

Fundamentals of Capital Project Management

Certification Training – October 11, 2014

Produced and Prepared in partnership with:



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Capital Project Management is one module of the FRA Redevelopment Academy's Certification Program, and content from other modules has been integrated herein to provide a consistent presentation of information regarding redevelopment.

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National Development Council

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Capital Project Management – Agenda

9:00 a.m. WELCOME AND INTRODUCTIONS

9:15 – STEP 1: FUNDING & BUDGETING

- ☐ Community Redevelopment Agency Funds
- ☐ Other Funding Sources
- ☐ Compliance Issues
- ☐ Budgeting
- ☐ Property Acquisition

9:30 – STEP 2: PLAN THE PROJECT

- ☐ Organize the Planning Team
- ☐ Identify Project Objectives
- ☐ Understand the Project Context
- ☐ Estimate Project Costs
- ☐ Preliminary Project Schedule
- ☐ Sell the Project
- ☐ Develop Project Scope

10:00 – STEP 3: CHOOSE DESIGN/CONSTRUCTION METHOD

- ☐ Design-Bid-Build
- ☐ Design-Build
- ☐ Construction Manager at Risk
- ☐ Hybrid/Other
- ☐ Understanding CCNA

10:45 – BREAK

11:00 – GROUP EXERCISE – FUNDING, PLANNING & METHOD OF DELIVERY

- ☐ Breakout Groups
- ☐ 30 minutes working
- ☐ 30 minutes presentation

LUNCH BREAK/ WORKING LUNCH

AGENDA CONTINUED ON NEXT PAGE

CAPITAL PROJECT MANAGEMENT AGENDA (CONTINUED)

1:00 p.m. – STEP 4: PROCURE EXTERNAL RESOURCES

- ☐ Procurement Process
- ☐ Contract Agreements

1:45 – STEP 5: DESIGN & CONSTRUCTION

- ☐ Design & Construction Team
- ☐ Project Design
- ☐ Break Ground
- ☐ Problem Solving
- ☐ Enforcing Agreements
- ☐ Stakeholder Communications

2:15 – STEP 6: PROJECT CLOSEOUT

- ☐ Substantial Completion
- ☐ Punch List
- ☐ Project Operations
- ☐ Project Maintenance
- ☐ Cut the Ribbon!
- ☐ Final Documentation and Report

3:00 – GROUP EXERCISE – PROCURING, DESIGN, CONSTRUCTION & CLOSEOUT

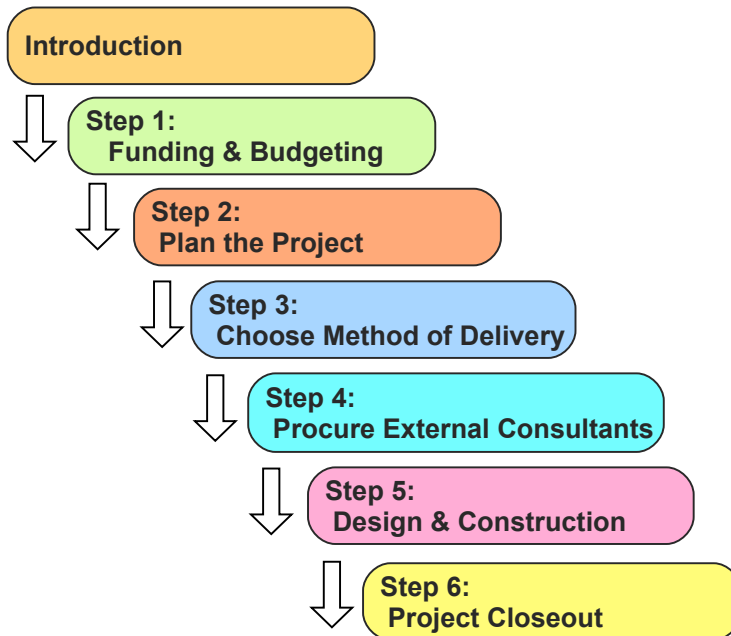
- ☐ Breakout Groups
- ☐ 30 minutes working
- ☐ 30 minutes presentation

4:00 – DISCUSSION, QUESTIONS, & TEST

5:30 – ADJOURNMENT

Fundamentals of Capital Project Management

FUNDAMENTALS OF CAPITAL PROJECT MANAGEMENT



Public Sector Capital Project

Public Sector Capital Project

- New construction, expansion, renovation, or replacement of existing infrastructure or facilities, including cost of land, materials, and services for planning, architectural, engineering and construction (in-house or consultant)



Public Sector Capital Project Management

Public Sector Capital Project Management

- The use of public sector human resources for overseeing project planning, enacting agreements, implementing, monitoring and controlling capital projects



Private vs. Public Projects

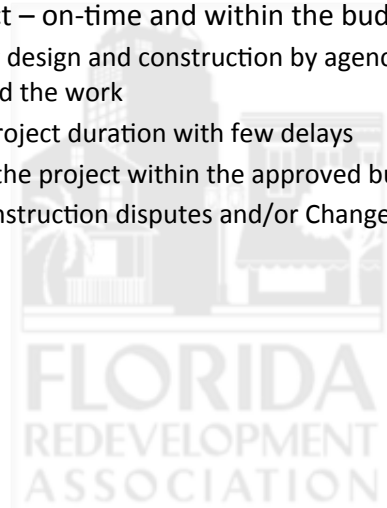
Private vs. Public Projects

	Private	Public
What you can buy	Whatever is not illegal	Only what is authorized by law
Selection of consultants	Whomever you want	Competition required by law
Contracted terms and conditions	Whatever you write	Mandatory pre-written clauses
Authority to enter into contracts	All that is implied by your position	Only what is explicitly stated in writing
Public information	It is generally totally private	It is generally publicly available
Socio-political factors	None	Many

Overall Objectives

Overall Objectives

- “Great project – on-time and within the budget”
 - High quality design and construction by agencies and firms that stand behind the work
 - Optimum project duration with few delays
 - Delivery of the project within the approved budget
 - Minimal construction disputes and/or Change Orders



Why CRAs Construct Capital Projects

Why CRAs Construct Capital Projects

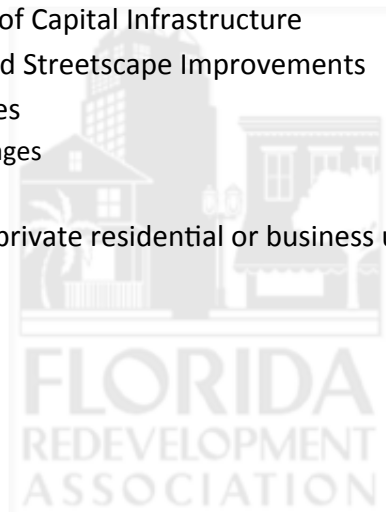
- Remove “slum or blighted” conditions
- Create Downtown/area beautification
- Facilitate new development/redevelopment projects
- Attract private investment in CRA district
- Other Redevelopment Plan objectives



Typical CRA Capital Projects

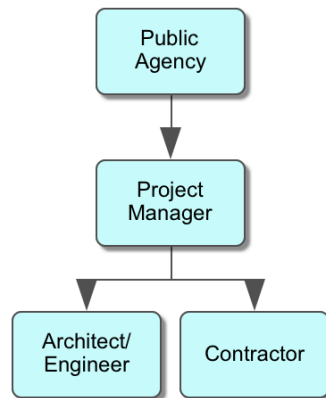
Typical CRA Capital Projects

- Construction of Capital Infrastructure
- Landscape and Streetscape Improvements
- Public Facilities
 - Parking garages
 - Parks
- Buildings for private residential or business use
- Other



Public Project Delivery

Public Project Delivery

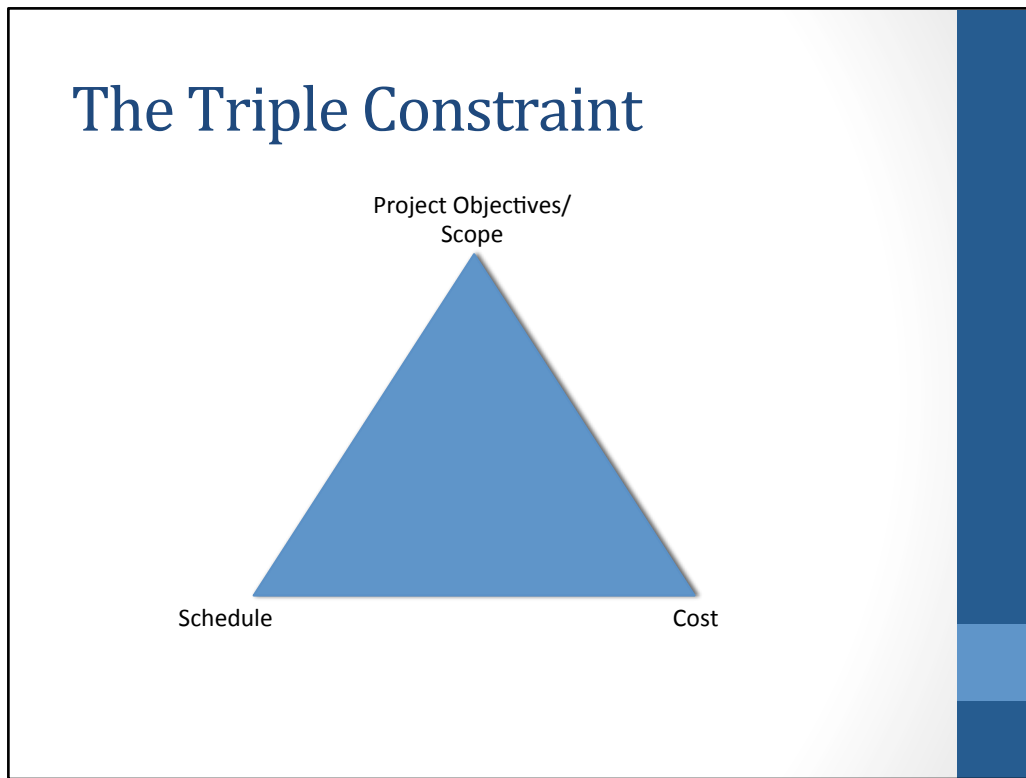


The Project Team(s)

The Project Team(s)

- Planning
 - CRA Staff, Board Member, Advisory Board Member(s)
 - City/County Staff – Public Works, Others
 - Consultant Planners
- Design
 - Architects and Engineers (A/E Team)
 - Landscape Architects
 - Specialized Design Consultants
- Construction
 - General Contractor
 - Inspectors, Contract Administrators, Close Out Administrators, Others

The Triple Constraint



Step 1: Funding & Budgeting for Capital Projects

STEP 1: FUNDING & BUDGETING FOR CAPITAL PROJECTS

**Community Redevelopment
Agency Funds**

Other Funding Sources

Compliance Issues

Budgeting

Property Acquisition



Community Redevelopment Agency (CRA) Funds

Community Redevelopment Agency (CRA) Funds

- “Increment Revenue” budgeted to carry out activities in the Community Redevelopment Plan – FS 163 Part III
 - Received from taxing authorities (Redevelopment Trust Fund)
 - Borrowed Funds
- Other CRA Funds
 - Grants
 - Contributions/Donations/ Payment in Lieu of Taxes (PILOT)
 - Interest/Investment Income
 - Intergovernmental Transfers
 - Developer Extractions
 - Fees

