

EXECUTIVE SUMMARY**Background**

On September 16, 2015, the District entered into a contract with Atkins North America, Inc. (Atkins) to provide Program Manager – Cost and Program Control Services (CPCM) for the District’s SMART Program. The original contract term was for a three-year period with the agreement allowing for extension of two additional one-year periods and, if needed, 180 days beyond the expiration date of the renewal period. The initial three-year period expired on September 16th, 2018, and Atkins received a 45-day extension for time only extending to November 1, 2018. This Amendment is for the remainder of the first additional extension year.

Atkins’ proposed volume of work for the initial three (3) year period was based on certain assumptions at the time of the RFP, which resulted in a Base Contract of \$6,456,073 for the initial three (3) year period. This included costs of \$417,375 for a project management software (e-Builder) that has been implemented for the SMART Program and for future District project/program management.

Atkins’ Base Contract also included a commitment to 45% M/WBE participation in its original proposal and has committed to continue this commitment in this amendment. As of August 2018, the CPCM has reported achieving an overall M/WBE participation of approximately 46%.

Atkins staffing levels were initiated at a lower level than proposed due to the start-up of the SMART Program and early planning and design efforts that did not warrant the full proposed staffing. This resulted in a lower than anticipated Year 1 at approximately seven (7) actual versus ten (10) planned. As projects moved into the Design phase, Year 2 staff levels grew closer to nine (9) staff. As the SMART Program transitioned into full design in Year 3, the level of effort required continued to increase. Atkins worked with District staff to keep Atkins staff at a minimum and only increase when the workload required. This allowed the team to complete the three (3) year term within budget as well as an additional 45 days at no cost to the School Board with a likely savings to the School Board of over \$200,000.

Atkins’ proposal for this Second Amendment is \$2,767,500 which includes \$2,461,568 of CPCM labor, \$24,000 in reimbursable expenses, and \$281,932 for the e-Builder project management software with site licensing model. This extension and associated fee will result in a total proposed, not-to-exceed amount of \$9,223,573 for Year 1 through Year 4 of the Agreement. Additionally, staff desired to formally incorporate an evaluation requirement into the CPCM Agreement to assess Atkins’ performance.

This Second Amendment requests approval of the second extension period from November 2, 2018 through and including September 17, 2019, and encompasses staffing, formal incorporation of an evaluation process of the CPCM, and proposed fee to cover the renewal term.

At the outset of the program, an allocation was set aside as a percentage of the entire program to cover costs for the Owner’s Representative (OR), Cost and Program Controls Manager, Builder’s Risk Insurance and Third-Party code reviews based on the program value. The overall proposed fees for Atkins are budgeted within this allocation.

Atkins’ Services and Key Activities During Years 1-3

Since coming on board in September 2015, the Atkins team has supported moving the SMART Program forward with various value add services that will continue or will be included in this first extension, Year 4:

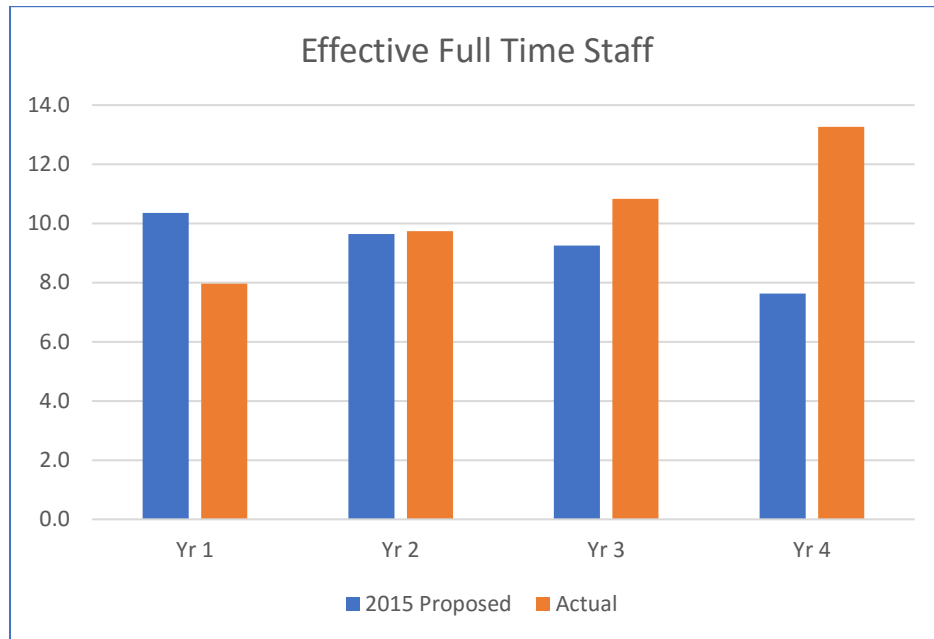
- Provide the District with quarterly reviews on program cost risks and market conditions and work with District Capital staff on recommended Program reserves for cost risks
- Continue to provide the District with cash flow projections information based on projected budgets and schedules; provide cash flow analyses to Finance team to assist in identifying timelines for sale of bond tranches
- Verify that the proposed project scope being designed is what was approved for the project (or necessary to deliver on the approved scope) in order to control “scope creep”
- Provide negotiation support for design fees and CMAR proposals
- Provide analysis on actual bids received to advise on reasonableness and support future risk analysis
- Provide Change Order reviews and construction claims support on District projects to ensure that they are in conformance with the contract, that entitlement exists, and costs are appropriate
- Review and support development of the quarterly Bond Oversight Committee reports
- Continue to train Broward Schools student summer interns in project controls, scheduling and estimating

