

COMMONWEALTH OF VIRGINIA

STANDARD CONTRACT

Contract Number: VTP-1655-2022

This contract entered into this 13th day of August 2021 by RTDQ, LLC, DBA RTDQ Consulting hereinafter called the "Contractor" and Commonwealth of Virginia, Virginia Polytechnic Institute and State University called "Virginia Tech."

WITNESSETH that the Contractor and Virginia Tech, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide Construction Cost Audit Services to Virginia Tech as set forth in the Contract Documents.

PERIOD OF CONTRACT: From August 13, 2021 through August 12, 2024 with the option for three two year renewals.

COMPENSATION AND METHOD OF PAYMENT: The Contractor shall be paid by Virginia Tech in accordance with the Contract Documents.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed contract, Request for Proposal (RFP) number 0062166 dated March 2, 2021, Addendum #1 dated March 31, 2021, Addendum #2 dated April 7, 2021 the revised proposal submitted by the Contractor dated April 19, 2021 and the negotiation summary, all of which Contract Documents are incorporated herein.

ELECTRONIC TRANSACTIONS: If this paragraph is initialed by both parties, to the fullest extent permitted by Code of Virginia, Title 59.1, Chapter 42.1, the parties do hereby expressly authorize and consent to the use of electronic signatures as an additional method of signing and/or initialing this contract and agree electronic signatures (for example, the delivery of a PDF copy of the signature of either party via facsimile or electronic mail or signing electronically by utilizing an electronic signature service) are the same as manual executed handwritten signatures for the purposes of validity, enforceability and admissibility.

DS DS
St M4
(Initials)

In WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

Contractor
By: Stephen Titus
(Signature)
Stephen Titus - President
Name and Title

Virginia Tech
By: Mary Helmick
5943314F5CD3478...
Mary W. Helmick
Director of Procurement



Request for Proposal # 0062166

For

Construction Cost Audits

March 2, 2021

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

RFP 0062166
GENERAL INFORMATION FORM

QUESTIONS: All inquiries for information regarding this solicitation should be directed to: Reed Nagel, Phone: (540) 231-5240 e-mail: nagelr@vt.edu

DUE DATE: Proposals will be received until April 2, 2021 at 3:00 PM. Failure to submit proposals to the correct location by the designated date and hour will result in disqualification.

PROPOSAL SUBMISSION:

Bids or Proposals may NOT be hand deliver to the Procurement Office.

Due to the COVID-19 Emergency Declaration, Virginia Tech will be accepting electronic submission of proposals. All submissions should be submitted to procurement@vt.edu with the RFP number, due date, and time in the subject line of the email.

Virginia Tech will not confirm receipt of proposals. It is the responsibility of the proposers to make sure their proposal is delivered on time. Delivery Confirmation functionality is recommended from the proposer's email system.

Attachments must not exceed 25MB to avoid delivery issues thru email servers.

TYPE OF BUSINESS: (Please check all applicable classifications). If your classification is certified by the Virginia Department of Small Business and Supplier Diversity (SBSD), provide your certification number: _____. For assistance with SWaM certification, visit the SBSD website at <http://sbsd.virginia.gov/>.

_____ **Large**

_____ **Small business** – An independently owned and operated business which, together with affiliates, has 250 or fewer employees or average annual gross receipts of \$10 million or less averaged over the previous three years. Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) certified women-owned and minority-owned business shall also be considered small business when they have received SBSD small business certification.

_____ **Women-owned business** – A business concern that is at least 51% owned by one or more women who are U. S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law, and both the management and daily business operations are controlled by one or more women who are U. S. citizens or legal resident aliens.

_____ **Minority-owned business** – A business concern that is at least 51% owned by one or more minority individuals (see Section 2.2-1401, Code of Virginia) or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

COMPANY INFORMATION/SIGNATURE: In compliance with this Request for Proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods or services in accordance with the attached signed proposal and as mutually agreed upon by subsequent negotiation.

FULL LEGAL NAME (PRINT) (Company name as it appears with your Federal Taxpayer Number)		FEDERAL TAXPAYER NUMBER (ID#)	
BUSINESS NAME/DBA NAME/TA NAME (If different than the Full Legal Name)		BILLING NAME (Company name as it appears on your invoice)	
PURCHASE ORDER ADDRESS		PAYMENT ADDRESS	
CONTACT NAME/TITLE (PRINT)			E-MAIL ADDRESS
TELEPHONE NUMBER	TOLL FREE TELEPHONE NUMBER	FAX NUMBER TO RECEIVE E-PROCUREMENT ORDERS	

I acknowledge that I have received the following addendums posted for this solicitation.

