



Florida Department of Transportation

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SECRETARY

October 13, 2003

Mr. Jim St. John
Division Administrator
Federal Highway Administration
227 North Bronough Street, Room 2015
Tallahassee, Fl. 32301

Subject: Construction Management at Risk, (CM@Risk) Initial Report for 213403-1-52-01

Dear Mr. St. John,

As per our commitment to use Special Experimental Project No. 14 (SEP 14) in our construction of the I-75 Welcome Center in Hamilton County, the Department submits this initial report. The intent of this report is to let you know where we are at in this process as well as discuss industry reaction and response, and any identifiable effects on the bids received for this project. A brief description of the included work is as follows:

The work consists of construction of a new Welcome Center on I-75 in Hamilton County, while the existing facility remains open. Associated site work includes grading, drainage, base construction, paving, signing, pavement marking, landscaping, construction of a sewer line to the town of Jennings and other incidental construction on the existing site.

The Technical Review Committee/selection committee consisted of:

Melinda Rainwater, P.E.
Tom Crossman, P.E.
Craig Teal, P.E.
Jane Jones Redd (non voting member)

The project was advertised from April 7, 2003 through May 7, 2003. The advertised cost estimate for this project is 8.1 million dollars. Five construction firms submitted responses for the request for qualification. All five firms were considered by the Technical Review Committee.

On June 17, 2003 the Technical Review Committee short listed the three most qualified firms. Although no protests were submitted by the other two firms they did request to see their technical scores. The three short listed firms were required to attend a mandatory pre-proposal meeting held on July 10, 2003. On July 21, 2003, oral presentations were held with the three short listed firms. On August 4, 2003 the final selection was determined and publicized. No protests for the selected firm were submitted. The firms ranked as follows:

	<u>Score</u>	<u>Est. Const. Time</u>	<u>Characteristics for selection</u>
#1 Centex Rooney Const. Co.	91.67	13 months	CQC, Alternate MOT, Time
#2 Peter Brown Const. Inc.	87.33	18 months	CQC, MOT, CM familiarity
#3 AJAX Building Corp.	85.33	24 months	MOT, CM familiarity

During the month of September 2003, the technical review committee has met with the CM@Risk firm and negotiated fees for the

contract as well as share information and concerns pertaining to the design of the project. CM@Risk Manager fees will be paid as a Lump Sum percent of the Guaranteed Maximum Price (GMP) rather than a percentage of the final construction dollar amount. During the month of October 2003 the final contract documents will be completed between the Department and the CM@Risk firm. We are currently reviewing the plans and contract documents with the CM@Risk firm. This iteration of review and analysis will result in a GMP. LOA for pre-construction services will be submitted upon execution of the contract.

As per my discussions with the Procurement office there was some discussion among the construction industry about the CM@Risk methods used for FDOT construction projects. From the information that we have received, there were companies that did not like the fact that road work was being addressed in a different contracting manner that might exclude some of the companies, or the perception was that they were being excluded. The main objective was that no self performance was allowed by the Construction Project Manager. Any new process has negative as well as positive aspects to it. We have not had any written protests from any of the construction firms that submitted responses for a request for qualification. As with any new process there will be some apprehension about this method when road construction is involved. The CM@Risk process should alleviate any misunderstandings about the difference between the typical road and bridge construction contract, as compared to a roadway and building construction contract (CM @Risk).

We had an internal meeting and reviewed Specifications, procedures and processes. We will be paying by CIT. The documentation will be kept by the CM@Risk firm for use by the Department. Contract modifications will be as stated in the CM@Risk agreement. We anticipate some challenges with this new process for FDOT; however, we also anticipate financial savings and time reductions through the CM@Risk contract administration of this type of construction project.

Sincerely,

Tom Crossman, P.E.
Project Administrator
Lake City Construction, FDOT