

# Construction Management RFQ Recommendation

## January 21, 2019

### Background

The District released a Construction Manager (CM) Request for Qualifications (RFQ) on November 7, 2018 with a due date of December 14. However, on December 12 we were notified that due to an issue with the post office a number of the packets were not delivered until December 10. Because of the delay we extended the due date of the RFQs until December 16, which made it difficult for us to review the applications and make a recommendation in December as we had planned.

### Applicants

We received seven completed CM RFQ proposals from the following firms:

|                          |            |
|--------------------------|------------|
| Anderson Construction    | Boise      |
| Beniton Construction     | Meridian   |
| CM Company               | Boise      |
| Kreizenbeck Constructors | Boise      |
| Petra Incorporated       | Meridian   |
| Starr Corporation        | Twin Falls |
| Wright Brothers          | Eagle      |

### Application Review

We established an application Review Committee consisting of myself; Michelle Deluna, Business Manager; Pat Swigert, Maintenance Supervisor; and Jason VanEvery, Assistant Maintenance Supervisor. We met January 8 and shared our scoring of the applicants. After some discussion we chose the three highest scoring firms and invited them to interviews on Friday January 11.

The three firms selected were:

- Beniton Construction
- Kreizenbeck Constructors (helped us with the Minico remodel)
- Petra Incorporated (helped us with Acequia and Heyburn Elementary schools)

### Interviews

During our interviews we learned that there are two types of Construction Managers: Construction Manager Advisor or Agent (CMa) and Construction Manager General Contractor (CMGC). The primary differences between these two types of CMs are as follows:

**CMa** - When a firm contracts as a CMA they represent the District's interests and assist in finding and soliciting proposals from Specialty Contractors to do the work involved in a particular project. Those Contractors will each furnish bid bonds when bidding and provide Payment and Performance (P&P) bonds for their portion of the work. The District will contract directly with each of these Contractors and the CMA will manage those contracts for the district.

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**CMGC** - When a firm contracts as a CMGC they not only represent the District's but they also act as a General Contractor and contract with sub-contractors to do the work involved in a particular project. For smaller projects it has been found that if the Specialty Contractors don't need to provide bid or P&P bonds, they may be more willing to bid a project. The CM/GC will provide the District a guaranteed maximum price and a P&P bond for the project after bidding and will contract directly with the owner for the work and includes the work of the specialty Contractors. So, the District has only one contract for that project. The District does not need to publicly advertise for this procurement since it has already met the requirement through the RFQ CM advertisement. Idaho law allows a CM/GC to self perform work, such as installing two new doors. This can help expedite the procurement process.

We were impressed with the skills that all three of these companies brought to the table, especially since two of them had done work for the District in the past. It was our understanding that none of these firms self-performed work on projects where they were the CMs. Petra and Kreizenbeck did self-perform on some jobs, but Beniton does not self-perform, as they are strictly a CM firm.

After hearing the three presentations and asking questions of each of the companies, the committee unanimously chose Beniton Construction as our first choice and Petra as our second choice.

### Discussion

We met with Beniton January 16 to discuss contract options. Here are some highlights from that discussion and how we plan on moving forward in our newly formed relationship:

1. Beniton would serve as a Construction Management agent (CMA) for the District and provide **preconstruction services**. This would allow them to work with LKV Architects early in the development of proposed bond projects.
2. A separate contract would be developed for each project that the District determines they need assistance on from Beniton.
3. Each contract would identify:
  - a. The scope of the project.
  - b. The fee to be associated with the project (see fee schedule below).
  - c. The role of Beniton on the project. Whether they would act solely as CMA or whether they would serve as CMGC (generally on smaller projects).
4. All contracting done by Beniton would be done in accordance with District bidding policy (which is slightly stricter than State law).
5. Beniton will submit one itemized monthly pay request for themselves and all general contractors or subcontractors so the District only has to write one check per month.

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### Proposed Project Fee Structure

| Project Cost        | Proposed Fee |
|---------------------|--------------|
| Under \$500k        | 10%          |
| \$500k - \$1M Range | 8.0%         |
| \$1M to \$5M Range  | 6.5%         |
| Over \$5M           | 5.5%         |

Pre-Construction Services before project fees apply: \$10,000 per month, prorated for partial months, and be limited to no more than six months.

### Recommendation

The Committee is recommending that the Board contract with Beniton as our CM as outlined above for all bond projects that require their services. We also recommend contracting with them to begin immediately providing Preconstruction Services so they can begin coordinating with LKV Architects on our projects.