

MEETING MINUTES
Quality in Construction
May 8, 2013

Preparer's note: Items highlighted in yellow indicate possible action items.

I. Construction Manager/General Manager (CM/GC) Focus Group
Presentation by Chairman Allan Cox
Presentation attached

A. Preconstruction services prior to SBC approval

Recommend that project management consultant provide preconstruction services to be paid from current planning funds rather than using a GC to provide the preconstruction services.

1. Ed Baldwin – If preconstruction services needed quickly, GC should be able to compete for work due to the State's short timeline.
2. Peter Heimbach – We can hire a contractor prior to full project (construction funding) approval. If preconstruction services are needed for a specific project, STREAM uses operating funds until the SBC approves the project and capital funds are available. It can't use operating funds for bidding or construction.
3. Michelle Crowder – UT typically uses campus consultants instead of GCs. The consultants prepare construction cost estimates for preplanning purposes. They often use CM on large projects.
4. Peter Heimbach – For limited preplanning services, STREAM typically will not hire a GC. On the Library and Archives project the designer had a cost consultant.

B. Preconstruction services after SBC approval

A spreadsheet of preconstruction services fees, as a percentage of the total project budget, was reviewed. Alan needs to get feedback from his committee on this preconstruction services fee before bringing it to QIC as a recommendation, including all options he presented today.

Recommendations:

- The State pays preconstruction fees up front based on a percentage of project cost.
 - That RFPs state preconstruction fee paid for project.
1. Peter Heimbach – Little value to Owner if just starts at CDs. If services are not bid but negotiated, proposers could either turn in their fees in a separate envelope with the apparent best and responsible proposer's fee being opened after a review of all the qualifications package ranking the best proposer, or begin negotiations with the State based on the preset fee schedule.
 2. Peter Heimbach – We could use a fee schedule as a high water mark where the Owner could negotiate down from there versus a proposed fee in a sealed envelope. We could negotiate

preconstruction fees but general conditions and costs would need to be submitted in separate envelopes.

3. Peter Heimbach – The State would like to see the industry recommend as an alternative proposal that the State negotiate preconstruction fees as opposed to adopting a set fee schedule.
 4. Peter Heimbach – There would be two separate envelopes: construction costs and professional services, the latter of which would be negotiated after the best proposer evaluation.
 5. Bob Oglesby – If you have a negotiated fee versus a fee schedule, there will have to be justification presented for the fees charged.
 6. Peter Heimbach – The State could start with the fee schedule and negotiate, or it could start with the successful CM/GC proposer and negotiate.
 7. Alan Cox – What the Committee is most interested in is that the State does not bid the preconstruction services.
 8. Peter Heimbach – A negotiated fee is preferable at this point, since, in the industry there is not as much clarity on the scope of preconstruction services as there is on the scope definition of, for instance, architect and engineering fees. If that scope definition in the future becomes more clearly defined in the industry, the State could then move to a fee schedule.
- C. RFP process streamlining
1. Lisa Namie – Currently it is about a three month timeline for selection of a CM/GC. The designers should consider this within their own scope's project schedule.
 2. Lynelle Jensen – The RFP should go out early so it is ready when needed without delaying the designer. About ten days after SBC approval the designer contract is signed, and about three months after that point the best evaluated CM is decided. The next SBC meeting after this point approves the CM/GC.
 3. Don Miller – We need that person identified as soon as possible in the design process.
 4. Lynelle Jensen – STREAM's heavy workload is between Budget approval and July.
 5. It would be better to spread it out. The preplanning JLL does put us in better shape than we would otherwise be.
 6. We need SBC approval of: project, designer, and then alternative delivery method (ADM) and best evaluated proposer.
 7. Lynelle Jensen – We need ability to get approval of the alternative delivery method with project approval so we can do contractor selection with designer selection.

8. Bob Oglesby – Approval of ADM by OSA and not SBC is not a foregone conclusion. SPAs should start asking for approval of the project’s use of an alternative delivery method with the selection of the contractor and the selection of designer.

D. Cost Proposal Evaluation Process

Recommendation – State should consider hiring a third party advisor who reviews inconsistencies in proposals so the review committee can contact best proposer for needed clarifications, such as if bond costs are left out.

1. Allan Cox – Suggests State ask for two sealed envelopes: one for preconstruction and one for construction.
2. Lynelle Jensen – The State can allow cost proposals to be withdrawn, but not modified. If cost left out, the contractor can provide the item, but not get paid for it, or it can withdraw cost proposal. STREAM looks to be sure all lines are complete and gives the bidder a chance to withdraw.
3. Allan Cox – STREAM is unique in that regard.
4. OSA – Check with UT and TBR on what they are doing as far as evaluating completeness and validity of information submitted.

E. Comments on streamlining the RFP/RFQ process

Recommendation – The mandatory information required in Section A should be requested by the State once or twice a year and not with every proposal. OSA could have a CM/GC registration to take mandatory requirements Part A out of submittal but still keep certain items applicable for any delivery method.

1. Lynelle Jensen – Likes the idea.
2. Peter Heimbach – That is similar to what we do with designers, but we are told in feedback that contractors’ information can change daily.
3. Does OSA want contractor registration?
4. Ed Baldwin – There could be a box on the proposal form that the contractor checks to say that the information has been submitted and/or updated.
5. Peter Heimbach – Would all mandatory information be taken out of RFP?
6. Ed Baldwin – Would leave in letter of transmittal level of CM/GC experience (percentage required) and contact person’s name.
7. OSA to budget for this contractor registration form to be developed.

Recommendation – that the questions in Part B, Qualifications and Experience, be more specific regarding requirements for the project.

1. Lisa Namie – The pre-proposal conference should be mandatory, and if work is associated with an existing building, held at the project site.
2. Peter Heimbach – We are trying to not make pre-proposal conferences mandatory on every project. We are told by the Comptroller's office that we limit competition by making it mandatory. It is discretionary with the SPAs but we have to justify it.
3. Trey Wheeler – Very beneficial on renovations.
4. Bob Oglesby – It levels the playing field if it is required on site so all bidders have access to same information.
5. The designer needs to be more involved in the RFP/RFQ process. A faculty advisor may not focus on the cost proposal as much as the qualifications, and that is not necessarily a bad thing.
6. The designer is not privy to the general conditions, but should be.
7. Allan Cox – There should be scoring guidelines for evaluators.
8. Lisa Namie – I would question an administrative evaluator looking at bids but not reviewing qualifications.
9. Peter Heimbach – They do not do that. STREAM has one individual with selection process oversight in addition to the project evaluators. The project coordinator reviews it and then the whole recommendation is subsequently signed off by their boss.
10. Lynelle Jensen – Scoring is subjective, and different evaluators bring different experiences to the table. We try to have multiple evaluators, from three to five, to even everything out.
11. Peter Heimbach – State can negotiate costs down but not up, so cost items not filled in are confirmed to either be included or if not, the proposer usually withdraws.
12. Dick Tracy – The problem is not just each evaluator's scoring value but also where does the evaluator start their scoring at - a C level or an A level. The evaluator scoring is less of a problem as long as each evaluator scores each proposer on the same scale. There is also an issue about where do you start coaching evaluators on how to score, such as should they start at level C or at A? TBR often uses seven or more evaluators to even everything out. We allow evaluators to adjust their scores to get into the range of other evaluators, but not to change their scores against each other internally. Evaluators are also given a chance to adjust their scores so their scores aren't thrown out if too high or too low compared to the others and they all fall within a similar range.
13. Peter Heimbach – Maybe they could score on a curve to equalize scoring discrepancies.

14. Don Miller – How to select good evaluators is very important.
15. Dick Tracy – We won't use an evaluator who repeatedly doesn't do a good job. They also ask each evaluator before they start if they don't think they can perform well then TBR will replace them. If we perceive that an evaluator did not do their job right, perhaps because of some grudge against the contractor, we throw out the evaluation and then you have a wasted effort. We look at the evaluators to see if they are doing their job, and can tell if they have the same scoring across the line, while other evaluators have a range of scores.
16. Chris Remke – The question is how to balance an evaluator team so the whole team works well together and not one sided by having all similar evaluators. It is good to have a facilities person to balance central office people. Good balance on the committee rather than simply expertise is good.
17. Peter Heimbach – STREAM typically has three evaluators. One is from STREAM, one is staff from the User Agency, and one typically has more specific understanding of selection needs.
18. Michelle Crowder – UT tries to balance the evaluators also.
19. Dick Tracy – TBR tries to have someone from our office with construction knowledge, a project manager, campus facilities person, campus planning person, a campus department entity, and then others up to maybe seven.
20. Page Inman – An outside, non-voting advisor is critical since for instance, a faculty member has a specific viewpoint, but maybe a difficult time on the specifics of the proposal. An advisor helps with this.
21. Dick Tracy – The administrative evaluator is just one person, but they are usually pretty fair. They focus on how well they answered the question, based on content presented only and not previous experience. Ninety percent of the proposers are the same, and they may be proposing on multiple projects, so mistakes are made.
22. Bob Oglesby – My office has now provided a list of outside advisors on the OSA website which can be used at the SPA's discretion.
23. OSA still needs help getting contact information on this list.

F. RFP Subcategories

1. Alan Cox – It is preferred that a large number of smaller categories be grouped together for collective point scoring.
2. Lisa Namie – Why is the category for personnel proposed on the project only worth two points, but other work experience is six points? Should listing more state projects by the firm hurt or help in the evaluation?
3. Peter Heimbach – STREAM is moving away from detailed scoring.

4. Designers need to see the proposed time and the team proposed to spend in the preconstruction phase.
5. Designers need to see how each proposer will address the major design disciplines. This needs to be clarified, since designers get a lot of calls on this question.
6. Current list of projects – does contractor list all of them and look too busy to do the job, or not list them all and hope that is a good sign to the evaluators? What do the SPAs want?
7. Alan Robertson – What is the basis for asking for volume of work?
8. Trey Wheeler – Can the question ask if the proposer has adequate manpower to do the job only?
9. Bob Oglesby – All proposers will say that they do.
10. Dick Tracy – It doesn't matter. What matters is do you have similar work and/or do you have capacity to do the project. What TBR really wants is similar work and how recent it was, and who will be on their project.
11. Peter Heimbach – STREAM doesn't ask for listing of other projects on designer evaluations anymore.
12. Dick Tracy – Neither does TBR. We still have to ask this question per SBC policy. OSA needs to ask for a revision of policy in this area.
13. Peter Heimbach – Maybe we could ask average workload and current workload so we can compare the two.
14. Dick Tracy – TBR doesn't care about that.
15. Lynelle Jensen – When reviewing for DB, STREAM cares if this is your first DB project, or the percentage of your current projects that are DB.
16. Ask SPAs to address selection process questions, etc. in their requirements.
17. Evaluators don't need to focus on the extraneous material, but get to the important information.
18. Chris Remke – Need to get “busy work” questions out of the process.
19. Bob Oglesby – Yes, that is our mutual goal.
20. Lynelle Jensen – More interested in asking if this is your first DB or CM project.
21. Bob Oglesby – The State has an opportunity to revise the questions being asked in selection process and needs a recommendation from the CM/GC focus group.

