



NEW MEXICO HIGHLANDS UNIVERSITY
FACILITIES SERVICES DEPARTMENT

**PROCEDURES FOR BUILDING
RENOVATION AND CONSTRUCTION PROJECTS
OVER \$1 MILLION**

MAY 2017

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**NEW MEXICO HIGHLANDS UNIVERSITY
FACILITIES MANAGEMENT PROCEDURES FOR BUILDING
RENOVATION AND CONSTRUCTION PROJECTS OVER \$1 MILLION**

CONSTRUCTION MANAGER

Once the university is given authorization from the State or a Federal Agency to begin procuring contracts for a Capital Outlay project funded **equal to or in excess of \$1 million dollars**, and if determined by the Facilities Management (FM) Director that a Construction Manager is needed for the project, the FM Director shall start the procurement process by securing a quote from a Construction Manager for services outlined below using the University's On-Call contract.

Once hired, the Construction Manager's responsibilities include but not be limited to:

- a)** serving on the Architect & Engineering's and General Contractor's Requests for Proposal (RFP) committees on behalf of the University;
- b)** reviewing the contract documents at each project stage;
- c)** communicating the University's interests at all stages of the project;
- d)** attending meetings and coordinating with the City of Las Vegas Design Review Board (DRB) on project;
- e)** reviewing plans during plan development to identify errors or omissions;
- f)** ensuring quality measures are being met on the project during design and construction;
- g)** inspecting the site weekly to ensure quality control, safety, and a clean work site are being met;
- h)** maintaining an independent project budget to be compared with the University's budget at key phases of the project;
- i)** assisting the FM Director with coordination on the project;
- j)** attending all meetings;
- k)** assisting with the resolution of issues that arise on behalf of the University;
- l)** attending all Board of Regents (BOR) meetings when project is on the BOR agenda and providing presentation materials as needed;
- m)** reviewing all RFIs and

change orders for accuracy; **n)** disputing all discrepancies; **o)** conducting a monthly, comprehensive audit of all certified payroll documents and work with the general contractor to ensure State Wage Rates and apprenticeship fees are being adhered to by all applicable subcontractors; **p)** sending communications to all parties on behalf of the FM Director as needed; **q)** problem solving and providing solutions on behalf of the university as needed; **r)** provide follow up with all groups on the project; **s)** ensuring, along with the FM Director, that the project schedule and construction budget are being met throughout the project; **t)** ensuring trainings are scheduled for maintenance staff prior to close-out; **u)** maintaining and ensuring that all records and close-out documents (e.g. as-builts, etc.) are being maintained by the general contractor, updated, and are submitted to the University at the close of the project; **v)** working with the Architect & Engineering firm on developing the final punch list; **w)** working to ensure the general contractor resolves all punch list items before final payment is issued; **x)** and providing the FM Director all project documentation through a working thumb drive or CD at the end of the project.

ARCHITECT AND ENGINEERS

Once the Construction Manager is hired, the FM Director shall start the procurement process for hiring an Architect & Engineering firm through a Request for Proposal (RFP).

The RFP process is preferred over a Bid process to ensure applicants are rated on experience, managing credentials, financial status, historical performance, and other pertinent qualifications other than just price.

The Architect and Engineering RFP shall include University “General Conditions” and a “liquidated damages” clause in the event the project schedule is not met. When it is in

the best interest of the University, the RFP may contain a cap on Architect & Engineering fees based on a percentage of the *total construction costs* and complexity of the project.

In order to assist the University Board of Regents (BOR) in the selection of an architect and/or engineer for a capital outlay project, a Review Committee (comprised of the Director of Facilities Management, at least one staff member, the Construction Manager, one representative from the user group, and one administrative member) shall screen and rate potential firms, tab the results, and shall send to the Board of Regents their top three (3) rated firms.

The BOR shall consider the Review Committee members' top three recommendations, incorporate their own experiences, conduct their interviews, and shall select the Architect & Engineering firm.

Once the BOR selects a firm, and if applicable, the FM Director and Construction Manager shall seek a "best and final" offer, then the NMHU Purchasing Office shall issue a contract and Purchase Order to the selected firm.

If negotiations cannot be completed with the first or second offerors, procurement law allows for negotiations with the third offeror. Therefore, should a budget figure that fits within the project budget NOT be obtained with the first or second offerors, the University may negotiate a "best and final" offer with the third offeror, or change the scope of work and re-advertise the Architect & Engineering RFP.

The Architect shall provide the following deliverables but not be limited to this list:

- Programming Statement identifying: The Architect shall meet with the user group to develop the program needs and define the form, function of facility, square footage, time, projected *total construction costs*, equipment and furniture preferences, and economy of the project;
- Schematic Design Drawings and Specifications to the level or greater as defined in the current American Institute of Architects (AIA) A201 General Conditions and cost estimate;
- Design development Drawings and Specifications to the level or greater as defined in the current AIA A201 General Conditions and cost estimate;
- Construction Documents: to the level or greater as defined in the current AIA A201 General Conditions using Building Information Modeling (BIM):
 - 20% *Contract Documents review package
 - 50% *Contract Documents review package and cost estimate
 - 75% *Contract Documents review package
 - 95% *Contract Documents review package and cost estimate
 - 100%*Contract Documents review package
- Record set of *Contract Documents as defined in the current AIA A201 General Conditions;
- As-Build set of *Contract Documents as defined in the current AIA A201 General Conditions;
- Electronic files of all Project Documentation - *Contract Documents, RFI's, ASI's, Change Orders, and Change Order Requests.

(* Contract Documents as defined in the AIA A201 General Conditions - at minimum or greater to include construction drawings and project specifications)

During construction, the Architect shall respond to all *Requests for Information* (RFI's) in an appropriate time period so as not to delay the project, but in no way take longer than seven calendar days. Architect shall also be responsible for the review of all Change Order Requests and prepare a formal Change Order to the project documenting a change in time and/or costs. At no point shall the Architect prepare a formal Change Order without first reviewing the recommendation for approval/disapproval with the Construction Manager and the FM Director. Selected Architect shall be in strict conformance to the terms of the design / construction phase contract as agreed to by the Architect, FM Director, the Board of Regents, and the procurement office. Architect shall manage the project's engineers in strict conformance to the contract and in such a manner so as not to delay the project and/or add cost. Architect will design the project within the defined *total construction costs* established by the FM Director and outlined in the contract. If the project is determined to be above the *total construction costs* either by the Architect's cost estimate or independent cost estimator, the Architect at no additional cost shall make necessary changes to the Contract Documents with input from the FM Director, Construction Manager, and user group(s) to bring the project within the *total construction costs*. The Architect shall at all times act in the best interest of the University.

The FM Director is tasked with ensuring the Architect and Engineering RFP process moves along as quickly as possible so the project remains on schedule.

The Board of Regents reserves the right to terminate any capital project contract for non-performance of duties.

To proceed with the project, the President, VPFA, and FM Director shall schedule and present all Projects in excess of \$300K to the NM Higher Education Department and all Projects in excess of \$750K to the NM Board of Finance.

DEVELOPMENT OF PLANS

The Program, Schematic, and Design shall all be adjusted by the Architect & Engineering firm as needed to conform to the FM Director's schedule and project budget.

The FM Director shall arrange meetings with the State Historic Preservation Office and City's various committees and Boards to update these agencies on the project and to seek their input.

Should the need arise, the FM Director shall also work with the Architect & Engineering firm to develop a minimum of one Alternate to allow room for negotiations with the General Contractor on the *total construction costs* of the project.

The Architect & Engineering firm will do everything possible to ensure the plans are completed within the allotted schedule and have undergone intense scrutiny by the team to minimize change orders and RFIs.

The Architect & Engineering firm will adhere to all requests made by the University and FM Director in developing the plans, and shall ensure its subcontractors also adhere to all the University's requirements, and that these requirements are incorporated into the plans without fail.

The FM Director will use his/her discretion to bring issues to the Administration and the BOR as needed. The FM Director will seek BOR approval before moving from the

Programmatic phase to the Schematic phase and before moving from the Schematic phase to the Design phase of the plans. The FM Director shall provide the BOR an updated budget at the Schematic and Design phases.

CONSTRUCTION DOCUMENTS

The FM Director and the Construction Manager shall meet routinely with the Architect & Engineering firm to ensure the construction plans are being completed on schedule.

Beginning at 50% completion of the construction documents, the FM Director shall call in the University's consultants (e.g. roofing, HVAC, fire protection) to review the plans and provide input. Also at 50% completion, the entire team will meet with the FM Director to ensure that the engineers and subcontractors include a set of *mechanical, electrical, plumbing* (MEP), and other standards specified by the University. The FM Director and Construction Manager will review plans continuously to ensure MEP standards are clearly indicated within the plans at 75%, at 90%, and 100% completion.

As the Architect & Engineering firm completes the construction plans at 50% then at 95%, the FM Director shall solicit a cost estimate from the Architect & Engineering firm's independent cost estimator to ensure that costs remain within the allotted budget.

SELECTION OF A GENERAL CONTRACTOR

When the Architect & Engineering firm has completed the project plans at about 75%, the FM Director shall start the procurement process of hiring a General Contractor for the project through a Request for Proposal (RFP).

The RFP process is preferred over a Bid process to ensure applicants are rated on experience, managing credentials, historical performance, financial status, meeting schedules, and other pertinent qualifications other than just price.

The General Contractor RFP shall include University General Conditions and a “liquidated damages” clause.

In order to assist the Board of Regents in the selection of a General Contractor, a Review Committee (comprised of the Director of Facilities Management, the Construction Manager, at least one staff member, one representative from the user group, and one administrative member) shall screen and rate potential firms, tab the results, and shall send their recommendations of the three (3) most qualified firms to the Board of Regents.

The BOR shall consider the Review Committee’s assessment and incorporate their own experiences, conduct their own interviews, and shall select the General Contractor.

Once the BOR selects a General Contractor, and when applicable, either the VPFA or the FM Director shall seek a best and final offer, then the NMHU Purchasing Office will issue a contract and Purchase Order to the selected firm.

Should a cost NOT be obtained that fits within the *total construction costs* budget, the University may opt to remove alternate(s) included in the RFP to bring the costs back in line with the budget, and/or the University may opt to modify the General Contractor’s scope of work, and/or the University may opt to enter into a “best and final” negotiation with the BOR’s second rated general contractor.

The FM Director will be tasked with ensuring that the General Contractor RFP process moves along as quickly as possible to keep the project on schedule.

The Board of Regents reserves the right to terminate any capital project contracts for non-performance of duties.

GENERAL BUSINESS

The General Contractor, Architect & Engineering firm, and the Construction Manager shall report to the FM Director.

The General Contractor shall only subcontract with vendors whom it has had a recent, past history of favorable and dependable working relations. If the General Contractor chooses to subcontract with a vendor it has had no prior working relationship with, it shall thoroughly investigate this vendor's reliability, dependability, and commitment to quality by getting testimonials from recent clients of the vendor. The General Contractor shall then forward this information to the Architect & Engineering firm, Construction Manager, and FM Director for their consideration and approval. If the Architect & Engineering firm, Construction Manager, and/or the FM Director have had an unfavorable, past working relationship with the vendor in question, they shall notify the General Contractor who will then seek to contract with another vendor that meets the approval of the Architect & Engineering firm, Construction Manager, and FM Director.

At the early stage of construction, the FM Director shall provide the BOR with a project schedule from the General Contractor. The FM Director shall provide the BOR with project and budgetary updates when the project hits 50% construction through substantial completion.

The FM Director and Construction Manager shall hold weekly project meetings with the Architectural & Engineering firm, the General Contractor's team, and its

subcontractors to resolve issues, minimize obstacles, review the budget, enforce the project schedule, answer questions, and provide direction.

The General Contractor shall take notes and disperse the minutes of every weekly meeting.

The General Contractor shall not deviate from the plans unless provided written authorization to do so from the Architect & Engineering firm, its consultants, and the FM Director. If the General Contractor deviates from the plans without written approval, the General Contractor shall assume 100% of all the costs to correct its deviation.

The General Contractor shall communicate to all its subcontractors that they shall conform to State Wage Rate regulations throughout the duration of the Project. The General Contractor shall work diligently with the University's Construction Manager throughout the project to ensure State Wage Rates are being paid by all its tier subcontractors. The General Contractor shall withhold payment to any subcontractor that violates State Wage Rate laws and shall immediately release payment to such subcontractor(s) at the time the sub has corrected its Certified Payroll deficiencies. Withholding of payments due to state wage rate compliance shall also be communicated by the General Contractor to all subcontractors prior to entering into a contract with the subcontractors.

The General Contractor shall direct all its subcontractors to conform to the specifications of the project, quality measures of the project, a clean work site, and all safety rules and regulations. Failure of the General Contractor's subcontractors to conform to these requirements shall completely and solely rest on the General Contractor, and the General Contractor alone shall make immediate and necessary

changes to correct all defects, deviations, and deficiencies by its subcontractors. The General Contractor shall solely work with its subcontractors to work out cost credits that will be transferred to the University for any errors or deviations made by its subcontractors.

The General Contractor shall pass on to the University all cost credits or discounts it receives throughout the course of the Project.

The General Contractor shall work attentively with the Architect & Engineering firm's LEED consultant throughout the project to ensure the Project receives a minimum of a LEED Silver Certification.

The Construction Manager shall work with all parties to ensure problems and issues are being resolved in a timely manner and that the project schedule is being adhered to. Adhering to the Project schedule is a supreme responsibility of the General Contractor. If the General Contractor (GC) does not adhere to the schedule, this could lead to the GC assuming liquidated damages.

PROJECT BUDGET

The FM Director will reconcile the project's budget with the university's Banner Finance System on a monthly basis. Both the FM Director and Construction Manager will independently keep budget records to ensure the project remains within budget. Specifically, the Construction Manager will maintain a total project budget identifying hard and soft costs.

Prior to the General Contractor moving forward, all construction *Requests for Information* (RFIs) and *Change Orders* or *Modified Change Requests* (MCR) shall be reviewed and approved by the Architect & Engineering firm within seven working days

of receiving the RFI or MCR. The General Contractor shall not move forward on any MCRs without an issued University Purchase Order. If the General Contractor moves forward prior to receiving a University issued Purchase Order, the General Contractor shall assume the entire cost.

All Pay Applications shall be reviewed by the Architect who will scrutinize rate charges and percentages identified as completed. The architect shall ensure charges correlate to the activity at the site. As pay applications meet the scrutiny of the team, pay applications will be approved by the Architect and the FM Director prior to payment being issued by the University. Pay Applications that contain errors will be sent back to the general contractor by the Architect for correction and resubmittal.

COMMUNICATIONS

All General Construction tiers shall channel communications through the Architect who will disseminate communications to the FM Director and Construction Manager and vice-versa.