

MEETING MINUTES
Quality in Construction
August 13, 2014

I. OPENING DISCUSSION

- A. Peter Heimbach opened the meeting by giving a history of QIC's formulation, with its main initiative to assist in the development of alternative procurement delivery methods for the State.
- B. Peter stated that he proposes to pare down the current membership to a more manageable level. Peter said that the industry leaders, Bill Young (AGC), Bob Pitts (ABC), Ashley Cates (AIA), and Candy Toler (ACEC) have agreed to provide 3 names of individuals within their organizations to represent their industry at the table for QIC. These individuals will be the "voice" for their particular discipline.
- C. Alan Robertson expressed gratitude to the current participants in QIC and offered that this new structure should not impede the flow of recommendations, advice, and concerns.
- D. Peter asked some of the members, who have had a long standing tenure with QIC, to inform the group on what they believe QIC's early initiatives were.
 - 1. John Wimberly said the State used to only have Design-Build-Bid. He said that, then, Governor Bredesen, charged Mike Fitts to review procurement methods other states were using. Out of the alternative procurement methods that were proposed, the only one left incomplete at this time is Design-Build.
 - 2. Ed Baldwin said that after serving on QIC for some period of time, he realized the difficulty in making changes quickly in State government. One of the focuses he remembered was getting for subcontractor/tradesmen associated with QIC. Alan Robertson noted that Andy Sneed with Wasco has long represented the subcontractors sector with QIC.
- E. Open discussion occurred below regarding proposed concerns and future, attainable, initiatives of QIC.
 - 1. John Finch stated that the RFP/Q evaluations have too many inconsistencies and would like to see training of evaluators.
 - 2. Dick Tracy said he had asked Mike Fitts, some time ago, to review the current evaluation criteria with QIC for possible revisions. Dick said that Design-Build may not fit in with projects which have certain funding cycles. Dick mentioned that these criteria fall within the OSA policy regarding construction procurement, which once resided in SBC Policy.
 - 3. Peter said that the future State contractor registration site will hold relevant standard evaluation criteria in section A and those from B and C that do not need to be part of the evaluation.
 - 4. John Finch said he would propose to have a meeting to review these criteria and work to make decisions.

5. Chloe Shafer asked Dick Tracy if he wanted to have a pool of qualified contractors to draw from to do State projects in order to save time. Stan Hardaway stated that the Feds had a pool of prequalified contractors who had the opportunity to win work based on low bid only. It was also stated that if an initiative like this were to be proposed, the industry would need to have a large part in that proposal.
6. Alan Robertson mentioned that some states go through rounds of prequalifying contractors, then draw from a prequalified pool of contractors to do work within a given cost threshold.
7. Peter said that D/B was brought forward for T-3 projects primarily.
8. John Wimberly said that he would encourage having evaluator training.
9. Tim McKeehan with UT said that extreme inconsistencies with evaluators are not the norm.
10. Chloe said that STREAM holds evaluator team meetings to see if there appears to be consensus and that this is believed to be leading to better and more consistent evaluations of proposers.
11. Peter stated that there are no guarantees to recommendations that come out of QIC meetings that items need to be vetted through other appropriate State staff before policy becomes final.
12. Andy Sneed said that he was invited to QIC regarding the need that qualified subs were considered and evaluated. He believes that all State procurement policies will need to be tweaked along the way.
13. Peter said that there are more discussion items that the State may be interested in interacting with contractors and the industry other than alternative delivery methods. He sees that the industry has an interest in making government more effective and efficient. Peter pictures QIC's future as being a "sounding board" and "brainstorming" body. He would also like to limit the size of QIC and have this in place by their next meeting in November.
14. John Finch asked the State to review the size of contracting firms that are getting most of the State construction contracts. John is concerned of the level of equity amongst the awards.
15. Trey Wheeler said he would like for QIC to review the designer selection process and possible barriers that exist with construction procurement evaluations such as the 30% cost threshold.
16. Peter stated that below a 30% threshold is going to be an issue as there is a portion of the work that still needs to be cost competitive in nature.
17. Stan Hardaway said that he is interested in QIC pursuing the achievement of quality and consistency across management of the RFPs by the SPAs.
18. Trey Wheeler confirmed that he feels there is confusion in the industry by all the variances in project management by the SPAs.
19. It was discussed that streamlining pre-qualifications for Best Value should be considered.

20. Don Freeman said general conditions costs should not be evaluated in cost proposals. He further stated that he is interested in the sustainability of contractor fees.
 21. Tim McKeehan said he would recommend that our state review North Carolina's construction procurement procedures, as well as other states' procedures.
 22. Don Freeman asked if the State could benefit by having subs on projects early, such as with CM/GC.
 23. Chris Remke said that the "first" savings, from the State's standpoint, would be that projects get programmed correctly.
 24. Trey Wheeler said his top two important requests would be to have consistency and qualified Project Managers, and streamline the designer and contractor selection process.
 25. Dick Tracy said his request would be to make Best Value simpler and streamline the qualifications.
 26. Peter stated that in order to make the qualifications processes more effective, it was also important to have a quality and robust designer and contractor performance evaluation process. He suggested that QIC members look to see what evaluation processes are out there and provide suggestions. He mentioned that he had a copy of Penn State's process which included minimum standards. He also suggested that the State's participation should be evaluated by the Designer and Contractor.
- F. The top four categories that the group agreed to work on are:
1. Consistency of project management across the State procurement agencies
 2. Qualifications process for contractors including making the prequalification process for Best Value simpler
 3. Qualifications process for Designers
 4. Evaluation processes for Designers and Contractors in conjunction with 2 and 3.
- G. The next QIC meeting will be November 12, 2014 at 10:00 a.m. at AGC.

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