1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ (Please check all that apply)

Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the Code of Virginia, 2.2 – 3102 - 3112

YES _____ NO _____

SIGNATURE _____ Date: _____

08/01/2020

I. PURPOSE:

The purpose of this Request for Proposal (RFP) is to solicit proposals to establish a contract through competitive negotiations for auditing construction costs on certain capital projects by Virginia Polytechnic Institute and State University (Virginia Tech), an agency of the Commonwealth of Virginia.

II. SMALL, WOMAN-OWNED AND MINORITY (SWAM) BUSINESS PARTICIPATION:

The mission of the Virginia Tech supplier opportunity program is to foster inclusion in the university supply chain and accelerate economic growth in our local communities through the engagement and empowerment of high quality and cost competitive small, minority-owned, women-owned, and local suppliers. Virginia Tech encourages prime suppliers, contractors, and service providers to facilitate the participation of small businesses, and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other inclusive and innovative relationships.

III. CONTRACT PERIOD:

The term of this contract is for three (3) years with an option for three (3) two year renewals, or as negotiated.

IV. BACKGROUND:

Dedicated to its motto, Ut Prosim (That I May Serve), Virginia Tech pushes the boundaries of knowledge by taking a hands-on, transdisciplinary approach to preparing scholars to be leaders and problem-solvers. A comprehensive land-grant institution that enhances the quality of life in Virginia and throughout the world, Virginia Tech is an inclusive community dedicated to knowledge, discovery, and creativity. The university offers more than 280 majors to a diverse enrollment of more than 36,000 undergraduate, graduate, and professional students in eight undergraduate colleges, a school of medicine, a veterinary medicine college, Graduate School, and Honors College. The university has a significant presence across Virginia, including the Innovation Campus in Northern Virginia; the Health Sciences and Technology Campus in Roanoke; sites in Newport News and Richmond; and numerous Extension offices and research centers. A leading global research institution, Virginia Tech conducts more than \$500 million in research annually.

Virginia Tech, through the collaboration of the Office of Audit, Risk, and Compliance (OARC) and the Division of Campus Planning, Infrastructure, and Facilities (CPIF), requests proposals for auditing Architect/Engineering (A/E) and Construction cost proposals, the costs incurred by A/E and construction contractors (which may include construction costs, and related services), and the cost of design efforts on certain capital projects. Projects will be selected by Virginia Tech management and the scope for each project will be negotiated at the beginning of the engagement (see the Statement of Needs for examples of scope). Virginia Tech is currently engaged in the design or construction of approximately \$1 billion in new buildings or renovations of existing assets. The projects will predominantly be located on the Virginia Tech Blacksburg campus but may be in any other university locations. OARC will have primary oversight of the contracted audit services.

V. EVA BUSINESS-TO-GOVERNMENT ELECTRONIC PROCUREMENT SYSTEM:

The eVA Internet electronic procurement solution streamlines and automates government purchasing activities within the Commonwealth of Virginia. Virginia Tech, and other state agencies and institutions, have been directed by the Governor to maximize the use of this system in the procurement of goods and services. *We are, therefore, requesting that your firm register as a vendor within the eVA system.*

There are transaction fees involved with the use of eVA. These fees must be considered in the provision of quotes, bids and price proposals offered to Virginia Tech. Failure to register within the eVA system may result in the quote, bid or proposal from your firm being rejected and the award made to another vendor who is registered in the eVA system.

Registration in the eVA system is accomplished on-line. Your firm must provide the necessary information. Please visit the eVA website portal at <http://www.eva.virginia.gov/pages/eva-registration-buyer-vendor.htm> and **register both with eVA and Ariba**. *This process needs to be completed before Virginia Tech can issue your firm a Purchase Order or contract.* If your firm conducts business from multiple geographic locations, please register these locations in your initial registration.

For registration and technical assistance, reference the eVA website at: <http://www.eva.virginia.gov>, or call 866-289-7367 or 804-371-2525.

VI. CONTRACT PARTICIPATION:



It is the intent of this solicitation and resulting contract to allow for cooperative procurement. Accordingly, any public body, public or private health or educational institutions, or Virginia Tech's affiliated corporations and/or partnerships may access any resulting contract if authorized by the contractor.

