



CONSTRUCTION MANAGER-AT-RISK SERVICES (ONE-STEP PROCESS) HILTON GUESTROOM RENOVATION

REQUEST FOR PROPOSALS (“RFP”)

ISSUE DATE: December 28, 2018

DUE DATE: **2:00 p.m.** on **January 28, 2019** (the “Submission Deadline”)

INSTRUCTIONS: Proposers must submit five paper copies and one electronic copy (on a flash drive) of their responsive proposal (“Proposal”) in a sealed envelope in person, via mail or courier. Please write “CMAR RFP” clearly on the outside of the package or envelope. Submissions received by email or fax will be rejected.

SUBMIT TO: Houston First Corporation, Attn: Mitch Miskowski, 701 Avenida de las Americas, Suite 200, Houston, TX 77010.

CONTACT INFO: Any questions concerning this RFP must be sent by email to bids@houstonfirst.com no later than **10:00 a.m.** on **January 18, 2019**. Questions will be answered collectively in the form of one or more letters of clarification (each a “Letter of Clarification”) and made available online at www.houstonfirst.com/do-business.

PURPOSE & OVERVIEW

Houston First Holdings LLC (“HFH”), through its sole managing member, Houston First Corporation (“HFC”), pursuant to the provisions of Texas Government Code Chapter 2269, Subchapter F, hereby issues this request for proposals from highly-qualified construction management firms (each a “Proposer” and collectively, “Proposers”) capable of providing pre-construction and construction-phase services through the construction manager-at-risk delivery method relating to the planned renovation of approximately 1,200 guestrooms, ancillary public areas and back-of-house space at the Hilton Americas-Houston Hotel (the “Hotel”), located at 1600 Lamar St., Houston, Texas 77010 (the “Project”). As the Hotel will remain open throughout the Project, construction must be conducted in a professional and appropriate manner so as to ensure the comfort and satisfaction of overnight guests.

M. Arthur Gensler Jr. & Associates, Inc. d/b/a Gensler has been selected to perform and provide professional architectural and engineering services for this Project. Proposals were received on November 7, 2018 for a Project manager to provide construction management and consulting services and act as owner’s representative in furtherance of the Project. A selection is expected to be announced in January 2019.

This RFP is the sole step in a one-step process for selecting a construction manager-at-risk (“CMAR”). HFC expects the CMAR selected as a result of this RFP to work expeditiously and cooperatively with HFC, the architect, the Project manager, and any other consultants engaged by HFC to perform services related to the Project.

BACKGROUND

HFC is a local government corporation created by the City of Houston to facilitate economic growth through the promotion of the greater Houston area and the business of conventions, meetings, tourism, and the arts. HFC manages and operates more than 10 city-owned facilities, including the George R. Brown Convention Center, Jesse H. Jones Hall for the Performing Arts, Gus S. Wortham Theater Center, and Miller Outdoor Theatre. HFC is the sole managing member of HFH.

The Hilton Americas-Houston Hotel is located in the heart of downtown Houston and is connected to the George R. Brown Convention Center via two indoor skywalks. This premier Houston hotel is just steps away from Discovery Green Park, Toyota Center, BBVA Compass Stadium, and Minute Maid Park.

SCOPE OF WORK

The anticipated duration of the Project is 12 months, with pre-construction services to begin immediately upon signature of the agreement.

Pre-construction responsibilities of the CMAR shall include (i) consultation, based on the experience of the CMAR, regarding costs, schedule, site usage and improvements, alternative materials, and constructability; (ii) attending regular meetings with the Project manager, architect, Hotel management, and HFC representatives; (iii) developing a constructability review report with recommendations; and (iv) coordinating and developing bid packages for each category or trade.

At or near the completion of pre-construction services for the Project, the CMAR selected as a result of this RFP will be required to prepare and submit a Guaranteed Maximum Price ("GMP") to HFC for review and approval. The GMP will be inclusive of the Cost of the Work (as defined in the Construction Agreement), the Lump Sum General Conditions Amount (as defined in the Construction Agreement), and the CMAR Fee (as defined in the Construction Agreement).