22. Page Inman – Section B.4e no scoring on relevant projects in geographic area of project work, not a heavy weighted item but is of value, such as knowledge of subs, code officials, etc. There is no scoring of geographically relevant projects and there should be. That tells if the contractor has local knowledge of subs, code officials, etc. If a project is within a twenty mile radius of the project, that is relevant.
23. Dick Tracy – TBR might want to see a two hundred fifty mile radius but not twenty.
24. Lisa Namie – A local CM will know and get better performance out of local subs than one from out of town.
25. Dick Tracy – That is not necessarily true. Some contractors do national work and have a network in various markets. This hasn't been an issue.
26. We need page limitations on the responses.
27. Allan Cox – C.1 and B.1 should have page limitation. B.2d – Why are we asking for total monthly personnel expense for all key personnel?
28. Stan Hardaway – Don't think this contractor information should be made public.
29. Dick Tracy – When you start analyzing costs, find out how many people and what percentages they are involved and who contributes. You can see how much a superintendent is involved or senior level. It is helpful when looking at preconstruction services what they propose versus their fee. Not sure it is of tremendous value, but it can validate if all the numbers line up.

II. State Fire Marshal's Office Presentation
Chris Bainbridge, Al Hancock and Danny Peck
Presentation Attached

A. Submitting Plans for Multiple Building Projects

Our current system is set up for one building project. We are discussing system changes to allow multiple building plan submissions versus breaking projects into separate plans for each building. These changes take time and money.

Proposed Interim Solution

1. Call the SFM and give details of the project.
2. If separate Certificates of Occupancy are needed by building or floor, then submit contract documents separately. The (estimated) construction cost for the building is not critical as long as the total is correct. T3 was submitted by floors with plans submitted separately within one whole package. This was coordinated with FMO ahead of time.

3. The submittal for each building will give us certain required information such as the building location. Each form takes about five to ten minutes to complete. Plan submittal forms are available on the FMO website.
 4. One set of plans for the entire project is uploaded with the first submittal.
 5. Each building will have its own fee, and will get a specific project and TFM number, with examiner review comments.
 6. We will review and approve construction documents collectively.
 7. The OSA will post on its website the interim information for this process.
 8. One plan can be submitted for multiple buildings across the state but this will be further broken down to a submittal per each building.
- B. We have worked to reduce our turn-around time and are down to about seven to eight days for the first response. Average time for response from January 2012 was twelve to fifteen days.
- C. Our portal has been helpful. Submittal is more streamlined than mail submittal, and most plans are now submitted through the portal rather than mail. Ninety two percent are submitted through the portal now.
- D. Department of Health electronic review – looking back on FMO process had Governor’s support and funding. Department of Health doesn’t have funding support at this time.
1. Don Miller – I understand they are trying to add a funding request in next budget cycle.
- E. Bob Oglesby inquired about early design review process.
1. Chris Remke – Give it a name like schematic design review to discuss critical elements.
 2. Chris Bainbridge said that a Schematic Design meeting can be held which allows SFM to catch things early on rather than in the back end of the process when they take more money to address. The SFM will conduct a schematic design review meeting if needed.
- F. Chris Bainbridge asked that designers access the SFM website for “occupancy requirements”.
1. This is what the examiners use to review the plans.
 2. It helps save time if they are visibly shown on the drawings.
 3. Ask designers to review SFM checklist for occupancy as part of designer manual process.
- G. Lisa Namie – Is there a way to shorten the turnaround by the SFMO once the designer submits their response to the evaluation comments?

1. Chris Bainbridge - SFM sometimes reviews projects out of order. Call the person who started the review and say you would really like to get started on the project. If there is not a tremendous amount of things to correct, they can maybe take it out of line and review it. Call the SFM at (615) 532-5842.

H. SFM is open to present to the PMs of SPAs upon request.

III. Design/Bid/Build (D/B/B) Focus Group Presentation by Chairman Stan Hardaway Handout Attached

- A. D/B/B is an established and vetted delivery method, so not much to report as needing to be changed.

Two policy change recommendations (handout attached)

- Asking for changes to be provided not less than three days in advance of the bidding date, provided the questions for interpretation of the documents are made not less than five days prior to the bid date not two and four days.
 - Have all bidders be informed of such substitution and relevant information pertaining to such.
1. Peter Heimbach – Item 2 expresses the intent of the current policy.
 2. Peter Heimbach – Concerning Item 1 – Current statute provides for two and four days but the current policy says three and six days.
 3. Dick Tracy – TBR will postpone the bid date if the change is substantive.
 4. Larry Hart – All substitutions need to be in an addendum, so there might not be enough time to re-issue.
 5. SPAs and Bob Oglesby – Yes, these must be issued through addenda.
 6. Ed Baldwin – Are these considered calendar days or business days?
 7. Bill Young – Calendar days is in the statute.
 8. Recommendation was made for the days in the policy be business days and not calendar days.
 9. General consensus was that calendar days are required by statute.
 10. Stan Hardaway – They are requesting business days because most bids are Tuesday thru Thursday.

11. Peter Heimbach and Dick Tracy – most State projects are bid in the Tuesday through Thursday window, so this should not be a problem. As long as the policy is more restrictive then we can change it without statute revision.
12. State – This needs to be kept at calendar days.
13. Andy Sneed – Subs are guilty of not looking at addenda so more time is needed.

**IV. Design/Build (D/B) Focus Group
Presentation by Chairman Chris Remke**

- A. Chris Remke – It was anticipated that the State could use a bridging consultant for either D/B-1 or D/B-2.
- B. Chris Remke – Lynelle Jensen’s proposed D/B-1 list resulted in one project being removed from the list.
 1. Lynelle Jensen – Feels the list has been established with three projects removed from the D/B list.
 2. Lynelle Jensen – The historic Clover Bottom Mansion project did not include any historic scope. The scope includes landscaping and swapping out finishes at Clover Bottom Mansion.
 3. Lynelle Jensen – We anticipate using consultants to prepare bridging docs, etc.
 4. Lynelle Jensen – STREAM typically outsource bridging services.
 5. It was noted that the D/B-1 list of projects will be updated and republished.
- C. The focus group committee has not accomplished any work in reviewing the T3 D/B-1 contract.
 1. Bob Oglesby – Yes, we would like input on the T3 edited contract.
 2. Candy Toler – ACEC needs more time on receiving contract feedback. She will coordinate with Bob Oglesby when comments are received.
 3. Trey Wheeler – AIA will get their comments back to OSA this week.
 4. Chris Remke – Our focus group will respond back soon.
- D. Overview of presentation by Design Build Institute of America (DBIA).
 1. Chris Remke – DBIA presented to our focus group. Their membership is comprised of about 50% architects and the rest industry reps.
 2. Chris has DBIA PowerPoint – will get to OSA for distribution to QIC members and inclusion on the OSA website.

3. The input received by the focus group on D/B covered both extremes on its use as a project delivery method and its possible use by the State beyond D/B-1.
4. The focus group understands that alternative delivery methods are on the rise in the marketplace and are being endorsed by governments and industry. We really desired to understand what is going on in the marketplace and tried to understand the benefits.
5. The focus group desired to further its education on the subject by asking DBIA to make a presentation. DBIA brought individuals who were local, from Alabama, and from the national office, and they presented a PowerPoint presentation which is available.
 - a. Forty five states have approved D/B for State projects.
 - b. DBIA listed the five states with D/B best practices, including Arizona, Colorado, Virginia, Florida, and Minnesota.
 - c. The selection process in Arizona appears similar to Tennessee.
 - d. We want to gather information from all five of those states and disseminate it for the entire task force's review.
 - e. The focus group wants to research how the five states do the selection process.
 - f. Need to review TN licensure laws regarding organization of D/B team.
 - g. Seems like maybe more of a team process, but will validate this with these five states.
 - h. Seventy percent of federal projects and forty percent of all projects in the industry are D/B. Other states have done white papers also.
 - i. DBIA definitely promoting a more integrated approach than what TN now allows. DBIA likes to talk about an integrated team concept, rather than one team member holding the contracts and having a sub relationship with the other team members.
 - j. If D/B in Tennessee is going to be more widely accepted and used by the State, professionalism of all involved is going to be required. This will take a lot of energy to address this. In Tennessee, we do not have good previous and relevant D/B experience.
6. Trey Wheeler – There will need to be a cultural change, and changes in statutes and SBC policy for it to be more widely used by the State.
7. Ed Baldwin – I was part of Colorado moving to use D/B fifteen years ago and can help. Based on experience in Colorado, we would need to start with the standard form D/B contracts, such as AIA, DBIA, AGC, etc. and then change them some. The documents are more widely accepted if they are stripped of the organizational information.

8. OSA's Angela Scott – to verify with Chris when he will get the D/B comments back so OSA's Ted Hayden can adjust the D/B contact revision calendar if needed.
9. Trey Wheeler – Yes, cultural change – most likely policy, statute and licensure law changes to really allow this kind of D/B entity we are now describing to exist in TN.
10. Ted Hayden – If there is to be success in further implementing D/B, everyone is going to have to move past the colloquialisms to the true substance, and truly try to see all perspectives, and address all concerns, in the process of trying to determine what is in the State's and the industry's best interest.
11. Ed Baldwin – If we can come to an agreement on an AGC/AIA/DBIA agreement we would be a long way down the road. Taking away associations names on that document will help.
12. Dhan James – AGC is interested in achieving consensus among this team effort and will offer its support for education.
13. Chris Remke – Compare and find what is unique to D/B over CM etc.
14. Peter Heimbach – Yes, D/B and CM are very similar, except for contract, and separation of fiduciary responsibilities.
15. Ted Hayden – Two versus one is a very critical point.

V. OSA Contract Revision Project
Bob Oglesby – Small Projects

- A. Bob Oglesby addressed the generalities and the specifics of the State's project being spearheaded by the OSA to revise all construction program contracts and documents. Included was a discussion of the allocation of responsibility for the various documents and the projected order and the scheduling of the various components of the project.
 1. Peter Heimbach – Bundling multiple projects with similar scope will help in alleviating some burden on the designer fee.
 2. Information should flow down to the focus groups and back from focus groups to the State.
 3. OSA – Send out email with small projects charge.
 4. It was noted that Jay Hosay has offered to be chairman for the Best Value focus group. He is in need of members and would like you to contact him if you are interested.
 5. BV needs members.

Quality In Construction

May 8, 2013
Nashville, Tennessee

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Outstanding Items

Construction Manager/General Contractor (CM/GC) Focus Group

Preconstruction services prior to SBC funding approval:

- Consider using project management services consultant to provide pre-planning, programming and budgeting - no perceived conflict of interest
- Select from a pool of prequalified General Contractors – this could be perceived as giving this firm an edge if project becomes a reality and GC is allowed to pursue
- **Recommendation** – Use project management services consultant paid from current planning funds

Preconstruction services after SBC funding approval:

- Preconstruction fees are very small percentage of total project cost
- Preconstruction services sets the tone for the success of the project
- Preconstruction fees currently being proposed do not correspond to the level of preconstruction services the project requires/deserves and that the clients are willing to pay

- Bob Oglesby asked Allan Cox to get feedback on the numbers presented:

Project Value	\$10,000,000	\$20,000,000	\$50,000,000	\$100,000,000
Preconstruction Fee	\$40,000	\$70,000	\$125,000	\$200,000
Percent of Project Cost	0.40%	0.35%	0.25%	0.20%

Full Precon Services	\$40,000	\$70,000	\$125,000	\$200,000
Precon starting at DD	\$26,667	\$46,667	\$83,333	\$133,333
Precon starting at CD	\$13,333	\$23,333	\$41,667	\$66,667

- Recommendation:** Establish the preconstruction fee based upon percentage of the project's cost and design phase at which the CM will become involved
- Recommendation:** State in the RFP the preconstruction fee amount that will be paid for the specific project and include it on the Cost Proposal form

Cost Proposal Evaluation Process

- Evaluators only look at the bottom line of cost proposal form
- This is done with no regard to:
 - Checking if all costs items requested are included – multiple instances of not including bond costs
 - Checking if staffing levels match the percentage of staff involvement as presented in the qualifications section – half time Project Manager in the cost proposal and full time in the qualifications
- **Recommendation:** Have independent third party advisor from the construction community familiar with the state procurement process assist the review committee to identify these inconsistencies. This would allow the review committee the opportunity to contact the responding company for clarification.