Participation in this cooperative procurement is strictly voluntary. If authorized by the Contractor, the resultant contract may be extended to the entities indicated above to purchase at contract prices in accordance with contract terms. The Contractor shall notify Virginia Tech in writing of any such entities accessing the contract, if requested. No modification of this contract or execution of a separate contract is required to participate. The Contractor will provide semi-annual usage reports for all entities accessing the Contract, as requested. Participating entities shall place their own orders directly with the Contractor and shall fully and independently administer their use of the contract to include contractual disputes, invoicing and payments without direct administration from Virginia Tech. Virginia Tech shall not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by the Contractor to extend the contract. It is understood and agreed that Virginia Tech is not responsible for the acts or omissions of any entity, and will not be considered in default of the contract no matter the circumstances.

Use of this contract does not preclude any participating entity from using other contracts or competitive processes as the need may be.

VII. STATEMENT OF NEEDS:

A. Scope

Selected firm(s) will work with OARC to perform contract compliance audits for specific construction contracts selected by OARC and CPIF. In general, the audits will consist of analyzing contracts including uniform and supplemental general conditions; all invoicing and back-up; schedule of values and related pro-ratio; contractor general conditions; subcontractor and self-performed work invoicing; contractor and/or subcontractor wage certifications, fiscal transaction process; and other relevant related process requirements.

The project objectives are to:

- Determine that billings and payments for selected construction projects are in accordance with contract documents.
- Determine that various costs are not duplicated.
- Determine the appropriate pricing of change orders.
- Identify opportunities for cost avoidance.
- Provide information that will result in cost recoveries, and/or to evaluate time commitments in relation to contracts.

Virginia Tech may add other objectives, depending on the scope of work agreed to with the successful proposer.

Auditors from OARC may assist with engagements as available. The impact on fees should that scenario be chosen will be addressed per project.

For individual construction audit projects, this work will ordinarily be performed in two or more phases:

- Preconstruction – reviews of construction contract awards, contract terms and conditions.
- Construction in Progress – change order reviews, payment applications, General Contractor, architects and 3rd party reviews.
- Contract Close Out – validation of completion of projects and cost compliance with contract terms, final bill and mediation.

Additionally, projects in one or more of the following construction project related areas may be requested:

- Inventory Management – evaluation of controls over management of construction related purchases including receiving, storage, and movement.
- Project Management Consulting and Training – evaluate overall project management including project scheduling; provide project management and cost validation training to key management personnel.

B. Deliverables

Each execution of the contract will be individually negotiated, but in general each project includes the following minimum expectations:

1. During the course of the audit, the firm will be required to conduct an update meeting for relevant OARC and CPIF personnel prior to leaving the site at the close of fieldwork. Additional update meetings and an exit meeting will be required, but timing, frequency and location will be negotiated over the course of the audit.
2. A comprehensive management report will be provided that addresses the results of the contract compliance audits for the components of the project selected; includes a statement explaining the scope of services, detailed explanations of cost savings or cost avoidances identified; and process improvement recommendations to help eliminate or identify similar exposures going forward. Appropriate supporting documentation should also be included. Providing supporting documentation as appendices to the report is acceptable.
3. An executive summary report should include findings, impact, recommendations and best practices. The summary should include sufficient information to serve as a stand-alone document, and be suitable for presentation to the Board of Visitors. Tabular format would be acceptable.
4. Working papers supporting the engagement will be provided to OARC, upon request.
5. Provide observations on the CPIF construction administration processes and identify opportunities for improvement. The recommendations could include, identifying potential contract control deficiencies, potential overcharge exposure on future contract billings, and control environment improvements.

VIII. PROPOSAL PREPARATION AND SUBMISSION:

A. Specific Requirements

Proposals should be as thorough and detailed as possible so that Virginia Tech may properly evaluate your capabilities to provide the required goods or services. Offerors are required to submit the following information/items as a complete proposal:

1. Organizational Experience:

Comment on the experience of your organization in performing construction audit projects. Give a brief overview of your expectations from Virginia Tech during this project. Provide an overview of the firms experience in working specifically with Commonwealth of Virginia construction requirements including the Commonwealth's *Construction & Professional Services Manual*.

2. Employee Qualifications:

Describe the qualifications and experience of the individuals that will service the Virginia Tech account.

