

School Construction Industry Connection

Rebuilding Orleans Parish Schools

Schools Rebuilding DBE Newsletter • October 2018

John McDonogh High School



School Construction Industry Day VII CMAR Procurement The Way Ahead

On Saturday, October 6, 2018, the Orleans Parish School Board (OPSB) and the Recovery School District (RSD) will host their seventh Construction Industry Day event designed to provide Disadvantaged Business Enterprises (DBE's) access to valuable information that gives them enhanced opportunities to provide construction services to the School Rebuilding Program.

The event will take place in the Xavier University Convocation Annex Building beginning at 9 AM. With three major projects in the design phase and several refurbishment projects yet to be completed, this event will help DBE sub-contractors prepare for the CMAR process and allow companies to become better acquainted with key decision makers and peer group entities.

Under the theme "Leveraging Resources, Developing Relationships", the Industry Day event will provide detailed information on the scope of work on the upcoming projects totaling between \$150 – \$200 million dollars. The OPSB will give preliminary guidance on how contractors can participate in the on-going maintenance program. The CMAR procurement process will be examined and a panel of CMAR sub-contractors will share their experiences with the program.

With more than 170 DBE contractors participating in some work on school construction, the Industry Day events have proven to be very effective in providing the critical information and direction that have assisted the DBE community. RSD DBE Director, Sombra Williams, said, "These events provide the kind of capacity building information that can be critical to development of sub-contractors' ability to win bids and provide services."

Her former assistant, Jonathan Temple, who now heads the OPSB's DBE Department, concurs and points out, "While the major projects are nearly done, there is a need for on-going maintenance on all of the buildings. This event will provide information on how to pursue those opportunities."

All interested DBE contractors are encouraged to attend!

Contained within this newsletter is information, along with important tips and resources to get you connected.

Making the Connection

Disadvantaged Business Enterprises (DBE) Monthly Summary

Recovery School District

New & Renovations:

DBE Contractors secured subcontracts on 25 projects as of July 31, 2018. The DBE subcontracts value is \$82,753,803 of the \$364,264,924 total of awarded contracts.

Stabilization/Demolition/Mothballing:

DBE Contractors secured subcontracts on 58 projects as of July 31, 2018. The DBE subcontracts value is \$23,691,464 of the \$74,775,758 total of awarded contracts.

Design-Build New:

DBE Contractors secured subcontracts on 3 projects as of July 31, 2018. The DBE subcontracts value is \$34,542,724 of the \$109,137,557 total of awarded contracts.

CMAR New:

DBE Contractors secured subcontracts on 3 projects as of July 31, 2018. The DBE subcontracts value is \$42,489,283 of the 134,245,850 total of awarded contracts.

**Total Amount of DBE Contracts
Awarded to Date: \$ 183,477,274**

Orleans Parish School Board

New & Renovations:

DBE Contractors secured subcontracts on 17 projects as of July 31, 2018. The DBE subcontracts value is \$65,999,022 of the \$263,467,831 total of awarded contracts.


Stabilization/Demolition/Mothballing:

DBE Contractors secured subcontracts on 4 projects as of July 31, 2018. The DBE subcontracts value is \$569,422 of the \$1,540,999 total of awarded contracts.

**Total Amount of DBE Contracts
Awarded to Date: \$66,568,444**

DBE provisions were included in projects bid after June 30, 2012

Construction Management At Risk Project Procurement Delivery Method (CMAR) Adopted By OPSB-RSD



On June 19, 2014,
the Louisiana legislature
approved the use of the
Construction Management
At Risk Procurement [CMAR]
method for public contracts.



The current delivery method used by both the Orleans Parish School Board and the Recovery School District for school construction projects is known as Design-Bid-Build. Under this procurement method, a contract is legally required to be awarded to the lowest responsible bidder as outlined in La. R.S. 38:2211 et. seq. To be awarded a contract, the bidder must satisfy two conditions: [1. Meet the minimal qualifications as set forth by the bid, and 2. Provide

the lowest bid.] With this traditional procurement method, work associated with the design and construction of a project are separate and independent parcels of work. The low-bid procurement method as it is termed; does not address the problem of local participation and minority inclusion.

