Citizen's Oversight Committee Meeting

Procurement Processes for
Professional Services and Contractors

March 2, 2011

Procurement Process for Professional Services

Procurement Process for Professional Services

- **<u>Chapter 2254, Government Code</u> – Establishes the overall requirement for contracting for A/E professional services:**

  I. First select the most highly qualified provider on the basis of demonstrated competence and qualifications

  II. Then attempt to negotiate with that provider a contract at a fair and reasonable price.

  III. If a satisfactory contract cannot be negotiated, negotiations are formally ended with that provider.

  IV. Then attempt to negotiate with the second most highly qualified provider at a fair and reasonable price.

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Procurement Process for Professional Services

I. Select the most highly qualified provider

- SAISD is using the Request for Qualifications (RFQ) process for identifying the best qualified A/E firms
- Received responses from:

  50 Architectural firms (some included preferred engineers and consultants)

  47 Engineering and Consulting firms
- RFQ Evaluation Panel

  Associate Superintendent, Facilities Services; Executive Director, Maintenance & Operations; Director, Facilities Planning & Construction; Director, Grants

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Evaluation Criteria

A. Firm's Profile **25 points**

- Number of years in business
- Number of officers/administrators
- Office location
- Number of full time employees (licensed professional, technical, clerical)
- Number of licensed employees (if applicable)
- EDBE Certification/Good Faith Effort
- Financial information
- Professional liability
- Volume of school work per year
- General qualifications

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Evaluation Criteria

B. Firm's Experience **25 points**

- Experience with other school districts
- Experience with SAISD
- Most successful project
- List of school and educational projects
- Project delivery experience
- Management methods/experience
- Awards and recognition
- Special expertise and other qualifications
- Quality of experience

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Evaluation Criteria

C. Personnel and Process 15 points

- Professional and technical staff
- Staff experience with similar projects and certification
- Availability to commence services with experienced staff
- Works process and schedule
- Documentation of services
- Presentations
- Approach to CD, Bidding, CA
- Quality assurance

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Evaluation Criteria

D. References **18 points**

- Client reference #
- Client references quality
- A/E/C references #
- A/E/C references quality
- Contractor references #
- Contractor references quality

Procurement Process for Professional Services

Evaluation Criteria

E. Other Information 7 points

- References and Property Tax
  Representation and Certificates
  Criminal Background
  Subcontractor Form
  Conflict of Interest
  Request for TIN
  Price Affidavit
  Good Faith Effort Plan
- Response organization and clarity per RFQ

Procurement Process for Professional Services

Project Assignments

- Firms are ranked based on evaluation process
- Match up highest ranked firms with projects requirements
  - Specific Experience
  - Career and Technology Experience
  - SAISD and Campus Experience
  - Historic Restoration Experience
- Program administrator input
- Board approval

Procurement Process for Professional Services

II. Negotiate contract at a fair and reasonable price

- Modified American Institute of Architects (AIA) contract format
- Standard schedule of fees
- Design team formulation
  - Part of Architect Base Fee: Structural, MEP, Civil, Landscape, Acoustical, Food Services
  - Reimbursable to Architect: Code Review, Traffic Studies, Roofing Consultant
  - Owner Provided Services: Site Development, Geotechnical, Surveying, Material Testing, Commissioning
- Program administrator impact
- SAISD attorney review
- Signed agreement before issuing a notice to proceed

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Procurement Process for Professional Services

III. If a satisfactory contract cannot be negotiated, SAISD will issue a letter to professional services firm formally ending negotiation