CPCM Staffing

Year 4 proposed staffing includes extending the current staff positions for Year 4 to continue to perform the core services as well as meet the needs of a changing program. Atkins has streamlined its cost review/validation; reporting and analysis to provide the most efficient effort for these elements and has used non-core staff sparingly and only as needed to meet program deliverables.

Atkins’ proposed staffing plan includes the following changes for the upcoming contract year:

Role	Current Staffing	Proposed Staffing	Justification
Senior Staffing	1.1	1.1	Maintain current level
Scheduling/ Program Reporting	2	2	Maintain current level
Systems/ Software	2	3	Add additional resource for administration of software
Cost and Change Order Review/ Validation	4	5.5	Meet demand of estimating projects in design as well as reviews of bids, GMPs and Change Orders
Risk Mgmt & Market Analysis	0.2	0.2	Maintain current level
Program Support	1.5	1.4	Support adjustment
Totals	10.8	13.3	



Core Year 4 Staff Needed vs. Year 4 Planned

The current Year 4 proposed level of personnel is higher than was anticipated in the original budget, as the peak of design completion and high volume of construction is occurring later than Atkins had contemplated. Considering this plan, the staffing was anticipated to begin decreasing slightly in Years 4 and 5. Additionally, the level of effort to manage and maintain e-Builder, to properly manage the cost risks in the current economic environment, and to manage the high volume of concurrent projects is above what was anticipated. The SMART Program is on track for a high level of work progress in Year 4, and the Atkins staff projections have been developed to provide the controls to properly manage this level.

Considering this high level, Atkins has streamlined its cost review/validation, reporting and analysis to provide the most efficient effort for these elements, and has used non-core staff sparingly and only as needed to meet program deliverables.

Project Management Software (e-Builder)

The e-Builder service in Years 1-3 included 100 licenses. This level was chosen to maximize efficiency for the District as the software was being implemented, current staff were being trained, and the SMART Program was being ramped-up. This user level has become too restrictive in Year 3, and the recommendation included in the Year 4 budget is for an e-Builder site license to include unlimited licenses. This will allow for providing licenses to all Broward Schools Facilities staff, OR and CPCM staff as well as, architects, engineers, and contractors. This will facilitate collaboration, change management, and document control throughout construction. To date, 125 external vendors have been trained representing 21 Architectural/Engineering firms and 12 General Contractors. Deferring the site license until Year 4 saved the District approximately \$150,000 to \$200,000 in licensing fees over the initial 3-year contract.

Evaluation

In addition to the proposed staffing changes described above, staff is requesting to incorporate language in the Agreement referencing an evaluation of Atkins' performance. While an evaluation tool has been used in the past to evaluate Atkins' performance, the Office of Facilities and Construction is currently working with the Office of Strategic Initiative Management to develop a rubric that will tie performance domains to more explicit descriptors and objective evidence. Performance domains will cover key deliverables (e.g., schedule controls, budget/cost controls, change management, etc.) as well as essential attributes (e.g. effective communications, leadership, and customer responsiveness). Once completed, the tool will be used in the next evaluations of Atkins.

Additionally, staff has engaged RSM US LLP to conduct quarterly reviews of Atkins with a focus on identifying improvements in processes, including Bond Oversight Committee reporting, as well as compliance with deliverables. RSM and staff conduct regular meetings with Atkins to review these reports and action plans to address any findings.

Conclusion

Atkins has an experienced team of project controls professionals including its 45% M/WBE partners that will continue to provide SBBC critical services to manage scope, cost, and schedule as the SMART Program continues toward its peak years.

At this stage in the SMART Program and based on current performance, it is recommended that Atkins continue to provide CPCM services for Year 4 of the Agreement. This will continue to maintain clear accountability in execution and delivery of the program. Atkins' proposal for this Second Amendment, the second period of the first of two (2) potential (1) year extensions is \$2,767,500. This Second Amendment is intended to extend Atkins' agreement from November 2, 2018 through and including September 17, 2019 and to formally incorporate supplemental services as outlined above.