

UNIVERSITY of
HOUSTON

FACILITIES MANAGEMENT
Project Delivery Program

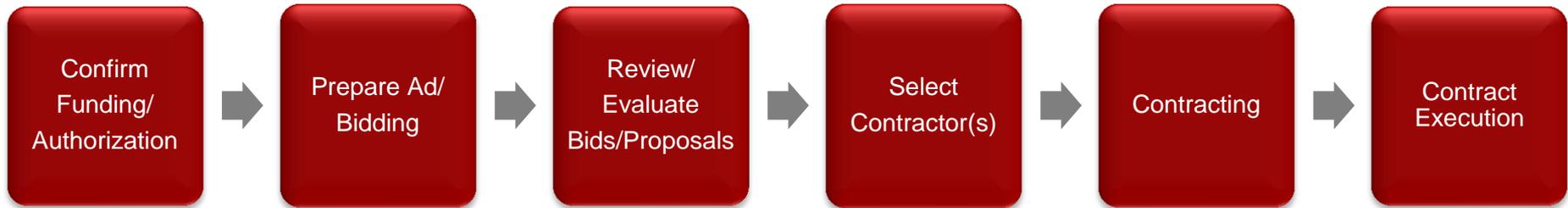
Selection of Contractor – Step 5

July 11, 2012

Project Management Concept

- Step 1: Needs Development
- Step 2: Scope Development
- Step 3: Procurement of Design Team
- Step 4: Design
- **Step 5: Bid/Procurement of Contractor**
- Step 6: Construction
- Step 7: Activation, Transition and Closeout
- Wrap-Up Summary
- Q & A

Step 5: Selection of Contractor



Step 5: Selection of Contractor

Procurement of Products and Services

1. Informal Competitive Bidding(ICB)
2. Job Order Contractor (JOC)
3. Formal Competitive Bidding (IFB)
4. Formal Competitive Sealed Proposal (RFP)

Owner provided Services:

- In – House Services
- Pre-purchased equipment

Step 5: Selection of Contractor

Confirm Funding/Authorizations

- At this time it is important to ensure the appropriate funding is available and/or committed.
- All appropriate approvals have been received.
- Prior to advertising for bids, all program elements must be properly identified and documented.
- Completing Purchase Order for Equipment or Other Owner Provided Services
- Central IT Work Request Process

Step 5: Selection of Contractor

Informal Competitive Bid Process (ICB)

For projects under \$25,000 (total project cost) project managers may utilize an Informal Bid Request Form to solicit project bids from at least 3 qualified contractors. The form must be fully completed and have an attached scope of work with schedule expectations and any other criteria that is pertinent to the performance of the job. This can include in house estimates for work that may be performed from shops.

Project receives and evaluates the bid, content and ability to meet schedule and select the appropriate contractor after that review. They then prepare the contract package and work directly with the contract coordinators to complete the contracting process. Once the contract has been executed the project manager should notify the unsuccessful bidders of their non-selection.

Step 5: Selection of Contractor

Job Order Contractor (JOC)

This process is usually utilized when construction project cost is more than \$25K but less than \$100K and where the JOC contract cost is less than \$100K.

- Any projects that are near the \$100K threshold, will not be approved to utilize this delivery method.

JOC are pre-selected contracts that are in place to expedite delivery of projects. A full program for management for management and delivery of JOC projects can be found at the links below:

[JOC Guidelines & Procedures](#)

[JOC Request for Proposal Form](#)

[JOC Vendor Listing](#)

[Process for Awarding Contracts](#)

[JOC Evaluation Form](#)

[JOC Training](#)

Step 5: Selection of Contractor

Formal Competitive Bidding (IFB)

Utilize when project scope is less complicated and is fully packaged with complete specifications and drawings. This is common for standard Furniture, Fixture and Equipment (FF&E) purchases (See [FF&E Policy](#)) or small renewal projects. Bidding process for this type of procurement is identical to Formal Competitive Bidding (RFP) which is fully outlined in section 4 noted directly below.

Select Contractor(s)

Contracts are awarded to the lowest responsive and responsible bidder. “Responsive” refers to the bidder’s proposal responding to bid specifications in all material respects and the bid containing no irregularities or deviations from the specifications which would affect the amount of the bid or otherwise give the bidder a competitive advantage. “Responsible” refers to the experience of the bidder, the bidder’s financial condition, conduct and performance on previous contracts, management skills, and ability to execute the contract properly. The University often refers to the balance between responsive and responsible as the “best value”.

If an apparent low bid is found not to be responsive or the bidder is deemed not responsible, the university shall reject the bid and notify the Bidder in writing of the finding and the reasons for the finding. The bidder may file a written protest and a protest meeting will be conducted. Following the protest meeting the university will issue a letter to the protesting bidder by certified mail either confirming or reversing the bid rejection.

