

Section 7 – Pricing and Delivery Schedule (Sections 7.6 – 7.10 only)

7.6 Preliminary Proposal Delivery (Base and Option Year(s))

Proposer shall perform all function necessary to complete and present to the University, a preliminary proposal inclusive of work plan, preliminary performance schedule, narrative statement of work (joint scope projects and/or for project clarifications), and the line items for the total project cost. **All time periods shall be represented in calendar days.**

	Project Cost Levels	University Expectation	Proposer's Commitment
7.6.1	Under \$25,000	Three (3) days or less	_____
7.6.2	\$25,000 to \$100,000	Five (5) days or less	_____
7.6.3	Over \$100,000	Seven (7) days or less	_____

7.7 Coefficient Development for Base and Option Years

- 7.7.1 JOC solicitations and contracts shall contain provisions for for making annual adjustments, beyond the base period, to the option year(s) prices. This shall be done by updating each consecutive option year coefficient per the pricing schedule, Items 7.1 through 7.5, per this section of the RFP, as provided by the successful Proposer for that respective option period as stated on the Proposers' Offer. Annual economic adjustments will be performed by using the RS MEANS, Facilities Construction Cost Data's, City Cost Index (CCI) for the city of Austin, Texas. **(CCI for Austin, Texas will be the 01 – 16 Weighted Average, Total and "Average", NOT "Total", as stated within the estimating software.)**
- 7.7.2 The Proposer's coefficient factor must include, but not be limited to, the following: **(Line items within the Unit Price Book (UPB) which relate in full or part to these items are to be EXCLUDED from job order proposal(s), due to inclusion within a Proposer's coefficient.)** Cost not associated to the line items must be included in the Contractor's coefficient.
 - 7.7.2.1 **Overhead** – Corporate office expenditures, site office establishment, equipping, office supplies and staffing. Daily cost of doing business, as associated to the life of Contract, inclusive of any and all similar items associated to subcontractor(s)/vendor(s)/supplier(s). While line items may or may not have subcontractor(s)/vendor(s)/supplier(s) markups included in their cost the Contractor's coefficient will consider them as included.
 - 7.7.2.2 **Profit (prime and subcontractors)** – The applicable amount associated to this coefficient, as "mark-up" for all components related to the Contractor and the subcontractor(s)/vendor(s)/supplier(s), per each Job Order.
 - 7.7.2.3 **Insurance** – All associated insurance for doing business within the State of Texas, Builder's Risk, and indemnification, exclusive of cost associated to performance and payment bonds.
 - 7.7.2.4 **Costs of performance and payment bonds** - **excluded** from the Proposer's coefficient. Payment bond will be required for all projects above \$25,000, but below \$100,000. Payment and performance bonds will be require on all project above \$100,000.

- 7.7.2.5 **Compliance with environmental laws, protection and safety** – Corporate and site office staff training, development of procedures/protocol/processes associated to the protection of the office, Work, associated areas effected by the Work and final disposition of all items removed from the University, exclusive of Job Order specific site conditions which would require barriers for prevention of incidents (i.e., storm water prevention, oil and hazardous material prevention).
- 7.7.2.6 **Tax Laws** – The University will provide the Contractor a tax exemption certificate, for sales tax exemption for materials related to Work. Taxes associated to rental equipment will be considered as included within the coefficient. Any and all changes to tax laws, City, County, State, and Federal will be considered as included for the duration of the base period and each option year. No adjustments, beyond what is presented by the Contractor on the day of submission will be allowed at any time, especially not during the start of any option periods.
- 7.7.2.7 **Protection and/or moving of University property** – Security of the project site will become the sole responsibility of the Contractor from Notice-To-Proceed until Beneficial Occupancy. Any and all items left within a Work area, and the surrounding areas, will be within the Contractor's responsibility to maintain within their existing or better condition. The University, prior to the Pre-Construction Meeting for all Job Orders, will perform a photographic inventory. Contractor must provide adequate protection of work in place and on-site during construction until project completion. Moving is defined as incidental, within a building, on the same floor, to rooms, or hallways with prior Fire Marshall approval, near or adjacent to the Work area. Contractor is expected to provide protection (dust, damage, etc.) and return the furniture upon project completion. Furniture (chairs, desks, file cabinets, shelves, etc.) is defined as NOT attached, fastened or part of the structure (walls, floor, ceiling, columns, etc.). Systems or landscape furniture is not considered under this provision and will require specific attention per each Job Order.
- 7.7.2.8 **Administrative Work** – Cost associated with day-to-day operations at both Corporate and job site offices, in order to maintain all relevant project information and the administering of support services to all Contractor associated personnel.
- 7.7.2.9 **Architectural and Engineering Services (preparation of As-Built)** - With consideration to JOC Joint Scope projects, the Contractor is expected to have these services to meet the needs of projects that fall below the minimum requirements for architecture and engineering, as determined by State of Texas law. The minimum of all requirements are projects containing less than \$8,000 of engineering for a total project cost less than \$21,000. As for As-Built drawings, they will be expected to be present in electronic media for ALL projects, and be compatible with AutoCAD 2004 or AutoCAD Lt.
- 7.7.2.10 **Submittals and Samples** – As defined per each Job Order and its associated specifications, with no cost to the University. Magnitude of project will NOT be of consideration. This includes shop drawings, mock-ups, the entire variety of samples and ALL significant and appropriate manufacturer's information as associated to materials and equipment being placed within any and all projects related to the University, and defined by specifications. (Recommendation: Contractor maintains a library of approved standard submittals.)
- 7.7.2.11 **Proposal and Price Preparation (Quotations)** – All activities associated to the preparation of preliminary to final proposals, inclusive of Work scope development, prior to issuance of the Job Order will be considered as included within the Contractor's coefficient.

