

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

SUBJECT: AUTHORIZATION TO EXERCISE THE OPTION FOR A ONE-YEAR EXTENSION TO THE FOUR-YEAR AGREEMENT WITH THE GORDIAN GROUP, INC., AS THE JOB ORDER CONTRACTING SYSTEM CONSULTANT

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

LINK TO STRATEGIC PLAN: IMPROVE CONSTRUCTION SERVICES

On October 19, 2005, the Board commissioned The Gordian Group, Inc. (TGG) to perform Job Order Contracting (JOC) System consulting services for a four-year term, with a one (1) year extension at the option of the Board, under the same or renegotiated terms and conditions, at the request of either party. The fourth year of the term expires on October 18, 2009.

The JOC system is a construction delivery method used to execute repair, renovation, remodeling, and minor new construction projects. TGG services include, but are not limited to, customized Job Order Contracting document preparation (up-dating the M-DCPS-specific Unit Price Book, Technical Specifications and Contractual Terms and Conditions); procurement support (marketing support, pre-bid meetings, bid analysis, award recommendations and presentations); a comprehensive JOC management information and support system providing full JOC project tracking, computerized development of cost proposals, proposal validation, independent construction cost estimates, generation of all project documentation and customized reports; training and continuous technical support.

Per the original Agreement, TGG fees are computed at 1.5% of the actual construction cost of projects undertaken using the JOC program, up to and including \$30 million, and then 1.25% of the actual construction cost thereafter, on an annual basis. Fees earned by TGG for the first three full years and partial fourth year of the Agreement are as follows:

October 2005 – October 2006:	\$ 932,700 on \$ 68,615,961 of construction cost
October 2006 – October 2007:	\$ 619,192 on \$ 43,581,318 of construction cost
October 2007 – October 2008:	\$ 352,020 on \$ 23,468,005 of construction cost
October 2008 - July 2009:	\$ 91,668 on \$ 6,111,166 of construction cost

In an effort to reduce costs, District staff was able to achieve a partial reduction in TGG's fee structure, as follows: a 1.5% fee for the first \$20 million in cumulative construction cost and a reduced fee for JOC projects in excess of the \$20 million threshold, on an annualized basis, from 1.25% to 1.00%.

The Office of Maintenance Operations, the prime user in the District of this construction delivery method, deems that the performance of this firm has been satisfactory during the term of the Agreement, and recommends that the Board approve the one-year extension from October 19, 2009 to October 18, 2010. No performance evaluations are available for this consultant.

TGG has requested that David L. Mahler, Vice President of Finance, be designated as principal of the firm in the amended Agreement for the one-year extension. All other terms and conditions of the Agreement shall remain the same.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to exercise the option for a one-year extension to the four-year Agreement with The Gordian Group, Inc., as the Job Order Contracting System Consultant, as follows:

- 1) the consulting fee shall remain at 1.50% of the actual construction costs for projects undertaken via the JOC program, up to and including \$20 million, and the fee shall be reduced to 1.00% thereafter, on an annualized basis;
- 2) change the named principal of the firm in the Agreement from Robert D. Coffey to David L. Mahler; and
- 3) all other terms and conditions of the Agreement shall remain the same as previously approved by the Board.

NAD:SGG:sgg