Proposal for that sub-contract work, and shall function as a General Contractor and comply with the Contract Documents accordingly with regard to the Project as well as a CMR with regard to other services required by the Contract Documents.

Task 5 – Construction Phase: Once the City has accepted the GMP, the City will issue a GMP Amendment which will include the Contract for Construction. CMR activities shall include, but are not limited to:

- Coordinating site construction management services including but not limited to: regular job site meetings, maintaining daily on-site project log and schedule reports, overseeing quality assurance, testing and inspection programs, monitoring construction management staff and sub-contractor work performance for deficiencies, maintaining record copies of all contract documents, change orders and other documentation on site, and overseeing construction management staff and subcontractor safety programs.
- Staffing each assigned project in a satisfactory manner. As a minimum, the CMR site personnel during the construction phase will include: a project manager, a full- time project superintendent and project administrative personnel. The CMR shall provide site personnel that are competent, English-speaking and able to communicate effectively.
- Updating and maintaining master project schedules, detailed construction schedules, submittal schedules, inspection schedules and occupancy schedules.
- Preparing a schedule of values associated with the identified bid package and submitting it for approval by the Architect and City's representative(s). All payment requests must be in accordance with the schedule of values approved.
- Processing payment requests for approval by the Architect and the City's representative(s).
- Processing any change orders due to scope and modifications and submitting them for approval by the Architect and the City's representative(s), including a cost estimate of the proposed change.
- Processing requests for information and coordination with the Architect.
- Providing construction program accounting and reporting to the City as required.
- Monitoring for the presence of existing asbestos containing building materials and certify to the City that no asbestos containing material has been used.
- Providing monthly progress reports to the City.
- Submitting exception-based status reports, associated with the Best Value Quality

Control Plan, addressing conditions, situations, and events that introduce risk to the project, in terms of cost, schedule, quality, and City's expectations, and including the CMR's plan to mitigate the risk (s).

- Coordinating with the Architect and City representative(s) the substantial and final inspections, prior to the Architect's approval and issuance of the Certificate of Substantial Completion.

Task 6 – Post-Construction Phase: The CMR will coordinate project closeout, start–up and transition to operations, per the contract for Construction. Activities include but are not limited to:

- The CMR shall coordinate project close-out, start-up and transition to operations.
- The CMR will coordinate with the Architect to provide a complete project record including project manual and CADD drawings to show all construction changes, additions, and deletions compared to the Construction Document (CADD disks will be provided to the CMR by the Architect).
- The CMR will coordinate with the City to prepare the Certificate of Final Inspection.
- The CMR will obtain and review for completeness, have corrected if necessary, and submit to the City, following the Architect's approval, all Warranties, Operations and Maintenance Manuals, and other such documents.
- The CMR is responsible for Warranties and Guaranties.
- The CMR will complete all punch-list items generated by Contractor during their inspections.
- The CMR will coordinate and conduct the Occupancy Evaluation and Warranty Inspection.

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.

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

1. **Team's Experience**
    - Indicate the firm's number of years of experience in providing CMR Services or Design Build services for projects of the same size and complexity as required by this RFQ.
    - The firm must demonstrate an ability to provide multi-disciplinary management in the areas of facility assessment, scope definition/validation, planning, public engagement, cost estimating, scheduling, quality control and assurance plan, building code review/inspection, design, construction, closeout, and warranty services.
    - List all successfully completed projects comparable in design, scope, size and complexity, 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. An SF254 can suffice this request.
    - List the firm's successfully completed projects comparable in design, scope,

size and complexity, undertaken in the past five (5) years;
- Provide the name(s) of the person, 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, in the past five (5) years.

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 five (5) years' experience in the management of construction projects, possess extensive knowledge in the management of construction projects, value engineering, working in a team environment, and be well versed in project schedules and budgeting. Furthermore, this individual should have served as Project Manager on projects having the same size (i.e., construction budget of $1.0 million or greater) and complexity.

3. **Previous Similar Projects:** Provide a list of a minimum of ten (10) projects which demonstrates the Team's experience in providing the services outlined in this RFQ. Must provide the following information for each sample project.

    - Client name, address, phone number, e-mail address
    - Consultant name, address, phone number, fax and/or e-mail address
    - Description of the scope of the work
    - Role of the firm and the responsibilities
    - 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

4. **Qualifications of Project Team:** Provide a list of the personnel 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 to be assigned to this project.

5. **Risk-Assessment Plan (RAP):** All Consultants must submit a Risk-Assessment Plan. The RAP must not be longer than two (2) pages front side of page only should be included within the RFQ response. The RAP should address the following items in a clear and generic language:

    - Potential project risks. (Areas that may cause the Contractor not to finish on time, not finish within budget, cause any change orders, or be a source of dissatisfaction with the owner)
    - Explanation of how the risks can be avoided/minimized
    - Propose any options that could increase the value of this project
    - Explain the benefits of the RAP. Address the quality and performance differences in terms of risk minimization that the City can understand and what benefits the option will provide to the user. No brochures or marketing pieces please.

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, quality control and assurance plan, and portfolio of the Principal Firm
    - **(25 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
    - **(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)** - Willingness to meet time and budget requirements as demonstrated by past performance, methodology and approach
    - **(10 points)** - Past performance based on quality of the Performance Evaluation Surveys and the Administration's due dilligence based upon reference checks performed of the Firm(s) clients
    - **(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

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.

RFQ TIMETABLE

The anticipated schedule for this RFQ and contract approval is as follows:

RFQ Issued:	July 13, 2011
Pre-qualification meeting:	July 25, 2011
Deadline for receipt of questions:	August 1, 2011
Deadline for receipt of Proposals:	August 8, 2011
Evaluation Committee Meeting	August 25, 2011
Commission approval authorizing negotiations:	September 14, 2011
Contract negotiations	September/November 2011
Projected contract start date	December 14, 2011

CONCLUSION

The Administration recommends that the Mayor and the City Commission authorize the issuance of a Request for Qualifications (RFQ) for a Construction Manager at Risk to provide pre-construction services and Construction Phase services via a Guaranteed Maximum Price (GMP) Amendment for the 6th and 53rd Street Restroom Projects.

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