

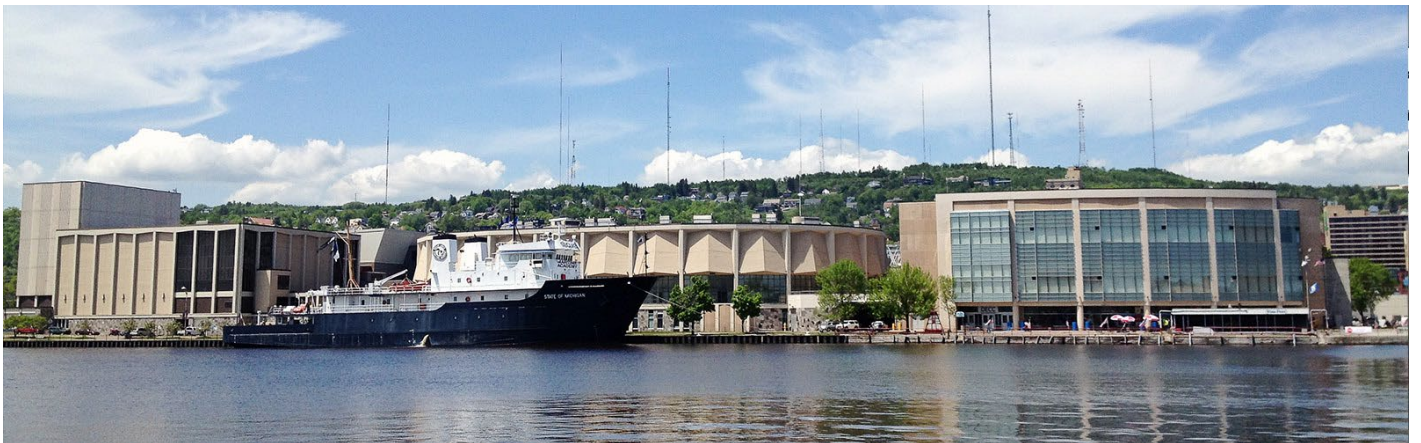


Duluth Entertainment  
Convention Center

**RFP 04-24**

**Request for Proposal for Owner's Representative & Construction  
Auditing Services**

**September 16, 2024**



**Proposal Due Deadline:**

**October 7, 2024, by 11:59 PM CT**

**Proposals to be submitted electronically to: [rmurphy@decc.org](mailto:rmurphy@decc.org)**

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### Exhibits:

- Exhibit A: Pre-design Report by LHB, dated 3/27/24
- Exhibit B: Owner's Rep/Construction Auditor Fee Form

## Section I: Introduction & Project Description

The Duluth Entertainment Convention Center (DECC) is a collection of nine venues hosting conventions, meetings, sports, arts, and entertainment right on the waters of Lake Superior in vibrant Canal Park. The DECC offers spectacular views of the Duluth Aerial Lift Bridge and excellent walkability.

Steps away from charming Canal Park and Downtown Duluth, guests enjoy shops, restaurants, and easy access to hotels. The Duluth Lake Walk and Bayfront Festival Park are just outside our doors.

Home to Duluth Superior Symphony Orchestra, the Minnesota Ballet, UMD Men's and Women's Bulldog Hockey, the Olympic gold-winning Duluth Curling Club, and the William A. Irvin floating museum / Duluth Haunted Ship, the DECC is the heart of regional entertainment.

Our commitment to sustainability means that all the events we host bring economic and environmental benefits to our city.

The DECC is in need of infrastructure repairs and improvements to extend the life of the facility. LHB was engaged to provide a Pre-design Report and on March 27, 2024, it was issued, and is attached as Exhibit A. Much of the project information contained in this RFP is further detailed in the Pre-design Report. The repairs and improvements are for asset preservation and will result in improved energy efficiency, reduce operational costs and extend the life of the facility. The scope includes:

- Replace original 1966 electrical transformer.
- Replace original 1976 chiller/air conditioning serving Pioneer Hall and City Side Convention Center, and DECC Arena.
- Add dehumidification for Amsoil Arena.
- Replace roof over 1966 arena, auditorium, and ticket lobby areas.
- Parking structure repairs.
- Replace original 1966 air handler serving Paulucci Hall, DECC Arena, and Symphony Hall.

In 2023, the State legislative awarded bonding for \$5,000,000 based on an estimated construction cost of \$4,420,559. Not all of the work listed above can be completed within this budget. Page fifteen (15) of the Pre-design Report identifies priorities for implementing the construction work, and page 23 details a cost estimate for each of the priorities. The final cost of construction will need to be approved by the DECC Board of Directors.