On June 19, 2014, the Louisiana legislature approved the use of the Construction Management At Risk Procurement [CMAR] method for public contracts. This approval offers an alternative to Design-Bid-Build and is a critical step in advancing how contracts for school rebuilding construction projects may be awarded.

Since La. R.S. 38:2225.2.4 was created via Act 782 [SB680] in 2014, Construction Management At Risk is becoming more widely utilized in the state of Louisiana, because of its ability to better serve

the public interest in ways that the traditional Design-Bid-Build method of construction does not.

The Construction Management At Risk delivery method allows the owner of a project to select a design professional and utilize a Request for Qualifications (RFQ) as part of the selection process to choose the CMAR contractor. The CMAR Contractor is selected based upon qualifications, experience, fees and on 120-point rating criteria, which includes DBE participation, that is evaluated by a "Selection Review Committee." The selection review committee makes a written recommendation to the owner based on the highest cumulative score. After the execution of the pre-construction contract, the architect and CMAR Contractor work as a team in consultation with each other to cultivate and evaluate the design. If the owner and contractor can agree on the scope of work and probable project cost, the CMAR Contractor provides the owner with a guaranteed maximum price (GMP) and coordinates all of the subcontractor's work. The A/E Firm is hired separately from the CMAR Contractor and the traditional client-A/E relationship is maintained. This difference saves money and time by changing the relationship between designers and contractors into an alliance that fosters collaboration and teamwork.

Given the potential for positive economic impact and capacity building within the local and disadvantaged community, the Construction Management At Risk process versus low bid procurement allows the Owner to base the CMAR Contractor selection on "Qualifications and Best Value".

The Benefits Realized Are

- **Faster Delivery** – increases the speed of the project and can also strengthen coordination between the architect/engineer and the CMAR Contractor. The work is completed faster and with fewer problems;
- **Cost Savings** - an integrated team is geared toward efficiency and innovation;
- **Better Quality** – the CMAR Contractor, Architect/Engineers, and the Owner all collaborate and work as a unified team, which creates enhanced synergies throughout the process and often fosters innovations to deliver a better project;
- **Singular Responsibility** - one entity is held accountable for cost, scheduling and performance;
- **Transparency** - is enhanced, because all costs and fees are in the open, which diminishes adversarial relationship between the various components working on the project, while at the same time eliminating bid shopping.
- **DBE Inclusion** - allows for more control and opportunity to increase DBE participation by including it as an element of the scoring criteria; (a minimum goal of 35% DBE participation)
- **Reduced Owner's Risk** - the CMAR Contractor assumes the additional risk;
- **Reduced Litigation Claims** - by closing warranty gaps, owners minimize exposure to litigation claims.

For the reasons listed above, the Recovery School District has currently Procured work on Booker T. Washington, John McDonogh, and Karr High Schools as CMAR projects, and is currently procuring additional work on CTE HS @Kerlerec Street (Former McDonogh 35), Cohen High School and Behrman Elementary School during the 2018 calendar year.

This Amendment commenced on August 1, 2018.

Based on the successes of the CMAR delivery method, ACT 456 [HB 208] was signed into law following the 2018 legislative session. This ACT amended the rules to allow CMAR Procurement to be applied without oversight for any total project valued above \$15 Million dollars. The CMAR Procurement threshold was also lowered to \$5 Million dollars but will require oversight, review, and approval by the House and Senate Transportation, Highways and Public Works Committee.



Lona Edwards Hankins

"I had over 20 years of engineering experience. I asked myself, 'What can I do to contribute?' – Don't complain. Do something!"

Lona Edwards Hankins

The Engine that Fueled the School Rebuilding Program

Lona Delphine Marie Edwards Hankins, until August of this year, served as the Executive Director of Major Capital Projects for the Recovery School District (RSD). In that role she provided the hands-on leadership for the two billion dollar (\$2B) public school rebuilding program funded by the Federal Emergency Management Agency (FEMA).