Comments on Streamlining the RFP/RFQ Process

Initial comments and thoughts:

Section A – Mandatory Requirements

- Typical SPA RFQ's ask the same generic questions in Section A:
 - Letter from Insurance company
 - Form of Business
 - Mergers & acquisitions
 - Quick Ratio
 - Annual volume in last 5 years, what percentage CM/GC
 - Pending litigation
 - Bankruptcy in last 10 years
 - Conflict of interest
 - Convicted of felony

Comments on Streamlining the RFP/RFQ Process

Section A – Mandatory Requirements (cont.)

- **Recommendation:** State requests this information from potential CM/GC's once or twice a year and electronically file it in a location accessible to all SPA's for review as necessary during their evaluation process. CM/GC's would be responsible to provide updates if they occur between State requested updates.
- Items to keep in Section A
 - Letter of Transmittal
 - Provide a statement of the firms experience in providing CM/GC services. Proposer must have minimum five years' experience.
 - Contact Person

Comments on Streamlining the RFP/RFQ Process

Section B – Qualifications & Experience

- Be more specific to the project in the questions being asked such as:
 - List relevant experience with concrete frame construction
 - List relevant experience with specialized acoustic construction
 - List relevant experience with deep foundations in close proximity to existing structures that remain in operation
 - Ask questions directly related to the specific project

Comments on Streamlining the RFP/RFQ Process

Section C – Technical Approach

- See Discussion in CM's comments

Comments from Designer

General

1. Pre-proposal conferences should be mandatory for all potential bidders.
2. Pre-proposal conferences should be at user site, not in Nashville.
3. The entire RFP submittal should be condensed/streamlined as I think most of them are reviewed in one sitting which would take hours if given proper review.
4. Designer should be more involved in the process.
5. Why is the designer not privy to the General Conditions cost submitted by CM/GC? We only see A, B, and C technical sections.
6. There needs to be scoring guidelines for evaluators. I have seen final scores all over the page, so evaluators should be prepped. Selection of evaluators is another topic.

Comments from Designer

Specific

- Section A – Mandatory Requirements:
 - Should be formatted so that everyone's response is shortened and looks about the same.
 - Some of these are Yes/No questions which could require a box to be checked.
 - Some can be answered in 1 -2 sentences. The less paragraph type text for evaluators, the easier it will be to read and evaluate.
 - Attachments can always be referenced, if needed.

Comments from Designer

Specific

- Section B – Qualifications and Experience:
 - Subcategories – don't like them - too many for scoring. More should be grouped together.
 - B.2.c1 and 2 - *Amount of time team to spend in preconstruction and construction:*
 - This is a really important criteria for the designer. We want to see some continuity carried from precon to construction.
 - I don't recall this getting a high value in terms of scoring. (Current APSU RFP gives this 2 points).
 - I don't think evaluators know how to score this. What are they looking for?
 - B.3 - *Provide a statement of how the Proposer intends to address all major design disciplines:*
 - I have seen a variety of responses to this question from listing architects and engineers to MPE subs.
 - This needs to be clarified. I always get questions on this one.

Comments from Designer

Specific

- Section B (cont.) – Qualifications and Experience:
 - B.4.b - *A list of current projects on which your firm is committed:*
 - Contractors have a dilemma here – should they put down all of their work and not get the job because they are too busy or act like they aren't busy and hope the state interprets that positively.
 - I get calls on this too. Keep in mind, I can't answer any of them – they have to go thru TBR.
 - B.4.c – *A list of all current contracts with the State of Tennessee and all those completed within the previous five (5) year period: (Current APSU RFP does not ask this)*
 - Is a contractor penalized for not having ever done work with the state?
 - How does one get that first job is this is scored high?

Comments from Designer

Specific

- Section C – Technical Approach
 - *C.2 – Provide a brief descriptive summary as to the Proposer's approach to the following items:*
 - A lot of categories: Value Analysis, Constructability, Cost Estimating, Scheduling, Reporting including three type reports, RFI's and four other reports, Quality Control
 - Current APSU RFP has put less questions under one number to allow better evaluation of the responses.

Comments from CM/GC

General Comments

1. Owner needs to establish better selection of the evaluators. They must have knowledge of commercial construction and the common sense to know “window dressing” from relevant information.
2. Pre-proposal meetings should be mandatory and held at the using institution’s site.

Comments from CM/GC

Specific Comments

- Proposed Section B.4 (e) – New Section (worth 2-3 points, which would be allocated from eliminating section B.2 (d) – above: “List of relevant projects (with contact amounts) built in this geographic area (within 20 mile radius) within the last seven years.” Language similar to this would address the discussion from our call last week concerning local experience.
- C.1 – *Provide a brief, descriptive statement indicating the Proposer’s approach to delivering the services sought under the RFP for pre-construction phase and construction phase services for this Project.*
 - Needs page limitation on the responses
 - Something between 3-4 pages maximum seems reasonable
- Comments regarding too many points in specific sections of C, this has been resolved in later TBR RFP’s

Comments from CM/GC

Specific Comments

- Section B.1 – *Provide a brief, descriptive statement indicating the Proposer's credentials to deliver the services sought under this RFP:*
 - Need page limitations on the responses.
 - Something between 3-4 pages maximum seems reasonable.
- Section B.2 (d) – *Provide the total (100% - do not prorate) monthly direct personnel expense (raw salary x labor burden multiplier) for all key personnel proposed.*
 - Why is this information requested? Section B.2 (C) and the general conditions section quantifies the dollar value of the key personnel for the particular RFP project.

State Fire Marshal's Office

Submitting Plans for Multiple Building Projects

Online Plan Submissions

Chris Bainbridge

Director of Codes Enforcement

christopher.bainbridge@tn.gov

Al Hancock

Assistant Director

al.hancock@tn.gov

Danny Peck

Plans Examiner Team Leader

danny.peck@tn.gov

Multiple Building Projects

1. Our system was set up to receive plans, forms and fees for individual buildings.
2. We realize that some projects have a single set of plans for multiple buildings and that it creates a burden on our customers to split into plans for each building.
3. We are discussing options to alter our system to accept multiple building plans, but this is a major undertaking.

Interim Solution

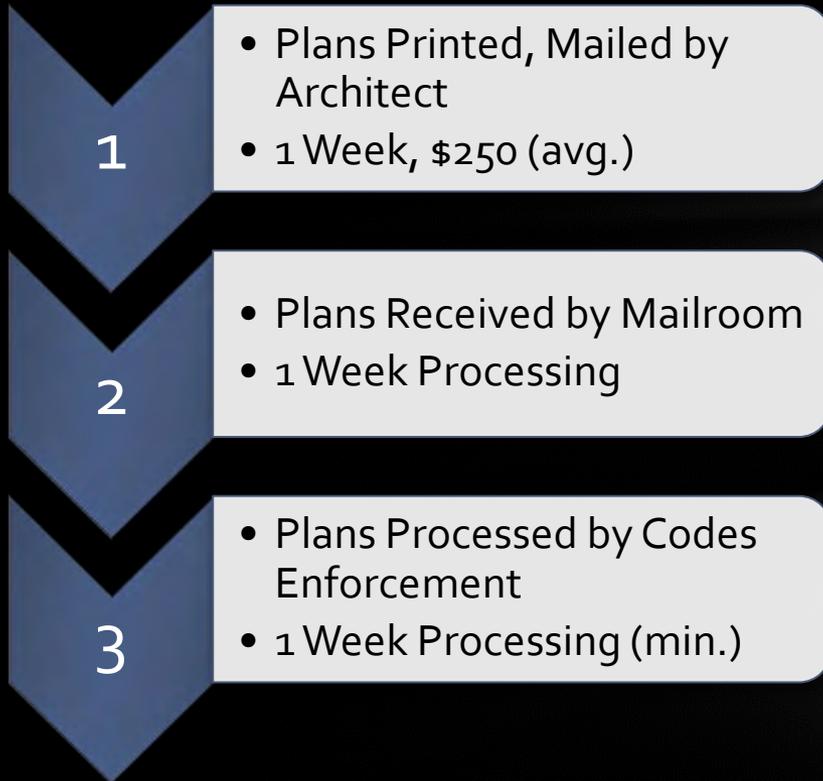
1. Call Danny Peck (615.532.5842) and let him know about your project.
2. A submittal must be made for each building.
3. Only one set of plans for the entire project is uploaded with the first submittal.

Interim Solution

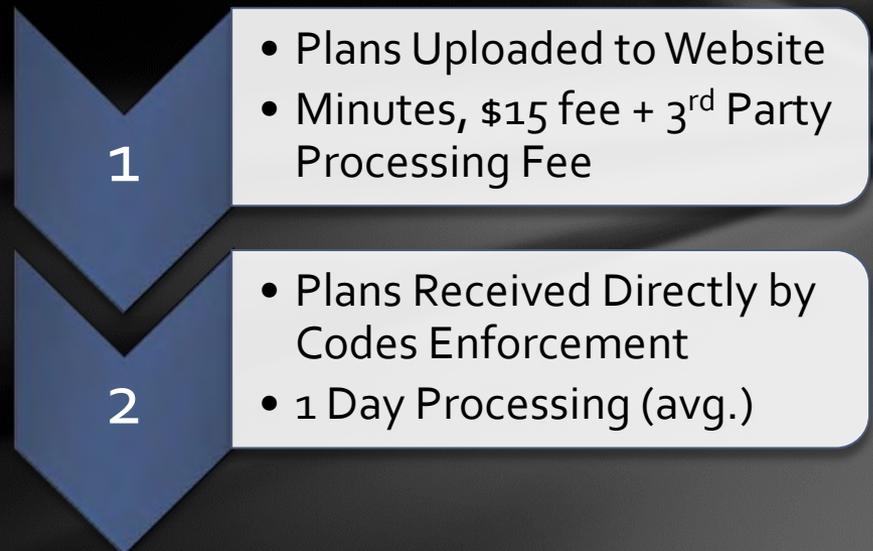
1. A fee for each building must be paid at the end of each submittal. The fee can be the cost of construction for the entire project divided by the number of buildings. SBC projects don't require a fee.
2. Each building will receive separate Project and TFM numbers
3. We will review and approve the construction documents collectively instead of individually.