IV. SAISD repeats steps II & III with the second most highly qualified provider at a fair and reasonable price

Procurement Process for Professional Services

Fee Schedule

CONSTRUCTION COST	FEE PERCENTAGE NEW WORK	CONSTRUCTION COST	FEE PERCENTAGE NEW WORK
Up to $200,000	8.25%	Up to $500,0000	6.25%
300,000	8.00%	6,000,000	6.20%
400,000	7.75%	7,000,000	6.15%
500,000	7.50%	8,000,000	6.10%
600,000	7.35%	9,000,000	6.05%
700,000	7.20%	10,000,000	6.00%
800,000	7.05%	12,000,000	5.90%
900,000	6.90%	14,000,000	5.80%
1,000,000	6.75%	16,000,000	5.70%
2,000,000	6.62%	18,000,000	5.60%
3,000,000	6.50%	20,000,000	5.50%
4,000,000	6.32%	30,000,000	5.00%

For renovation work, a factor up to 1.25 is applied to fee percentages depending on complexity of project.

Prime Architect/Engineer Key Responsibility

- Owner's Professional Representative for Project
- Obtains Security Identification Badges for A/E Staff and Facilitates Process for All Consultants who will have Active Role at the Site
- Facilitates the Design Process
  - Schematic Design
  - Design Development
  - Construction Documents
- Issues Plans and Specifications for Bidding
- Participates in Contractor Selection Process
- Responsible for Securing Construction Permit
- Provides Construction Administration Services
- Conducts One-Year Warranty Walk-Through Inspection

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Contracting for Construction Services

(Project Delivery Methods)

Project Delivery Methods

- **<u>Chapter 44, Texas Education Code</u> – Establishes project delivery methods that school districts may use for the construction, rehabilitation, alteration, or repair of a facility:**
  - Competitive bidding
  - Competitive sealed proposals
  - Construction manager-at-risk
  - Construction manager-agent
  - Design-build
  - Job order contracting
  - Interlocal agreements

Project Delivery Methods

Eight criteria that a district must consider in award of contracts:

- Purchase price
- Reputation of the vendor and of the vendor's goods or services
- Quality of the vendor's good or services
- Extent to which the goods or services meet the district's needs
- Vendor's past relationship with the district
- Impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses
- Total long-term cost to the district to acquire the vendor's goods or services
- Any other relevant factor specifically listed in the request for bids or proposals.

Project Delivery Methods

Competitive bidding (Design-Bid-Build)

- School district enters into two contracts, one with the designer and one with the general contractor.
- School district is required to designate an engineer or architect to prepare the construction documents for the project.
- The statute does not identify any information or criteria for a school district to include in its requests for competitive bids, leaving that decision to the school district ("lowest competitive bid").
- The district is required to select the bidder that offers the best value for the district based on the district's established selection criteria; the statue also references selection criteria that the district may wish to consider.

Project Delivery Methods

Competitive sealed proposals

- School district enters into two contracts, one with the designer and one with the general contractor.
- School district is required to hire an engineer or architect to prepare the construction documents for the project.
- The statute identifies the information required to be included in the school district's request for competitive sealed proposals and provides a maximum of 45 days after the opening date for the district to evaluate and rank the proposals.
- The district is required to select the bidder that offers the best value for the district based on the district's selection criteria and ranking evaluation. In negotiating a contract with the selected bidder, the district may discuss options for scope or time modifications and any related price changes. If the district is unable to successfully negotiate a contract with the selected bidder, the district may end negotiations with that bidder and proceed to negotiate with the next ranked bidder.
- The statute specifies that the district may consider factors other than price in determining best value for the district.

Project Delivery Methods

Construction manager-at-risk

- School district enters into two contracts, one with the designer and one with the construction manager. The designer and construction manager work together in developing construction documents and in estimating the project.
- School district is required to hire an engineer or architect to prepare the construction documents for the project.
- The statute identifies the information required to be included in the district's request for proposals or for qualifications and establishes a one-step or two-step (at the district's discretion) process for evaluation and selection of the construction manager-at-risk.
- The statute also identifies the criteria that the construction manager is to follow in all advertising, bidding, reviewing, and awarding of the subcontracts.
- The construction manager provides the school district with a guaranteed maximum price (GMP) for the project.