## Section II: Project Team

The DECC is in the process of retaining an Architect/Engineer. This RFP is to retain the Owner's Representative and Construction Auditor ("OR/CA"). Once the OR/CA has been retained, they will assist the DECC to engage a Construction Manager/General Contractor that will assist (during the design process) with cost estimates, value engineering, constructability, identifying existing conditions, and identifying and ordering long-lead items, as well as bidding and construction. The OR/CA is intended to provide oversight and recommendations on the DECC's behalf in developing and administering the scope, schedule, and work to be performed on subject Project in coordination with the project team as described further below. The OR/CA is not intended to be a "Construction Manager at Risk" as that term is defined in Minn. Stat. § 471.463. The OR/CA will assist in selecting a Construction Manager and will develop, monitor, and make recommendations on Project management and scheduling, but will not actively manage the Project as a Construction Manager or general contractor. The DECC anticipates the following team for this project:

- A team of five (5) individuals from the DECC will be on the team, including a facilities manager and engineer.
- Owner's Representative (TBD)
- Construction Auditor (TBD)
- Architect/Engineer (TBD; this will be one combined consultant)
- Construction Manager/General Contractor (TBD)
- Others as needed (TBD)

### Section III: RFP Administration & Design Schedule

The DECC is issuing this Request for Proposal, and all questions and responses are due to the DECC. Below is the RFP schedule:

9/16/2024	RFP to be posted on the DECC website: <a href="http://www.decc.org">www.decc.org</a>
9/19/2024, 11:00 AM CT	Site tour at Duluth Entertainment Convention Center (DECC): 350 Harbor Drive Duluth, MN 55802 begin at Entrance D.
9/23/2025, 11:59 PM CT	RFP deadline to submit questions. Questions should be submitted electronically to: <a href="mailto:rmurphy@decc.org">rmurphy@decc.org</a> . Refer to "DECC OR/CA RFP Questions" in the email subject line followed by your firm's name.
9/26/2024, 5:00 PM CT	Issue responses to questions. All questions and responses will be posted on the DECC website: <a href="http://www.decc.org">www.decc.org</a>
10/7/24, 11:59 PM CT	RFP Proposals are due electronically to <a href="mailto:rmurphy@decc.org">rmurphy@decc.org</a> . Refer to "DECC OR/CA Proposal" in the email subject line followed by your firm's name.
10/14/2024 – 10/16/2024	Hold for possible interviews.
10/21/2024	Verbally notify preferred OR/CA firm.
10/22/2024	Recommend OR/CA firm to the DECC Finance Committee.
10/25/2024	Finalize agreement terms and conditions with preferred OR/CA firm (but not execute).
10/31/2024	Board of Directors' meeting & vote on approval for preferred OR/CA firm.
11/4/2024	Execute OR/CA agreement (subject to Board's approval on 10/31).
TBD	Kick-off Project with OR/CA and A/E.
TBD	Select of CM/General Contractor.
March 2025	Complete construction documents. (Early procurement for long lead items to occur during design process.)
April 2025	Permitting and final construction pricing, review, approval
May-November 2025	Construction

## Section IV: Owner's Representative/Construction Auditor Proposal Submission Requirements and Basis of Evaluation

Provide the following information as part of your proposal.

1. General:
  - a. Background information about OR/CA firm(s).
2. Proposed Team
  - a. Identify OR/CA team assigned and their roles on the project including an organizational chart.
  - b. Provide qualifications of those key personnel.
  - c. Clearly identify any services/personnel to be sub-consultants.
3. Experience
  - a. Provide experience for three (3) similar projects along with three (3) references.
  - b. As part of or in addition to the three similar projects above, identify or describe experience working with or on behalf of public entities (federal, state, local governments and other municipalities and public bodies).
  - c. As part of or in addition to the three similar projects above, identify or describe experience working with or on projects involving sustainability objectives and requirements, including those listed in Appendix 4 of the Predesign Report attached as Exhibit A.
4. Project Deliverables
  - a. Clearly describe project deliverables included in your fee.
  - b. Provide a sample of your construction audit program.
5. Fees & Reimbursable Costs
  - a. Fill out and submit Exhibit B. **(Submit completed Excel Fee Form with your proposal submission.)**
6. Agreement
  - a. Provide proposed agreement for services.

Proposals will be reviewed and evaluated using the following criteria:

- Conciseness, responsiveness, completeness of the proposal to the information requested.
- Team's prior experience and qualifications.
- References.
- Fee and reimbursable costs.

## Section V: Miscellaneous Information

1. The DECC intends to enter into an agreement with the selected firm.
2. The DECC will own all documents produced for the purpose of this project. The DECC will have access to, and use of all electronic files furnished in connection to this project.