Use of Increment Revenue

Use of Increment Revenue – FS 163 Part III

- Money in the redevelopment trust fund may be expended for undertakings as described in the community redevelopment plan, including, but not limited to:
 - a. Administrative and overhead expenses
 - b. Redevelopment planning, surveys, & financial analysis
 - c. Acquisition of real property in the CRA district
 - d. Clearance/preparation & relocation of occupants
 - e. Repayment of borrowed funds
 - f. All expenses related to bonds/other indebtedness
 - g. Development of affordable housing
 - h. Community policing innovations

What Increment Revenues Can't Pay For

What Increment Revenues Can't Pay For – FS 163.370

- Construction or expansion of administrative buildings for public bodies or police and fire buildings, unless each taxing authority agrees or unless the construction or expansion is contemplated as part of a community policing innovation
- Any publicly owned capital improvements or projects if such projects or improvements were scheduled pursuant to a previously approved public capital improvement or project schedule or plan of the governing body which approved the community redevelopment plan unless and until removed from such schedule or plan of the governing body and 3 years have elapsed
- General government operating expenses unrelated to the planning & carrying out of a community redevelopment plan

Other Expenses – “Best Practices”

Other Expenses – “Best Practices”

- Capital expenditures
- Promotion, marketing & events
- Code enforcement
- Incentives and grants
- Cost sharing/allocation for services

Collecting Increment Revenue

Collecting Increment Revenue

- The CRA customarily invoices the taxing authorities for their increment contribution each year.
- Taxing authorities must remit their increment revenues to the Trust Fund by January 1st.
- Failure to submit on a timely basis will result in a penalty payment by the taxing authority to the Trust Fund:
 - 5% of the amount of increment revenues due
 - 1% interest for each month the increment is outstanding
 - The CRA may waive all or part of penalty payments

Borrowing Money

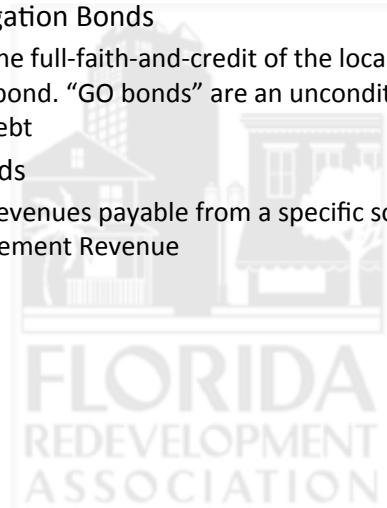
Borrowing Money

- A CRA can borrow money with the approval of the governing body.
- This borrowing might be in the form of:
 - Revenue Bond
 - Bank Loan – including line of credit
 - Loan from City/County/other agency or district
 - Seller Financing
- Repayment period cannot exceed the life of the CRA.
- Notice must be given to taxing authorities and the public notified through newspaper publication of time, date, purpose of meeting.
- CRA (Special District) must notify the State Board of Administration, Division of Bond Finance.

Government Bonds

Government Bonds

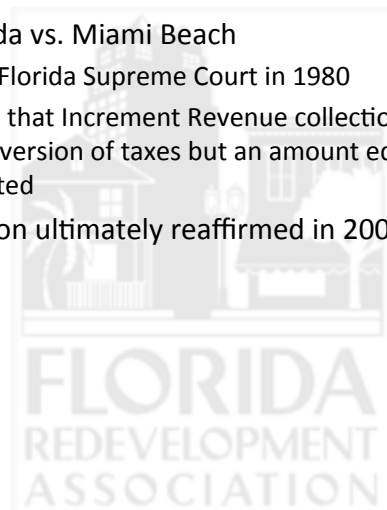
- General Obligation Bonds
 - backed by the full-faith-and-credit of the local government issuing the bond. “GO bonds” are an unconditional pledge to repay the debt
- Revenue Bonds
 - backed by revenues payable from a specific source of revenue, such as Increment Revenue



Revenue Bonds – Legal Authority for CRAs

Revenue Bonds Legal Authority for CRAs

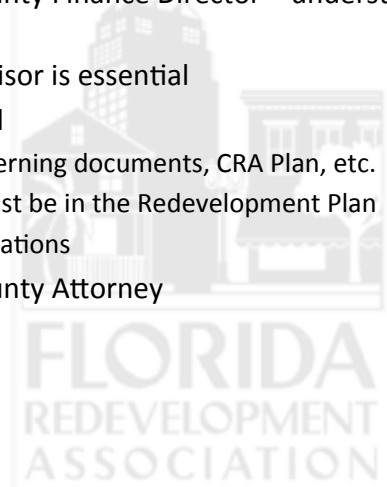
- State of Florida vs. Miami Beach
 - Decided by Florida Supreme Court in 1980
 - Determined that Increment Revenue collections were revenue and not a diversion of taxes but an amount equal to the change in taxes collected
- Strand Decision ultimately reaffirmed in 2008



Your Bonding Team

Your Bonding Team

- CRA/City/County Finance Director – understanding of bonding is critical
- Financial Advisor is essential
- Bond Counsel
 - Review governing documents, CRA Plan, etc.
 - Bonding must be in the Redevelopment Plan
 - Issues/Limitations
- CRA/City/County Attorney
- CRA Director



CRA (Special District) Budget Requirements

CRA (Special District) Budget Requirements – FS 189.418

- Special District governing body (CRA Board) shall adopt a budget by resolution, each fiscal year, at least at the level of detail required for the annual financial report.
- Total amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total of appropriations for expenditures and reserves.
- Adopted budget must regulate expenditures of the special district.
- Proposed budget must be posted on website 2 days before hearing and approved budget within 30 days after approval.
- Must be presented in accordance with generally accepted accounting principles.
- Must be contained within the general budget of the local governing authority (City/County) and clearly stated as the budget of the CRA (unless the local governing authority consents to a separate budget).

It Must Be in the Plan!

It Must Be in the Plan!

- Any project or program a CRA wishes to undertake must be outlined in the Community Redevelopment Plan
- If it is NOT in the Plan, you can't do it!



Other Funding: Grants

Other Funding: Grants

- Community Development Block Grants (CDBG)
- Historic Preservation Grants
- Transportation/Transit Funding & Grants
- Other Funding Sources
 - Federal Grants (EDA, HUD, other)
 - Brownfield Remediation Grants
 - Cultural/Other Activity Grants
 - Funding for Housing Programs/Projects



Non-CRA Funding Sources

Non-CRA Funding Sources

- City/County Funds
 - General Fund
 - Capital Project Funds
 - Internal Service Funds
 - Reserve Funds
 - Trust Funds
- State/Federal Funds
- Other



Compliance

Compliance

- Complying with laws and regulations governing public projects is time-consuming, but evading the rules will ultimately prove to be even more time-consuming.



Compliance Issues Based on Source of Funds

Compliance Issues Based on Source of Funds

- CRA Funds
 - Increment Revenue Restrictions
 - Redevelopment Plan Provisions
- City/County Funds
 - Policies, Procedures
 - Small/Minority Business Provisions
- State & Federal Funds
 - Davis-Bacon Requirements
 - Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Other

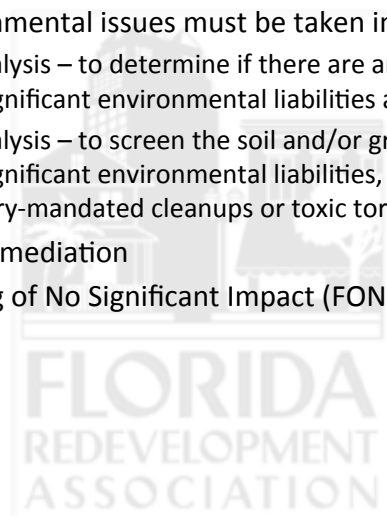
Property Acquisition

Property Acquisition

- CRA may acquire property in Redevelopment Area by purchase, lease, option, gift, grant, bequest, devise, or other voluntary method of acquisition.
- Property acquisition/objectives should be in the Redevelopment Plan.
- Property acquisition is part of the Capital Project budget.
- Right-of-way acquisition, utility relocation and environmental remediation are a component of the Capital Project budget.

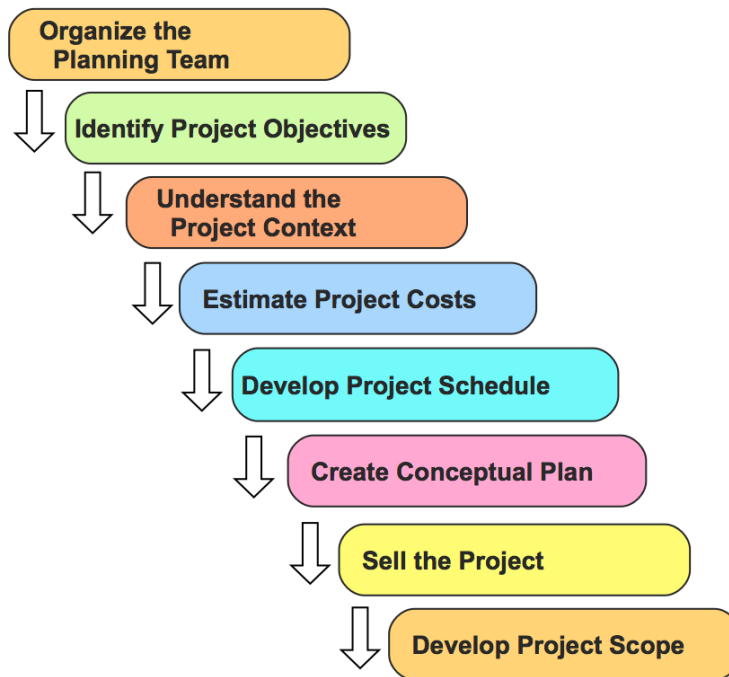
Environmental Issues

- What environmental issues must be taken into account?
 - Phase 1 Analysis – to determine if there are any known or potential significant environmental liabilities at the property
 - Phase 2 Analysis – to screen the soil and/or groundwater for potential significant environmental liabilities, whether they may be regulatory-mandated cleanups or toxic tort liabilities
- Plan(s) for Remediation
- NEPA/Finding of No Significant Impact (FONSI)



Step 2: Plan the Project

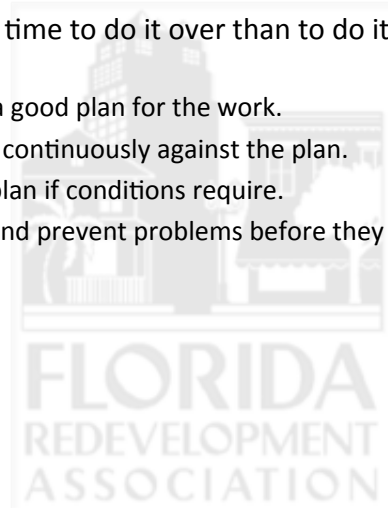
STEP 2: PLAN THE PROJECT



Plan the Work . . .

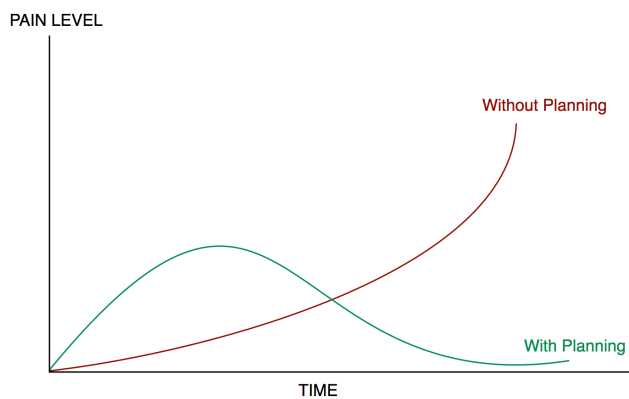
Plan the Work then work the Plan

- It takes more time to do it over than to do it right the first time:
 - Begin with a good plan for the work.
 - Check work continuously against the plan.
 - Adjust the plan if conditions require.
 - Anticipate and prevent problems before they occur.



