

City of Sioux Falls Office Building RFP for Construction Manager at Risk Services  
Proposal Request No. **15-0141**

**Request for Proposals for  
Construction Manager at Risk for a  
City Services Office Building**

**July 24, 2015**

**City of Sioux Falls, South Dakota  
Proposal Request No. 15-0141**

## **Section 1 Advertisement for Proposals**

Publish: July 24 and 31, 2015

RFP 15-0141

The City of Sioux Falls, SD (City), requests proposals for Construction Manager at Risk (CMAR) for a City administration office building.

Proposals shall be received by the Engineering Office located on 1st Floor, City Hall, 224 W. 9th St., P.O. Box 7402, Sioux Falls, SD 57117-7402, not later than 2 p.m., Thursday, August 27, 2015. The proposals will be opened at 2:15 p.m.

The Request for Proposals for CMAR services for the City administration office building is available on the City's website at [www.siouxfalls.org/business](http://www.siouxfalls.org/business).

The City reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the City.

## **Section 2 Selection Schedule**

July 24 and 31, 2015:	RFP and draft AIA 133-page document posted on City's website
August 14, 2015:	Deadline for Proposer's questions for the RFP
August 19, 2015:	City responses to Proposer's questions posted on City's website
August 27, 2015:	Proposals received at City Hall no later than 2 p.m.
September 4, 2015:	Anticipated selection of firms for interviews
September 14–18, 2015:	Anticipated dates of interviews
Late September:	Anticipated limited notice to proceed (subject to City Council's approval)

## **Section 3 Introduction**

The City is seeking a CMAR to provide preconstruction and construction services for the construction of a City administrative office building. These services will be coordinated with an architectural and engineering (A/E) firm. The A/E firm is anticipated to be selected by early August 2015.

The A/E firm and the selected CMAR will be expected to provide maximum effort to complete the project by April 2018.

## **Section 4 Project Overview**

The new administrative office building will be a multidepartment office building focused on citizen services and employee collaboration. The intent is to include the following components:

1. An open, flexible, and functional environment.
2. Incorporation of office design standards that promote employee well-being and ergonomics.
3. Furniture, fixtures, and equipment as approved by the City.
4. LEED certification shall be considered.
5. A minimum of three levels and approximately 15,000 square feet per level.

## **Section 5 Project Delivery System**

The City intends to enter into an open book Cost of the Work plus a Fee with Guaranteed Maximum Price (GMP) contractual arrangement with the selected CMAR for the construction work required, but will retain the option to select a different CMAR after the completion of the preconstruction services or utilize a different selection and/or bidding process if deemed to be in the City's best interest.

## **Section 6 Project Budget**

Delivering the completed project within the project budget is a high priority. It is imperative the City, the A/E firm, and the CMAR team (collectively the "Project Team") work cooperatively and successfully to keep the final cost of the construction within the GMP.

## **Section 7 Construction Manager at Risk Scope of Work**

The following summary is intended to provide a general understanding of the City's expectations and is not all inclusive.

### **Estimated Timeline**

Select A/E	August 2015
Select CMAR	September 2015
Complete schematic design	February 2016
Complete design development	April 2016
Conduct bidding process	May–October 2016
Groundbreaking/Initiate construction	July 2016
Complete construction	April 2018

### **Preconstruction Services and Activities:**

The Preconstruction Services of the CMAR will begin with preparing a cost estimate of the schematic design prepared by the A&E firm. Pending funding authorization by the City Council, the project will proceed to design development and the establishment of the GMP. The CMAR will be expected to actively participate in all design meetings, tours of comparable buildings, constructability reviews, and periodically provide cost estimation during the design process. The CMAR will develop a GMP after the A/E firm completes Design Development (DD) documents in early 2016.