3. Ability to Provide Construction Costs Audits in a Timely Manner:

Provide time frame required to perform a comprehensive construction cost audit. Note any variables that will affect the timeline proposed.

4. Price:

Describe your plan for providing Virginia Tech with a construction cost audit and outline costs associated with providing said review. Please note that cost plus a percentage of cost pricing arrangements are not acceptable.

5. References:

Provide four (4) recent references, either educational or governmental, for whom you have provided the type of services described herein. Include the date(s) services were furnished, the client name, address and the name and phone number of the individual Virginia Tech has your permission to contact.

6. Participation of Small, Women-owned and Minority-owned Business (SWaM) Business:

If your business cannot be classified as SWaM, describe your plan for utilizing SWaM subcontractors if awarded a contract. Describe your ability to provide reporting on SWaM subcontracting spend when requested. If your firm or any business that you plan to subcontract with can be classified as SWaM, but has not been certified by the Virginia Department of Small Business and Supplier Diversity (SBSD), it is expected that the certification process will be initiated no later than the time of the award. If your firm is currently certified, you agree to maintain your certification for the life of the contract. For assistance with SWaM certification, visit the SBSD website at <http://www.sbsd.virginia.gov/>

7. The return of the General Information Form and addenda, if any, signed and filled out as required.

B. General Requirements

1. RFP Response: In order to be considered for selection, Offerors shall submit a complete response to this RFP to include;

- a. **One (1) electronic document** in WORD format or searchable PDF (*flash drive*) of the entire proposal as one document, INCLUDING ALL ATTACHMENTS emailed to procurement@vt.edu.

Reference the Due Date and Hour, and RFP Number in the subject line of the email. No confirmation receipt will be provided by Virginia Tech.

Any proprietary information should be clearly marked in accordance with 2.d. below.

- b. Should the proposal contain **proprietary information**, provide **one (1) redacted electronic copy** of the proposal and attachments **with proprietary portions removed or blacked out**. This copy should be clearly marked "*Redacted Copy*" within the name of the document. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable. Virginia Tech shall not be responsible for the Contractor's failure to exclude proprietary information from this redacted copy.

No other distribution of the proposals shall be made by the Offeror.

2. Proposal Preparation:

- a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in Virginia Tech requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by Virginia Tech at its discretion. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
 - b. Proposals should be prepared simply and economically providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
 - c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
 - d. Ownership of all data, material and documentation originated and prepared for Virginia Tech pursuant to the RFP shall belong exclusively to Virginia Tech and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act. However, to prevent disclosure the Offeror must invoke the protections of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other materials is submitted. The written request must specifically identify the data or other materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in rejection of the proposal.
3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to Virginia Tech. This will provide an opportunity for the Offeror to clarify or elaborate on the proposal but will in no way change the original proposal. Virginia Tech will schedule the time and location of these presentations. Oral presentations are an option of Virginia Tech and may not be conducted. Therefore, proposals should be complete.

IX. SELECTION CRITERIA AND AWARD:

A. Selection Criteria

Proposals will be evaluated by Virginia Tech using the following:

<u>Criteria</u>	<u>Maximum Point Value</u>
1. Quality of products/services offered and suitability for the intended purposes	20
2. Qualifications and experiences of Offeror in providing the goods/services	30
3. Specific plans or methodology to be used to provide the Services	20
4. Cost (or Price)	20
5. Participation of Small, Women-Owned and Minority (SWaM) Business	10
Total	100

B. Award

Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposal, including price, if so stated in the Request for Proposal. Negotiations shall then be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, Virginia Tech shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. Virginia Tech may cancel this Request for Proposal or reject proposals at any time prior to an award. Should Virginia Tech determine in writing and in its sole discretion that only one offeror has made the best proposal, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of this solicitation and the Contractor's proposal as negotiated. See Attachment C for sample contract form.

Virginia Tech reserves the right to award multiple contracts as a result of this solicitation.

X. INQUIRIES:

All inquiries concerning this solicitation should be submitted in writing via email, citing the particular RFP section and paragraph number. All inquiries will be answered in the form of an addendum. Inquiries must be submitted by 4:00 pm on March 18, 2021. Inquiries must be submitted to the procurement officer identified in this solicitation.

