



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 14, 2017

RE: Trenton State Office Buildings Project
Health/Agriculture Building
Architectural/Engineering & Construction Management Services

Summary

I am requesting the Members approval of the selection of HDR Architects & Engineers, P.C., as Architectural/Engineering (A/E) firm of record and Turner Construction Company, as the Construction Manager (CM) of record for the Health/Agriculture Project in Trenton.

Background

On October 7, 2016, the Department of Treasury, Division of Property Management and Construction (DPMC) and the Authority executed Memoranda of Understanding (MOUs), which were agreed and consented to by the Treasurer, authorizing the Authority to fund and provide pre-development services to complete the Design Development phase for the Taxation and Health/Agriculture Building Projects (the Project), which will include: A/E Design Development drawings and specifications, a construction cost estimate, a project schedule, a comprehensive development budget, site due diligence tasks, along with pre-construction services to be provided by the CM. The MOUs authorize the Authority to spend up to \$3,602,940 of Authority unrestricted funds to provide the pre-development services for both Projects (\$1,993,448 for the Taxation Building and \$1,609,492 for the Health/Agriculture Building).

In order to advance the development of these projects, the Real Estate Division issued two separate publicly advertised Request for Qualifications (RFQs) for A/E and CM services, respectively. In response to the RFQs, the Authority received Qualification Statements from seventeen (17) A/E firms and seven (7) CM firms. These firms were ranked by the Authority's Selection Committee utilizing the criteria set out in the RFQs, in accordance with the Authority's Board approved policies and procedures. Based on this ranking, the Authority's Selection Committee, comprised of Real Estate staff, along with DPMC staff, approved a short list of the five (5) highest ranked A/E and CM firms. The Real Estate Division subsequently issued two separate Request for Proposals (RFPs) to the short-listed A/E and CM firms, respectively.

-2-

As the Project consists of the design and construction of two separate, large-scale buildings, the A/E and CM RFPs stated that no firm would be awarded more than one of the Health/Agriculture and Taxation buildings projects. The RFPs provided that the Authority would select the top two qualified A/E and CM firms and that the highest ranked qualified A/E and CM firm would be awarded the larger, Taxation Project and the second highest ranked A/E and CM firm would be awarded the Health/Agriculture Project.

For the A/E firm RFP, proposals from the shortlist of qualified firms were received with separate sealed bids in accordance with the Real Estate Division's policies and procedures for procurement subject to S-2194. The technical proposals were independently evaluated and ranked by the Selection Committee based upon a comparative ranking, with an emphasis on relevant experience, based on evaluation criteria set forth in the RFP. One (1) of the proposals, from Gensler, was deemed non-compliant, and therefore was not included in the evaluation and ranking. The A/E ranking is attached as Exhibit A. The highest two ranked A/E firms were Ballinger, with a rating of 20.3, followed closely by HDR with a rating of 18.2. As such, HDR was selected as the A/E firm for the Health/Agriculture Project.

In accordance with S-2194, the fee proposal was negotiated with HDR. The recommended A/E selection of HDR is based upon the design fee of 8.699% (\$1,041,686. for Phase I), an environmental consulting fee of \$19,250, applicable alternates, and a contingency as per the approved pre-development budget. These fees and rates are more fully detailed on the attached fee proposal (Exhibit C). HDR's fee proposal, as negotiated in accordance with the Authority's Board approved procurement procedures, was found to be fair and reasonable in comparison to the average competitive fee proposals received. Final approval of HDR will be subject to receipt and approval of their compliance documentation.

The Authority uses the Construction Manager at Risk ("CMAR") project delivery method, the Board approved method, which entails a commitment by the CM to deliver the project within budget and on schedule, based on the contract documents including the construction documents and specifications. The CMAR contract has been reviewed and approved by the Attorney General's Office, and the Authority's use of the CMAR project delivery method has been approved by GAU and OSC.