Plan Submission Portal

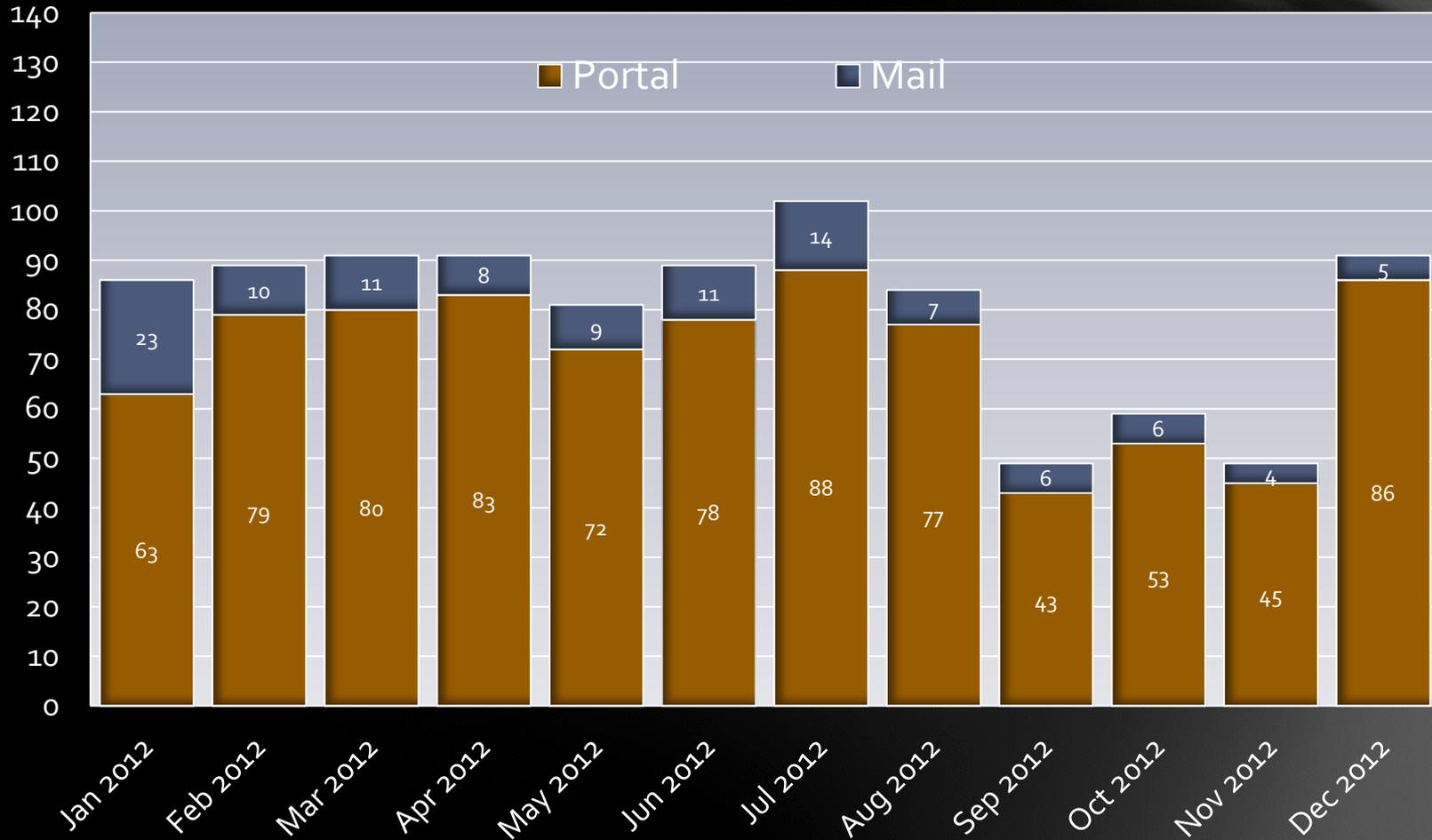
Previous Process



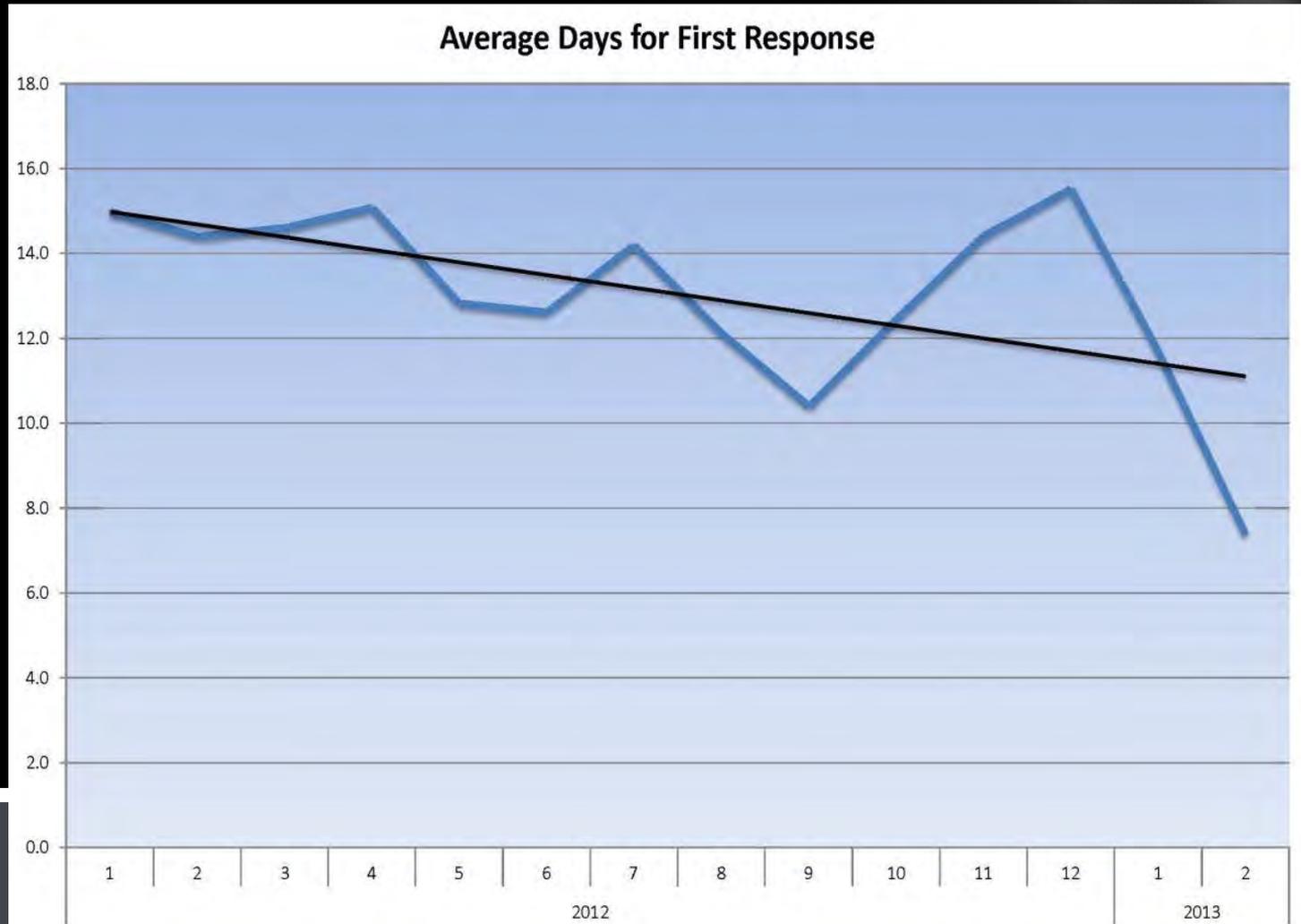
Current Process



Plan Submissions by Month



Performance Improvement



Portal Submission = Faster Reviews

Link to Architect and Engineer Portal:

<https://apps.tn.gov/tnsfmo/>

Link to Portal Application Guide

<http://www.tn.gov/fire/documents/portalapplicationguide.pdf>

DESIGN / BID / BUILD FOCUS GROUP (D/B/B)
May 8, 2013

We would suggest the following policy changes to the current procurement policies regarding projects that are procured through the D/B/B method:

1. Under Section C Titled "Instructions to Bidders" on page 4 in paragraph 2, revise to **"Changes shall be provided ... not less than three (3) days in advance of the bidding date, provided the request for interpretation of Bidding Documents shall have been made in writing to the Designer not less than five (5) days prior to the bid opening date."**
 2. On page 5, in Section C titled "Instructions to Bidders" in paragraph 4, please add at the end of the paragraph... **"and inform all of the bidders of such substitution and relevant information pertaining to such."**
-

Design-Build: Revolutionizing Project Delivery



“Integration is Our Foundation”

Copyright © 2011



1.0

About DBIA

About DBIA & Design-Build

- DBIA is the only organization that defines, teaches and promotes best practices in design-build.
- Design-build is an integrated approach that delivers design and construction services under one contract with a single point of responsibility.
- Owners select design-build to achieve best value while meeting schedule, cost and quality goals.



About DBIA & Design-Build

- Washington, DC-based nonprofit membership organization founded in 1993
- Membership includes over 4,000 organizations and individuals who are leaders in the design and construction industry including:
 - **Architects**
 - **Engineers**
 - **Public and private owners**
 - **General and specialty contractors**
 - **Manufacturers and suppliers**
 - **College and university faculty and students**
 - **Legal and financial professionals**
- Members are committed to utilizing design-build and integrated project delivery methods to achieve high performance projects



The DBIA Philosophy

- DBIA promotes the value of design-build project delivery and teaches the effective integration of design and construction services to ensure success for owners and design and construction practitioners.
- Excellence in integrated design-build project delivery, producing high value outcomes
- An environment of trust characterized by integrity and honest communication
- Mutual respect for an appreciation of diverse perspectives and ideas
- A commitment to innovation and creativity to drive quality, value and sustainability
- Professionalism, fairness and the highest level of ethical behavior.





2.0

**What is
Design-Build**

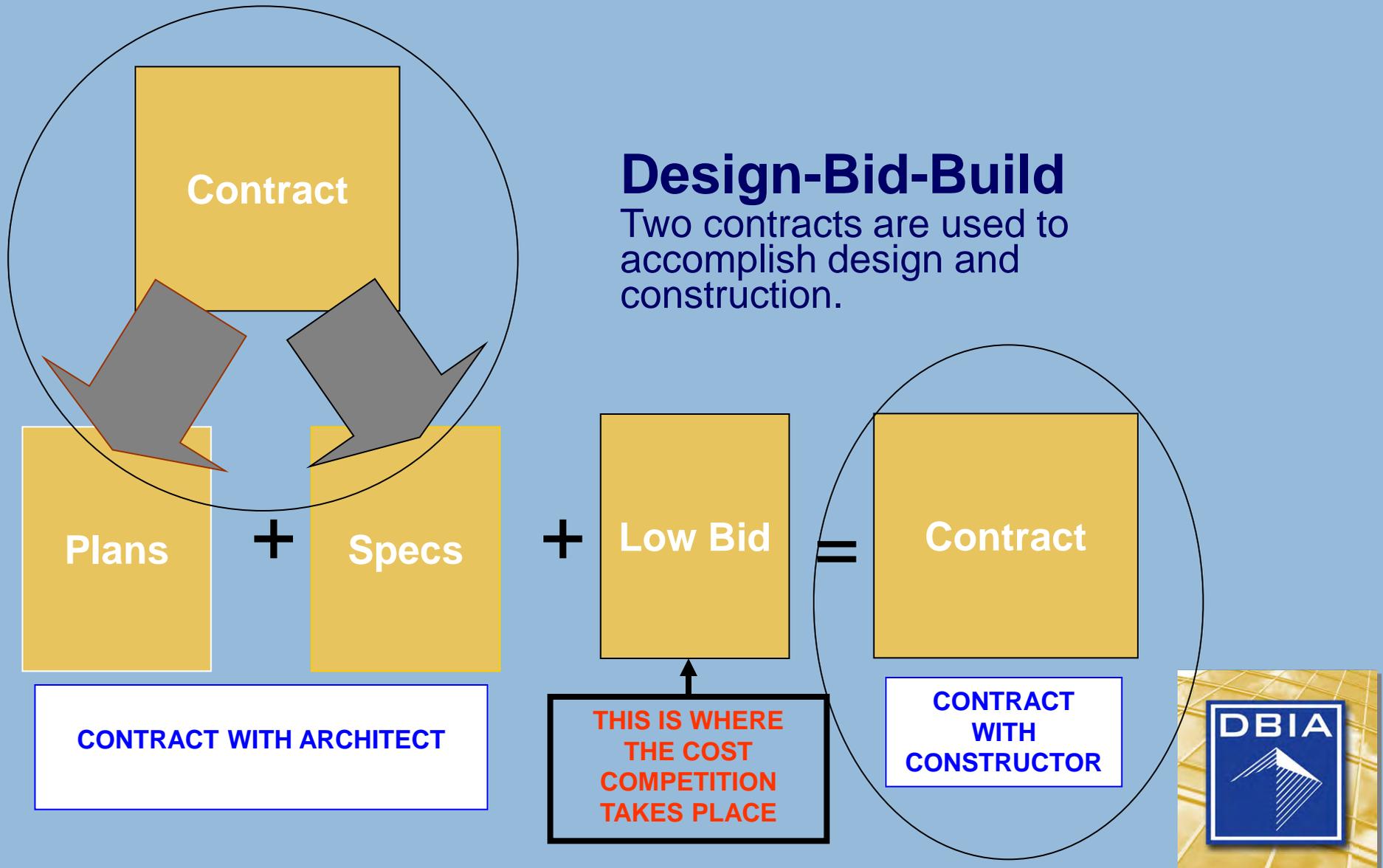
What is Design - Build

Design-Build is a method of project delivery in which one entity (design-builder) forges a single contract with the Owner to provide for architectural engineering design services and construction services

..... we're talking about "integration of design/engineering/construction" and NOT simply "assigning tasks"!