The Pain Curve

The Pain Curve



Organize the Project Planning Team

Organize the Project Planning Team

- CRA Staff
- City/County Staff
 - Planners
 - Finance Department
 - Engineers/Public Works Department
 - Building Department Officials
- Consultants
 - Architects & Engineers (A/E Team)

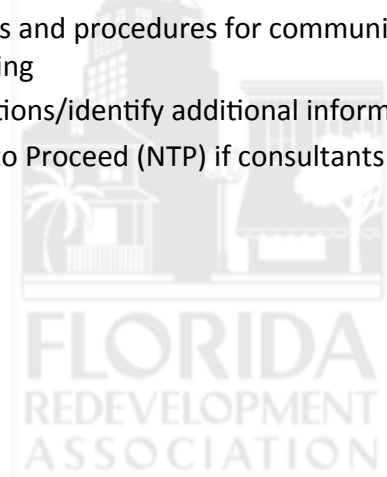


Notes:

Planning Kickoff Meeting

Planning Kickoff Meeting

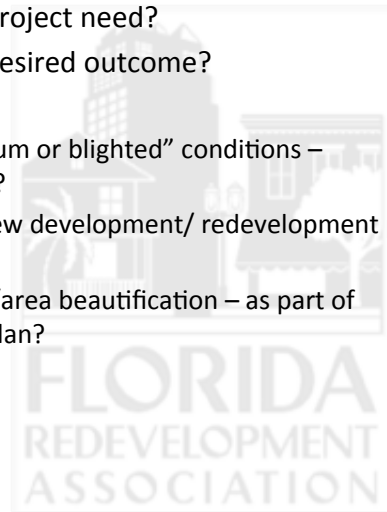
- Schedule the first meeting of the Project Planning Team
- Establish roles and procedures for communications and decision making
- Answer questions/identify additional information required
- Issue Notice to Proceed (NTP) if consultants are on the team



Identify Project Objectives

Identify Project Objectives

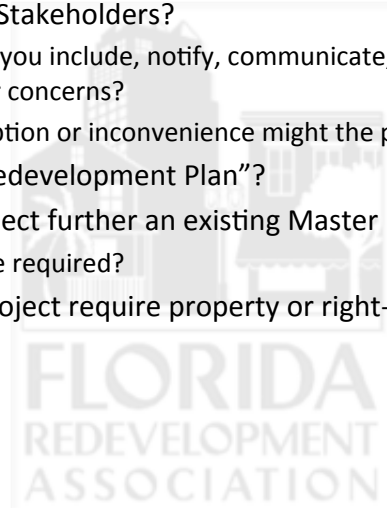
- What is the project need?
- What is the desired outcome?
- Be Specific:
 - Remove “slum or blighted” conditions – which ones?
 - Facilitate new development/ redevelopment projects – which projects?
 - Downtown/area beautification – as part of an overall plan?



What is the Context?

What is the Context?

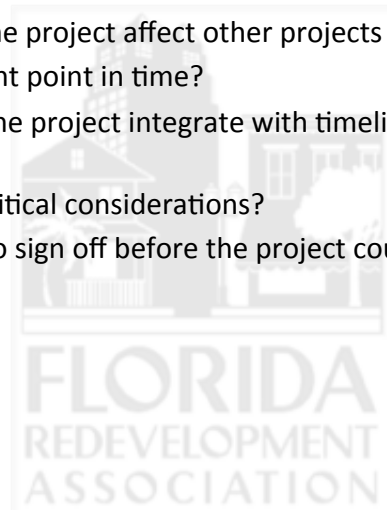
- Who are the Stakeholders?
 - How would you include, notify, communicate, and respond to Stakeholder concerns?
 - What disruption or inconvenience might the project create?
- Is it “in the Redevelopment Plan”?
- Does the project further an existing Master Plan?
 - If not, is one required?
- Would the project require property or right-of-way acquisition?



What is the Context? (Continued)

What is the Context? (Continued)

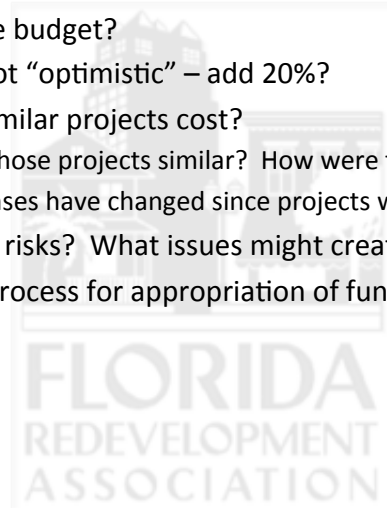
- How might the project affect other projects budgetary issues?
- Is this the right point in time?
- How would the project integrate with timelines for other projects?
- Are there political considerations?
- Who needs to sign off before the project could move forward?



Estimate the Project Costs (Preliminary)

Estimate the Project Costs (Preliminary)

- What is in the budget?
- Be realistic not “optimistic” – add 20%?
- What have similar projects cost?
 - How were those projects similar? How were they different?
 - What expenses have changed since projects were completed?
- What are the risks? What issues might create cost overruns?
- What is the process for appropriation of funds?



Develop Project Schedule (Preliminary)

Develop Project Schedule (Preliminary)

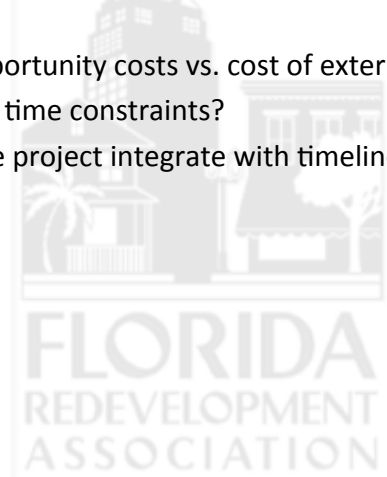
- Context Issues/Master Plan
- Conceptual Plan
- Need for External Consultants?
- *Schematic Design*
- *Design Development*
- *Construction Documents*
- *Construction*
- *Close Out*



“Build or Buy” Decision

“Build or Buy” Decision

- What is your in-house capacity/prior experience with similar projects?
- What are opportunity costs vs. cost of external contractor?
- What are the time constraints?
- How does the project integrate with timelines for other projects?



Anticipate Design/Construction Method of Delivery

Anticipate Design/Construction Method of Delivery

- Design-Bid-Build
- Construction Manager at Risk
- Design-Build
- Hybrid



Is a Feasibility Study Required?

Is a Feasibility Study Required?

- What are the existing conditions at the site?
 - Property/right-of-way acquisition
 - Environmental conditions
- Alternatives Analysis
 - Evaluation of alternatives for realizing project objectives
 - Comparative cost analyses of the various alternatives
 - Recommendation of the preferred alternative
- Detailed statement of design criteria for the preferred solution
- Applicable codes and public regulations
- Revised Project Costs and Project Schedule

Create the Conceptual Plan

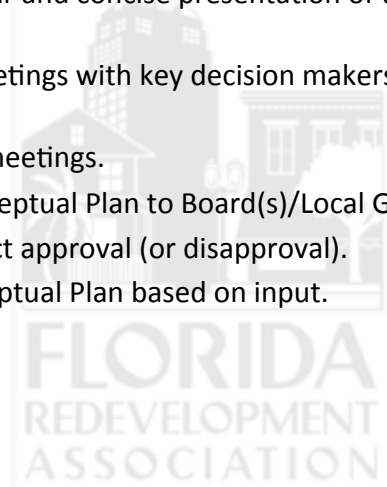
Create the Conceptual Plan

- Clear Statement of Objectives
- Preliminary Cost Estimates
- Preliminary Schedule
- Maps, Renderings or Elevations?
- Anticipated Design & Construction Method of Delivery
- Other Information

“Sell” the Project

“Sell” the Project

- Outline a clear and concise presentation of the Conceptual Plan.
- Schedule meetings with key decision makers and other stakeholders.
- Hold public meetings.
- Present Conceptual Plan to Board(s)/Local Government.
- Obtain project approval (or disapproval).
- Revise Conceptual Plan based on input.



Develop Project Scope (Preliminary)

Develop Project Scope (Preliminary)

- Clear Description of Project Need
- Estimated Project Budget
- Preliminary Schedule
- Presentation of Agency's Role/Level of Expertise
- Anticipated Design & Construction Method of Delivery



Step 3: Choose the Design & Construction Method of Delivery

STEP 3: CHOOSE THE DESIGN & CONSTRUCTION METHOD OF DELIVERY

Design-Bid-Build

**Construction Manager
at Risk**

Design Build

Hybrid/Other

Understanding CCNA



Design-Bid-Build

Design-Bid-Build

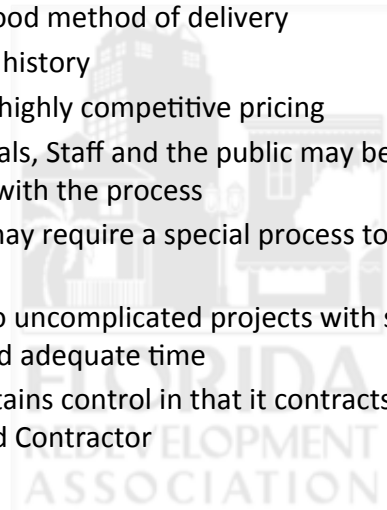
- Architects/Engineers (A/E Team) procured first for the Design phase.
- A/E Team produces a full set of Construction Documents.
- Construction Documents are distributed for competitive bids from Contractors.
- Agency selects the “responsive, responsible contractor with the lowest price bid” to build the project.



Design-Bid-Build: The Pros

Design-Bid-Build: The Pros

- Best understood method of delivery
- Longest legal history
- Can produce highly competitive pricing
- Elected Officials, Staff and the public may be most comfortable with the process
- Jurisdiction may require a special process to use any other method
- Well suited to uncomplicated projects with straightforward objectives and adequate time
- Agency maintains control in that it contracts separately with A/E Team and Contractor



Design-Bid-Build: The Cons

Design-Bid-Build: The Cons

- Linear process can increase project duration:
 - bidding can't begin until Construction Documents are complete
 - Construction can't begin until the bidding phase is complete and the contract awarded.
- Low bids can encourage high Change Orders.
- Project Costs identified late in process.
- Process can be risky for less experienced Agency/Project Manager, A/E Team, or Contractors.
- Agency might end up mediating between the A/E Team and Contractor.

Notes:

Construction Manager at Risk

- Architects/Engineers (A/E Team) procured first for Design phase of the project
- CM at Risk procured during Design phase and involved in creation of Construction Documents (Pre-construction Services)
- CM at Risk contracted to deliver the project at a Guaranteed Maximum Price (GMP)
- CM at Risk responsible for all scheduling and coordination of Construction phase

CM at Risk: The Pros

CM at Risk: The Pros

- Works well for projects where early Contractor participation is desirable.
- Resolves challenging Construction issues early in the process.
- Construction Costs can be developed along with Design.
- Contract includes Guaranteed Maximum Price (GMP) .
- Creates clear, integrated scheduling of Construction phase.
- Subcontractors can be pre-qualified.
- Agency maintains control in that it contracts separately with A/E Team and Contractor.

