



February 26, 2020

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Joris Jabouin, Chief Auditor
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Pursuant to your request, and our Construction, Operational & IT Auditing Services Agreement dated September 4, 2019, RSM is pleased to present the results of our review of the District's 2020 RFQ for Program Manager – Owner's Representative Services.

We provided District Management with our initial comments and recommendations on January 29, 2020, and have included the entirety of that feedback, in addition to several other considerations in the pages that follow.

In summary, the District should consider the following key recommendations as it embarks upon refinement of this solicitation:

- The background and scope of work sections of the solicitation should be expanded to include a more robust depiction of the current state of the program, including an exhibit or schedule of all active projects, and their status. This will help bidding firms better understand the level of effort required to effectively serve the District in management of the program.
- The solicitation package should expand upon the working relationship between the PMOR team and the CPCM. Management should consider the current level of service provided by existing vendors (ATKINS and CBRE-HEERY), and modify the RFQ to draw a more distinct line between roles at the Program vs Project level, and between the CPCM and the PMOR. This may manifest itself through additional explanation of program vs project deliverables, and the expectations for collaboration with other District departments such as the Building Department, and PPO, which have been areas of concern and are not specifically addressed therein.

We are happy to discuss any of the comments herein, and appreciate the opportunity to help the District as you move forward with this incredibly important initiative.

Respectfully Submitted,

RSM US LLP

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1	<p>RFQ Program Manager – Owner’s Representative Services, Section 1.1</p> <p>Is it necessary to disclose your intent regarding the number of firms you expect to enter into contract with? The concept of two (2) firms may deter competition from a firm who perceive they have the capacity to do it all. Perhaps this could be removed from the face of the RFQ and simply noted in Q&A if it comes up.</p>
2	<p>RFQ Program Manager – Owner’s Representative Services, Section 1.2</p> <p>We recommend changing Construction Manager to Program Manager / Owner’s Representative</p>
3	<p>RFQ Program Manager – Owner’s Representative Services, 4.2.3 Section B6</p> <p>There are multiple ratios considered “profitability”. Net Profit Margin is calculated as follows: “Net Income” / “Sales” 100. If a company’s profit margin is not consistently greater than 10%, we would consider them at risk. That said, margin percentages are common to an industry, so it would be important to compare margins across the pool of prospective vendors to identify outliers. It would be important to provide this ratio for at least 3 years to determine how the company is trending.</p> <p>Return on Assets (ROA) can vary significantly depending on the company’s business model and capitalization strategy. For example, a real estate firm that holds property will have a much lower ratio than a firm that does not hold many capitalized assets, despite both firms being equally profitable. We recommend focus on working capital and historical profitability as noted above, but if this ratio is utilized, we would say less than 5% ROA, or declining ROA over time represents a company likely at risk.</p>
4	<p>RFQ Program Manager – Owner’s Representative Services, 4.2.4 Section C2</p> <p>The current control environment is strengthened by having an independent cost estimating function. It would be important to know how a proposing firm would segregate the cost estimating function from the project management function. Lack of segregation in these duties can result in increased risk of overpayment. This should be taken into consideration in conjunction with the solicitation for a CPCPM, see comment 6.</p> <p>We would like to see firms highlight their approach to document control. i.e. how do they delineate between responsibilities of their project managers and their support staff, and what is their experience using web based tools to facilitate document control (eBuilder).</p> <p>It appears to us that BOC and other reporting / public outreach is a critical component of the current program. Proposing firms should explain their experience putting together robust packages of deliverables like the BOC, etc.</p>
5	<p>Scope of Work, Section 2.1 Introduction</p> <p>We recommend additional language to reflect where the program is today in its lifecycle. As the RFQ is currently presented, there is not enough context on the magnitude of the program, volume of projects, current status, and where each project exists in its schedule or lifecycle. The District has a significant amount of construction activities ahead, with most of the design and procurement efforts having been completed. We recommend that OFC include as an exhibit to the scope of work, a comprehensive listing of all active projects that would be within the scope of the new PM-OR to manage.</p>
6	<p>Scope of Work, Section 3.4 Relationships with Schools</p> <p>This is the first reference to the CPCPM. Management should consider increased detail/description of the working relationship between program controls and program management team. This may include responsibility to execute on program level improvements and changes that are passed down from the CPCPM and Management.</p>
7	<p>Scope of Work, Section 3.5 Relationships with Project Design Professionals and Contractors</p> <p>We recommend adding language to clarify the importance of working collaboratively with the Building Department to improve permitting and inspections processes.</p>

