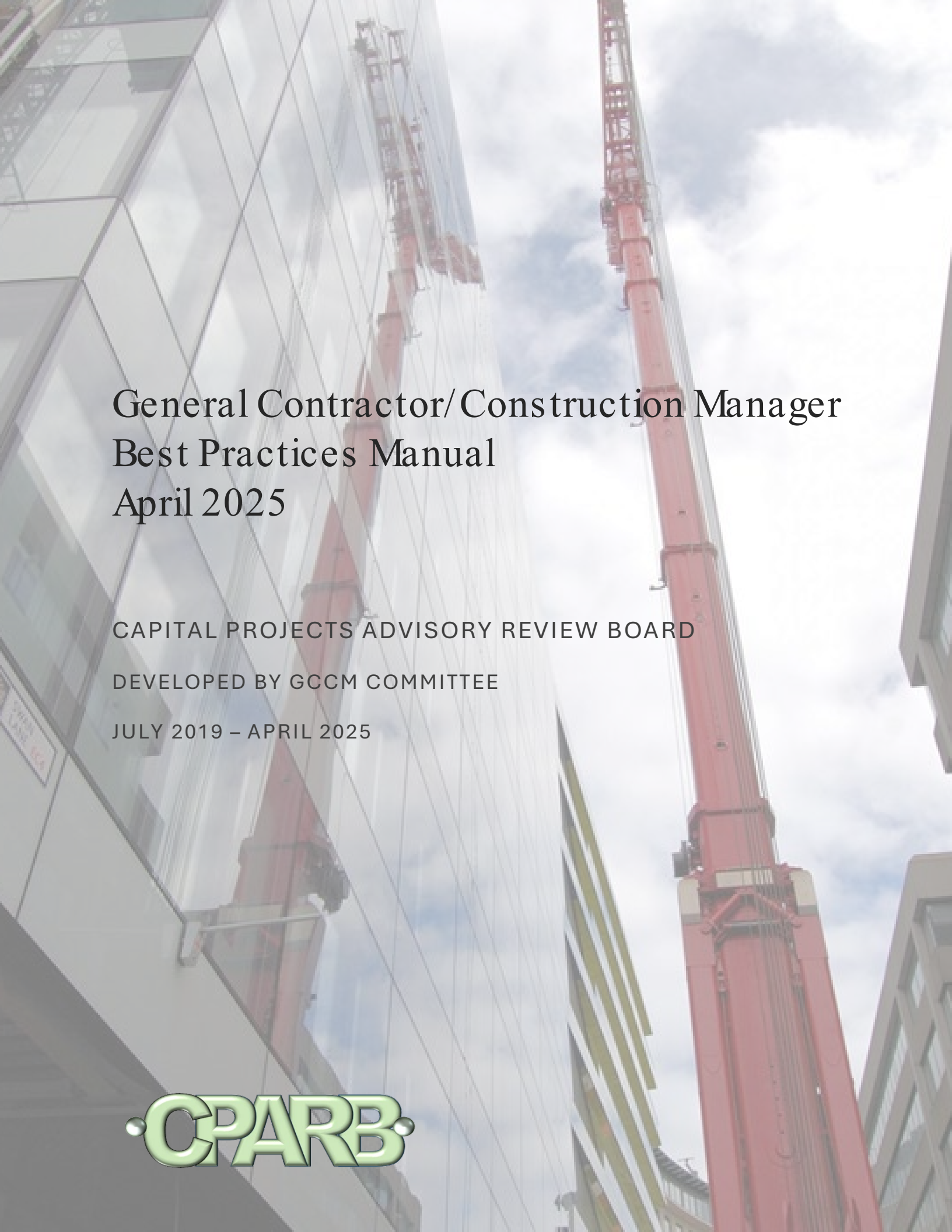

General Contractor/Construction Manager Best Practices Manual April 2025

CAPITAL PROJECTS ADVISORY REVIEW BOARD

DEVELOPED BY GCCM COMMITTEE

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General Contractor / Construction Manager
Best Practices Manual

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Best Practices Manual

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Chapter 1 – Introduction

What is GCCM Project Delivery?

General Contractor/Construction Manager (GCCM) is a public works project delivery method available to all certified public bodies in Washington or those approved by the Project Review Committee (PRC) of CPARB to use GCCM on a particular project. It is an alternative to traditional design-bid-build construction and other alternative project delivery methods like design-build. In GCCM, a firm is selected – typically early in the life of the project – based primarily on qualifications. The GCCM firm provides services during the design phase of a project and typically continues as the GCCM during the construction phase. This General Contractor/Construction Manager Best Practices Manual (Manual) focuses on GCCM in Washington.

GCCM Types

There are two basic types of GCCM: traditional and heavy civil. The two variations for this project delivery method are similar, with the key difference being how the project team establishes the cost of the work associated with subcontracting and the amount of allowed self-performed work. There are other solicitation and contractual requirements a public body and GCCM must follow when using the heavy civil GCCM method, and those will be discussed in more detail in Chapter 10, Heavy Civil GCCM.

Applicable Statutes

Revised Code of Washington (RCW) 39.10 regulates alternative public works contracting procedures, including GCCM. It is specifically authorized in RCW 39.10.340 through .410 and in RCW 39.10.905.

Administration and Authorization of Use

The Capital Projects Advisory Review Board (CPARB) reviews the use of alternative project delivery methods defined in RCW 39.10 and advises our state Legislature on policy related to alternative public works delivery methods. CPARB appoints members to the Project Review Committee (PRC), which in turn reviews and approves applications from public bodies to use GCCM on individual projects. This committee is responsible for reviewing and approving the use of GCCM delivery for public bodies on individual projects. The PRC can also certify public bodies to use the GCCM delivery method on any appropriate project within a three-year period, after which the public body would need to seek renewal.

Requirements in addition to state law may apply to GCCM projects. Funding sources, such as the federal government, may impose additional constraints.

Advantages and Disadvantages

GCCM delivery provides a number of advantages over other methods of project delivery. For example, it gives public bodies more flexibility by allowing them to engage contractors during the design of a project, providing various services like cost estimating, value engineering, and constructability reviews, to name a few. The GCCM also provides general contractor and construction management services during the construction phase. In some circumstances, GCCM project delivery allows for early engagement of subcontractors during the design phase.

Also, GCCM delivery tends to improve communications between the parties because the GCCM is integrated with the public body and the design team early on in the life of the project, which allows the GCCM to provide input on the availability and cost of suggested materials and provide less-expensive alternatives. By providing services during design development, the GCCM can save the public body future costs by potentially avoiding costly changes.

However, GCCM is not without its challenges. Some public bodies are not accustomed to alternative delivery methods like GCCM, so there is great variation in how this project delivery method is used. Without proper planning, these variations can have a negative impact on public bodies, contractors, and design professionals.

Goals of This Manual

Recognizing that GCCM project delivery varies between public bodies, this Manual attempt to establish common understandings and terms to bring about more harmony in the way this delivery method is used. This Manual is not intended to dictate the way a party should proceed when a statute is unclear but rather to provide users with strategies and approaches that have worked well for other GCCM users.

Ideally, with this Manual, inconsistencies among GCCM users can be reduced or eliminated to ensure that this method is administered in a manner that is fair and transparent and that best serves the public interest and all members of the project team.

Chapter 2 – Evaluating the Use of GCCM

Project Evaluation

GCCM provides an opportunity to leverage the experience and insight of all project participants while engaging the GCCM early to create greater value for the public body and the overall project. Ideally, this means more of the project budget goes into the project itself by eliminating duplicative soft costs while optimizing the schedule and marketplace input.

While some may view alternative procurement as a way of shifting risk or accelerating that project schedule, a pure risk allocation or schedule approach does not optimize alternative procurement. A public body that is looking for a collaborative preconstruction phase with the goal of seeking input from critical design and construction partners as early as possible should seek to implement alternative delivery, potentially including GCCM. Collaboration of the public body, design team, and GCCM, including subcontractor/trade partners, during design when design decisions and improvements to design can be made early; saves time and money while frequently resulting in better design. By having the right stakeholders at the table to facilitate informed decision-making, the project will optimize budget and schedule, resulting in more project scope for the specified budget.

Public bodies can positively impact project outcomes during preconstruction through effective design and planning. In Chapter 6, Preconstruction, you will find more detailed information on how this process can be optimized using GCCM

The overall evaluation of the use of GCCM should have these goals as fundamental drivers in overall delivery method selection in addition to a project culture that supports these outcomes.

Why Use GCCM for Your Project

Each public body should weigh each project against other delivery methods before determining if GCCM is the preferred delivery method for their project. Below is a graphic showing the contractual relationship under different delivery methods.

Figure 1 - Contractual Relationship Between Different Delivery Methods
(Source: JLARC staff analysis of RCW 39.04 and RCW 39.10)

Additionally, Traditional design-bid-build requires the design to be complete before the Contractor is brought on board and there is no contribution to the project prior to bid by the Contractor. Design-build wraps design and construction into a single contract, which can challenge a public body not accustomed to design-build to adjust their thinking about how a project is delivered and the flow of communication specifically through the design process.

GCCM is a collaborative project management and construction process involving early engagement of the GCCM to work with the public body and design team in planning and executing a project to meet the cost, scheduling, and quality criteria established for that project. Public bodies should review RCW 39.10.340 when evaluating its project for the use of GCCM delivery and ensure it complies with one or more of the five primary conditions that qualify a project for use of GCCM.

PRC Approval

The purpose of the PRC is to ensure that for individual project approvals, the project is appropriate for alternative procurement and that the public body is ready to be successful. The goal is to ensure that when PRC approves a public body for project approval, the public body can demonstrate that it has the expertise to carry the project to successful conclusion (i.e., public body readiness). Going before the PRC is a good opportunity for the public body to discuss the preparation and assessments it has made to ensure that it will be successful in its execution of alternative procurement projects.

The Capital Projects Review Advisory Board, Project Review Committee website has links to the requirements, application, and scoring information for PRC approval.

Realizing the Benefits

The GCCM delivery method allows the GCCM to collaborate directly with the designer, incorporating its experience and knowledge during the design phase. Having the design team, GCCM, and public body together during design provides an opportunity to explore strategies and alternatives during development. The is a benefit to having the GCCM provide input during design. Below are a few examples:

- Product and material selection, availability, and costs
- Construction means and methods
- Construction sequencing and phasing

- Early bid package development and early construction

The project team can collectively work together to solve issues early before they become costly problems. While collaboration, input, and advice are critical to the success of the GCCM delivery method, caution must be taken to not push the GCCM into the role of designer. That role remains with the design team. Public bodies should also note that the GCCM delivery method does not alleviate all challenges associated with market conditions, project design, and construction and like any project, timely and good decision-making will have a significant impact on the outcome.

Public bodies can also realize cost benefits from GCCM delivery beyond cost input from the GCCM during design. After establishing the maximum allowable construction cost (MACC), public bodies can benefit from the public bidding process required for construction subcontractor packages, except for those specifically acquired through the alternative subcontractor selection process or under the heavy civil variation.

When Should a GCCM Be Added to the Team?

Bringing the GCCM on board as early as feasible to help the public body and design team during the design phases of the project can build effective teamwork and improve the success of cost, schedule, and quality outcomes for the project during construction. While not mandated, public bodies are encouraged to select the GCCM early in the life of public works projects and in most situations no later than the completion of schematic design.

The actual timing of when to bring the GCCM on board for your project in large part depends on when your project will best be able to utilize the expertise of the GCCM. In recent years, GCCM selection has been moving earlier in project life cycles. An increasing percentage of GCCM selections are now occurring shortly after designer selection on complex projects – particularly for occupied sites or phased construction – where the public body believes that early design activities would benefit from The GCCM's input, including cost, schedule, and constructability considerations. Later selection can be an appropriate alternative if early involvement is not cost-effective but is not appropriate if the selection is late in design and the GCCM has little opportunity to provide value during the design process. However, other considerations should still be considered (for example, there could still be significant benefit later in the design process to facilitate optimized construction phasing, understand and address permitting risks, or explore different means and methods).

Selecting a GCCM

The GCCM selection process allows for the best-value selection. This means that unlike design-bid-build, the GCCM is selected based on a set of criteria that vets their ability to contribute to the preconstruction process. To capitalize on the benefits provided herein, it is critical that a GCCM who is qualified and a good fit for the team be selected. See Chapter 5, GCCM Procurement for additional information on how to navigate the selection process to maximize value for the project.

Project Risk

When evaluating the use of any delivery method, understanding the project risk profile and the allocation of risk is critical not only in determining the appropriate delivery method but also in determining the appropriate budgets to be considered for the contract structure. In any delivery method, allocation of the risk to the party most equipped to determine, manage, or influence the risk is a critical factor. In addition, to obtain the best value and avoid unnecessary contingencies, scope and risk allocation should also consider what is quantifiable and defined versus items that have little definition or information. This understanding of risk and

the corresponding risk allocation remains true for GCCM and should be considered at all stages and implementation of the GCCM delivery method.

Fundamentally, with the use of GCCM, the schedule and budget risk for the project remains with the public body until the establishment of the MACC. At this point, the GCCM provides a commitment to the cost and completion of the project. As the MACC is developed, the specific understanding and allocation of risk should be evaluated for all project components and discussed, reviewed, and allocated in a transparent process. This will ensure that project budgets and contingencies are developed without overlap or gaps.

Leveraging Innovation

One of the key benefits of bringing a GCCM into the project early is to tap into innovative ideas and the construction expertise of the GCCM team members. Construction costs are very much tied to constructability of the design, and shortening the time to construct the project equates to lowering overall project cost in addition to the public body benefiting from earlier completion of the project. Innovations can come from many sources, whether it is in prefabrication of components and systems off-site, making design choices to better optimize construction means and methods, or creativity in phasing and leveraging temporary facilities that accelerate construction.

It will be important for the public body to create and model a culture of teamwork and to be willing to listen to new ideas. This can be difficult for public bodies whose staff have their own design and product preferences. Public bodies need to critically examine their own organization and staff culture before deciding to use GCCM to understand whether they are open to innovations that may differ from “the way we’ve always done it.”

The careful selection of the design team is also critical; one that is open to exploring innovative ideas will help maximize value. Incorporating innovations is most advantageous during the preconstruction phase before key design and project sequencing decisions are locked down. For that reason, ensuring that the preconstruction scope allows for exploring innovations is highly recommended. This also applies to the expertise and knowledge from trade partners, including alternatively selected subcontractors (See Chapter 9 for more information), as these specialty areas can often yield time- and cost-saving innovations.

Chapter 3 – Public Body Readiness for GCCM

While there is an excellent pool of construction management talent in-state, the public body must still understand its primary and nontransferable responsibility for the project. The public body must be prepared to take on the role of the project leader and drive the project team to make the best decisions possible. The public body must also be capable of developing and implementing a project management and procurement philosophy that guides its actions and decisions, whether performed by in-house staff or contracted staff. Public bodies set the tone for the project in collaboration, partnership, and solving challenges for the betterment of the project. If GCCM is a new delivery method for the team, training and understanding of the goals and planning of the delivery are especially important.

The goal of GCCM is that the public body, GCCM, designers, and all stakeholders involved are acting in the best interest of the project. In addition, the public body also acts in the context of all public bodies and their projects because the future implementation and regulations around GCCM will be influenced by the successful implementation of the delivery method. The public body should understand that decisions on its individual project may result in consequences for all public bodies and to the procurement practice itself. All project stakeholders should endeavor to be fair and reasonable in all their project dealings to make the best cost and schedule decision for the project. The following traits are important for all parties pursuing the GCCM delivery method:

- Fair and open competition
- Ethical transactions
- Equity and inclusion
- Safety
- Collaborative team member
- Develop and maintain relationships
- Appropriate risk allocation
- Realistic expectations of all parties
- Timely decisions
- Prompt payments
- Reliable, trustworthy

How a Public Body Assesses Its Own Readiness

The public body should look at its own procurement and contracting practices. Do these practices enable fair and open competition and ethical transactions as well as encourage the inclusion of diverse business and construction safety? Are your staff prepared to not only negotiate the project cost but also manage the various project cost elements? Is the infrastructure in place on the project team to track and administer the use of negotiated support services, allowances, and contingencies? Public bodies seeking to utilize the GCCM delivery method should not rely on established practices for design-bid-build but rather revise or create new practices that account for the unique characteristics and the changing roles and responsibilities under GCCM in addition to having the right people in place with the right approach and attitude.

After its own assessment, a public body planning to enter alternative procurement would do well to seek an assessment from another public body who is experienced in alternative procurement. Reaching out to another experienced public body will provide insights into the administrative and staffing commitment necessary to be successful in alternative procurement in addition to an outside evaluation of readiness.

Staffing

The public body may have a full complement of in-house staff. Or it may choose to contract project management and procurement to an outside firm. An outside firm could have the ability to manage the process and function as an extension of staff for the public body, bringing both expertise and capacity for the project administration. In any case, the project leader should be public body staff and have the authority to make binding decisions on behalf of the project as well as remain engaged in the project throughout. If a third party is engaged, it is critical to set expectations for the roles of all parties, including authority to direct the project team and make binding decisions. An issue or approval escalation process also helps to ensure that approvals or issues do not take more time than necessary to bring to closure. The third-party agent should not slow down the process but rather make the team more efficient by resolving and making simple approvals while elevating others for quick resolution and approval by the public body.

Relationship between Public Body, GCCM, and Design Firm

Integrated design is a collaborative process. Creating a collaborative environment that facilitates informed decision-making is one of the primary goals of the GCCM delivery method. This environment will leverage the collective knowledge and skills of the public body, GCCM, design team, and trade partners, thereby increasing the opportunities for interdisciplinary coordination, efficiency, and innovation. Transparent use and communication of the cost model throughout the process will also ensure that the team is making decisions that support the project goals while optimizing the available funds. The project team partnership that capitalizes on this approach is based on shared goals and trust. As such, every participant needs to be valued for what they bring to the process. The opportunity and the challenge in realizing the potential for collaboration lies in the differing orientations and internal processes of public bodies, contractors, and design professionals. Integrated design leading to enhanced outcomes is the goal of the GCCM delivery method.

Integrated design is most effectively achieved when the GCCM is brought on to the project early in the design process. Once the GCCM is on board, it is important to establish expectations, define roles and responsibilities, indicate how team members interface, invite everyone to contribute, and provide a road map for information sharing and decision-making that coordinates with the design and construction schedule. As the project moves forward, the level of trust and confidence in information and reliable decision-making on the part of all project participants will be a critical factor in the success of both the delivery method and the project.

Project Complexities

As noted, one of the goals of GCCM is early involvement of the GC and potentially trade partners in the process to help support informed decision-making. Considerations and evaluation of the potential benefits of the use of GCCM can and should include an evaluation of the project complexities and how or if a GCCM or significant trade partner involvement would promote better outcomes through informed decision-making. Many things can contribute to project complexity. When evaluating a project, some challenges that can be contributing factors to a need for early involvement using GCCM or other alternative project delivery methods are as follows:

- Permitting challenges.
- Phasing or multiple turnovers.
- Work within an occupied facility.
- Constructability challenges that can be associated with site conditions, specialty systems, or new technologies.

The decision-making process with the use of GCCM leverages the GCCM's and trade partners' expertise and knowledge of market conditions to provide critical information during the early planning stages and design development resulting in a project that is designed within budget and schedule constraints.

Project Budget

When establishing a project budget, a public body has many things to take into consideration: What is the project to be built, and how complex is it? What is the project schedule? What are the current market conditions? What is the risk profile? These and many more items must be evaluated and understood by the public body to ensure that there are sufficient funds to cover the project. Under the GCCM delivery method, there are additional requirements and conditions a public body must account for when planning the project budget.

Contingencies are best described in a GCCM project as funds established by the project team to cover unknown costs that may arise during a project. By statute, the public body is required to have a budget contingency prior to seeking approval for GCCM delivery from the PRC or itself should the public body be certified. The budget contingency is a percentage of the estimated total contract cost that the public body holds in reserve, and outside the contract. The public body's budget contingency is not part of the total contract cost, which is discussed further in Chapter 4, Total Contract Cost.

Budget contingency should reflect the perceived risks that the public body has for the project. It is recommended that the public body contingency not be less than the GCCM's risk contingency but in no event less than 5% of the MACC or as defined by statute. It is important for a public body to evaluate the project critically and establish an appropriate budget contingency depending on the risk profile of the project.

Design Completion Contingency

Design completion contingencies are not required by or defined in statute. However, some public bodies have found it advantageous to establish funds necessary to complete the project design. The MACC may be negotiated between 90% and 100%, potentially leading to design changes or development between these sets of documents. This contingency can be established outside the GCCM contract or within the contract, depending on the agreed-upon workflow and approval process for the use of these funds. Either way, making this budget and its use visible to all team members is another way to instill trust and collaboration between the GCCM, designer, and public body. It has the added benefit of daylighting that the amount paid was fair and reasonable and allows the public body to communicate to the public how the money was utilized.

If the team intends on establishing this contingency, they must be clear in the contract how those funds will be used. The contract should be clear on use, approval, type of payment (lump sum, time, and materials, etc.), and what happens to unspent funds. These funds can be managed by any project party, depending on which party is best able to manage them, make timely decisions, and establish sufficient oversight to control costs. Under every scenario, at minimum, the public body should have an accounting of the use of the funds to verify that they were used for their intended purpose.

Quality

For alternative delivery projects, cost, schedule, and quality management pose the greatest challenge to most public bodies. During the project execution (design and construction) process, there seems to be greater emphasis placed on project cost and schedule and less on project quality. Project quality can often become an abstract notion and takes on different meanings for designers, builders, and public bodies, making the concept of quality (planning, execution, monitoring, and acceptance) more challenging. Most GCCM projects require a documented project quality program/plan accepted by all parties to address the public body's desire for quality. Overall, the GCCM delivery method allows for a focus in this area throughout the preconstruction process.

Chapter 4 – Total Contract Cost

It is important for public bodies to fully understand how a GCCM contract is structured as there are a lot of required subcategories listed in the RCW and some flexibility when establishing the payment mechanism for each subcategory. Under the GCCM delivery method the overall GCCM project cost is referred to as the Total Contract Cost (TCC). This chapter will walk through each of the identified categories under the Total Contract Cost (TCC) in the RCW, along with additional best practices for managing the project cost. The following is a graphic representing how the TCC is established.

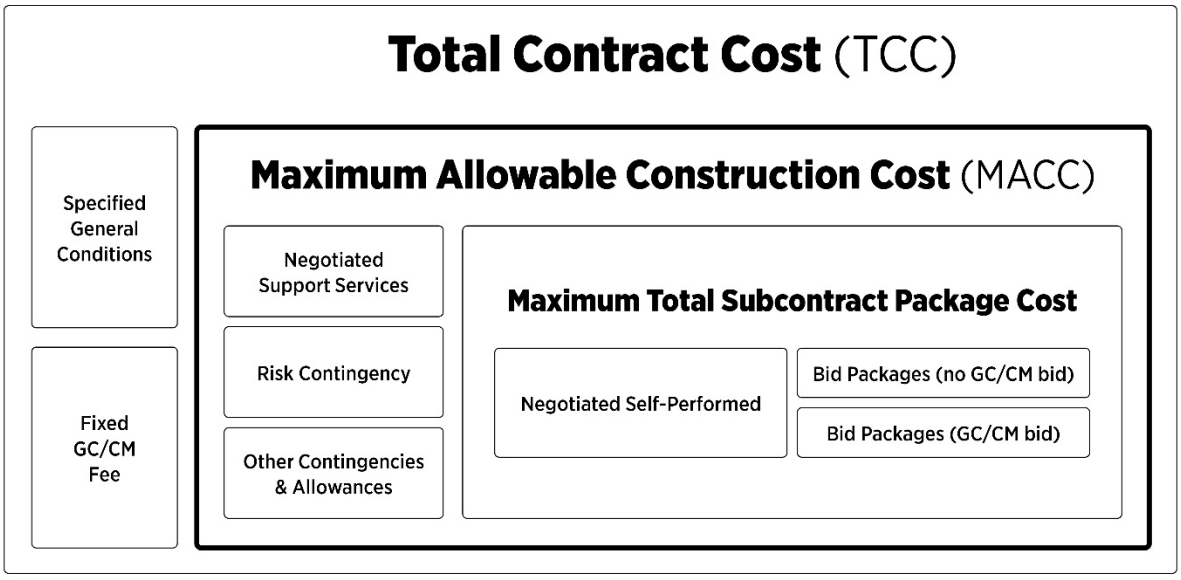

Figure 2 - Bubble chart showing how costs are distributed under the Total Contract Cost

The Total Contract Cost has three main categories of costs; Specified General Conditions (SGC), Fixed GCCM Fee, and Maximum Allowable Construction Cost (MACC). The first two categories are pretty straight forward, but the third category, MACC, can get extremely complicated as it contains other subcategories of costs and varies between the two different GCCM delivery methods.

Specified General Conditions

Specified General Conditions (SGC) are either bid as part of the procurment process or negotiated with the MACC. SGCs are intended to cover the cost for meeting all the administrative requirements of the contract; general conditions (Divisions 0 and 1), administration of the subcontracted work, cost accounting, progress scheduling, project meetings, safety plan, quality control, warranties, etc.

When SGCs are established during the procurement process they can be bid as a monthly fixed not-to-exceed amount or a fixed percentage of the construction cost amount to cover the cost of the general conditions. A disadvantage of bidding the SGCs is that it may be difficult to accurately bid the SGCs this early in the design, as the risks are not as well known and the actual construction may not begin for many years. An advantage of bidding the SGCs is that it prevents a GCCM from bidding low on the fee and trying to increase the cost of the SGCs at MACC negotiations. A good rule of thumb is that SGC cost inclusion should be time-based jobsite staffing and management costs. Therefore, the anticipated project duration, also identified in the public body's RFP, will help firms establish these costs.

A key element to establishing SGC costs are what staff and expereince a public body requires from the GCCM for management of the project. The SGCs must be clearly defined in the solicitiation documents so all contractors are bidding the same scope of work. Public bodies should understand that they may not get this right, but establishing clear and consistent expectations for all firms pursuing the contract will allow for a better cost comparison between firms during the selection process. Public bodies and the selected GCCM can, and should, negotiate what is required for the successful delivery of the project when they reach that point in design and begin MACC negotiations.

Public bodies have a lot of flexibility when it comes to organizing costs under the GCCM delivery method. The public body should identify each category of work necessary for the project. They will need to then determine how that work is best provided by the GCCM and how those costs are best managed. For instance, some projects might make sense to put the site cleanup in the SGCs, while others should be part of the Negotiated Support Services, another category that is discussed in detail below. This evaluation process is collected and combined in a single document referred to as the cost allocation matrix or cost responsibility matrix (discussed in detail below).

Public bodies need to be fully aware of what costs are included in the SGCs. There is potential for subcontract work to duplicate administration costs already covered in the SGCs. It is not acceptable for the GCCM to include items in the Specified General Conditions costs (for payment by the public body) and then subsequently charge specialty contractors for the same items. The public body will consider such acts of "double-dipping" to be a serious violation. All cost items included within the project should be properly defined within the cost allocation or responsibility matrix to avoid any overlap between various budget categories.

SGCs are typically provided as a lump sum line item in the TCC, regardless of whether they are set at proposal or during MACC negotiations. This should be considered when identifying items to be included, as there will be no audit or transparency into the actual realized cost of these items once the lump sum amount has been set and agreed upon. See the price proposal section in Chapter 5, GCCM Procurement for alternative ways to address GCCM staffing costs during construction.

Fixed GCCM Percent Fee:

The fixed GCCM percent fee has two components: profit and overhead. Typical overhead items include home office overhead expenses attributed to the project, all overhead expenses for subcontractor bidding, city and state B&O tax, performance and payment bonds, and insurance. The cost allocation/responsibility matrix is also used to identify what project costs should be included in the GCCM's fixed fee. A good rule of thumb is that fee should include cost items that are primarily multiplier percentages based on total revenue or value of the project.

Public bodies need to understand that the fixed GCCM percent fee is only applied to the MACC, not the Specified General Conditions. The fixed GCCM percent fee is established during GCCM procurement. Finalist firms will bid this item. The fixed GCCM percent fee is then locked in for the contract after award to the highest ranked firm. There is one exception to this rule as outlined in RCW 39.10.360(4). If the final negotiated MACC varies by more than 15%, up or down, from the estimated MACC at procurement, the percent fee can be re-negotiated. Both the public body and/or the GCCM may request a renegotiation when this variance threshold is exceeded. If the total MACC has increased, the public body may wish to try to negotiate a lower fee. If the MACC has decreased, the GCCM may wish to have the fee increased.

Maximum Allowable Construction Cost

The Maximum Allowable Construction Cost (MACC) is the third main category under the Total Contract Cost. The MACC establishes a maximum (not to exceed) amount for the actual construction of the project. It includes other subcategories like subcontract costs, risk contingency, negotiated support services, additional contingencies/allowances, and approved change orders, but all subcategories should be related to construction activities necessary to deliver the project.

Maximum Total Subcontract Package Costs

The maximum total subcontract package costs include all the subcontract work necessary to build the project. The costs are established through various means depending on the project and the GCCM delivery method used.

- Subcontract bidding – This is the typical way that costs are established for subcontract work. costs are established through a low bid process, like standard design-bid-build delivery. The GCCM firm may pursue some of this work but must submit a bid like all other pursuers. This is discussed further in Chapter 7, Construction Services.
- Alternative subcontractor selection – An alternative, negotiated approach to selecting a subcontractor and establishing costs. The process is like the initial GCCM selection process and contains various subcategories for cost. This approach is very specialized and is discussed further in Chapter 9, Alternative Subcontractor Selection.
- Negotiated Self-Performed – This process is only available to projects delivered using the Heavy Civil GCCM method. This is construction work where the public body and the GCCM will negotiate the total cost. This is discussed in Chapter 10, Heavy Civil GCCM.

MACC Risk Contingency

MACC risk contingency is an item required by the RCW and is often established by the public body as a percentage of the MACC and is listed in the solicitation documents. Public bodies should consider carefully how risk contingency is used, and the general conditions should outline what work and how the GCCM can apply the MACC Risk Contingency funds. Public bodies should maintain oversight over proposed use of the MACC Risk Contingency and approval authority when the GCCM uses any MACC risk contingency.

The preconstruction phase can include a wide range of project development, from scope development to project costs. Based on this, all project participants are in a position during MACC negotiations to revisit the appropriateness of the MACC risk percentage and consider whether to renegotiate the value based on the project development and updated risk profile.

Negotiated Support Services

Negotiated Support Services (NSS) are services provided that encompass the entire project. They are not specific subcontract work packages, but rather services that support said work, for example, site security, scaffolding, cranes, etc. Negotiated support services can be established as lump sum, cost-reimbursable, or other methods as appropriate and allowed under regulations. Public bodies may also desire to start NSS under a time and materials model but then convert to a lump sum once quantities can be better defined. Any NSS scopes converted to lump sum would be excluded from the time and materials audit process that applies to the balance of the NSS budget category. Public bodies have flexibility when using NSS to ensure that the costs are appropriate and managed properly. Public bodies should also note that NSS performed by the GCCM are not counted towards the self-performance limits for GCCM performance per RCW 39.10.3990(3).

Other Contingencies and Allowances

Subsequent contingency types within this section are risk categories and techniques that serve to supplement the GCCM's risk position with respect to several factors the team will be managing status of design documents, market conditions (bid volatility), type of project (major renovation or new construction).

- Design Development Contingency – As noted in the previous chapter, development from 90% to 100% design documents. Often GCCMs will bid the work (Cost of Work) based on 90% design documents; however, the designer still needs to develop to 100% contract documents. This contingency would be used to cover costs associated with design changes after the MACC is negotiated and the Issued for Construction drawings.
- Market Conditions/Escalation Allowances – To cover cost increases of labor/materials over the course of the project (public body must be willing to agree to this allowance and should clearly define what this allowance covers).
- Buyout Contingency – For scopes of work that are publicly procured after the MACC is signed. Buyout contingency is used to cover cost overruns for publicly bid subcontract packages. All unused buyout contingency would go back to the public body. The best practice is to issue a deductive change order for any unused buyout contingency once all subcontract packages are awarded.
- Allowances – These can be established to create a budget category to pay for the cost-of-work items that are difficult to quantify or define at the time the MACC is negotiated. Allowances are eventually reconciled by a public body's change order to the TCC for the exceedance or underrun amount. For this reason, alignment with the terms of the main contract is critical, and how these are translated and managed with respect to lump sum subcontractor bid packages is also important. Examples: geotechnical risk in soil management, hazardous material abatement, jurisdictional permitting, or unquantifiable scope.

Builder's Risk Insurance:

Builders risk insurance can be provided by either the public body or the GCCM. Placement of these costs depends on which entity is providing it. If provided by the GCCM, it is best to include these costs under Negotiated Support Services. When provided by the public body, the costs are included as part the public body's costs and managed separately by the public body outside the TCC.

- If the public body has secured Builder's Risk Insurance prior to solicitation, then a copy of the policy should be provided to proposers in the RFP.
- If coverage cannot be clearly defined at the time of proposal, the GCCM may provide the coverage, and the public body can reimburse at cost.

Comprehensive Builder's Risk insurance coverage is in the best interest of the project. If the GCCM is being asked to provide the policy as a part of the proposal, the GCCM needs to know the expected coverages (for example, whether earthquake insurance is included or not). Typically, the project will see the best value if one policy is purchased for all items that include comprehensive coverage. Differences in coverage policies, for example, to cover earthquake or flood are significantly more costly than including this coverage in the base policy. Who buys the policy is less important than ensuring that one policy provides all coverage. Timing of purchase may also dictate how it is paid. This should be clarified in the cost allocation/responsibility matrix and insurance requirements.

Cost Allocation/Responsibility Matrix

The cost allocation/responsibility matrix is a public body's "road map" for understanding and managing costs throughout the life of the project. It keeps the cost category allocations clear and ensures that everyone is bidding the same work. This table lists the costs that are excluded from and those that are included in the percent fee on MACC, SGCs, NSS, subcontracting, and preconstruction. This matrix should be published with the solicitation to clearly communicate where costs should be accounted for within the TCC and included as an attachment to the GCCM contract.

The cost allocation matrix may be displayed in a table with a column for each cost category: one for costs excluded from the percent fee and one for costs included in the percentage fee. Costs can be attributed to tasks (e.g., mobilization), positions (e.g., project manager or project principal), and expenses (e.g., permit fees or rental equipment). This table serves as a reference for the GCCM when they are preparing their fee proposal during procurement and later when they are preparing invoices throughout the project. It is also a reference for public bodies when they review the fee proposal and invoices.

This tool allows the GCCM and public body to have a common understanding of what can be included in the GCCM percent fee. It helps avoid disagreements between the GCCM and the about what the GCCM can include in an invoice. Potential benefits include transparency and trust among project stakeholders, which can be beneficial in case there are disagreements down the road. It helps establish clear expectations around costs included and excluded in the GCCM fee. Consequently, construction can later proceed smoothly and efficiently because of the reduced inquiries about invoices and what can and cannot be included. Please see Appendix 01 - Cost Allocation/Responsibility Matrix for an example.

Negotiating the MACC

The public body and GCCM negotiate the MACC and TCC based on 90% design documents or greater for the entire project. Public bodies can negotiate the entire MACC based strictly off design documents or they may decide to publicly bid some subcontract packages prior to negotiating the MACC. Public bodies should understand the risk transfer for either approach and how it will impact costs for the public body and subcontractors.

Any subcontractor bid package can be bid out early during the preconstruction phase. They must follow the RCW process for subcontracting which is also discussed later in this manual. The costs for these bid packages are directly incorporated into the MACC without being negotiated. Public bodies should note that early subcontractor bidding does not mean work can proceed. This process is strictly used to establish subcontract work costs under the MACC.

There are advantages and disadvantages to this approach. It can be advantageous to establish early price certainty from the market and reduce the amount of contingency included in the TCC. However, it can create price pressure on subcontractors if the cost of the work goes up between the bid time and when the actual work is performed. Another disadvantage to early bidding is that subcontractors may include cost contingencies to cover potential increases and other unknowns, which are paid to the subcontractor whether they materialized or not because the cost is established as a lump sum. Benefits of early subcontractor bidding may be offset by those costs being established based on design documents that are not 100% complete. Public bodies should evaluate every bid package, weighing the pros and cons of various approaches with the GCCM, and make the final determination on how to establish the cost (via negotiation or early bidding) for subcontract work under the MACC.

Multiple MACCs

Also referred as a "Mini-MACC." This process is used by public bodies to start work early on certain areas of construction. The Mini MACC process can make establishing the overall MACC confusing and there is potential for a duplication of costs. Public bodies should only consider and approve the use of Mini MACCs if there is a critical project need to begin work while design is ongoing, for instance long lead items.

If a public body decides to use the Mini-MACC approach, the design of that portion of work must also be 90% complete or more. The Mini-MACC should also include all elements of the full MACC as discussed above. The public body and the GCCM will still negotiate the remaining work of the project to establish the TCC. Executed Mini-MACCs are incorporated into the TCC during final negotiations. Attention and planning should include recognition that billing procedures would need to support a phased integration of MACC values (e.g., processing payments with an incomplete full MACC or TCC).

Unsuccessful MACC Negotiations

The public body may choose to end the negotiations for the MACC and terminate the contract with the selected GCCM for any reason. Public bodies should note that they are still required to provide compensation for work completed to date as determined by contract. If termination of the contract is elected, the public body may choose to engage with the second runner-up during the GCCM selection process, or they may proceed with a new procurement using the finished design under a design-bid-build delivery method.

Any work authorized under a mini-MACC can limit the public body's ability to exercise the off-ramp process until the Mini-MACC scope is complete or negotiated terms for termination can be reached.

Chapter 5 – GCCM Procurement

Procurement Planning

Early Outreach

GCCM projects may be large and complex undertakings, and public bodies should consider a variety of outreach efforts to build interest and solicit feedback from potential contractors well in advance of the projects – ideally at least six months in advance, but for larger projects a year or two in advance of the solicitation release date may be advisable. A variety of outreach methods can be employed, such as listing the project in the public body's forecasts of upcoming opportunities; project websites; speaking at industry forums; and meeting with potential proposers, subcontractors, consultants, and stakeholders.

Continuing the outreach effort up to the request for proposal (RFP) release will benefit the project by obtaining useful feedback on how to structure the selection to obtain the most qualified candidates and best value.

Public Body Project Team

During procurement, the public body will develop and refine the project goals, review staff and consultant resources, and identify characteristics needed from the GCCM (skills and capabilities). Project success depends on the assembled team being the right team. RCW 39.10.350 requires an "experienced team," and the statute requires documentation of this information in project approval applications to CPARB PRC. The most important elements are experienced GCCM practitioners (who may be public body staff and

consultants) and team members who have the time and capacity to be dedicated to the project from start to finish.

The typical roles may be different from design-bid-build contract delivery responsibilities. The list of tasks typical in a GCCM contract delivery should be reviewed and roles and responsibilities assigned once the public body's project team is assembled.

Selection/Evaluation Team

In addition to the public body's core project team (may include designers), the Selection Committee members may include the key stakeholders, or technical experts, as well as end users. Having key stakeholders can help underscore the collaboration needed to make GCCM a success from the start. There is an option to have key stakeholders or technical experts as observers but not as voting members. A team of three or five voting members is recommended to keep the process efficient.

In addition to the evaluation team, there should be a designated nonvoting representative or facilitator who will ensure fairness in the process, keep the selection process on schedule, and ensure that each committee member understands the procedures for a fair and uncontested selection. Potential Selection Committee members should be carefully vetted for any potential conflicts of interest in the public body's policy.

Informational Meetings – RFI

Conducting pre-solicitation informational meetings to generate interest, disseminate information, and obtain input from potential GCCM proposers and other interested parties may be helpful. The public body may consider issuing a formal or informal request for information (RFI) to solicit feedback on key issues and concerns from the bidding community, which can help in attracting firms to propose on the project.

Independent Audit

For projects using alternative subcontracting or heavy civil, an independent audit, paid for by the public body, must be conducted to confirm the proper accrual of costs. If these options may be part of the project, the general scope of the audit should be outlined in the solicitation documents and defined in the contract (RCW 39.10.385(11) and 39.10.908(9)). Additional audit provisions may be a part of the public body's processes or requirements; these should also be outlined during the solicitation process. Public bodies should consider hiring a third-party auditor prior to the start of construction.

Request for Qualifications/Request for Proposal (RFQ/RFP) Process

Public bodies need to establish how they intend to solicit proposers for their GCCM project. Public bodies have the flexibility to utilize a two-step or one-step process for their solicitation. Most public bodies go through a two-step solicitation process, with an RFQ first, followed by an RFP. Here are some considerations for each approach:

> Two-step Process – A Request for Qualification (RFQ), also referred to as a Statement of Qualifications, is the first step and intended to help the public body shortlist the number of submittals to a smaller, higher qualified group. This group would then be invited to participate in the second step in the process, the Request for Proposal (RFP).

Some public bodies use the RFQ strictly to determine if the firms are qualified and do not carry the points into the final scoring. This can help encourage GCCMs to propose who may not have as much experience as others by still advancing the qualified firms, but the RFP/proposal stage scoring will focus on the project approach versus experience. Also, limiting the required experience to a specific scope may reduce the numbers of proposers.

Most GCCMs have some qualification materials at the ready; however, putting together a tailored proposal can be costly and time-consuming. Consideration of the proposer's time to develop a proposal and the evaluators to rate the proposals is an important consideration in determining if an SOQ/RFQ is an appropriate step for the process. The following is an example of the steps in a two-step solicitation process:

1. RFQ submittal and review (scored)
2. Shortlist of the most qualified firms in the competitive range
3. Interviews (scored)
4. Shortlist of the most qualified firms in competitive range (if necessary)
5. Issue RFP
6. Submit and review final proposal, including price
7. Selection based on highest combined points

One-Step Process – A one-step RFP process typically consolidates the qualifications, approach, interview, and price together in a single proposal. If the project is such that all proposers submitting a RFQ will be closely qualified and shortlisting is unlikely to occur, then it can save a lot of time and effort to go straight to the RFP. If the RFQ/RFP phases are combined, it is recommended that the public body reserve the right to shortlist qualified firms. This approach may not be appropriate for Heavy Civil GCCM proejcts. The following is an example of the steps in a one-step solicitation process:

1. RFP submittal and review (scored)
2. Shortlist of the most qualified firms in the competitive range
3. Interview (scored)
4. Shortlist of the most qualified firms in competitive range (if necessary)
5. Review final (price) proposal
6. Selection based on highest combined points

Interview Considerations

Interviews are not required by RCW but are recommended. The project team should decide the best interview format for the project. Here are a couple of typical examples from other public bodies:

Interactive Meeting – Let the proposers lead the presentation, with questions from the evaluation panel. The public body may give a list of topics to address. The intent is to draw out the interactive and collaborative behavior of the proposed GCCM team members.

Presentation/Questions and Answers – Proposers will provide a presentation, followed by a question-and-answer period. In this case, the Selection Committee could prepare topics/questions to send proposers in advance, ask set questions of all proposers, or ask questions to better understand the proposal.

It is recommended that proposers bring named key staff plus one or two of their choosing. Public bodies should consider providing sample problems/scenarios to see how the team functions together. Public bodies can also provide the subject of the interview or a portion of the questions in advance, with additional scenarios or follow-up questions during the interview.

Interviews are different from one-on-one meetings or proprietary meetings. Public bodies should consider having the one-on-one/proprietary meetings with proposers prior to the written submittals and prior to the formal interview to solicit input on goals, terms, project requirements, and feasibility of approaches.

Pre-Proposal Meeting

A pre-proposal meeting ensures an opportunity for interested firms to meet the public body's project team and ask questions. The public body should provide a brief project summary and goals, critical success factors, construction requirements, environmental requirements, safety, status on permitting or funding, diversity and equity goals, project labor agreements, discuss the project schedule and the deadline for questions. Other topics might include information on what the public body is looking for in a proposal and/or any information to help proposers produce quality proposals. A pre-proposal meeting may include a site walk. The public body can set up this meeting in a way to encourage and create opportunity for proposers and small, minority, women, and veteran-owned businesses network and develop contacts.

Proprietary Meetings

During the RFP stage, prior to submitting proposals, it may be beneficial to provide each interested firm the opportunity to take part in an individual interactive meeting with the public body. The purpose is to allow prospective proposers to ask questions, request clarification, and gather information that may be relevant to assembly of their proposal. Public bodies should be considerate of the time and cost associated with having additional meetings during the solicitation.

It is critical that the objectives and the message are clear and consistent between all the proposers. Establish clarity of expectations with the proposers about the format for proprietary meetings. Who is leading the meetings? The GCCM or the public body? Which party is responsible for the agenda, schedule, attendees, etc.? Internally, a public body should explain to the internal attendees the rules and expectations of the meetings.

Typically, these meetings are considered proprietary, meaning the public body will not share ideas discussed in the meeting with other proposers. However, if a public body needs to clarify or change the assumptions provided in the RFP, they should provide written clarifications or addenda to all teams rather than provide verbal clarifications in the proprietary meetings. Proposers should have the same access to information in the same period.

Shortlisting Proposers

Shortlist expectations need to be set and communicated in the solicitation. Shortlisting typically occurs where there is a natural break in the scoring. If shortlisting, three firms is ideal, but no more than five firms are recommended. Understand that it is appealing for proposers to have a smaller group advancing to the shortlist and the heavier lift portion of the solicitation. Proposers have a lot of options for projects, and decisions on which projects to pursue can be influenced at times by the level of effort and probability of a win.

RFQ/RFP Solicitation Documents

Public bodies have flexibility in drafting the RFQ/RFP solicitation documents, but they should develop solicitation documents, especially the general conditions, which are specific to the GCCM delivery method. It is not enough to use existing design-bid-build documents for GCCM. There are a lot of requirements in the RCW public bodies need to be aware of when developing their solicitation documents. The following list are items that are sometimes overlooked or unique to the GCCM delivery method that public bodies should be aware of or consider when. Public bodies should review the entire RCW to ensure that all requirements are addressed in their solicitation documents.

- Alternative dispute resolution procedures.
- Obligate the public body to, in writing, accept, dispute, or reject a request for equitable adjustment, change order request, or claim within a specified time, but typically, no later than thirty calendar days after the receipt by the public body of related documentation.
- Submission of project information (by either the GCCM or subcontractors), as required by CPARB.
- Project description, including programmatic, performance, technical requirements, specifications, and drawings (when available).
- The reasons for using the GCCM delivery method.
- Audit requirements for the alternative subcontracting method or heavy civil GCCM, specifically what is audited and when.
- Estimated MACC
- S/M/W/DBE requirements
- Cost Allocation/Responsibility Matrix
- The form of the contract (explained in detail below).

Other best practices that public bodies should consider including in their solicitation documents include:

- All necessary bidding instructions, including evaluation criteria, scoring, and the process by which the public body will follow when evaluating and selecting finalists and the highest ranked firm.
- Protest procedures, including time limits for filing a protest.
- Project goals, risks, and success metrics. Include project intricacies that may affect staffing and/or lump-sum price proposal items. This could include things like predesign documents, permits, etc. Be clear on whether the information provided may be relied on or if it is for information only. Information that relied upon may reduce project contingencies and cost.
- Description of interview process, what topics may be covered in the questions, what will be provided, expected format of the interview, how we will evaluate, scoring, etc.
- Draft preconstruction services work plan and level of effort for construction management.
- Proposed project schedule including preconstruction and construction milestones.
- Project labor agreement and priority hire, if applicable.
- Funding source information (e.g., federally funded).
- Description of how external references will be utilized. Communicate that you may use your own public body performance evaluations and other sources to validate performance information.
- Intent to utilize Alternative Subcontractor Selection Process.
- Intent to issue early work packages.
- Intent to include an incentive clause for early completion, cost savings, or other performance goals as described in RCW 39.10.350.

Preconstruction Pricing

Public bodies may also request a price for preconstruction services as part of the proposal versus negotiating the level of effort and pricing with the highest-ranked firm. Some public bodies choose to acquire an estimated price for preconstruction services based on a detailed scope of work with anticipated tasks and deliverables. When the level of effort is provided in the solicitation, collecting labor rates as a non-price factor may be helpful in negotiating after award and prior to executing the contract. Public bodies should not use this information for evaluation purposes due to the inability to have an apples-to-apples comparison. The best practice when using this information is keep the preconstruction cost data secure and away from reviewers during proposal evaluations. Public bodies can then review the cost information provided after selection is made. This will eliminate the potential for bias during evaluations.

Form of the Contract

The form of the contract for preconstruction and construction services is typically executed in one or two ways; a single contract or two contracts. A single contract that encompasses both preconstruction and construction services is self-explanatory. However, issuing two contracts requires a little more explanation.

Some public bodies will issue two separate contracts: one for preconstruction services and a second for construction. The benefits of two separate contracts include the ease of tracking scope of work, costs, and contract compliance separately. By utilizing the model of two separate contracts for GCCM contracts, the GCCM Preconstruction Agreement is executed as a professional services agreement and does not include Washington sales and use tax. The second contract, the GCCM construction services contract, does include Washington state sales tax.

Either model allows an off-ramp as there is no guarantee of construction award if the two parties cannot agree to a fair and reasonable price for construction services.

Some public bodies also utilize early work packages. If early work packages are issued, they would be considered the start of construction contract No. 2 and all the requirements, like prevailing wages, performance and payment bonds, tax, etc. should be included.

Evaluation Criteria

The evaluation criteria used by the public body to select a firm to partner with is a critical element of the procurement process. Public bodies should take careful consideration of the project goals and risks when developing evaluation criteria and they should at a minimum address the following:

- Tailored to meet the defining characteristics of the project,
- Address all key areas of importance,
- Support meaningful comparison of competing proposals, and
- Clearly reflect factors affecting award and their relative importance.

In addition, the RFP should address critical success factors for the project, and grading should be tied to the ability of the proposers to address goals and risks. The known risks should be identified, and the proposer should be asked to identify other potential risks.

The following evaluation factors are required per RCW and may be captured in either the RFQ or RFP depending on the approach selected. Evaluation factors for qualifications of the GCCM shall include but not be limited to:

		RFQ	RFP
1.	Experience and technical competence of key personnel	X	X
2.	The proposer's past performance with negotiated or similarly complex projects	X	X
3.	The proposer's capacity to perform the work	X	X
4.	The scope of work the firm proposes to self-perform and its past performance of that scope of work		X
5.	The proposer's approach to executing the project, including ability to meet the project time and budget requirements		X
6.	The proposer's past performance in utilization of small, minority, women, and veteran-owned businesses	X	X
7.	The proposer's inclusion plan for small, minority, women, and veteran-owned businesses as subconsultants, subcontractors, and suppliers		X

Other evaluation criteria public bodies should consider include:

- Ability of the firm to bond for the estimated value of construction.
- Ability of the firm to meet insurance requirements.
- Approach to project management, specifically the communication management plan.
- Approach to safety.
- Approach to quality control and management.
- Approach to risk identification, analysis, and management.
- Approach to cost and schedule management.
- Ability to facilitate informed decision-making.
- Building information modeling capability.
- Experience on projects with similar sustainability goals.
- Knowledge of local market conditions and subtrade pool.
- Experience with conceptual cost estimating, including subtrade costs.
- Experience and effective use of constructability reviews and bring value to the design process.
- An understanding of value engineering and cost trending.
- Approach to ensuring continuity between preconstruction and construction phases.

To encourage greater innovation and market entry by less experienced firms: Consider the relative weighting of GCCM-specific firm qualifications and experience (or eliminating from final scoring) as opposed to an increased emphasis on other relevant experience, key personnel, approach, and pricing.

Key Personnel

Staff expectations are another important area that public bodies should spend time considering. Public bodies should set staffing expectations and require the proposers to commit to maintaining the proposed staff throughout the project. Key personnel are individual employees of a proposed team that are identified in the proposal typically represented as a position, for example, project executive, project manager for design, construction design coordinator, project manager for construction, superintendent, sustainability/LEED (Leadership in Energy and Environmental Design) manager, BIM (building information modeling) manager, cost estimator, project scheduler, QA/QC manager, and safety manager.

Depending on the RFQ and RFP timing, public bodies may consider allowing proposers the option to modify individuals for whom resumes were submitted in the RFQ phase. If this is allowed, reserve your right to adjust scoring in the event the new individuals do not have the same qualifications as those originally proposed.

The general conditions should also have language to prevent avoidable changes in staffing during contracting. Some contracts impose penalties for this. Public Bodies should not be unrealistic about an acceptable replacement when changes are needed during project execution.

Evaluation Criteria and Price Scoring

Public bodies will select the highest ranked firm based on a score for each evaluation criteria in the solicitation. Each evaluation criteria, and price, will have points assigned to each. Public bodies will establish a formula by which firms are ranked based on the points received during the evaluation for both the RFQ and RFP. The score can come from a combination of the RFQ, RFP, interview, and price proposal form, but should include the RCW requirements and tied to the process established for the solicitation as discussed above. If the public body has chosen to utilize a two-step process, the solicitation shall identify if the points will be carried through from the RFQ or if the scores reset with the RFP.

Price scoring can heavily impact the selection process and public bodies should take into consideration how important price is when selecting a firm. Too high a value on price, then firm and staff qualifications will not be a significant factor in selecting a firm. Too low a value on price, then cost will not be a significant factor in selecting a firm. The spread is typically between 10% and 15% of the total points assigned for price and best practice is around 10%. It is recommended to run some scenarios on point distribution to test the scoring and ensure the right balance of points. Please refer to Appendix 02 for examples of RFQ/RFP scoring examples.

Response Format

In addition to any other requirements the public body may have for procurements, RFQ and RFP documents should include formatting requirements the public body requires. Here are some examples:

- Submittal requirements: date, time, and location of submittal.
- Proposal transmittal letter to include proposer's name and address, contact person, Washington state Unified Business Identifier (UBI) number, Unique Entity Identifier, and type of firm (corporation, partnership, joint venture).
- Total number of pages. Be clear on whether the count includes front and back or not. (Note that there may be required documents that may be excluded from the response/proposal total page count – e.g., accident prevention plan).
- Hardcopy or electronic format (PDF), including any size limitations of the file.

Price Proposal

The price proposal is submitted as part of the RFP and is what a public body will use to satisfy the RCW requirements. The RCW states the price proposal must be received via sealed bids. Public bodies will develop a price proposal form encompassing the fixed GCCM percent fee and other price-related factors identified in the request for proposal. Any other price-related factors chosen must be clearly stated in the RFP and public bodies can include any other price factors they deem important, for example Specified General Conditions or key personnel hourly rates. Public bodies should review the price proposal form specifically for each project. The following are some typical approaches to establishing the price related factors for the proposal.

Bid MACC % Fee Only – This provides the most flexibility and is best used when a public body is prepared to negotiate staffing and staff rates. This can cause complications when looking at allowable costs if auditable rates are used due to differences in compensation packages between contractors.

Bid MACC % Fee + Key Personnel Cost – Key personnel costs would be included as a price factor along with the MACC % Fee when selecting a firm. This approach provides the most information and flexibility to have a cost factor, lock in billable rates for staff, and provide a competitive environment for both. This is best used on complex or phased projects where the staffing needs are not likely known at proposal time and will be developed during the preconstruction period as more clarity and coordination is completed relative to schedule.

The price proposal form will typically include a line for a combined hourly rate that proposers will provide. This is made up from the hourly rates of the key personnel identified. Public bodies will then establish the number of hours to be applied against the provided rate. The two are multiplied together to establish a total monthly rate. This then becomes the basis of comparison for points to be applied as a part of the price comparison. Note that this total is for price proposal evaluation only; actual level of effort will be determined and collaboratively set during preconstruction based on the actual needs of the project.

By having rates set at proposal time, the team also avoids the need to audit rates, and the accounting cost associated with that process while still ensuring competitive pricing. Public bodies should understand that the goal is not to get the final staff count or hours for the construction work but rather a way to compare proposers' costs against each other. This information will be used later to negotiate with GCCM what is required for the work once the final level of effort has been determined. Some best practices to consider:

- Establish a list of key personnel each proposer will include in this price. The proposers will right fit their titles based on the years and description.
- When asking for the rates, public bodies must clearly state in the solicitation documents that cost is based on full-time, 100% dedication to the project. (The actual level of effort will be determined later). This ensures that a proposer is not discounting the rate with the assumption that the position is part-time.
- If additional titles or positions are needed on the project for success, rates will be negotiated by using positions with a similar level of experience in the price proposal form later.
- Ask for billable rates. Because it will be included in the price evaluation, the rates will be competitive and include a fee that is acceptable to the proposer. This removes the challenge of an audit that may view different companies' compensation packages differently.

- Establish a "base year" for the rates and either set a percentage increase for subsequent years or allow the percentage increase to be a negotiation point. Best practice is to set the rate for subsequent years. Proposers will make modifications to the base rates as needed to adjust for any differences from their internal historical averages. This approach ensures that as staff are added or removed from the project based on project needs, the rate paid will not be inflated or too low because a time-weighted rate was used at proposal time.

Bid MACC % Fee + Fixed Cost for Specified General Conditions – This provides the most cost certainty for the Specified General Conditions, including staff. This is best used on simple projects where staffing and general requirement costs are easily identified prior to the preconstruction effort.

SGC can be bid as either a lump sum, a monthly fixed not-to-exceed amount, or a fixed percentage of the construction cost amount to cover the cost of the general conditions. A disadvantage of bidding the SGCs is that it may be difficult to accurately bid them this early in the design, as the risks are not as well-known, project phasing is not likely to have been established, and the actual construction may not begin for many years. An advantage of bidding the SGCs is that it prevents a GCCM from bidding low on the fee and trying to increase the cost of the SGCs at MACC. A percentage of the construction amount is the least accurate way to set this value and is not recommended.

General Liability and Performance and Payment Bonds

The contract needs to clearly identify how the fixed GCCM percent fee is applied against general liability insurance and performance and payment bonds, typically identified in the cost allocation/responsibility matrix. Bonds, general liability insurance, and other necessary insurance requirements are calculated as an industry standard on the Total Contract Cost. The costs are often included in the fixed GCCM percent fee but can be requested as a separate line item on the cost proposal form. If the SGCs are provided as lump sum, it is not considered best practice to include the bonds and insurance in this lump sum value because it cannot then be adjusted up or down with the cost of the work and TCC.

Advertisement

Public bodies are required to publicly solicit proposal and there are specific RCW requirements that must be followed. Public bodies should be intimately familiar with those requirements to not only ensure compliance, but to increase the pool of potential proposers. Some options on where to solicit include the Daily Journal of Commerce, local and small business outlets, social media outreach (e.g., LinkedIn, Tabor 100, email blasts through public body systems), the National Association of Minority Contractors, the Washington Procurement Technical Assistance Center, and the Association of General Contractors.

Question-and-Answer Period and Addendum

A question-and-answer period should be established by the public body and published in the solicitation. If any question results in a change to the requirements, the public body should issue an addendum. It is important to review the budget prior to end of the question-and-answer period in case any revisions to MACC or the bid form are necessary due to any addenda that were issued during this period.

GCCM Selection Process

A high-level summary of the evaluation process, criteria, and maximum points will be published in the solicitation. Once published, the Selection Committee must follow those criteria. It is important for the Selection Committee to support their scoring with specific comments on the proposal submission. If an evaluation member feels strongly about a lower score, specifics must be documented to support the position and to provide constructive feedback to the firms if debriefs are requested.

Many public bodies use a consensus scoring process where different views and scoring are discussed, and a single score is arrived at through consensus at a meeting of the Selection Committee. A high-level selection summary that cites points made by the Selection Committee during the consensus discussion should be made publicly available. The following is an example of consensus scoring with word score definitions. The points given to the firm shall be within the percentage range of the points available:

Word Score Definitions	% Range
Outstanding: A proposal or interview response that satisfies all the RFP requirements with extensive detail, such as elaborating on how the experience or narrative satisfies the requirement or criterion. Response demonstrates the feasibility or viability of the proposer's approach to successfully complete the project and offers numerous significant strengths that may be offset by one minor weakness in the understanding of RFP objectives. There exists an overall low degree of risk of the proposer not meeting the RFP requirements and goals for the project.	85% - 100%
Good: A proposal or interview response that satisfies most of the RFP requirements with adequate detail to demonstrate feasibility or viability of that proposer's approach to successfully complete the project. Response offers some significant strengths or numerous minor strengths that are offset by some minor weaknesses in the understanding of RFP objectives. There exists an overall low to moderate degree of risk of the proposer not meeting the RFP requirements and goals for the project.	70% - 84%
Acceptable: A proposal or interview response that satisfies some of the RFP requirements with only minimal detail to demonstrate feasibility or viability of the proposer's approach to successfully complete the project. Response demonstrates a minimal understanding of the RFP objectives. There exists an overall moderate or high degree of risk of the proposer not meeting the RFP requirements and goals for the project.	50% - 69%
Unacceptable: A proposal or interview response that contains major errors, omissions, or deficiencies. Response demonstrates a lack of understanding of the issues identified in the RFP and an approach that cannot be expected to meet or has an extremely high risk of not meeting the requirements and objectives of the RFP. None of these conditions can be corrected without a major rewrite or revision of the proposal or interview response, as applicable.	0% - 49%

A critical component to the evaluation and selection process is fair and intentional scoring to avoid unintended consequences. People tend to score in a tight grouping. For example, best project approach gets an eighteen out of twenty, second best gets a sixteen out of twenty, and so on. The challenge is that without significant amplitude in the scoring, the final determination will come down to price. Ways to avoid this include education and examples on what type of amplitude is needed to make the process function as desired. The best practice of using the rubric approach outlined above is an example of a scoring

methodology that provides scorers with guidelines that will create consistency and ensure a fair approach to the process, avoiding turning the best-value competition into a pricing-based selection.

Evaluation of Proposals (RFQ/RFP)

The Selection Committee will score in accordance with the published scoring criteria. Evaluations will be conducted in a confidential environment. The proposals should be reviewed for page count and responsiveness per the RFP criteria, and the proposers should be reviewed for responsibility as defined in the statute.

Price Proposal – Bid Openings and Final Ranking

A public bid opening will be held to read each sealed price proposal submittal by the final short-listed proposers. The previous scores should be shared at this time so that by the conclusion of the bid opening, the total scores and the highest-ranked proposer are identified. The public body will notify proposers of the results and post the scores publicly.

Debriefing

The RFQ/RFP should offer proposers the option to request a debriefing after final ranking and selection. Providing a narrative summary of strengths and weaknesses of the proposal and interview will help proposers understand where they may improve for future proposals. During the debrief, it is also helpful to solicit feedback from proposers on how the process may be improved for future projects.

Negotiating and Awarding the Preconstruction Services Contract

The public body will finalize the preconstruction services work plan/level of effort to include rates and deliverables with the highest-ranked proposer, which will itemize such things as project management, meetings, cost estimates, construction schedules, etc. It should contain GCCM staff allocations of time and should have estimated dates of check-ins and completion for each.

The public body will collect proof of insurance and other contracting requirements for the preconstruction contract. Payment and performance bonds are not due until the MACC is determined or early construction work is agreed to. Check Washington State Department of Labor & Industries requirements for “Intents and Affidavits.” The effective date of the prevailing wage differs between the preconstruction and construction phases.

Chapter 6 – Preconstruction Services

Intent

A successful preconstruction phase in a GCCM project benefits the project by effectively engaging the GCCM throughout the design process. As appropriate, subcontractors and various trades can be engaged through the alternative delivery model to provide similar services and value at the subtrade level. Together, the GCCM team can provide cost, schedule, constructability, and execution planning in a timely manner to inform decision-making by the public body and design team thereby improving value and reducing risk. Ideally, this engagement facilitates continuous feedback and improvement rather than limiting the interaction to discrete efforts at project milestones.

As preconstruction proceeds, all the information and exercises mentioned below will need to be carefully managed and input into the project documents to capture the true path forward for construction. Many of the exercises may result in comprehensive documents for bid in addition to a complete quality management/quality control plan, safety plan, tracking documents, and schedules. Throughout construction, the rationale behind decisions will need to be reintroduced as the project progresses, when new team members join, or if there are any unforeseen issues or challenges to mitigate. This will help the team recall the reasons behind the project decisions and direction, alleviating the need to revisit issues or direction unless there has been a fundamental change to the project.

Understanding the GCCM's continuity plan and information tracking from the preconstruction phase into construction is an important consideration in the selection process to ensure that this transfer of information and transition into construction is not lost.

Effective GCCM engagement in preconstruction is one of the most valuable aspects of the GCCM delivery process. When grounded in the public body's goals and objectives for the project, the GCCM involvement can leverage and enhance the entire team's confidence in decision-making. In preconstruction, the GCCM is an integral member of the team – completing the third leg of the public body/design team/GCCM relationship.

Relationships in GCCM

The GCCM delivery method is not business as usual. One of the valuable aspects of the GCCM delivery method is the early relationships and collaboration that add breadth and depth to the design phase of a project that cannot be obtained in what tends to be more siloed design-bid-build (DBB) delivery. With DBB, the architect designs the project. The GCCM is invited to provide a price and construct the project according to the documents they are given. It is difficult for a GCCM, who may have ideas or methods to improve the project's outcome, to execute those ideas. The GCCM delivery method breaks that cycle by developing a relationship between the public body, architect, and builder early in the project. This is not unlike design-build delivery, especially during preconstruction. The GCCM and architects are hired separately at different times, each with a separate contract with the public body with the intent that everyone work together. This creates a beneficial tripartite relationship with the public body, architect, and GCCM.

During preconstruction, the GCCM is at the table bringing expertise and a perspective that may be a little different from the design team and even different from the public body. This might introduce some creative conflict into the process. This new voice at the table with ideas and recommendations might shift a concept or notion just enough to move a project from good to great. Building an environment of trust, teamwork, and collaboration requires engagement and commitment from each member of the core team, starting with the public body and then the design team and GCCM. The important thing is to go into the project, recognizing and respecting different viewpoints and the value each party brings to the process.

Roles and Responsibilities of Each Party

In a GCCM project, the design team is typically engaged by the public body first and the GCCM is then selected ideally early in the design process. Many important and foundational decisions are made early in design, and the GCCM's participation can be instrumental in choosing the best direction for the project.

It is essential to clearly establish at the outset of the project the roles and responsibilities of the three primary participants: public body, design team, and GCCM. This scope definition informs the services, fees, communication protocols, and decision-making authority for all parties. It also helps reduce gaps in scope and confusion about expectations.

Public Body

The public body leads the project by providing the required foundational information, including the project priorities and goals, budget, funding, scope, and schedule. In the preconstruction phase, the public body is responsible for leading the user engagement and making timely decisions on behalf of the entire public body group. In conjunction with the design team and the GCCM, the public body establishes lines of communication and provides clarity on decision-making authority. The public body manages the expectations of the various project stakeholders and user groups and resolves differences of opinion among them.

In preconstruction, the design team often explores various design options that have different pros and cons. The public body shares these options with the appropriate parties to solicit feedback and provide direction. While the public body group is often composed of many voices, it is essential that the direction to the design team and GCCM be unified, timely, and coherent.

The public body also administers the contracts for both the design team and the GCCM. As part of establishing the contracted scopes of work, the public body establishes clear roles and responsibilities for all parties. The public body also signs off on the final small, woman, minority, and veteran owned businesses inclusion plan; final subcontracting plan, including self-performed work anticipated to be pursued by the GCCM; subcontracting plan, including any alternative trade engagement; any phasing of the project; and buyout plan. The public body works with the design team and GCCM to provide a fair and open bidding environment.

During the preconstruction phase, it will be necessary to communicate and set expectations for both the preconstruction process and the overall project outcomes. This will set the stage not only for a successful preconstruction process but also prepare the project to successfully move into construction. Alignment of expectations and priorities will help facilitate the development of accurate budgets, schedules, and other elements that are critical to the construction phase. The public body and its team should define and communicate to the design team and the GCCM, as applicable:

- Programmatic requirements;
- How and who will be making the key decisions on the project;
- Roles and responsibilities of each team member, including lead team members including all stakeholders);
- Safety expectations;
- Budget expectations;
- Required and desired phasing;
- Sustainability expectations;
- Quality expectations;
- Administrative and/or additional funding requirements;
- Schedule requirements and expectations;
- Additional stakeholders (such as tenants or concessionaires);

- Other project constraints (haul routes, restricted working hours, supporting/adjacent projects, or properties, etc.); and
- Project risks (geotechnical, hazardous conditions, jurisdictional, unforeseen conditions, etc.).

The most important responsibility of the public body is to establish a culture of partnership that prioritizes collaboration, trust, and transparency. A capital project is a significant undertaking, and the public body needs to ensure that they have the proper staff and resources dedicated to the project.

Design Team

In the preconstruction phase, the design team works closely with the public body, and eventually the GCCM, to set the course of the design. Initial efforts include validating the goals and aspirations of the public body for the project and verifying the project scope and budget. The design team then embarks on the design process and iterates toward a final design solution that addresses all the project requirements. The design team combines a creative vision with a practical approach to life safety, technical issues, and engineering systems. Typically, various design options and compatibility with code requirements are evaluated, and the final design solution emerges through an iterative process.

Throughout design, the design team provides information for public body and GCCM review and validation. Ideally, the process is inclusive and continuous rather than siloed and incremental. Cost estimating is a critical component of the effort by the GCCM. It is best if the cost feedback is continuous to inform design decisions in real time and in a format that aligns with other cost-estimating and budgeting efforts.

The design team has a responsibility to respond to public body and GCCM input through the process while keeping the design moving forward and on budget. Including a GCCM on the team adds another layer to the design process, but it can help with avoiding design solutions that are impractical and can save time and money. When the process works well, the combination of expertise can elevate the design solution, bringing greater value and efficiency to the client while reducing risk.

GCCM

The GCCM's role through the preconstruction phase is to provide technical planning and coordination for the execution phase in parallel with the design and permitting process. The GCCM can effectively contribute to finding the proper balance of the project constraints, including, but not limited to, schedule, budget, scope, and site details.

The GCCM is NOT under contract to build the project; that comes later via establishment of the MACC. The GCCM is contracted directly to the public body and is not under contract with the design team. In the preconstruction phase, the GCCM acts as an advisor to the public body and design team and can influence scope decisions within the design based on constructability input, cost estimating, and life-cycle analysis.

This preconstruction process presents the opportunity to predict total costs of the project well in advance of a completed design. The process identifies where project risks associated with time, site conditions, and jurisdictional requirements are, and it gives the GCCM the opportunity to provide recommendations on how these risks can be managed to benefit the project. The GCCM recommends design details and approach, contractual techniques, and bid process techniques to manage these risks. These efforts are intended to provide the public body with budget confidence in preconstruction, which supports effective decision-making. The risks and amount of "uncertainty," therefore, decrease through the preconstruction phase and construction phase of the project as a whole – which, when compared with the budget as a whole, should strive to maximize the scope and project features to create the best value for the public body.

During preconstruction, the GCCM manages and creates several project deliverables, which may include:

- Formal cost estimates typically aligned with design milestones
- Construction schedule
- Construction and site logistics/phasing plans
- Subcontracting plan to manage and facilitate the public bid process (subcontracting opportunities) and identify opportunities for S/DBE opportunities
- Constructability review report
- Value engineering recommendations report
- Option evaluation
- Input into overall design
- Setting quality expectations and means of measurement
- Material availability
- Trade partner capability
- Logistics and haul route permitting
- Continuous cost evaluation
- Development of preliminary and baseline schedules
- Setup of project software and platforms
- Early trade partner bid packaging
- Bidding additions or alternates

The GCCM plans for the engagement of trade partners by developing the strategy and timing for the buyout. Where appropriate, the GCCM recommends alternatively procured subcontractors (mechanical, electrical, and other trades) for consideration by the public body. The GCCM also recommends to the public body the scope of work to be pursued as self-performed work. Once the overall buyout strategy is in place, the GCCM develops bid packages along with inclusive strategies for contracting with diverse and small business trade partners. Factors the GCCM should take into consideration for their plan include:

- Ensure an open and fair bidding environment for subcontractors.
- Marketing and outreach efforts to promote and advertise the project to obtain bids.

Additional Public Body Support

The public body can also contract independent third-party consultants directly. Often the public body hires a geotechnical engineer, surveyor, and hazardous materials consultant since these disciplines are typically not included in the design team's scope of work and their work may precede the selection of the design team. In some instances, it can be beneficial for the public body to hire an independent cost estimator to provide a second opinion of cost, especially in early design phases. The work of the independent cost estimator is then reconciled with the GCCM's estimate. There is an expense associated with an independent cost estimate, but there can be value in validating early GCCM estimates and pricing work to be self-performed.

Schedule

While the public body is responsible for establishing an initial project schedule, the design team and GCCM help refine and validate the schedule. The design schedule includes details on user engagement, document deliverables, and jurisdictional and permitting times. The construction schedule should include construction sequencing and phasing, long lead items and early bid packages, seasonal and calendar considerations, and alignment with public body operations. Public bodies need to recognize that the schedule is not static but will evolve as the preconstruction phase develops. The public body, GCCM, and design team should work together to establish intervals at which the schedule will be updated through the design phase.

Any phasing or early procurement needs to be closely coordinated between the design team and the GCCM. The development of the project schedule is a collaborative team effort, with each party participating and agreeing on the outcome. Schedule development is another good reason to contract with a GCCM early in the project.

One useful tool for developing a comprehensive schedule with input from all parties is pull planning, in which you start with the project end date and work backward to identify required deliverables and milestones. From this, the parties responsible are identified and agree to provide the promised delivery by the required date. This process is collaborative and transparent and leads to strong team buy-in of the process and the parties' roles within the larger project.

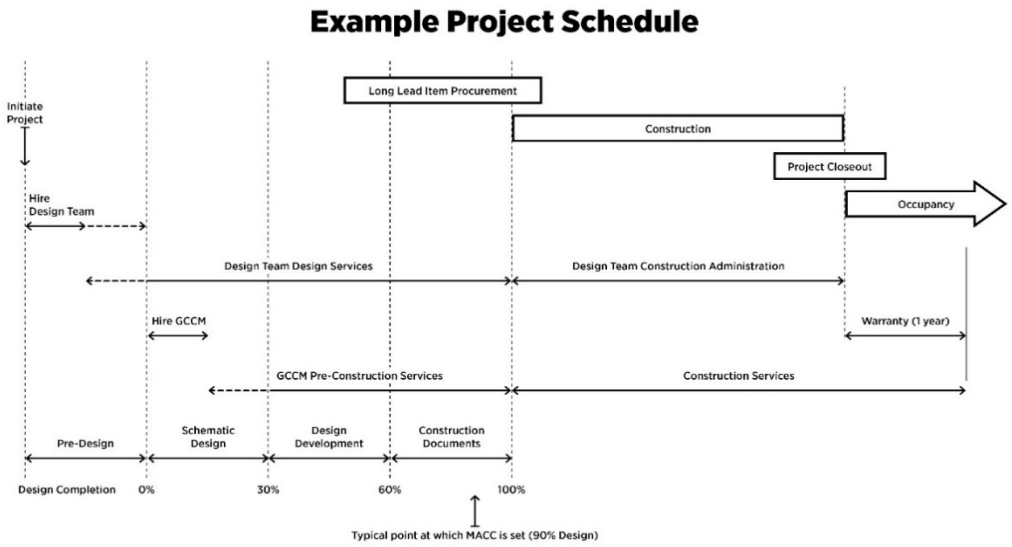

Figure 3 - Example GCCM Project Schedule

Project Risk

When evaluating the use of any delivery method, understanding the project risk profile and the allocation of risk is critical not only in determining the appropriate delivery method but also in determining the appropriate budgets to be considered for the contract structure. In any delivery method, allocation of the risk to the party most equipped to determine, manage, or influence the risk is a critical factor. In addition, to obtain the best value and avoid unnecessary contingencies, scope and risk allocation should also consider what is quantifiable and defined versus items that have little definition or information. This understanding of risk and the corresponding risk allocation remains true for GCCM and should be considered at all stages and implementation of the GCCM delivery method.

Fundamentally, with the use of GCCM, the schedule and budget risk for the project remains with the public body until the establishment of the MACC. At this point, the GCCM provides a commitment to the cost and completion of the project. As the MACC is developed, the specific understanding and allocation of risk should be evaluated for all project components and discussed, reviewed, and allocated in a transparent process. This will ensure that project budgets and contingencies are developed without overlap or gaps.

Chapter 7 – Construction Services

Roles and responsibilities change through the life of the project. As a project moves from preconstruction to construction, the project transitions into execution roles that are more like other delivery methods to effectively execute the work.

GCCM Role

The GCCM is responsible for the administration and execution of work in the field, including phasing, means and methods, and safety on the project. The GCCM is responsible for management of the trade partners, including critical evaluation of requests for change to determine if a request is valid, a change to the work under the MACC, or a prime change to be forwarded to the client. This is an important distinction and differs from a design-bid-build project in that a change in the documents may or may not be a change to the MACC.

GCCM self-performed work should also be managed as if a trade partner performed this work because any staff required for running self-performed work are distinct and different from the GCCM staff paid under the GCCM contract. In addition, depending on how the MACC was established and the approval process for the use of various contingency funds, administrative and budgetary work during construction can also be a continuation and accounting of funding as additional trades are brought on board and/or the design comes to final completion.

Construction Manager Role (Public Body's Representative)

The Construction Manager (public body's representative) is responsible for validating the deliverables from the GCCM as required under the terms of the Contract and the MACC. This can include everything from monthly status reports to safety notifications, timely change notification, quality control processes/meetings, etc. This is not unlike the construction manager's role for other delivery methods. This role can have separate and distinct services with expectations set by the public body, or this could be an extension of staff if the public body has in-house construction representatives. A clear set of expectations for roles and responsibilities is critical to ensure that there is not a duplication of effort or gaps in the decision-making process or general administration of the contract.

The public body is still playing a critical role in the process of facilitating construction operations. Unlike a design-bid-build project, the public body needs to ensure that accounting of the MACC and approval of contingencies are made quickly and do not impede progress on the project. For example, a public body may have internal processes for budget allocations that take a significant amount of time. If written authorization is required for the use of a contingency, the public body needs to provide approval expeditiously to ensure that trade partners are paid for work completed and have changed orders and/or contracts in place to order materials needed for the work in a timely manner. An allocation of funds on a force account waiting for approvals is not an effective way to facilitate this process.

In addition to supporting decision-making and approvals, the best practice would be to establish and facilitate the start of the audit process during construction. This will limit the time needed at the end of the project to complete this process and ensure that cumulative errors do not occur.

Design Team Role

The design team functions at a capacity that is like other delivery methods. Because the MACC is set at 90% complete, or potentially 90% complete for a portion of the work with the remainder of the work under design, the fundamental difference is the high likelihood of design continuing into the construction phase, which is more similar to the design-build delivery method.

Construction Administration

Risk

Overall, as a team, all parties should be checking in on the risks identified during the preconstruction phase to ensure a continued, proactive approach to the mitigation of project risks. Because the full team participated through preconstruction, the team should be better positioned for this risk mitigation. Remaining risks to be addressed during construction could include schedule, material availability, labor availability, design constraints, project logistics, etc. As the project comes out of preconstruction, a risk matrix should be developed, reviewed, and updated to track overall project risk and mitigation throughout construction.

Payment and Changes

Monthly payment and public body-initiated changes should be administered under the terms of the agreement and are like a bid project, except for trade partners procured under the alternative subcontractor selection process. These processes should be well defined prior to starting construction and public bodies should incorporate contingencies and allowances into how they administer change management.

As it relates specifically to payment and changes for alternative subcontractor selection trade partners, the payment and change process can be more complex on a GCCM project. It is important that prior to the construction phase, a process and complete expectations are established for the monthly payment process. The time to complete a full review of these trades needs to be accounted for in the workflow.

As a best practice, monthly pay requests should be reviewed and potentially validated each month to create more of an ongoing audit process as opposed to a lengthy settle-up at the end of the project. If this cannot be accomplished within the identified project timeline for the pay application process, it should not be attempted. In any event, the contract needs to set forth the auditing expectations for the project.

Negotiated Support Services

Different from other delivery methods, the NSS needs a separate process and workflow during construction to efficiently approve and pay for expenses incurred. If an NSS item has been established or converted to a lump sum as a part of the negotiation of the MACC or as a change order, NSS is treated the same as a bid trade partner with a schedule of values and payment based on progress for the scope of work. An audit, other than that the total paid matches the lump sum amount, is not applicable in the event of a conversion to lump sum.

Without a conversion to lump sum, the work is treated like a force account or time and materials. Public bodies should anticipate and account for the administrative process to support timely payment and allocation of funds for NSS executed in this manner. Like alternative procurement trade partners operating under the Maximum Allowable Subcontract Cost, the best practice in this area would be to treat monthly pay applications as a part of the validation process to complete verifications of costs incurred in the way as opposed to at the completion of work.

Closeout

The closeout process for GCCM can be streamlined by creating thoughtful processes for the verification of funds allocated and spent on the project. The project team should develop a system of cost control and accounting that tracks the project's financial position throughout the work. It should be detailed in a fashion that tracks the different aspects of all project budget categories and allocation of funds.

Using the pay application process can be an effective way to complete the validation process "along the way," allowing a public body to significantly reduce the amount of duplicative effort and expedite the closeout process. As noted previously, if the timeline for this type of workflow on the project will delay payment, it should not be attempted. In this case, a quarterly audit is an effective means to complete the process through the course of the project as opposed to waiting until the end of the project. Other than the reconciliation of total costs expended under the terms of the MACC, there are few differences between GCCM and other contract delivery methods.

Chapter 8 - Subcontracting

The GCCM delivery method is unique in how subcontract work is priced and delivered when compared with the other alternative delivery methods in the state of Washington. When discussing subcontract work, the statute is referring to the "work [required] to construct the project …" (RCW 39.10.210(13)). This also includes equipment and materials. Under the two different models for GCCM, that work comes with different procurement requirements, but a significant portion of this work must be publicly bid out with an award to the lowest responsive bidder that is responsible. Below is a breakdown of how subcontract work must be procured and distributed among firm types and GCCM type:

	GCCM Prime & Subsidiaries	Subcontractors
Traditional GCCM	No more than 30% of cost of the work to construct the project. Firms selected via low bid	Up to 100% of cost of the work to construct the project. Firms selected via low bid
Heavy Civil GCCM	No more than 50% of cost of the work to construct the project. Negotiated with Prime	No less than 30% of cost of the work to construct the project. Firms selected via low bid

Developing Subcontractor Bid Packages

Packaging the subcontract work is one of the more challenging aspects of the GCCM delivery method. The goal is to find the correct balance between packages that maximize competition while also keeping costs down. There are many different strategies project teams can employ when packaging subcontracts, and the statute below provides some guidance on how public bodies should approach subcontract packaging.

> "Individual bid packages are to be prepared with trades separated in the manner consistent with industry practice to maximize participation and competition across all trades. Bundling of trades not normally combined into one bid package is not allowed without justification and specific approval by the public body. Bid packages must be prepared to reduce barriers for and increase participation by small, woman, minority, and veteran owned businesses business enterprises (RCW 39.10.380(1))."

Public bodies should try to keep trades separate when developing subcontract packages, as this can maximize competition and DBE participation on large public works projects. However, "bundling" subcontract packages can provide advantages to the public body. In either scenario, there can be unintended consequences for how a public body decides on the subcontract package. For example, combining different trades into one subcontract package can limit competition, reduce DBE participation, and drive-up costs. Public bodies should consider the following questions when developing subcontract packages when considering the combination of trades into one subcontract package:

- Is it a recognized local industry practice?
- Are these trades combined under a single contract?
- Does the interface of the trades require close coordination and work integral to both scopes?
- Does the combination promote competition?
- Does the GCCM plan to bid any portion of the package, thereby discouraging competition?
- Does the combination create an advantage for fewer bidders?
- Is the management and coordination of the multiple trades clearly defined in the bid package?
- How does this package increase DBE participation?
- Was any of this work previously solicited without successfully selecting a firm, and would combining it with other work increase competition?
- What benefit will the project see from this combination?

Due to the complexity of combining multiple trades in one package and the potential for unintended consequences, it is highly recommended that proposed bid packages bundling different trades or type of work are analyzed by the public body and discussed with the GCCM prior to solicitation. Advantages and disadvantages of the proposed package should be compared against project priorities, goals, and increasing DBE participation to determine the best subcontract package. The public body must be fully engaged in the subcontract packaging process and is responsible for the final packaging decisions. Following are some considerations and potential areas for discussion between the public body and the GCCM.

Potential Advantages:

Some scopes of work are inherently connected and require significant interface to best schedule and install a quality product. For example, concrete, reinforcing, and subgrade waterproofing are systems and materials that are very closely tied together; are installed often concurrently; and require close coordination. The combination of these scopes in one bid package can potentially lead to enhanced coordination and reduced costs.

There are situations where the public entity may have contract terms or requirements that are not accepted in the trade community and could lead to low bidder coverage or potentially inflated pricing. This can be especially true in an active market where trade partners have a multitude of options for new work. For example, a specific trade may be historically unwilling to accept or agree to some contract terms, like liquidated damages. In this scenario, a bundled bid package provides the option of putting another entity that is taking on the risk of the prime agreement terms between the public body and the trade partner. The first-

tier bidder then takes on this risk and determines the appropriate compensation for that risk as they develop their bid price. The benefit to the public body is maintaining these provisions and potentially increasing competition for the trade in question. This is a common issue with vertical transportation and is an alternative to working with the GCCM to develop agreeable contract terms for the bid package that do not place undue risk on the GCCM but increase competition within the trade package.

GCCM is a low-bid award structure as it relates to the awarding of scopes outlined in bid packages, or first-tier contracting. Bundling for this example could be done with the intent of creating an opportunity for some scopes of work to be included in the larger package but not necessarily awarded to the lowest bidder on their own. By bundling various trades, the "bidder" may use their professional judgment and expertise to a select second-tier trade partner to perform the work that may not be the low bidder for that trade. Examples of good use here could be selection of diverse or small businesses that are not based on low bid or bonding capacity. Similarly, a selection may be made based on ability to execute the schedule or proven history of quality work as opposed to low bid. In this scenario, the outcomes noted are not guaranteed and the bid package is still competitively bid and awarded to the low bidder that may or may not implement these strategies.

Potential Disadvantages:

Combining trade packages can limit competition by creating a situation where limited firms have the capability or bonding capacity to bid the work. When looking to ensure competition, questions that could be explored include the following: Who would perform the work, and how much of the package would be self-performed by the awarded firm with its own craft labor? Is this a combination that would require a GCCM to perform the work due to the varying scopes (i.e., a large percentage of the work is not self-performed and subcontracted)? If so, is the management of these trades something that should be expected from the GCCM as a part of the base scope of services? With limited competition there is the possibility that the work will not be purchased at market price or the best price. Compounding mark-ups and indirect costs are incurred for work, which is second tier as opposed to first tier to the GCCM. One way a public body can limit these types of potential issues would be to understand which firms are performing the work and why it may be necessary to package work in this fashion.

The creation of a bid package that bundles a portion of work that is planned to be bid by the GCCM can also have the potential of limiting competition due to a perception of advantage in favor of the GCCM because of knowledge of the project and personnel on the project, which could create efficiencies specifically for the GCCM. A transparent process with controls in place to ensure a level competition is critical in this scenario to ensure that the public body receives the best value for the project.

Self-Performance of Work by GCCM

Under RCW 39.10, the GCCM is allowed to pursue a portion of the subcontract work for the project. Depending on the type of GCCM contract, either the GCCM can be selected as the low bidder for the work, or the work can be negotiated. The following table depicts these two different methods of self-performance by the GCCM.

	Traditional GCCM	Heavy Civil GCCM
Negotiated Self-Performed Work	Firms selected via low bid	No more than 50% of cost of the work to construct the project.
Low Bid Self-Performed Work	Up to 30% of cost of the work to construct the project.	Cannot exceed 70% of cost of the work to construct the project. (Including Negotiated Self Performed Work)

When determining the appropriate amount of work the GCCM can pursue, public bodies should consider a number of factors and have the conversation as early as possible during preconstruction. Public bodies should consider at a minimum the following when making this determination:

- What work does the GCCM typically perform (performance varies by firm and industry)?
- What work did the GCCM firm indicate they want to pursue in their proposal?
- What opportunities are there to break the work into smaller packages to increase competition?
- How does the contracting community typically bid on this package of work (do they typically want to qualify their bids)?
- Will this generate sufficient competition for the work?
- How will this impact S/DBE participation?
- Will other firms pursue this work?
- What subcontract work might be typically included in this package, and how will that impact sub utilization (public bodies should limit performance of subcontract work in package, but some packages are typically combined in industry)?
    - For example, rebar supply and cement finishing are typically included in a concrete structure package.

Staff and Equipment Requirements for GCCM Self-Performed Subcontract Work

It is important for public bodies and the GCCM to ensure that the staff required to manage subcontract work are different from the team managing overall GCCM contract. The overall GCCM contract typically requires full-time staff, and the cost is included within the Specified General Conditions. Allowing the GCCM to pursue subcontract work with staff already allocated to the overall GCCM contract can create an unfair advantage for the GCCM and reduce their ability to manage the overall contract and sub work.

Bidding and Awarding Self-Performed Work

Even though the GCCM may be pursuing subcontract work via bidding, the preparation of the solicitation documents is still performed by GCCM. Public bodies should review all solicitation documents for every subcontract package, especially subcontract work the GCCM is pursuing. Public bodies should be looking for unique terms and conditions that may prevent other firms from bidding on the work, reducing competition, and potentially increasing costs. It is important to remember the public body is accountable for ensuring fair and transparent procurement practices for all subcontract procurements, including subcontract work the GCCM is pursuing.

The solicitation for subcontractor works the GCCM is pursuing is always performed by the public body. This responsibility includes:

- Posting solicitation documents publicly.
- Placing solicitation advertisements, per RCW requirements.
- Receiving and responding to questions submitted during the solicitation period (the solicitation should reflect this).
- Issuing addendum during solicitation period.
- Collecting and publicly opening bids.
- Reviewing bids for responsiveness and responsibility requirements.
- If the GCCM is the low bidder, verifying that required equipment is included in the bid price and not included under other project costs, like negotiated self-performed work or other subcontract packages.
- Publicly identifying the lowest responsive and responsible bidder.
- Addressing any protests received (protests should go directly to the public body, not the GCCM, and the public body should respond).

Procurement Process

The solicitation process for subcontract work under GCCM is like the solicitation, selection, and award process under typical design-bid-build procurements.

Preparing Packages for Solicitation

During preconstruction, the public body and the GCCM have developed a subcontracting plan that outlines how the subcontract work will be procured. This plan should detail the number of subcontract packages, which packages the GCCM intends to pursue as self-performed work, the anticipated procurement schedule, prequalification requirements (if applicable), and the associated small or small, woman, minority, and veteran owned businesses business goals for each package.

Each subcontract package requires its own set of solicitation documents, including associated terms and conditions, project specifications, drawings, and other applicable documents. Some public bodies and GCCM firms have found that creating a set of boilerplate solicitation documents can streamline the subcontracting process. Boilerplate solicitation documents will include the standard terms and conditions that apply to each solicitation package, allowing the GCCM and public body to focus on special terms and conditions, specifications, drawings, and other documents that are specific to each solicitation package.

Subcontract Terms and Conditions

There is not a typical form of solicitation documents, and most GCCM firms start with their own form for the solicitation and contract documents. But that does not mean that the public body is removed from the process. Most public bodies have provisions in the main GCCM contract that must flow down into each subcontract contract, like labor requirements, small, woman, minority, and veteran owned businesses business provisions, or prompt payment provisions. RCW 39.10.410 also lays out minimal requirements for subcontract terms and conditions that both the public body and GCCM should be familiar with.

This highlights why it is important for public bodies to review each solicitation package, ensuring that the appropriate terms and conditions are included in each subcontract and that they are fair to the subcontract community, do not limit competition, and do not unnecessarily transfer project risk from the GCCM to the subcontractors. Some things a public body should look for when reviewing solicitation packages are:

- Flow-down provisions from public body or funding source.
- Insurance requirements.
- Transfer of risk provisions.
- Contract duration.
- Conflicting terms and conditions.
- Small, woman, minority, and veteran owned businesses business goals.
- Bid opening date and location.
- Liquidated damages (ensuring that they are fair and not punitive).

Prequalification vs. Supplemental Responsible Bidder Criteria

The GCCM and public body may decide that a subcontract package requires specific experience necessary to successfully complete the work. There are two ways the GCCM can go about establishing these qualification requirements: prequalification or supplemental bidder responsibility criteria.

Supplemental Responsible Bidder Criteria

Supplemental responsible bidder criteria are additional criteria that public bodies can establish for work packages that are procured based on price. Things typically used for supplemental responsible bidder criteria include years of experience in a certain field for staff, labor compliance, etc. There is nothing unique under the GCCM delivery method when using supplemental bidder responsibility criteria for subcontract packages. Public bodies and the GCCM should consult RCW 39.04.350 for responsibility requirements and supplemental responsibility options for each subcontract solicitation package.

Prequalification

Prequalification of subcontractors for GCCM subcontract work is not typically used under the GCCM delivery method, but in those rare cases that it is necessary, the public body and GCCM should be aware that it requires significantly more administration work and time for awarding work. Public bodies must ensure that additional prequalification requirements do not create an unfair competitive advantage for any firm pursuing this work, including the GCCM.

Any package that requires prequalification of subcontractors must go through a public review process that includes a public notification, a public hearing, an evaluation of the firms pursuing the work, and a protest process. RCW 39.10.400 outlines the specific requirements for each of those steps, and public bodies and the GCCM should familiarize themselves with those requirements to ensure that the process is fair and transparent and that it allows for sufficient competition and a fair and reasonable price for the project.

Advertisement

Advertising requirement the subcontracting packages for a GCCM project are like typical design-bid-build procurement advertisements, but there are some unique requirements that public bodies and the GCCM should be aware of.

Timing

Ideally, bidders should have a minimum of three weeks to review and compile bids. This should help ensure that firms have sufficient time to review the documents, ask questions, and compile an accurate bid. The GCCM and public bodies should allow for more time in the bidding process if the bid date is extended via addendum.

Prebid Meetings

Often a pre-bid meeting is held to convey project specific details and requirements. It is a good idea to hold a pre-bid meeting so that the public bodies and GCCM can highlight important information about the package of work while also allowing firms to ask questions directly to the public body. If the GCCM is pursuing the bid package, then public bodies should hold these pre-bid meetings in their facilities, not the GCCM's facilities.

Public bodies can decide to make the pre-bid meeting mandatory. Mandatory pre-bid meetings are typically rare, and it is best to use them only when needing to provide site access that prospective bidders cannot gain without public body approval. When using mandatory pre-bid meetings, the public body should require at least two meetings, with mandatory attendance at only one. This will allow more firms an opportunity to attend the pre-bid meeting and hopefully increase the competition in the package of work. Additionally, the solicitation documents should indicate that the pre-bid meeting is mandatory.

Solicitation Contact Information

The solicitation documents should identify a contact person and process to submit and answer formal bid questions. This is typically the GCCM, unless the GCCM is pursuing the package of work. In that case it should be the public body that manages all questions, responses, and issuance of addenda. All questions should be formally submitted to the appropriate individual overseeing the procurement. All responses to questions should be responded to formally and publicly to ensure that all prospective bidders have the same information.

Engineer's Estimate

The public body and GCCM should consider publishing the subcontract package estimate in the solicitation documents. It provides transparency for the bidders while also allowing the public body and GCCM the opportunity to negotiate with the lowest bidder should all the bids come in over the estimate. Additional requirements are listed in RCW 39.10.380(6) and are discussed in more detail below.

Availability and Access of Bid Documents

Ideally, the GCCM or public body will have a public website where solicitation documents can be accessed and downloaded by prospective bidders. If this option is not available to a public body or GCCM, then the solicitation documents should indicate who bidders should contact to receive the bid documents. This process is not ideal, as it is much slower than publicly available documents and can impact competition on the subcontract package.

Bid Evaluation Responsibilities

For all bid packages, the GCCM or public body must open them publicly, like design-bid-build solicitations. The party responsible for opening and reviewing bids depends on whether the GCCM is submitting a bid on that package. The following table highlights the party responsible for the different steps and responsible party during the bid evaluation process:

	GCCM Pursued Subcontract Packages	All Other Subcontract Packages
Receiving bids	Public Body	GCCM
Opening bids	Public Body	GCCM
Verifying bid & confirming math	Public Body	GCCM
Responsiveness review	Public Body	GCCM
Responsibility review	Public Body	GCCM
Supplemental responsible bidder criteria	Public Body	GCCM
Selecting lowest responsive & responsible firm	Public Body	Public Body
Notifying public of selection	Public Body	GCCM

Reviewing Bids

The GCCM or public body should review all bids. When the GCCM takes the lead on reviewing bids for subcontract packages they are not pursuing, the public body should always verify those reviews because at the end of the day, it is the public body that has to deal with any protests or public relations issues that may arise from incorrect reviews and selections. When reviewing bids, following are some items that are important for review:

Bid Amount

- Verifying that the math is accurate on the bid form (solicitation should indicate how bids are managed if math errors are found).
- Significant bid discrepancies between bid and estimate (helps identify potential errors in bidder's submission).
- Comparing bids against each other (especially if the low bid is significantly different from the other bids received).

The public body and GCCM can meet with the low bidder to discuss any errors or discrepancies to ensure that their bid is accurate and covers the entire scope of work. The public body should attend any meeting between the GCCM and the subcontractor.

S/DBE Evaluation:

- Did they meet the goal or, if not, did they make a good-faith effort to try to achieve the goal?
- Verify that the firms submitted are S/DBE firms and certified by the Office of Minority and Women's Business Enterprises, if required in solicitation or by statute.
- Verify that the math is correct.

If the bidder did not make the goal or sufficiently make a good-faith effort, the GCCM should follow public body guidance and process before accepting or rejecting that bid. It is also critical for public bodies to be heavily engaged in this process of the bid evaluation.

Responsiveness Review:

- Did they complete the required submittal documents per the solicitation?
- Did they sign the correct documents?
- Is the individual signing the bid authorized to sign for the firm?

Responsibility Review:

- Did the bidder meet all the requirements of RCW 39.04.350?
- Did the bidder's response to supplemental responsible bidder criteria meet the solicitation requirements?

Public bodies should be familiar with RCW 39.10.380(2) if they intend to reject the low bidder based on not meeting the responsibility requirements set out in the solicitation. If the public body determines that the bidder is not responsible, then written notification to the bidder must be provided to the bidder that they intend to reject their bid. That bidder then has an opportunity to establish that they are, in fact, a responsible bidder per the solicitation requirements.

Lack of Competition

Single Bid

At times, the public body may receive only one bid for a subcontract package. In those instances, the initial review of the bid is still performed. The GCCM and public body should also perform the following evaluation:

- A cost-price analysis to ensure that the bid is fair and reasonable.
- Reach out to other firms that typically perform this work to understand why they did not bid.
- If the only bidder is the GCCM, the public body needs to review the solicitation documents to ensure fairness (ensuring that the GCCM did not have a competitive advantage, and other firms had a fair opportunity to compete for and be awarded the package).
- Review main contract with the GCCM to ensure compliance with single-bid requirements and review. (Does the main contract have a minimum number of bids required to award?)
- Perform a more detailed analysis of the bid against the estimate. This may require a meeting with the bidder along with additional documentation to establish whether the bid is reasonable.

The public body must ensure that the bid is fair and reasonable and that there was sufficient opportunity for competition before awarding the package.

No Bids

If no bids are received, then the package must be rebid, but the following items should be evaluated before soliciting the package:

- Evaluate scope of work to ensure that the correct work is packaged together.
- Look for opportunities to break work into smaller packages to encourage participation from bidders.
- Reach out to firms that typically pursue this work to understand why they did not submit a bid.
- Review terms and conditions of contract to ensure that there are no provisions that are overly burdensome to subcontractors (insurance, liquidated damages, etc.).

Bidder Error

Bidders may claim error and retract their bid as outlined in the solicitation documents. That bidder may not pursue the same package of work if the package is resolicited.

Selection of Lowest Responsible, Responsive Bidder

For packages that are run by the GCCM, the public body must approve their determination. Public bodies should review all documentation of the process and decision to ensure that they comply with the contract, solicitation, and all RCW requirements.

All Bids Higher Than Estimate

As described in RCW 39.10.380(6) and (7), the GCCM and public body can negotiate with the identified lowest responsive, responsible bidder under certain conditions:

- The estimate must be published with the solicitation.
- All bids must exceed the published estimate.
- The apparent low bidder's bid does not exceed the published estimate by more than 10%.

If those conditions are met and the public body decides it is worthwhile pursuing negotiations with the lowest bidder, they should consider the following prior to negotiating with the bidder:

- Review the bids against the engineer's estimate or independent cost estimate (cost/price evaluation)
- Develop a negotiation plan prior to meeting with the apparent low bidder

It is important for the public body and GCCM to understand that the negotiations should focus on what changes to the scope of work are necessary to bring the costs back in line with the estimate. The negotiations are not an opportunity to try to extract more work from subcontractors at a reduced cost. Should negotiations fail, then the subcontract package must be rebid.

Encouraging Competition

An important goal for most public bodies is increasing the participation of small, woman, minority, and veteran owned businesses. Public bodies and the GCCM should look for ways to maximize S/DBE participation beyond adding S/DBE goals on a project. Terms and conditions should be closely examined to ensure that they are not putting an undue burden on smaller firms, preventing them from pursuing this subcontract work. For example, public bodies should tailor insurance and indemnification limits to the scope and risk associated with the work.

Public bodies and the GCCM should put together a robust plan for engaging potential small and small, woman, minority, and veteran owned businesses, including the following:

- With sufficient time prior to bid submittal, contact potential firms directly, not just blast emails.
- GCCM should begin outreach efforts early in the design development process and much earlier than when packages are issued.
- Work with public body to compile list of potential firms.
- Have open outreach events, early in the project, and allow questions from subcontractors.
- Consider geographic outreach to firms near the project.

Chapter 9 – Alternative Subcontractor Selection

Why Use the Alternative Subcontractor Selection Process?

There are various reasons for utilizing the alternative subcontractor selection process in RCW 39.10.385, including for preconstruction input, complex phasing, control of critical work, specialized work, scheduling, and work typically performed that involves design (e.g., fire suppression systems).

The table below highlights some of the pros and cons that public bodies, GCCM firms, and subcontractors have experienced in utilizing this delivery method and selection process.

	Pros	Cons
Public Body	Lower risk of claims; can result in better quality, schedule, and cost management; higher degree and expectation of cost certainty	Longer procurement times, less competition, and potential for higher costs.
GCCM Firm	Obtain input from subcontractors during design; lower risk of claims; can result in better quality, schedule, and cost management	Longer procurement time with procurement process versus low bid; bid scopes and schedule less certain during selection; must be able to negotiate and evaluate estimates and subcontracts
Subcontractor	Value-driven and qualifications-based selection versus plan/spec; more input in design, budget, coordination, and schedule	It can be riskier with pricing, as design is less developed at time of maximum allowable subcontract cost (MASC) negotiated; riskier for firms with less experience and resources in design and with negotiated work versus plan/spec

For traditional GCCM projects, all subcontract work must be competitively bid. RCW 39.10.380. GCCM firms can bid on subcontract work with limitations. A competitive bid process can be accomplished in one of three ways: (1) alternative subcontractor selection, (2) low bid, or (3) low bid with prequalification (bidder eligibility). Alternative subcontractor selection has unique selection procedures, such as a public hearing and comments on evaluation criteria. It is imperative that public bodies and GCCM firms be familiar with these requirements if they choose to proceed with the alternative subcontractor selection process.

Alternative subcontractor selection has many similarities with GCCM procurement and execution. However, under this method the subcontract work requires a higher level of integration and engagement with the public body, the design team, and the GCCM. It also requires a more sophisticated and experienced team to manage, like the requirements of the GCCM firm. At a high level here are some key differences of the alternative selection process and structure:

- The award is made through a public process based on the evaluation of written qualifications, fee, and price proposal scoring, added together.
- The GCCM and the subcontractor will negotiate the maximum allowable subcontract cost (MASC) when design is at least 90% complete. The MASC is subject to approval by the public body.
- For work the subcontractor performs with its own forces, the total cost is negotiated.
- A subcontractor may self-perform work without public bidding (RCW 39.10.385(12)).
- Subcontract work that is not self-performed must be competitively bid (RCW 39.10.380). For example, if a mechanical subcontractor chooses to subcontract a scope of its work to a lower tier, such as controls or insulation, that work must be competitively bid.
- An "independent audit" is performed to "confirm the proper accrual of costs" (RCW 39.10.385 (11)). Contract documents must specify how the audit will be conducted.
- Execution risk and mitigation are passed to a greater degree onto the subcontractor who is "at risk" to perform the work for its negotiated subcontract price. Proposing subcontractors need to be aware of this risk-shift versus performing under plan/spec delivery and lump sum contract. Knowledge gained through the preconstruction phase allows all parties to better understand and allocate risk.

Contract Cost Structure

The structure of the cost for the alternative selection process if like the overall GCCM structure. Below is a graphic depicting the structure. Some of cost categories for the alternative subcontractor selection have slightly different names, however they function in the same manner as the overall GCCM contract, but only for the scope of work negotiated with the subcontractor. Refer to Chapter 4, Total Contract Cost, for more information. Below is a graphic depicting how costs are allocated under the alternative subcontractor selection method.

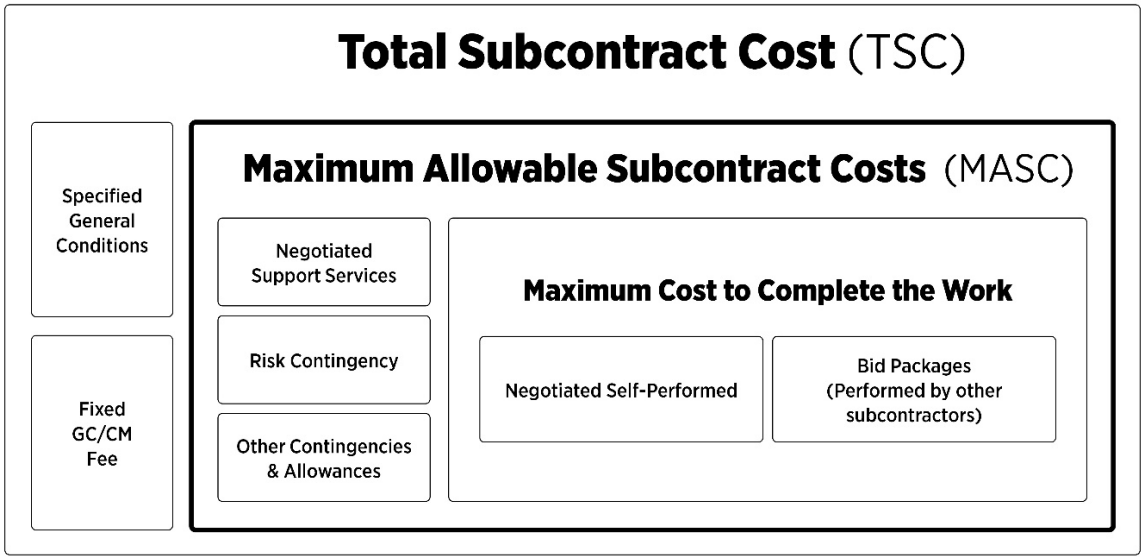

Figure 4 - Bubble chart showing how costs are distributed under the Total Subcontract Cost

Appropriateness

Project Review Committee Review

Prior to using the alternative subcontractor selection process, public bodies must gain approval from the Project Review Committee (PRC) to utilize the alternative selection process. The public body must either be certified by PRC to use the GCCM delivery method or the individual project must be approved by PRC to use the alternative subcontractor selection process. It is recommended that public bodies not certified as a public body by the PRC request the use of the alternative subcontractor selection process when they submit their initial request to utilize the GCCM delivery method for that specific project. Obtaining early approval does not require use of the alternative selection process but will save valuable time by not having to go back to PRC for an additional approval.

Scope of Work

Some considerations for determining whether the scope of work is appropriate for the alternative selection process are:

- Will the anticipated subcontract value exceed $3 million?
- How is the budget best managed?
- How critical is the scheduling of the work?
- Are there specialized skill requirements?
- Should the subcontractor be brought into the GCCM team during preconstruction services?
- How is the scope best managed?

Integration into Preconstruction Services

The subcontractor will need to effectively integrate with other members of the team; public body, GCCM, and design team. The additional voice in the process is intended to support identifying and evaluating options and supporting the public body's decision-making process. Some typical areas of input by the subcontractor are:

- Constructability input.
- Phasing or scheduling considerations.
- Cost analysis and value engineering options.
- Scope complexity and risk. If the scope of work involves uncertainty or effort that is difficult to quantify, alternative subcontracting may be preferred over lump sum.

The following are examples of where including the subcontractor during preconstruction services have provided benefit to other public bodies:

- Phased work on an occupied site. An electrical subcontractor would benefit from developing and managing temporary work to keep occupied portions of a building functional while others are being renovated.
- Unknown geotechnical conditions below a building that prevents exploration. A civil contractor will help develop an approach to soil management during execution rather than the design team relying on a series of assumptions to define a lump sum bid scope in the contract documents where the risk of unforeseen conditions is in the project public body's hands.
- A delegated design building envelope system is the desired approach, and the complexity and relation to adjacent building systems requires that early involvement in the design development round of preconstruction would benefit an expert contributing to the design workflow.

Alternative Subcontractor Selection Process

Timing

The procurement process for alternative subcontractor selection can take substantial time and resources for the public body, GCCM firm, and proposing firms in relation to other procurement methods. For this reason, evaluating the use and decision to use alternative subcontracting should be performed as a priority with the GCCM firm immediately after it joins the project team.

RCW 39.10.385 provides that the GCCM firm should select the subcontractor "early in the life of the public works project." One of the key benefits of engaging in this type of delivery process is to gain the input and expertise of the subcontractor during preconstruction. Ideally, this minimizes the risk of future constructability issues and related costs and delays. To maximize this preconstruction benefit, it is typically best to select the subcontractor early in the design process. This helps prevent backtracking in the design process.

In some cases, it may make sense to bring the alternative subcontractor on board after design development, such as for means and methods or sequencing purposes. Selection later in the preconstruction process, but prior to completion of design development, may still be viable to utilize alternative subcontracting. However, the subcontractor has less integration with the design process, and capturing the input and recommendations of the subcontractor reduces the overall value of this option.

Developing Evaluation Factors

Because alternative subcontractor selection method is intended to be qualifications-based, evaluation factors must be established. The evaluation factors used to select a firm under this method are a critical part of the process. The GCCM firm and public body must establish the appropriate level of criteria needed to evaluate whether the subcontractor can deliver a project of the size, scope, and complexity at hand under this delivery method. Most public bodies are looking to expand opportunities for small, woman, minority, and veteran owned business enterprises. Because this selection method is qualifications-based, it can potentially open the door to these firms. However, establishing onerous qualifications may prevent these firms from pursuing this type of work.

The evaluation factors for the alternative subcontractor selection process can be broken down into three categories:

1. Written qualifications criteria (required by statute).
2. Interviews (optional).
3. Final proposals submitted by short-listed firms (required by statute).

Bidder Eligibility:

If determination of subcontractor eligibility prior to seeking bids is in the best interest of the project and critical to completion of the project, the pre-bid determination of subcontractor eligibility may be used. Specific requirements, including a public hearing to allow public comment on bidder eligibility, are set forth in RCW 39.10.400. This process can help public bodies and GCCM firms assess interest in the scope among qualified firms. It also simplifies the bidding process for subcontractors who may be underqualified based on the evaluation criteria and decide not to submit a bid because it is not worthwhile or who may consider forming a joint venture to increase their chance of being selected. Perhaps because of the process, bidder eligibility is not commonly used.

Evaluation Criteria and Weighting

RCW 39.10.385(3) identifies qualification-based evaluation criteria that must be included in the alternative subcontractor selection process. The public body and GCCM firm may include additional criteria to evaluate in the RFP. The public body and GCCM firm should consider the type of work included in the package, the impact to small, woman, minority, and veteran owned business enterprises, and the impact to competition when considering additional evaluation criteria. The criteria and weighting should balance the need to obtain qualifications relevant to the size, scope, and complexity of the project to enable the public body and GCCM firm to select the best fit for the project team based on the criteria and weighting but do so without overburdening proposing firms.

A potential barrier for firms pursuing subcontract work under this selection process is lack of experience. While not a requirement in statute, the public body and the GCCM firm can define the necessary "experience" in the RFP. However, RCW 39.10.385 (3) does not require the subcontractor to have experience with alternative project delivery methods. Rather, it must demonstrate experience at work similar in size, scope, or complexity. This experience can be gained on design-bid-build or design-build projects.

Another important evaluation factor required by RCW 39.10.385 is the firm's proposed small, woman, minority, and veteran owned business enterprise inclusion plan. This is not a past-performance requirement but rather the subcontractor's plan for including small and small, woman, minority, and veteran owned businesses in this package of work should they be awarded a contract. Inclusion plans can take many shapes and forms and are subject to different laws depending on jurisdiction and funding sources. Before establishing inclusion plan requirements, the public body should consider a careful review of the laws they are subject to before initiating the procurement. public bodies can reach out to the Office of Minority and Women's Business Enterprises for help with developing inclusion plan requirements.

Notice of Intent

Notice of intent to use the alternative subcontractor selection process must be published in a legal newspaper at least fourteen calendar days prior to the public hearing. RCW 39.10.385(1)(a) details what the notices should provide, including how evaluation criteria can be obtained. To maximize competition and promote equity and diverse business inclusion, further publication should be considered beyond what is required by the Office of Minority and Women's Business Enterprises.

public bodies must also be aware of any unique publication requirements in addition to what RCW 39.10.385 requires. For example, K-12 school districts may have special notice requirements resulting from their interactions with district school boards.

The procurement process under RCW 39.10.385 is like selecting the GCCM firm. One key difference is that notice of intent to use the alternative subcontractor selection process must be published in the same publication as the solicitation for proposals. Be sure to review RCW 39.10.385(2) to ensure that the required items are included in the solicitation. Many of the required items are established and finalized through the public notification, comment, and hearing process discussed below.

Public Hearing

Public hearings are required under the alternative subcontractor selection process. This is the public body's and GCCM firm's opportunity to communicate to potential proposing subcontractors why this selection method is being used, what type of work is being sought, and what qualifications the public body and GCCM firm are looking for from potential subcontractors. Because this selection method is qualifications-based, these hearings should be held as early as possible to promote awareness and sufficient competition. It also allows the subcontracting community an opportunity to interact directly with the public body and the GCCM firm prior to submitting a proposal so that it better understands what qualifications are being sought and how the selection process will proceed. Weights and criteria, usually in the form of a draft request for proposal, must be made available at least seven calendar days prior to the public hearing. However, public bodies and GCCM firms are strongly encouraged to make these available sooner to bring about public awareness to the project and finalize stronger evaluation criteria and weighting.

The public hearing is conducted by the GCCM firm, but the public body should attend. This not only demonstrates the collaborative relationship between the public body and the GCCM, but it also allows the public body to gauge subcontractor interest, address challenges the subcontracting community might have with the evaluation criteria and ensure that the GCCM firm is complying with the requirements of RCW 39.10.385.

During the public hearing, the GCCM should explain why it is using the alternative delivery selection process, the scope of work, budget, schedule, and evaluation criteria, the selection process, and the protest process for this package of work. The GCCM must record and collect any written and verbal comments received. This is a critical part of the public hearing process, as RCW 39.10.385 (1)(c) and (1)(d) requires the GCCM and the public body to issue a written final determination addressing comments received.

Written Final Determination

After the public hearing, a written final determination must be issued establishing that the alternative subcontractor selection delivery method is in the best interest of the public and that it addresses the comments received regarding evaluation criteria and weights. Any modifications to the evaluation criteria, weights assigned to the criteria, and protest procedures based on comments received must be included in the written final determination. In addition to the requirements of statute, it is also best practice that the final determination provides a response to each comment or question received (to best ensure that the GCCM firm and public body have reviewed and considered the comments received), adds transparency in the decision process, and shows that public input is valued.

Any party may protest the final determination, in writing, within seven calendar days of the final determination. The public body must respond to the protest, and the selection process may not proceed until it has done so. If the GCCM firm and public body decide to make any changes to the written final determination because of a protest, they should notify all interested parties of those changes.

After completing the public hearing and written determination process, as a best practice, the evaluation criteria and weights should not be modified in a material manner.

Interviews

Interviews are commonly conducted by GCCM firms and public bodies but are not required. This is an opportunity to have a face-to-face meeting with the proposers and see how they respond in a live environment. Interviews are not required, and a public body and GCCM have many different options when using them. Some public bodies have an initial short list of the highest-ranked firms from written response and then conduct interviews and short-list again to the final proposal phase. Some public bodies will combine the written response with the interviews and then short-list the highest-ranked firms for the final proposal phase. Whatever approach is used, the RFP documents must clearly state what process will be used and the interview scoring and evaluations must be included with the written selection summary pursuant to RCW. 39.10.385(3)(j).

While it is not necessary to list the interview questions, it is helpful to all parties to identify the key topics that will be asked in the interview, the structure of the interview, the number of participants, and how proposers are scored from the interview. Providing as much of this information as possible promotes transparency in the interview process and allows short-listed firms to be fully prepared.

Some examples of interview questions are:

- Ability of proposed personnel and qualifications necessary for satisfactory performance of required services.
- Demonstrated expertise and experience in the required services, with emphasis on experience with projects similar in size, scope, or complexity to the project at hand.
- Understanding of the concept of this proposal and the proposed alternative subcontractor's role.
- Ability to work within an integrated team.
- Ability to actively participate in the development of the design within budget and time.
- Approach to setting and working within the maximum allowable subcontract cost (MASC).
- Ability to submit a fully compliant priced proposal at the next stage.

Evaluation Committee

The GCCM must establish a committee to evaluate proposals and must include at least one representative of the public body. Public bodies should work with the GCCM to develop a diverse group of individuals with appropriate experience in the scope being procured.

Selection

The selection process that the GCCM firm and public body will follow can take multiple forms, but the RFP must describe what that process is and how the scoring will determine the highest-ranked firm. The process and scoring do not have to be the same. The process to select the highest-ranked firm is considered a two-step process.

The GCCM and public body must understand how the scoring will impact the selection of the highest-ranked firm. Identification of the highest ranked firm is best determined by combining the score of the written submittal, interview, fee, and cost proposal together.

Nonprice factors (scores of written qualifications and interviews, if used) must be added to the scoring of the price factors and the scoring of the fee to determine the highest-scoring firm. The GCCM is required to notify all proposers of the selection decision and provide selection summary of the final proposals available to all proposers within two days of such notification. Detailed protest procedures are set forth in RCW 39.10.385(7). The scoring of the nonprice factors must be made available at the public opening of the fee and cost proposals.

Debriefing

Though not required by statute, unsuccessful proposers often request an opportunity to review the solicitation and their proposal documents with GCCM firms and the public body. It is good practice to allow time for this feedback so that they better understand how the selection was made and can review areas where they excelled or need improvement. Since alternative subcontractor selection is still relatively new, in general, and specifically now that it is open to all trades, this may help encourage competition.

Contract Payment Options

When the alternative subcontractor selection method is used, contracts are typically awarded on a cost-reimbursable basis, though it could convert to a lump sum or element of the contract could be converted to lump sum with the public body's approval. The parties need to understand the risk of each contract type, including auditing, cost, risk, etc. Refer to the contract audit provisions to ensure consistency.

Audit

Alternative subcontracting requires that an audit be performed at the end of the project to confirm the proper accrual of costs. Best practice is to establish audit intervals throughout the project, which can highlight issues early and allow the project team to resolve early rather than at the end of the project. Based on this, it is proactive to drill down on costs and progress through the pay application and approval process on a monthly basis. Review reporting to ensure that costs shown are represented in the correct category within the MASC. Refer to the pricing matrix the subcontract was based on.

Chapter 10 – Heavy Civil GCCM

Heavy civil, as defined by RCW 39.10.210(10), is a civil engineering project where the predominant features of the project are infrastructure improvements. It is the responsibility of the public body to determine whether a project meets the requirements in the statute, but following are some examples of projects that might be considered heavy civil:

- Roads, bridges, tunnels.
- Public transit (rail, ferry terminals, maintenance facilities, busways, and bus rapid transit facilities).
- Wastewater or water treatment facilities (including combined storage outfall).
- Airport runways and landside facilities.
- Remediation and restoration projects (e.g., levies, Superfund cleanup).
- Marine projects (terminals, piers, wharves, shore protection, environmental restoration).

The RCW establishes some unique requirements for heavy civil GCCM projects that differ from standard GCCM. The following are the key differences between heavy civil GCCM and regular GCCM projects and will be explained in more detail below.

- The self-performed work (up to 50% of subcontract work) can be negotiated with the GCCM firm instead of procuring via low bid.
- GCCM cannot bid on at least 30% of the non-negotiated subcontract work.
- An independent audit must be conducted to confirm the proper accrual of costs outlined in the contract.
- A Construction Management and Contractor Plan (CMCP) from the GCCM is required.

Considering the Use of Heavy Civil GCCM

If the public body determines that the scope of the project falls under the heavy civil statute, public bodies should consider the following before making the final decision to utilize the heavy civil GCCM method:

- Does the project benefit from having the GCCM perform up to 50% of the work?
- Are there time-critical activities that the project would benefit from having the GCCM be in control of?
- Is the public body capable of negotiating the identified self-performed work with the GCCM firm?
- Does the project have sensitive environments or conditions, such as waterways, fish passage, or occupied areas, which could benefit from early commitments of means and methods for permitting or other required approvals?
- Does the project have high-risk or sensitive activities that would benefit from GCCM management?
- What are the funding sources requirements (e.g., federal funds)?

Project funding is another consideration for public bodies, as external funding sources may have unique provisions that need to be coordinated with the heavy civil GCCM statute requirements. This is especially true for federal funding sources, as they will typically have additional and sometimes more stringent requirements. For example:

- Negotiated costs may require additional analysis and documentation to demonstrate that the cost is “fair and reasonable.”
- When does the public body anticipate obtaining the funds? At the beginning of a project or after the project has already been procured.
- What if there are funds available that the public body did not consider when procuring the project?
- Are there Buy America or BABA (Build America/Buy America) requirements?

Negotiated Self-Performed Work

Under the heavy civil GCCM statute, the selected GCCM firm can self-perform a portion of the subcontract work, and those costs can be directly negotiated between the public body and the GCCM firm. This is a major difference between the two GCCM delivery types, as all subcontract work under the standard GCCM is to be procured via a public sealed bidding process.

There are limitations on how much self-performed work can be negotiated. The public body may approve and negotiate with the GCCM up to 50% of the cost of the subcontract work. It is important for public bodies to remember that they do not have to negotiate the full 50% of the subcontract work, especially if they cannot come to a determination that the cost of the negotiated portion of work is fair and reasonable.

Public bodies may also state which scope(s) of work they desire to have included in the negotiated self-performed work. This clarity will help firms understand which portions of the work are deemed critical by the public body. As the design progresses, the public body will approve the GCCM's subcontracting plan, which will identify what self-performed work will be negotiated between the public body and GCCM.

The GCCM may also bid on other subcontract work via the competitive bidding process if the combined total of negotiated and bid work does not exceed 70% of the cost of the work. This means that the GCCM cannot submit bids on at least 30% of the subcontract work, regardless of the final amount of negotiated between the public body and the GCCM.

Subcontracted Work under Negotiated Self-Performed Work Packages

The RCW does not clearly define what, if any, work under the negotiated self-performed portion can be subcontracted out. It is left up to the public body to make that determination. However, public bodies do have input and control into how much work may or may not be subcontracted under self-performed work packages. Please refer to Chapter 8, Subcontracting, for more information regarding subcontracting under self-performed work packages.

Public bodies can also stipulate how much, if any, work can be subcontracted under the negotiated self-performed work packages. Public bodies should remember that a key factor in utilizing the heavy civil delivery method is to have the GCCM control critical portions of the project work with their own workforce. If the GCCM plans to subcontract a significant portion of the negotiated self-performed work, public bodies should seriously consider utilizing the standard GCCM delivery method and bid out all the project work.

Procuring a Heavy Civil GCCM Project

The RFP should communicate the public body's expectations from its GCCM partner, especially regarding the negotiated self-performed work. The solicitation documents must indicate the minimum percentage of self-performed work to be negotiated. It can be helpful to provide additional rationale to help prospective proposers tailor their proposals to better fit the public body's expectations and/or requirements. Public bodies can (and it is recommended that they do) include requirements in the procurement that proposing firms indicate which scope(s) of work they intend to self-perform, including their experience and capabilities to self-perform any portion of work.

The use of pre-proposal conferences is another avenue where public bodies can provide more information on self-performed work that can help potential GCCM partners submit proposals that align with the public body's expectations. It also allows firms to determine whether the project is a good fit for their experience and capabilities.

Self-Performed Fee

Public bodies must require proposers to submit a self-performed fee as part of the RFP submittal. This is the proposed fee that the GCCM firm will charge for all agreed-upon negotiated self-performed work. This fee applies only to that portion of work and differs from the GCCM fee, which is included for the entire project.

It is important for public bodies to understand that the GCCM fee is added on top of the total negotiated self-performed work amount (work plus negotiated self-performed fee). This is no different from the sealed bid subcontract packages, which include the fee in the lump sum. The only difference is the public body sees the associated fee for the negotiated portion of work, and they do not for the competitively bid subcontract work.

Scoring the RFP Cost Components

The addition of another fee in the proposal process may or may not impact the weight given to the scoring. It is another data point that can be used. Please see Chapter 4, Procurement, for more information on weighing evaluation criteria.

Negotiating the Self-Performed Work

The public body and the GCCM can negotiate the self-performed work once the project is ready for the overall MACC to be negotiated, but there are important steps that the public body and GCCM need to undertake before commencing negotiations.

Negotiating large portions of work can be challenging, and public bodies should ensure that their staff are trained and experienced in these types of negotiations, or at a minimum, the public body's representative should have experience with these types of negotiations. Here are some things to consider when reviewing and negotiating this portion of work:

- Are the productivity units reasonable?
- Is there duplication of SGCs between the overall work and the self-performed work?
- Is there duplication of any NSS items between the overall work and the self-performed work?
- If escalation is tracked separately, is it reasonable?
- Are the labor rates accurate?

Construction Management and Contracting Plan

Under heavy civil, the GCCM is required to complete a Construction Management and Contracting Plan and submit it prior to negotiating the self-performed portion of Work. This is like the subcontracting plan developed under regular GCCM projects; however, there is an additional emphasis on the negotiated self-performed portions of work along with additional requirements from the RCW, like:

- Scope of work and cost estimates for each package.
- Proposed price and scope of work for the negotiated self-performed portion.
- Basis used to develop all cost estimates, including negotiated self-performed portion.
- Updated inclusion plan.

While not required to be developed at any specific point during design except prior to negotiations, it is best practice to have an initial draft of the CMCP developed early in the project (typically by 30% design) to provide time for public body feedback to be incorporated and additional research conducted prior to starting negotiations or other procurements. Here are some additional best practices to consider:

- The plan should include any work that might be considered for early bid packages.
- Outreach for increasing inclusion efforts should be started early in the project, and the information gained should be considered in identification of potential work packages and subcontracting strategies.
- The plan should also include what work will be included in the NSS.
- Negotiated self-performed portions of work should identify sub tier subcontractors or vendors.

- The CMCP should be periodically updated as the design progresses or additional work scopes and packages are defined.
- Audit considerations should be included in informing the plan.
- Public bodies should review, request amendments as appropriate, and approve the final plan before bidding commences.

Cost-Reimbursable or Lump Sum?

The negotiated self-performed work can be established as a cost-reimbursable amount or a lump sum. During negotiations, the public body and the GCCM will determine which method is most appropriate for the work being negotiated. Both methods have their own separate risk profiles, and the public body and GCCM should be aware of those risks when deciding which method to agree on. Additionally, this decision will impact the scope of the required audit, which is required to be outlined in the contract. At the end of the day, the public body must make the determination that the cost of the negotiated self-performed work is fair and reasonable before agreeing to a price.

Independent Audit Requirements

Under heavy civil GCCM, the RCW requires an audit to ensure the proper accrual of costs for the project. Under the traditional GCCM model, all subcontract work must be competitively bid, even self-performed work. Thus, an audit of the proper accrual of costs is not necessary, as the costs have been substantiated through a competitive procurement process.

When Audits Should Occur

The RCW language can be interpreted that only one audit is required, and some public bodies perform the audit at the conclusion of construction activities. It should be noted that the RCW requires that the audit confirms the proper accrual of costs as outlined in the contract, which means that the audit must be completed at the conclusion of the project. However, public bodies should consider performing a continuous or phased audit throughout the project instead of an all-encompassing audit at completion. This will allow the public body and GCCM to correct issues before they become too large and can also reduce the time it takes to close out a project, as audits of a large project with multiple cost-reimbursable components can take a long time to complete. The public body should consider the follow for the audit:

- The audit scope should be defined in the RFQ/RFP, including timing and process. This will allow the GCCM to appropriately staff the project in support of the audit.
- Should preconstruction services be audited?
- When should the audit occur?
    - At the conclusion of the MACC negotiation?
    - Midpoint of project?
    - For lengthy projects, semiannually or after the conclusion of project phases (if applicable)?
    - Only at end of project?

The scope of the audit will be determined by how the costs for various portions of work are established. For negotiated self-performed work established or converted to a lump sum, the public body may limit the scope of the audit to the proposal/negotiation process and subsequent amendments instead of a line-by-line accounting of costs within that package. The public body does not have to audit items that were established or converted to lump sum.

Chapter 11 – Closeout

In addition to the standard closeout procedures used for traditional project types and outlined in the contract document, a GCCM closeout will contain a MACC reconciliation through a change order to capture the final contract price. Prior to executing the reconciliation change order, the public body should perform all identified audits in the contract to confirm costs.

Appendix 01 - Cost Allocation/Responsibility Matrix Sample

	Preconstruction Services	GC/CM Fee	Specified General Conditions	MACC	GC/CM Negotiated Support Services	By Owner	Comments
Pre-Construction Phase							
All Required Project Staff	X						
Development of Final Deliverable for MACC Negotiations	X						The Deliverable includes Schedule, Rates
MACC Negotiations		X					Final Negotiations following MACC Final Deliverable
Existing conditions survey/BIM/Laser Scanning	X				X		Best to be addressed at actual cost during preconstruction to ensure the scope is as needed to support the design. This is difficult to quantify without interaction with the design team and is unlikely to be apples to apples if requested in a price proposal. During Construction best paid in NSS for the same reasons.
Development of Logistics, Staging and Laydown Area Planning	X						
Participation in Partnering	X						
Development of Subcontract Plan and procurement of Alternative Subcontractor Selection for preconstruction services	X						
Preconstruction Office Space, Including Limited Furniture (Desks, Chairs, Conference Tables, Filing Cabinets)					X	X	Best practice to identify if space is provided or if the GCCM is to provide space for both their team and any others. This can be an at cost item like NSS.
Local Office Cleaning and Janitorial, Electricity, Water, Sewer, Garbage, and Recycling					X	X	Best practice to identify if space is provided or if the GCCM is to provide space for both their team and any others. This can be an at cost item like NSS.
Preconstruction Parking					X	X	Best practice to identify if space is provided or if the GCCM is to provide space for both their team and any others. This can be an at cost item like NSS.
Subcontract Advertising, Bidding, and Awarding			X				This is quantifiable but could change with the identification of the amount of Alternative Subcontractor Selection processes will be included. The cost is incurred in preconstruction and would best be addressed in the preconstruction services. For scope that occurs much later, subcontractor packages may be bid in the Construction phase and paid via SGCs.
Reproduction of Drawings and Specifications for Advertising and Bidding Effort			X				This is quantifiable but could change with the identification of the amount of Alternative Subcontractor Selection processes will be included. The cost is incurred in preconstruction and would best be addressed in the preconstruction services. For scope that occurs much later, subcontractor packages may be bid in the Construction phase and paid via SGCs.
Project Schedule and Phasing Development	X						
Development of Contractor's Access Plan	X						
Development of Construction Waste Management Plan	X						
Site Investigation	X				X	X	The scope and extent of site investigation unless spelled out very clearly is best to be reimbursed at cost once the scope is defined. Best to be addressed at actual cost during preconstruction to ensure the scope is as needed to support the design. This is difficult to quantify without interaction with the design team and is unlikely to be apples to apples. During Construction paid in NSS.
Conflict and Risk Analysis, Constructability Review, and Coordination of Drawings/Specifications	X						
Temporary Power Plan Development	X						
Identification of Delivery, Storage and Permitting Requirements	X						
Crane and Hoisting Plan Development	X						
Commissioning Plan Development	X						
Construction Cost Estimates	X						Setting an expectation for the quantity of full estimates in addition to any other Owner requirements or expectations will ensure a good price
Value Engineering and Construction Alternatives	X						
Small Business MWBE and DBE Planning and Priority Hire Plans	X						
Monthly Billing and Cost Accounting excluding home office accounting (Addressed with Hourly Rate)	X						
Home office accounting		X					
Monitors, Smart Boards, and Other Presentation Equipment	X						

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	Preconstruction Services	GC/CM Fee	Specified General Conditions	MACC	GC/CM Negotiated Support Services	By Owner	Comments
Printers, Copiers, Plotters, Including Associated Consumables and Binding Needs	X						
Standard Software (Included in Hourly Rate) (See Construction for BIM/Modeling Software)	X						This can be identified and included in a rate and is a function of staff on the project.
Other GC/CM Owned Equipment Utilized During Preconstruction (Included in Hourly Rate)	X						An expectation of what this should include should be set or this item should be removed.
Office Supplies (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Computer and Other Technical Support (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Data/Internet Access and Setup	X						
Phones (Mobile and Desk/Landlines), Including All Usage Charges (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Cameras, Video Recorders and Associated Supplies	X						
Personal Safety Equipment, Supplies and Training (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Licenses and Other Required Training (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Vehicles/Pickups/Transportation/Parking/Travel/Lodging/Per Diem (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Relocation Costs Required for Project Staff	X						
Mail and Delivery Services (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Meals, Snacks or Coffee Service (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Badging Requirements (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Insurance associated with Preconstruction Services (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Home Office overhead and Profit associated with Preconstruction Services (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
Business, Corporate, Promotional, Staff and any Other GC/CM Company Meetings not Related to the Contract Work (Included in Hourly Rate)	X						This can be identified and included in a rate and is a function of staff on the project.
PTO (Included in Hourly Rate)	X						Address how and if GCCM staff on PTO will be paid or not paid. Best practice is to clearly identify that individuals will not be paid during PTO. This can be accounted for in the rate, this practice ensures competitors are evaluated evenly.
Sales Tax						X	
Construction Phase							
Reproduction of Drawings and Specifications			X				On a complex project this can be dependent on phasing and thus is best paid at cost through NSS for complex projects.
Reproduction and Print costs other than Drawings and Specifications			X				
Subcontractor Work				X			
GC/CM - Coordination/Supervision of All Work During Construction Phase (Addressed with Hourly Rate)			X				
GC/CM - Management of Negotiated Support Services (Addressed with Hourly Rate)			X				
GC/CM - Vehicles, Computers, Software, Printers, Radio, Cell Phones, and Internet (Included in hourly rate)			X				
BIM Management, staffing, equipment license, program costs (Addressed with Hourly Rate)			X		X	X	
Home Office Overhead - Including Administrative, Accounting, Procurement, and Executive Staff		X					
Construction Field Office - GC/CM					X		Not quantifiable at time of proposal for complex jobs and best paid through NSS or converted to LS following preconstruction.
Construction Field Office					X		Not quantifiable at time of proposal for complex jobs and best paid through NSS or converted to LS following preconstruction.
Construction Field Office - Subcontractors				X			This allows trades to identify needs and address them within their proposal. Common utilities or services should be outlined in the bid
Subcontract Advertising, Bidding, and Awarding	X		X				Work completed during preconstruction would be a part of the preconstruction. Any bidding following award of the construction would be done as a part of the general conditions using the hourly rate.
Escrow Bid Documents			X				

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Building Permit, off site road permits.						X	A best practice is to include a permit matrix of all permits that will be paid by the Owner. All other permits are then a part of the MACC.
All Other trade specific Permits and Off-Site Testing and Inspection				X			
Sales Tax						X	
Taxes - Other than Sales Tax		X					
Profit		X					
Change Order Management, Review, Estimating, and Negotiating (Addressed with Hourly Rate)			X				
Partnering during Construction					X		Cadence and facilitators to be identified during preconstruction and paid at cost.
CPARB Reporting (Addressed with Hourly Rate)			X				
Dispute Resolution Board - GC/CM's Costs (half of members costs and meeting attendance)			X				
Dispute Resolution Board - Owner's Costs (half of members costs)					X		
Contract Compliance and PLA Documentation Management (Addressed with Hourly Rate)			X				
Conflict Resolution and GC/CM Coordination of Subcontractors (Addressed with Hourly Rate)			X				
GC/CM - Badging Requirements (Included in Hourly Rate)			X				
Subcontractor - Badging Requirements				X			
Subcontractor Cost Breakdown and Labor Rates				X			
Monthly Application for Payment, Accounting, and Auditing - GC/CM (Addressed with Hourly Rate)			X				
Home office accounting		X					
Monthly Application for Payment, Accounting, and Auditing - Subcontractors				X			
Final Application for Payment - GC/CM (Addressed with Hourly Rate)			X				
Substitutions				X			
All Required Project Staff - GC/CM (Addressed with Hourly Rate)			X				
All Required Project Staff - Subcontractors				X			
Project Management and Coordination (Addressed with Hourly Rate)			X				
Project Meetings (Addressed with Hourly Rate)			X				
Network Analysis Schedules (Addressed with Hourly Rate)			X				
Preconstruction Submittals (Addressed with Hourly Rate)			X				
Submittals - GC/CM (Addressed with Hourly Rate)			X				
Submittals - Subcontractors				X			
Safety Management - Subcontractor Safety Manager/Training (Addressed with Hourly Rate)			X				This is an area that can be influenced by the craft count at any given time in addition to the final design and scope. The rate approach for staff solves this, if SGC's is completed as a lump sum, this may be best addressed as NSS.
Safety Management - Subcontractor Safety Manager/Training				X			
Fire Watch - Hot Work Permit					X		
Environmental Compliance - Management (Addressed with Hourly Rate)			X				
Environmental Compliance - Subcontractors				X			
Cutting and Patching				X			
QA/QC - Construction QA/QC Manager and Staff (Addressed with Hourly Rate)			X				
Special and Uniform Building Code Inspection and Testing - Coordination/Access (Addressed with Hourly Rate)			X				
Special and Uniform Building Code Inspection and Testing - Special Inspection Services						X	
Temporary Electricity - Distribution Boards/Panels for connect to Power/Utility Usage Costs					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Electricity - Generators					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Lighting					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Heating, Cooling, Ventilating					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Communications - Internet, Cell Phones, Radios - Subcontractors				X			

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	Preconstruction Services	GC/CM Fee	Specified General Conditions	MACC	GC/CM Negotiated Support Services	By Owner	Comments
Temporary Water - Contaminant/Distribution/Utility Usage Costs					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Sanitary Facilities					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Barriers and Enclosures					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Barriers and Enclosures - Periodic Relocation/Repainting/Repair					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Fencing					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Temporary Exterior Enclosures					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Protection of Installed Work					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Site Security					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Construction Progress Cleaning					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Construction Dumpsters, Waste, Recycling and Debris Removal					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Storage of Materials				X	X		This is something that should be discussed during preconstruction to determine if NSS storage is in the best interest of the project to support
Noise Controls				X	X		
Scaffolding				X	X		This is an item that on some projects a common scaffold will result in the least cost and a safer work environment. If a common scaffold supports
Construction Equipment				X	X		Some shared equipment, particularly forklifts and hoisting may benefit from common usage. This should be explored during preconstruction and
Waste Water Controls					X		
Temporary Openings					X		
Temporary Ceiling Removal					X		
Logistics, Staging and Laydown Area Implementation and Security Management (Addressed with Hourly Rate)			X				This is for the management component. The actual logistics are best identified and defined during the preconstruction phase on complex projects and thus in many instances would be best addressed as NSS.
Subcontractor Logistics Site Utility Hookups				X			The scope of work being requested here should be identified in preconstruction and spelled out in trade bid packages if they are not a
Contractor and Subcontractor Logistics Parking						X	
Busing of Employees					X		
Cranes, Hoisting, Forklifts, and Rigging				X			Some shared equipment, particularly forklifts and hoisting may benefit from common usage. This should be explored during preconstruction and
Temporary Elevator(s) Use					X		
Project Labor Agreement Administration (Addressed with Hourly Rate)			X				
Small Business Outreach and Priority Hire Plan Execution (Addressed with Hourly Rate)			X				
Temporary Erosion and Sediment Control - Plan and Management (Addressed with Hourly Rate)			X				
Temporary Erosion and Sediment Control - Execution					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Street Sweeping and Disposal					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Pollution Prevention Plan - Management (Addressed with Hourly Rate)			X				
Pollution Prevention Plan Execution					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Construction Waste Management (Addressed with Hourly Rate)			X				
Surveying/Layout - For GC/CM					X		Not quantifiable at time of proposal and best paid at an as needed basis as the project is completed.
Surveying/Layout - Subcontractor				X			This is layout beyond line and grade on each floor/area needed to execute the work.
Project Closeout and Punchlist Management (Addressed with Hourly Rate)			X				
Project Closeout and Punchlist Management - Subcontractor				X			
Contract Compliance and Certified Payroll Documentation and Management (Addressed with Hourly Rate)			X				
Contract Compliance and Certified Payroll Documentation and Management - Subcontractor				X			
Project Cleaning Management (Addressed with Hourly Rate)			X				

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	Preconstruction Services	GC/CM Fee	Specified General Conditions	MACC	GC/CM Negotiated Support Services	By Owner	Comments
Final Cleaning					X		
O&M Manuals				X			
As-Built Red Lined Drawings - GCCM (Addressed with Hourly Rate)			X				
As-Built Red Lined Drawings - Subcontractors				X			
Administration of Warranty - GCCM (Addressed in Hourly Rate)			X				
Warranty - Subcontractors				X			
Performance and Payment Bonds and Insurance - GC/CM		X	X				The Agreement needs to clearly identify what items have fee applied against them. Bonds and Insurance are calculated as an industry standard on the TCC and can also be identified as a separate line item on the cost proposal form. If the SGC is a lump sum, it is not considered a best practice to include the Bonds and Insurance in this lump sum value because it cannot then be adjusted up or down with the cost of the work and TCC.
P&P Bonds and Insurance - Subcontractors				X			
Builders Risk			X		X	X	If Owner provides, then provide a copy of the policy to proposers in the RFP. If coverage cannot be clearly defined, then GCCM may provide and
Builders Risk Policy Deductible						X	If a claim is not attributable to a trade this is best to be in the Owner responsibility. This will avoid GC's adding funds that may or may not be used.
Builders Risk Policy Deductible - Trade Claim				X			In the event a claim is attributable to a specific trade this is best covered within the MACC as a charge to the responsible trade.
Contract Document Management - Use During Construction (Addressed with Hourly Rate)			X				
LEED Administration (Addressed with Hourly Rate)			X				
LEED Fees & Access						X	
Training				X	X		Can be handled on a trade-by-trade basis and if so, would be under the MACC. If a client is looking for a production quality and consistent
Commissioning - Agent						X	
GC/CM's Commissioning Support Staff - Support Owner's Commissioning Agent and the Test Engineer with Development of Commissioning Plan and Manage the Commissioning Process. (Addressed with Hourly Rate)			X				

Appendix 02 – RFQ/RFP Scoring Examples

Scoring Example One:

The firm with the highest total score (total possible is 100 points) resulting from the Selection Committee's scoring of the qualifications, proposal, and interview, as well as the results of the price proposal, will be selected to provide preconstruction services and for MACC negotiations. In the event of a tie on the total score, the firm with the lowest conforming price proposal (bid) will be selected.

Evaluation Criteria	Maximum Points Available (100 pts)	Score
1. RFQ (15 points total)		
Experience and technical competence of key personnel	5	
The proposer's past performance with negotiated or similarly complex projects	5	
The proposer's capacity to perform the work	5	
2. RFP (40 points total)		
The scope of work the firm proposes to self-perform and its past performance of that scope of work	10	
The proposer's approach to executing the project, including ability to meet the project time and budget requirements	20	
The proposer's past performance in utilization of small, woman, minority, and veteran owned businesses business enterprises and the inclusion plan for small, woman, minority, and veteran owned businesses as subconsultants, subcontractors, and suppliers	10	
3. Interview (35 points total)		
The proposer's team interview score	35	
4. Final Price (10 points)		
See below for Price Proposal Formula and Scoring	10	
	Total Score	

Final Price Proposal Formula:

$$\frac{\text{Proposer's Final Price} - \text{Lowest Final Price}}{\text{Lowest Conforming Final Price}} = \textit{Score Distribution Percentage}$$

Final Price Proposal Price Scoring Distribution:

Score Distribution Percentage	Score
Lowest Final Price	10
5% or under	8
5% - 10%	6
10% – 15%	4
15% - 20%	2
Above 20%	0

Scoring Example Two:

Request for Qualifications (RFQ) Evaluation Criteria Scoring		Maximum Points	Proposer's Score
1	Qualifications of the Proposer	150	
2	Qualifications of Proposer's Key & Supplemental Personnel	150	
3	Proposer's Approach to Executing the Project	300	
4	Outreach Efforts and Commitment to Small Businesses and Disadvantaged Business Enterprises (DBEs)	60	
5	Commitment to and Compliance with Equal Employment Opportunity (EEO) Laws, and Labor Relations	40	
	Total for RFQ	700	
Request for Proposal (RFP) Scoring			
6	Interview (s)	150	
7	Final Price Proposal	150	
	Total Score (RFQ + RFP)	1,000	

Final Proposals will be evaluated as follows:

1. Low Conforming Final Proposal shall score the full 200 points.
2. Other Final Proposals will receive points based on the following formula:

   Low Conforming Final Price Offer Amount ÷ Contractor's Final Price Offer Amount x 150

Final selection of a GC/CM for performing Preconstruction Services and for MACC negotiations will be made consistent with the requirements set forth in the RFQ/PA.