



**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  
Taxation Building  
Architectural/Engineering & Construction Management Services

**Summary**

I am requesting the Members approval of the selection of The Ballinger Company, as Architectural/Engineering (A/E) firm of record and Torcon, Inc. as the Construction Manager (CM) of record for the Taxation 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.

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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 and 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, Ballinger was selected as the A/E firm for the Taxation project.

In accordance with S-2194, the fee proposal was negotiated with Ballinger. The recommended A/E selection of Ballinger is based upon the design fee of 7.7% (\$1,542,260 for Phase I), an environmental consulting fee of \$10,000, 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). Ballinger'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 Ballinger 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, Torcon was selected as the CM firm for the Taxation project.

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The recommended CM selection of Torcon is based upon the total pre-construction fee of \$95,000 (\$65,000 for Phase I), and construction fee of 1.75% with a GMP, or a construction fee of 1.25% without a GMP, applicable alternates as noted on the attached fee proposal (Exhibit D), an incentive clause and contingency. Final approval of Torcon 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 Ballinger, as Architectural/Engineering (A/E) firm of record and Torcon as the Construction Manager (CM) of record for the Taxation 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 Ballinger 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 Torcon.



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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						

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	Structurestone	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)												
			10	10	10	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.

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

# TAXATION BUILDING

NEW JERSEY ECONOMIC  
DEVELOPMENT AUTHORITY

12.20.16

B A L L I N G E R

**AMENDED**  
**EXHIBIT A-2**  
**FEE PROPOSAL FORM**  
**TAXATION 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.A 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 7.7 % of the Developer's Estimated Construction Budget (D.E.C.B.).

**2.1.B Design Fees – Alternate Parking Garage**

Maximum Fee for Phase I and Phase II, including all reimbursables (See Article 11), based on 8 % of the Developer's Estimated Construction Budget (D.E.C.B.) specific to just the Parking Garage if applicable.

- 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  
\$ 10,000

**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: Keith Mock      Todd Drake      Bill Gustafson  
Terry Steelman      Jeff French      Lou Meilink  
Barry Finkelstein      Jonathan Friedan      Craig Spangler  
Eric Swanson

**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**

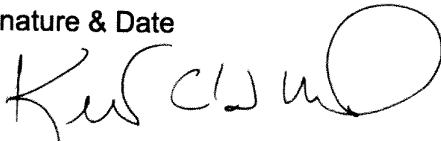
- .1 An allowance of Fifty Thousand Dollars (\$50,000.00) for the sole use by NJEDA will be included in addition to the A/E's basic compensation. This amount can only be billed against with the expressed, written permission of NJEDA, and any unbilled portion at the close out of the Project, shall return to NJEDA (cannot be billed against). Refer to Article 11, Subparagraph 11.1.2, Developer/Architect Agreement for additional information.

Respectfully submitted,

Name of Firm  
Ballinger

By:

Signature & Date



Printed Name and Title  
Keith C.H. Mock, AIA  
Principal

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

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

B A L L I N G E R

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PHILADELPHIA, PA 19107

| T 215 446 0900  
F 215 446 0901  
BALLINGER.COM

# EXHIBIT D



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**HEALTH/AGRICULTURE &  
TAXATION BUILDINGS**

December 23, 2016

*REF #2016-RED-RFP-CM-054*

proposal for  
**CONSTRUCTION  
MANAGEMENT**  
services



EXHIBIT A-2

FEE PROPOSAL FORM

TAXATION BUILDING

A. LUMP SUM — PRECONSTRUCTION

1a	Phase I Pre-Construction (lump sum)	\$ 55,000
1.b	Additional fee for alternate for parking structure	\$ 10,000
1.c	Additional fee for alternate for existing building demo	\$ 2,500
2a	Phase II Pre-Construction (lump sum)	\$ 30,000
2.b	Additional fee for alternate for parking structure	\$ 5,000
2.c	Additional fee for alternate for existing building demo	\$ 2,500

\*A \$10,000 Pre-Construction allowance will be added to the CM's fee, refer to Allowance - Section H below.

NOTE: All reimbursable costs are included within the above Lump Sums.

B. STAFF MULTIPLIER

1.65

State what multiplier would be applied to direct staff salaries as listed in the Construction General Conditions.

NOTE: If a percentage is applied to all labor within the General Conditions to cover fringe benefits and all insurance, explain and indicate amount.

C. INSURANCE COSTS (Maximum \$10/\$1,000 of revenue)

1.00%

State what multiplier is applied during construction to total construction costs to determine project insurance.

NOTE: If insurance costs are determined in some other manner, please indicate percentages, etc.



EXHIBIT A-2 | FEE PROPOSAL FORM  
TAXATION BUILDING

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D. CONSTRUCTION FEE

*BUILDING WITHOUT ALTERNATES*

1.75	% WITH GMP
1.25	% WITHOUT GMP

*BUILDING WITH PARKING ALTERNATE BUT NOT DEMOLITION ALTERNATE*

1.75	% WITH GMP
1.25	% WITHOUT GMP

*BUILDING WITH DEMOLITION ALTERNATE BUT NOT PARKING ALTERNATE*

1.75	% WITH GMP
1.25	% WITHOUT GMP

*BUILDING WITH PARKING ALTERNATE AND DEMOLITION ALTERNATE*

1.75	% WITH GMP
1.25	% WITHOUT GMP

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.

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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. 0.65
  
2. Indicate total bonding capacity of the CM firm and amount not currently committed.
 

\$650,000,000	(Total)
\$450,000,000	(Not Committed)
  
3. Please note if your firm requires subcontractor bonding (i.e.: Subguard) and note your insurance rate for this.
 

1.40 *	% for Subguard
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(\*Subguard is available, but not required)

EXHIBIT A-2 | FEE PROPOSAL FORM  
TAXATION BUILDING

**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,

Torcon, Inc

December 23, 2016

*Name of Firm*

*Date*

*Joseph A. Torcivia*  
*Signature*

Joseph A. Torcivia

Co-President

*Name*

*Title*