XI. INVOICES:

Invoices for goods or services provided under any contract resulting from this solicitation shall be submitted by email to vtinvoices@vt.edu or by mail to:

Virginia Polytechnic Institute and State University (Virginia Tech)
Accounts Payable
North End Center, Suite 3300
300 Turner Street NW
Blacksburg, Virginia 24061

XII. METHOD OF PAYMENT:

Virginia Tech will authorize payment to the contractor as negotiated in any resulting contract from the aforementioned Request for Proposal. (

Payment can be expedited through the use of the Wells One AP Control Payment System. Virginia Tech strongly encourages participation in this program. For more information on this program please refer to Virginia Tech's Procurement website: <http://www.procurement.vt.edu/vendor/wellsone.html> or contact the procurement officer identified in the RFP.

XIII. ADDENDUM:

Any **ADDENDUM** issued for this solicitation may be accessed at <http://www.apps.vpfin.vt.edu/html.docs/bids.php>. Since a paper copy of the addendum will not be mailed to you, we encourage you to check the web site regularly.

XIV. COMMUNICATIONS:

Communications regarding this solicitation shall be formal from the date of issue, until either a Contractor has been selected or the Procurement Department rejects all proposals. Formal communications will be directed to the procurement officer listed on this solicitation. Informal communications, including but not limited to request for information, comments or speculations regarding this solicitation to any University employee other than a Procurement Department representative may result in the offending Offeror's proposal being rejected.

XV. CONTROLLING VERSION OF SOLICITATION:

The posted version of the solicitation and any addenda issued by Virginia Tech Procurement Services is the mandatory controlling version of the document. Any modification of/or additions to the solicitation by the Offeror shall not modify the official version of the solicitation issued by Virginia Tech Procurement Services. Such modifications or additions to the solicitation by the Offeror may be cause for rejection of the proposal; however, Virginia Tech reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

XVI. TERMS AND CONDITIONS:

This solicitation and any resulting contract/purchase order shall be governed by the attached terms and conditions, see Attachment A.

XVII. CONTRACT ADMINISTRATION:

- A. Sharon Kurek, at Virginia Tech or their designee, shall be identified as the Contract Administrator and shall use all powers under the contract to enforce its faithful performance.
- B. The Contract Administrator, or their designee, shall determine the amount, quantity, acceptability, fitness of all aspects of the services and shall decide all other questions in connection with the services. The Contract Administrator, or their designee, shall not have authority to approve changes in the services which alter the concept or which call for an extension of time for this contract. Any modifications made must be authorized by the Virginia Tech Procurement Department through a written amendment to the contract.

XVIII. ATTACHMENTS:

Attachment A - Terms and Conditions

ATTACHMENT A

TERMS AND CONDITIONS

RFP GENERAL TERMS AND CONDITIONS

See:

http://procurement.vt.edu/content/dam/procurement_vt_edu/docs/terms/GTC_RFP_08012020.pdf

ADDITIONAL TERMS AND CONDITIONS

- A. ADDITIONAL GOODS AND SERVICES:** The University may acquire other goods or services that the supplier provides other than those specifically solicited. The University reserves the right, subject to mutual agreement, for the Contractor to provide additional goods and/or services under the same pricing, terms and conditions and to make modifications or enhancements to the existing goods and services. Such additional goods and services may include other products, components, accessories, subsystems, or related services newly introduced during the term of the Agreement.
- B. AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. Virginia Tech, its authorized agents, and/or the State auditors shall have full access and the right to examine any of said materials during said period.
- C. AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that Virginia Tech shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- D. CANCELLATION OF CONTRACT:** Virginia Tech reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- E. CONTRACT DOCUMENTS:** The contract entered into by the parties shall consist of the Request for Proposal including all modifications thereof, the proposal submitted by the Contractor, the written results of negotiations, the Commonwealth Standard Contract Form, all of which shall be referred to collectively as the Contract Documents.
- F. IDENTIFICATION OF BID/PROPOSAL EMAIL:** Due to the COVID-19 emergency declaration, Virginia Tech will be accepting electronic submission of proposals. All submissions should be submitted to procurement@vt.edu with the **RFP number, due date, and time in the subject line of the email**. No confirmation receipt will be provided. It is the responsibility of the proposers to make sure their proposal is delivered on time. Delivery Confirmation receipts are highly recommended from the vendor side. Attachments must be smaller than 25MB in order to be received by the University.

The offeror takes the risk that if the email is not marked as described above, it may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. Bids or Proposals may **NOT** hand deliver to the Procurement Office.

