

Date: June 26, 2012

For ACTION

For INFORMATION

Board Agenda: Yes
No

FROM: Stacey B. Johnson, Chief Financial Officer

THROUGH: Morton Sherman, Ed.D., Superintendent of Schools

TO: The Honorable Sheryl Gorsuch, Chairman, and Members of the Alexandria City School Board

CC: Monika Szczepaniec, Acting Director, Planning, Design, and Construction

TOPIC: Review and recommendation for approval of the Construction Manager At-Risk (CM At-Risk) Contract for the Jefferson-Houston new school project

BACKGROUND: As approved by the School Board, the Jefferson-Houston new school project is being constructed using a delivery method known as Construction Manager At-Risk (CM At-Risk). This is a new process to ACPS and the form of contract is also new. Under this agreement, ACPS will be hiring a construction company to provide both preconstruction and construction services.

ACPS issued a request-for-qualifications (RFQ #11-12-001) on April 2, 2012 which was due on April 12, 2012. There were seven vendors who responded to this RFQ and were accepted as qualified, allowing them to bid on the RFP. The request-for-proposal (RFP #11-12-010) included ACPS' contract terms for CM At-Risk services as developed by David Blake and David Mancini, attorneys of Seyfarth Shaw LLP and was issued on April 26, 2012. The contract terms were reviewed and modified based upon comments received from ACPS staff and Brailsford and Dunlavey, the Jefferson-Houston project program management company. A pre-proposal conference was held on May 3, 2012 at ACPS' central office location and proposals were due on May 21, 2012.

A total of five vendors submitted proposals within the required timeline. The criteria for the written review of the proposals were included in Section 6 (Evaluation Factors) and Attachment B of the RFP. From this review, two proposers were selected to return for presentations and oral interviews. The oral interviews and final rankings were completed on June 6, 2012. After careful deliberations, the evaluation committee selected Turner Construction Company as the top candidate and issued their recommendation following the completion of reference checks (see Attachment 4).

Note: Once the selection committee decided to move forward with Turner Construction, Seyfarth Shaw LLP formally withdrew from any further participation because Turner is also a client of Seyfarth Shaw LLP and this represents a conflict of interest. ACPS is

currently securing another independent legal firm to provide ongoing support for the Jefferson-Houston project.

The contract stipulates specific activities that must take place during each of the two phases and defines exactly how the project will transition from preconstruction into construction. The price for the pre-construction phase as stated in Article 7 of the attached contract is \$99,600.

At the end of the preconstruction phase, Turner will provide ACPS with a guaranteed maximum price (GMP) proposal that details the exact costs of construction services which ACPS will need to review and accept before the construction phase can begin. The GMP proposal will be incorporated into this contract by way of a GMP amendment as outlined in Articles 4 and 8 of this agreement. The School Board will be required to approve the GMP amendment which is tentatively scheduled for execution March 2013.

Key services to be provided under this agreement are noted in Article 3 Preconstruction Phase Services and Article 5 Construction Phase Services with the costs defined for these phases in Articles 7 and 8, respectively. The total approved FY 2013 capital budget for the Jefferson-Houston new school project is \$42,001,440. This budget allocation fully covers the expected cost of this agreement as well as all other contractual commitments for required services related to the Jefferson-Houston project.

RECOMMENDATION: The Budget and Audit committee members should carefully review all documents associated with this contract as attached and include the following:

1. Evaluation Committee Recommendation
2. Construction Management Agreement
3. RFQ and RFP documents, available online using the link below and included as an attachment to this transmittal.

<http://www.acps.k12.va.us/financial-services/purchasing/bids.php>

4. The Turner Construction Company proposal in response to the RFP, included as a separate attachment to this transmittal. A CD of the proposal is also available.

The task of the committee is to determine if the contract should be recommended to the Board for approval. In determining if this contract should be recommended to the Board for approval, the committee members should consider the following:

- *The contract cost and scope is appropriate to the total budget and purpose of the CIP project.* Please see Articles 2, 3, 5, 7, and 8 for information on scope and cost.
- *The contract fairly balances ACPS and the contractor's risk.* David Mancini and David Blake of Seyfarth Shaw LLP were instrumental in developing this contract and ensuring that all provisions of the VPPA are met and ACPS interests are fully protected.

- *The Virginia Public Procurement act requirements were followed in full in the selection of the vendor designated in the contract. The RFP and selection process were managed by Amina Maddox, ACPS Contracts Specialist and Jay Brinson, Brailsford and Dunlavey Program Manager. They consulted extensively and frequently with David Mancini and David Blake to ensure all VPPA requirements were met.*
- *The contract has been reviewed and approved by an attorney employed by ACPS for the specific purpose of determining if the contract meets local, state, and federal requirements and is in the interests of the School Board. David Mancini and David Blake of Seyfarth Shaw LLP developed this contract and its terms prior to the RFP and approved it for Board consideration. Turner Construction accepted the contract terms as included in the RFP document.*
- *There is no conflict of interest with ACPS staff or Board members in the selection of the vendor. All participants in the proposal review, oral interviews, and selection process signed non-conflict and non-disclosure agreements.*

ACPS staff recommend that the School Board Budget and Audit Committee refer this contract to the full Board for approval at the July 2, 2012 School Board meeting.

CONTACT PERSON: Stacey Johnson, 703-824-6644 or Monika Szczepaniec, 703-461-4168



MEMORANDUM

TO: Amina Maddox, Stacey Johnson, Stuart Keeler
FROM: Jay Brinson, Sr. Project Manager
CC: Ron Kagawa, Monika Szczepaniec, Mark Eisenhour, David Blake, Sam Condit
SUBJECT: Jefferson Houston, CM RFP Selection Committee Recommendation

Based upon a careful review of the proposals received the selection committee has decided that Hess Construction and Turner Construction companies are to proceed to the next phase of evaluation as the short-listed firms to be interviewed. Attached to this memorandum please find the individual score sheets for each Offeror from each of the selection committee members in addition to the consolidated score sheet for each Offeror. The consolidated score sheets were based upon an average taken from each of the individual score sheets and the results revealed a clear separation of Turner and Hess from the other Offerors.

The selection committee has further decided that interviews are to take place on Wednesday, June 6th 2012. One group is to be interviewed from 1:00 – 2:00 p.m. and the other from 2:30 – 3:30 p.m. and the selection committee will provide a list of questions for each firm by close of business on Thursday, May 31st. The selection committee anticipates issuing a recommendation for the selection of a firm on June 6th, following the interviews.

Also attached to this document are the signed conflict of interest forms from each selection committee member. We will drop off the originals for your records within the next few days. I will also be contacting you regarding follow through on the reference checks for Turner and Hess, establishing a location for the interviews, and confirmation of the selection process following the interviews.

