



## Florida Department of Transportation

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JOSE ABREU  
SECRETARY

August 15, 2003

Mr. Jim St. John  
Division Administrator  
Federal Highway Administration  
227 North Bronough Street, Room 2015  
Tallahassee, Florida 32301

Subject: SEP 14 Approval for the Miami Intermodal Center using CM@Risk

Dear Mr. St. John:

The Florida Department of Transportation requests the use of the Construction Management at Risk (CM@Risk) concept for the construction of the Miami Intermodal Center (MIC). Attached is a Special Experimental Project No. 14 (SEP 14) request detailing the process, application, measures, and method of reporting.

The MIC Project is ideal for the use of CM@Risk. It is primarily a vertical construction requiring a number of skills, trades and professions throughout the construction industry. There will be six Guaranteed Maximum Price proposals throughout the life of the project. In many cases, the planning, design and construction of various phases of work me be ongoing at the same time. CM@Risk will provide mechanism for accomplishing this complex project in the most efficient manner.

We believe you will find our program to be acceptable for federal participation and ask your concurrence to proceed with this concept. Your concurrence in this approach for an accepted method of contracting in Florida will allow the Department to maintain this viable tool for all projects, including federal aid.

Sincerely,

A handwritten signature in cursive script that reads "Freddie Simmons".

Freddie Simmons, P.E.  
State Highway Engineer

FS/kli  
Attachments

**INNOVATIVE CONTRACTING PRACTICES  
SPECIAL EXPERIMENTAL PROJECT NO.14  
CM @ RISK**

**Introduction**

The Florida Department of Transportation (FDOT) proposes the use of Construction Management at Risk (CM@Risk) type of contracting for the Miami Intermodal Center Project. CM@Risk is a qualification-based selection contracting method.

CM@Risk may be defined as an integrated team approach applying modern management techniques to the planning, design and construction of a project in order to control time and cost, and to assure quality for the project owner. The team consists of the owner, the architect/engineer and the construction manager (CM). CM@Risk includes pre-construction and construction services. The CM is selected about the same time, as the architect/engineer and is responsible to represent the interests of the owner in all phases of the project. The CM is selected using the standard Consultant Selection Process. Negotiations are based upon cost of staff assigned over the pre-construction time period plus profit and related expenses. The CM performs "constructability reviews" for the owner during the pre-construction phase. Pre-construction services include CM cost estimates and budget recommendations, which may play a major role in cost containment, and requires the CM to review the contract documents preparation for constructability. The owner still has complete approval of all changes or design decisions. The CM provides suggestions for alternatives for design, construction materials, and processes. His experience and skills provide a clearer picture to the owner of the cost of different alternatives/methods/materials. At about the 50% contract documents phase, the CM submits a Guaranteed Maximum Price (GMP) for acceptance to the owner. The CM warrants to the owner that the project will be built at a price not to exceed the GMP. The CM assumes the risk of meeting the GMP by holding all of the subcontracts.

Many governmental agencies have begun using CM@Risk as a standard contracting practice, such as Florida Department of Management Services, US General Services Administration and University of Florida. These agencies have reported that CM@Risk assists in achieving the goals of eliminating an adversarial environment, meeting budgets, reducing delivery time, and improving project quality.

**Purpose**

The traditional linear approach to managing transportation projects has used the design-bid-build process. This system works well on conventional transportation projects that do not require innovative approaches to the design and construction phases of the projects. The majority of projects that a state department of transportation faces fall into this traditional category.

There are however certain types of projects that require a unique approach to construction management; projects that are better managed in a non-linear approach. These projects fall into several categories:

- Building projects, where construction methods and specifications vary between professional groups (i.e. engineer/architect and construction trades).
- Innovative funding scenarios, where multiple owners may dictate final project criteria.
- Complex construction phases, where the actual contractors timely input is invaluable.
- Projects where limiting budgets threaten the delivery of the project and where CM alternatives can help to contain costs.
- Other projects where construction input are required during early phases of design.

### **Scope**

This request is to provide authorization for the Florida Department of Transportation to use CM@Risk on the Miami Intermodal Center. The FDOT will provide project reports for the MIC project using individual project milestones, which will be reported every time a GMP is completed.

Construction of the Miami Intermodal Center, which is located in Miami-Dade County and bounded by Le Jeune Road to the west; NW 37<sup>th</sup> Avenue to the east; NW 21<sup>st</sup> Street to the south; and NW 25<sup>th</sup> Street to the north, includes the following components:

- Four (4) story Rental Car Facility, consisting of approximately 6,500 vehicles, fleet storage capacity (vehicles not in use) of approximately 3,500 vehicles, quick-turnaround fueling and washing) facilities and customer service facilities for commercial rental car transactions.
- The MIC Core, consisting of facilities to accommodate the bus depot, Tri-Rail, patron parking, MIC-Miami International Airport (MIA) connector station, Amtrak, Metro Rail, and employee services.
- Roadway improvements, including drainage, lighting, signalization at-grade and elevated pavement for the MIC internal roadways, as well as the MIC Terminal Access Roadways (MTAR).

The CM@Risk method fosters teamwork between the Architect/Engineer, Construction Manager and FDOT, which is expected to result in a better final product for the FDOT.

### **Schedule**

The following is a construction schedule for the MIC project:

- GMP #1 (Sitework, Foundations, Pump Station, Water and Sewer)

- June 16, 2003 – January 07, 2004
- GMP #2 (Tri-Rail/FPL Access Road and MIC Terminal Access Roadways)
  - September 29, 2003 – October 18, 2005
- GMP #3 (Rental Car Facility Structure and Mechanical Electrical Plumbing)
  - February 12, 2004 – April 25, 2005
- GMP #4 (Rental Car Facility Quick Turn Around Area and Tri-Rail)
  - May 17, 2004 – September 21, 2005
- GMP #5 (Lobby and MIC/MIA Station)
  - October 24, 2004 – October 23, 2006
- GMP #6 (Miami Intermodal Center Core)
  - July 05, 2006 – April 04, 2008

## **Measure**

The performance of the CM@Risk contracting method will be measure by:

1. Number of Supplemental Agreements for Errors & Omissions Items.
2. Reduction in Cost Overruns.
3. Reduction in Time Overruns.
4. Reduction in Number of Request for Information (RFIs)
5. Ease of Contract Administration (Subjective)

Each item above is quantifiable except Ease of Contract Administration. FDOT proposes use of a performance evaluation of the Construction Manager to assess this area.

## **Reporting**

Initial and final reports will be prepared for the MIC project for every GMP and for the entire project. The initial report will be prepared at the time of each GMP award. This report will discuss industry reaction and response and any identifiable effects on the bids received. A copy of the GMP will be submitted when negotiated. The final report will be submitted upon completion of each GMP, and will discuss overall evaluation of each GMP citing the successes and the areas of concern.