Project Delivery Methods

Construction manager-agent

- School district is required to hire an engineer or architect to prepare the construction documents for the project.
- School district enters into a contract with a construction manager and also enters into all contracts with the subcontractors who perform the work.
- The statute places the burden of securing all construction contracts on the school district.

Project Delivery Methods

Design-build

- School district enters into one contract with a design-build team to design and construct a finished project.
- The statute identifies the information required to be included in the district's request for qualifications and establishes a two-phase process for evaluation and selection of the design-build team.
- A full-time engineer or architect employee or a contracted engineer or architect who is independent of the design-build team is required to act as the district's representative during the course of design and construction of the facility.

Project Delivery Methods

Job order contracting

- School district may award job order contracts for the minor construction, repair, rehabilitation, or alteration of a facility if the work is of a recurring nature but the delivery times are indefinite and indefinite quantities and orders are awarded substantially on the basis of pre-described and pre-priced tasks.
- School district may enter into a fixed-price, lump sum contract, or it may establish contractual unit prices.
- School district advertises and receives proposals.
- School district may award multiple contracts.
- The statute requires the school district to designate an engineer or architect to prepare the construction documents for the project if the work requires engineering or architectural services as defined by statute.

Project Delivery Methods

Interlocal Agreements

- School district may contract with other local governments and with state agencies, including the comptroller, to perform some of its purchasing functions.
- An interlocal contract must be authorized by the Board and the governing body of each contracting party.
- An interlocal contractual fee must be in an amount that fairly compensates the performing party.
- A district that purchases goods and services by agreement with another local government or with the state or state agency satisfies the requirement to seek competitive bids for the purchase of goods and services.

Bond 2010 Budget
Projects Managed Internally

<u>Districtwide Projects</u>	
Playground Equipment at 48 schools	$3.9M
Technology Equipment at 68 schools	$6.2M
Safety and Security Upgrades at 68 schools	$43.9M
Track Resurfacing at 7 High Schools	$2.2M
Career Exploration Labs at 11 Middle Schools	$5.1M
<u>Support Facilities</u>	
Alamo Stadium and Convocation Center Renovation	$35.0M
Transportation Center and Operations Planning	$2.5M
Total	$98.8M

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Playground Equipment Procurement

- Method: Interlocal Agreements - State Agency Best Value
- Due Diligence: Prior to Bond 2010, SIASD reviewed vendor products and prices and installed two best value products. Based on results and experience, selection was narrowed to Playcraft Equipment through Creative Components.
- Advantages: No professional fees; turn-key service; shorter schedule; meets users expectations; long warranty; low maintenance
- Hard Cost Budget $3.12m for 48 school
  $2.92m for 45 schools
- Contract: $2.93m for 45 schools

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Access Control Equipment Procurement

- Method: Interlocal Agreements - Request for Quotes
- Due Diligence: SAISD staff developed standard specifications for equipment and requested quotes from qualified state agency vendors. Lowest qualified bid was recommended to Texas Lock & Door Closure
- Advantages: No professional fees; products meet SAISD standard specifications
- Hard Cost Budget: $2.22m for 68 schools
- Purchase Order: $1.67m for 68 schools

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Technology Equipment Procurement

- Method: Interlocal Agreements - Request for Quotes
- Due Diligence: SAISD staff developed standard specifications for equipment and requested quotes from qualified state agency vendors. No recommendations yet.
- Advantages: No fees; SAISD standard specifications; shorter schedule
- Total Budget: $6.2m

Security Fencing at 7 Schools Procurement

- Method: Interlocal Agreement - Job Order Contracting
- Due Diligence: SAISD staff developed minimum specifications and reviewed qualified state agency JOC vendors for low R.S. Means Coefficient with relevant experience, performance and subcontractor & supplier support. Select Jamail and Smith for a pilot 7 schools project.
- Advantages: No fees; turn-key delivery; SAISD standard specifications; long warranty; low maintenance; faster delivery
- Hard Cost Budget: $775k for 7 schools
- Contract Amount: $718k for 7 schools

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Thank you