Construction work, expected to commence in early April 2019, is to be phased by section, determined primarily by utility channels, with anywhere from 25-100 rooms out-of-order at any one time, based on events and room occupancy. Substantive construction work to be performed will involve guestroom and parlor FF&E; lighting; corridor and other common area flooring and façade upgrades; in-room beverage stations; bathroom entry doors; bathroom commodes; tub-to-shower conversions; and replacement of a limited quantity of remaining bathtubs.

The rough order of magnitude for the entire Hotel renovation Project, including design, project management, FF&E, and construction services, is approximately \$37 million dollars (the "Estimated Project Cost"), which has been established by HFC as a not-to-exceed amount.

During the construction phase of the Project, the CMAR shall publicly advertise, solicit, award and enter into, as general contractor, all subcontracts necessary and appropriate to provide all labor and materials for the completion of the Project in accordance with applicable law. All aspects of the CMAR's solicitation and award process shall be subject to prior review and approval by HFC. The selected Proposer may, under the terms of the Construction Agreement, self-perform work for which it is qualified.

The CMAR shall hold all subcontracts and shall be responsible for the means and methods of construction, project safety, compliance with applicable laws, and completion of the Project within the agreed-upon schedule. **The CMAR shall be responsible for completing the Project within the GMP.** The CMAR exceeds the GMP at its own risk. Any underruns will benefit HFC.

PRE-PROPOSAL CONFERENCE

A pre-proposal conference and site tour will be held for the benefit of all potential Proposers at **10:00 a.m.** on **January 10, 2018** in **Room 339** at the **Hilton Americas-Houston Hotel**, located at 1600 Lamar Street, Houston, Texas 77010. Although attendance at the conference is not mandatory, all prospective Proposers are urged to be present.

MINIMUM QUALIFICATIONS

Proposers must have significant experience in the provision of construction services using the construction manager-at-risk method, including comparable completed projects and demonstrable ability to work successfully with an owner and architect. To be considered, responsive, Proposers must timely submit a complete proposal, in the order and with the required content in the Proposal Format section of this RFP, including a completed Compensation Form.

FORM OF AGREEMENT

The form of the construction manager-at-risk contract (the "Construction Agreement") is pending as of the Issue Date of this RFP and will be made available online at www.houstonfirst.com/do-business. Any requests for clarification or modification to the terms of the Construction Agreement must be submitted by email to bids@houstonfirst.com no later than **10:00 a.m.** on **January 18, 2019**. Responses will be included in a Letter of Clarification.

PROPOSAL FORMAT

To be considered responsive, Proposers are asked to include the following information in their Proposal:

- a. **Transmittal Letter:** Write an introductory letter effectively summarizing why the Proposer should be selected as the CMAR for this Project. The letter must be signed by a person authorized to make representations on behalf of the Proposer and include a direct phone number and email address. Proposers are asked to make a specific, unambiguous statement accepting and agreeing, if selected, to comply with the terms of the Construction Agreement.
- b. **Project Team:** Identify the essential personnel who would be assigned to perform work on this Project, including Proposer's senior construction, executive, and cost-estimating personnel; include a brief summary of their qualifications.
- c. **Experience:** Discuss three projects completed primarily by Project team members using the construction manager-at-risk process that are similar in scope and type to this Project. Provide references for each relevant project and include current contact information.
- d. **Pricing:** Please complete and submit the Compensation Form attached hereto as Attachment "1" and attach the supporting documentation requested.
- f. **Diversity Efforts:** Proposers should identify any diversity subcontractors who are a part of their Project team and indicate how the Proposer intends to make good faith efforts to utilize certified diversity subcontractors to perform construction work. Identification of specific construction-trade subcontractors is **not** required at this time.

