



March 18, 2015

Mike Pounds
Chief Procurement Officer
City of Coral Gables
2800 SW 72nd Avenue
Miami, FL 33155

Attachment 5

RE: RFQ No. 2014.12.05 - Miracle Mile/Giralda Avenue Streetscape Construction Manager at Risk

Dear Mr. Pounds,

We have reviewed the Formal Protest filed by Ric-Man dated March 9, 2015, regarding RFQ No. 2014.12.05 - Miracle Mile/Giralda Avenue Streetscape Construction Manager at Risk (CMAR). Ric-Man's assertion that SCEC "was not responsive or responsible as the firm does not have sufficient experience performing similar projects" is simply unfounded and not supported in light of the factual evidence provided by SCEC in its submittals. SCEC has reviewed the City's RFQ, transcripts of the selection committee discussion, Ric-Man's qualifications proposal, and Ric-Man's presentation, and offers the following response.

The RFQ solicitation specifically requested a statement of qualifications "from qualified Construction Manager at Risk firms." SCEC responded to the solicitation and provided specific project descriptions of some of the CMAR projects that we have managed and constructed, including the Town of Lauderdale-By-The-Sea (LBTS) CMAR streetscape projects completed just over a year ago. The LBTS project was by definition and design a true streetscape project, not a roadway reconstruction with sidewalks, and the delivery method was Construction Manager at Risk, **not Design-Build**. The project scope and the challenges presented were significantly similar to the City's Miracle Mile/Giralda Avenue CMAR streetscape project. Our previous CMAR and CMAR streetscape experience fully qualifies SCEC to provide the scope of services required by the RFQ.

In addition, SCEC principal and proposed Project Manager Paul Carty has managed approximately \$400 million in CMAR projects in his nearly 27-year career. This figure does not include design-build and traditional design-bid-build projects completed by SCEC or Mr. Carty, regardless of project similarities. During our 45 years in South Florida, SCEC has constructed more than half a billion dollars of infrastructure and vertical construction projects. SCEC is well qualified, responsive, and responsible.

In contrast, Ric-Man failed to provide specific evidence of prior CMAR or CMAR streetscape project experience in its response to the RFQ. The projects presented are either traditional design-bid-build or design-build. Resumes presented make no mention of CMAR experience, only design-bid-build or design-build. Later, in Ric-Man's presentation to the evaluation committee, the firm presented a slide stating that "RMI has completed over \$105 Million in CM at Risk Projects in over 17 Projects." However, the firm omitted providing any specific evidence to substantiate that statement.

Firm Qualifications

Ric-Man references at least "43 completed streetscape projects." Please note that SCEC has a much more specific definition of a 'streetscape' project. If, for example, we similarly included all water, sewer, drainage, and roadway projects completed during our firm history as 'streetscape' projects, our list of projects would greatly increase. SCEC has completed more than 60 roadway projects for the Florida Department of Transportation alone. At the

very least, to include sewer, drainage, sidewalk, and roadway projects as “streetscapes” diminishes the importance of the architectural, historical, aesthetic, and transformative design qualities of this project. Also, please note, the RFQ did not request a complete list of firm projects, nor did it stipulate that a firm should only include projects completed in the last five years.

Beginning on page 3 of 9, Ric-Man claims “During Ric-Man’s 32 years of South Florida experience, it has prospered and grown into a far more capable and larger firm than SCEC.” This statement is not factual, nor does it have any relevancy to the RFQ process. SCEC has remained a bonded company in strong financial standing in South Florida for 45 years. A firm’s size in no way indicates its capability. SCEC is fully capable and qualified to complete this project and has never failed to complete a project awarded to us. Further, we have completed all CMAR projects awarded to us on time and within budget. SCEC is selective in the work we pursue. In order to ensure the highest level of service to our clients, we are deliberate in maintaining a workload and staff appropriate to our firm principles.

A firm’s ability to self-perform does not guarantee it will more effectively “control costs and meet deadlines by reducing reliance on subcontractors.” SCEC has the capability to self-perform many of the tasks that are components of this project. However, self-performing major scopes of work on a CMAR project is not in conformance with the principles of CMAR. SCEC is dedicated to ensuring that the City of Coral Gables receives the most value for its cost, and as such we recommend open-book estimating and soliciting competitive bids from three to five qualified bidders for each scope of work.

Bonding Capacity

In response to Ric-Man’s claim to superiority regarding bonding capacity, the RFQ did not stipulate the award of extra points for bonding capacity limits. SCEC’s individual project bonding capacity of \$35 million is more than adequate for the needs of this project. We are fully capable of providing “performance and payment bonds for the full value of construction of the Project” as required on RFQ Page 11.

Insurance Coverage

SCEC is in no way “deficient” in our ability to provide the required insurance coverage. For example, our general liability policy currently in place has a \$5 million excess over the ‘each occurrence’ coverage. Without a contract or award, certificates of insurance simply indicate a firm’s current coverage based on the needs of current projects under contract. The RFQ did not request or require a letter from our insurer stating our capability of providing increased coverage. Also, please note that we are in current compliance with City of Coral Gables insurance requirements for City projects, as evidenced by certificates recently approved by the City’s Risk Manager regarding our contract for Renovations at the William H. Kerdyk Tennis Center. SCEC is fully capable of meeting all City requirements for insurance on this project.

