



DIVISION OF ENGINEERING AND BUILDINGS

# GETTING IT DONE

**October 29, 2013**

9:00 am - 10:00 am

**Hampton Roads Convention Center**



FORUM2013



# Presentation Agenda

## 1: Update on State-wide Construction Procurement Initiatives/Efforts

- **Ed Gully**, Director, Division of Engineering and Buildings (DEB), Department of General Services

## 2: Update on DEB State-wide Contracts

- **Shirley McNutt**, Senior Construction Procurement Manager, Department of General Services



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# Study of the Virginia Public Procurement Act (VPPA)

- Ongoing
- Upcoming legislative session will likely focus on minor changes for Job Order Contracting (JOC) and clarifications on the procurement of professional services
- Work groups will form in ~ late spring 2014 to investigate topics in more detail
- “Industry Collaboration Group” currently meeting to facilitate dialogue
- Feedback and suggested changes to VPPA welcomed



# Construction Management (CM) at Risk: Review of SOA\* Procedures/Process

- **Request to use CM at Risk.** Generally, intended for large (>\$10M), complex projects with accelerated schedules
- **Identify evaluation committee.** Required: a minimum of three agency representatives and one DEB/Bureau of Capital Outlay Management (BCOM) representative; Optional: representation from the Office of the Attorney General
- **Select the Construction Manager (CM):**
  - CM selected no later than schematic design to realize benefits of constructability and value engineering reviews concurrent with design development.
  - Step 1, prequalification via RFQ. Include justifications for use of CM at Risk in RFQ. Output = short list of 2-5 offerors who demonstrate the “greatest conformance with RFQ requirements.”
  - Step 2, RFP; evaluate/rank proposals. Conduct negotiations with two or more offerors submitting the highest ranked proposals OR if only one offer is fully qualified or clearly more highly qualified, negotiate/award with that offeror.



# Construction Management (CM) at Risk: Review of Procedures/Process

- **Guaranteed maximum price (GMP)** set at completion of working drawings
- **Cannot agree on GMP?**
  - Contract for phase 1 (pre-construction services) concluded
  - After review by DEB, either:
    - Use competitive sealed bidding with pre-qualified CMs OR
    - Entertain a GMP from the other pre-qualified CMs

***Full Procedures located on the BCOM website:***

***[www.dgs.virginia.gov/DivisionofEngineeringandBuildings/BCOM](http://www.dgs.virginia.gov/DivisionofEngineeringandBuildings/BCOM)***



- Mandatory for all pool-funded projects, but critical for those funded for construction in FY14
- Electronic CO-12 (Schedule of Values / Applications for Payment)
- Use to review and approve A/E invoices
- Track project expenditure and budget data
- Provides SWaM reports



# ENJOINMENT and DEBARMENT



DEPARTMENT OF  
GENERAL SERVICES

**DIVISION OF ENGINEERING AND BUILDINGS**

Serving Government. Serving Virginians.

**DEB Notice 072011**

( Effective: 7/12/2011 )

**Department of General Services Debarment and Enjoinment Procedures for Construction**

Procedures online: [www.dgs.virginia.gov](http://www.dgs.virginia.gov)



## Reasons for ENJOINMENT: Section III. A.

1. Failure to meet SWaM requirements
2. Delinquency in excess of 10%
3. Unwillingness or inability to fulfill contract
4. Commencing construction activities prior to issuance of a building permit



## Reasons for DEBARMENT: Section IV. A:

1. **Performance and related causes:**
  - a. Breach of contract with the Commonwealth
  - b. Stating an unwillingness or inability to honor a binding bid
  - c. Falsifying or misrepresenting manufacturer's specs
  - d. Use of abusive or obscene language or threat
  - e. Delaying construction completion by failing to correct work



## Reasons for DEBARMENT: Section IV. A, *(continued)*:

### 2. Non-performance related causes:

- a. Proof of involvement in any criminal offense involving public contracting.
- b. Conviction of any offenses indicating a lack of moral, ethical, or business integrity.
- c. Conferring or offering to confer any gift, gratuity, favor, or advantage, present or future.
- d. Failing to disclose a condition constituting a conflict of interest.
- e. Sale of building materials by an independent contractor employed to provide A/E services, but not construction.