- 7.7.2.12 **Contractor adjustments to the University's Line Items (Unit Prices)** – The only adjustments allowed are as stated within Section 7.1 to 7.5. See Section 7.7 for line item clarifications.
- 7.7.2.13 **Clean Up (Daily and Final)** – Each and every Job Order construction site will be given a daily cleaning, no later than prior to close of work on every day work is performed. Each Work site will be maintained in a safe and clean manner as the workday progresses in order to maintain a safe work environment. Final clean up will be professional in appearance and only requiring the University to place institutional finishes to surfaces. The Contractor will be solely responsible for this action, no matter, whether or not this work item has been contracted or delegated to subcontractor(s) / vendor(s) / supplier(s).
- 7.7.2.14 **All waste, shrink/swell, and excess materials** – Defined as losses during installation of specific materials (i.e., flooring, lumber, site work, etc.). When working with any and all associated materials, NO additional percentages or allowances will be granted in development of proposals and price quotations.
- 7.7.2.15 **Permits, licenses, and fees** – Work performed on The University's Main and J.J. Pickle Campuses typically requires no permits, license, or fees. Work requiring such items, will depend on the Contractor for acquisition of these items at cost multiplied by the appropriate coefficient.
- 7.7.2.16 **Mobilization for any and all divisions, total contract and each Job Order** – Mobilization and de-mobilization as associated to Contract and Job Order start up and close out will be considered as included within the coefficient. Any and all line items within the Unit Price Book in name or reference to mobilization and de-mobilization will not be allowed to be included in any proposals.
- 7.7.2.17 **Shipping and delivery cost (normal and expedited)** – All cost associated to this category will be considered as included within the coefficient, unless the Work is affected by delay on behalf of the University or by the University's request.
- 7.7.2.18 **Close-out (process and documents), training, and warranty tags** - This will include all actions associated to commissioning of a project site, inclusive but not limited to: preparation of operation and maintenance manuals, training of appropriate Physical Plant personnel per specific installation, identification of infrastructure items installed by the Contractor and placement of warranty tags on equipment. Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.19 **Signs and barriers** – All project sites will be identified for the appropriate hazards, by using OSHA/International Symbol signage. Barriers include: railing, caution tape, ropes/cables, cones, minor barriers and any other additional markings for the project site. Staging areas outside of the buildings will require to be barricaded by chain link fence, to contain vehicles, dumpsters, materials and equipment, which will be considered as part of the Contractor's coefficient. Dust partitions requiring more than plastic and tape will be considered for line item development, but only with the consideration and approval of the University per each Job Order.
- 7.7.2.20 **Project management and supervision** – Contractor is expected to have a dedicated presence in managing and supervising all Job Orders. Persons supervising work will have no greater work load than ten (10) Job Orders per person or no greater than one million dollars in value. Management is define as on-site personnel, coordinating all efforts (i.e., meeting attendance, subcontractor

management, etc.) other than supervision of the project and may require more than one person. Specific Job Order(s) may require dedicated personnel, per request of the University, at no additional cost to the University. All scenarios associated to this category will be considered as included in the coefficient.