3. Liability and Incurred Cost: The distribution of this RFP and the receipt of information in response to it shall not in any way cause the DECC to incur any liability or obligation (financial or otherwise) to any responder. The DECC assumes no obligation to reimburse or in any way compensate any responder for expenses or losses incurred in connection with its responding to this RFP.

Insurance Requirements:

Automobile

\$1,000,000 Combined Single Limit for Bodily Injury & Property Damage  
Coverage includes Owned, Nonowned & Hired Automobiles.  
Include DECC, as Additional Insured on a Primary Non-Contributory Basis  
Included a Waiver of Subrogation in favor of DECC

General Liability

\$2,000,000 General Aggregate  
\$2,000,000 Products / Completed Operations  
\$1,000,000 Each Occurrence Limit  
\$1,000,000 Personal & Advertising Injury  
\$ 100,000 Fire Damage Legal (Any one Fire)  
\$ 5,000 Medical Expense (Any one Person)

Commercial General Liability (including Premise & Ongoing Operations; Independent Contractors; Products and Completed Operations; Personal & Advertising Injury; Broad Form Property Damage; Contractual Liability).

Per Project Aggregate Endorsement

Include DECC, as Additional Insured on a Primary Non-Contributory Basis for Premise/Ongoing Operations and Products/Completed Operations.  
Include a Waiver of Subrogation in favor of the DECC.

Workers Compensation

Work Comp: State Statutory Coverage

Employers Liability:

\$500,000 Per Accident  
\$500,000 Disease, Policy Limit  
\$500,000 Disease – Each Employee

Include a Waiver of Subrogation in favor of the DECC.  
Owners must be included for coverage.

Umbrella

\$5,000,000 Each Occurrence

\$5,000,000     Aggregate

Coverage follows form over underlying General Liability, Automobile Liability and Employers

Liability, including but not limited to Additional Insured on a primary non-contributory basis and Waiver of Subrogation in favor of the DECC.

Professional Liability

\$5,000,000     Each Claim

\$5,000,000     Aggregate

A fidelity bond or crime policy.

All policies should include a 30 Day notice of cancellation in favor of the DECC. 10 Days for nonpayment of premium.

4. DECC reserves the right to reject any or all proposals, or to waive any irregularities in any proposal, or to accept any proposal which will best serve the DECC interest.



## Section VI: Scope of Services

The Owner's Representative/Construction Auditor ("OR/CA") Proposal shall include, as a minimum, the following Scope of Services. The following Scope items are intended to clarify, but not limit, the services proposed in response to this Request for Proposal. Meetings can be a combination of in-person and virtual, depending on the agenda items.

Project Management Scope of Services (some may overlap or be completed with/by Construction Auditor ("CA") – these are meant to be complimentary)

1. Serve as the project manager and facilitate communications with the various Project stakeholders.
2. Act as the "Project point person" on behalf of the DECC for communication with the design and construction team.
3. Develop and manage the Project's master budget.
4. Develop and manage setting and adjusting the Project's master schedule in coordination with the DECC, Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others.
5. Schedule and coordinate Project meetings with the DECC, Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others.
6. Participate in Project meetings with the DECC, Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others to review the DECC's event schedule and develop plans to avoid event disruption during construction of the Project.
7. Coordinate to provide project design review and evaluation, value engineering, project schedule analysis, cost-benefit analyses, and constructability reviews.
8. Review the project schedule and schedules prepared by others and provide comments thereon. Coordinate the project schedule with construction and procurement schedules of others.
9. Review drawings and specifications and make recommendations for changes as necessary to ensure the documents are in conformance with project requirements.
10. Conduct/participate in Project meetings (not more than weekly) with the DECC, architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others. Provide monthly project and work schedule updates to the DECC (financial, milestones, open issues, action items).
11. Prepare Request for Proposal to engage the Construction Manager/General Contractor ("contractor") based on guaranteed maximum price ("GMP"). Review, evaluate proposal responses. Review analysis with the DECC and assist the DECC with the selection. (On-boarding the contractor is critical to the schedule and will be one of the first priorities for the OR/CA.)