8	Scope of Work, Section 3.6 Relationships with Other Consultants providing the District management services We recommend adding verbiage related to assisting bridging the gap between the construction contractor and building operations personnel with regard to materials, systems, and equipment specific to their responsibilities. The PM-OR also needs to coordinate with Physical Plant Operations (PPO) department and develop a plan for effectively doing so.
9	Scope of Work, Section 4.1 Introduction We recommend highlighting these activities are tracked and managed within eBuilder. We are aware that e-Builder was noted in an above section but believe it should be clear that eBuilder is the system of record that the PMOR is required to utilize for project activities.
10	Scope of Work, Section 4.2.2 Budgeting and Cost Control Process We recommend adding specificity around the requirement to produce and update cash flow models.
11	Scope of Work, Section 4.3 Project Management Methodology We noted that the deliverables section does not explicitly state the frequency and required content for deliverables. Management may consider adding a required frequency to each item, such as; per project / as needed, daily, weekly, monthly, quarterly, annually.
12	Scope of Work, Section 4.3.1 Introduction We recommend the addition of a requirement for the PMOR to develop and execute upon a comprehensive risk management plan including, among other things, an insurance and bonding compliance program.
13	Scope of Work, Section 4.3.5 Design Management We recommend adding a requirement for the PMOR to develop and execute on a plan to expand and improve the use of BIM.
14	Scope of Work, Section 4.3.7 Procurement Management We recommend adding additional detail regarding the process for management of the procurement process including developing solicitation materials and negotiating contracts.
15	Scope of Work, Section 4.3.8 Construction Oversight We recommend highlighting the requirement of the PMOR to; manage the District's Direct Owner Purchase (DOP) program, attend construction progress meetings, and to monitor and execute upon a comprehensive safety program.
16	QSEC RFQ Scoring Rubric, Part A – Approach The independent cost estimating process and approach to document control are important (and sometimes overlooked) aspects of evaluating overall approach.
17	QSEC RFQ Scoring Rubric, Part A - Approach Preference should be given to those firms with design support teams evidencing south Florida design experience. This is a lesson learned from the poor design reviews at the inception of the current program.
18	QSEC RFQ Scoring Rubric, Part A - Firm Experience and Qualifications Evaluators should focus on proven success, not just experience. Many PM-ORs have undertaken work at large entities, yet failed to deliver on time / on budget results.

QSEC RFQ Scoring Rubric, Part A - Five (5) points left to be assigned to Section C or D QSEC scoring	
19	<p>We would allocate to firm's approach as we believe it is currently understated at only 10 points. See selection committee comments regarding cost estimating and document control.</p> <p>Considering where we are in the lifecycle of this program, PM-ORs approach should include strategic emphasis on construction project management, permitting/inspections and perhaps most importantly, construction schedule management.</p> <p>Firms should be required to evidence an approach that places emphasis on the use of eBuilder and their team's experience with similar web based tools. They should highlight specific risks to the program and how their approach would mitigate those risks. For example, the challenges of procuring good contractors in a robust local marketplace, and the challenges of roofing design and quality control issues faced by the District.</p>



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CAPITAL PROGRAMS RESPONSE

**The School Board Of Broward County, Florida
Office of Facilities & Construction**

**Frank Girardi, Executive Director
Capital Programs**

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March 5, 2020

TO: Joris Jabouin, Chief Auditor

FROM: Frank Girardi, Executive Director, Capital Programs
Office of Facilities & Construction



SUBJECT: **RSM Letter Dated February 26, 2020
Review of Request for Qualifications (RFQ)
Program Manager – Owner's Representative Services**

Joris,

I am in receipt of the RSM letter dated February 26, 2020, with regards to their review of the Request for Qualifications (RFQ) for Program Manager – Owner's Representative Services. The comments are being reviewed and will be incorporated in the final draft of the document which will be submitted to the School Board for approval to advertise. All responses will be issued to RSM for their final review and approval.

Please let me know if you have any additional questions.

c: Mary Coker, Director, Procurement & Warehousing Services
Danielle Mamede, Assistant Director, Procurement & Warehousing Services
Shari Francis, Manager, Construction Sourcing, Procurement & Warehousing Services
Shelley Meloni, Director, Pre-Construction, Office of Facilities & Construction
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