

## EXECUTIVE SUMMARY

### Recommendation to Approve Agreement and Additional Spending Authority FY20-192 – Program Manager – Owner's Representative Services

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#### **Introduction**

##### **Responsible: Procurement & Warehousing Services (PWS)**

This request is to approve the agreement between AECOM Technical Services, Inc. (“AECOM”) and The School Board of Broward County, Florida (“SBBC”), for three (3) years commencing on the date of its approval by the SBBC, with the option to be extended for two (2) additional one (1) year periods and one (1) additional six-month period beyond the expiration date of the renewal period, pursuant to Request for Qualifications (RFQ) FY20-192 – Program Manager – Owner's Representative Services. This School Board Item seeks approval of a total award amount of \$64,946,830 for the three (3) year contract term; however, the additional spending authority being requested is \$47,214,830.

#### **Services Description**

##### **Responsible: Office of Capital Programs (OCP)**

In order to be effective in meeting the facility and operational needs of the Schools in a prioritized, transparent, and resource-conscious manner, the District must continue to manage the capital projects of its Schools as a coherent program. The District has determined that engaging the assistance of a team of construction industry professionals organized in two (2) Program Manager - Owner's Representative (PMOR) agents is the most flexible, cost-effective means to achieve the coordination and synergy necessary to meet the demands of the Schools.

The role of the PMOR will be to manage all assigned capital projects from their current status (which may include projects at one hundred (100) percent of the design phase) through commissioning and closeout. The PMOR, in its management of the District's capital projects, acts as the District's representative and actively seeks to identify issues and resolve issues. Where issues cannot be resolved by the PMOR, the PMOR's responsibility as the manager of projects is to provide options, and/or recovery plans, to the Office of Capital Programs for review and direction.

RFQ FY20-192 was developed and released with the intent to establish agreements with one (1) or two (2) qualified firms to perform as PMOR Services.

The PMOR Services includes a Scope of Services to execute the SMART Program Renovations projects District-wide. The Scope of Services consists of all types and manner of program management services related to design and construction programs as required and directed by the District, as well as staff augmentation in the Office of Capital Programs, Procurement & Warehousing Services (PWS), and the Economic Development and Diversity Compliance (EDDC) Departments.

Performance-based fees are part of this Agreement.

#### **Procurement Method**

##### **Responsible: PWS**

RFQ FY20-192 was advertised on April 15, 2020. There were one thousand four hundred thirty-three (1,433) vendors notified and sixty-three (63) vendors that downloaded the RFQ. Qualifications Statements were received from the following three (3) firms:

- AECOM Technical Services, Inc. – First Ranked
- SKANSKA USA Building, Inc. – Second Ranked
- MACRO Consultants, LLC. – Third Ranked

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The procurement went through the Qualifications Selection Evaluation Committee (QSEC) process, convening in accordance with School Board Policy 7003, to review the Qualifications Statements submitted in response to the RFQ. The evaluation was completed based on the criteria outlined in the RFQ FY20-192. A recommendation to negotiate with one (1) qualified firm was presented to the Superintendent for approval.

Pursuant to RFQ FY20-192 section 5.5.1, the QSEC made a recommendation to the Superintendent that the highest-ranked firm, AECOM, be selected to provide PMOR Services. The Superintendent considered QSEC's recommendation and pursuant to the authority granted under School Board Policy 7003, accepted QSEC's recommendations, and further directed staff to negotiate PMOR Services fees at compensation, which staff determined to be fair, competitive, and reasonable.

The negotiation team included representatives from the Office of Capital Programs, EDDC, PWS, and the Capital Budget Department, and was led by a School District Cadre Attorney. Negotiations were concluded successfully, and the agreement with AECOM is being submitted to SBBC for approval and award.

The Affirmative Procurement Initiative implemented in this solicitation has identified a twenty-nine (29) percent participation goal for Submitting Firms that subcontract with eligible SBBC-Certified Minority/Women Business Enterprise (M/WBE) firms for at least twenty-nine (29) percent of the total contract value. AECOM has committed to an M/WBE Subcontracting Goal of forty-five (45) percent.

**Financial Impact  
 Responsible: PWS, OCP, and Office of Capital Budget**

An additional spending authority of \$47,214,830 is being requested. The total contract award amount of \$64,946,830 is being requested. The not-to-exceed breakdown can be found in Attachment A of the agreement. The annual not-to-exceed amounts are summarized in the Annual Spending Summary below. The multiplier is two-point twenty-four (2.24). The performance-based fee decreases the multiplier in increments of zero-point zero one (0.01) up to a maximum of zero-point zero two (0.02) decrease.

The funding source is the SMART Program.

Atkins worked with The Office of Capital Programs and finance staff to do an analysis of project contingencies and overhead costs and determined that there is funding available in the project budgets to offset some of these costs; however, funding is needed to incorporate the additional costs of Program Management in order to deliver the SMART Program.

A year-by-year analysis of the funding needed for these additional costs and program savings available to offset costs is shown below.

	Fiscal Year (FY)			
	FY-2021	FY-2022	FY-2023	TOTAL
Program Management Costs	\$21,749,493	\$21,714,638	\$21,482,699	\$64,946,830
Projected Overhead Balances	(\$17,732,000)	0	0	(\$17,732,000)
<b>Additional Funding Needed</b>	<b>\$4,017,493</b>	<b>\$21,714,638</b>	<b>\$21,482,699</b>	<b>\$47,214,830</b>

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**Annual Contract Spending Summary**

<b>ITEM / YEARS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>TOTAL</b>
Direct Labor	\$21,210,424	\$21,191,167	\$20,988,218	<b>\$63,389,808</b>
Reimbursables	\$165,000	\$150,000	\$125,000	<b>\$440,000</b>
Contingency one-point seventy-five (1.75) percent	\$374,070	\$373,470	\$369,481	<b>\$1,117,022</b>
<b>Totals</b>	<b>\$21,749,493</b>	<b>\$21,714,638</b>	<b>\$21,482,699</b>	<b>\$64,946,830</b>

The funding for this will come from the SMART Program project budgets. The Atkins risk assessment included a market analysis that took into account escalations in construction costs, change order contingencies and overhead that includes Program Management for the period that the SMART program was scheduled for completion. The Atkins risk assessment did not include additional costs of staff augmentation nor some of the costs for Program Management associated with extending the program timeframe based on some of the constraints recently discovered surrounding the roofing projects.

If this item is approved, the additional funding needs of the SMART Program will be added to the District Educational Facilities Plan and will come from unallocated capital reserves. This will impact unallocated reserves and will be shown in the Adopted District Educational Facilities Plan, as shown below.

	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025
Additional Funding Needed (above)	(\$4,017,493)	(\$21,714,638)	(\$21,482,699)		
TDEFP–Unallocated Capital Reserve	\$56,595,000	\$35,817,000	\$38,761,000	\$42,786,000	\$52,556,000
<b>ADEFP–Unallocated Capital Reserve</b>	<b>\$52,577,507</b>	<b>\$14,102,362</b>	<b>\$17,278,301</b>		