

NAU CONSTRUCTION PROCUREMENT SELECTION PROCESS GUIDELINES

Date

Issued January 27, 2017

Purpose

The purpose of this guideline is to provide firms with information regarding NAU's processes related to construction procurement and firm selection.

General

The Planning, Design, and Construction (PDC) department of Facility Services is responsible for design and construction procurement, as well as project management. The design and construction procurement is managed through the administrative staff. The project management staff is responsible for budgeting, scheduling, design and construction integrity, negotiating scope of work and fees on projects, and ensuring that NAU receives the highest quality facilities on time and in budget. PDC works closely with NAU's Contracting and Purchasing department on procurements.

ABOR policies

Construction procurement must adhere to Arizona Revised Statutes and ABOR policy. Primarily, NAU follows ABOR policies 3-803 and 3-804 regarding procurement.

Types of procurement

ABOR policy authorizes the following delivery methods for construction procurement:

- a. Construction Manager at Risk (CMAR);
- b. Design-Build (DB);
- c. Hard Bid (Design-Bid-Build);
- d. Task Order (Simplified Construction Procurement);
- e. Job Order Contracting (JOC); or
- f. Emergencies and Sole Source.

NAU has adopted internal procedures to complement the policies and procedures outlined in ABOR 3-803 and 3-804, as described within this document.

Which Procurement will be used?

Each project scope is reviewed during the planning and programming phases to identify the best method of construction procurement. The factors assessed are:

1. Schedule

2. Budget
3. Complexity of scope (i.e. type of project, size, renovation vs. new construction, etc.)

Below is a chart illustrating different project characteristics that work best with different procurement types.

Project Characteristics	Procurement Type				
	CMAR	Design-Build	Hard Bid	Task Order	JOC
Construction cost less than \$100k	x	x	x	x	x
Construction cost less than \$2M	x	x	x		x
Construction cost greater than or equal to \$2M	x	x	x		
Fast Paced Schedule - no time for complete construction documents	x	x			x
Needs contractor preconstruction services	x	x			x
Scope has significant unknown conditions	x	x			x
Design Professional has fully developed Construction Documents	x	x	x	x	x

Construction Manager at Risk (CMAR)

The procurement of a CMAR is done through a request for qualifications (RFQ) process. A legal advertisement for the RFQ is published in a newspaper. The newspapers PDC has used in the past are Glendale Star and Peoria Times. Additionally, the advertisement is posted on the PDC website at: http://nau.edu/Facility-Services/Bids_RFQ/. Lastly, a courtesy email is sent to the PDC Contractor's listserv. Anyone can join the listserv, and the listserv join request is located on the same webpage.

After the RFQ advertises, it is posted on the aforementioned website for interested contractors to view or download. A pre-submittal meeting is held after the RFQ has been advertised for several days. During this meeting, the project scope and expectations of the CMAR are reviewed. It is the opportunity for interested CMARs to ask any questions. The meeting is typically not mandatory in case there are interested CMARs from distant locations that cannot travel easily to the meeting. The notes from the meeting, including the attendance sign-in sheet, are posted on the same website after the meeting.

Requests for qualifications are open for two-weeks or more (per ABOR policy). Firms use this time to prepare their qualifications in accordance with the RFQ requirements. During this time period, perspective Offerors must follow the protocol outlined in the RFQ for seeking additional project information, and shall not contact NAU employees outside of the parameters set forth in the RFQ. Then, they submit them to the PDC Admin office.

A qualified selection committee reviews the CMAR qualifications, in accordance with the scoring criteria in the RFQ. Each RFQ has specific scoring criteria, and places higher weight on specific items. The RFQs explicitly describe this information. A firm will typically score higher if they can show experience in the following areas:

- Experience working at higher elevation/a climate similar to Flagstaff's
- Experience working on higher education projects
- Experience working on a project with similar scope and similar size
- Experience working with the same team proposed on the subject project

Again, each RFQ is different, so please refer to the RFQ for specific scoring criteria.

The qualified selection committee is always comprised of 5 – 7 people, and the typical composition is as follows:

1. PDC Project Manager
2. PDC Senior Representative
3. NAU User Group Representative
4. NAU User Group Representative
5. Additional NAU rep from to be determined based on project scope.
6. Senior management employee of a licensed contractor
7. An architect or an Engineer who is registered pursuant to ARS 32-121 – If the Design Professional for the project has been selected by the time the CMAR RFQ is published, the licensed architect/engineer will come from that firm.