For the CM firm RFP, the Authority received proposals from the shortlist of qualified firms in accordance with the Real Estate Division's policies and procedures for procurement. The proposals were independently evaluated and ranked by the Selection Committee based upon a comparative ranking, based on evaluation criteria set forth in the RFP and as stated in the CM ranking attached as Exhibit B. One (1) of the proposals, from Gilbane, was deemed non-compliant as it was submitted late, and therefore was not included in the evaluation and ranking. The highest two ranked CM firms were Torcon, with a rating of 30.33, followed by Turner with a rating of 23.67. As such, Turner was selected as the CM firm for the Health/Agriculture Project.

-3-

The recommended CM selection of Turner is based upon the total pre-construction fee of \$120,000, (\$75,000 for Phase I), and construction fee of 2.25% with a GMP, or a construction fee of 2.15% without a GMP, applicable alternates as noted on the attached fee proposal (Exhibit D), an incentive clause and contingency. Final approval of Turner will be subject to receipt and approval of their compliance documentation.

The Authority will issue a limited Notice to Proceed for Phase One Predevelopment Services for the A/E and CM as indicated in the MOUs and in the pre-development budget. The Phase II work (completion of design and construction) will commence upon approval by the State Treasurer to proceed with Phase Two Services as outlined in the MOUs.

Recommendation

In summary, I am requesting the Members' approval:

- (i) of the selection of HDR, as Architectural/Engineering (A/E) firm of record and Turner as the Construction Manager (CM) of record for the Health/Agriculture Project in Trenton; and
- (ii) to enter into the Authority's standard form of A/E contract that has been approved by the Attorney General's Office with HDR for design services and the Authority's standard form of CMAR contract that has been approved by the Attorney General's Office and the Office of the State Comptroller, with Turner.



Timothy J. Lizura
President and Chief Operating Officer

Attachments: Exhibits A-D
Prepared by: Stephen Martorana

EXHIBIT A

Trenton State Offices - Taxation & Health/Agriculture

Architectural/Engineering Services RFP Evaluation

12/9/2016

No	Name of Firm(s)	Office Location of Firm	A Architectural key staff member experience	B Engineering key staff member experience	C Firm's relevant experience (per RFQ)	D Understanding of the project Requirements and Scope	E Staff LEED Experience	F BIM Experience	TOTAL
1	Ballinger	Phila, PA	3.8	2.7	3.0	3.2	3.7	4.0	20.3
2	HDR	Lawrenceville, NJ	2.7	3.3	4.0	3.2	3.2	1.8	18.2
3	PS&S	Warren, NJ	2.2	2.7	2.2	1.5	2.2	1.8	12.5
4	USA	Somerville, NJ	1.3	1.3	1.0	2.2	1.0	2.3	9.2
	Gensler	Washington, DC	Non Compliant						
			10	10	10	10	10	10	

The evaluation spreadsheet is based on a comparative ranking with each firm receiving a score between 1 and 4 points with 4 being the highest score for each evaluation criteria