The “Traditional” Way – Design-BID-Build

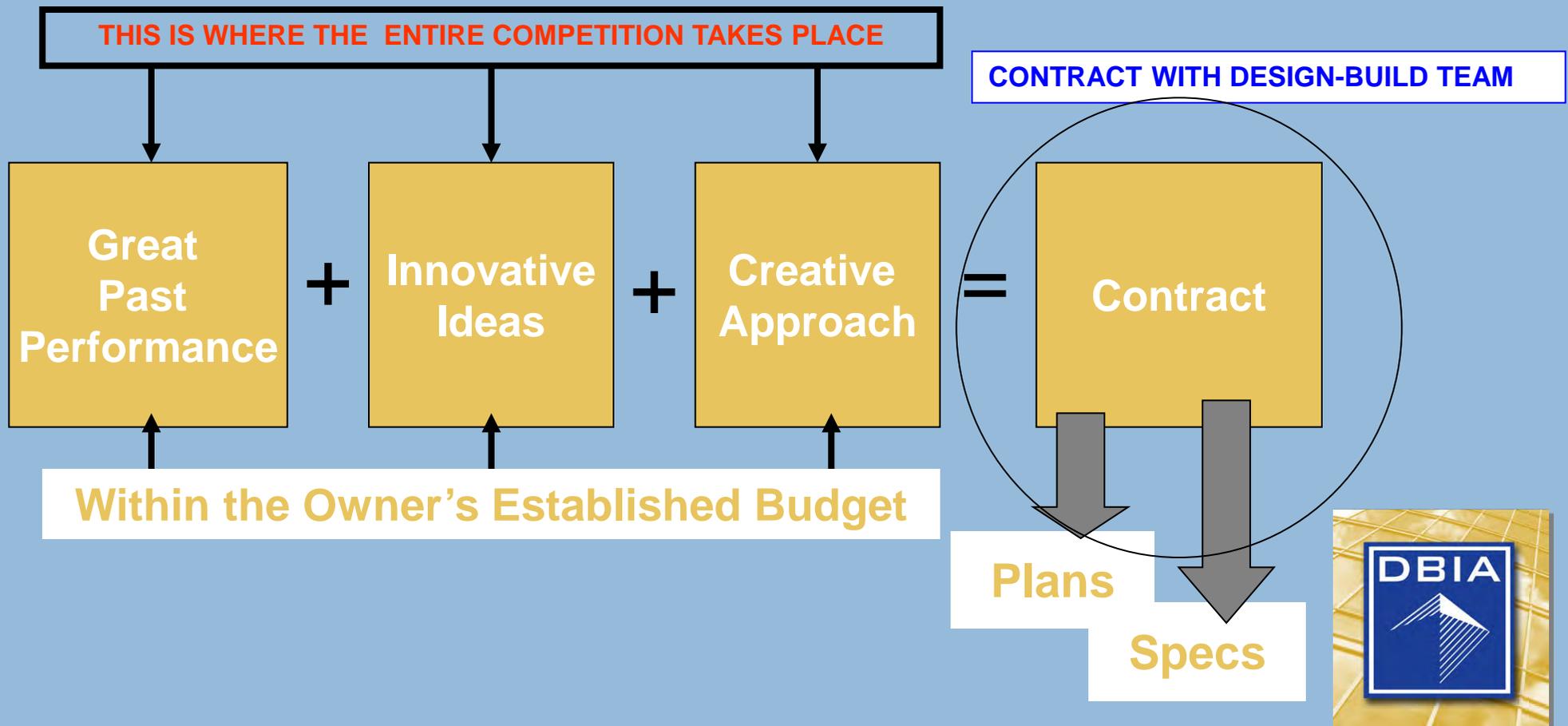


Emphasis on Compliance: **You are buying a Product**

The “Better” Way – Design-Build

Design-Build...

a single contract is used to accomplish design and construction.



Emphasis on Behavior: **You are buying a Service**



3.0

Advantages of Design-Build

Design-Build Meets Your Requirements

- Fully Competitive
- Fast Start-Up Schedules get met
- Lower Cost
- Higher Quality
- Greater Owner Satisfaction
- Reduces litigation, change orders and cost growth
- Meets budget constraints
- Improves America's competitiveness
- Puts people to work faster, finishes work faster, costs less



Study led by David R. Riley, Ph.D., an associate professor at Pennsylvania State University

“Design/Build projects ended up with 90% fewer field-generated change orders than design-bid-build projects. This resulted in projected “cost growth” savings of 98%, or more than \$1.7 million. This study provides objective evidence that using the Design/Build approach...can decrease both the occurrence and size of change orders. In many cases, it can practically eliminate field-generated change orders.”



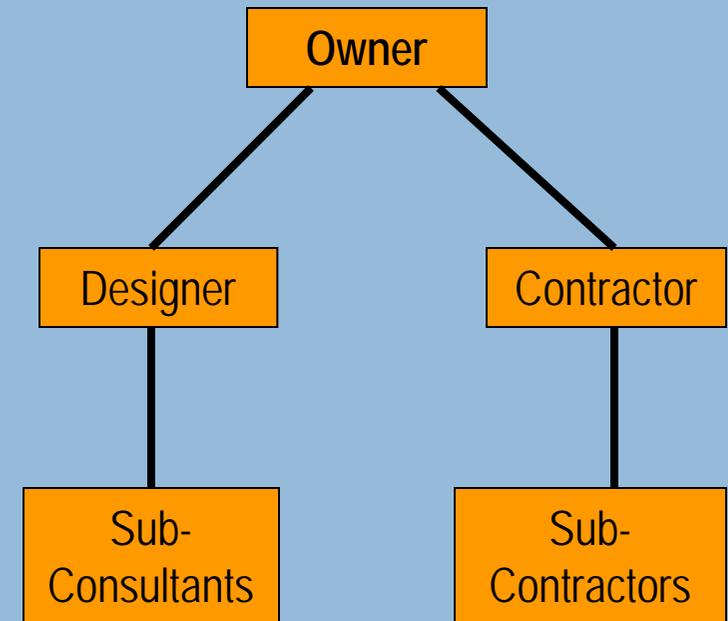
Familiar Project Delivery Methods

- Design-Bid-Build (D-B-B)
 - *Sometimes called “Traditional”*
- Multiple Prime (M-P)
- Construction Management at Risk (CM@R)
 - *Also known as CM/GC*
- Design-Build (D-B)



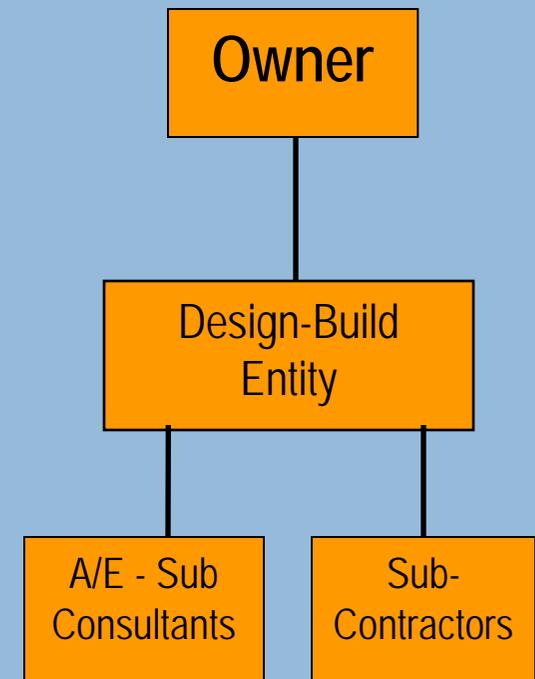
Design-Bid-Build Contractual Relationship

Characteristics	<ul style="list-style-type: none"> • Three linear phases: Design, bid and build • Three prime players: Owner, designer, constructor • Two separate contracts: <ul style="list-style-type: none"> • Owner to designer • Owner to constructor
Responsibilities	
<p style="text-align: right;">Owner</p>	<p>Program, finance, management</p>
<p style="text-align: right;">Designer</p>	<p>Prepares plans & specs, normal services</p>
<p style="text-align: right;">Constructor</p>	<p>Prime & sub construction</p>



Design-Build Contractual Relationship

Characteristics	<ul style="list-style-type: none"> • Integrated process-overlapped design & construction • Often fast tracked • Two prime players: Owner & design-build entity • Entity can take on many forms • One contract - <ul style="list-style-type: none"> • Owner to Design-Builder 				
Responsibilities	<table border="0"> <tr> <td data-bbox="400 890 533 931">Owner</td> <td data-bbox="564 890 1030 989">Program, performance requirements, & finance*</td> </tr> <tr> <td data-bbox="247 1052 533 1092">Design-Builder</td> <td data-bbox="564 1052 1095 1193">Design & construction. Can include programming & post construction services</td> </tr> </table> <p data-bbox="564 1266 1263 1354">* D-B can expand services to include programming, finance, operate, etc</p>	Owner	Program, performance requirements, & finance*	Design-Builder	Design & construction. Can include programming & post construction services
Owner	Program, performance requirements, & finance*				
Design-Builder	Design & construction. Can include programming & post construction services				



PREVIOUS STUDIES OF DESIGN-BUILD COST/SCHEDULE REDUCTIONS– VERTICAL INFRASTRUCTURE (Buildings)

Previous Studies of Design-Build Cost / Schedule Reductions Vertical Infrastructure – (Buildings)

Vertical Infrastructure - Buildings	Number of Projects or Agencies in Sample	% Reduction in Contract Cost Relative to D-B-B	% Reduction in Contract Duration Relative to D-B-B
J. Bennett, E. Potheary & G. Robinson, <i>Designing and Building a World-Class Industry</i> , University of Reading Design and Build Forum Report, Centre for Strategic Studies in Construction, Reading, United Kingdom, 1996.	330	13%	30%
Victor Sanvido & Mark Konchar, <i>Selecting Project Delivery Systems: Comparing Design-Bid-Build, Design-Build, and Construction Management at Risk</i> , The Project Delivery Institute, State College, PA., 1999.	351	6%	33%
<i>Design-Build 101: Basics of Integrated Service Delivery</i> , Design-Build Institute of America/American Institute of Architects Professional Design-Build Conference, Chicago, Illinois, October 14, 1998.	DOD	14%	18%
<i>Design-Build 101: Basics of Integrated Service Delivery, DBIA</i>	GSA	3%	N/A
<i>Design-Build 101: Basics of Integrated Service Delivery, DBIA</i>	NAVFAC 1	12%	15%
<i>Design-Build 101: Basics of Integrated Service Delivery, DBIA</i>	Vet Admin	0%	28%
Linda N. Allen, <i>Comparison of Design-Build to Design-Bid-Build as a Project Delivery Method</i> , Master's thesis, Naval Postgraduate School, Monterey, CA., December 2001.	NAVFAC 2	18%	60%

Design-Build Performance

(Comparison of Design-Build vs. CM-at-Risk vs. Design-Bid-Build)

- **6% Lower Cost**
- **12% Faster Construction Time**
- **33% Faster Project Completion**
- **Higher quality in all measured categories**

SOURCE: Construction Industry Institute (CII)/Penn State Research comparing 351 projects ranging from 5K to 2.5M square feet. Projects were of various types and from various industries.