12. Plan to use AIA construction agreements (ex. AIA 133 and AIA A201). Recommend changes to the agreements that provides clarity to the contract language and bolsters the Owner's position.
13. Assist the DECC with negotiating business terms and conditions for construction agreement. Recommend improvements to procedures and contractual terms to mitigate the financial risks and control construction costs.
14. Develop and facilitate a process to assist the DECC in obtaining a guaranteed maximum price (GMP) for the construction of the Project at the earliest point feasible in the design phase.
15. Work with the DECC, Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others to coordinate early procurement of long-lead items.
16. Assist Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others, as needed, with the building permit application, review, and approval process with the City of Duluth.
17. Review proposed work acceleration requests and associated costs.
18. Review the construction manager's and/or contractor's site-specific safety plan and provide comments thereto. Advise the DECC and contractor of any observed safety concerns. (This is not intended to shift the liability from the construction manager/contractor to the OR/CA.)
19. Review all Project pay applications for accuracy and completeness and make recommendations on payment to contractors. Provide monthly project budget-to-actual reports.
20. Review change order requests to verify if required, verify cost accuracy, negotiate as needed.
21. With Architectural/engineering firm, construction manager, consultants, contractors, project stakeholders, and others, monitor quality assurance, contract compliance and report discrepancies to the DECC, A/E, and contractor.
22. Assist the architectural/engineering firm with observations to determine the dates for substantial and final completion of contractor's work. Participate in punch list walks. Coordinate with the architectural/engineering firm, construction manager, and contractors to verify that final punch list items have been addressed.
23. Coordinate close-out items such as: final lien waivers, warranty and maintenance manuals, final master Project budget.

Construction Auditor Scope of Services (some may overlap or be completed with/by Owner's Representative ("OR") – these are meant to be complimentary)

Objectives:

- Identify and quantify all construction costs which are in and out of compliance with the construction agreement (including general contractor and its subcontractors and suppliers).
  - Advise the DECC on the approach to recover and/or settle non-compliant costs.
  - Manage costs and identify risks and how to control them.
  - Recommendation for process improvements.
24. Assist OR with changes to the AIA construction agreements that provides clarity to the contract language and bolsters the Owner's position.
25. Review the GMP submitted by selected contractor to ensure the costs are fair, accurate, and within the agreed terms and conditions of the executed AIA agreement.
26. Subcontractor Selection/Review
- a. Assist in the review and selection of sub-contractors. This includes construction bid tabulations review, and assistance with the selection process for subcontractors that would complete work under a GMP.
  - b. Review all chosen subcontracts to identify/verify contract amounts, special terms or conditions, allowances, alternates, rates fee, etc. Compare subcontractor contract amounts to GMP budget to help determine buyout status of project.
27. Conduct the following:
- a. Assist with the review and approval of pay application process, procedures, format, and approval process.
  - b. Pre-audit of the contractor and subcontractors.
  - c. Track overall budget.
  - d. Monthly audit of applications for payment.
  - e. Audit of change orders, allowances, and contingency usage. Report to and advise the DECC on related findings.
  - f. Assist in reconciliation of any allowances in the GMP.
  - g. Provide a final closeout audit at 100% construction completion verifying all costs and help the DECC with final reconciliation.
  - h. In addition to OR site visits, CA to conduct site visits as necessary, assume 3 for purposes of this proposal.
  - i. Conduct a final audit of the contractor's project accounts upon final completion of the project. Report any incompliance with the contract or subcontract agreements, irregularities, errors, or risks, etc.
28. Report on compliance with contract or subcontract agreements, identify any cost issues, billing process irregularities, errors, and associated risks. Items to be reviewed should include, but not limited to:
- a. AIA construction agreement and associated exhibits.

- b. AIA Document A201 General Conditions.
- c. All Supplemental Conditions to the agreement and general conditions.
- d. Subcontractor agreements.
- e. Accounting records regarding payments or costs of construction.
- f. Plans and specifications used for bidding and/or price negotiations.
- g. Contract addenda and related pricing information.
- h. Proposed Guaranteed Maximum Price.
- i. Proposed change files and related information supporting contract adjustments by change order.
- j. General Conditions charges.
- k. Review Self-Performed Work Scopes, Rates, Etc.
- l. Construction critical path schedule.
- m. Cost support for trade labor rates, including payroll burden for fringe benefits, taxes, insurances, overhead and profit.
- n. Contractor Owned Equipment Charges and Rates.
- o. Third Party Rental Equipment Charges and Rates.
- p. Charges for equipment and small tools rented and/or sold to the Project.
- q. Payroll time reports, daily site reports.
- r. Insurance & Bonds.
- s. Bidding strategy, including recommendations in respect of bid breakdowns, unit rates, Labor rates, mark-ups, etc.
- t. Self-performed labor records, productivity, and charges.
- u. Material purchases and discounts.
- v. Small tools and consumables.
- w. Mark-ups.
- x. Allowances.
- y. Schedule of values.
- z. Payment applications.
- aa. Subcontractor payment applications.
- bb. Tax rates and exemptions.