EXHIBIT B

Trenton State Offices - Taxation & Health/Agriculture

Construction Management RFP Evaluation

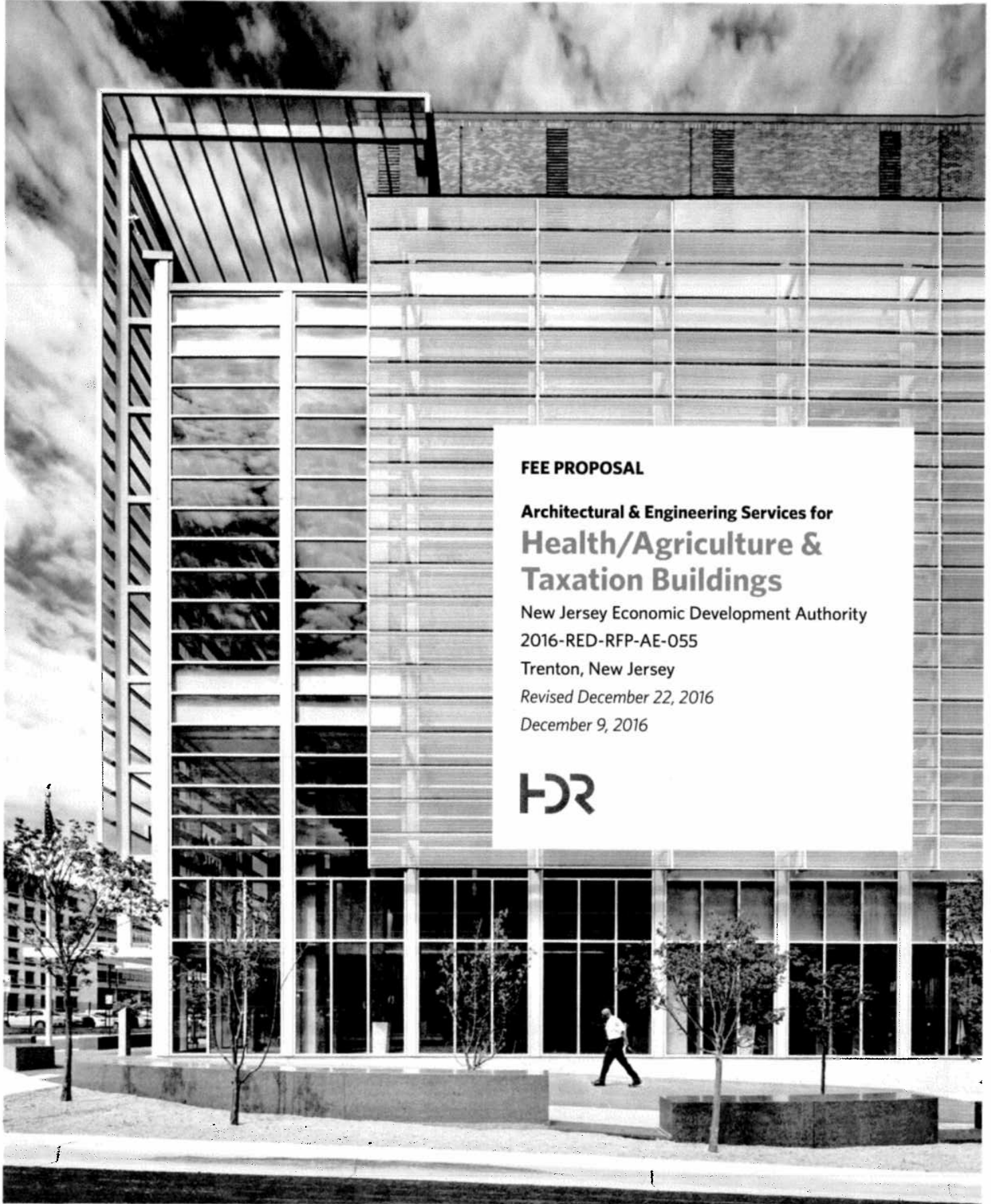
1/4/2017

No	Name of Firm(s)	Office Location Firm	1 Key staff Experience	2 Similar firm experience (from RFQ)	3 Understanding of Project Scope	4 BIM Experience/Qualifications	5 LEED Experience of Team Members	Qualification Subtotal	6 Fee Pre-construction \$	7 Fee Construction %	8 Insurance Costs per\$1000	9 Staff Multiplier	Fee Subtotal	OVERALL TOTAL
1	Torcon	Red Bank, NJ	3.50	4.00	3.67	4.00	3.67	18.83	3	4	2.5	2	11.5	30.33
2	Turner	Somerset, NJ	3.50	2.00	3.17	2.67	2.83	14.17	2	1	2.5	4	9.5	23.67
3	Skanska	Blue Bell, PA	1.00	1.00	1.33	2.17	1.17	6.67	4	2	4	3	13	19.67
4	Structuretone	Woodbridge, NJ	2.00	3.00	1.83	1.17	2.33	10.33	1	3	1	1	6	16.33
5	Gilbane	Non-Compliant (Late)												

The evaluation spreadsheet is based on a comparative ranking with each firm receiving a score between 1 and 4 points with 4 being the highest score for each evaluation criteria.

Underwriting reviewed the financial information submitted with the proposals and have determined that the CM firms are responsible bidders who have the financial capacity to perform the work under the contract according to its specified requirements and that the firms have sufficient cash liquidity to provide the services contemplated.