The FEMA, \$2 Billion single settlement to rebuild schools set an historical precedence for how the Federal Government has helped communities recover from major disasters since the flooding from Katrina, which devastated New Orleans. Since its inception in 2007, the rebuilding program has completed forty (40) new or major renovated facilities and refurbished another twenty-nine (29). Those sixty-nine (69) buildings now house more than 35,000 students in quality school seats throughout the City of New Orleans.

For the past eleven years, Lona Hankins has managed the oversight for design and construction of these new and remodeled schools. During that time period, she has managed more than 700 construction and design projects. The program has been highly effective and scandal free, while staying within budget and delivering completed projects on-time to accommodate the growing post-Katrina public school population.

The Jacobs/CSRS DBE Team decided to feature Ms. Hankins in this edition of "the School Construction Industry Connection".

Lona Hankins is a New Orleans native, the middle of 5 children born to Jules and Lona Edwards. She spent her K – 12 years in Catholic schools (St. Stephens and Dominican) where she experienced early days of integration with both white and Hispanic youth. She says she didn't really begin to develop as a student and get a chance to display her leadership skills until she had her "Black" experience when she attended college at Southern University in Baton Rouge where she found teachers who cared about her and supportive peers.

She graduated from Southern in 1988 with a degree in Mechanical Engineering and was hired by a refinery in Plaquemines Parish shortly after graduation. She worked 20+ years for the refinery initially managing small projects, maintenance, costs controls and budgeting. She had advanced to their capital projects division when Katrina hit in 2005.

In 2004, the refinery completed updating its Cat Cracker (the primary unit of a refinery where crude oil is converted to several different products including gasoline). The project required a million-pound lift and utilized imaging software and 3D simulation to insure a safe retooling. This was Lona's first taste at managing projects over \$25 Million Dollars. The refinery was underwater after Katrina. Ms. Hankins was tasked with managing a team of project managers to get the one million dollar a day refinery back-up and running after the storm. This experience demonstrated to her the power of team work. They completed the task in 5 months!

Even with her success in restoring the refinery operation, Lona Hankins described her general mood as “suffering from survivor’s remorse”. She explained that her father, Jules Edwards, was one of six Edwards brothers. Collectively, the brothers their children and grandchildren, occupied 25 houses in New Orleans prior to Katrina. Of the 25, only 4 were habitable following the storm. She lived in one of those houses and felt it her obligation to contribute to the rebuilding of New Orleans in a significant way. “I had over 20 years of engineering experience. I asked myself, ‘What can I do to contribute?’ – Don’t complain. Do something!”

With three (3) children in public schools prior to Katrina, Lona Hankins had been a public-school advocate appearing before the OPSB to argue for the best education for her children. When the RSD began recruiting for a Director of Facilities position, Ms. Hankins pursued the job. She says she finally convinced then State Superintendent, Paul Pastorek, to hire her in May of 2007. Her first task was to manage the “Quick Start” school rebuilding effort, which Pastorek used to kick-start the overall rebuilding program by working with the 5 district City Council members to select a school in their district to begin rebuilding while the Master Plan process was being developed.

By the Summer of 2008, Lona got involved in the Master Planning process and began to see what it was like to be on the other side of the podium as passionate people pleaded their cases for rebuilding their alma mater as part of the rebuilding program. She said that process, which involved input from more than 10,000 returning New Orleans citizens taught her some valuable lessons. She learned how to be an honest and compassionate broker with the community. She helped people to manage their expectations, and most importantly, she used her personal relationships through family members to gain people’s confidence and buy-in. Lona’s mother taught for 30 years in the public schools and her father’s extended family was entrenched in most of the key New Orleans neighborhoods.

