Historically Underutilized Business (HUB)

Construction Contractor Guide
HUB & Federal Small Business Program

THE UNIVERSITY OF TEXAS M.D. Anderson Cancer Center
WHO WE ARE

MD Anderson is one of the world’s most respected centers focused on cancer patient care, research, education and prevention. The institution is part of The University of Texas System and is one of only 51 comprehensive cancer centers designated by the National Cancer Institute.

MISSION

To eliminate cancer in Texas, the nation, and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.

VISION

We shall be the premier cancer center in the world, based on the excellence of our people, our research-driven patient care and our science.

CORE VALUES

Caring · Integrity · Discovery · Safety · Stewardship
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A Letter from the AVP Supply Chain Management

September 2021

Dear Contractor,

Welcome to the University of Texas MD Anderson Cancer Center (MD Anderson), Historically Underutilized Business (HUB) Construction Contractor Guide. Supply Chain Management appreciates your interest in working with MD Anderson. We believe this guide will enhance your knowledge of our procurement process and encourage you to participate and succeed in the competitive bid process at the institution.

MD Anderson is committed to diversity, equity and inclusion internally. Beyond the walls of our organization, we are constantly looking for innovative ways to engage and utilize more HUB Suppliers. One of the largest areas to do business with MD Anderson is in construction which includes major new construction and renovation projects. In the next several years, MD Anderson is projected to spend approximately $1.4 billion dollars in construction projects. We strongly encourage HUB suppliers to participate in our procurement process.

The purpose of this guide is to provide information that will facilitate your success in proposing, winning, and executing contracts as well as the opportunities and benefits available. The guide is intended for HUB Suppliers interested in pursuing construction contracts with MD Anderson as a prime contractor or a subcontractor. We hope to heighten the understanding of MD Anderson’s construction requirements.

The guide was developed with input from MD Anderson and UT System construction subject matter experts, HUB subcontractors, and general contractors. We hope this guide will prepare and facilitate your success here at MD Anderson.

Sincerely,

Calvin T Wright
Associate Vice President and Chief Procurement Officer
Supply Chain Management

MD Anderson HUB Contractor Guide
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Welcome

Welcome to The University of Texas MD Anderson Cancer Center Historically Underutilized Business (HUB) Construction Contractor Guide. This guide is provided to help HUB contractors be successful seeking, winning, and executing construction contracts for MD Anderson.

Who Is This Guide For?

The guide is intended for HUB contractors interested in pursuing construction contracts with MD Anderson. This includes HUB contractors working at any construction tier; prime contractor, first-tier subcontractor, second-tier subcontractor, third-tier subcontractor, etc., as well as HUB personnel, material, and equipment vendors.

MD Anderson is a serial builder with a large and continuous construction program. We want to partner with HUB contractors who are creative problems solvers, and are excited to work on functional, cutting-edge, and comfortable spaces that reinforce the institution’s reputation throughout the world. We are looking for industry leaders at all levels of construction to collaborate with us to deliver our projects, and we want to maintain a strong, long-term relationship with the HUB contracting community.

Purpose of the Guide

The purpose of the guide is to inform HUB contractors regarding the unique requirements for MD Anderson construction projects as well as the opportunities and benefits available.

The information is organized sequentially as follows:

1. The guide advises what a HUB contractor needs to know before considering seeking construction work with MD Anderson.

2. The guide provides recommendations for putting together a winning bid or proposal.

3. The guide describes how to successfully execute the work following award of a construction contract.

The guide topics have been developed with input from contractors with extensive experience working on U. T. System construction projects as well as MD Anderson Sourcing and Contracts Management and Facilities Planning, Design and Construction (FPDC) staff. Some topics repeat in different chapters of the guide, with emphasis related to that chapter.

How Construction Projects Are Identified

MD Anderson construction projects provide spaces for brilliant minds to work and deliver care. The projects are focused on creating and sustaining a positive patient experience and a world class research environment. MD Anderson partners with trade and specialty contractors to safely deliver patient care, research, education, and prevention construction projects to meet our mission and achieve our vision.

AUGUST 2021
MD Anderson maintains a six-year projection of major new construction and repair and rehabilitation projects referred to as the Capital Improvement Program or CIP. The total value of the combined projects in the CIP averages $1B.

Information regarding the MD Anderson CIP can be found via the U. T. System website at https://www.utsystem.edu/offices/capital-projects/capital-improvement-program.

MD Anderson supports competitive procurement activities and bid processes that foster equal opportunity for qualified companies to provide products and services that meet our requirements. MD Anderson has a strong commitment to the Historically Underutilized Business (HUB) community and Federal Small Business Concerns and encourage their use whenever possible. Information on doing business with MD Anderson can be found at the following website:


The delivery of construction projects at MD Anderson falls under the responsibility of the Facilities Planning, Design and Construction (FPDC) department within the Office of Facilities Management. The Project Management team within FPDC manages those projects.

Projects of all sizes are managed by the Project Management team. Their work includes redevelopment of existing research and clinical space, upgrades to campus infrastructure, new construction, and major renovation of MD Anderson facilities. They utilize Construction Manager at Risk (CMR), Design-Build (DB), General Construction Services (GCS), and Job Order Contracting (JOC) delivery methods to accomplish that work. These delivery methods and procurement processes will be further explained later in the guide.

While management of the delivery of construction projects is the responsibility of FPDC, they partner with Sourcing and Contract Management. Supply Chain Management is responsible for the procurement of supplies, materials, equipment, and services for MD Anderson. Sourcing and Contract Management is responsible for managing the procurement of construction services. They assign purchasing professionals to administer the contractor procurement process, who then engage FPDC staff to establish procurement criteria and weighting. More information regarding the procurement process will be provided later in the guide.

**Importance of HUB Participation to MD Anderson**

MD Anderson's President and Executive Leadership are fully committed to the HUB program. MD Anderson's HUB program was created in accordance with State of Texas administrative code requirements to actively involve HUBs in the Texas procurement process and ensure they receive a fair share of state business. In addition, MD Anderson aligns their HUB program with The University of Texas (U. T.) System HUB Policy and collaborates with the U. T. System HUB office to support that policy. First approved at the August 9, 1990, meeting of the Board of Regents, the U. T. System HUB Policy requires System Administration and Institutions to make a Good Faith Effort (GFE) to meet or exceed the state goals for HUB participation in purchases of and contracts for commodities and services. The Facilities Planning, Design and Construction department works closely with the HUB & Federal Small Business Program to ensure prime contractors make a Good Faith Effort to utilize HUBs in their subcontracting opportunities.
Information regarding the U. T. System HUB Policy can be found at

https://www.utsystem.edu/offices/historically-underutilized-business/ut-system-policy-utilization-historically-underutilized

**The HUB & Federal Small Business Program**

The HUB & Federal Small Business Program at MD Anderson was established to identify Historically Underutilized Businesses (HUBs) and Small Business Concerns (SBC) and encourage them to participate in the competitive bid process with the objective of increasing the number of contracts awarded to HUB vendors.

Our mission is to facilitate and increase contracting opportunities for minority, woman, and service-disabled veteran-owned businesses, and to provide training, resources, and mentoring to help them meet institutional and legislative program goals for all purchases.

The HUB & Federal Small Business Program is responsible for the implementation of the HUB policies at MD Anderson and provides functional staff expertise and support as needed. HUB program staff are available to assist HUB contractors interested in pursuing contracts with MD Anderson and attend pre-bid and pre-submittal conferences to be a visible resource to stakeholders.

The HUB program staff can assist contractors with completing HUB Subcontracting Plans (HSPs), required for contracts $100,000 or greater. Note that HUB contractors serving as prime contractors are still required to prepared and submit HSPs and complete a Good Faith Effort (GFE) process. The type of construction delivery method and how the work will be subcontracted defines the HSP procurement process. If the HSP is incomplete or incorrect, contractor bids or proposals will not be evaluated. To enhance the successful outcome of review of the HSP, MD Anderson offers the option to submit the HSP for a complimentary review. Contractors are encouraged to contact HUB & Federal Small Business Program staff for guidance.

Information regarding the HUB & Federal Small Business Program can be found at

**MD Anderson Capital Program Values and Goals**

**VALUES**

MD Anderson recognizes the value of diversity in the workplace and provides equal opportunity and access to contracts for construction services. All participation is valued.

MD Anderson values individual workers and their safety. Specific safety requirements are included on projects to assure a safe construction environment.

MD Anderson values optimizing the effectiveness of capital project delivery.

**GOALS**

Demonstrate our commitment to the value of diversity by awarding contracts for construction services to meet or exceed MD Anderson/State HUB goals as follows:

- 11.2% for heavy construction other than building contracts
- 21.1% for all building construction, including general contractors and operative builders’ contracts
- 32.9% for all special trade construction contracts
- 23.7% for professional services contracts
- 26% for all other services contracts, and
- 21.1% for commodities contracts.

Demonstrate our commitment to the value of worker safety by consistently reducing job-site safety incidents and injuries.

Demonstrate our commitment to optimize the effectiveness of capital project delivery by providing high quality projects, delivering those projects within available financial resources, and completing them when needed to support the unique mission of this institution.

**Advantages of Working for MD Anderson**

Construction contracts with MD Anderson offer several advantages.

- The opportunity to work on important projects that will benefit patients, students, faculty, staff, and the health and well-being of the community
- The opportunity to work for a fair minded, educated owner who understands the construction environment and its associated challenges
- The guarantee of payment for fully compliant work
- The potential to leverage successful performance on one contract to win subsequent contracts

This guide is provided to assist HUB contractors to realize these advantages.
Chapter 1: Seeking Construction Contracts with MD Anderson

Successful efforts to secure construction contracts with MD Anderson begin well before pursuing a specific project. Making an investment of time to be better prepared and making professional connections will help assure that success.

Contractors should ensure that they are properly certified in accordance with State of Texas requirements and registered as vendors with MD Anderson. Business systems, administrative processes, and financial requirements inherent in MD Anderson projects should be in place.

It is important to have a marketing focus on what scopes of work contractors wish to pursue and what competition they will face. This will allow them to carefully target marketing efforts and project pursuits. Gaining experience with other similar institutional clients and documenting that performance helps with demonstrating qualifications. Establishing and maintaining professional relationships with construction industry professionals by actively participating in construction community networking events is highly recommended.