More specifically, the CMAR shall provide the following preconstruction services and activities:

#### *Cost Management:*

- Assist the City and the A/E firm to keep the project within the GMP.
- Provide recommendations to the A/E firm and the City regarding materials, building components, and systems and also evaluate building systems, components, and materials for long-term performance, life-cycle cost analysis, and economy.
- Provide cost control resources for the Project Team during the Schematic Design (SD), DD, and Construction Document (CD) phases of design, which includes reviewing and monitoring the development and preparation of documents to maintain the project cost within the project budget. CMAR to notify the A/E firm and the City of potential cost issues during the development of the drawings and specifications that may have an impact on the cost of the work. Work collaboratively with the City and the A/E firm to develop alternatives to keep the project estimates within the fixed budget.
- Upon completion of the SD package, provide formal review and comments of the SD documents. Following this review, the CMAR shall prepare a schematic phase cost estimate to confirm the scope and budget for the project align. In addition, CMAR to provide value analysis/engineering ideas in conjunction with preparation of the SD estimate.
- Provide formal review, value/analysis engineering ideas and comments, and cost estimates at 60 percent DD documents and 100 percent DD documents.
- Provide a GMP at the conclusion of DD phase. GMP to include pricing of alternates as identified by the owner and A/E.
- The CMAR shall engage mechanical and electrical subcontractors to provide preconstruction support services during the design phases in addition to the CMAR providing such services. If the project does not proceed, these subcontractors shall not be entitled to any compensation.

*Construction Planning and Scheduling:*

- CMAR to work with the City and the A/E firm to develop a schedule for design activities to facilitate the owner's schedule.
- During the SD phase, the CMAR will further develop the project master schedule including integration of A/E firm's design activities, key City activities, preconstruction activities, procurement, construction activities, and work performed by other parties.
- Evaluate all systems, components, and materials for constructability, economy, long-term performance for intended use and schedule impacts, and provide recommendations for preferred options consistent with cost and schedule goals.
- CMAR to identify long lead items requiring early bid packages and recommend issue dates to meet required project schedule.

*LEED Certification:*

- The City will consider LEED certification for the project. Coordinate with the architect to develop efficiency strategies and analyze the benefits of achieving LEED certification.
- Provide effective support and participation as required to achieve this goal.
- Work cooperatively with the Project Team to develop and implement a work plan for meeting the project's LEED certification goals.

*Other:*

- Assist the City in working with various governing authorities as requested.
- Work with the Project Team to carry out an effective project communication plan.

**Construction Phase Services and Activities:**

*Project Management Team:*

- Provide competent, experienced full-time staff, including an experienced construction field superintendent and project management team to coordinate the work, maintain the progress of the subcontractors, coordinate with ongoing activities and operations, and provide overall direction to the project during the construction phase. Establish on-site organization and levels of authority to carry out the overall plans of the construction team.
- Demonstrate high levels of effective and proactive project leadership.
- Work cooperatively and constructively with members of the Project Team to foster positive relationships that support positive outcomes for the team members and the project.

- CMAR will be contractually obligated to not reassign key staff members to other projects without the City's prior written consent. City will have approval rights of any and all new personnel assigned to this project.

*Cost Management:*

- Provide analysis of contingency and project budget updates at 45 percent and at 90 percent CD documents.
- Implement effective cost management control and potential alternatives to provide the City with the opportunity to make such decisions as required to keep the project cost within the fixed budget.
- Implement and maintain cost control methods with "open book" sharing of cost information.
- CMAR to inform the City of pending cost issues within five (5) business days of identifying potential issues.
- Implement and maintain a current log of pending cost issues impacting the final cost of the project and review no less than biweekly with the City.
- Provide drawdown and cash flow projections for the project during construction and update as necessary.
- CMAR should anticipate multiple bid packages from the A/E firm. CMAR to develop a strategy for issuing bid packages to facilitate an efficient construction schedule. The purpose is to utilize this bidding package strategy to gain the most advantageous issuing of documents and to minimize construction duration while allowing the bid packages to be completed efficiently.