The selection committee will review the CMAR RFQ responses and select the highest rank 3 – 5 firms for interviews (3-5 firms is the number stipulated by ABOR). Interviews are reserved as optional in the event that one firm completely stands out against all the other firms and is selected without interviews. However, that is a rare occurrence and interviews are typically held. The decision on how many firms to interview (3, 4, or 5) is decided based on if there is a natural break in scoring between the firms. For example, if firms 1, 2, and 3 score within 10 points of each other, but then firm 4 is 50 points lower, the selection committee may decide to interview only the top 3.

Interviews vary in format based on input from the selection committee, project specifics, and RFQ responses received. Interviews are used to determine which of the shortlisted firms is the most qualified to do the project. At the end of the interview phase, the selection committee may elect to perform external reference checks and possibly even visit past project sites to help assess the most qualified firm. From there, the committee will rank all interviewed firms in order. The first rank firm will be the selected firm and negotiations will begin. If NAU cannot reach an agreement with the first ranked firm, then the number 2 ranked firm will have the opportunity to do the project. This process may continue all the way down to the last ranked interviewed firm until there is a firm under contract. If a contract cannot be reached with any of the firms, the entire RFQ process would have to start over.

Design-Build

Design-build projects may be procured through two different methods:

1. One-step procurement process selecting a firm based on qualifications alone, via an RFQ. In this instance, the procurement process would be the same as the CMAR procurement process.
2. Two-step procurement process selecting a firm based on qualifications and price, via an RFQ and a separate price proposal. Details of this procurement process are outlined in ABOR 3-804. NAU has not yet utilized this option for selection, so there are not any additional procedures developed at this time.

JOC

NAU has a JOC program in place, and has contracts in place that were issued in January 2015. They are valid for one year, with 4 additional one-year renewal options. While the contracts are active, there is no

opportunity for additional firms to join the program. There are currently 5 firms issued contracts for General Contracting services, 5 firms issued contracts for Civil/Utility services, 5 firms issued contracts for Electrical services, 3 firms issued contracts for Fire Life Safety services, and 5 firms issued contracts for Mechanical services.

When the existing program expires, or if NAU decides to not exercise the renewal option, a new solicitation process will occur. JOC is procured through a two-step process. The first step is a qualifications selection in which a process similar to the CMAR RFQ process is followed, with the specifics to be outlined in the JOC RFQ. The second step is a priced proposal. After the RFQ phase, the firms are shortlisted, based on their qualifications, and a separate Request for Proposals (RFP) is issued to each of the shortlisted firms. The RFP will include a description of the scoring method. The scoring method includes the Offeror's price for a variety of JOC services, including their unit-price book coefficient, and it also includes a qualifications score as well as other requirements stipulated by ABOR policy 3-804. The top scoring firms in each category will then be awarded contracts.

Throughout the duration of the JOC contract, NAU PDC will select awarded contractors for a variety of jobs based on their firms' areas of expertise, qualifications to do a job, availability of their staff, past performance on previous NAU jobs, and their price proposed in the RFP phase. NAU does not guarantee work to any of the JOC contractors.

Hard Bid

Hard Bid projects always begin with a complete set of construction documents (CD) from the Design Professional. Once a project has complete CDs, a hard bid can be advertised. A legal advertisement for a hard bid is published in the newspaper (typically the Glendale Star or Peoria Times), as well as on NAU's website at: http://nau.edu/Facility-Services/Bids_RFQ/. Lastly, a courtesy email is sent to the PDC Contractor's listserv. Anyone can join the listserv, and the listserv join request is located on the same webpage. The CDs, along with the legal advertisement, are also posted on the same page.

A pre-bid meeting is held for all interested contractors. This meeting is typically (although not always) mandatory. It is imperative that contractors bid on the job in an apples-to-apples manner, so anything discussed at the pre-bid meeting that may adjust the bid is communicated to all contractors via an addendum or clarification. After a period of at least 2 weeks, the bids will be due to be submitted to the NAU PDC Admin group. Bids must be sealed, and late bids are never accepted. The bids are publicly opened immediately after the bids are due, and all bidders are encouraged to attend this bid opening. The bids are read aloud, and the lowest bidder is announced. After the opening, the NAU PDC team reviews the lowest bidders' submitted required bid documents to ensure they met all requirements of the bid. If all requirements are met (the bidder is deemed responsive and responsible), a notice of intent to award is sent to that low bidder. If the low bidder can procure all necessary bonds and insurance, the contract will be awarded. If the low bidder cannot, their bid bond will be forfeited and the second lowest bidder may be issued the notice of intent to award. If bids come in over budget, NAU may cancel the project altogether, or may alter the scope and reissue a new set of CDs starting the whole bid process over again.