Having an awareness of MD Anderson safety requirements helps contractors be better prepared to meet those requirements.

Finally, contractors should be aware of resources that are available to assist them with the development and growth of their business. Examples of those programs will be provided below.

1.1 HUB Certification

Minority, women, and service-disabled veteran-owned businesses are encouraged to obtain certification as a HUB from the state of Texas, even if certified by another governmental entity. The State of Texas website of HUB certified firms is the primary source used by state agencies and general contractors to identify HUB firms to notify of contracting and subcontracting opportunities.

Information regarding the state HUB certification requirements can be found via the Texas Comptroller’s website at

https://comptroller.texas.gov/purchasing/vendor/hub/certification-process.php

HUB Contractors need to make sure that their certification is active and current before submitting a bid or proposal.

1.2 Vendor/Supplier Registration

Becoming an MD Anderson network supplier is free, easy, and only takes a few minutes to join. Upon successful completion of registration, contractors will have access to their own secure portal where they can enter additional details about their organization, invite colleagues to become users in their site, and more. Becoming a registered vendor will allow contractors to see current contracting opportunities.

Information regarding vendor registration can be found at the following website:

1.3 Business Systems and Processes

Having business systems and processes fully in place and functioning will increase contractors’ chances of having a successful project.

1.3.1 Accounting

Professional, complete, and accurate accounting systems are recommended. Contractors should track revenue and expenses for each job through the accounting system in addition to overall financial performance through periodic financial statements. As the firm grows, it should look to hire a certified public accountant to produce financial statements on an annual basis using the accrual accounting method. As the size of contracts requiring bonding approaches $1 million, most surety companies require financial statements produced by CPAs that specialize in construction accounting. The accounting system selected should plan for the growth of the firm from an accounting perspective.

1.3.2 Insurance

All MD Anderson contractors are required to provide evidence of insurance coverage which is spelled out in the project documents issued by Sourcing and Contract Management. For projects less than $10M, the General Contractor will provide their own insurance coverage. Depending on the nature of the project, Insurance coverage will need to be sufficient to address risks associated with working in a hospital or research environment, around patients, animals, and/or high value equipment.

On most projects greater than $10M, the UT System provides coverage for certain types of construction insurance as part of their Rolling Owner Controlled Insurance Program, or ROCIP.

- **Rolling Owner Controlled Insurance Program (ROCIP)**

  UT System has established an owner held insurance policy for designated construction projects. The Rolling Owner Controlled Insurance Program (ROCIP) program provides workers’ compensation, general liability and excess liability insurance coverage for all contractors working on those projects. Benefits of the program include lower insurance premiums due to bulk purchasing, consistency of insurance provided on each project, enhanced safety and loss control, and cost savings. UT System also manages a separate Builder’s Risk Insurance program for designated projects. As mentioned above, the project documents will require other insurance coverages that are the responsibility of the contractor to establish and maintain.

  Participation in the ROCIP program includes administrative responsibilities for the contractor. These include management of company enrollment, tracking and reporting of on-site labor hours, and claims reporting. Contractors will need to anticipate staff requirements to manage these administrative responsibilities.

1.4 Administrative Processes

MD Anderson construction projects require that sufficient administrative systems and processes be in place to properly execute the work. The scope and extent of the “paperwork” required can be intimidating to contractors who are unfamiliar with it or do not understand the purpose it serves. Contractors who have had success working on MD Anderson construction projects advise that the key is to not fear the paperwork but instead take the time and make the commitment to understand it. Contractors who learn these processes, win projects, and execute them well have an opportunity to pursue additional projects. Putting systems in place to automate administrative and project management processes can also help in that regard.
Contractors can freely access MD Anderson standard contract “front end” documents and should take steps to understand those documents and processes so that they can be successful. Having a strong administrative staff that can provide proper administration of the project is as important as completing the actual construction. As mentioned below, dedicating one staff person to become the firm expert has been the best approach to achieving efficiency and continuity.

Business development centers can assist HUB contractors with understanding these administrative responsibilities. These include:

- U.S. SBA Office of Small Business Development Centers [https://www.sba.gov/offices/headquarters/osbdc](https://www.sba.gov/offices/headquarters/osbdc)
- U.S. SBA Office of Women’s Business Ownership [https://www.sba.gov/offices/headquarters/wbo/](https://www.sba.gov/offices/headquarters/wbo/)

For HUB subcontractors, prime contractors often have dedicated staff who can also assist. These administrative responsibilities will be described in further detail in subsequent chapters.

### 1.4.1 Staffing/Staff Development

A company’s success is driven by the expertise and skills of its staff. MD Anderson construction projects require specialized expertise and qualifications for staff working on those projects. These include requirements for years of experience for certain positions, as well as specific training and certifications. Understanding these requirements can enable contractors to begin training current staff in anticipation of upcoming projects or hire staff specifically to support those projects.

It is suggested that a staff member of the contractor be assigned to become familiar with and proficient in completing and properly submitting all paperwork associated with MD Anderson construction projects. It is also recommended that the designated individual cross train other staff members regarding this knowledge, as well as create files where the information is maintained to assure continuity of that information in the event of the staff person's unavailability or departure.

The MD Anderson safety program sets out specific staffing requirements with associated qualifications and training requirements. These will be explained in greater detail in a subsequent chapter but serve as an example of staff expertise that should be anticipated and planned for with MD Anderson projects.

### 1.5 Financial Requirements

MD Anderson major capital projects are usually large and complex and are typically executed over an extended period, often taking years to complete. This extended timeframe can create financial challenges for contractors. Bonding requirements for the projects also have financial implications.

It is suggested that contractors seeking to pursue construction contracts with MD Anderson will need to have the following financial resources fully in place and available. The HUB & Federal Small Business Program can provide information on resources for working capital loans and bonding.
1.5.1 Working Capital

One challenge associated with long project durations is having the funds to cover costs until payment can be received. Qualified staff need to be assigned to the project, and material and equipment purchased.

Those costs will not be reimbursed until the work is in place and approved for payment. The anticipated timeline for receiving payment will be further detailed in Chapter 3. Payments.

Company equity or working capital loans may be needed to carry those costs until payment is received. Interest cost for any loans should be included in a business plan and budget for the project.

1.5.2 Cash Flow

Another challenge is making sure that payments are received as close as possible to when expenses occur. A detailed cashflow plan should be prepared for the project. This plan should anticipate contractor costs that will occur at the beginning, middle and end of their work so that payments can align with expenses. For contractors with multiple concurrent projects, cashflow plans for each project should be prepared and balanced between projects with both short and long durations. Poor cashflow management can impact any contractor’s ability to sustain and manage growth of the firm.

As will be further described in the Bid/Proposal Preparation section in Chapter 2, it is important for contractors to plan their cashflow needs when putting their bid or proposal together to properly address the timing of their project costs.

1.5.3 Bonding

State law requires payment bonds on public works contracts in excess of $25,000 and performance bonds for contracts in excess of $100,000. In addition, most general contractors require subcontractors to provide payment and performance bonds. HUB & Federal Small Business Program staff can provide resources to assist with understanding and addressing bonding qualification requirements.

1.6 Marketing

A very important step for firms considering pursuing construction contracts with MD Anderson is confirming their readiness to do so and deciding where to place their marketing efforts.

Contractors interested in pursuing work with MD Anderson will need to demonstrate experience working in research and patient care environments and have staff familiar with noise and vibration control, clean construction protocols, and animal safety. If interested in pursuing major construction projects, contractors will have to show experience on large, complex projects.

Pursuing a project before being fully ready to do so can result in challenges that can be difficult to overcome. These can include an inability to stand out from the competition, lack of focus on where to compete, and difficulty being competitive on price to win work. HUB & Federal Small Business Program can assist and/or provide resources to help HUB contractors with determining whether they are fully ready to pursue a project and where best to begin when applicable.

It is recommended that contractors begin by identifying what sets them apart and makes them uniquely competitive. Rather than trying to compete in multiple trades and scopes of work, it is suggested that firms initially limit the scope of services offered and focus on doing them well. In that way, firms will be able to identify the value they can bring to the market to create success.
Firms will need to decide which work trade scopes they wish to compete in and investigate who they will be competing against. Without a decision on which trade scopes to focus on, business resources can get overextended. Contractors should decide whether they can support projects based upon their workload and manpower capabilities. Without knowledge of the competition and what pricing they are providing, it will be difficult for contractors to know how to price their bids or proposals. Contractors should seek out information regarding winning proposals to determine current competitive market rates for their trade.

### 1.6.1 Work Portfolio

To be considered qualified to compete for construction contracts at MD Anderson, Contractors will need to be able to demonstrate their prior comparable experience. This will require an investment of time to gather information regarding prior projects and putting it into a format that is clear and understandable.

Typical information that is required includes:

- Similar Project Experience, including
  - Project Name
  - Project Type
  - Contract Amount
  - Duration
  - Scope of Work Completed
  - Owner and Contact Information
- Staff Experience and Qualifications
- Safety Record, Including Experience Modifier Rate (EMR)
- Work Backlog

Assembling this information for the first time can be time consuming, but it will then be usable for multiple contract pursuits with minimal updates and adjustments. As mentioned above, having one person within the firm responsible for gathering and maintaining this information will help assure its consistency and continuity.

Contractors should also consider pursuing projects with other higher education and public sector clients to gain experience that can be included in their work portfolio. If successfully completed, these projects will provide valuable experience and references to be included in the portfolio of the firm.

### 1.6.2 Networking

To be successful, it is important for contractors to establish a professional network within their construction community. The network should include owners, contractors, subcontractors, and other members of the community. One very good way for contractors to build this network is to seek out and participate in trade associations in their area, including minority and women contractor associations. HUB & Federal Small Business Program can assist with identifying those groups. Once contacts are made, it is important to develop professional relationships and to actively manage them.

After establishing their professional network, contractors will be able to be aware of upcoming construction contract opportunities.

### 1.6.3 Relationship Management

Relationships matter. Contractors should maintain regular contact and communication with owners, prime contractors, and major subcontractors independent of specific projects they may be pursuing.
HUB & Federal Small Business Program staff can provide information about business resources and contract opportunities. Facilities Planning, Design and Construction project management representatives and Sourcing and Contract Management teams can provide information about potential upcoming projects.

Prime contractors often have staff dedicated to meet with HUB contractors and understand their capabilities and interests. Pre-construction staff with prime contractors regularly monitor and track upcoming projects. Being aware of upcoming work will allow the HUB contractor to plan their workload and staffing assignments to have the right staff available when those projects become available to pursue.

Prime contractors often have qualification processes in place that allow them to better understand the qualifications and capabilities of subcontractors. Contractors should consider submitting their information to prime firms in advance of a specific project procurement.

HUB contractors should also consider providing input on material and labor pricing and market trends to support a prime contractor’s pre-construction estimating efforts on a project. While this will not guarantee that the HUB contractor will be awarded the contract, it can help build familiarity and confidence with the capabilities and expertise of the HUB contractor.

1.6.4 Project Tracking

The early tracking of potential construction contract opportunities allows contractors to plan their future project pursuits in accordance with their business plans. It is recommended that subcontractors start tracking projects well before bid/proposal documents for their trade are issued. This can be done initially by tracking early procurement and project definition actions of MD Anderson and Facilities Planning, Design and Construction. In addition, following the approval actions of the UT System Board of Regents, as recorded in the minutes of their meetings, will confirm which projects have been added to the CIP and are approved to proceed with final design and construction.

Information regarding UT System Board meetings can be found at https://www.utsystem.edu/offices/board-of-regents/meetings

HUB subcontractors can also gain an early awareness of potential contracting opportunities by tracking design and prime construction contract procurement processes and seeing which firms are being awarded pre-construction contracts.

As MD Anderson is a state of Texas entity, we are required to publicly post contracting opportunities and make a Good Faith Effort to utilize HUB contractors. When hiring prime construction firms, those capital project contract opportunities that are managed by Sourcing and Contract Management are posted on their website.

Information regarding these opportunities can be found at https://www4.mdanderson.org/procurement/bids/

When hiring subcontractors, responsibility for the Good Faith Effort (GFE) is delegated to the successful prime construction firm to execute. That GFE includes posting the project solicitation at specified public posting locations, as well as sending the solicitation to a minimum of three HUB contractor firms for each scope of work. Prime contractors identify firms to receive the solicitation by reviewing the State of Texas Central Master Bidders List (CMBL) – HUB Directory, maintained by the State Comptroller. The CMBL - HUB Directory contains the names and other pertinent information regarding State of Texas certified HUB contractors. A printout of the CMBL profile of HUB firms solicited by the prime firm must be included with their GFE documentation.
Information regarding the CMBL can be found at

https://mycpa.cpa.state.tx.us/tpasscmblsearch/tpasscmblsearch.do

HUB contractor’s maintenance of their firm’s current information on the CMBL - HUB Directory will help prime contractors find them when distributing solicitations. This includes making sure that the correct codes have been entered for the work trade scopes that the contractor is interested in pursuing.

As mentioned above, it can be beneficial to maintain professional relationships and regular communication with the HUB & Federal Small Business Program. They can provide HUB contractors with information regarding prime construction firms that have successfully secured construction contracts with MD Anderson.

Once contact with those prime firms is made, prime firm staff will also help HUB contractors with tracking upcoming contracting opportunities. Talking with prime firms who are currently providing pre-construction services on active projects will help HUB contractors understand the bid/proposal package strategy for the project and the schedule for issuance of bid/proposal documents.

When projects are in an active procurement process, typically a publicly advertised pre-bid/proposal conference is held to provide information regarding the project and to assist with access to bid/proposal documents. Contractors may consider attending a pre-bid conference even if they are not planning to bid or propose on that project to better understand the process.

At these conferences, it is recommended that attendees:

- Listen to questions asked by potential respondents
- For in person conferences, take business cards to distribute to attendees
- Secure a copy of the conference sign-in sheets to get contact information. These are typically issued in an Addendum to the bid/proposal package.

From this information contractors will be able to determine if a project fits their business plan and objectives.

### 1.7 Construction Safety

As was mentioned earlier in the guide, MD Anderson values individual workers and their safety. A construction safety program has been established that is built around safety best practices to help assure a safe construction environment. The program aims to apply those safety processes consistently across U. T. System construction projects statewide.

MD Anderson procurement and project documents include information about the specific safety requirements. Contractors need to be aware that these requirements exceed OSHA standards in certain areas to reduce safety incidents and injuries. They also specify contractor safety staff requirements and duties, at all tiers, that have impacts on contractor staffing plans and costs. These requirements are further described in Section 2 of the Guide.

It is recommended that contractors develop their own in-house safety programs and safety staff positions, including creating a handbook of safety requirements and conducting internal safety meetings, in addition to meeting MD Anderson safety requirements.
1.8 Business Resources

MD Anderson, in collaboration with the UT System HUB Office, provides periodic training classes and workshops to enhance contractors’ knowledge of the business tools, skills, and resources needed to successfully pursue and perform on major capital projects. These include:

- Construction Subcontractor Training Program – Partnering with the FPDC, and general contractors, the HUB team coordinates a 12 to 15-hour training class covering safety, insurance, estimating, project administration, and other topics. The classes are delivered in conjunction with selected major capital projects.

- MD Anderson in collaboration with the UT System HUB Office, periodically provides workshops on topics such as surety bonds, small business loans, construction accounting, and safety.

- Subject to resource availability, MD Anderson supports contractor Mentor Protégé program when possible.

HUB & Federal Small Business Program staff can assist HUB contractors with accessing these programs.
Chapter 2: Putting Together a Winning Bid/Proposal

Once a decision has been made to pursue a MD Anderson construction contract, contractors need to focus their competitive efforts towards projects and scopes of work that match their strengths and capabilities. Winning bids or proposals result from careful targeting of resources towards projects that are the best fit for a contractor.

2.1 Competitive Focus

It is important for contractors to understand their capacity so that they can perform successfully. It is suggested that contractors start by pursuing smaller, more manageable scopes of work ensuring that the project is a good fit based upon manpower availability and workload.

With large construction projects, it is not always feasible for the work packages to be broken down into smaller scopes of work. Therefore, it is suggested that contractors consider opportunities to joint venture with other firms or pursue opportunities to serve as second or third-tier contractors on projects. For example, to complete a portion of the scope of a subcontract by working as a second-tier subcontractor under the first-tier subcontractor (e.g., equipment installation under the mechanical subcontract), or as a third-tier subcontractor working under a second-tier subcontractor (e.g., equipment supplier under the second-tier equipment installation subcontract) as shown in the below diagram.

![Diagram showing the hierarchy of subcontractors]

Prime Contractor

First-Tier Subcontractor
(e.g., Mechanical Subcontractor)

Second-Tier Subcontractor
(e.g., Equipment Installation)

Third-Tier Subcontractor
(e.g., Equipment Supplier)
HUB contractors, particularly firms that are just starting out and trying to find their niche, should be open to new and unique opportunities. These might lead to a successful market specialization.

Once a project is identified, Contractors should conduct a thorough “Go/No Go” evaluation, based upon the above considerations, to determine whether to pursue the project.

### 2.2 Relationship Management

As mentioned in the previous chapter, HUB contractors should maintain regular communication with the owner’s project managers, HUB coordinators, as well as the prime contractor’s pre-construction managers and estimators who currently work on MD Anderson construction projects and are aware of the contracting opportunities that exist within any given the institution.

MD Anderson directs their prime contractors to be actively engaged in the HUB contracting community, hosting events regarding upcoming contracting opportunities. They are also encouraged to hire dedicated HUB coordinators for their firms to serve as resources to the HUB subcontractors.

It is important to be responsive to bid or proposal requests. If a contractor does not intend to provide a bid or proposal, they should inform the requestor in a timely fashion especially since a Good Faith Effort is a requirement of the prime contractor.

### 2.3 Project Tracking

By leveraging the networking and professional relationships, contactors should maintain awareness of projects that match their business plan and performance capabilities. It is recommended that contractors attend pre-bid conferences associated with those potential projects to learn about project details and where to access project information and documents.

### 2.4 Project Information and Documents

To prepare a bid or proposal, contractors should access project information and documents. Although hard copy documents can occasionally be found in plan rooms, most project information and documents are distributed electronically, typically via online document portals. It is highly recommended that contractors have the technology systems and platforms in place to be able to access and review these documents.

Contractors should access project documents as soon as they are available so they can familiarize themselves with the project requirements and identify any questions they may have. Prime contractors can assist HUB contractors with their review of the documents and provide answers to their questions. They can also assist with assembling other information that may be required to be submitted along with their price proposal. It is important for contractors to be vocal about their information needs to avoid misunderstandings and so that they can provide a complete and responsive proposal. MD Anderson project management staff can respond to technical questions about the project documents or processes. Contractors are encouraged to submit their questions on time in accordance with bidding or proposal requirements published by Sourcing and Contract Management.

Contractors are encouraged to carefully review the entire set of project documents, not just those portions specific to their trade or scope. Focus should be put on the “Front End” section of the project specifications, which place contractual responsibilities and liabilities on contractors. These include bonding and insurance requirements, training and certification requirements, prevailing wage requirements, drug testing and background checks and other responsibilities. The costs to meet these requirements and perform these duties should be included in the contractor’s bid or proposal.
It is also important to understand product requirements in the project documents so that sources and lead times can be established. With proper justification, some products may be specified as coming from a designated sole source. Product training requirements and certification requirements for installers are included. Product substitution requirements and processes are spelled out and can be quite rigorous. Contractors should not assume that late product substitutions will be approved.

The project documents may include specific requirements and limitations due to the project being constructed on an academic or medical campus. These might include time-of-day or day of year work restrictions, limitations on project access for people and material deliveries, or special dust or infection control requirements. Contractors need to understand these limitations as they may impact their costs and productivity projections.

During the proposal period, updates to the documents (often called “Addenda”) may be issued which add, modify, or remove project requirements. Contractors should monitor the issuance of addenda and review them carefully for impacts on their bid or proposal.

2.5 Procurement Requirements

As mentioned in the introduction, MD Anderson utilizes several different methods for delivering construction projects.

The FPDC Project Management team utilizes Construction Manager at Risk (CMR), Design-Build, General Contract Services (GCS), and Job order Contracting (JOC) delivery methods to accomplish their projects.

Construction Manager at Risk (CMR)

The CMR construction delivery method involves the hiring of a general contractor to serve as the Construction Manager for the project. The CMR is often hired during the project design phase, via a competitive process that includes evaluation of price and other factors. The CMR then provides pre-construction services during design and then provides a Guaranteed Maximum Price (GMP) for the project to the Owner. Following approval of the GMP and completion of construction documents, the CMR publicly seeks bids or competitive sealed proposals from subcontractors for the work. The procurement process for CMR delivery can be found in the Appendices.

Design-Build (D-B)

The D-B construction delivery method involves the hiring of a single entity to provide both design and construction services. The D-B is hired via a competitive process that includes evaluation of price and other factors. The D-B then provides both design and pre-construction services and then provides a Guaranteed Maximum Price (GMP) for the project to the Owner. Following approval of the GMP and completion of construction documents, the D-B seeks bids or competitive sealed proposals from subcontractors for the work. The procurement process for D-B delivery can be found in the Appendices.

General Construction Services (GCS)

The GCS construction delivery method, like competitive bidding, requires contractors to provide a price for their work scope. But it also requires that they submit information regarding their experience and qualifications in addition to their price. Following the completion of construction documents, projects are publicly advertised for proposals. The procurement process for GCS delivery can be found in the Appendices.
Job Order Contracting (JOC)

The JOC project delivery method involves the hiring of general contractors via a competitive procurement process to serve as the prime contractor and be engaged on a multi-year contract to perform work as requested. The typical JOC contract duration is two years, with three optional one-year renewals for a total of five years. There are two types of JOC contracts: JOC for Construction and JOC for Maintenance and Repair. Individual JOC for Construction projects cannot exceed $1M in value. JOC for Maintenance and Repair is used for projects with work scopes of less than $100,000 that do not require that drawings be prepared. When a project is identified, the JOC contractor provides pricing for the work for Owner approval, based upon agreed-to labor and material rates. Depending on the scope of the project, following Owner approval they will perform the work utilizing their own forces or hire subcontractors. JOC contractors are required to go through a Good Faith Effort process to hire subcontractors. HUB & Federal Small Business Program staff can provide contact information regarding JOC contractors currently under contract to subcontractors interested in pursuing work with them. The procurement process for JOC delivery can be found in the Appendices.

Having the lowest bid is not what is needed to win projects. MD Anderson wants contractors to be financially successful on projects so that they can continue to pursue future work. Therefore, contractors should assure that they have adequately covered all staff and supervision costs necessary to execute the construction project safely and effectively. The procurement of both prime contractors and subcontractors for CMR and GCS projects is typically done on a “best value” basis, considering price and other factors, not just the low bid. This requires all contractors to provide additional qualifications information which commonly includes:

- Prior experience with owner or prime contractor if applicable
- Experience with similar projects and owner contact information
- Proposed staffing and their experience
- Safety record
- Current workload and manpower information
- Financial information

Contractors should make sure that information regarding prior experience is relevant to the project that they are pursuing. Meeting the high expectations of MD Anderson customers and end users requires hiring contractors with the most related experience.

Assembling this qualifications information ahead of time, as was recommended in Chapter 1 of the guide, will help contractors provide a timely response to bid/proposal requests.

2.6 Proposal Preparation

Emphasis should be placed on preparing a proposal that is clear and comprehensive, meets the submittal requirements, and is submitted in a timely fashion. It should describe what scope is included, what scope is not included and any other qualifications. It is recommended that it be typed, rather than handwritten.

For HUB contractors seeking prime contracts, it is important that they carefully review and provide all the information requested in the RFQ/RFP in a compliant format. For HUB contractors seeking
subcontracts, prime contractors often have an established format for them to use to submit their bid or proposal. Subcontractors who have their own pricing format can submit it along with their proposal, but it should not replace or conflict with the required bid/proposal format.

Care should be taken to provide all the information that is requested in the prime contractor's format to avoid having a bid/proposal be considered non-responsive. Filling out all the requested information helps to establish confidence with the Prime contractor that the HUB contractor fully understands the project requirements.

It is recommended that contractors submit complete pricing proposals for the entire division or scope of work to facilitate review and consideration. Exclusions can cause the bid/proposal to be considered non-responsive or cause the prime contractor to plug an inadequate price for that portion of the work that the HUB contractor may later have to work within. It is suggested instead that deductive alternates be included for portions of the scope that a contractor is unable or unwilling to perform.

Prime contractors may be able to accept partial bids/proposals or suggest other firms to partner with to provide a complete scope. It is important to discuss options and limited scope proposals with the prime well in advance of the date that the bid/proposals are due.

The bid/proposal should have sufficient details to make it understandable. Contractors providing a good breakdown of quantities and rates along with their bid/proposal will help facilitate the prime contractor’s subsequent bid/proposal evaluation process.

Contractors need to understand if they are being asked to provide a bid/proposal based upon final construction documents or if it is based upon incomplete documents and potentially subject to future document changes. A bid/proposal based upon early, incomplete documents can put the contractor at financial risk for design completion.

The proposal needs to include the costs for meeting all the administrative requirements described in the documents, including those associated with the owner’s insurance and safety programs. Underestimating the time and effort required to meet those requirements can have significant financial consequences.

Contractors need to understand the project construction schedule and when during the project their work scope occurs. This might impact contractor’s material and labor costs due to time of year or weather. Contractors also need to consider how any modifications to that schedule might impact them. Unanticipated construction delays can affect when work can proceed or may require contractors to accelerate their work, which can impact their work plan, staffing and costs.

Contractors should consider including a work breakdown tied to the project construction schedule and a billing plan to support it in their bid/proposal. This should include mobilization costs for when they will occur; material, equipment, and labor costs for when they will be incurred; as well as project close out and warranty support costs.

It is recommended that contractors carefully review their bids or proposals before submitting them, checking for mathematical or other errors. Often, bids/proposals are requested to be broken down by different phases or areas of work as well as a total price. These should add up properly. Contractors will be bound by their bid/proposal once it has been submitted, so it is important that it is correct.

Finally, it is very important that contractors understand and adhere to submittal deadlines. All the hard work that goes into preparing a bid/proposal will be wasted if the bid/proposal is not submitted before the deadline.
2.7 Construction Safety

As has been previously mentioned, several construction safety requirements on U. T. System construction projects exceed OSHA requirements and can have an impact on contractors if they are not understood and included in the planning. These requirements are enforced through regular and consistent site inspections by dedicated prime contractor safety staff and by MD Anderson dedicated full time and third-party safety inspectors.

There are related but different requirements for HUB contractors seeking prime contracts vs. subcontracts with MD Anderson.

To secure a prime construction contract with MD Anderson, respondents must be able to demonstrate their safety processes. They will be required to provide information that describes:

- Their corporate safety processes
- How they assess hazards and develop plans to deal with them
- How they train their staff to work safely
- How they communicate daily site activities and potential impacts to other trades
- How they provide safety oversight of staff
- Confirm designation of safety supervision staff and competent person:

Prime contractors are also required to:

- Develop and maintain site-specific safety plans
- Assign dedicated safety personnel with minimum years of experience, training, and certification as described in the project documents, including:
  - Project Safety Coordinator (PSC)
  - Project Safety Assistants (PSAs)
- Continuously monitor the construction site for safety hazards, record, and address findings
- Respond to safety incidents, prepare root cause analyses, and implement any necessary process changes

Subcontractors also have safety related responsibilities, which require that they:

- Provide a site-specific safety plan
- Assign safety personnel with minimum years of experience, including
  - Subcontractor’s Safety Representative (SSR)
- Provide evidence of specified training and certification as described in the project documents, including OSHA 30-hour certification for the SSR
- Prepare and submit for approval daily Job Hazard Analyses (JHAs)
• Participate in safety hazard monitoring and incident response efforts

Subcontractors will need to train multiple staff to meet the SSR requirements so that they will have coverage in the event of illness, injury or if the designated SSR leaves the firm. These staffing qualifications and time commitments need to be thoroughly understood so that contractors can adequately incorporate the costs in their bid or proposal.

2.8 Administrative Responsibilities

Due to MD Anderson construction projects involving the expenditure of public funds, several administrative responsibilities are set out in the project documents that have staff qualification and time commitment impacts. These need to be covered in the contractor’s bid/proposal. They include:

• Requirements to provide certified payroll
• Prevailing wage requirements and forms
• Requirements to provide change pricing and change work
• Safety requirements (e.g., additional personnel, qualifications, training)
• Tax exempt status of project
• Management of ROCIP enrollment and other reporting requirements
• Construction meeting requirements
• Shared construction site cleaning requirements
• Project financial audit support

These requirements may be more than what most contractors are familiar with and can have a financial impact if not included in the planning.

2.9 Bid/Proposal Evaluation Process

Contractors need to understand what happens once their bid/proposal is submitted to the owner (for prime contracts) or to the prime contractor (for subcontracts).

For prime contracts, the owner sets out in the RFQ/RFP documents the criteria that will be utilized for procurement of the “best value” respondent. Following receipt of respondent submittals, a review is completed to assure that they meet HUB Subcontracting Plan (HSP) Good Faith Effort (GFE) requirements. As mentioned in the Introduction, if the HSP is incomplete, or GFE requirements are not met, the contractor’s submittal will not be evaluated. Then a procurement committee composed of MD Anderson representatives reviews the submittals and scores them in accordance with criteria scoring and weighting values previously established by the committee. The weighted scores are combined, and the “best value” respondent is identified and recommended for award [See Appendix 6 - Sample CMR RFQ Evaluation Matrix].

For subcontracts, MD Anderson is actively involved in the development of and must approve the prime contractors bid/proposal strategy and the criteria that will be utilized in selecting subcontractors, including the process for maximizing HUB participation. The prime contractor receives bids/proposals in accordance with the requirements set out in the procurement package they have issued. These
requirements include a request for pricing and for other qualifications information. The prime contractor must complete a scoping and evaluation process to identify the “best value” subcontractor for each trade or scope.

The first step they need to complete is to confirm that all the subcontractors for a given scope of work have provided a complete bid/proposal for that scope. If information from any subcontractors is missing or needs clarification, they may follow up with that subcontractor to complete that information. This process may be misunderstood as “bid shopping”, but it is not. Instead, it is done to assure that all bids/proposals can be compared fairly against each other to identify the subcontractor who has provided the best price for the full scope of work. Once the prime contractor has completed this comparison, a pricing score can be applied to the bids/proposals received [See Appendix 7 – Sample Subcontractor Pricing Worksheet].

In the second step, the prime contractor evaluates the qualifications information provided by the subcontractors. The prime contractor scores the information provided in accordance with criteria and weighting established prior to issuance of the package. A qualifications score is applied to the bids/proposals received [See Appendix 8 – Sample Subcontractor Proposal and Qualifications Worksheet].

With the price scoring and qualifications scoring completed, the prime contractor can then identify the “best value” subcontractor to recommend for award for each trade/scope of work. Subcontractors need to understand that, depending on the complexity of the project and the number of proposals received, this evaluation process can take an extended period. The prime contractor will not be able to communicate with subcontractors until they have submitted their award recommendations to the owner and received the owner’s reply.

Due to insurance and/or bonding requirements, prime contractors will often also complete a financial review of subcontractors to confirm they meet minimum financial requirements before a subcontract is provided. To qualify, contractors will need to be able to demonstrate good credit and sufficient liquidity.

Once a contract is awarded to the prime contractor by MD Anderson, they must send a notice to the HUB subcontractors listed in their HSP within 10 business days advising them that they will be using them.

Unsuccessful prime or subcontract respondents have an opportunity to learn from the procurement process where they may have been deficient as compared to other respondents and have opportunities for improvement. A de-brief meeting can be scheduled with Sourcing and Contract Management or the prime contractor to gather this information to inform future project pursuits. Although these meetings must wait until after the contracts have been awarded, the HUB & Federal Small Business Program is available to participate in scheduled de-brief meetings for unsuccessful prime contractors. Unsuccessful subcontractors will need to arrange de-brief meetings directly with the prime contractor.
Chapter 3: Successfully Executing the Work

After putting together a winning proposal and securing a construction contract, contractors need to focus next on being fully prepared to execute it successfully. This includes understanding the importance of constant communication and positive relationships with the construction team, staying up with the latest project documents, and maintaining required staffing. It also involves timely attention to administrative responsibilities, participating fully in the construction safety program, and understanding project schedule status. Finally, it includes assisting the construction payment process, working to achieve high quality construction, supporting changes in the work, and helping with achieving a timely project closeout.

3.1 Relationship Management

To successfully execute their scope of the construction project, HUB contractors need to be mindful of their professional relationships with the entire construction team. Care should be taken to establish relationships based on trust and focused on common goals. Any relationship challenges should be addressed immediately to avoid conflict on the construction site.

HUB contractors should work towards building strong relationships with the prime contractor’s on-site production and safety staff. Miscommunication with these project staff members will impact the HUB contractor’s ability to get underway with and successfully complete their scope.

HUB contractors should also work to build professional relationships with other trade contractors on the project and understand their challenges. This will facilitate better coordination of related and supporting work scopes.

3.2 Communication

Communication of contractor’s work plans, progress, and challenges needs to be frequent and continuous throughout the course of the project. This will allow the prime contractor to provide guidance and respond to any concerns in a timely fashion before they impact the project.

It is important to stay current with the project status and know what is occurring on site. For example, unanticipated project schedule delays may have an impact on contractor’s material deliveries and manpower projections.

All contractors need to be timely in responding to any correspondence related to the project. These can include Requests for Information (RFIs), Pricing Requests (PRs), and other project related correspondence. Response times can impact work progress and the project schedule, so contractors should treat this correspondence as a high priority to address as quickly as possible.

3.3 Project Information and Documents

Unforeseen site conditions, missing or incorrect information, or design changes can result in updates to the construction documents. To successfully execute their work scope, contractors need to make sure that they are working from the latest approved documents. This will help the contractor avoid rework.
As was described above for bid/proposal documents, the construction documents, updates to those documents, and construction correspondence are commonly transmitted electronically. HUB contractors will need to become familiar and proficient with the digital platform being utilized by the owner and prime contractor so they can access these documents.

3.4 Staffing Requirements

All contractors are required to designate on-site dedicated supervisory and safety staff for the project. These staff help assure proper coordination of the work with the prime firm and other trade contractors, and coordination of the site safety program.

It is recommended that the contractor assign a lead staff person for on-site work. This individual, whether designated as project manager, foreman, or lead technician, should have access to the internet and the ability to login to the prime contractor’s digital platform to see the latest construction documents. They will be responsible for managing the work of on-site work crews and monitoring production and quality issues. They will also be responsible for coordinating their work with other trade contractors.

As was previously mentioned, contractors will have mandatory safety staffing requirements whether they are working as prime contractors or subcontractors. Required prime contract staff include a dedicated Project Safety Coordinator (PSC) and a designated number of Project Safety Assistants (PSAs) based upon total construction value and the volume of construction personnel on site. PSC and PSA staff must be approved by UT System safety personnel. HUB contractors working at a subcontract tier must designate a Subcontractor’s Safety Representative (SSR). This individual may have other duties but must be on the project site when any of the subcontractor’s work is being performed.

3.5 Administrative Responsibilities

Administrative responsibilities for the project kick into high gear once a contract is awarded. Contractors should be dedicated and diligent to stay up with required paperwork. Failure to do so can result in impacts to the project and potentially delay payments to the contractor. Administrative responsibilities include:

3.5.1 Agreement Execution

The first and very important step will be to successfully negotiate and execute the agreement with the owner or prime contractor. Timely execution of the agreement will allow the contractor to proceed with the work.

Contractors need to make sure that they fully understand the agreement and its associated financial liabilities and risk transfer. It is recommended that they complete a thorough review of the agreement and seek the assistance of outside legal counsel for clarification of legal terms and requirements, if necessary.

3.5.2 Insurance

Before they will be allowed on the construction site, contractors will be required to complete their enrollment in the UT System insurance program. The program and enrollment are managed by a third-party administrator working for the UT System Office of Risk Management.

Contractors are required to coordinate with the insurance administrator and provide initial information for enrollment as well as ongoing reporting to support the program.
Contractors are also required to provide proof of insurance for additional coverages outlined in the project specifications, including auto and additional liability coverages.

### 3.5.3 Labor Requirements

On MD Anderson projects, contractors are required to complete criminal background checks on staff and receive security badges before staff will be allowed to commence work. These checks can take time and do have some cost, so contractors are encouraged to initiate them early to avoid delays in accessing the construction site.

Drug and alcohol testing with proper evidencing documentation of all contractor staff is required, within 2 weeks, before being allowed on site. Re-testing may be required following any on-site safety incident.

As mentioned previously, MD Anderson requires that prevailing wages be utilized on their projects. Contractors must plan to pay no less than those prevailing wages and be prepared to provide certified payroll records to confirm them.

### 3.5.4 Meetings

All contractors are required to attend construction meetings intended to initiate, coordinate, and maintain work progress of the work and provide status reporting. These will include a project construction kick-off meeting, safety kick-off meeting, pre-installation meetings, weekly “toolbox” or project safety briefings, and ongoing trade partner/subcontractor coordination meetings. Attendance at these meetings will inform the contractor regarding project status and coordination issues.

It is recommended that contractors take work scope pre-installation meetings seriously and attend them fully informed and prepared to discuss their work scope and plan. These meetings will help identify any potential work impediments before they arrive on site and allow them to do their work promptly and meet business goals.

It is also recommended that contractors begin attending the recurring trade partner coordination meetings at least one month in advance of the beginning of their work scope, throughout its duration, and continue periodically after their scope is completed.

### 3.5.5 Work Plan

Prime contractors will be required to prepare a detailed Work Breakdown Schedule (WBS) that describes how they intend to execute the work, to review that plan with the owner, and adjust as needed to coordinate with other work or changes in the project or schedule. Subcontractors may be required to provide or review a WBS for their scope to support the prime contractor’s responsibilities in that regard.

MD Anderson project management staff will be actively engaged in the development of prime contractor and subcontractor work plans, to assure that the work can be completed without disruption to research or patient care. Disruption to patient care can negatively impact the quality of that care and MD Anderson’s reputation. Disruption to research activities can have significant financial consequences. The work plan and schedule need to anticipate that the project may be asked to stop, and adjustments made to the plan before starting again.

MD Anderson staff will be very involved in the construction process and will not just “hand off” the project to contractors to complete. Staff will be involved in construction administration, inspections, quality control and safety. Contractors are, however, still expected to lead the construction effort, but must understand that it will be done in collaboration with MD Anderson project management staff.
 Contractors will be required to have significant interaction with different MD Anderson facilities stakeholders who are responsible for reviewing work plans, monitoring work progress, and approving final work. Examples of facilities stakeholders include representatives from Fire & Life Safety, Environmental Health and Safety, Biosafety, and other offices.

To reduce impacts to patient care and research, MD Anderson requires that all testing and commissioning processes be fully completed and accepted before Substantial Completion is granted for the work. This avoids contractors having to return to spaces after they have been placed into operation. The work plan and schedule need to reflect this higher level of completion than what contractors may be familiar with from work for other Owners.

3.5.6 Submittals

All contractors are required to complete product submittals and submit them for approval before they purchase the materials or equipment that they will be providing to the project for their work scope.

Preparation of the subcontractor submittals should be done in close coordination with prime contractor’s staff. Submittals can be time consuming, and care should be taken to fully meet the specified document requirements to avoid rework and resubmittal.

It is highly recommended that contractors begin immediately to prepare and complete their submittals rather than waiting until closer to when their scope begins on site. Timely completion of submittals will provide time to address any questions or issues, and early approval allows the contractor to order materials and avoid backorders on items or any market cost increases. Contractors may be able to receive payment for purchased materials and equipment before they arrive on site if they meet specified off-site storage provisions of the project specifications.

3.5.7 Site Access

MD Anderson capital projects are typically located on our busy, congested campuses. This requires that strict protocols be put in place to manage access to these construction sites to assure the health and safety of workers and the students, faculty, and staff on those campuses.

Assigned worker access is managed through a project safety orientation and issuance of a photo ID badge. HUB contractors should coordinate with the owner or prime contractor to ensure that all contractor staff members have the proper identification in place to allow them to access the construction site.

Parking for contractor’s staff may or may not be available on or near the project site. HUB contractors need to coordinate with the prime contractor regarding any parking restrictions and develop a plan for parking if there is not a project-wide solution.

3.5.8 Site and Material Management

All contractors are required to maintain a secure, well-illuminated, clean, and orderly construction site or assist the prime contractor with doing so. Commonly, subconsultant agreements require trade contractors to provide staff to participate in consolidated work crews to support ongoing cleaning efforts.

Contractors need to be aware of on-site material storage availability and limits as that will affect material ordering and deliveries. While some projects may have adequate lay-down and material storage areas, others may be limited and require off site material breakdown or “just-in-time” delivery of smaller quantities of materials. There may also be limits on time of day or day of week that materials can be delivered to the project site, as well as limits on delivery routes. This can affect delivery costs and should be understood in advance.
3.5.9 Record Documents

The project plans and specifications spell out requirements for record documents that must be maintained during construction and submitted at completion. All contractors need to be aware of these requirements so that they can anticipate their staffing needs to assist with this effort.

As-built drawings capture modifications to the project resulting from putting the work in place. These drawings are required to be maintained daily during construction for the contractor to receive progress payments for the work. HUB contractors need to plan to continuously provide information to assist with the maintenance of drawings associated with their work scope as it is put in place.

Record documents also include operations and maintenance (O&M) manuals, product data, warranties, and certifications. It is recommended that contractors complete and submit this information as soon as possible to help expedite project close out and receive final payment.

3.6 Construction Safety

There are several safety requirements for MD Anderson projects that must be completed prior to being allowed onto the project. There are other requirements that must be completed prior to actual work start on the project. Full participation is mandatory. Staff may either not be allowed on the project initially or removed from the construction site for non-compliance.

3.6.1 Training and Certifications

All contractors must provide evidence to confirm that assigned staff have completed mandatory training and certification requirements before those staff can report to the project site. This information will be reviewed for completeness and compliance by the owner’s designated safety personnel. Mandatory drug and alcohol testing, as spelled out in the project requirements, must also be completed.

Any changes to prime contractor safety staff (PSC, PSA), due to staff injury, illness or departure will require that new safety staff be reapproved by the owner. Interim staffing must also meet all qualification requirements and no gap in site safety coverage is permitted.

3.6.2 Site Specific Safety Plan

All contractors are required to prepare and submit for review and approval a site-specific safety plan for the project. This plan takes into consideration all aspects of the site where the work will occur and how to execute the work safely. It must also include how staff will receive safety training. This plan will also be reviewed for completeness and effectiveness before contractors can begin work on site.

3.6.3 Safety Kick-Off

A safety kick-off meeting will be conducted at the beginning of the construction period. All contractors are required to attend this meeting. All project assigned construction staff are required to complete a project safety orientation and receive and display evidence of that training completion (photo ID badge) while on site.

3.6.4 Equipment

All construction equipment must be inspected daily and prior to use. Documented evidence of training specific to the make and model of each piece of equipment must be provided before that equipment can be utilized on site. Rejection of non-compliant equipment or training can result in productivity losses and associated financial impacts.
3.6.5 **Hazard Identification**

A mandatory Job Hazard Analysis (JHA) must be prepared by each subcontractor each day prior to work start. The JHA needs to accurately describe the site and work conditions, the work that will be performed, any safety hazards associated with that work, and how those hazards will be mitigated. The JHA must be reviewed with and acknowledged by the contractor’s work crew and reviewed and approved by the prime contractor’s Project Safety Coordinator (PSC) or Project Safety Assistant (PSA) before daily work can begin or if work task(s) changes during the workday.

The Subcontractor’s Safety Representatives (SSR) will be required to attend safety meetings, participate in hazard identification inspections on the project and manage correction of any safety deficiencies associated with the subcontractor’s work scope.

3.6.6 **Incident Response**

Any injuries, near misses, physical damage to property or other serious incidents as described in the project documents requires an incident response and review. Contractors, to the extent of their involvement, are required to participate in the incident response and mandatory follow up, including the preparation of a Root Cause(s) Analysis (RCA) and action plan to prevent a repeat incident. It is recommended that the SSR complete accident investigation training.

These safety responsibilities likely exceed those previously encountered by contractors who have not worked on U. T. System projects, but they serve to create safe construction work sites that demonstrate the value that U. T. System places on individual worker safety.

3.7 **Construction Schedule**

It is important for contractors to fully understand the construction schedule, when their work occurs during that schedule, and how they can best execute their work to avoid impacts to the schedule.

3.7.1 **Liquidated Damages**

MD Anderson construction contracts stipulate a mandatory completion date and financial liabilities for late completion, typically in the form of liquidated damages, or “LDs”. These LDs are typically a fixed dollar amount for each day that project completion exceeds the contract completion date and can quickly grow to a large sum. Prime contractors are liable for this amount and often include language in subcontract agreements for subcontractors to share this liability.

3.7.2 **Schedule Maintenance and Recovery**

MD Anderson has established Primavera P6 as the mandatory software program for creating and maintaining the construction schedule, and the format and required information for mandatory monthly reports. HUB contractors will either be required to manage the P6 schedule (as primes) or contribute to it (as subcontractors).

Contractors whose work scope occurs in the later stages of construction should be aware of the potential for delays occurring early in the project that may impact their ability to initiate and complete their work. This can result in circumstances where they are asked to compress and accelerate their work to avoid late completion of the overall project and assessment of LDs. It is suggested that this potential impact on workload and manpower be anticipated by the contractor.
3.8 Payments

In Chapter 1 of the guide, it was recommended that HUB contractors have working capital in place to cover material and labor costs until payment can be received. It was also suggested that they plan their proposed payment requests to align with their cash flow needs and address those expenses as close as possible to when they are incurred.

On MD Anderson construction projects, payments can only be made for work in place that has been properly inspected and approved, or for off-site material and equipment stored in full compliance with stored material provisions in the project specifications. Applications for payment must be reviewed for confirmation of work in place, accuracy of percentage completion promoted in the billings, and must be mathematically correct.

MD Anderson has an online 2nd tier electronic reporting system for reporting of subcontractor payments to HUB and Non-HUB firms. Prime contractors need to identify the point of contact and request to use the online system to complete their Prime Contractor Progress Assessment Report (PAR) requirements. An example of the online reporting template is in the Appendices.

3.8.1 Payment Application Format – Schedule of Values

MD Anderson requires that payment applications be submitted in a specific format that provides a detailed breakdown of project costs, percentage complete, prior payments made, and current requested payment amounts. This format, referred to as the “Schedule of Values”, is submitted for payment requests, either directly to the prime contractor or through their online payment system.

3.8.2 Pay When Paid Clause

Most subcontract agreements include a “Pay When Paid” clause, stating that the subcontractor will be paid only after the prime contractor has received payment from the owner. Following receipt of payment from the owner, the prime contractor has 10 days to make payment to their subcontractors. If a HUB firm is working at a second-tier, the first-tier subcontractor has an additional 10 days to make payment to them following receipt of payment from the prime firm.

3.8.3 Time to Payment

Payment requests are submitted to the owner at the end of each month for work completed in that month. Prime contractors typically request that subcontractors submit a projection of their payment requests, 7 to 10 days before the end of the month. The prime contractor reviews the subcontractor payment request to confirm the accuracy of the work in place that is claimed.

The prime contractor combines the payment requests from all subcontractors and suppliers and submits a draft of the payment application to the owner’s on-site project management staff for a preliminary review. The owner’s staff also confirms work in place, reviews for mathematical accuracy, and provides review comments to the prime contractor. After any necessary corrections or adjustments are made, the prime contractor formally submits the payment application to the Owner. This is the official start of the payment clock.

The State of Texas Prompt Payment Act requires MD Anderson to make payment for properly completed and submitted payment application within 30 days of receipt, or to pay an interest penalty to the contractor based the duration of the payment delay and a percentage of the balance due. Assuming that there are no problems with the payment application, MD Anderson has processes in place to help ensure that payments can be processed before owner interest penalties accrue.
For planning purposes, prime HUB contractors should anticipate payment will be received within 30 days of submittal of their fully reviewed and approved payment application. Subcontractors working at the first-tier should therefore anticipate that their payment will be received 50 to 57 days from when they submit their payment application to the prime firm. Second-tier subcontractors should anticipate payment 60 to 67 days from when they submit their payment application.

Any problems discovered after the payment application has been formally submitted may require that the application be resubmitted, resulting in a re-start of the 30-day Prompt Payment clock and additional delay in receipt of payment. All contractors should ensure their payment applications are accurate and properly broken down into the required level of detail to support review and payment. An improperly submitted payment application by one subcontractor can impact and delay payment to all subcontractors.

Some prime contractors put programs in place to assist small subcontractors needing payment sooner. HUB contractors should advise the prime contractor of any financial challenges so that they have an opportunity to address them for the benefit of the project.

If HUB contractors have not received payment beyond the above indicated anticipated timeline, they can reach out to MD Anderson HUB & Federal Small Business Program staff with their concerns.

### 3.8.4 Retainage

MD Anderson construction contracts stipulate that 5% of each payment application be retained by the owner to cover completion costs in the event of contractor’s failure to complete the work. This retainage amount is deducted from each payment application and held until the completion of the project. This can have an impact on contractor’s working capital, cash flow and ability to get their bond released following completion of their work. For subcontractors whose work scope occurs early in the project, their retainage may be held for a couple of years and is not released just because subcontractors have resolved any questions associated with a third-party audit of the project. In certain circumstances, a partial release of retainage by the owner can be requested and may be approved, but contractors should anticipate the financial impact if it is not.
3.9 Construction Inspections

As mentioned earlier in the guide, one goal of MD Anderson is to provide high-quality facilities needed to support our unique mission. Owner inspections will occur throughout the course of construction. Contractors need to anticipate how these inspections will impact their work processes and staffing.

As a state entity, MD Anderson construction projects do not involve inspections by municipal inspectors, unless the projects are in lease space that is not on state property. MD Anderson has its own inspection team that will be inspecting the work. Contractors will still however need to have all necessary licensing and registration required to perform their work.

3.9.1 Quality

MD Anderson requires that a Quality Assurance/Quality Control (QA/QC) process be utilized on their construction projects to confirm that work in place meets the quality and performance requirements included in the project documents. The prime contractor is required to designate staff responsible for managing the QA/QC process. All contractors are required to participate in the process and designate staff responsible for quality oversight for their work.

The process begins with review and approval of product submittals to assure compliance with project document requirements. Any manufacturer required installer certifications are also reviewed and confirmed. Materials and equipment are ordered and inspected upon arrival to confirm that they match approved submittals.

For each major trade scope, a pre-installation meeting is held on site before that scope begins. The meeting includes representation from the owner, prime contractor, and all affected subcontractors and suppliers. Any required owner or contractor testing entities also attend the meeting. Attendance at these meetings is mandatory, so contractors should plan accordingly.

The pre-installation meeting consists of a review and discussion of the upcoming work scope, the trades involved, the sequence and schedule of the work, and expected quality outcomes. Contractors need to be fully informed regarding project document requirements for their scope of work so that they can actively participate in the meeting and bring forward any issues or concerns. This will allow time for those issues to be addressed in advance of that work scope getting underway.

On some projects, detailed construction quality and/or performance mockups are required by the project documents. The prime contractor is responsible for coordinating with the applicable trade contractors the timely delivery of materials and the labor needed to assemble the mockup for review. Once completed, the mockup is reviewed by the owner, the design team and the contractor to identify any constructability, performance or quality issues. Modifications are made to the mockup until it is considered acceptable, then it is approved by the owner for that scope of work to proceed on the project.

In the absence of required mockups, it is recommended that subcontractors complete a small portion of their work scope to serve as an in-place mockup for owner and prime contractor review and approval before proceeding with the balance of their scope. It is very important that contractor staff who participate in the in-place mockup review understand the resulting quality expectations and share that information with other staff who will be working on the project.

3.9.2 Rework

As the work proceeds, owner and contractor inspections will occur at intervals designated in the project documents. The prime contractor will typically maintain a deficiency log and provide it to subcontractors so that they can correct their deficiencies during the work.
Owner’s staff will inspect the work to assure that it fully complies with the project documents, without exceptions. All contractors need to understand that they are accountable to deliver the level of quality stipulated in the contract documents or will be required to remove and replace their work until it is considered compliant.

3.10 Changes in the Work

As mentioned above, changes can occur during construction. These changes can result from unforeseen conditions encountered on the project site, conflicts between building systems and elements, or a decision to modify the design. Contractors will be asked to evaluate these changes for any impacts to their pricing proposal or work schedule.

Working in a dynamic patient care and research environment, changes on MD Anderson construction projects are not uncommon. MD Anderson project management staff need for contractors to remain flexible in that regard and will resolve change issues in a timely fashion and negotiate fair compensation for approved changes. Simultaneously, they welcome and encourage feedback from contractors if a change will be extremely costly or disruptive to the project delivery process. Under those circumstances, they may be able to convince the end user to reconsider the change.

3.10.1 Change Pricing

Contractors should promptly review and respond to pricing requests received from the owner or the prime contractor. Pricing information will need to be submitted in an approved format, and markups for overhead and profit are limited to the percentages spelled out in the project documents. The pricing proposal is carefully reviewed by the owner, prime contractor, and design team. Depending on the quantity of changes and availability of staff to review them, this review process can take an extended period of time. Contractors may be asked to adjust their proposal following review if quantities or mathematical errors are discovered or if labor and material costs are considered above industry norms.

3.10.2 Change Implementation

In certain circumstances, contractors may be asked to proceed with the change work prior to final negotiation of the price for that work. This may be deemed necessary due to the sequence of the work and the need to avoid impact to the overall project schedule. The intent is for contractors to be fairly compensated for the additional work following a careful review of the pricing proposal.

3.11 Project Closeout

Before the project can be accepted by the owner and final payment received, the project must go through final review and inspections, and project closeout documentation must be submitted and approved. HUB contractors will have an important role in this closeout process.

3.11.1 Final Inspections

As the work is completed and the project draws to a close, final inspections will occur. These will begin with pre-inspections by the prime contractor, followed by inspections by the owner and design team. Deficiencies will be identified and recorded in a final list for correction, referred to as a “punchlist”. It will be the HUB contractor’s responsibility to address the deficiencies identified for their work in the punchlist until it is considered compliant. If non-compliant work is excessive, this will delay final completion of the project and potentially trigger assessment of LDs. Contractors need to be aware of this potential and plan the manpower to complete punchlist items.
3.11.2 Audit

MD Anderson may utilize the services of third-party audit companies to conduct in-process and final audits of their construction projects. The purpose of these audits is to identify inappropriate or unallowable charges that may have occurred on the project. On some projects, the third-party auditor is brought in earlier during construction to look at payment applications and subcontractor wage rates and burdens for initial change orders. This helps to get early alignment on allowable charges and overhead to avoid surprises during the final project audit.

Resolution of the audit findings is a pre-condition for final payment on the project. Completion of the audit process requires the participation of the prime contractor and subcontractors, and submission of project payroll and project cost information as requested to address questions identified by the auditor. Contractors need to be aware that errors found in their pricing, charges, or payments may result in adjustments to their final payment.

3.11.3 Closeout Documentation

As described under the Record Documents section above, contractors need to continuously maintain their record documents so that they can be submitted in a timely fashion to achieve final completion and final payment on the project. Coordination with the prime contractor will confirm that all required documents have been provided.

3.11.4 Insurance Closeout

There are final administrative requirements of the ROCIP program that need to be completed to achieve final closeout. The UT System insurance administrator can provide details regarding these requirements.

Being aware of these requirements can enable contractors to assign staff and put processes in place to address them, resulting in a successful construction execution. HUB contractors can then build on that success to secure additional projects.
Summary

This guide has explained how important Historically Underutilized Business participation is to MD Anderson in the delivery of its capital construction program. It describes what HUB contractors need to know when considering these contracting opportunities, suggestions for putting together a winning bid/proposal, and important information to help contractors achieve a successful execution of their work.

We hope it has been informative and will be helpful for HUB contractors considering pursuing MD Anderson construction contracts. The HUB & Federal Small Business Program, Sourcing and Contract Management and Facilities Planning, Design and Construction are available to answer any questions regarding the MD Anderson capital program and are ready to assist interested firms in their contract pursuits.

Thank you for your interest in MD Anderson capital construction projects.
APPENDIX 1: Acknowledgements

This document was created by the MD Anderson HUB & Federal Small Business Program. The HUB & Federal Small Business Program would like to thank the following individuals and organizations for the contribution of their expertise in the development of the information for this guide:

Construction Subject Matter Experts

- Rebecca Burleson, Linbeck Construction
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- Cloteal Haynes, Haynes Eaglin Waters
- Jay Miranti, MD Anderson Facilities Planning, Design and Construction
- Matt Pickens, Beck Construction
- Dwight Runkels, Hensel Phelps Construction
- Mark Schaeffer, UT System Office of Risk Management
- Mike Vaughn, Vaughn Construction
- Eugene Walker, EJ Smith Construction

Consultants

- Bob Rawski, Bob Rawski PLLC
- Darryl Samuels, D. Samuels & Associates, LLC
APPENDIX 2: Construction Manager at Risk (CMR) Procurement Process

1. Sourcing and Contract Management issues Request for Qualifications (RFQ) for Construction Manager at Risk (CMR) Services

2. Sourcing and Contract Management conducts Pre-Submittal Conference

3. Deadline for receipt of Requests for Information to RFQ

4. Sourcing and Contract Management posts all addendums as necessary to RFQ

5. Sourcing and Contract Management receives respondent RFQ submittals and Letter of HUB Commitment

6. HUB & Federal Small Business Program reviews respondent Letter of HUB Commitment to confirm compliance and advises Sourcing and Contract Management
Sourcing and Contract Management distributes compliant respondent RFQ submittals to Procurement Committee.

Procurement Committee members independently review respondent RFQ submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management.

Sourcing and Contract Management compiles Procurement Committee RFQ scores and meets with the Evaluation Committee to determine the “short list” of firms to receive Request for Proposal (RFP).

Sourcing and Contract Management issues RFP to "short list" firms.

Sourcing and Contract Management receives respondent RFP submittals including HUB Subcontracting Plan for pre-construction services. HUB team reviews HSP and confirms compliance and advises before Sourcing and Contract Management distributes to Procurement Committee.

Procurement Committee members independently review respondent RFP submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management.

Sourcing and Contract Management may conduct interviews with some or all of the “short list” respondents.
Sourcing and Contract Management compiles Procurement Committee RFP and interview scores and identifies "Best Value" respondent

Sourcing and Contract Management enters contract negotiations with "Best Value" respondent

If unable to reach acceptable contract terms, Sourcing and Contract Management enters negotiation with second "Best Value" respondent

Sourcing and Contract Management routes contract for final approval by MD Anderson

Sourcing and Contract Management transmits contract to "Best Value" respondent for signature and to MD Anderson for execution

Sourcing and Contract Management transmits final executed contract to "Best Value" respondent
APPENDIX 3: Design-Build (DB) Procurement Process

Sourcing and Contract Management issues Request for Qualifications (RFQ) for Design-Build (DB) Services

Sourcing and Contract Management conducts Pre-Submittal Conference

Deadline for receipt of Requests for Information to RFQ

Sourcing and Contract Management posts all addendums as necessary to RFQ

Sourcing and Contract Management receives respondent RFQ submittals and Letter of HUB Commitment

HUB & Federal Small Business Program reviews respondent Letter of HUB Commitment to confirm compliance and advises Sourcing and Contract Management
Sourcing and Contract Management distributes compliant respondent RFQ submittals to Procurement Committee

Procurement Committee members independently review respondent RFQ submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management

Sourcing and Contract Management compiles Procurement Committee RFQ scores and meets with the Evaluation Committee to determine the “short list” of firms to receive Request for Proposal (RFP)

Sourcing and Contract Management issues RFP to "short list" firms

Sourcing and Contract Management receives respondent RFP submittals including the HUB plans for the GC and design partner. HUB team reviews HSPs and confirms compliance and advises before Sourcing and Contract Management distributes to Procurement Committee.

Procurement Committee members independently review respondent RFP submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management

Sourcing and Contract Management may conduct interviews with some or all of the "short list" respondents
Sourcing and Contract Management compiles Procurement Committee RFP and interview scores and identifies "Best Value" respondent.

Sourcing and Contract Management enters contract negotiations with "Best Value" respondent.

If unable to reach acceptable contract terms, Sourcing and Contract Management enters into negotiation with second "Best Value" respondent.

Sourcing and Contract Management routes contract for final approval by MD Anderson.

Sourcing and Contract Management transmits contract to "Best Value" respondent for signature and to MD Anderson for execution.

Sourcing and Contract Management transmits final executed contract to "Best Value" respondent.
APPENDIX 4: General Construction Services (GCS) Procurement Process

1. Sourcing and Contract Management issues Request for General Construction Services (GCS)

2. Sourcing and Contract Management conducts Pre-Proposal Conference

3. Deadline for receipt of Requests for Information to GCS

4. Sourcing and Contract Management issues final addendum to GCS

5. Sourcing and Contract Management receives respondent GCS submittals and HUB Subcontracting Plans (HSPs)

6. HUB & Federal Small Business Program reviews respondent HSPs to confirm compliance and advises Sourcing and Contract Management

7. Sourcing and Contract Management distributes compliant respondent GCS submittals to Procurement Committee
Procurement Committee members independently review respondent GCS submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management.

Sourcing and Contract Management compiles Procurement Committee GCS scores and identifies "Best Value" respondent.

Sourcing and Contract Management may conduct interviews with some or all of the GCS respondents.

Sourcing and Contract Management enters contract negotiations with "Best Value" respondent.

If unable to reach acceptable contract terms, Sourcing and Contract Management enters into negotiation with second "Best Value" respondent.

Sourcing and Contract Management routes contract for final approval by MD Anderson.

Sourcing and Contract Management transmits contract to "Best Value" respondent for signature and to MD Anderson for execution.

Sourcing and Contract Management transmits final executed contract to "Best Value" respondent.
APPENDIX 5: Job Order Contracting (JOC) Procurement Process

- Sourcing and Contract Management issues Request for Proposal (RFQ) for Job Order Contracting (JOC) Services

- Sourcing and Contract Management conducts Pre-Submittal Conference

- Deadline for receipt of Requests for Information to RFQ

- Sourcing and Contract Management posts all addendums as necessary to RFQ

- Sourcing and Contract Management receives respondent proposals and Letter of HUB Commitment.

- HUB & Federal Small Business Program reviews respondent Letter of HUB Commitment to confirm compliance and advises Sourcing and Contract Management

- Sourcing and Contract Management distributes compliant respondent RFQ submittals to Procurement Committee
Procurement Committee members independently review respondent RFQ submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management.

Sourcing and Contract Management compiles Procurement Committee RFQ scores and meets with the Evaluation Committee to determine the "short list" of firms to receive Request for Proposal (RFP).

Sourcing and Contract Management issues RFP to "short list" firms.

Sourcing and Contract Management receives respondent RFP submittals and distributes to Procurement Committee.

Procurement Committee members independently review respondent RFP submittals, complete scoring for each respondent, and return scores to Sourcing and Contract Management.

Sourcing and Contract Management may conduct interviews with some or all of the "short list" respondents.

Sourcing and Contract Management compiles Procurement Committee RFP and interview scores and identifies "Best Value" respondent.

Sourcing and Contract Management enters contract negotiations with "Best Value" respondent.
If unable to reach acceptable contract terms, Sourcing and Contract Management enters negotiation with second "Best Value" respondent

Sourcing and Contract Management routes contract for final approval by MD Anderson

Sourcing and Contract Management transmits contract to "Best Value" respondent for signature and to MD Anderson for execution

Sourcing and Contract Management transmits final executed contract to "Best Value" respondent
MD Anderson HUB Contractor Guide

APPENDIX 6: Sample Construction Manager at Risk (CMR) Request for Qualifications (RFQ) Evaluation Matrix

<table>
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<tr>
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<tbody>
<tr>
<td>RESPONDENTS NAME</td>
<td>[List alphabetically]</td>
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<td>Committee Point Allocation</td>
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Note: Weighting of Procurement Criteria can be adjusted by the Evaluation Committee selected for each project.
## APPENDIX 7: Sample Subcontractor Pricing Worksheet

<table>
<thead>
<tr>
<th>Proposal Package No.1 - Site Utilities</th>
<th>SUBCONTRACTOR 1</th>
<th>SUBCONTRACTOR 2</th>
<th>SUBCONTRACTOR 3</th>
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<tbody>
<tr>
<td>Base Scope</td>
<td>$85,000.00</td>
<td>$79,000.00</td>
<td>$70,000.00</td>
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<td>Alternate 1</td>
<td>$20,000.00</td>
<td>$17,000.00</td>
<td>$19,000.00</td>
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<tr>
<td>Alternate 2</td>
<td>$11,000.00</td>
<td>$8,000.00</td>
<td>$10,000.00</td>
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<tr>
<td>Scope Adjustments/Exclusions</td>
<td>$3,000.00</td>
<td>$4,000.00</td>
<td>$2,000.00</td>
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<tr>
<td>Other Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Required Lifting, Hoisting and Scaffolding</td>
<td>$1,000.00</td>
<td>INCLUDED</td>
<td>INCLUDED</td>
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<tr>
<td>Subcontractor Parking</td>
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<tr>
<td>Consolidated Cleaning Crew Participation</td>
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<tr>
<td>Total Subcontract Price</td>
<td>$120,000.00</td>
<td>$100,000.00</td>
<td>$110,000.00</td>
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<tr>
<td>Pricing Score (10 for lowest price, interpolated for amounts over lowest price)</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Acknowledged Receipt of Addenda</td>
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<td></td>
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<tr>
<td>Acknowledged Review of Project Plans and Specifications</td>
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<td>Acknowledged Review of Subcontract</td>
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<tr>
<td>Acknowledged Prevailing Wage Requirements</td>
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<tr>
<td>Acknowledged RDC/RC administered Testing and Personnel Requirements</td>
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Example only. Format will vary by prime contractor.
# SAMPLE SUBCONTRACTOR PROPOSAL AND QUALIFICATIONS WORKSHEET

<table>
<thead>
<tr>
<th>Selection Criteria</th>
<th>Weight Factor</th>
<th>SUBCONTRACTOR 1</th>
<th>SUBCONTRACTOR 2</th>
<th>SUBCONTRACTOR 3</th>
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<tbody>
<tr>
<td>Respondent’s Pricing Proposal (adjusted to reflect any scope issues or exclusions)</td>
<td>70*</td>
<td>8</td>
<td>560</td>
<td>10</td>
</tr>
<tr>
<td>*Weighting of pricing proposal can vary based upon project requirements *</td>
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<td></td>
</tr>
<tr>
<td>1 Respondent’s Demonstrated Capacity/Financial Resources and Claims History</td>
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<td>7</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>2 Qualifications and Experience of Team Members Proposed for the Project</td>
<td>3</td>
<td>9</td>
<td>27</td>
<td>8</td>
</tr>
<tr>
<td>3 Respondent’s Experience with Similar Projects</td>
<td>4</td>
<td>7</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>4 Respondent’s Experience with the Owner; A/E Team and CM Team on Similar Projects</td>
<td>4</td>
<td>7</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>5 Respondent’s Safety Program &amp; Safety Record</td>
<td>3</td>
<td>8</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>6 Respondent’s Ability to Meet Schedule Requirements</td>
<td>4</td>
<td>7</td>
<td>28</td>
<td>9</td>
</tr>
<tr>
<td>7 Respondent’s Ability to Provide Adequate Manpower</td>
<td>4</td>
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<td>32</td>
<td>7</td>
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<tr>
<td>8 Respondent’s Material Procurement Plan</td>
<td>2</td>
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<td>16</td>
<td>7</td>
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<tr>
<td>9 Respondent’s QA/QC Program &amp; Coordination w/ Other Trades</td>
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<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>10 Respondent’s Review of Master Subcontract &amp; Project Subcontract</td>
<td>3</td>
<td>6</td>
<td>18</td>
<td>8</td>
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<tr>
<td>Total Points</td>
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<td>782</td>
<td>939</td>
<td>836</td>
</tr>
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</table>

Example only. Format will vary by prime contractor.
APPENDIX 9: 2nd Tier Reporting System / Progress Assessment Report (PAR)
APPENDIX 10: Glossary of Terms and Abbreviations

**Competitive Sealed Proposals (CSP):** A procurement process to hire a General Contractor based upon price and other factors, including experience with similar projects, qualifications of assigned personnel, budget and schedule performance on prior projects, and other criteria as established by MD Anderson.

**Construction Manager at Risk (CMR):** A General Contractor who is hired via a competitive procurement process, based upon price and other factors, during the design stage of a project to provide pre-construction services, including estimating, phasing, and constructability input. The CMR then provides a Guaranteed Maximum Price (GMP) to construct the work, hires subcontractors, and serves as Construction Manager during construction.

**General Contractor (GC):** Also known as Prime Contractor, a General Contractor typically holds a direct contract with MD Anderson and hires subcontractors to complete the work.

**HUB Supplier:** A HUB Supplier is a company that is at least 51% owned, operated, and controlled by a Minority, Women, or Disabled Veteran. The principal place of business must reside within the State of Texas.

**Job Order Contracting (JOC):** A General Contractor who is hired via a competitive procurement process to serve as the prime contractor and be engaged on a multi-year contract to perform work as requested, with pricing for the work based upon agreed-to labor and material rates.

**Prime Contractor:** Contractor who holds a direct contract with MD Anderson and hires subcontractors to complete the work. Also referred to as a General Contractor.

**Subcontractor:** A trade or specialty contractor who works under a subcontract to a prime contractor.

**Supplier:** A vendor who provides equipment, materials or labor to a prime contractor or subcontractor.