EXHIBIT C



FEE PROPOSAL

**Architectural & Engineering Services for
Health/Agriculture &
Taxation Buildings**

New Jersey Economic Development Authority

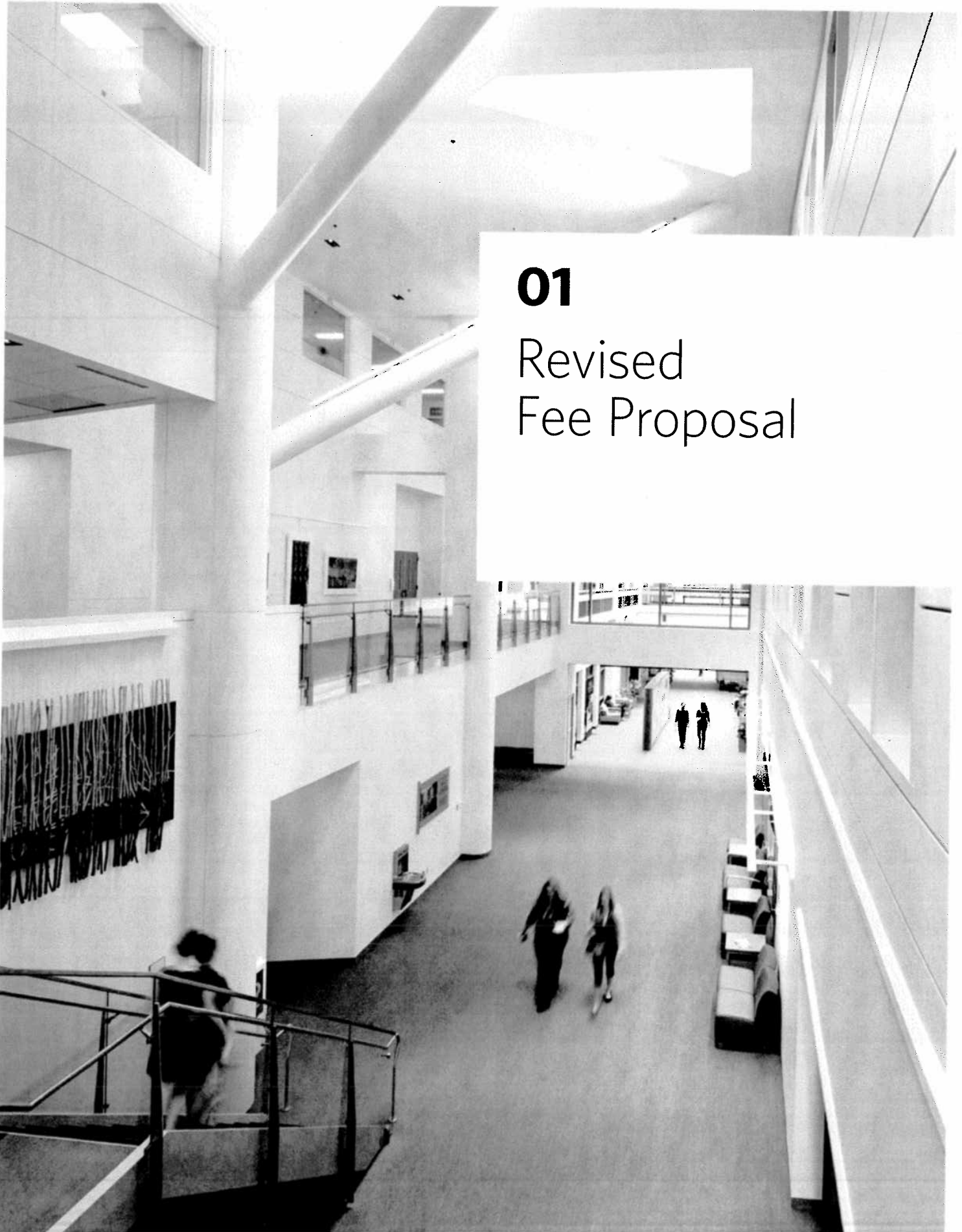
2016-RED-RFP-AE-055

Trenton, New Jersey

Revised December 22, 2016

December 9, 2016





01
Revised
Fee Proposal

EXHIBIT A-1

**FEE PROPOSAL FORM HEALTH /
AGRICULTURE BUILDING**

**THIS FEE PROPOSAL FORM MUST BE SUBMITTED
IN A SEPARATE, SEALED ENVELOPE.**

1.0 GENERAL

- 1.1 Refer to Developer/Architect Agreement Article 10, "Payments to Architect", Article 11, "Basis of Compensation", and Article 3, "Additional Services" for definitions, clarifications and additional information.