Task Order

Task Order projects are simpler version of a Hard Bid project. When a project has a construction value under \$100,000 and complete construction documents, a Task Order project can occur. A Notice of Bid will be issued to contractors on the Task Order list. The Notice of Bid is sent to firms in a particular service category, as self-identified on the firms' statement of qualifications, based on the project scope. For example, if the project is to replace a roof, the notice may be sent to only general contractors and roofers, and not firms that have identified themselves in other service categories (like electrical, mechanical, etc.).

Once the Notice of Bid is issued, there may be a pre-bid meeting, and then the bids are due. The same process is followed as a Hard Bid with regard to the lowest responsive and responsible bidder receiving a notice of intent to award.

Firms that are interested in the Task Order process are welcomed and encouraged to join the Task Order list at any time. The information on how to join the list is listed on the NAU website at: http://nau.edu/Facility-Services/Bids_RFQ/.

Design Professionals

There are two options for design professional procurement:

1. Annual Request for Qualifications (ARQ) (Design Professional Fee <\$500,000)
2. Request for Qualifications (RFQ) (no dollar threshold)

ARQ Procurement

The Annual Request for Qualifications was published in December 2012 and is currently valid through December 31, 2017. Any interested firm may submit qualifications in response to the RFQ listed at: http://nau.edu/Facility-Services/Bids_RFQ/. When the qualifications are submitted, NAU PDC Amin reviews the qualifications to determine if they were responsive the ARQ or if they did not follow the requirements outlined. If they were responsive, the firm will be added to the ARQ database and will be eligible for selection on future projects. If the firm was not responsive, they will be notified and given the opportunity to resubmit qualifications.

As projects arise that would be under the \$500,000 threshold, NAU may select a Design Professional from the ARQ database. The project manager identifies what specialty is needed for the project (i.e. architecture, electrical engineering, etc.). A list of firms with those specialties is generated from the ARQ database. Those firms are then shortlisted based on their qualifications that are on file, as submitted by the firm. A selection committee comprised of NAU staff will review the shortlisted firms' qualifications and select the most qualified firm for that job, based on similar project experience, staff resumes, availability, and past NAU performance. Occasionally additional information or interviews of the shortlisted firms may be necessary to conclude who is the most qualified firm for the job. If NAU and the top selected firm cannot reach successful negotiations for the job, then the next most qualified firm will be given the opportunity to begin negotiations. This process may continue all the way down to the last ranked firm until there is a firm under contract.

RFQ Procurement for Design Professionals

The procurement of Design Professionals through a Request for Qualifications are not solely reserved for projects over the ARQ procurement threshold, and it may be used for projects that are under that amount instead of the ARQ.

The RFQ process is similar to the RFQ process of the CMAR. The only difference is the composition of the selection committee. The selection committee is not required to be between 5 and 7 people, nor is there a requirement to have a registered design professional or contractor on the committee. However, the committee is still typically comprised of at least 5 NAU representatives. Facility Services has a Memorandum of Understanding with NAU's Commission on Disability Access and Design (CDAD) that CDAD members will participate in the selection of design professionals. A CDAD member will participate as a selection committee member and will also provide RFQ questions.

How to volunteer for a selection committee

CMAR, Design-build, and JOC RFQ selection committees require a senior management employee of a licensed contractor and an architect or an Engineer who is registered pursuant to ARS 32-121 to participate. If your firm sees that an RFQ is published that you are not interested in pursuing, you are welcome to volunteer to be a member of the selection committee, but submitting a resume to the person listed as the point of contact in the RFQ. All of the volunteers are considered and the person with the most applicable experience is selected. Additionally, NAU tries to ensure a variety of firms are able to get the experience of volunteering for a selection committee so the same volunteer will not be repeatedly selected, unless there are no other volunteers.

Selection Debriefs

A firm that submitted qualifications in one of the aforementioned qualifications-based procurements can receive a debrief, after the contract is executed. Contact the NAU PDC representative listed in the RFQ to schedule. During the debrief, the firm may review other firms' submitted qualifications as well as the selection committees' scoring matrix. The debrief will be with a PDC representative that can discuss specifics of the selection process.

Resources

ABOR Website: <http://azregents.edu/>

ABOR Policy Manual: <https://www.azregents.edu/board-committees/policy-manual>

NAU Facility Services Website: <http://nau.edu/Facility-Services/>

NAU Purchasing Policies and Procedures: <http://nau.edu/Contracting-Purchasing-Services/Policies-Procedures/>