# Reasons for DEBARMENT: Section IV. A, *(continued)*:

## 2. Non-performance related causes *(continued)*:

- f. Sale of building materials by the design professional to the contractor.
- g. Sale of goods to the COV when debarred.
- h. Court judgment finding a violation of antitrust law.
- i. Failure to pay re-procurement costs due to termination for default.
- j. Enjoinment may be converted to debarment if the contractor continues with construction without a building permit.



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## State-wide Contracts: Benefits

- State-wide contracts save time and money for the Commonwealth, the procurement process is done!
- The companies on the contracts have already been qualified!
- On many, the costs have been established and compared to current market trends!
- On many, it is as easy as issuing a purchase order!



# State-wide Contracts Available

- **Professional Services (Category B):** for small projects where total design fees are less than \$50,000
- **Non Professional Construction-Related Services:** cost estimator, project manager, roofing inspector, space planner, interior design, and signage design
- **Construction Testing and Environmental Services:** asbestos/lead, environmental assessments, soils technician, mortar joint testing, and air monitoring
- **Pre-Qualified SWaM Contractors List:** for contract awards up to \$500,000 per project (renovation) or \$250,000 per project (new construction); Working to streamline procedures



## State-wide Contracts Available, cont.

- **Power Conditioning Contractors:** a group of companies that provide services for determining % of loss on your electrical use
- **Facility Assessment Services and VFA (FICAS):** these companies can provide you assessments without using FICAS to assist in demolition needs and conditions
- **Institute for Building Technology and Safety (IBTS) Agreement:** a nonprofit public service entity that provides technical services to support agency work related to building code and public safety
- **Sub Metering:** monitoring steam, electricity, water and gas consumption and developing bill-back plans for utilities



## State-wide Contracts Available, cont.

- **GC Pay:** electronic approval process for paying contractors and design firms
- **New: Security Consulting:** risk assessments, security master plans, and security system design; does not include IT security or security guard services
- **New: Building Scanning Services:** this contract allows for a building or any type of structure to be scanned in 3D and then loaded into CAD. The scans are exact scale of the structure.



# State-wide Contracts Available, cont.

- ***Planned:***
  - **Sprinkler** inspection, repair, and maintenance (Fall 2013);
  - **Water treatment** services (Fall 2013); and
  - **Building automation, fire alarm, and security systems** repair and maintenance (Winter 2014)



# State-wide Contracts Available, cont.

## Energy Services Contracting (ESCOs), Process Overview

- Companies are pre-qualified
- Contact 4 or more from the pre-qualified pool
- They meet with you
- They perform a “back of the envelope” audit
- You interview and discuss the audits
- You select and begin negotiations for the energy contract



# State-wide Contracts Available, cont.

## Energy Services Contracting (ESCOs), Typical Tasks

- Chiller and cooling tower replacements
- Replacing meters
- Re-lamping
- Window and envelope treatments
- Water fixture replacements
- Maintenance operations training
- Building automation
- HVAC improvements
- Renewable energy
- New energy sources



# State-wide Contracts Available, cont.

## Energy Services Contracting (ESCOs), Lessons Learned

- Closely scrutinize alleged/projected operations and maintenance savings
- Closely scrutinize baseline; longer duration preferable (ie, multiple years)
- These are typically long-term, relatively high \$ contracts; as a result, consider independent, 3<sup>rd</sup> party reviews:
  - To validate the baseline
  - Before signing the contract
  - For measurement and verification
  - The Institute for Building Technology and Safety (IBTS) can provide independent 3<sup>rd</sup> party assistance/expertise: [www.ibts.org](http://www.ibts.org)



## State-wide Contracts

- Your feedback is important to us! Let us know:
  - If any of these contracts need improvement
  - If you need any other/new ones
  - If any of our contractors on these contracts are not performing, then we can assist