2.0 BASIC COMPENSATION

2.1 Design Fees – Building, Surface Parking and Site Improvements

Maximum Fee for Phase I and Phase II, including all reimbursables (See Article 11), plus an allowance (see below) based on 8.699% of the Developer's Estimated Construction Budget (D.E.C.B.).

(See HDR "Fee Breakdown Supplement" included herein as attachment to Exhibit A-1. Above percentage does not include \$50,000 NJEDA Allowance)

- 2.2 The D.E.C.B. has been included in Exhibit C, "Preliminary Concept Document". This amount will be fixed by NJEDA at the end of the Design Development Phase for purposes of the A/E's fee. After that point, all other provisions of Article 11 of the Developer/Architect Agreement will remain in effect.

- 2.3 Environmental consulting fee Preliminary Site Assessment and Report
\$ 19,250.00

3.0 COMPENSATION FOR ADDITIONAL SERVICES

- .1 Direct Personnel Expense multiplier (D.P.E.) 1.35 (Max. 1.35)
.2 Office Multiplier 2.25 (Max. 2.25)
.3 Reimbursables will be billed at direct cost with no multipliers, for Architect



and all consultants.

- .4 Principals hourly rate \$200.00 (Max. \$200.00)
- .5 Listing of Principals:

4.0 SERVICES OF SPECIFIC INDIVIDUALS (Reference Article 3 of the Developer/Architect Agreement)

- .1 Direct Personnel Expense multiplier (D.P.E.) 1.35 (Max. 1.35)
- .2 Multiplier 1.25 (Max. 1.25)
- .3 Reimbursables will be billed at direct cost with no multipliers.

5.0 SERVICES OF ADDITIONAL CONSULTANTS (Reference Article 11.3 of the Developer/Architect Agreement)

- .1 The amount billed to the A/E excluding reimbursables times 1.05 (1.05 Max.)
- .2 All reimbursables, whether A/E or consultants will be billed at direct cost with no additional mark-up.
- .3 Consultant's compensation is based upon the same multipliers as Paragraph 3.0 of this Exhibit.

6.0 RETAINAGE

- .1 There is a 10% retainage on all design services. Refer to Developer/Architect Agreement for additional information.

7.0 INSURANCE REQUIREMENTS

- .1 Refer to Article 12, Paragraph 12.3, Developer/Architect Agreement
- .2 Refer to Paragraph VI, Deliverables, Item No. 3 (Cert. of Insurance) this RFP.

8.0 ALLOWANCE

- .1 An allowance of Fifty Thousand Dollars (\$50,000.00) for the sole use by NJEDA will be included in addition to the A/E's basic compensation. This

amount can only be billed against with the expressed, written permission of NJEDA, and any unbilled portion at the close out of the Project, shall return to NJEDA (cannot be billed against). Refer to Article 11, Subparagraph 11.1.2, Developer/Architect Agreement for additional information.

Respectfully submitted,

HDR Architects and Engineers, P.C.

Name of Firm

By:



Signature & Date

Revised December 22, 2016

December 9, 2016

Michael J. Konsko, East Region Director of Operations

Printed Name and Title

**THIS FEE PROPOSAL FORM MUST BE SUBMITTED
IN A SEPARATE, SEALED ENVELOPE.**

**(No exceptions/exclusions/clarifications are acceptable
to the Fee Proposal Form)**



NJEDA EXHIBIT A-1 FEE PROPOSAL FORM - HEALTH / AGRICULTURE BUILDING
FEE BREAKDOWN SUPPLEMENT

Revised December 22, 2016



BASIC SERVICES PROVIDED:		H&A Bldg.	% Const.
Developer's Estimated Construction Budget		\$ 30,000,000	
<u>Subconsultant</u>	<u>Services Provided</u>		
KSS	Office Interiors	\$ 255,350	0.85%
Van Note Harvey	Site / Civil Engineering	\$ 183,350	0.61%
BD Engineering	Fire Alarm	\$ 46,000	0.15%
Subconsultant Subtotal		\$ 484,700	1.62%
HDR A/E Basic Services & Expenses		\$ 1,150,000	3.83%
Total Fee for Basic Services		\$ 1,634,700	5.45%
ADDITIONAL SERVICES PROVIDED:			
<u>Subconsultant</u>	<u>Services Provided</u>		
Van Deusen	Elevator	\$ 15,000	0.05%
Metropolitan Technologies	Tel/Data/Security	\$ 87,695	0.29%
Van Note Harvey	Additional Site / Civil Engineering	\$ 57,000	0.19%
Van Note Harvey	Environmental Engineering	\$ 19,250	0.06%
Sadat Assoc.	Geotechnical Engineering	\$ 100,840	0.34%
Toscano Clements Taylor	Cost Estimating	\$ 118,000	0.39%
Michael Maris Assoc.	Traffic Engineering	\$ 98,000	0.33%
Michael Maris Assoc.	Air Quality Survey for Traffic	\$ 32,000	0.11%
Metropolitan Technologies	Audiovisual	\$ 72,200	0.24%
Hunter Research	Historic Resource	\$ 80,138	0.27%
SMW	Acoustics	\$ 35,000	0.12%
TBD	Renderings	\$ 10,000	0.03%
M&E Engineers	Energy Model / Cx	\$ 161,950	0.54%
Subconsultant Subtotal		\$ 887,073	2.96%
HDR Coordination / Management		\$ 88,032	0.29%
Total Fee for Additional Services		\$ 975,105	3.25%
Total Fee		\$ 2,609,805	8.699%



1000 Lenox Drive
Lawrenceville, NJ 08648-2312
609.844.1212

hdrinc.com

We practice increased use of sustainable
materials and reduction of material use.

© 2016 HDR, all rights reserved.