Design-Build Performance (Transportation)

(Comparison of Design-Build vs. CM-at-Risk vs. Design-Bid-Build)

- **11% Lower Cost**
- **36% Faster Project Completion**
- **Higher quality** in all measured categories



Design-Build Performance (Project Schedule Water/Wastewater)

- **43% Faster Project Completion**
- **50% Less Schedule Growth**
- **Higher Quality** in all measured categories

Study by Susan B.

Source: Haller University of New Mexico, Jennifer Shane, Iowa State University and Keith Molenaar, University of Colorado



Delivery System Study

Construction Industry Institute (CII)/Penn State 1999

- Examined influence of 19 factors on:
 - Several types of delivery systems
 - Cost control
 - Schedule control
 - Construction speed
 - Delivery speed



Comparison of Project Delivery Methods (CII/Penn State Study)

Metric	DB vs. DBB	CM@R vs. DBB	DB vs. CM@R
Unit Cost	6.1% lower	1.6% lower	4.5% lower
Construction Speed	12% faster	5.8% faster	7% faster
Delivery Speed	33.5% faster	13.3% faster	23.5% faster
Cost Growth	5.2% less	7.8% more	12.6% less
Schedule Growth	11.4% less	9.2% less	2.2% less



Re: "Comparison of U.S. Project Delivery Systems," Mark Konchar & Victor Sanvido, *Journal of Construction Engineering and Management*, Vol. 124, No. 6 (1998), pp. 435-444.

Comparison (continued)

Research Study	CII Penn State (US)	Reading DB Forum (UK)
Parameter	DB vs. DBB	DB vs. DBB
Unit Cost	6% Less	13% Less
Construction Speed	12% Faster	12% Faster
Delivery Speed	33% Faster	30% Faster



Comparison for Quality

- D-B delivers equal or higher quality
- D-B out performed traditional D-B-B in every category on a 10 point scale
 - Startup
 - Call Backs
 - O&M
 - Exterior & Structure
 - Interior
 - Environmental
 - Equipment



CII Study Summary

- **Best performing projects:**
 - Excellent Owner decision making
 - Excellent scope definition
 - Excellent team communication
 - Qualified contractor pool
 - High ability to restrain Contractor pool



CII Study Summary (continued)

- **Worst performing projects:**
 - Engaged Contractor late in design
 - Limited or no prior team experience
 - Several onerous contract clauses
 - Poor ability to make decisions
 - Unable to pre-qualify Contractor pool





4.0

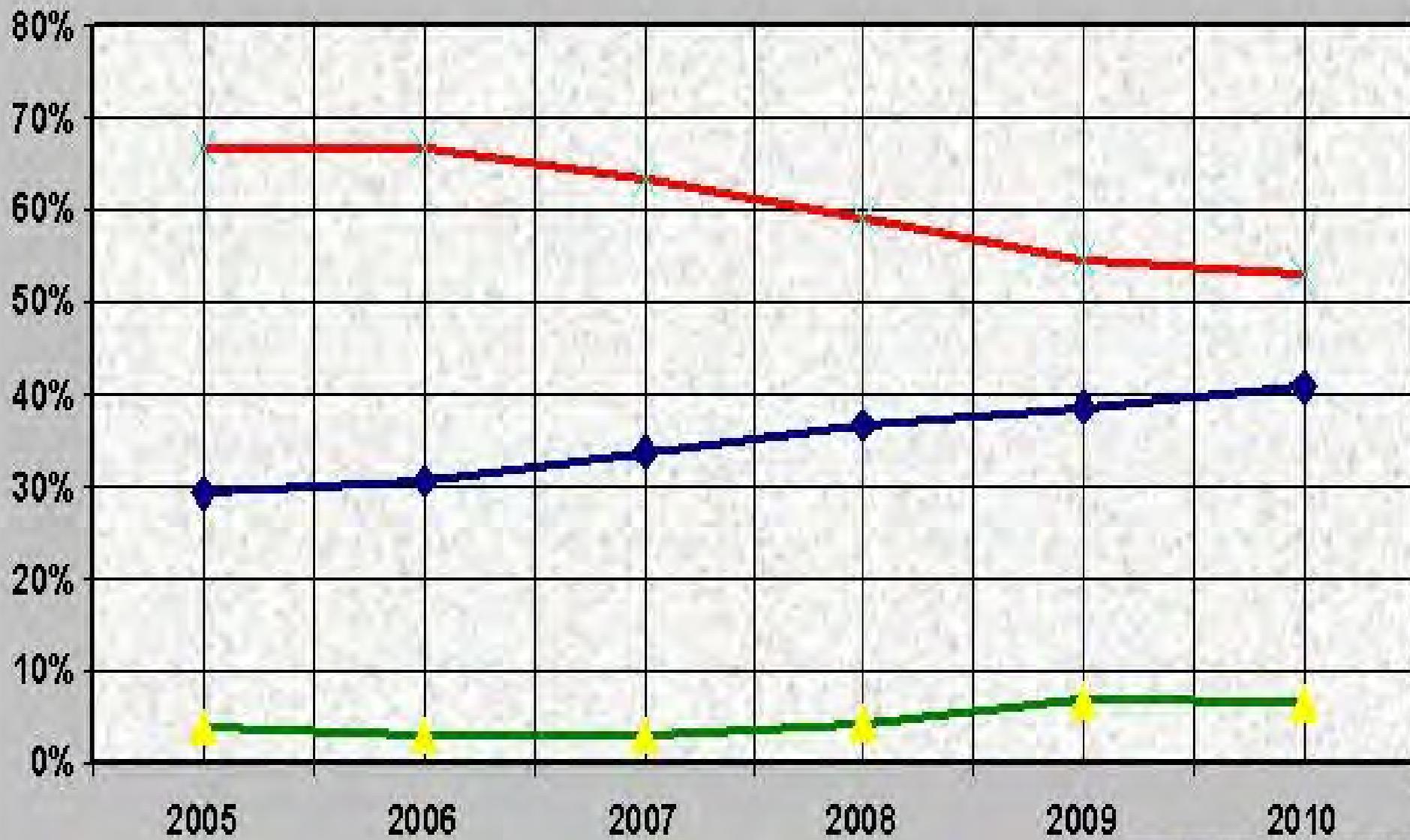
**Where is the
Industry Headed?**

Return to Integration

- **DBIA founded in 1993 to help standardize and advocate for an already emerging design-build industry**
- **Integrated Project Delivery (IPD)**
- **Building Information Modeling (BIM)**
- **Sustainable Design (Green/LEED)**
- **High Performance Contracting (LEAN - Toyota Production Model)**



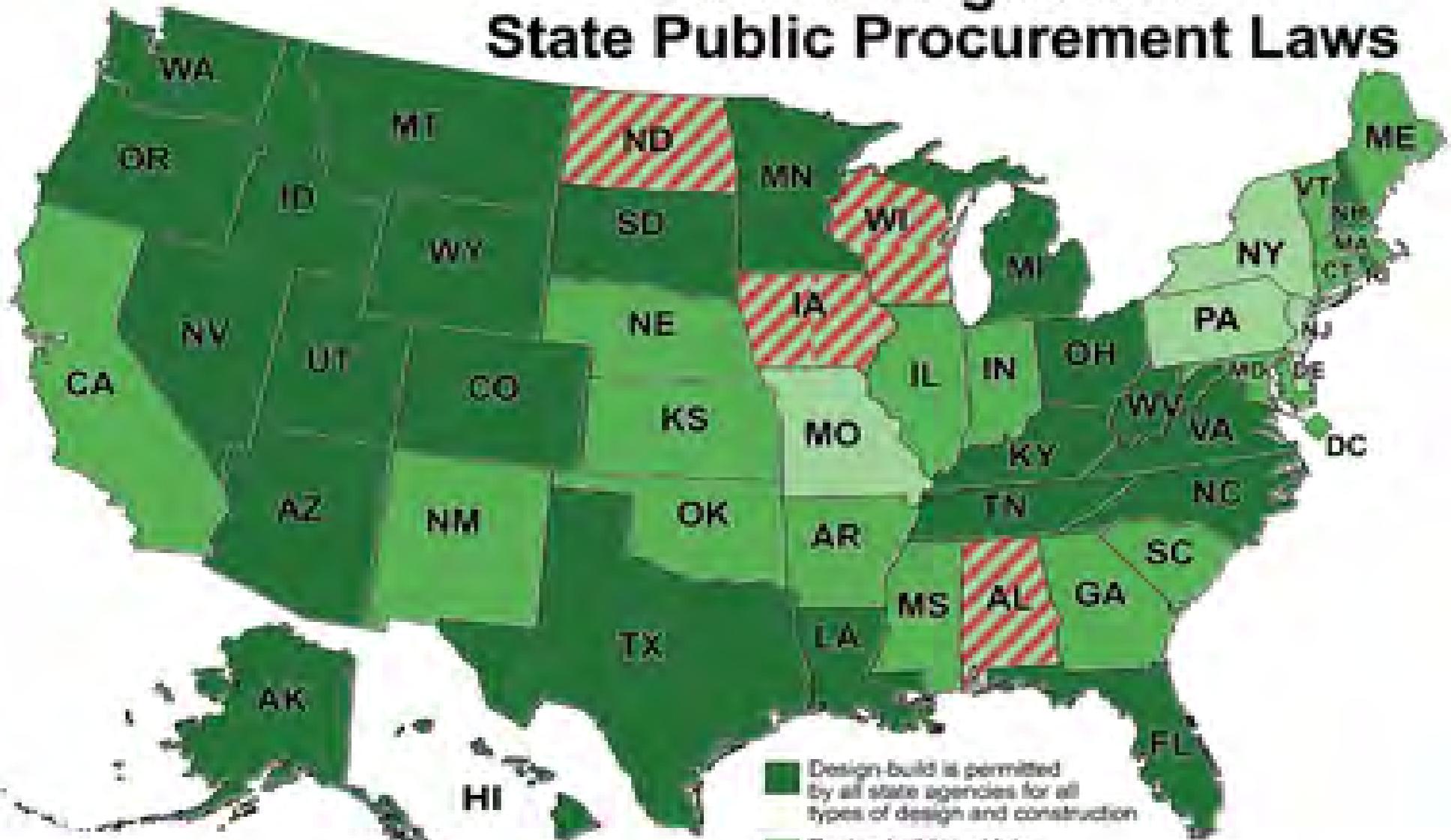
Project Delivery Method Market Share for Non-Residential Construction