*Procurement:*

- CMAR to manage the bidding process, evaluate proposals, and interview subcontractors (along with the A/E firm and the City). Project Team to utilize, by mutual agreement, any of the following methods for awarding contracts to subcontractors for portions of the work: competitive bid, best value, and negotiated terms. For those subcontracts to be awarded on a competitive bid or best-value basis, CMAR to obtain a minimum of three (3) competitive bids for each subtrade category unless otherwise authorized by the City. The CMAR shall interview at a minimum two (2) bidders per bid package with the Project Team. CMAR to provide a written award recommendation to the City.

*Coordination Meetings:*

- Conduct weekly job site meetings that include appropriate subcontractors, City representatives, and the A/E firm's representative to review open issues, schedule work, and resolve pending or upcoming issues. CMAR to prepare a written agenda in advance of each meeting. CMAR to maintain a list of action items with identification of responsible party and due dates for each item. CMAR to distribute written meeting minutes and action item lists within 48 hours of each meeting.

*Schedule Management:*

- CMAR to prepare and manage a logic-based critical path project schedule indicating key milestone events, dates, and responsibilities. Project schedule to include design efforts, preconstruction activities, procurement, and construction activities. CMAR to provide regular monitoring of the actual progress versus the scheduled progress, identify any variances, and prepare a written action plan along with an updated schedule to maintain the scheduled completion dates.
- CMAR to determine the adequacy of the subcontractors' personnel and equipment and the availability of materials and supplies to meet the schedule and report to the Project Team no less than weekly.
- CMAR to prepare a short-term (three- to four-week look-ahead) schedule on a weekly basis.
- Coordinate City-purchased and/or third-party provided furniture, fixtures, and equipment with construction of the project.

*Project Reporting:*

- CMAR to prepare a monthly report detailing buyout to schedule, value analysis, contingency status, project schedule, and project progress commentary with applicable job site photos. Provide other formal communications as requested by the City.

*Quality Management:*

- CMAR to complete a review of each bid package regarding quality, coordination, and constructability prior to issuing bid documents to subcontractors.
- Complete construction of the work in strict accordance with the quality requirements established by the contract documents.
- All testing and independent inspection services required will be secured and paid for by the City. CMAR to cooperate and coordinate with testing and inspection service agencies. CMAR will be responsible for the cost of additional testing due to failed tests.
- CMAR to develop an initial punch list for subcontractors prior to formal punch list issued by the A/E firm. CMAR to ensure completion of initial punch list prior to the A/E firm's punch list walk through.
- Work cooperatively with the Project Team to develop and implement an effective commissioning plan.

*Safety:*

- Implement a formal project safety plan.

*Project Closeout:*

- Provide timely submission of operation/maintenance manuals, completed punch lists, coordination of training, submission of as-built field documents, and financial close out of project. CMAR to actively support and participate in commissioning activities.

## **Section 8 Form of Owner/Construction Manager at Risk Agreements**

The City will post in draft form both the AIA Document A133-2009, Standard Form Agreement between Owner and Construction Manager as Constructor, as amended, on the City's website per the Selection Schedule in Section 2 of this RFP.

The City intends to enter into the AIA Document A133-2009, Standard Form of Agreement between Owner and Construction Manager as Constructor, as amended, with the successful firm. AIA Document A201–2007 General Conditions of the Contract for Construction, as amended, with added supplementary conditions will also govern the parties and both documents will form the basis of the Agreement between the Owner and CMAR (hereinafter "Owner/Construction Manager Agreement").

This RFP will be superseded by the Owner/Construction Manager Agreement and its related contract documents.

Please note in the RFP response any revisions, including comments, objections, exceptions, additions and/or deletions to the AIA Documents that will be posted on the City's website, as amended, that your firm would have for this project. Final terms to be negotiated during the contract negotiation phase.

## **Section 9 Submittal Requirements**

Submit ten (10) paper copies and an electronic PDF version of the proposal. The proposals should be in an 8 1/2-inch by 11-inch bound package. 11-inch by 17-inch size sheets folded into 8 1/2-inch by 11-inch size within the package are acceptable. The proposal should be limited to 15 pages (one-sided) including pictures with a font size no smaller than 11 point.