- G. NOTICES:** Any notices to be given by either party to the other pursuant to any contract resulting from this solicitation shall be in writing via email.

- H. SEVERAL LIABILITY:** Virginia Tech will be severally liable to the extent of its purchases made against any contract resulting from this solicitation. Applicable entities described herein will be severally liable to the extent of their purchases made against any contract resulting from this solicitation.
- I. CLOUD OR WEB HOSTED SOFTWARE SOLUTIONS:** For agreements involving Cloud-based Web-hosted software/applications refer to link for additional terms and conditions: http://www.ita.vt.edu/purchasing/VT_Cloud_Data_Protection_Addendum_final03102017.pdf

SPECIAL TERMS AND CONDITIONS

INSURANCE:

By signing and submitting a Proposal/Bid under this solicitation, the offeror/bidder certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

During the period of the contract, Virginia Tech reserves the right to require the contractor to furnish certificates of insurance for the coverage required.

INSURANCE COVERAGES AND LIMITS REQUIRED:

- A. Worker's Compensation - Statutory requirements and benefits.
- B. Employers Liability - \$100,000.00
- C. General Liability - \$2,000,000.00 combined single limit. Virginia Tech and the Commonwealth of Virginia shall be named as an additional insured with respect to goods/services being procured. This coverage is to include Premises/Operations Liability, Products and Completed Operations Coverage, Independent Contractor's Liability, Owner's and Contractor's Protective Liability and Personal Injury Liability.
- D. Automobile Liability - \$500,000.00
- E. Builders Risk – For all renovation and new construction projects under \$100,000 Virginia Tech will provide All Risk – Builders Risk Insurance. For all renovation contracts, and new construction from \$100,000 up to \$500,000 the contractor will be required to provide All Risk – Builders Risk Insurance in the amount of the contract and name Virginia Tech as additional insured. All insurance verifications of insurance will be through a valid insurance certificate.
- F. The contractor agrees to be responsible for, indemnify, defend and hold harmless Virginia Tech, its officers, agents and employees from the payment of all sums of money by reason of any claim against them arising out of any and all occurrences resulting in bodily or mental injury or property damage that may happen to occur in connection with and during the performance of the contract, including but not limited to claims under the Worker's Compensation Act. The contractor agrees that it will, at all times, after the completion of the work, be responsible for, indemnify, defend and hold harmless Virginia Tech, its officers, agents and employees from all liabilities resulting from bodily or mental injury or property damage directly or indirectly arising out of the performance or nonperformance of the contract.

LICENSE TO USE VIRGINIA TECH LICENSED INDICIA: By signing and submitting this Proposal, the offeror agrees that if it is awarded a purchase order/contract as a result of this solicitation, it will follow the procedures outlined by Virginia Tech's Licensing and Trademarks Administration to become a licensed vendor authorized to use Virginia Tech licensed trademarks indicia identified in the solicitation and to follow all procedures for submitting artwork for product for approval prior to producing any product with Virginia Tech indicia. As a licensed vendor, the offeror/bidder will be required to pay the university's standard royalty rate for similarly licensed vendors. *More information on the licensing process and application can be found at: <http://clc.com/Licensing-Info.aspx>.*

PRIME CONTRACTOR RESPONSIBILITIES: The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of Virginia Tech. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish Virginia Tech the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by his subcontractor(s) and shall assure compliance with all requirements of the contract.

ADDENDUM # 1 TO RFP # 0062166

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (Virginia Tech)
Procurement Department (MC 0333)
 North End Center, Suite 2100
 300 Turner Street NW
 Blacksburg, Virginia 24061

DATE	NEW DUE DATE AND HOUR
March 31, 2021	April 19, 2021@ 3:00PM

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO: Reed Nagel Assistant Director Procurement
 E-MAIL ADDRESS: nagelr@vt.edu TELEPHONE NUMBER (540) 231-5240
 FAX NUMBER (540) 231-9628 AFTER HOUR MESSAGES (540) 231-6221

Construction Cost Audits

- Due to the COVID-19 Emergency Declaration, Virginia Tech will be accepting electronic submission of proposals. All submissions should be submitted to procurement@vt.edu with the RFP number, due date, and time in the subject line of the email.

Virginia Tech will not confirm receipt of proposals. It is the responsibility of the proposers to make sure their proposal is delivered on time. Delivery Confirmation functionality is recommended from the proposer's email system. Official timestamp of received proposal will be based on the Virginia Tech web server date and time received.