- 7.7.2.21 **Quality Control and Testing** – Contractor is expected to have a pro-active quality control program, which minimizes the University's need for extensive construction inspection workforce. Routine testing and its associated cost will be considered as part of any associated line item and included (i.e., balancing of heating, ventilation and air conditioning systems, soaping of joints, hydrostatic testing, compaction testing for backfill, etc.). The University will identify specific Job Order needs which may require a certified, third party engineering/testing report. Existing materials, as identified by specification or by the University, will be covered at the University expense, per prior approval.

- 7.7.2.22 **Parking (Jobsite and Compound)** – The University will provide parking near the designated compound for the on-site office for no greater than four (4) parking spaces. Multiple Contractors share Contractor Compound, and it is the responsibility of all contractors not to block vehicles of others within this area. No greater than six (6) service vehicle passes will be issued to a single Contractor, for this specific Contract. Project site parking will be limited at best and must be used efficiently or returned to the University. Typical project parking and staging area is two (2) vehicles and a dumpster. The Contractor is requested to find alternative methods for getting workforces to project sites. (i.e., busing from a distant parking area, golf carts, etc.) All parking tickets will be the responsibility of the Contractor, regardless of the situation. All Parking and Transportation Services rules will be followed to the letter of the law. Parking on campus is considered a privilege and availability scarce. Costs associated to this category are considered as included within the Contractor's coefficient.

- 7.7.2.23 **Safety Program and Personal Protective Equipment (PPE)** – Contractor is expected to have a pro-active safety program, which is maintained on a weekly level and enforced daily. The program will incorporate training and implementation of all the Contractor's staff, and effective implementation to all subcontractor(s)/vendor(s)/supplier(s). Hard hats will be considered mandatory for ALL personnel, while other PPE will be required per project specific activity. Costs associated to this category are considered as included within the Contractor's coefficient.

- 7.7.2.24 **Office management equipment** – Contractor is expected to maintain equipment needed in managing office production and coordinating field operations (i.e., computers, copier, radios/cellular phones, etc.). Contractor will not be allowed to use any University equipment without prior approval. This category includes associated office supplies and accessories. Costs associated to this category are considered as included within the Contractor's coefficient.

- 7.7.2.25 **Interest associated with funding of equipment and payroll** - Costs associated to this category are considered as included within the Contractor's coefficient.

- 7.7.2.26 **Depreciation of mobile offices** – While the University will provide a location for a mobile office; all cost associated to this office (i.e., utilities, telephone, etc.) will be the sole responsibility of the Contractor and are to be considered as part of the overhead cost. Any space the Contractor deems necessary for operations away from the University provided location and its cost whether leased, rented, or purchased will be the sole responsibility of the Contractor. Costs associated to this category are considered as included within the Contractor's coefficient.

- 7.7.2.27 **Employee payroll taxes, insurance and fringe benefits** - All payroll taxes and mandated by law payments associated to labor and the individual worker, but not limited to, Worker's Compensation and Unemployment Insurance, Social Security, Medicare, and employee benefits.
- 7.7.2.28 **Risk of lower than expected contract dollar volume** – The anticipated maximum dollar value of this contract is merely an estimate, based on historical information on previous projects. The Contractor is only given this information for estimating purposes. Only the guaranteed minimum dollar amount will be assured in volume of project(s). Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.29 **Risk of high inflation costs if coefficients are bid for future years (option years)** – This is associated to all components, which comprise a line item price within any given year of a Unit Price Book (i.e., labor, material, equipment and all related/associated accessories). Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.30 **Risk of poor subcontractor performance and re-performance** - This is inclusive of loss of, and differences in productivity, corrective actions associated too, and Contractor imposed overtimes, inclusive of weekend and holiday work. Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.31 **Other risks of doing business – Consideration, to be included but not limited to: project size, location and complexity, adverse conditions, all types of weather conditions, building material shortages, University imposed delays, restrictions or security measures, site accessibility, etc.** Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.32 **Business taxes, contributions, memberships, corporate headquarters support (legal, financial, etc.)** - Costs associated to this category are considered as included within the Contractor's coefficient.
- 7.7.2.33 The Proposer should consider the cost of final clean-up and removal and hauling of trash, debris and rubbish in their coefficient. The University will not pay nor accept line items for final clean-up or rubbish hauling, etc., on job orders, unless it is explicitly excluded by the line items in the Unit Price Book (UPB).