The submittal must contain the following information:

1. **Cover Letter:** Provide name and address of the firm(s) and project contact person with address, telephone number, and email address. Acknowledge receipt of any addenda if applicable. Summarize your understanding of the project scope and services being required. Provide a statement indicating your ability to provide timely services for this project and to meet the requirements of the proposed schedule. Indicate your acceptance of the requirements of this RFP including the referenced Owner/Contractor Agreement documents. Provide a one-page summary of the benefits you believe the Owner would receive from selecting your firm.

The cover letter must be signed by a duly authorized official of the firm. Consortiums, joint ventures, or teams submitting proposals must establish contractual responsibility solely with one company or one legal entity. Each submittal should indicate the entity responsible for execution on behalf of the Project Team.

**2. Project Team:**

- a. Include an organizational chart showing your proposed staff for both the preconstruction and construction phases of the project. Specifically identify project executive, project manager, and on-site day-to-day project superintendent for the construction phase, the availability of each person during the term of the project, and their history of working together on previous projects. Indicate experience of key team members working together on past similar projects.
- b. Provide résumés or a listing of information for each person included in your proposed project team. State the educational background of each individual, years of experience, length of employment with your firm, and previous project experience. For each person, list specific responsibilities on this project, experience on projects of similar sizes and types, specific qualifications applicable to this project, and current work assignments and availability for this project.
- c. List other assignments your project manager will be handling during the period of assignment to the project.
- d. For the project manager, superintendent, and other “key” staff members proposed, provide client references from three of their most recent projects and three architect/engineer references (contact person and telephone number).

**3. Project Approach and Management Capabilities:** Provide a description of your project approach and management capabilities as it relates to the following areas:

- a. Commitment to building positive team working relationships.
- b. Preconstruction services. Describe your firm’s approach to preconstruction services. Provide an estimate of the number of total anticipated hours for the assigned personnel prior to the City’s acceptance of the GMP.
- c. Cost management. Describe the level of detail included in your cost estimates as various phases of design. Describe three examples that demonstrate your firm’s creativity in value analysis/engineering and constructability reviews.
- d. Building Information Modeling (BIM). Describe the extent your firm anticipates utilizing BIM.

- e. Describe your change management process and reporting during construction.
  - f. Submit a preliminary overall project schedule for the key activities from the date of the notice to proceed through project construction.
  - g. Provide examples of your firm's ability to manage fast-track schedules with examples of quality control procedures, staffing, and reporting.
  - h. **Safety:** Provide your firm's approach to managing safety on construction projects. Also include an overview of your company's recent safety record and your company's experience modification rate (EMR) for the last three (3) years.
  - i. Provide your firm's approach to quality control.
4. **Relevant Project Experience:** Describe two (2), similar projects in size and scope constructed within the past ten (10) years. Provide information on each project to allow the Technical Review Committee to adequately evaluate project performance. Indicate for each project the following minimum information:
- a. Name of project, location, and construction date.
  - b. Name of project manager and superintendent responsible for project.
  - c. Initial GMP versus final project cost.
  - d. Type of service and contractual relationship (general contractor, design build, construction manager at risk, etc.). Identify point in the design and/or construction process a construction contract was executed.
  - e. Preconstruction services provided.
  - f. Indicate the extent of commissioning, if any.
  - g. Client and architect contact information. Include phone number and email address.

Proposers may provide preprinted brochures or other literature you feel will be helpful in understanding your firm's unique capabilities and experience. Do not include this material in the body of your proposal.

5. **Statement of Financial Strength/Stability and Insurance Coverage.** Provide the following information about your firm:
- a. Name and contact of your firm's surety and description of bonding capacity available. Additionally, provide a statement from a surety company authorized to do business in South Dakota indicating the firm(s) ability to obtain a

performance and payment bond in the amount of not less than 100 percent of the cost of the project.