Attachments must not exceed 25MB to avoid delivery issues thru email servers.

- Replace Section IX. Subsection A. Selection Criteria in its entirety with the following.

<u>Criteria</u>	<u>Maximum Point Value</u>
1. Quality of products/services offered and suitability for the intended purposes	20
2. Qualifications and experiences of Offeror in providing the goods/services	30
3. Specific plans or methodology to be used to provide the Services	30
4. Participation of Small, Women-Owned and Minority (SWaM) Business	20
	<hr/> Total 100

- Replace Section IX. Subsection B. Award in its entirety with the following.

Award (Professional Services)

Virginia Tech shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternate concepts. At the discussion stage

Virginia Tech may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and, where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, Virginia Tech shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to Virginia Tech can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on, until such a contract can be negotiated at fair and reasonable price. Should Virginia Tech determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

4. A large number of inquiries were received as a result of this solicitation, the responses to these will be posted by next Friday at the latest.
5. All other terms, conditions and descriptions remain the same.
6. The due date and hour have been changed to April 19, 2021 @ 3:00PM

I acknowledge that I have read and understand this addendum in its entirety.

Signature

Date



OFFICE OF THE PRESIDENT
VIRGINIA TECH

Timothy D. Sands, President (0131)
Burruss Hall, Suite 210
800 Drillfield Drive
Blacksburg, Virginia 24061
540-231-6231
President@vt.edu

DECLARATION OF AN EMERGENCY AT VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

By virtue of my authority as President of Virginia Polytechnic Institute and State University, I verbally declared an emergency on the Virginia Tech campus on Tuesday March 3, 2020, as a result of COVID-19 outbreak that is impacting students and employees traveling abroad and has the potential to impact the University's programs in Virginia.

The health and welfare of the students and personnel and the peril to property on the campus necessitated the proclamation of the existence of an emergency.

I am also hereby declaring that Dr. Guru Ghosh, shall serve as the Vice President in charge and that Michael Mulhare shall serve as the Emergency Response Coordinator.

By:

President

Dated:

March 3rd 2020

ADDENDUM # 2 TO RFP # 0062166

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (Virginia Tech)
Procurement Department (MC 0333)
 North End Center, Suite 2100
 300 Turner Street NW
 Blacksburg, Virginia 24061

DATE	NEW DUE DATE AND HOUR
April 7, 2021	April 19, 2021@ 3:00PM

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO: Reed Nagel Assistant Director Procurement
 E-MAIL ADDRESS: nagelr@vt.edu TELEPHONE NUMBER (540) 231-5240
 FAX NUMBER (540) 231-9628 AFTER HOUR MESSAGES (540) 231-6221

Construction Cost Audits

1. Below are the responses to inquiries provides as a result of this procurement.
 1. Please provide a range of the size of projects that will be audited on this contract? Are they major capital projects, minor projects, differed maintenance projects, or a combination of all of these?
 Virginia Tech Response: Projects are greater than \$3m, some could exceed \$100m. Currently all planned are major capital projects.
 2. In the Statement of Needs, Section A, the scope refers to the auditing of "fiscal transaction processes". Please provide an example or more detail describing this scope of work?
 Virginia Tech Response: Fiscal transaction process are the methods used to process payments for goods and services. In the context of the project objectives in Section A, this would be the processes used in billings and payments, costing, and pricing of change orders.
 3. Please confirm if professional certifications or licenses are applicable for team members on this proposal? If applicable please provide a list of required or recommended certifications or licenses.
 Virginia Tech Response: Virginia Tech cannot tell you how to structure your proposal. Please provide your best team possible.
 4. Can larger firm's partner will a SWaM firm regardless of the language in the special terms and conditions around subcontracting?
 Virginia Tech Response: Yes, this special term and condition refers to subcontract after contract execution.
 5. RFP Section VII B. "Each execution of the contract will be individually negotiated, but in general each project includes the following minimum expectations." **With the understanding that there are individual projects, what is the range in construction spend that Virginia Tech anticipates will be audited?**
 Virginia Tech Response: The five-year capital program is currently estimated to be in excess of \$1 billion.
 6. Will Virginia Tech require the screening of the backgrounds of contractors that perform work on construction projects?
 Virginia Tech Response: Virginia Tech places the responsibility for background screening on the contractors.
 7. When does Virginia Tech anticipate starting contract compliance audits?
 Virginia Tech Response: This is an as needed term contract. Engagements with the awarded firm(s) can take place at any time over the life of the contract and no amount of business is guaranteed.