Proposals should be organized, clear, concise, and ideally limited to 25 pages or less. Proposers are asked to avoid excessive graphics, title pages, or other information other than requested in this Proposal Format section.

EVALUATION

HFC will review and rank every proposal received in response to this RFP based on the following weighted criteria: Transmittal Letter, including expressed acceptance of the Construction Agreement (20 points); Project Team (25 points); Experience, including references (25 points); Pricing (20 points); and Diversity Commitment (10 points).

HFC reserves the right to interview the top-ranked Proposers, not to exceed five, prior to making a selection. If interviews are scheduled, then up to 20 additional points may be added to the existing proposal scores of the top-ranked proposers, for a maximum possible total of 120 points, based on their responsiveness during the interview.

HFC intends to award the contract to the Proposer offering the best value to HFC, as measured by HFC utilizing the foregoing evaluation criteria. HFC reserves the right to select or reject all or part of any proposal, waive minor technicalities, and select a proposal in the manner and to the extent that it serves the best interests of HFC. This RFP does not commit HFC to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a proposal in response to this RFP. HFC reserves the right to request proposal clarifications/additional information from some or all Proposers.

DIVERSITY PARTICIPATION

The Proposer selected will be required to use good-faith efforts to award subcontracts to diversity participants certified by any of the identified certification agencies as defined in the HFC [Diversity Program](#). HFC has established the following goal for these services: **24%** of the total value of the Agreement. Proposers should note if they are certified as a diversity participant in their submittal; however, such certification shall not lessen or otherwise alter the requirement to use good faith efforts to award subcontracts to diversity participants. Diversity participation information provided by Proposers should be delivered with the Proposal in a **separately-sealed envelope** labelled "**Diversity**".

VENDOR CODE OF CONDUCT

Proposers who do business or seek to do business with HFC are expected to interact with HFC with high ethics and integrity. To promote ethical conduct by its existing and potential contractors, HFC has adopted a Code of Conduct for Vendors, available online at www.houstonfirst.com/do-business. HFC requires that all Proposers be familiar with and abide by the Code of Conduct for Vendors.

PREVAILING WAGE REQUIREMENT

As this Project is a public work project, the CMAR selected as a result of this RFP shall be required to comply with governing statutes providing for labor classification of wage scales for each craft or type of laborer, worker, or mechanic. Prevailing wage rates applicable to the work for this Project may be one or a combination of the applicable rates set forth in HFC's Prevailing Wage Scale for Building Construction available online at www.houstonfirst.com/do-business.

NO SALES TAX

As HFC is exempt from states sales and use tax, Proposers should assume that there will be no sales taxes due for the purchase of materials incorporated into the Project.

LETTERS OF CLARIFICATION

Responses to all material questions timely submitted by potential Proposers, as well as revisions incorporated into this RFP by HFC, if any, will be confirmed in a letter and made available online at <http://www.houstonfirst.com/do-business/> ("Letter of Clarification"). When issued, Letters of Clarification become part of this RFP and automatically supersede any previous specifications or provisions in conflict therewith. By submitting their proposal, Proposers shall be deemed to have received all Letters of Clarification and to have incorporated them into their submittal. Verbal responses will not otherwise alter the specifications, terms and conditions as stated herein. It is the responsibility of Proposers to monitor the foregoing link and ensure they receive any such Letters of Clarification and incorporate them in their proposal.

PUBLIC INFORMATION

HFC is subject to the Texas Public Information Act ("TPIA"). Information submitted by Proposers is subject to release under the provisions of the TPIA set forth in Chapter 552 of the Texas Government Code. Each page where confidential or proprietary information appears must be labeled as such clearly and unambiguously. Proposers will be advised of any request for public information that implicates their materials and may, in accordance with applicable law, elect to assert objections to disclosure with the Texas Attorney General at their cost and expense.