7.8 Line Item Clarification

- 7.8.1 The line items stated in the Unit Price Book (UPB) include labor, materials and equipment for a complete and in place installation associated to a specific construction project. The contractor shall assume all risk for labor, material and equipment rate increases after award of a contract.
- 7.8.2 While the Contractor may find differences with the UPB, in comparison to local market cost, it is the sole responsibility of the Contractor to verify ALL items within the UPB and make the appropriate adjustment per the Contractor's coefficient. At no time during the base year and/or option year(s) will increase adjustments be allowed to line items and/or the Contractor's Coefficient.

- 7.8.3 Working distances are standardized, and considered as included with the Contractor's Coefficient: Up to fifteen (15) feet above finished floor, material handling for one hundred fifty (150) feet in distance, inclusive of demolition debris, and within three (3) stories of a building.
- 7.8.4 Ladder, scaffolding, and other similar equipment will be consider at cost of the Contractor and included within consideration of the Contractor's Coefficient, any work below the height of fifteen (15) above any particular work surface.
- 7.8.5 Square level and plumb, are the sole responsibility of the Contractor, measuring, layout and/or staking out in conjunction with drawing specifications and joint scope will be considered include within the Contractor's coefficient.
- 7.8.6 Activities associated to Labor, within the line items: manual loading, unloading, and storing of materials to vehicle and job site, tools of the trade, moving and storage of tools, material and equipment handling up to three (3) stories of a building, and to fifteen (15) feet above finished floor height and up to one hundred fifty (150) feet of the project site, material delivery, layout, assembly, and measuring and items as associated to Section 7.6.2, which developed the Contractor's coefficient.
- 7.8.7 Items associated to Materials, within the line items: All materials will be sales tax exempt, inclusive of all related/associated accessories necessary for proper manufacturer or specification installation, submittals, sample and shop drawings, and delivery of material within one hundred fifty (150) feet of the project site.
- 7.8.8 Items associated to Equipment, within the line items: loading, unloading, storage, handling up to three (3) stories of a building, and to fifteen (15) feet above finished floor height and up to one hundred fifty (150) feet of the project site and installation into its final location.
- 7.8.9 Demolition lines items do exist for each section of the UPB, but they are limited. Since the installation line items are more prevalent, they may be turned into demolition line items by removing all associated material and equipment and using only half of the labor cost. Unless a line item description state differently, demolition is the complete removal of a selected item, clean up of the area, loading and handling of demolished material into a dumpster, truck or trailer within one hundred fifty (150) feet of the project site. Smaller item(s) requiring removal during demolition that are attached to larger item(s) (i.e., toilet accessories to a toilet partition, insulation on ductwork, etc.) will be included in the larger items removal line item.
- 7.8.10 University requested salvaged material, will not cost any more than a demolition line item. Contractor will be held responsible for a salvaged items disposition, until it is turn over to the University.

7.9 Options Year(s) Extension

The University reserves the right to exercise options to extend the term of this contract as follows:

- 7.9.1 From the original twelve (12) month (base year) period, followed by a potentially four (4) individual but consecutive twelve (12) months periods (Option 1 - 4).
- 7.9.2 This will result in a base year with four (4) option years for a total of five (5) years.

- 7.9.3 It should be noted that if the estimated maximum period or option period contract amount is reached before the completion of the base period, the University reserves the right to exceed the estimated maximum base period and/or option period amount. However, the University reserves the right to *NOT* exceed the total contract anticipated amount.
- 7.9.4 Contractor has the right not to accept renewal of the base year and any option(s) years, but must notify the University in writing, ***no less than ninety (90) calendars before the completion of its existing Contract performance period.***

7.10 Adjustment to Unit Price for Option Years

Each option period beyond the initial base period will be modified by the coefficient provided by the Proposer, per the Proposers' coefficient per the respective option year. With each option year the subsequent RS MEANS, Facilities Cost Data manual will be used as that option years Unit Price Book (UPB). (Example: If the base period uses RS MEANS, Facilities Cost Data for 2004, then the First Option Period will use 2005.) By using the RS MEANS as the UPB, the City Cost index for Austin, Texas, will be used as the economic adjustment for each period.