

DETERMINATION – ALTERNATIVE PROJECT DELIVERY METHOD

Arizona Administrative Code School District Procurement Rule R7-2-1116 (B) (2) requires the Governing Board make a written determination that the use of a specific Alternative Project Delivery Method (APDM) is in the best interest of the district.

Construction and renovation projects are difficult to define scope of work due to the many unknown factors that are involved. By using the Construction Manager at Risk method, we are able to involve the contractor and engineer during the design process. This involvement will help the district control costs, reduce schedules and change orders and most importantly deliver a much more complete scope of what the district requires. Construction Manager at Risk will allow the district to incorporate value engineering at the design phase and permit the district to select the best contractor.

Under the rules for APDM, the Governing Board should acknowledge certain factors when utilizing the APDM methods of procurement and make a determination that the use of the Construction Manager at Risk method of procurement is in the best interest of the district. Therefore, the district recommended the use of APDM Construction Manager at Risk procurement process for this construction and renovation project and includes the following factors in accordance with APDM rules:

1. Cost Control – CM at Risk allows the district to control the cost of large scale projects in that it virtually eliminates the change order process because costs are set prior to the beginning of a project. Most, if not all, of the unknowns are eliminated.
2. Value Engineering – With the architect, contractor and owner (District) working together as a team, discussions in the design stages of a project can present alternatives to use products to prevent costs from escalating.
3. Market Conditions – By choosing contractors based on qualifications rather than the lowest responsive and/or responsible bidder, owner is able to get a fair and reasonable price based on market conditions. When conditions do not warrant using the alternative method of procurement, design/bid/build is still used.
4. Schedule – Critical timing of construction that may have to be phased or may need to be tailored to educational schedules.
5. Specialized Expertise – Unique features or functional requirements of the project that make past experience with similar situations or detailed knowledge critical to project success.

APDM will allow the district to select the best contractor based on their past performance with the systems and plans the district has selected.

6. Technical Complexity – Any unusual or particularly technically- sensitive aspects of the project that require specific skills or experience. The complex technical details are worked out during the design phase of the project and will eliminate running into problems when a project is underway.
7. Project Management – Ultimately, the project is managed by the owner. Although the project manager is onsite, the Construction Manager is responsible for making certain that the project progresses on schedule.

The evaluation process for the Construction Manager at Risk is as follows:

1. The District will use the Construction Manager at Risk contract process for this procurement. The evaluation committee established for this project will review and rank the statement of qualifications in accordance with defined criteria.
2. Based on the statement of qualifications and performance data submitted by the contractors, the evaluation committee will invite at least three but no more than five firms for an interview regarding their qualifications.
3. Based on input received through the interview sessions, the evaluation committee will finalize the ranking and establish a final list of the three highest rated firms.
4. The District will then enter into negotiations with the highest ranked firm to finalize a contract for the project. If a contract cannot be successfully negotiated with the highest ranked firm within a reasonable timeframe, then negotiations will be terminated with that firm. The District will enter negotiations with the next highest ranked firm in sequence until an agreement is reached or a determination is made to reject all firms on the final list.
5. When utilizing the Construction Manager at Risk process there is a separate contract for design service and another for construction services. All resultant contracts will be presented to the Governing Board for approval. Construction services shall not commence until the District and the Construction Manager at Risk team agree in writing on a fixed price or a guaranteed maximum price (GMP) contract.

For the reasons stated above, it is in the District's best interest to utilize the Alternative Project Delivery Methods (APDM) process for the Construction Manager at Risk method of procurement for this particular project.