CM at Risk: The Cons

CM at Risk: The Cons

- Perception of additional cost from comparison to bids for Construction Costs only
- Agency might end up mediating between the A/E Team and Contractor



Notes:

Design-Build

Design-Build

- A Design Criteria Package is developed by a licensed professional in sufficient detail for Design-Build firms to prepare a response.
- Agency procures a Design-Build firm (one of the following)
 - Architect works for Contractor
 - Architect/Contractor incorporate to build the project (Integrated Project Delivery)
 - Architect /Contractor are fully owned subsidiaries of the same corporation (Fully Integrated)
 - Architect leads the process and procures or subcontracts the Contractor (Architect led Design-Build).
- Contract can be a GMP or Lump Sum type contract depending on the process used and when Scope and Construction Costs are defined.

Design-Build: The Pros

Design-Build: The Pros

- Can fast track Project Schedule
- Contractor involved from the beginning
- Project Costs identified early in process
- Encourages teamwork and creativity
- Well suited to repetitive projects or those with clear Scope
- Well suited for complex projects where the Scope may change
- Agency is not mediating between the A/E Team and Contractor

Design-Build: The Cons

- Quality Design Criteria Package is critical to project success
- Fewer legal precedents when problems arise
- Requires a defined conflict resolution process
- Agency could sense loss of control from single contract with A/E Team & Contractor



Notes:

Hybrid/Other Methods of Delivery

Hybrid/ Other Methods of Delivery

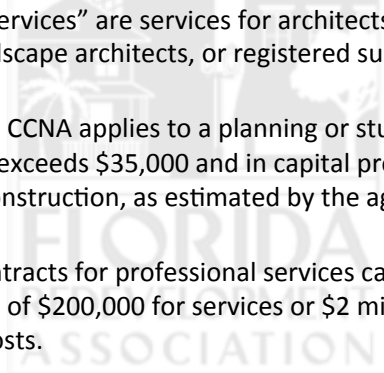
- Some combination of:
 - Design-Bid-Build
 - Construction Manager at Risk
 - Design-Build



Consultant's Competitive Negotiation Act (CCNA)

Consultant's Competitive Negotiation Act (CCNA) – FS 287.055

- Adopted by the Florida Legislature in 1973, CCNA requires state government agencies, municipalities or political subdivisions, school boards/school districts, to select “professional services” consultant firms/teams based on qualifications rather than on “lowest bid”.
- “Professional services” are services for architects, professional engineers, landscape architects, or registered surveyors and mappers.
- (Current limits) CCNA applies to a planning or study activity where compensation exceeds \$35,000 and in capital projects where the basic cost of construction, as estimated by the agency, will exceed \$325,000.
- Continuing Contracts for professional services can be entered into up to the limits of \$200,000 for services or \$2 million for construction costs.



CCNA – Evaluation & Ranking

- The Agency evaluates qualifications and performance data and conducts discussions with and ranks no fewer than three firms, considering such factors as:
 - ability of professional personnel
 - certified minority business enterprise status
 - past performance
 - willingness to meet time and budget requirements
 - location
 - recent, current, and projected workloads of the firms
 - volume of work previously awarded to each firm or team, with the object of equitable distribution of contracts among qualified firms, provided this does not violate the principle of selection of the most highly qualified firm

CCNA Negotiation

CCNA – Negotiation

- The Agency negotiates a contract with the most qualified firm at compensation which the agency determines is fair, competitive, and reasonable.
- Should the Agency be unable to negotiate a satisfactory contract with the top ranked firm, negotiations with that firm are terminated. The Agency then negotiates with the second ranked firm. If unsuccessful, the Agency negotiates with the third ranked firm.
- If these negotiations are unsuccessful, the Agency ranks additional firms and continues negotiating until an agreement is reached.

287.055 Acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services; definitions; procedures; contingent fees prohibited; penalties.—

(1) SHORT TITLE.—This section shall be known as the “Consultants’ Competitive Negotiation Act.”

(2) DEFINITIONS.—For purposes of this section:

(a) “Professional services” means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

(b) “Agency” means the state, a state agency, a municipality, a political subdivision, a school district, or a school board. The term “agency” does not extend to a nongovernmental developer that contributes public facilities to a political subdivision under s. 380.06 or ss. 163.3220-163.3243.

(c) “Firm” means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice architecture, engineering, or surveying and mapping in the state.

(d) “Compensation” means the amount paid by the agency for professional services regardless of whether stated as compensation or stated as hourly rates, overhead rates, or other figures or formulas from which compensation can be calculated.

(e) “Agency official” means any elected or appointed officeholder, employee, consultant, person in the category of other personal service or any other person receiving compensation from the state, a state agency, municipality, or political subdivision, a school district or a school board.

(f) “Project” means that fixed capital outlay study or planning activity described in the public notice of the state or a state agency under paragraph (3)(a). A project may include:

1. A grouping of minor construction, rehabilitation, or renovation activities.
2. A grouping of substantially similar construction, rehabilitation, or renovation activities.

(g) A “continuing contract” is a contract for professional services entered into in accordance with all the procedures of this act between an agency and a firm whereby the firm provides professional services to the agency for projects in which the estimated construction cost of each individual project under the contract does not exceed \$2 million, for study activity if the fee for professional services for each individual study under the contract does not exceed \$200,000, or for work of a specified nature as outlined in the contract required by the agency, with the contract being for a fixed term or with no time limitation except that the contract must provide a termination clause. Firms providing professional services under continuing contracts shall not be required to bid against one another.

- (h) A “design-build firm” means a partnership, corporation, or other legal entity that:
1. Is certified under s. 489.119 to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 2. Is certified under s. 471.023 to practice or to offer to practice engineering; certified under s. 481.219 to practice or to offer to practice architecture; or certified under s. 481.319 to practice or to offer to practice landscape architecture.
- (i) A “design-build contract” means a single contract with a design-build firm for the design and construction of a public construction project.
- (j) A “design criteria package” means concise, performance-oriented drawings or specifications of the public construction project. The purpose of the design criteria package is to furnish sufficient information to permit design-build firms to prepare a bid or a response to an agency’s request for proposal, or to permit an agency to enter into a negotiated design-build contract. The design criteria package must specify performance-based criteria for the public construction project, including the legal description of the site, survey information concerning the site, interior space requirements, material quality standards, schematic layouts and conceptual design criteria of the project, cost or budget estimates, design and construction schedules, site development requirements, provisions for utilities, stormwater retention and disposal, and parking requirements applicable to the project.
- (k) A “design criteria professional” means a firm who holds a current certificate of registration under chapter 481 to practice architecture or landscape architecture or a firm who holds a current certificate as a registered engineer under chapter 471 to practice engineering and who is employed by or under contract to the agency for the providing of professional architect services, landscape architect services, or engineering services in connection with the preparation of the design criteria package.
- (l) “Negotiate” or any form of that word means to conduct legitimate, arms length discussions and conferences to reach an agreement on a term or price. For purposes of this section, the term does not include presentation of flat-fee schedules with no alternatives or discussion.

(3) PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES.—

- (a)1. Each agency shall publicly announce, in a uniform and consistent manner, each occasion when professional services must be purchased for a project the basic construction cost of which is estimated by the agency to exceed the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services exceeds the threshold amount provided in s. 287.017 for CATEGORY TWO, except in cases of valid public emergencies certified by the agency head. The public notice must include a general description of the project and must indicate how interested consultants may apply for consideration.
2. Each agency shall provide a good faith estimate in determining whether the proposed activity meets the threshold amounts referred to in this paragraph.
- (b) Each agency shall encourage firms engaged in the lawful practice of their professions that desire to provide professional services to the agency to submit annually statements of qualifications and performance data.

(c) Any firm or individual desiring to provide professional services to the agency must first be certified by the agency as qualified pursuant to law and the regulations of the agency. The agency must find that the firm or individual to be employed is fully qualified to render the required service. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual.

(d) Each agency shall evaluate professional services, including capabilities, adequacy of personnel, past record, experience, whether the firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act, and other factors determined by the agency to be applicable to its particular requirements. When securing professional services, an agency must endeavor to meet the minority business enterprise procurement goals under s. 287.09451.

(e) The public must not be excluded from the proceedings under this section.

(4) COMPETITIVE SELECTION.—

(a) For each proposed project, the agency shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with, and may require public presentations by, no fewer than three firms regarding their qualifications, approach to the project, and ability to furnish the required services.

(b) The agency shall select in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services. In determining whether a firm is qualified, the agency shall consider such factors as the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms. The agency may request, accept, and consider proposals for the compensation to be paid under the contract only during competitive negotiations under subsection (5).

(c) This subsection does not apply to a professional service contract for a project the basic construction cost of which is estimated by the agency to be not in excess of the threshold amount provided in s. 287.017 for CATEGORY FIVE or for a planning or study activity when the fee for professional services is not in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO. However, if, in using another procurement process, the majority of the compensation proposed by firms is in excess of the appropriate threshold amount, the agency shall reject all proposals and reinitiate the procurement pursuant to this subsection.

(d) Nothing in this act shall be construed to prohibit a continuing contract between a firm and an agency.

(5) COMPETITIVE NEGOTIATION.—

(a) The agency shall negotiate a contract with the most qualified firm for professional services at compensation which the agency determines is fair, competitive, and reasonable. In making such determination, the agency shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For any lump-sum or cost-plus-a-fixed-fee professional service contract over the threshold amount provided in s. 287.017 for CATEGORY FOUR, the agency shall require the firm receiving the award to execute a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Any professional service contract under which such a certificate is required must contain a provision that the original contract price and any additions thereto will be adjusted to exclude any significant sums by which the agency determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such contract adjustments must be made within 1 year following the end of the contract.

(b) Should the agency be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price the agency determines to be fair, competitive, and reasonable, negotiations with that firm must be formally terminated. The agency shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency must terminate negotiations. The agency shall then undertake negotiations with the third most qualified firm.

(c) Should the agency be unable to negotiate a satisfactory contract with any of the selected firms, the agency shall select additional firms in the order of their competence and qualification and continue negotiations in accordance with this subsection until an agreement is reached.

(6) PROHIBITION AGAINST CONTINGENT FEES.—

(a) Each contract entered into by the agency for professional services must contain a prohibition against contingent fees as follows: "The architect (or registered surveyor and mapper or professional engineer, as applicable) warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the architect (or registered surveyor and mapper, or professional engineer, as applicable) to solicit or secure this agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the architect (or registered surveyor and mapper or professional engineer, as applicable) any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement." For the breach or violation of this provision, the agency shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift, or consideration.

(b) Any individual, corporation, partnership, firm, or company, other than a bona fide employee working solely for an architect, professional engineer, or registered land surveyor and mapper, who offers, agrees, or contracts to solicit or secure agency contracts for professional services for any other individual, company, corporation, partnership, or firm and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or the making of a contract for professional services shall, upon conviction in a competent court of this state, be found guilty of a first degree misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(c) Any architect, professional engineer, or registered surveyor and mapper, or any group, association, company, corporation, firm, or partnership thereof, who offers to pay, or pays, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award or making of any agency contract for professional services shall, upon conviction in a state court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(d) Any agency official who offers to solicit or secure, or solicits or secures, a contract for professional services and to be paid, or is paid, any fee, commission, percentage, gift, or other consideration contingent upon the award or making of such a contract for professional services between the agency and any individual person, company, firm, partnership, or corporation shall, upon conviction by a court of competent authority, be found guilty of a first degree misdemeanor, punishable as provided in s. 775.082 or s. 775.083.