When the Master Plan was adopted in 2008, some 80+ school projects were laid out to be completed. Over the next 10 years, Ms. Hankins managed the selection of architects to design school buildings, selecting contractors and overseeing their work, budgeting to make sure all projects were completed with the money available, handling complaints, mediating the searing battle between Charter advocates and public school alumni who fought over the direction of the educational programs, and developing an effective DBE program to insure that local disadvantaged businesses had a stake in the rebuilding effort.

She cites the legal constraints with the state’s low-bid law as a big hinderance in getting small, local African-American, Hispanic and women contractors work during the initial phase of rebuilding. She says that it wasn’t until State Superintendent, John White; RSD Superintendent, Patrick Dobard; and OPSB Superintendent, Darryl Kilbert, collectively decided in 2011 to embed DBE requirements in the construction contracts that significant progress in DBE involvement begin to happen.

She notes that many of the local General Contractors were not getting work with the low-bid policy and it wasn’t until they were convinced to unite with DBE subs that they began to win contracts. She credits the excellent work of Sombra Williams, the DBE Director and Jonathan Temple her assistant, who monitored construction projects and made sure contractors lived up to their DBE commitments.

She says her three (3) hardest projects were Colton, Booker T. Washington and George Washington Carver. At Colton she had to re-brick the entire school due to a faulty brick laying scheme when the school was initially built that caused the bricks at Colton to erode

over time. Each brick had to be removed and replaced. She went through a rigorous process to come up with the re-bricking solution.

Booker T. Washington was personal. Her father learned his shoemaking skills at BTW and the decision on whether to remodel the existing structure, which was the more expensive option, or to rebuild new was put before the BTW alumni and the charter school designated to run the new BTW program. The decision to build new was totally community driven.

Then at Booker T. there was the issue of it having been built on the site of the old Silver City dump, which was closed in the 1930’s. After extensive remediation and a bitter battle with environmentalist, the decision to rebuild on the site was reached with the full support of the BTW alumni. She remembers being asked if she would send her children to the Booker T. Washington. Her response was, “If the educational program suits my children’s needs, I would send them there without a doubt.” She was fully convinced that the remediation efforts and the layers of concrete built into the foundation had rendered the site safe for generation to come.

At Carver High School, she had a project where an aroused and organized alumni association fought with the charter who was selected to run the school over who would direct the construction of the school. Ms. Hankins had the job of mediating between these factions and coming up with a school design that met the needs of both. The decision to build a convocation style gymnasium that easily converted into a large auditorium (like the Convocation Center at Xavier)

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“If we really value our children, we will make sure they have quality schools to attend from now on.”

was one of the design elements that helped to move the project forward with unified support.

She says her biggest concern going forward is whether the New Orleans community will have the will and financial ability to renovate or build new, those sites that only received refurbishment projects and to maintain the new structures over time. Many of the new buildings have very sophisticated mechanical systems that require high tech maintenance. She says, "If we really value our children, we will make

sure they have quality schools to attend from now on."

She says the most gratifying thing for her is the realization that she's left the schools much better than when she found them. "Kids have high quality 21st Century learning spaces, windows, clean sanitary bathrooms, and first-rate learning tools. They have what it takes to be ready for this new world we are creating. I am hopeful that we will sustain the progress."

Contractor's Resource Center Urban League of Louisiana

Capacity-Building for DBEs Participating in Schools Rebuilding Projects

The Urban League of Louisiana (ULLA) works in association with Jacobs/CSRS and the DBE Planning Team to support the planning, outreach and DBE capacity-building efforts for the schools rebuilding projects. The Urban League carries out these efforts through its Contractor's Resource Center.

The CRC was opened as a direct response to the need for increased access to opportunities and business development services for small, disadvantaged, minority and women-owned contracting firms in the Greater New Orleans area. The CRC provides business education, technical assistance, counseling, and connections to other capacity-building resources to its clients. In addition, clients of the CRC have access to a state-of-the-art plotter/printer and a computer training lab where contractor-specific training programs are held.

Mastery Level Business Education

The CRC provides mastery level business training for contractors seeking to streamline their back-office and field operations for more efficient processes and profitable outcomes. Classes include: Bid Prep, Scheduling, Estimating, Contract Management, Compliance, Beginner and Intermediate Accounting and Costing.

Technical Assistance

The CRC provides technical assistance and one-on-one support for clients seeking to scale their businesses by obtaining training on software and digital applications for electronic estimating, electronic scheduling, project management, pay apps, and accounting.

Counseling

The CRC offers its clients one-on-one and small group counseling with a business advisor who can take a deeper dive into the specific challenges and business opportunities facing the firm. Clients are paired with an advisor based on their specific needs. The counselor will work with the client to develop a plan for growth, as well as, recommend trainings and resources.

Connections to Capacity-building Resources

The CRC provides connections to the many resources that contracting firms need in order to build capacity and scale for long-term sustainability. These connections include resources for funding, bonding, insurance, business development, marketing, licensing, certifications, etc.

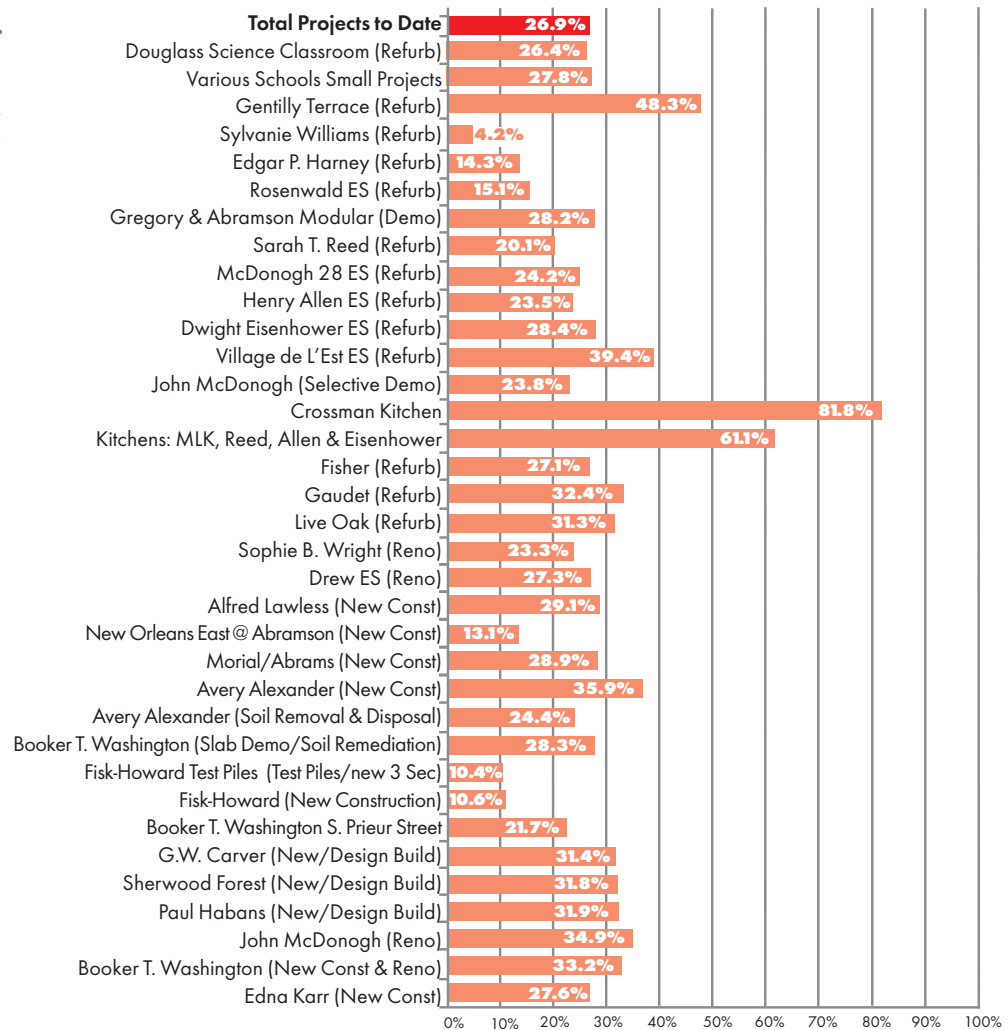
In addition to these contractor support services, the Urban League of Louisiana supports the efforts of the DBE Planning team by coordinating outreach efforts and special events, such as School Construction Industry Day and Mentor/Protégé Roundtables.

Firms looking to participate in the school rebuilding projects are encouraged to take advantage of the mastery level training and other capacity-building support offered by the Urban League of Louisiana's Contractor's Resource Center. For more information, please email wbrc@urbanleaguela.org. For a complete listing of open training classes, please visit www.wbrc.eventbrite.com. ULLA is located at 4640 S. Carrollton Avenue, Suite 230/250, New Orleans, LA 70119.

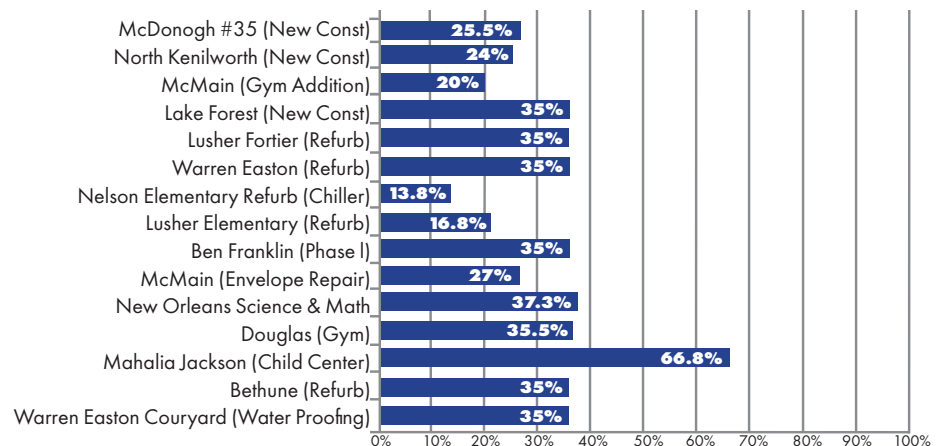
Upcoming Training Events

Thursday, Oct. 18	2nd Annual Women In Construction Convening: Balancing Growth and Operational Leadership	9:00a-5:00p	New Orleans Jazz Market 1436 OC Haley Blvd., New Orleans
Friday, Oct. 26	PlanSwift Estimating	9:00a-12:00p	ULLA, Ste. 250
Thursday, Nov. 1 Friday, Nov. 2	Green Professional Building Skills Training – Operations and Maintenance Essentials (2-Day Course)	9:00a-5:00p	ULLA, Ste. 110
Friday, Nov. 2	Intermediate QuickBooks and Costing for Contractors	9:00a-1:00p	ULLA, Ste. 250
Friday, Nov. 15	Tracking Production Rates	10:00a-1:00p	ULLA, Ste. 250
Friday, Nov. 30	Integrating QuickBooks and UDA ConstructionSuite	9:00a-1:00p	ULLA, Ste. 250
Friday, Dec. 7	2019 Opportunities Outlook for Contractors	9:00a-12:00p	ULLA, Ste. 110

RSD Percentage of DBE Participation



OPSB Percentage of DBE Participation



In the two charts displayed above, the OPSB and RSD offer information, as of July 31, 2018, pertaining to the percentage of DBE participation in projects completed or under construction.



Publisher's Corner

This newsletter, "School Construction Industry Connection", is a publication created by the School Rebuilding Disadvantaged Business Enterprise (DBE) Team. The DBE Team meets weekly to review, plan and advocate for DBE and local involvement in rebuilding the public schools of New Orleans.

The newsletter is intended to provide a transparent look at the level of local and DBE involvement in school rebuilding. We will provide updates on DBE involvement in each construction project, information on upcoming construction bids, contact information on resource providers, a feature story on a successful DBE contractor, and commentary on policy initiatives to enhance DBE participation.



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