RESTRICTIONS ON COMMUNICATIONS

Throughout the selection process, commencing with the Issue Date, Proposers are directed not to communicate with any HFC or Hotel employee, officer or director regarding their Proposal, or any matter relating to this RFP, other than through bids@houstonfirst.com or during the Pre-proposal Conference. HFC reserves the right to reject any proposal due to violation of this provision.

POST-SUBMISSION PROCEDURES

Proposals will be opened and the names of Proposers and their pricing will be read aloud at 3:00 p.m. on the Submission Deadline at Partnership Tower, 701 Avenida de las Americas, Ste. 200, Houston, Texas 77010. Rankings determined hereunder will be available to the public upon request on or before the seventh day after the date a contract is awarded to a CMAR pursuant to this RFP. No later than

45 days after the Submission Deadline, HFC shall evaluate and rank each proposal submitted based on the selection criteria and ranking evaluation set forth in this RFP.

RFP PACKETS

A complete copy of this RFP, including attachments, necessary forms and other relevant information is available on-line at www.houstonfirst.com/do-business. The RFP provides the information necessary to prepare and submit a proposal for evaluation by HFC.

CONFLICTS OF INTEREST

Proposers are advised that they have an obligation to disclose any affiliation or business relationship that might cause a conflict of interest with HFC. Those who need the disclosure form may find it online at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. By submitting a proposal, Proposers represent that they are in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

WITHDRAWAL; ERROR

Proposals may be withdrawn due to errors or for any other reason by a written request received by bids@houstonfirst.com prior to the Submission Deadline.

ATTACHMENT "1"
COMPENSATION FORM

For purposes of the following, Proposers should assume and refer to the Estimated Project Cost and preliminary project schedule set forth in the Scope of Work section of the foregoing RFP. (Additional detail will be provided during the Pre-proposal Conference.)

A. Pre-Construction Phase Pricing

For the performance of services during the Preconstruction Phase (as defined in the Construction Agreement), Proposers are asked to propose hourly rates with a not-to-exceed amount:

1. Pre-Construction Services Fee (not-to-exceed amount): \$ _____

B. Construction Phase Pricing

For the performance of services during the Construction Phase (as defined in the Construction Agreement), Proposers are asked to propose all of the following, based on the Estimated Project Cost and preliminary project schedule:

1. Lump Sum General Conditions Amount: \$ _____

2. CMAR Fee (inclusive of all compensation for office overhead & profit) \$ _____*

***IMPORTANT NOTES TO PROPOSER REGARDING CMAR FEE QUOTE:**

- The CMAR Fee completed in the blank in this Section B2 should be based on the assumption that the total Adjusted GMP equals \$100,000.
- The term "Adjusted GMP," for purposes of this form, means the GMP less the Lump Sum General Conditions Amount and the CMAR Fee.
- Pursuant to the Construction Agreement, when the final GMP is submitted to and approved by HFC, the Adjusted GMP shall be determined and the CMAR Fee will be adjusted to a fixed fee based on the Adjusted GMP by applying the above quoted CMAR Fee to each \$100,000 of the amount of the Adjusted GMP.
- For example, if the CMAR Fee (completed in the blank field provided above) is \$1,000 and the Adjusted GMP is \$5,000,000, then the CMAR Fee will be adjusted to, and become, \$50,000.
- The CMAR Fee will not thereafter be subject to increase absent extenuating circumstances outside the control of the CMAR and agreed-to in advance by HFC, in accordance with the Construction Agreement.

As provided for in the Construction Agreement, the following items shall constitute part of the Cost of the Work with the calculations for each being made based on the following percentages (use the foregoing Estimated Project Cost for purposes of the items below):

3. Performance and Payment Bond Premiums _____%

4. Subcontractor Default Insurance and Bond Premiums (if any) _____%

5. Builder's Risk Premium _____%

6. Premiums for Excess Liability Insurance, Auto Liability and all other insurance costs not included within the Lump Sum General Conditions Amount _____%