(7) AUTHORITY OF DEPARTMENT OF MANAGEMENT SERVICES.—Notwithstanding any other provision of this section, the Department of Management Services shall be the agency of state government which is solely and exclusively authorized and empowered to administer and perform the functions described in subsections (3), (4), and (5) respecting all projects for which the funds necessary to complete same are appropriated to the Department of Management Services, irrespective of whether such projects are intended for the use and benefit of the Department of Management Services or any other agency of government. However, nothing herein shall be construed to be in derogation of any authority conferred on the Department of Management Services by other express provisions of law. Additionally, any agency of government may, with the approval of the Department of Management Services, delegate to the Department of Management Services authority to administer and perform the functions described in subsections (3), (4), and (5). Under the terms of the delegation, the agency may reserve its right to accept or reject a proposed contract.

(8) STATE ASSISTANCE TO LOCAL AGENCIES.—On any professional service contract for which the fee is over \$25,000, the Department of Transportation or the Department of Management Services shall provide, upon request by a municipality, political subdivision, school board, or school district, and upon reimbursement of the costs involved, assistance in selecting consultants and in negotiating consultant contracts.

(9) APPLICABILITY TO DESIGN-BUILD CONTRACTS.—

(a) Except as provided in this subsection, this section is not applicable to the procurement of design-build contracts by any agency, and the agency must award design-build contracts in accordance with the procurement laws, rules, and ordinances applicable to the agency.

(b) The design criteria package must be prepared and sealed by a design criteria professional employed by or retained by the agency. If the agency elects to enter into a professional services contract for the preparation of the design criteria package, then the design criteria professional must be selected and contracted with under the requirements of subsections (4) and (5). A design criteria professional who has been selected to prepare the design criteria package is not eligible to render services under a design-build contract executed pursuant to the design criteria package.

(c) Except as otherwise provided in s. 337.11(7), the Department of Management Services shall adopt rules for the award of design-build contracts to be followed by state agencies. Each other agency must adopt rules or ordinances for the award of design-build contracts. Municipalities, political subdivisions, school districts, and school boards shall award design-build contracts by the use of a competitive proposal selection process as described in this subsection, or by the use of a qualifications-based selection process pursuant to subsections (3), (4), and (5) for entering into a contract whereby the selected firm will, subsequent to competitive negotiations, establish a guaranteed maximum price and guaranteed completion date. If the procuring agency elects the option of qualifications-based selection, during the selection of the design-build firm the procuring agency shall employ or retain a licensed design professional appropriate to the project to serve as the agency's representative. Procedures for the use of a competitive proposal selection process must include as a minimum the following:

1. The preparation of a design criteria package for the design and construction of the public construction project.
2. The qualification and selection of no fewer than three design-build firms as the most qualified, based on the qualifications, availability, and past work of the firms, including the partners or members thereof.
3. The criteria, procedures, and standards for the evaluation of design-build contract proposals or bids, based on price, technical, and design aspects of the public construction project, weighted for the project.
4. The solicitation of competitive proposals, pursuant to a design criteria package, from those qualified design-build firms and the evaluation of the responses or bids submitted by those firms based on the evaluation criteria and procedures established prior to the solicitation of competitive proposals.
5. For consultation with the employed or retained design criteria professional concerning the evaluation of the responses or bids submitted by the design-build firms, the supervision or approval by the agency of the detailed working drawings of the project; and for evaluation of the compliance of the project construction with the design criteria package by the design criteria professional.
6. In the case of public emergencies, for the agency head to declare an emergency and authorize negotiations with the best qualified design-build firm available at that time.

(10) REUSE OF EXISTING PLANS.—Notwithstanding any other provision of this section, there shall be no public notice requirement or utilization of the selection process as provided in this section for projects in which the agency is able to reuse existing plans from a prior project of the agency, or, in the case of a board as defined in s. 1013.01, a prior project of that or any other board. Except for plans of a board as defined in s. 1013.01, public notice for any plans that are intended to be reused at some future time must contain a statement that provides that the plans are subject to reuse in accordance with the provisions of this subsection.

(11) CONSTRUCTION OF LAW.—Nothing in the amendment of this section by chapter 75-281, Laws of Florida, is intended to supersede the provisions of ss. 1013.45 and 1013.46.

Step 4: Procure External Consultants

STEP 4: PROCURE EXTERNAL CONSULTANTS

Procurement Processes

Contract Agreements



What is Procurement?

What is Procurement?

- According to the U.S. Government Accountability Office:
 - The objective of a public procurement system is to deliver on a timely basis the best value product or service, while maintaining the public's trust and fulfilling public policy goals.



Successful Procurement System

Successful Procurement System

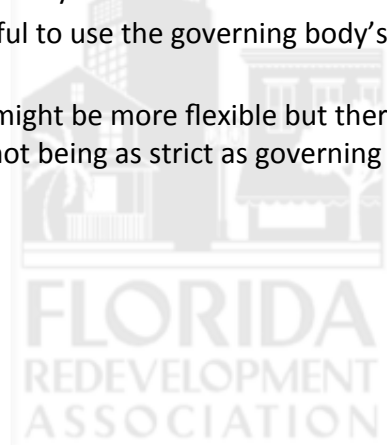
- Transparency
- Accountability
- Integrity
- Encourage Competition



CRA's Procurement Process

CRA's Procurement Process

- Should be a clear and precise statement of a procurement policy approved by the CRA Board
- Might be useful to use the governing body's procurement policy
- CRA's policy might be more flexible but therefore subject to criticism for not being as strict as governing body's



Processes for Procurement

Processes for Procurement

- The Agency identifies which process will be used for procuring products or services:
 - Invitation to Bid (ITB)
 - Request for Qualifications (RFQ)
 - Request for Proposals (RFP)
 - Request to create a "pool" of Contractor/Vendors (Continuing Contracts)



Invitation to Bid (ITB)

Invitation to Bid (ITB)

- Project Scope must include a detailed description of the products or services being procured.
- Contract is awarded to the “responsive, responsible bidder with the lowest price.”
- If the Agency contemplates renewal of the contract:
 - The ITB includes a statement to that effect.
 - The response must include the price for each year for which the contract may be renewed.
 - Evaluation of bids includes consideration of the total cost for each year of the contract, including renewal years, as submitted in the response

Request for Qualifications (RFQ)

Request for Qualifications (RFQ)

- Respondents, such as CCNA professionals, developers, and others are ranked and selected based on skills and previous experience to provide services, or . . .
- Only respondents who meet the qualification criteria will be eligible to respond to a subsequent Request for Proposals (RFP) solicitation process. (pre-qualification)

Remember . . .

CCNA – Evaluation & Ranking

- The Agency evaluates qualifications and performance data and conducts discussions with and ranks no fewer than three firms, considering such factors as:
 - ability of professional personnel
 - certified minority business enterprise status
 - past performance
 - willingness to meet time and budget requirements
 - location
 - recent, current, and projected workloads of the firms
 - volume of work previously awarded to each firm or team, with the object of equitable distribution of contracts among qualified firms, provided this does not violate the principle of selection of the most highly qualified firm

Request for Proposals (RFP)

Request for Proposals (RFP)

- Project Scope must include a detailed description of the product or professional services being procured.
- RFP requests price as one of the criteria for selection.
- Contract is awarded to the “responsive, responsible proposal” that is determined to be the most advantageous to the Agency, taking into consideration the criteria set forth in the RFP, including price.
- Selection process should include documentation supporting the basis on which the award is made.
- If the Agency contemplates renewal of the contract,
 - the RFP should include a statement to that effect.
 - the response must include the price for each year for which the contract may be renewed.

Pool of Contractor/Vendors

Pool of Contractor/Vendors (Continuing Contracts)

- For multiple projects, it might be desirable to create a pool or “library” of pre-qualified contractors.
 - RFQ or RFP must include a description of all projects that MIGHT be undertaken.
 - Response should include a fee or rate, but Project Manager negotiates each project as it is to be contracted.
 - Project Manager(s)/Staff can select from pool as projects are undertaken.
 - Time period should be specified, so the pool can be renewed from time to time.
 - Remember CCNA limits for Continuing Contracts (\$200,000/\$2 million)

Creating the Procurement Documents

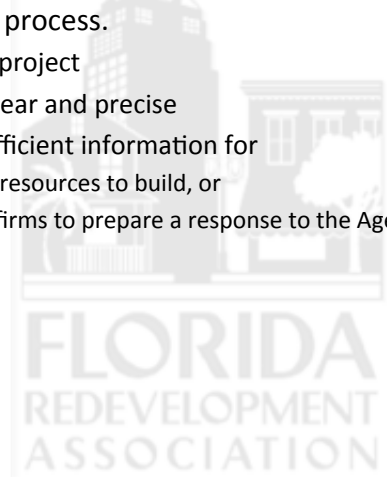
Creating the Procurement Documents

- Refine Project Scope
- Create Evaluation Criteria
- Include Funding/Compliance Issues
 - Mandatory and/or Voluntary
- Create Documents to be Distributed to Potential Bidders/Proposers
 - Include information regarding questions from respondents, etc. while the Bid/Request is open
- Create Advertisement to be Published
- Identify Process for Issuing the Documents

Refine Project Scope

Refine Project Scope

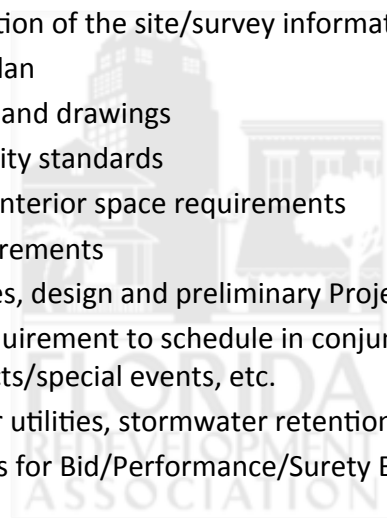
- Developing Project Scope lies at the heart of successful procurement process.
 - defines the project
 - should be clear and precise
 - provides sufficient information for
 - in-house resources to build, or
 - external firms to prepare a response to the Agency's Bid/Request



Project Scope

Project Scope

- Legal description of the site/survey information
- Conceptual Plan
- Project plans and drawings
- Material quality standards
- Exterior and interior space requirements
- Parking requirements
- Cost estimates, design and preliminary Project Schedules
- Context – requirement to schedule in conjunction with other capital projects/special events, etc.
- Provisions for utilities, stormwater retention and disposal
- Requirements for Bid/Performance/Surety Bond



Evaluation Criteria/Point System

Evaluation Criteria/ Point System

- Qualifications of Team/Skills & expertise (CCNA Requirements)
 - Lead Contractor
 - Sub-Contractors
- Previous experience with similar project
- References of work for other public and/or private organizations
- Prior Experience with Agency/Public Agencies
- Price
- Point System for scoring/ranking

Include Funding/Compliance Issues

Include Funding/ Compliance Issues

- CRA Funds
 - Increment Revenue Restrictions
 - Redevelopment Plan Provisions
- City/County Funds
 - Policies, Procedures
 - Small/Minority Business Provisions
- State & Federal Funds
 - Davis-Bacon Requirements
 - Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Other