Analysis by RSMeans Business Solutions a div of Reed Construction Data

- ◆ Design - Build
- ▲ CM-at-Risk
- ◆ Design-Bid-Build

2013 Design-Build State Public Procurement Laws

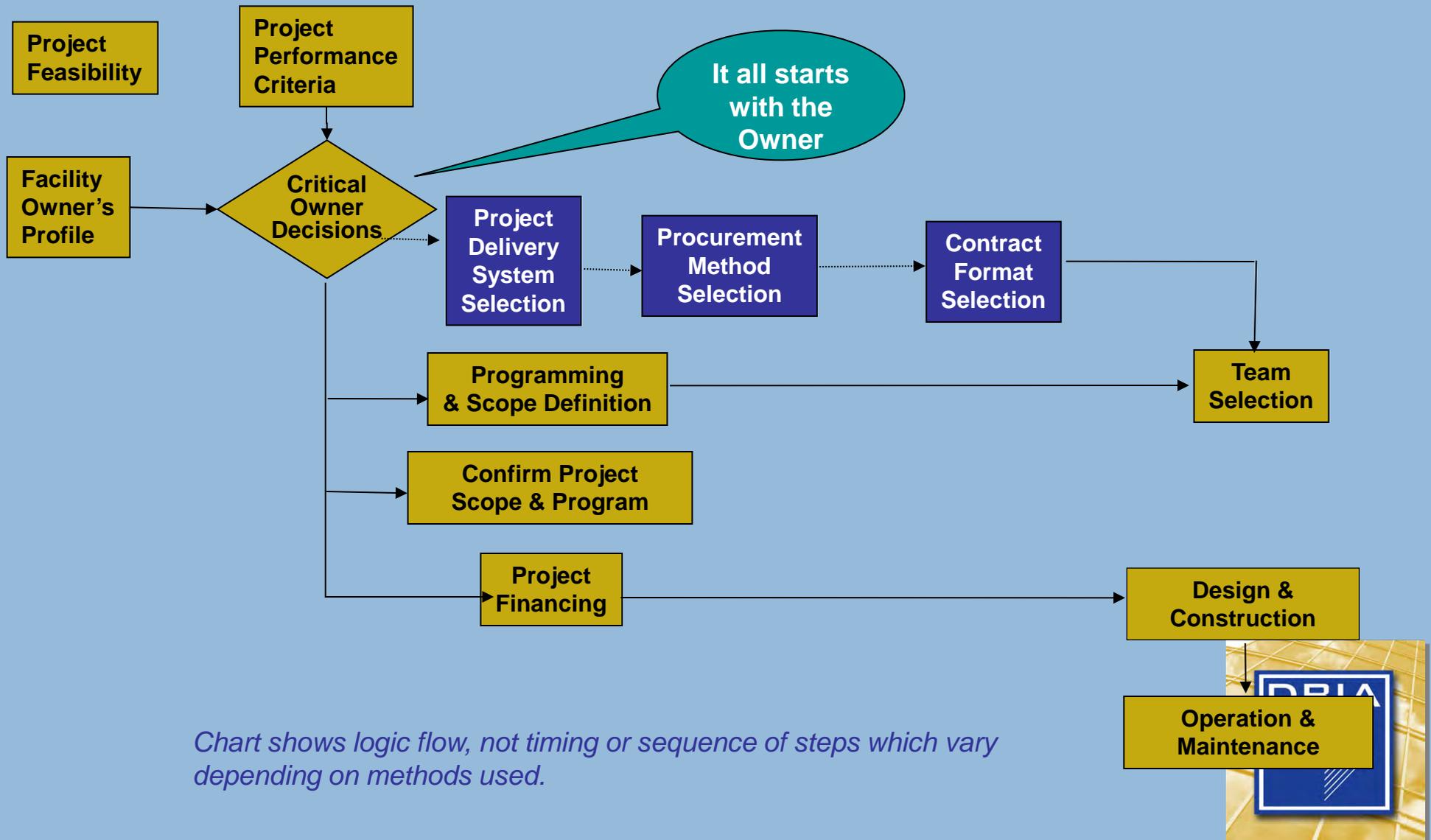


-  Design-build is permitted by all state agencies for all types of design and construction
-  Design-build is widely permitted
-  Design-build is a limited option
-  Design-build authority is limited to one political subdivision, e.g., agency, commission, special project



** See letters from the DBIA Board of Directors regarding the website and public information.

Project Delivery Process Framework



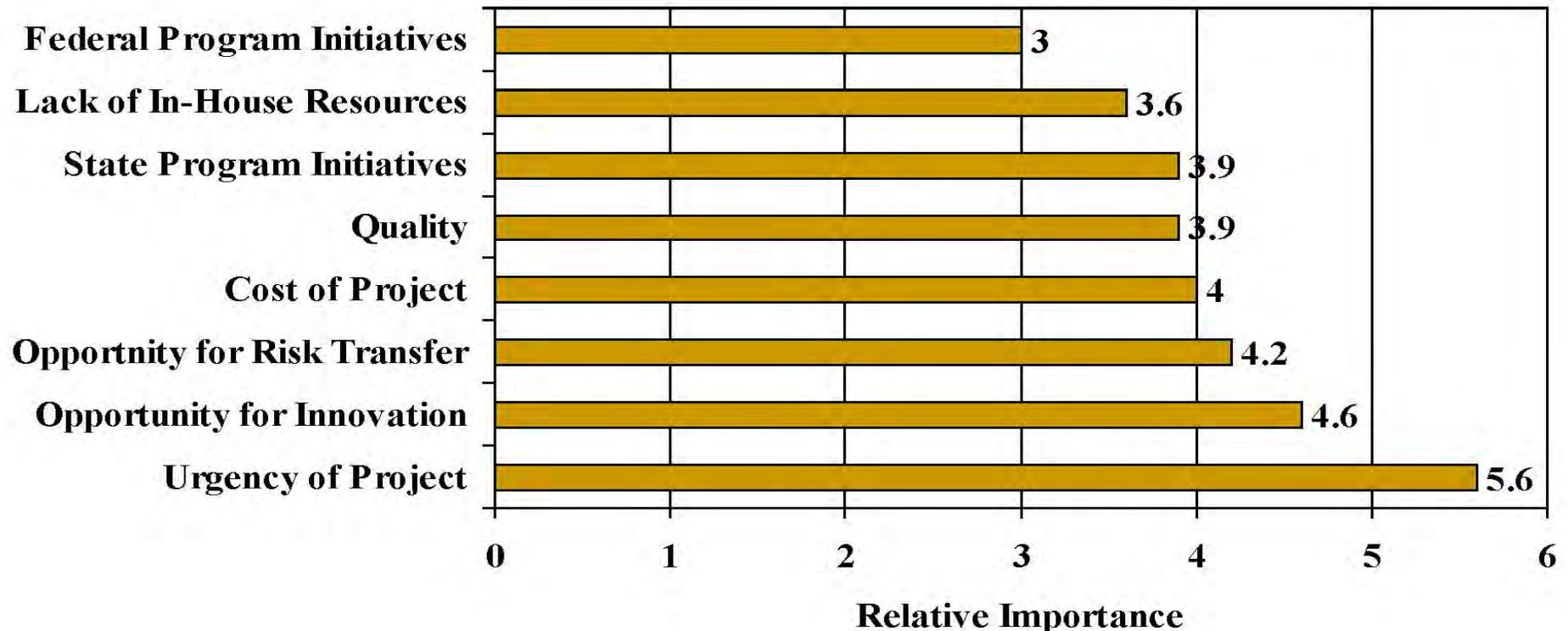
Why Owners Might Choose D-B

- Single point of responsibility for Owner
- Professional relationship with Contractor & Designer
- A/E & Constructor on the same team providing unified recommendations to Owner
- Errors are addressed - not used as excuses or claims
- Early Constructor involvement enhances constructability
- The Owner needs an early cost commitment
- Project will benefit from value engineering & innovation
- Project requires a construction cost guarantee during design
- Complex Project - requiring close coordination of design & construction expertise



RELATIVE IMPORTANCE OF FACTORS CONSIDERED IN DECIDING WHETHER TO USE DESIGN-BUILD

Relative Importance of Factors Considered in Deciding Whether to Use Design-Build



Design-Build Utilization

- ❖ **Federal Agencies using Design-Build 75%+ :**
 - **Navy Facilities Engineering Command**
 - **Army Corps of Engineers**
 - **State Department**
 - **Bureau of Prisons**



Other Federal Agencies Using Design-Build

- **General Services Administration**
- **Veterans Administration**
- **Department of Agriculture**
- **Department of Interior**



What are Federal Officials Saying about Design-Build?

➤ Joseph Gott, Chief Engineer and Director of Capital Improvements, NAVFAC

“ At NAVFAC, we do about 75 percent of new construction design-build. The largest reason we select a project for the design-build delivery vehicle is the single point of accountability and responsibility. We have an A/E and a design-build constructor on the same team and have a contract with one company.”

➤ Paul Parsonneault, Construction Management Team Leader, Military Programs Branch, USACE

“ There was no way possible to execute an historically large mission using the traditional delivery system. We determined that, in terms of the Army, the default delivery system is designed-build...Primarily because we can deliver more quickly, we can leverage the innovation of industry to provide us with the most cost effective solutions to our requirements.”



What are Federal Officials Saying about Design-Build

➤ Jag R. Bhargava, Deputy Director, GSA

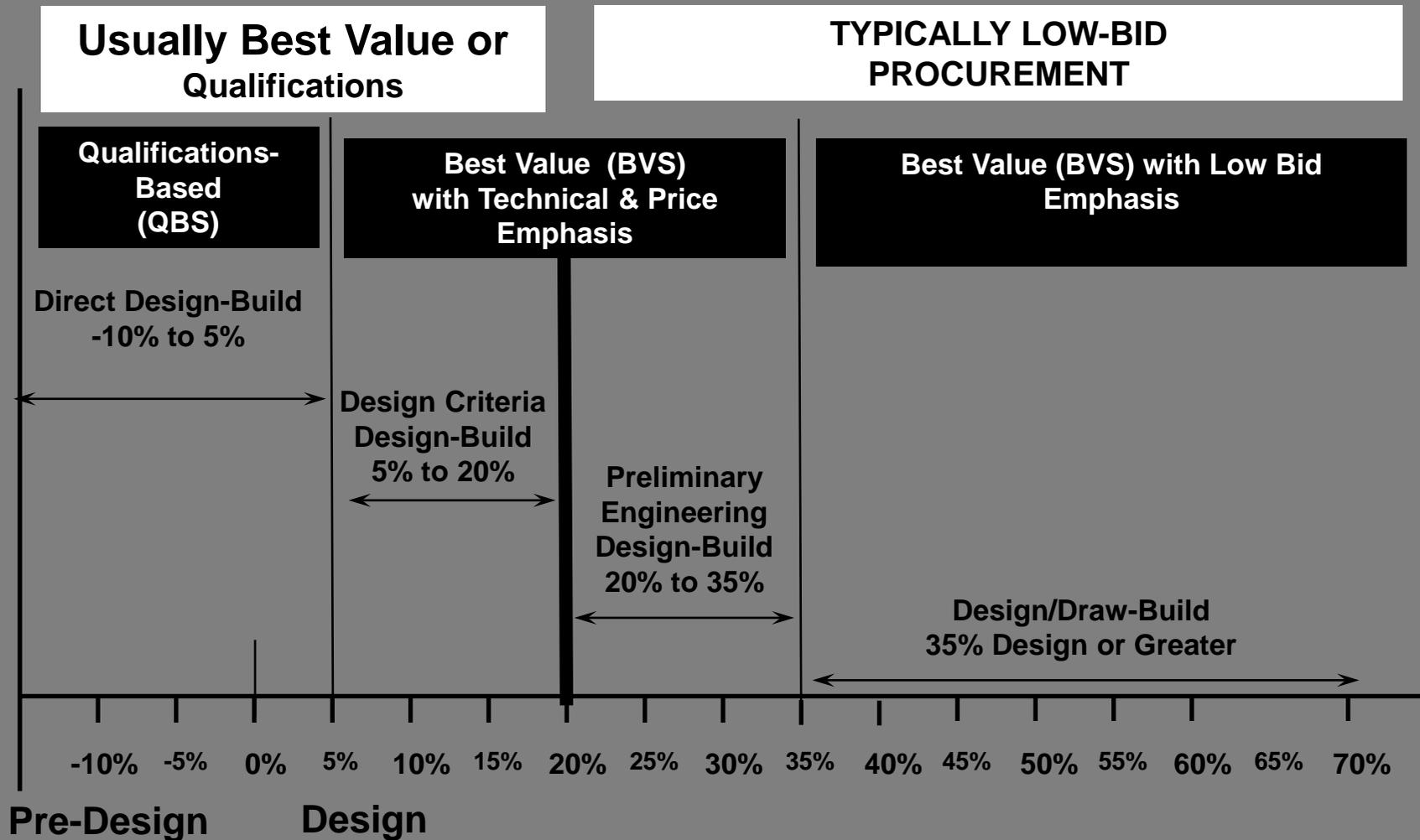
“With only four years between groundbreaking and full occupancy, we had to find a way of doing it. The only method I could think of was design-build.” On the new Census building.