CMAR Experience

The RFQ, Page 11 of 94, Firm Qualifications Item 10, requires evidence of “Respondent’s demonstrated experience in working with a Construction Manager at Risk delivery method.” We can find no evidence in Ric-Man’s proposal that the firm has completed a CMAR streetscape project, based upon the projects submitted.

Ric-Man acknowledges in its qualifications proposal in numerous places that the firm has extensive Design-Build Experience, but they do not present any evidence of CMAR experience. This is most clearly stated in their approach on Page 46 of their proposal (emphasis added):

*"We have an extensive amount of experience in Design/Build Streetscape Projects. While this Contract is for Construction Management at Risk, **the actual delivery of the project will be more similar to a Design/Build Project** in which we will be involved from the onset of the project."*

Ric-Man also asserts in its presentation that the Miracle Mile/Giralda Avenue project is similar to a design-build project. Not only does this indicate Ric-Man's lack of demonstrated experience in working with a CMAR delivery method, the firm's claims that this specific project is more similar to a Design/Build indicate a complete lack of understanding of CMAR. In a CMAR project, the CM firm is involved during preconstruction. However, the CMAR firm certainly does not provide Design Services. Ric-Man's protest states in several places that Ric-Man will provide "Design Services." The RFQ stipulates that the CMAR firm shall provide "design **phase** services" (emphasis added), not design services. The design team for this project has already been selected and contracted by the City.

Ric-Man provides no evidence of its team members ever working together on a CMAR project. In fact, with regard to their team member Stantec, they state that all experience together has been on design-build projects. For this project, Ric-Man proposes using Stantec to perform Design Review, which again highlights Ric-Man's lack of knowledge and experience with the CMAR process. A professional, experienced CMAR firm is capable of completing design review services in-house with its own staff. Furthermore, it is highly likely that having a separate design firm working directly for the CMAR will create challenges for the City during the design process. Again, the City has already selected its design firm of choice. Having two different design firms with probable competing interests and opinions on any project creates strong potential for conflicts, which may result in delays and added cost. There would also be substantial additional preconstruction phase and construction phase costs in order to have Stantec involved as proposed by Ric-Man.

Staffing Plan

In regard to Ric-Man's comments on SCEC staff, their statements are not based on fact, and their review of our staff proves highly selective. SCEC President Timothy Smith is in his 45th year in South Florida construction. Project Manager Paul Carty has been in construction management in South Florida since 1988. Our roadway superintendent Bobby Sims has 52 years of experience. Our Roadway/Drainage Project Manager and firm principal Barry Transleau has 27 years of experience. Our streetscape superintendent Chris Blakeslee has 23 years of experience. All SCEC staff has experience managing CMAR projects. All SCEC staff has experience working together on CMAR projects. All SCEC staff has experience in streetscape, roadway, underground utility, and building projects. The projects included on our team resumes were selected to provide highlights of our staff's experience in the interest of brevity.

Project Control

On page 6 of Ric-Man's protest, the firm's ability to perform emergency repairs for most utility breaks and potential damages is noted, as well as their status of "1 of 5 Pre-Approved Emergency WASD Contractors." Ric-Man states that having its own forces certified to do emergency repairs will provide the City with a superior level of service. Again, this highlights the firm's lack of understanding of the CMAR process. The CMAR is the manager of the process and will be responsible for hiring a qualified firm to perform any emergency repair work. If the CMAR

approves the cost of work done by their own forces, there is no cost control or management oversight of the process, creating a conflict of interest. The water and sewer utility companies ultimately selected by SCEC will be capable of performing any repairs needed on this project. Furthermore, with careful preconstruction service investigation, we do not anticipate having an extensive need for costly emergency repairs.

Subcontractor Selection

Ric-Man highlights its selection of a preferred team of subcontractors in its protest, proposal and presentation. This is further evidence of the firm's lack of experience in the CMAR delivery method. Pre-selecting subcontractors prior to competitively bidding a project is how Design-Build works, not CMAR. The CMAR firm, during Design Phase Services, is charged with preparing a bidders list inclusive of all components of work; this list is vetted with the Owner and Design Team. This is a collaborative effort to find and pre-qualify several bidders for each scope of work.

Staging

Ric-Man claims that its approach to project staging is superior to that proposed by SCEC, again highlighting its lack of experience in CMAR. There are numerous options to the phasing and staging on this project, and SCEC has already presented several options. All options will be evaluated during the Design Phase Services and the collective team (Owner, Architect and CMAR) will make the final decision on which solution is best suited for the project.

Other Factors

As included in our proposal and presentation, SCEC has extensive experience with architectural restoration and art in public spaces. SCEC also has extensive experience on CMAR building projects with unique architectural elements, such as fountains, sculptures, and custom-fabricated specialty pavers. The Miracle Mile/Giralda Avenue project will incorporate numerous significant historic and artistic architectural elements. Ric-Man presented little evidence of this type of experience in its proposal or presentation.

Based on information provided in Ric-Man's proposal, the firm is an accomplished underground utility and roadway contractor. Ric-Man does not have the level of experience in all project elements as demonstrated by SCEC.

SCEC remains committed to this important project, and we look forward to working with the City of Coral Gables and the design team to achieve excellence using the CMAR delivery method.

Sincerely,

State Contracting & Engineering Corp.



Timothy Smith, CGC, DBIA
President