The Procurement Documents

The Procurement Documents

- Standard Document “Legalese”/Boilerplate
- Project Scope/Scope of Services
- Evaluation Criteria/Point System
- Timeline
- Is there a Mandatory or Voluntary Pre-Bid Conference?
- Small/Local/Minority Business Policies
 - Mandatory and/or Voluntary
 - Information regarding questions, etc. while the Bid/Request is open
 - Copy of Proposed Contract
 - Deadline for Submission of Bid/Request

Issue the Bid/Request

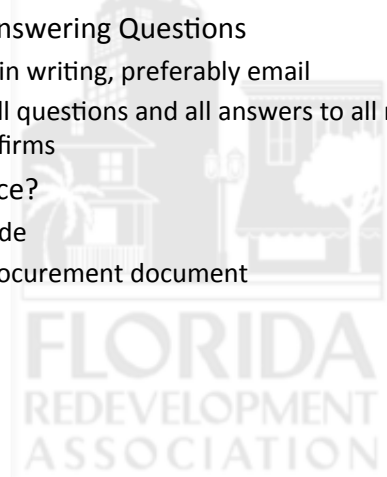
Issue the Bid/Request

- Formal Advertisement
- E-blast to Vendor List
- Advertisement in Trade Publication
- On CRA/City website
- Cloud based procurement services (Onvia DemandStar, BidSync, other)
- Encourage or require registration by interested individuals/firms

While the Bid/Request is Open

While the Bid/Request is Open

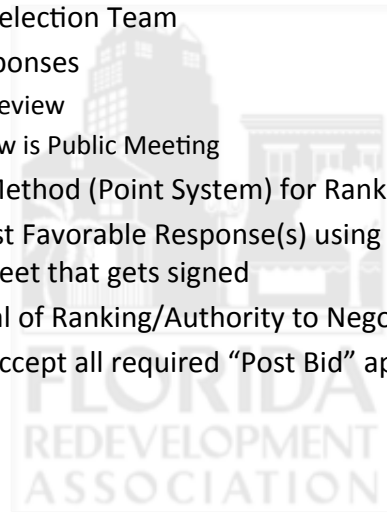
- Voluntary or Mandatory Pre-Bid Conference?
- Process for Answering Questions
 - Best if kept in writing, preferably email
 - Distribute all questions and all answers to all registered individuals/firms
- Cone of Silence?
 - Agency's code
 - Stated in procurement document
 - Staff policy



Selection Process

Selection Process

- Identify the Selection Team
- Evaluate Responses
 - Individual Review
 - Team Review is Public Meeting
- Use a Clear Method (Point System) for Ranking
- Rank the Most Favorable Response(s) using standard evaluation sheet that gets signed
- Seek Approval of Ranking/Authority to Negotiate
- Review and accept all required "Post Bid" approval submissions



Standard Contract vs. Unique

Standard Contract vs. Unique

- Standard Contract – Boilerplate
 - CRA/City/County + Specific Scope
 - FDOT/CDBG/other Agency
 - Industry Standard
 - AIA – <http://www.aia.org/contractdocs/>
 - Other
- Unique Contract
 - When specific provisions or organization of contract are required
 - More time consuming for Project Manager/Staff and CRA/City Attorney

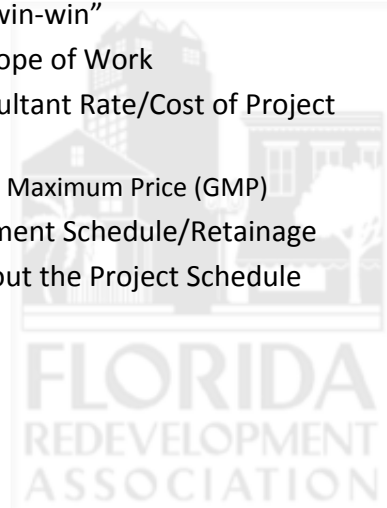


Notes:

Negotiating the Contract

Negotiating the Contract

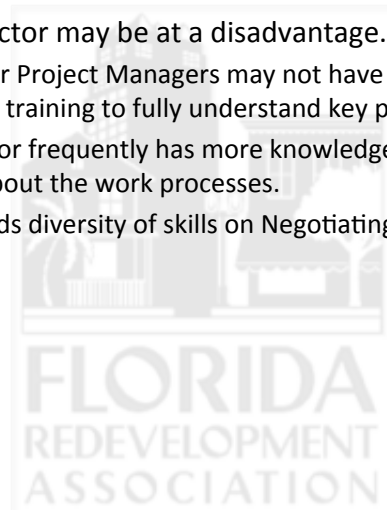
- Strive for a “win-win”
- Refine the Scope of Work
- Identify Consultant Rate/Cost of Project
 - Fees/Price
 - Guaranteed Maximum Price (GMP)
- Create a Payment Schedule/Retainage
- Clearly spell out the Project Schedule



Negotiating the Contract (Continued)

Negotiating the Contract (Continued)

- The Public Sector may be at a disadvantage.
 - Public sector Project Managers may not have the legal and/or engineering training to fully understand key provisions.
 - Private sector frequently has more knowledge, information, and expertise about the work processes.
 - Agency needs diversity of skills on Negotiating Team.



Professional Services Contract Provisions

Professional Services Contract Provisions

- Clear statement of all responsibilities of the Agency and the A/E Team or service provider
- Term of contract/process for extension
- If for Design services, process for plan review and approval
- Insurance requirements
- Ownership of documents
- Provisions for resolving disputes
- Other provisions

Construction Contract Provisions

Construction Contract Provisions

- Clear statement of all responsibilities of Agency & Contractor
- Description of any part of the project that remains to be designed or decisions that are pending
- Funding/Compliance issues
- Bonding requirements
- Process for plan review
- Process for Change Orders
- Definition of Substantial Completion
- Ownership of and electronic copy requirements of:
 - project documents, data, studies
 - surveys, drawings, maps, models
 - photographs and videos
- Provisions for resolving disputes/other provisions

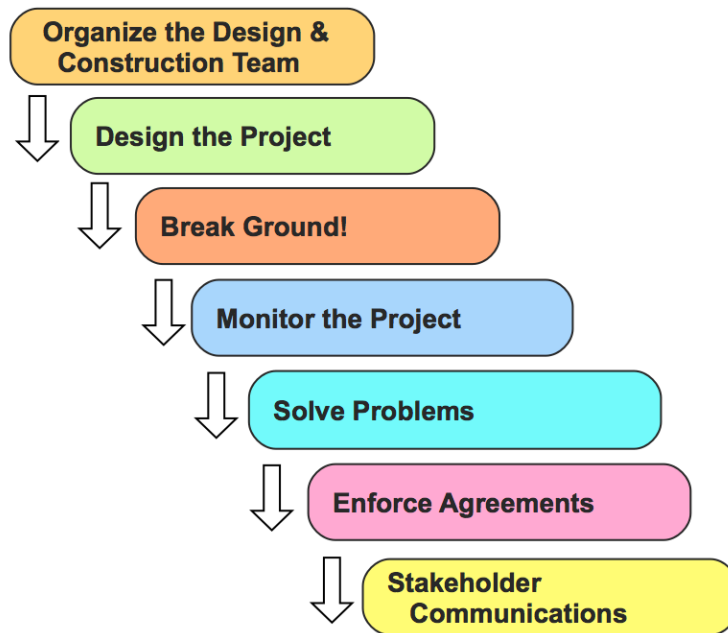
Contract Approval/Execution

- Legal Review
- Final Negotiations
- Final Documents for Approval
- Board(s)/Local Government/Other Approval
- Contract Execution



Step 5: Design & Construction

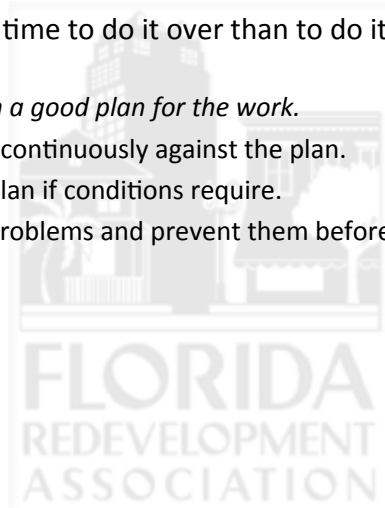
STEP 5: DESIGN & CONSTRUCTION



... Work the Plan

Plan the work *then work the Plan*

- It takes more time to do it over than to do it right the first time:
 - ✓ *Begin with a good plan for the work.*
 - Check work continuously against the plan.
 - Adjust the plan if conditions require.
 - Anticipate problems and prevent them before they occur.



Organize the Design & Construction Team

Organize the Design & Construction Team

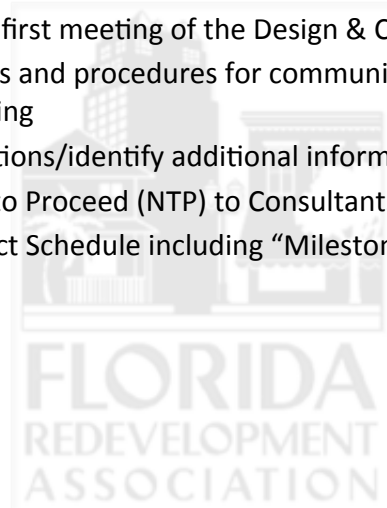
- Project Manager(s)
 - If more than one, then clear procedures must be in place for decision making
- Which members of the Project Planning Team continue on?
- Finance Resource for oversight
- A/E Team
- Contractor
- Other



Project Kickoff: Pre-Construction Meeting

Project Kickoff: Pre-Construction Meeting

- Schedule the first meeting of the Design & Construction Team
- Establish roles and procedures for communications and decision making
- Answer questions/identify additional information required
- Issue Notice to Proceed (NTP) to Consultants
- Review Project Schedule including “Milestones”



Update the Project Schedule

Update the Project Schedule

- *vMaster Plan*
- *vConceptual Plan*
- *vNeed for External Consultants*
- Schematic Design
- Design Development
- Construction Documents
- Construction
- Close Out



Creating the Schematic Design

Creating the Schematic Design

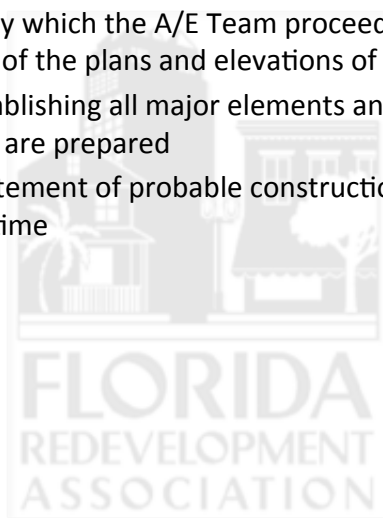
- Detailed design of the planned project that outlines major site and architectural features, construction systems and materials, but . . .
- Not as detailed as the final design level that must be achieved before construction can begin in most capital projects



The Design Development Phase

Design Development Phase

- The process by which the A/E Team proceeds with development of the plans and elevations of the project
- Drawings establishing all major elements and outline specifications are prepared
- A revised statement of probable construction cost may be made at this time



