

CITY OF CORAL GABLES**-MEMORANDUM-**

TO: CATHY SWANSON-RIVENBARK
CITY MANAGER

DATE: MARCH 9, 2015

FROM: GLENN KEPHART, P.E. 
PUBLIC WORKS DIRECTOR

SUBJECT:
MIRACLE MILE/GIRALDA
CONSTRUCTION MANAGER AT
RISK (CMAR) – EVALUATION &
RECOMMENDATION

I am pleased to report that two very competent firms, Ric-Man International, and State Contracting and Engineering Corporation (SCEC) have submitted proposals to be the CMAR for the Miracle Mile/Giralda construction project. On February 26th, after thorough evaluation of the written proposals, both firms were invited to present and interview before the City's selection committee. The selection committee was comprised of four members with extensive public sector project, construction, and engineering experience including Venny Torre, Bill Kenworthy, Carmen Olazabal, and myself. After observing presentations and extensive discussion with each firm, the selection committee concluded that both firms are very qualified to deliver the high quality project that our community expects. It was determined that both firms should be recommended to the City Commission. The selection committee further discussed the qualifications and strengths of each firm to determine the rank order that would be recommended. This discussion led to a unanimous recommendation that SCEC should be the top ranked firm.

Highlights of the discussion and evaluation that led to this recommendation are as follows:

- Both firms demonstrated a comprehensive understanding of the project needs and community interests.
- Both firms have an extensive body of work that demonstrates the capacity to successfully deliver the project.
- Both firms are highly recommended from former public sector clients on similar projects.
- Both firms demonstrated financial capacity to successfully deliver project.
- Both firms demonstrated an approach to work collaboratively with business owners, operators and stakeholders to minimize impacts during construction.

The factors that led to SCEC being ranked as the first firm are summarized as follows:

- While both firms assembled impressive teams that are very capable of successfully delivering this project, Ric-Man's team as assembled had not all worked together before on a CMAR project. They did indicate that they had worked together on Design Build projects. SCEC's team is exclusively a CMAR firm and indicated that their team as proposed worked together on the similar CMAR projects.
- Ric-Man indicated that they considered this project very similar to a Design Build. While there are similarities between Design Build and CMAR, they are not the same. One of the primary differences is that on Design Build projects, the designer and contractor are working as one team under one contract with the client. In this method, the client turns over a large degree of discretion for the final design details of the project. In CMAR the design team and the CMAR team each have separate contracts with the client and the client and design team have control over design details. In Design Build, the designer typically works for the contractor. In CMAR, the designer works for the owner. The CMAR adds value by providing constructability reviews, value engineering, scheduling, and cost estimating during the design phase of the project. It was the selection committee's opinion that SCEC's specific experience with CMAR projects as a cohesive team was preferable to Ric-Man's experience as a Design Build team.
- Cost Control - Each firm was asked specifically how they will procure this project with sub-contractors to obtain the highest quality and value at the most competitive price.

Ric-Man indicated that they could self- perform up to 50% of the work. They proposed this as an advantage because they could respond quickly to project needs that they would competitively bid components with qualified sub-contractors to assure competitive pricing. When asked how many sub-contract bids they would seek for each discipline, they indicated two. In addition, Ric-Man also proposed in their submittal a list of sub-contractors to use for landscaping, hardscape, lighting, and traffic control. While all of their proposed sub-contractors are highly qualified, there is concern that pre-selecting or recommending sub-contractors at this stage may affect the competitive process.

SCEC indicated that they have the ability to self-perform, if needed, but recommend that it is not ideal for a CMAR to do so. They expressed that sub-contractors won't bother to compete against a CMAR for self-perform tasks, and this limits the ability to get competitive pricing. SCEC indicated that they normally seek sub-contractor bids from four firms to assure a competitive process. SCEC described in significant detail their process to obtain a guaranteed maximum price.

After considering the discussion, the selection committee unanimously agreed that the approach of SCEC to assure high quality competitive pricing for our project was preferable to Ric-Man's approach.

- Community involvement - Both firms demonstrated an effective approach to assure business continuity and to minimize community impacts during construction by assigning full time, experienced liaison to work 24/7 with our business community. The personnel assigned to this task from both firms were very impressive and should be able to meet our communities needs based on prior experience. Ric-Man had one person assigned full time to this task, while SCEC had two people assigned, each less than full time. While there are advantages to both, the selection committee concluded that having two people assigned to this task would provide better coverage over the duration of the project. As such, SCEC's proposal in this area was considered slightly preferable.

Summary and Recommendation:

The timing of adding a CMAR to the design process is an important factor. It is most effective if the CMAR can be on board near the end of conceptual design so that they can assist with constructability reviews, early phase value engineering, cost estimating and become a value added part of the team assembled to deliver this project. If we choose not to move forward the CMAR design phase at this time, some of these value added advantages will be lost. In my opinion, since we have two qualified firms, entering into a CMAR contract at this time is preferable to delaying this decision.

The City is fortunate to have two firms capable of successfully delivering this project. It is my recommendation that we should proceed with the process to enter into a contract for the initial phase of CMAR to provide construction services during design, and that we should follow the selection committee's unanimous recommendation to begin those negotiations with SCEC as the top ranked firm and secondly, if needed, with Ric-Man as the 2nd ranked firm.