➤ Pete Swift, Deputy Chief, Design and Construction Branch

“ We at the Federal Bureau of Prison have been doing design-build since the FAR regulations changed. Our primary reasons back then were that we would eliminate a lot of the claims we were getting and we had a large workload. Over the years we have not had a claim on any design-build project we have done.”



Varying Degrees of Prescriptive Design in RFP

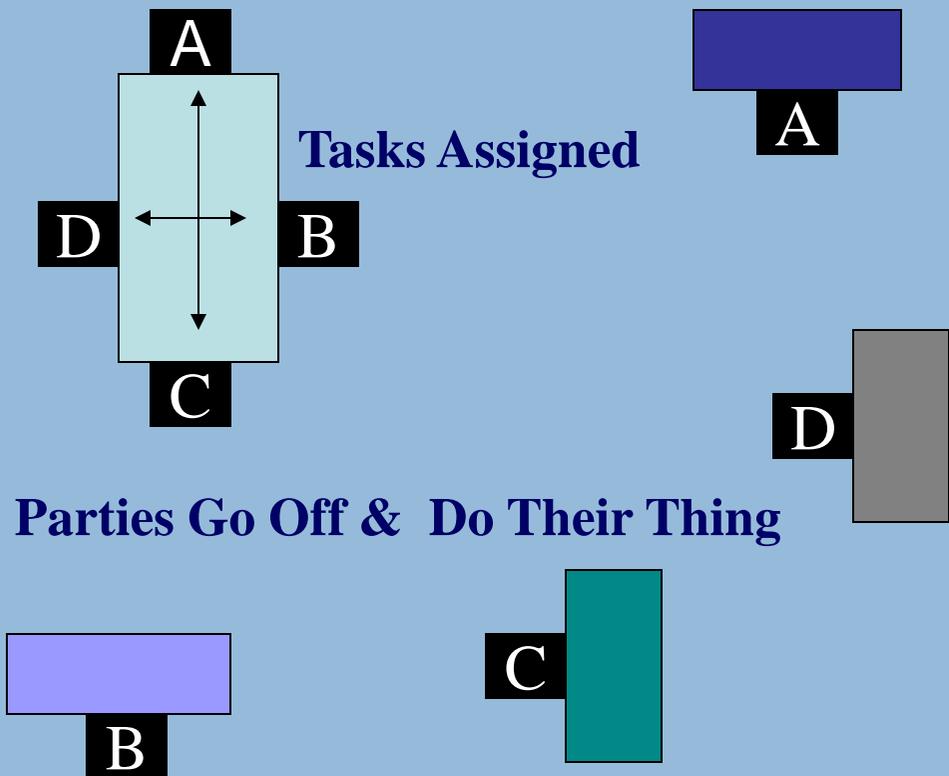


Which Project Delivery Method is Best?

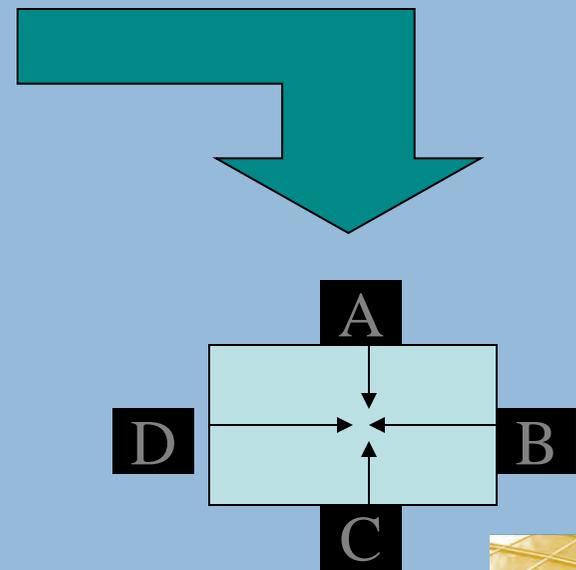
- Each construction project has a unique combination of factors:
 - Project-specific factors
 - Organization-specific factors



Typical Collaboration



Isolated Perspective Solution



Segregated Solutions



Project Success

Old Game

Performance & Quality

Budget Requirements

Schedule Requirements

Our Part

Your Part



Project Success

New Game

**Must Have
Trust & Flexibility!**

**Performance &
Quality**

**Budget
Requirements**

**Schedule
Requirements**

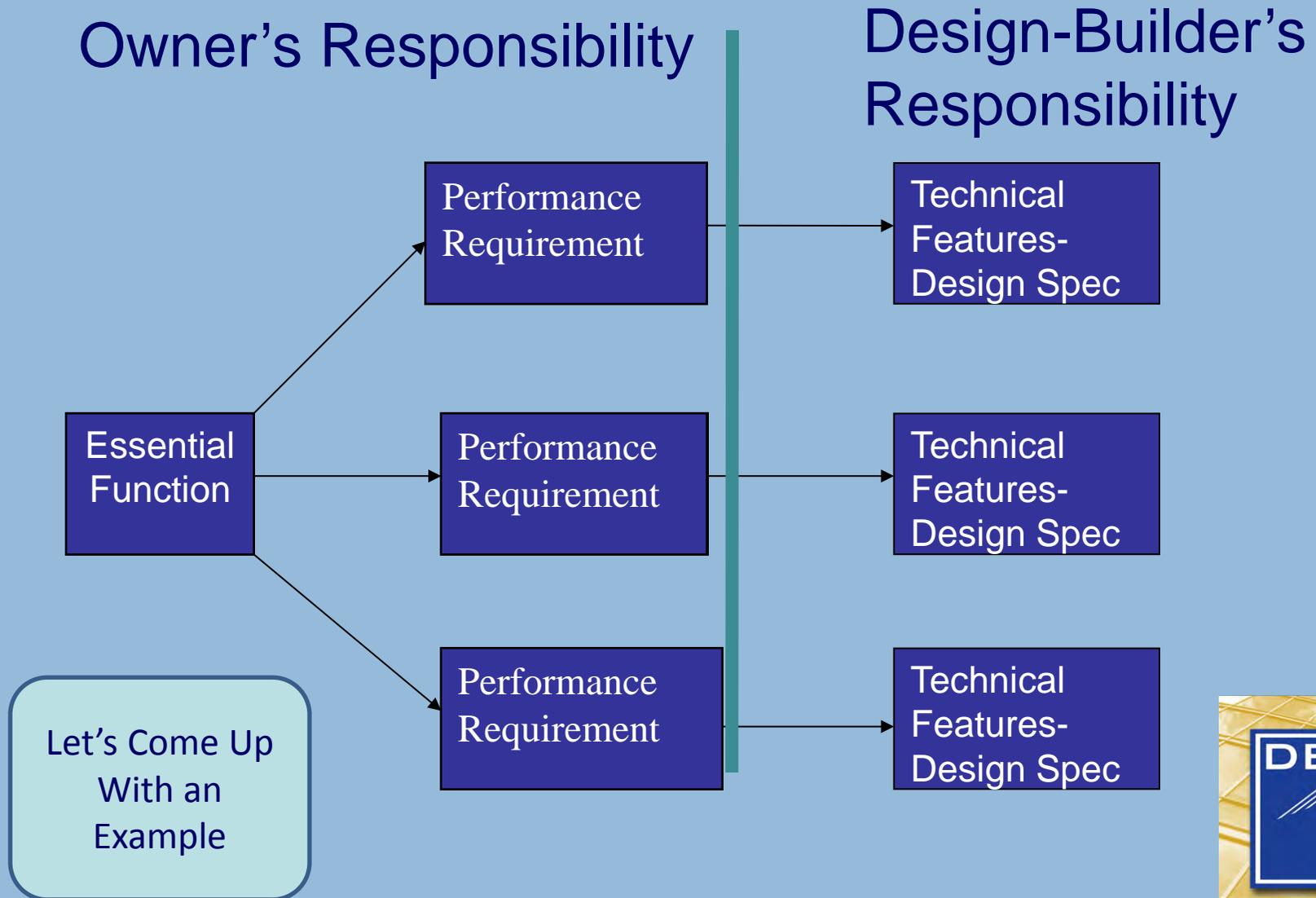
**Huge Challenge...Cannot Accomplish
This Doing Business as Usual**

Owner Must Do Homework in Preparation for RFQ/RFP Development

- Develop clear project description in functional terms
- Define operational/quality requirements in performance terms
- Don't rely on design process involvement to further define requirements
- Outline performance/acceptance tests required to demonstrate quality level



Shifted Responsibilities



Testing and Verification

- Systems & assemblies standards
- Testing & inspecting
- On-site mock-ups
- Field testing & verification
- Professionals' calculations
- Manufacturers' warranties
- Long-term guarantees & operations bonds

**Results Must
be Measurable**



Design-Build Resources

- Design-Build Best Practices
- Education Opportunities
- Networking Opportunities



Design-Build Utilization

- ❖ **Federal Agencies using Design-Build 75%+ :**
 - **Navy Facilities Engineering Command**
 - **Army Corps of Engineers**
 - **State Department**
 - **Bureau of Prisons**



DBIA Mission

- To promote the value of design-build project delivery and teach the effective integration of design and construction services to ensure success for owners and design and construction practitioners.



DB Professional™ Certification Program Requirements

EDUCATION	<p>Baccalaureate degree in an approved field of study (construction management, engineering, architecture) from an accredited college or university. OR A Baccalaureate degree in a non-approved field of study (business, communications, etc.) AND an additional three (3) years of design and/or construction experience demonstrated through a functional resume.</p> <p>No degree? Non-approved area of study? You can still qualify. See the additional Experience Requirement below.</p>	<p>Baccalaureate degree in an approved field from an accredited college or university in architecture, engineering, construction management, or Certification Board approved field of study.</p> <p>No degree? Non-approved area of study? You can still qualify. See the additional Experience Requirement below.</p>
EXPERIENCE	<p>No design-build experience required. For candidates not holding a degree, six (6) years of design and/or construction experience demonstrated through a functional resume.</p>	<p>Three (3) years total of substantial, documented experience in a responsible position in the design-build method of project delivery; OR Masters degree in a concentrated design-build university level program approved by the Certification Board, and two years of documented experience. Candidates who do not possess a degree in an approved field of study need an additional three years documented direct experience (totaling six (6) years of design-build experience) in a responsible position on design-build projects.</p>
REFERENCES	N/A	<p>Three (3) professional references attesting to your design-build experience and knowledge. One must be an owner/client reference.</p> <p>Your references can enter the information online, quickly and easily.</p>

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“Integration is Our Foundation”

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