Creating the Construction Documents

Creating the Construction Documents

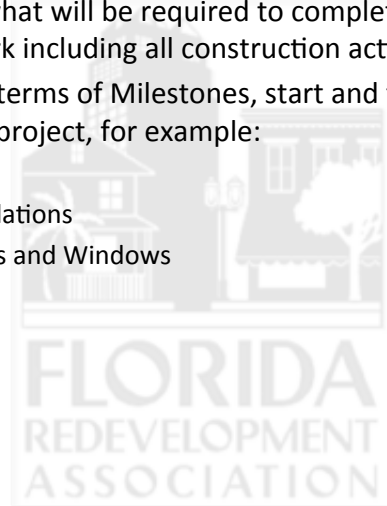
- Drawings and specifications from the A/E Team that provide detailed requirements for the construction of a project
- Process may include review before final Construction Documents are completed, for example:
 - 50% Construction Documents Review
 - 100% Construction Documents Review



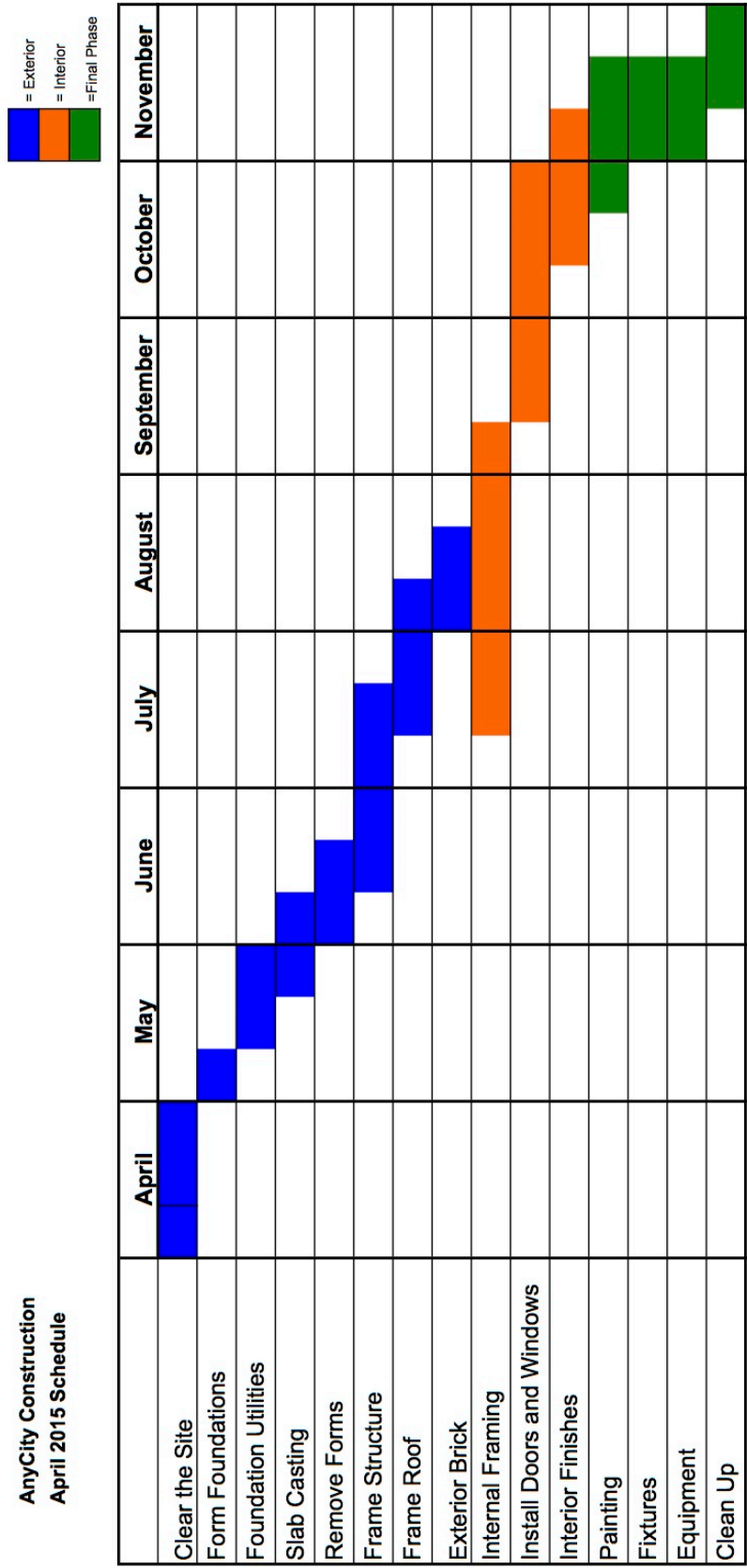
Finalize Construction Schedule

Finalize Construction Schedule

- Timeline of what will be required to complete the project's Scope of Work including all construction activities
- Expressed in terms of Milestones, start and finish of activity or phase of the project, for example:
 - Clear Site
 - Form Foundations
 - Install Doors and Windows
 - Painting
 - Fixtures
 - Cleanup

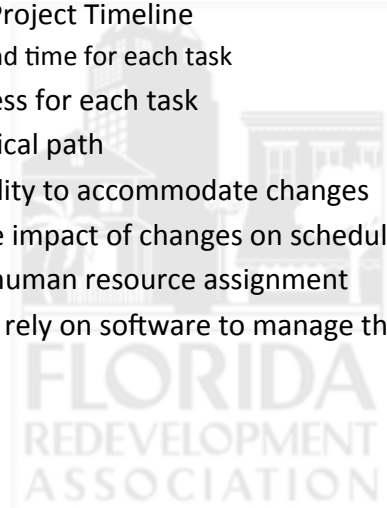


Sample Construction Schedule



Project Management Software

- Reflects the Project Timeline
 - Start and end time for each task
- Shows progress for each task
- Identifies critical path
- Allows flexibility to accommodate changes
- Illustrates the impact of changes on schedule
- Can identify human resource assignment
- . . . but never rely on software to manage the project.

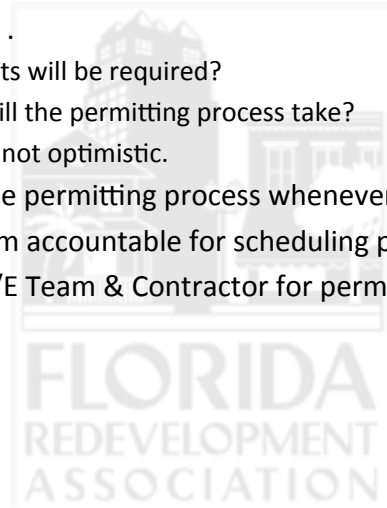


Notes:

Include Permitting – “Best Practices”

Include Permitting – “Best Practices”

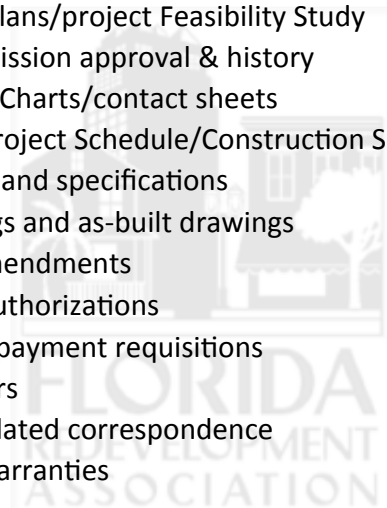
- Plan ahead . . .
 - What permits will be required?
 - How long will the permitting process take?
 - Be realistic, not optimistic.
- Streamline the permitting process whenever possible
- Hold A/E Team accountable for scheduling permitting process
- Incentivize A/E Team & Contractor for permitting completion



Create Project Documentation: The Project File

Creating Project Documentation: The Project File

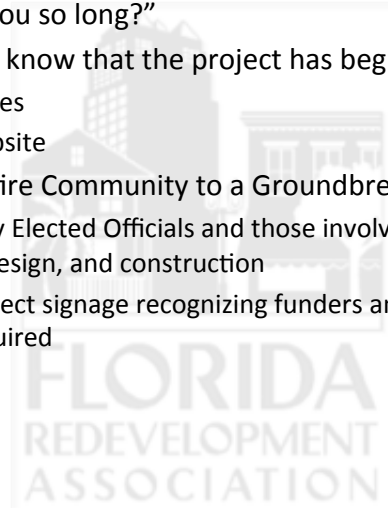
- Preliminary plans/project Feasibility Study
- Board/Commission approval & history
- Organization Charts/contact sheets
- Up-to-date Project Schedule/Construction Schedule
- Project plans and specifications
- Shop drawings and as-built drawings
- Contracts/amendments
- NTPs/work authorizations
- Invoices and payment requisitions
- Change Orders
- All project-related correspondence
- Contractor warranties



Break Ground!

Break Ground!

- “What took you so long?”
- Let the world know that the project has begun
 - Press releases
 - Post on website
- Invite the entire Community to a Groundbreaking Ceremony
 - Speeches by Elected Officials and those involved in funding, financing, design, and construction
 - Include project signage recognizing funders and Agencies – this may be required



Monitor the Construction Project

Monitor the Construction Project

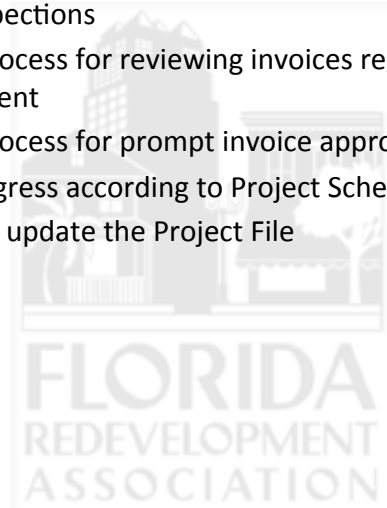
- An active role by the Public-sector Project Manager in monitoring capital projects during Construction is essential to ensure successful completion.



Monitoring the Project

Monitoring the Project

- Schedule inspections
- Establish a process for reviewing invoices regarding actual accomplishment
- Establish a process for prompt invoice approval and payment
- Measure progress according to Project Schedule
- Maintain and update the Project File



Monitoring the Project (Continued)

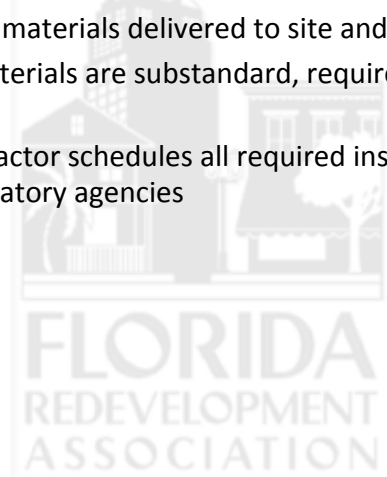
Monitoring the Project (Continued)

- Focus on Quality – Clear communication of all requirements prevents problems.
- Evaluate and correct problems
- Enforce agreements
- Keep stakeholders informed along the way

Inspections

Inspections

- Daily inspection by Project Manager/Construction Manager
- Inspection of materials delivered to site and documentation
- If work or materials are substandard, require rework, removal or re-install
- Ensure Contractor schedules all required inspections by City, County, regulatory agencies



If Something Goes Wrong

If Something Goes Wrong

- Scheduling Delays – What's the Impact?
 - Design-related
 - Weather-related
 - Labor-related
 - Materials-related
- Change Orders
- Other Problems



Change Orders

Change Orders

- Changes to the contract, approved by the Agency/Project Manager, that affect the price, scope, or schedule
- Who is responsible for additional costs?
 - Agency – Changes in Scope
 - A/E Team – Change/Error in Design
 - Contractor – Change/Error in Construction
- Credit Change Orders
 - Something was removed or omitted from the construction plans.
 - Value of the removed/omitted item may need to be negotiated.

