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Procuring design-build mechanical HVAC, plumbing: Be specific in bid

Design-build mechanical contractors are far from a commodity in today's construction market. The ability to perform in the design-build world requires custom solutions, enhanced communication, technical experience and knowledge, the ability to invest a great amount of time into preconstruction, estimating, budgeting and proposal writing, meetings, and interviews necessary to provide confidence in the team and their system(s) proposal. Mechanical contractors invest a lot of capital to offer design-build contracting services and at a minimum deserve a more well-thought-out procurement process than what is currently being seen in many markets.

Many construction managers/general contractors try to qualify and procure design-build mechanical HVAC and plumbing scopes of work on projects but fundamentally fail early in the request for qualifications or request for proposals process by not providing specific enough guidance or performance requirements, and this failure results in each design-build bidder propos-



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ing differing systems at vastly differing prices. How does an owner have confidence the CM/GC will recommend the right design-build mechanical contractor if this confusing situation is the best result available from the RFP? The answer is: The owner cannot be confident it is getting the best value for its requirements, and the CM/GC the owner hired just put it in that position. The following is a list of suggested items that mechanical HVAC and plumbing design-build RFPs should contain to achieve an optimal result from the bidding contractors.

■ **The developer/owner's real estate investment strategy:** The fundamental understanding of the developer/owner's investment strategy will provide an idea of the importance of total lifecycle

cost versus initial investment cost. The example being, if an owner wants to build an office building and sell it two years later, it is probably not going to be interested in the highest value mechanical system from a 20-year lifecycle cost perspective. (The exception here would be a LEED building, see next point.)

■ **Minimum required LEED points for optimizing energy performance:** LEED Energy and Atmosphere Credit 1 offers between one and 19 points (LEED NC 3.0) based upon the total percent reduction in energy usage compared with a baseline ASHRAE HVAC system. Many mechanical systems can achieve LEED points in this (and other) categories, but the cost of the systems can vary greatly, as greatly as the variance of achieved LEED points in E&A Credit 1. The RFP should set a baseline of minimum required points from the E&A Credit 1 to provide good directive to the mechanical bidders. The RFP should not state only that the project needs to achieve LEED Gold or another certification level without providing more

specifics. LEED points can be had in many different areas; LEED Gold can be achieved with varying points in the E&A Credit 1 category.

■ **What is the budget for the mechanical HVAC and plumbing systems?** There is absolutely nothing wrong with identifying the budget for the mechanical HVAC and plumbing scope of work, if the RFP is a competitive bid situation. The purpose of the competitive bid is deriving market rate pricing for the scope of work; as a developer/owner, you will get this result even if the budget is known. From a contractor's standpoint, this will save the bidders time and allow them to focus on more details of the systems that will fit into the owner's budget, thus increasing the overall value of the proposal. It will be clearer to the owner/developer exactly what it is going to get for the price proposed by the bidders.

Design-build delivery provides many benefits to a developer or owner. If careful attention is not paid to the mechanical HVAC and plumbing procurement and RFP process, the owner may not achieve the greatest value for its investment.▲