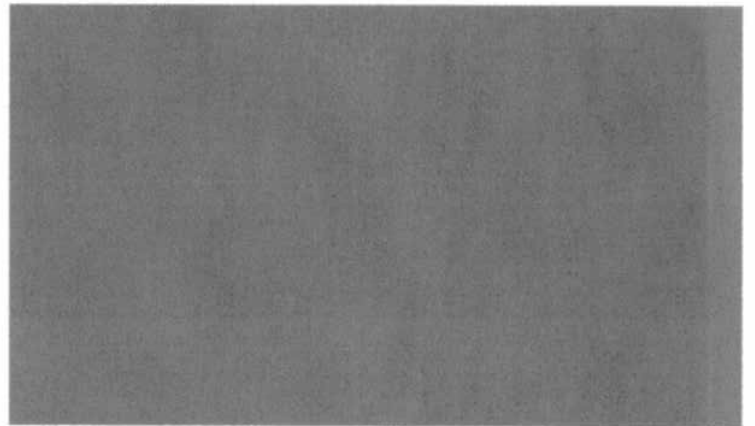
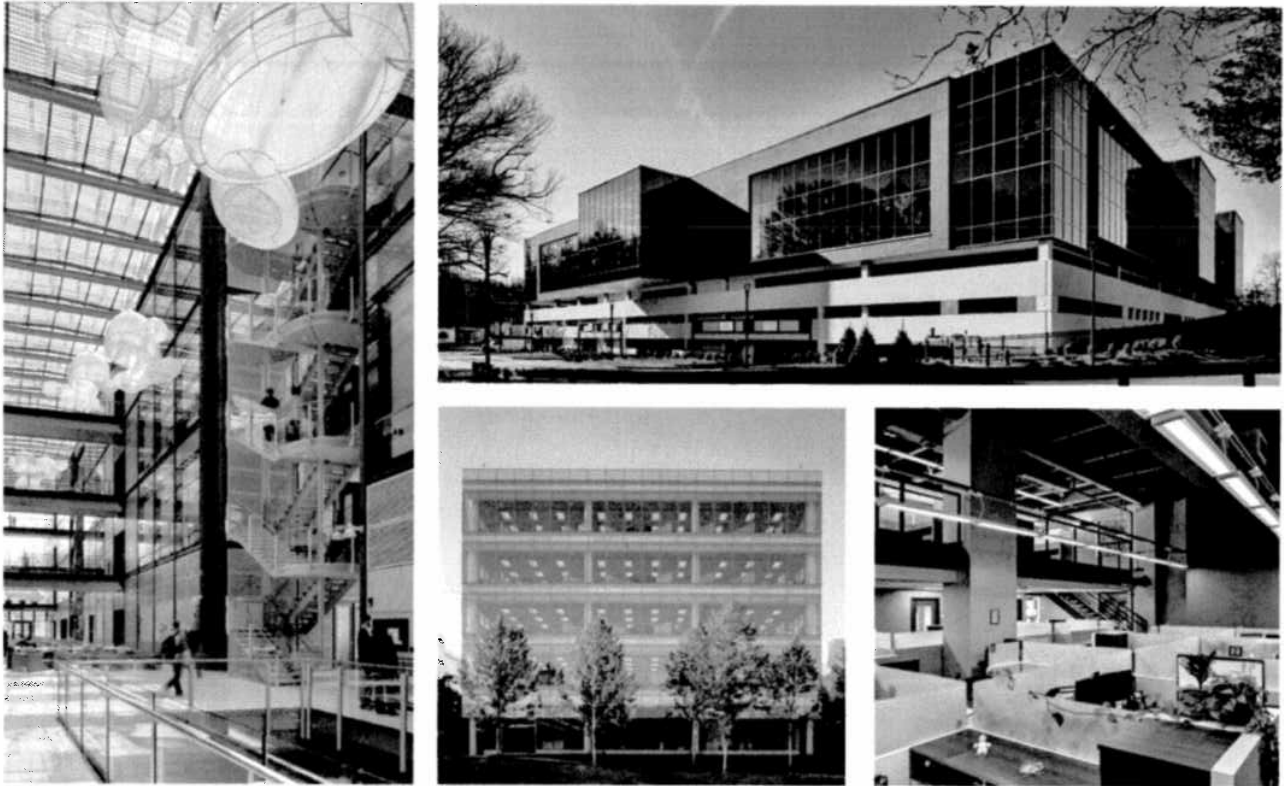


EXHIBIT D

Building the Future



Turner Construction Company
**NJEDA Health & Agriculture
and Taxation Buildings**

REQUEST FOR PROPOSAL
REF #2016-RED-RFP-CM-054
DECEMBER 23, 2016

Turner

Indicate fee which you would charge during Construction based on the Cost of Work Plus a Fee With or Without a GMP. This fee will remain the same for future tenant fit-out, renovations or construction associated with the project.

E. Bonding

1. State what multiplier is applied during construction to total construction costs to determine a 100% performance and payment bond if required to be supplied by the CM firm. \$7.32 / \$1,000

2. Indicate total bonding capacity of the CM firm and amount not currently committed.

\$1B single,

\$7.3B aggregate (Total)

\$1.6B available (Not Committed)

3. Please note if your firm requires subcontractor bonding (i.e.: Subguard) and note your insurance rate for this.

1.15 % for Subguard

Notes:

Incentive Clause

NJEDA may include an incentive clause which rewards the CM for meeting the budget and schedule requirements. The mechanism varies depending on a cost plus or GMP contract as referenced in Exhibit G of the RFP.

Sales Tax Exemption

No sales tax shall be charged due to the tax-exempt status of NJEDA.

Allowance

An allowance of Ten Thousand Dollars (\$10,000) for sole use by NJEDA will be added to the CM's Pre-Construction lump sum fee. This amount will only be billed against with the expressed, written permission of NJEDA, and any unbilled portion at the closeout of the project, shall return to NJEDA (cannot be billed against).

Respectfully submitted,

Name of Firm Turner Construction Company

By:


Signature & Date

December 23, 2016

Printed Name and Title Mark Romanski, Vice President and General Manager

IMPORTANT NOTICE to PROPOSERS: Proposers are cautioned NOT to indicate additional fees / charges other than those stated herein. FEE PROPOSALS MUST BE SIGNED IN INK