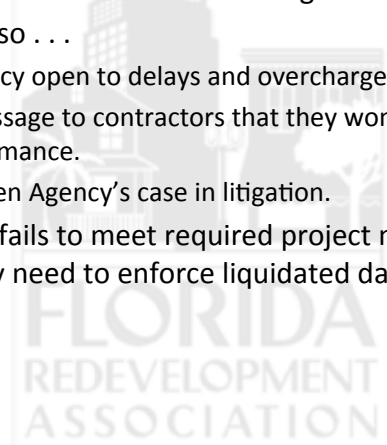
Problem Solving Steps

Problem Solving Steps – Don't assign blame, identify solutions.

- Specifically describe the Problem – focus on information not personalities.
- Plan for the Solution – what human resources, additional funding are required?
- Is there a “fix” (temporary solution)? Is one required?
- What is the root cause?
- When can (will) the problem be solved?
- Evaluate and follow up to make sure the problem has been solved.

Enforcing Agreements

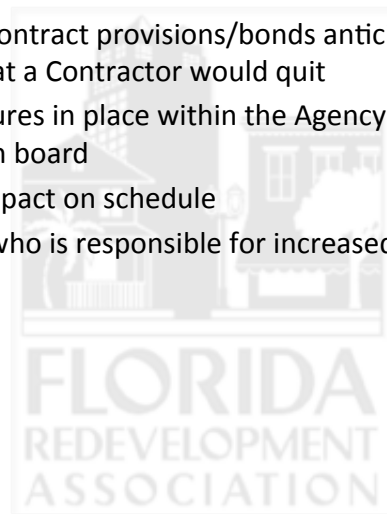
- Public-sector Project Managers must be ready and willing to enforce project-related contractual agreements.
- Failure to do so . . .
 - leaves Agency open to delays and overcharges.
 - sends a message to contractors that they won't be penalized for poor performance.
 - could weaken Agency's case in litigation.
- If Contractor fails to meet required project milestones, Project Manager may need to enforce liquidated damages provisions.



If the Contractor Leaves the Job

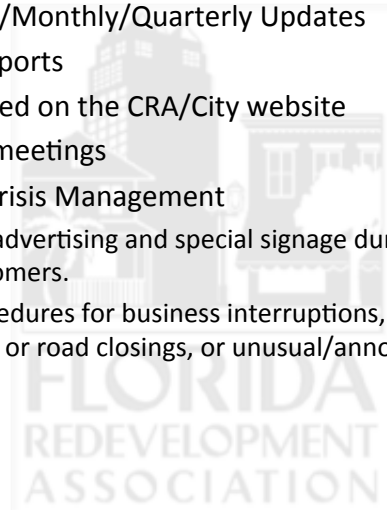
If the Contractor Leaves the Job . . .

- Ensure that contract provisions/bonds anticipate the possibility that a Contractor would quit
- Have procedures in place within the Agency to bring a new Contractor on board
- Assess the impact on schedule
- Understand who is responsible for increased costs



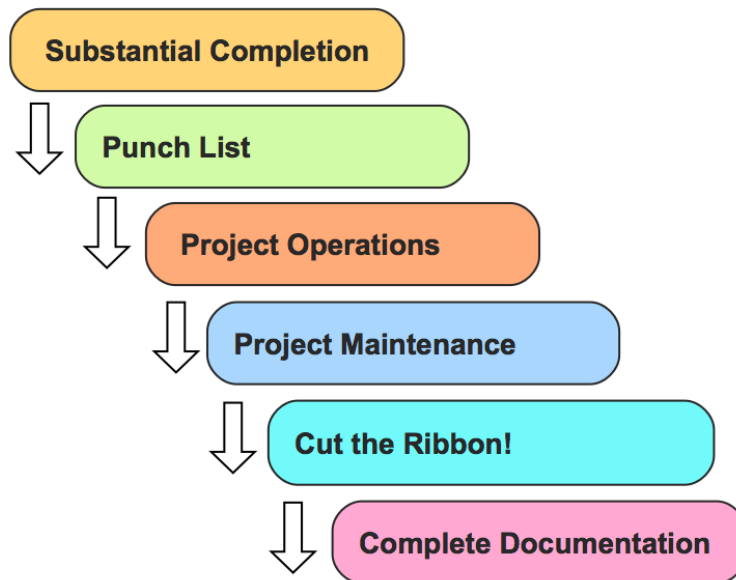
Stakeholder Communications

- Daily/Weekly/Monthly/Quarterly Updates
- Milestone Reports
- Updates posted on the CRA/City website
- One-on-one meetings
- Prevention/Crisis Management
 - Budget for advertising and special signage during construction to advise customers.
 - Notice procedures for business interruptions, water service disconnects or road closings, or unusual/annoying noises, day & night.



Step 6: Project Closeout

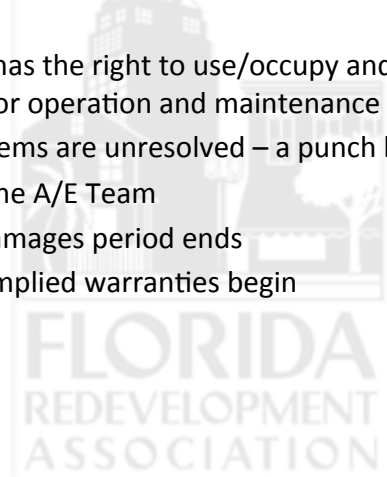
STEP 6: PROJECT CLOSEOUT



Substantial Completion

Substantial Completion

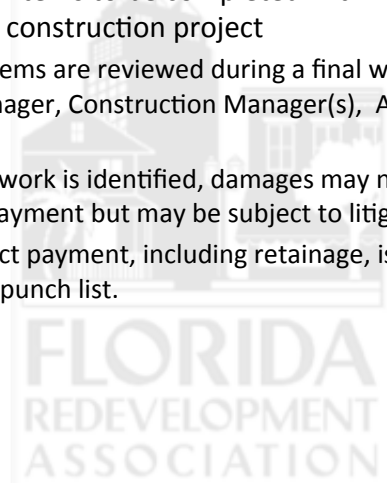
- Project work is sufficiently complete and the project can be put to use
- User agency has the right to use/occupy and becomes responsible for operation and maintenance
- Only minor items are unresolved – a punch list is created.
- Certified by the A/E Team
- Liquidated damages period ends
- Explicit and implied warranties begin



The Punch List

The Punch List

- List of "to-do" items to be completed within a limited time to complete the construction project
 - Punch-list items are reviewed during a final walk-through by Project Manager, Construction Manager(s), A/E Team, Contractor.
 - If defective work is identified, damages may now be deducted from final payment but may be subject to litigation or arbitration.
 - Final contract payment, including retainage, is often due upon completion punch list.



Begin Project Operations

Begin Project Operations

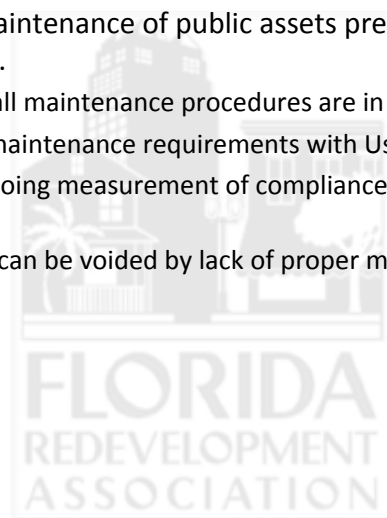
- Obtain Certificates of Completion/Occupancy/Use
- Transition to local government jurisdiction or User Agency
- Review all specifications with User(s)
- Assist User(s) with further design, equipment installation, etc.
- Ensure all necessary training is provided



Initiate Project Maintenance

Initiate Project Maintenance

- Long-term maintenance of public assets prevents the need for costly repairs.
 - Make sure all maintenance procedures are in place.
 - Review all maintenance requirements with User(s).
 - Identify ongoing measurement of compliance to maintenance procedures.
 - Warranties can be voided by lack of proper maintenance.



Cut the Ribbon!

Cut the Ribbon!

- Let the world know that the project has been completed
 - Press releases
 - Post on website
- Invite the entire Community to a Ribbon Cutting event
 - Speeches by Elected Officials and those involved in funding, financing, design, and construction
 - Doors opened and people invited inside to wander around wherever they want
 - Source of considerable pride and excitement for the community

Review and Update the Project File

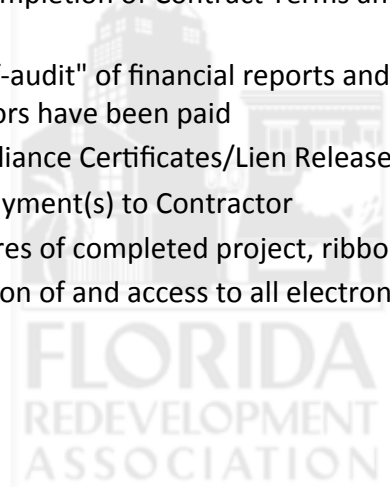
Review and Update the Project File

- Preliminary plans/project Feasibility Study
- Board/Commission approval & history
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- Up-to-date Project Schedule/Construction Schedule
- Project plans and specifications
- Shop drawings and as-built drawings
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- NTPs/work authorizations
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- Change Orders
- All project-related correspondence
- Contractor warranties

Document Project Completion

Document Project Completion

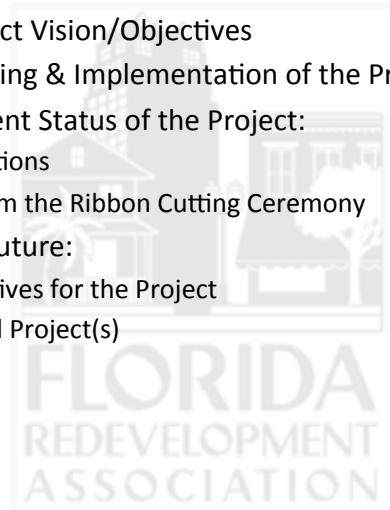
- Document completion of Contract Terms and Special Conditions
- Conduct "self-audit" of financial reports and assure that all sub-contractors have been paid
- Obtain Compliance Certificates/Lien Releases
- Make final payment(s) to Contractor
- Include pictures of completed project, ribbon cutting, etc.
- Include location of and access to all electronic documents and media



Final Report to Board(s)/Local Government

Final Report to Board(s)/ Local Government

- Restate Project Vision/Objectives
- Review Planning & Implementation of the Projects
- Present Current Status of the Project:
 - New Operations
 - Pictures from the Ribbon Cutting Ceremony
- Look to the Future:
 - Next Objectives for the Project
 - Next Capital Project(s)



Redevelopment Resources

Redevelopment Resources

- 
- Florida Redevelopment Association www.redevelopment.net
 - Florida League of Cities www.floridaleagueofcities.com
 - Florida Association of Counties www.fl-counties.com
 - Florida Department of Economic Opportunity www.floridajobs.org
 - Florida Special District Program Handbook floridajobs.org/specialdistricthandbook
 - Florida Division Historical Resources/Main Street Program www.flheritage.com
 - Regional Planning Councils (Map) www.ncfrpc.org/state.html
 - American Planning Association (Florida Chapter) www.floridaplanning.org
 - Florida Housing Coalition www.flhousing.org
 - Florida Economic Development Council www.fedc.net
 - International Council of Shopping Centers www.icsc.org
 - Urban Land Institute www.uli.org
 - Congress for the New Urbanism www.cnu.org
 - Smart Growth smartgrowth.org
 - International Economic Development Council www.iedconline.org

Notes: