



Allies & Ross  
Management and Development Corporation  
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**April 6, 2016**

**Allies & Ross Management and Development Company  
RFP#2016-11 – Construction Management Services**

**ADDENDUM NO. 5**

This addendum issued April 6, 2016 becomes in its entirety a part of the Request for Proposals RFP#2016-11 as if fully set forth herein:

**Item 1: Q:** What project dollar size ranges are to be included in this project (i.e. \$5,000 to \$10,000,000)?

**A:** Project dollar size will vary for each project

**Item 2: Q:** The logic of penalizing the CM 15% for change orders (page 4) which arise doesn't seem correct as:

- a) The A/E firm (page 4) is responsible as Professional in Charge of design and code compliance?
- b) Legitimate change orders for unforeseen items (even human error) normally arise in construction projects and no one should be penalized for such?

**A:** The CM is not being penalized but this RFP requires CM to have a skin in the game to ensure that the CM is responsive timely to its CM responsibilities, For example, if a CM receives a RFI, sits on it w/o action and ARMDC does not have a chance to properly respond or negotiate change order then CM is responsible and must participate in underwriting cost of change order.

**Item 3: Q:** If the CM provides construction services (various trades people) the pricing sheer is not large enough to list all individual trades, how should that be priced? Attach multiple copies of this sheet?

**A:** List hourly rates for each professional listed in Section VI (D) of this RFP.

**Item 4: Q:** The construction Phase CM services will probably require full time or almost full time onsite personnel for projects above \$150 K is that your understanding ?

**A:** Each Task Order Fee for project will be negotiated based on need and complexity of the project

**Item 5: Q:** All contractor claims against HACP, ARMDC, A/E and / or CM which CM shall be called upon to defend would be compensable correct under the original agreement, correct? (Obviously we couldn't be defending such claims against other principal parties listed above, in or out of court, for free.)

**A:** Refer to Section II 3. u.

**Item 6: Q:** (Page 5) The Guaranteed Maximum Price shall correspond to Guaranteed Maximum hours established in original budget submitted per project, correct?

**A:** The CM will bill ARMDC on actual number of hours spent/worked, the guaranteed max amount will be the aggregate CM fixed fee for each project. The CM will not perform construction work.

**Item 7: Q:** When are the start and termination dates of this Contract?

**A:** The contracts start upon award and ends upon completion of work under each Task Order

**Item 8: Q:** Is there an architect already on board? If so which firm?

**A:** Each project may have a separate architect. Contracted/tasked CM will be supplied with the name of architect.

**Item 9: Q:** Are the prime construction bidders limited to the housing authorities list or would the CM be requested to find and vet new bidders?

**A:** No, CM may assist ARMDC to find potential new bidders and vet lowest bidders

**Item 10: Q:** Will be CM be allowed to create their own Bid Analysis scoring matrix to select the prime contractors or will they be required to use the lowest bidder?

**A:** NO, the lowest responsive and responsible bidder will be awarded the contract subject to board approval under Federal regulations

**Item 11: Q:** Please describe to what extent, if any, Allies and Ross's participation in the project management and decision making of each development.

**A:** Allies and Ross will participate 100% in the management of each project and will make all final decisions. The CM's role is to manage onsite operations, analyze issues presented and make recommendations to ARMDC

**Item 12: Q:** For each project, will the Architect/Engineer report directly to the CM or to Allies & Ross?

**A:** No, A/E will report directly to Allies and Ross but coordinate with CM firm

**Item 13: Q:** On page 2, paragraph 3, it states that "The proposal is for a CM At Risk. The CM will be required to complete all tasks at a pre-negotiated Guaranteed Maximum Price." Please clarify if this is an Agency CM RFP with task orders to be completed at a negotiated Not-To-Exceed amount.

**A:** The RFP is for task Order based not to exceed fee for each project

**Item 14: Q:** On page 2, paragraph 4, states that "Any Task Order under this contract may include the design and/or construction of a project including CM services. Therefore the work may include but is not limited to pre-design services, demolition services, construction services, . . . " At the pre-proposal meeting, HACP staff indicated that this was inaccurate.

Please clarify if design and/or construction will be a part of the Construction Manager's scope of work?

**A: Paragraph 11 under section I (Introduction) is hereby deleted**

**Item 15: Q:** Paragraph 1 (b) on page 4 - There appears to be missing information at the end of this paragraph.

**A: The items described in section II (1) (c-d) are subsets of II (1) (b)**

**Item 16: Q:** Paragraph 1 (d) on page 4 again references "guaranteed maximum price". Did Allies & Ross mean "Not-To-Exceed" amount?

**A: Yes**

**Item 17: Q:** Paragraph 1 (e) on Page 4 states that the CM will ensure that all design and implementation of work complies with all laws rules and especially Building Codes. Please clarify. Ensurance of compliance typically resides with the designer and contractor.

**A: CM will oversee the process to ensure that contract compliance, and implementation are satisfied**

**Item 18: Q:** Please clarify paragraph 3 (a) on page 5, will the CM be required to complete construction work under this contract?

**A: CM will oversee all construction work under their respective task order. The CMs not responsible to perform construction work**

**Item 19: Q:** Please clarify paragraph 3 (c) on page 5. Agency CMs typically do not control the contractors' means and methods, techniques, and cannot accept responsibility over contractors' and subcontractors' errors and omissions.

**A: CM will oversee the compliance and implementation of construction contract by contractor**

**Item 20: Q:** Paragraph 3 (d) on page 5 - Will the CM be required to prepare the CPM schedule? Or, will the general contractor be required to prepare the CPM schedule for CM and ARMDC review and approval?

**A: General contractor will be required to prepare CPM schedule. CM will review and assist ARMDC in approval of such schedule**

**Item 21: Q:** Paragraph 3 (g) on page 6 - It appears that there is information missing at the end of this paragraph.

**A: The missing information is included, but not limited to, items listed in 3(h) on page 6**

**Item 22: Q:** Please clarify paragraph 3 (j) on page 6.

**A: Delete word "amount" in paragraph 3 (j) on page 6**

**Item 23: Q:** Can information be provided regarding location(s), timeframe(s), scope/size and/or cost range parameters for the projects which might occur in the first two years of the CM contract?

**A: Locations, timeframes, scope/size and/or cost range parameters are not determined and will be included in each Request for Task Order Proposal ("RFTOP")**

**Item 24: Q:** Can the phrase "CM at Risk" wherever used in the RFP, be clarified to limit the CM being 'at risk' for its own performance only? (As in 'CM as Owner

Agent/Advisor' roles & responsibilities promulgated by the Construction Management Association of America (CMAA) and/or the American Institute of Architects (AIA).)

**A: The CM is at risk for its own performance only as described in detail in 2 above**

**Item 25: Q:** Can the requirement assigning a 15% cost against the CM be deleted? \* Or, if not deleted, can the requirement be changed to limit the CM's share of risk to only a portion of cost increases determined by an independent third party to have been caused solely by CM failure to perform according to its Contract; and, for only that share which did not add scope or value to the project? (As in 'CM as Owner Agent/Advisor' roles & responsibilities promulgated by the Construction Management Association of America (CMAA) and/or the American Institute of Architects (AIA).)

**A: NO**

**Item 26: Q:** Can the requirement for the CM to guarantee that design documents are fully compliant with *all* building codes and laws be removed since that requirement would already belong solely to the A/E designers and would be addressed within those firms' contract services, fees, and E&O insurance coverages? (*CM services would still be required to provide thorough and detailed QA/QC pre-bid document reviews to limit future RFI/CO risk to the A/E-ARMDC during construction.*) (\* As in 'CM as Owner Agent/Advisor' roles & responsibilities promulgated by the Construction Management Association of America (CMAA) and/or the American Institute of Architects (AIA).)

**A: See answer to items 2 and 17**

**Item 27: Q:** Could the CM's role relative to the construction contractors' performance "guarantee(s)" be removed since the CM cannot "guarantee" the work and products/equipment provided by the contractor(s) and their subcontractors and suppliers. (\* As in 'CM as Owner Agent/Advisor' roles & responsibilities promulgated by the Construction Management Association of America (CMAA) and/or the American Institute of Architects (AIA).)

**A: Please refer to Answer 2 and 17**

**Item 28: Q:** **Scope of Services** - Page 4, paragraph 1)a, states in part that, "The services will be performed as a CM at Risk contract in that 15% of the CM's profit will be set aside to be applied against any change order on an assigned project until said amount is exhausted."

Please verify that, as in previous HACP contracts, the CM at Risk contract refers only to the CM's work requirements and not the actual construction. Also, please review the 15% set aside of CM's profit for any change order. There are typically three (3) types of change orders: a) unforeseen or changed field conditions; b) owner-added additional work; and c) design errors. A Construction Manager has no control over any of these items and should not be held responsible.

**A: Please refer to answer in item 2**

**Item 29: Scope of Services** - Page 4, paragraph 1)e, states that, "The CM shall ensure that all design and implementation of the work complies with Federal, State, Local laws, rules and regulations especially compliance with Building Code requirements."

The architect/designers are contractually responsible for this requirement as a requirement of their professional design services. While the CM can provide an additional cursory review, they should not be required to undertake the responsibility of the architect/designers.

**A: Please refer to answers in items 2 and 17 above**

**Item 30: Q: Scope of Services -** Page 4, paragraph 2)a, states that, “The CM shall perform due diligence review(s) of all design documents (Specifications and Drawings) to ensure Building Code Compliance and avoid or minimize any possible change order on any assigned project.”

Since the architect/designers are contractually responsible for ensuring Building Code Compliance, we request that the words “ensure Building Code requirements and” be deleted.

**A: Please refer to answer 17**

**Item 31: Q: Scope of Services -** Page 5, paragraph 3)c states that, “The CM will be responsible for delivering the Project to ARMDC at a line item Guaranteed Maximum Price (GMP) per Task Order RFP requirement. Therefore, the CM shall have control and charge of the construction contractor’s construction, means, methods and techniques; contractor’s compliance with safety requirements; and for acts or omissions of the contract(s) or subcontractors, agents or employees, or any other person performing any of the construction work. The CM shall immediately notify the Contractor(s) and ARMDC, whenever contractor’s work, means, methods, techniques do not comply with contract requirements. The CM shall be responsible for diligently pursuing contractor(s) to rectify those items (their) work, which do not comply with contract requirements.”

This is to be a Professional Services Construction Management contract; as such, the CM is not responsible for providing a GMP for the construction cost. Any CM GMP would only apply to the CM’s fee. Also, the CM should not and cannot “have control and charge of the construction contractor’s construction, means, methods and techniques; contractor’s compliance with safety requirements and for acts or omissions of the contract(s) on subcontractors, agents or employees or any other person performing any of the construction work.” The CM has no contractual relationship, or control, with the construction contractors and cannot assume any of the contractors’ liabilities. Also, acceptance of this clause would void the CM’s insurance policy. Therefore, we request that this paragraph be deleted from the requirements.

**A: Please refer to answers in items 2, 17 and 19**

**Item 31: Q: Scope of Services -** Page 7, paragraph 3)t, states in part that, “In addition to any other warranties in this contract, the CM warrants that the work performed under this contract conforms to the contract requirements (task order) and is free of any defect in equipment, material, or design furnished, or workmanship performed by any subcontractor or supplier at any tier.

The CM does not design the project, manufacture, purchase or install the equipment, material or workmanship associated therewith; as such, the contractor and equipment suppliers are the entities contractually responsible for warranting their work. The CM cannot warrant other entities’ work. Accordingly, we request that this portion of section 3) to be deleted.

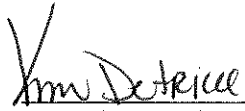
**A: Please refer to answers in items 2, 17 and 19**

**Item 32: Q: We respectfully requests that the following changes be made to the solicitation: All mentions of MBE/WBE businesses include Service-Disabled Veteran Owned Small Businesses (SDVOSB).**

**A:** HACP’s current policy is on MBE’s and WBE’s. HACP will consider updating its policy to include SDVOSB in the future.

**Item 33:** The Proposal due date, time and location is changed to **April 15, 2016 at 2:00 p.m.**, at HACP Procurement Dept., 100 Ross St. 2<sup>nd</sup> Floor, Suite 200, Pittsburgh, PA 15219.

***END OF ADDENDUM NO. 5***



Mr. Kim Detrick  
Procurement Director/Contracting Officer

APRIL 6, 2016  
Date