- b. Name of firm's insurance carriers and a description of insurance coverage.
  - c. Name and contact information for firm's primary financial institution.
6. **Special Resources:** A description of special resources or capabilities your firm could employ on the project, which would enhance the value your firm would bring to the project.

Describe what steps your firm has taken during recent years to be innovative and progressive in the development of your firm and state how these activities serve your clients.

7. **CMAR Agreement:**

Clearly indicate any objections or revisions your firm has with the Owner/Construction Manager Agreement, which is attached to this RFP and submit with your proposal. All exceptions must be specific to evaluate the proposal and the cost implications of the exception (if any). Where exceptions are taken, the City shall determine the acceptability of the proposed exceptions or negotiate an acceptable alternative. All contract provisions will be deemed accepted unless otherwise noted in your proposal.

8. **Acknowledgement and Certification Statements:**

- a. Certify that your Response to RFP will remain in effect for 60 days.
- b. Certify that all representations stated in the Response to RFP are true and accurate.
- c. Acknowledge that all materials submitted in the Response to RFP will become property of the City.
- d. Acknowledge that all costs associated with preparation of the Response to RFP will be the responsibility of the proposing CMAR.

**CMAR's fee shall be delivered in a separate sealed envelope labeled with your firm's name along with the proposal. The General Conditions Worksheet and Questionnaire will be required of short-listed firms to be delivered to the Technical Review Committee at the interview in a sealed envelope labeled with your firm's name.**

## **Section 10 Questions and Addenda**

Questions regarding this RFP shall be submitted in writing to Scott Rust, Purchasing Manager at the City of Sioux Falls, 224 West Ninth Street, P.O. Box 7402, Sioux Falls,

SD 57117-7402. Email questions related to this RFP no later than 5 p.m. on the date indicated in Section 2 of this RFP to Scott Rust at [srust@siouxfalls.org](mailto:srust@siouxfalls.org) at the City of Sioux Falls.

Responses to questions will be issued to all firms. Short-listed firms will be interviewed on the dates indicated in Section 2 of this RFP. Order of interviews will be in alphabetical order by firm name. The Technical Review Committee shall invite at least two, but no more than four, CMAR firms deemed most qualified for interviews. If deemed necessary, addenda to the RFP will be issued and posted on the City's website at [www.siouxfalls.org/business](http://www.siouxfalls.org/business). No addenda will be issued after 5 p.m. on the date indicated in Section 2 of the RFP.

Responding firms are prohibited from communicating in any other manner about this project with any other City employee or any member of the A/E's firm. Other means of communications or contact may disqualify the submitting firm.

### **Section 11 Review of Proposals and Selection of Finalists for Interviews**

To be considered for the short list selection, the firm must demonstrate the ability to provide a performance and payment bond in the amount of the GMP as described in Section 9.5.a.

Upon receipt of the proposals, the Technical Review Committee will determine a short list of no more than four firms whose proposals are deemed most qualified based on the following criteria:

1. Firm background and applicable experience (30 percent).
2. Project approach and management capabilities (70 percent).

The short list of those firms deemed most qualified will be invited to participate in an interview. The City of Sioux Falls reserves the right to reject any or all proposals and issue subsequent Requests for Proposals.

### **Section 12 Interviews**

The order of interviews will be determined by the Technical Review Committee. The interview will consist of up to a 50-minute presentation by the CMAR, a question-and-answer session, and a five-minute wrap-up. The proposed key project personnel must participate in the interview. Only project personnel who will have an active key role in the project should participate in the interview.

Interviewed firms will be requested to provide detailed information on their fee and general conditions. The requested information will be required to be submitted two days prior to the scheduled interview time.

### **Section 13 Selection Criteria**

The Technical Review Committee will rely on the qualitative information contained and presented in the proposals, interviews, and reference checks in making the decision to select the most qualified firm to provide services for this project. Selection criteria will be based on:

1. Experience, qualifications, and availability of proposed team leaders (45 percent).
2. Broader team structure (5 percent).
3. History of project team working together on similar projects (5 percent).
4. Technical work process (10 percent).
5. Proposal, interview, and response (10 percent).
6. General Conditions and fee (25 percent).

Upon completion of the interviews, the firms will be ranked. Unless all proposals are rejected, the City will commence negotiations of a fee for services with the highest ranking firm. If an agreement for services cannot be reached with the highest ranked firm, the City will move to the second ranked firm. The same process will be repeated with the other ranked firms if no such agreement can be reached. Upon successful negotiations with a firm, the City may enter into a contract with the selected firm. The City reserves the right to not select a firm as part of this process if an agreement cannot be reached with the interviewed firms.

Acceptance of a proposal shall be by written notice to the construction manager submitting the accepted proposal and by simultaneously notifying in writing the other construction managers that their proposals were not accepted.

### **Section 14 Registry of Proposals**

Excluding proprietary information, the proposal and the professional service contract of the CMAR awarded the contract are deemed public records and shall be available to the public upon request. In addition, the City shall maintain a "Register of Proposals for a Professional Service Contract," which shall contain the names of firms who submitted a proposal and the name of the firm who was awarded the contract; however, the proposals of the submitting firms not awarded the contract are nonpublic records and will remain confidential.

**CMAR Worksheet and Questionnaire**

<b>CMAR Fee</b>	
<b>Preconstruction Lump Sum Fee (management staff time, overhead, and profit beginning at the time of contract award and ending at the time of the GMP).</b>	\$
Percent of lump sum through schematic design	%
Percent of lump sum through GMP	%
<b>Percentage of Cost of the Work (Beginning at GMP through project completion. The percentage will be converted to fixed fee at time of GMP).</b>	%
<b>Please define what is included in your CMAR fee vs. Cost of Work.</b>	

**Not to Exceed CMAR Management Staff General Conditions**

Management Staff General Conditions:

Based on the schedule outlined in the RFP, provide a not-to-exceed price for staff-related general conditions beginning at the time of the GMP through project completion. Price to include home office staff and on-site management including all necessary staff general conditions such as benefits, bonuses, vacation time, personal time off, cell phone, mileage, per diem, relocation, etc. Price to include office trailer including copiers, furniture, computers, phones, radios, office supplies, etc. Please provide detailed buildup of your price quote.

Do NOT include project general conditions such a utilities, dumpsters, temporary toilets, safety equipment, hoisting, snow removal, periodic and final clean, etc., as they are intended to be reimbursed at actual cost without profit markup.

**Reimbursable General Condition Costs** Full insurance package expressed in dollars per \$1,000 of construction costs. (Include type and limits of coverage.)  
 Performance bond.  
 Please include 2016 equipment rental rate schedule.

\$
%

**Provide the following:**

1. Bonding Information
  - a. Bonding rate
  - b. Total bonding line
  - c. Bonding line available
  - d. Surety provider
  - e. Surety agent (reference contact)
2. Confirmation that your firm will have General Condition's percent mark-up on change orders using the General Conditions percent at time of GMP.
3. Willingness to forgo CMAR fee on change orders within 5 percent of GMP.
4. Labor-burden rate for general conditions field labor (straight time and overtime).

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5. Small tools: percent of field labor.
6. Equipment rental rate structure (owned and third-party rentals). Willingness to cap rental costs at no more than purchase price. Willingness to discount from AED rates.
7. Confirmation that your firm will have an open bid/open book policy with the City on all aspects of the project including providing subcontractor buy out costs vs. line item estimates carried in the GMP.
8. Acknowledgement that your firm is willing to return buy out savings, reduce construction contingency incrementally during construction rather than at end of project.
9. Recommended Contractor Contingency by Design Phase (percent of construction cost).
10. Recommended inflation factor to be included within GMP.
11. Recommended Owner Contingency (percent of construction cost).