Step 5: Selection of Contractor

Formal Competitive Bidding (RFP)

Utilize an RFP when project complexity or selection criteria warrants a “best value” determination. Size of project may also drive this determination. Final selection will be made based upon a weighted matrix criteria. While interviewing is encouraged, an RFP selection may be determined without interviews after SC scoring when results indicate a clear selection.

Prepare Advertisement/Bidding

Projects with a total project budget of \$25,000 or more must be publicly bid.

Bids are placed on the Electronic State Business Daily (ESBD).

a RFP for 21 days.

Based on process the time from posting to selection could range from 4 weeks – 2 months and this should be planned for in the project schedule.

The Project Manager, in conjunction with the A/E, if applicable, will set a time and place for a Pre-bid Meeting, which will be noted in the bid advertisement. The Pre-bid Meeting is an opportunity for bidders to examine the site, ask questions and allow potential bidders to attain a complete understanding of the bid documents. A standard [Pre-bid Meeting Agenda](#) is available for use by Project Managers. Any statements made by the A/E (as applicable) or Project Manager during a Pre-bid Meeting will not be binding. Any changes to bid documents must be made by written addendum.

Step 5: Selection of Contractor

Formal Competitive Bid (RFP cont).

- If a potential bidder perceives any conflict, error, omission, or discrepancy. Purchasing will issue an addendum which will clarify, expand, or correct the bid documents in coordination with the Project Manager.
- Purchasing conducts a pre-submittal conference and issues addenda, as applicable.
- PM to perform meeting logistics. After deadline for question, Purchasing issues final addenda to incorporate all pre-submittal questions. Answers provided by PM at least five (5) days prior to bid closing.
- Bid closing, Purchasing complies all respondents proposals and distribute qualified submissions, evaluation criteria and non-disclosure agreement to Business Services for uploading to Purchasing's SharePoint site. Business Services will notify PM and SC when posted and deadlines. PM may review the RFP and process with SC prior to making initial evaluation.
- The SC will evaluate each proposal based on the evaluation criteria and submits their rankings .
- Upon EVP response of approval or recommended action, PM will perform logistics and create interview schedule, addenda and questions. Purchasing will notify shortlisted firms of the interview date, time, and location. PM and SC develop the interview weighted evaluation criteria. A copy of the questions and interview criteria must be sent to SC and shortlisted firms prior to the interview.

Step 5: Selection of Contractor

Complete Contracting

The Project Manager prepares a contracts package which includes a cover memo, scope continuation form, PCB, PFA, [Texas HUB verification report](#), HUB Subcontracting Plan, proposal package and schedule. The Project Manager will forward contracts package to the PPM or equivalent for approval. Once approved by the PPM, the PM submits to the Contracts Coordinator (CC) who will assign a contract number and draft the Owner Contractor Agreement contract, Proposed Project Transaction (PPT) and signature page. The CC will submit the draft contract to the Project Manager for review and approval. Once the PM reviews and approves, the CC will send to vendor via email.

In addition to the contract, the following documents must be submitted:

- Workers Compensation Certificate
 - Employers Liability
 - Professional Liability Insurance
 - Commercial General Liability
 - Comprehensive Auto Insurance
 - Umbrella Coverage
 - Performance Bonds (Contracts over \$25,000)
 - Payment Bonds (Contracts over \$100,000)
- Specific coverage amounts can be found [here](#).



Step 5: Selection of Contractor

Complete Contracting (cont.)

Contracts are first signed by the Contractor and submitted to the Contracts Coordinator via mail or courier. Contract Coordinator prepares contract for signature process and routes to all applicable internal levels. See [Delegation of Signature Authority](#) for signature authorization levels. If for any reason, contract approvals are not achieved, the contract will be re-routed for modifications or will be canceled and closed as applicable to the situation.

Upon receiving all approvals and insurance documents, the CC will prepare the Notice to Proceed (NTP) and send for PPM or equivalent signature. PM will route signed NTP back to the CC who will forward via mail to the successful vendor. PM will notify Purchasing of the executed contract and request notification to all unsuccessful respondents.

Step 5: Selection of Contractor

Contract Change Orders – Contractor

If a change to the signed **Owner Contractor Agreement** is required, the process to prepare an [Change Order](#) is initiated by the Contractor. The Contractor submits the [Change Order](#) request to the Project Manager outlining the scope of work revisions and applicable adjustments to the fees and schedule. The Project Manager should work with the Contractor to discuss the scope of work and negotiate the fees and schedule for the proposed change. The PM will complete Steps 4 & 5 of this process to execute any [Change Order](#) authorizations.



"Is it too late to add four floors?"

Step 5: Selection of Contractor

Questions / Discussion