

Office of School Facilities
Jaime G. Torrens, Chief Facilities Officer

SUBJECT: AUTHORIZATION TO EXERCISE THE THIRD-YEAR OPTION OF THE FOUR-YEAR AGREEMENTS WITH NINE CONSTRUCTION MANAGEMENT AT-RISK FIRMS FOR MISCELLANEOUS PROJECTS OF UP TO \$1 MILLION IN CONSTRUCTION EACH

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

**LINK TO
STRATEGIC PLAN: IMPROVE CONSTRUCTION SERVICES**

On November 20, 2007, the Board commissioned the following firms to provide Construction Management (CM) at-Risk pre-construction services for miscellaneous projects with construction costs of up to \$1 million each of four-year term with the second, third and fourth years, at the Board's option:

- Veitia Padron, Incorporated (VPI)
- Stobs Brothers Construction Company (Stobs)
- Coastal Construction Company (Coastal)
- BDI Construction Company (BDI)
- Kalex Construction & Development, Inc. (Kalex)
- Hewett-Kier Construction, Inc. (Hewett-Kier)
- Zurqui Construction Services, Inc. (Zurqui)
- Thornton Construction Company, Inc. (Thornton)
- Jasco Construction Company (Jasco) - **see Note 1**
- GEC Associates, Inc. (GEC)

Notes:

1. Staff will not recommend Jasco for this option year as the firm has submitted notices of voluntary default to the Board.
2. All Agreements will expire on November 19, 2011.

All nine firms being recommended for renewal have agreed to reduce the negotiated fees 10% across-the-board. The reduced fees are effective upon Board approval as noted in the table below. For ease of reference, staff included last year's rates as well as the reduced rates for this contract period.

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A. **Reduced Fee Schedule**

	Fees	Project Construction Cost				
		\$50,001- \$100,000	\$100,001- \$300,000	\$300,001- \$500,000	\$500,001- \$750,000	\$750,001- \$999,999
Design review, constructability & Value Engineering	Original	\$2,000	\$3,500	\$4,500	\$5,000	\$5,500
	Reduced	\$1,800	\$3,150	\$4,050	\$4,500	\$4,950
Review of existing conditions	Original	2,500	3,000	5,000	5,500	6,000
	Reduced	2,250	2,700	4,500	4,950	5,400
Cost Estimating	Original	1,000	1,500	2,500	2,800	3,000
	Reduced	900	1,350	2,250	2,520	2,700
Scheduling	Original	1,000	1,500	2,000	3,000	3,500
	Reduced	900	1,350	1,800	2,700	3,150
Bidding	Original	1,300	1,700	2,800	3,500	4,000
	Reduced	1,170	1,530	2,520	3,150	3,600
General Conditions (per diem)	Original	364	450	550	600	650
	Reduced	328	405	495	540	585
Bonds, General Liability Insurance, Overhead & Profit	Original	18.5%	17.5%	16.0%	15.0%	14.5%
	Reduced	16.7%	15.8%	14.4%	13.5%	13.1%

B. **Reduced Time and Material Fees**

For projects with a construction cost less than \$50,000, the Board may direct the CM at-Risk firms to perform specific services on a time and material basis plus a **Reduced 27% mark-up** (original was 30%), or on a negotiated lump sum basis, whichever is more beneficial to the Board.

C. All other terms and conditions of the Agreements will remain the same.

Performance Evaluations

The most recent performance evaluation score issued by staff to the firms was for the quarter ending September 30, 2009. Based on a scale of 1-5 (low to high), the firms received the following score:

- VPI 3.61
- Stobs 3.07
- Coastal 3.94
- BDI 4.13
- Kalex 3.40

- Hewett-Kier 3.52
- Zurqui 2.58
- Thornton 3.96
- GEC 3.80

Based on the above information, staff recommends authorization to exercise the third-year option of the Agreements with the nine firms for CM at-Risk pre-construction services for miscellaneous projects with construction costs of up to \$1 million each.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent, or his designee, to exercise the third-year option of the four-year Agreements with the following Construction Management at-Risk firms for Miscellaneous Projects with a construction cost of up to \$1 million each, as follows:

1) Firms

- Veitia Padron, Incorporated
- Stobs Brothers Construction Company
- Coastal Construction Company
- BDI Construction Company
- Kalex Construction & Development, Inc.
- Hewett-Kier Construction, Inc
- Zurqui Construction Services, Inc.
- Thornton Construction Company, Inc.
- GEC Associates, Inc.

2) with a 10% across-the-board reduction of fees; and

3) all other terms and conditions of the Agreements shall remain the same as the original Agreements.

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