8. Will audits be desk based (remote) or will fieldwork be required?

Virginia Tech Response: The contractor can determine the best method to achieve the contract terms.

9. Does VT have a percentage goal for work to be subcontracted to a SWaM?

Virginia Tech Response: There is no subcontracting goal; however, the more subcontracting provided the greater the amount of points awarded in that category.

10. Does OARC have an estimated period of performance for a typical project under this contract?

Virginia Tech Response: An estimate does not exist.

11. If possible, would OARC please provide the names of any entities currently performing construction services that may be covered under this contract, to enable offerors to perform a conflict check and ensure their independence to perform this project?

Virginia Tech Response: Will be addressed as part of the awards under the term contract.

12. Would OARC please clarify whether the contractor will be required to perform these reviews under a specific set of professional standards? If so, would OARC please identify those standards?

Virginia Tech Response: No professional standard is required.

13. Would OARC please clarify whether it has a specific report template that the contractor should use when reporting its findings? If so, would OARC please provide a sample template?

Virginia Tech Response: A specific reporting template does not exist.

14. Specific plans or methodology to be used to provide the Services" as one of the evaluation criteria. However, Section VIII. Proposal Preparation and Submission (p. 7), does not appear to include a methodology section among the specific proposal requirements. Would Virginia Tech please (a) confirm whether offerors should include a technical methodology section in their proposals, and (b) if so, clarify which section offerors should include the methodology in?

Virginia Tech Response: Plans and methodology to complete an audit should be part of your proposal.

15. Can you provide a list of projects in the Capital plan along with estimated construction cost totals?

Virginia Tech Response: The most recent capital outlay plan can be found here: <https://cafm.vt.edu/capital-assets/capital-outlay-projects.html>

16. What is the approximate annual audit budget?

Virginia Tech Response: Virginia Tech does not give out budget information.

17. Does Virginia Tech expect to audit project at a point in time? Using information to date? Using information for a selected period? Or ongoing throughout the total project?

Virginia Tech Response: As noted in Section VII A., the audit projects will typically be performed in two or more phases (preconstruction, construction in progress, contract close out). Each of these reviews will be at the point in time of information available to date.

18. Is firm experience with the Commonwealth's Construction & Professional Services Manual required?

Virginia Tech Response: Experience is not required.

19. What point value is deducted for lack of Commonwealth of Virginia construction audit experience?

Virginia Tech Response: Points are scored on a subjective basis.

20. Will the vendor be expected to provide updates/presentations to the Board of Visitors or would OARC handle those items?

Virginia Tech Response: OARC will handle presentations to the Board of Visitors.

21. What tools and/or software does Virginia Tech currently use as it relates to construction management as well as tracking and receiving contractor pay applications and tracking the construction schedule?

Virginia Tech Response: GCPAY, AIM Hokie Serv, Google Drive, and Laserfiche

22. Will the awarded auditor be provided access to the construction department's project management and financial systems?

Virginia Tech Response: No the auditor will not be provided access.

23. Is there a vendor currently performing this type work for Virginia Tech? If so, how many years have they been providing these services?

Virginia Tech Response: Services are currently being provided by Commercial Cost Control Inc. and Fort Hill Associates. These contracts have been in place since 2013.

24. The RFP states that the construction audit will be performed in two or more phases, Preconstruction, construction in progress, and Contract Close Out. Within the construction in progress phase, would this be a specific point in time or the duration of the entire construction phase (e.g., continuous monitoring effort)?

Virginia Tech Response: Services are envisioned as a point in time review.

25. Is there an external Construction Manager or Project Management Office that will oversee all construction projects?

Virginia Tech Response: Virginia Tech maintains its own staff of Project Managers.

26. Are any of the construction projects anticipated to be Design-Build or are they all specified as Design-Bid-Build?

Virginia Tech Response: Virginia Tech utilizes all of the 3 types of construction methods (Design-Bid-Build, Design-Build, and CM at Risk)

27. Does OARC or CPIF typically assist with engagements?

Virginia Tech Response: No. Audits are performed independently by the firms. CPIF and OARC provides independent oversight.

28. What is the size of the staff / department that performs these audits?

Virginia Tech Response: Virginia Tech cannot provide this information.

29. Will the Contractor have direct access to documents via a shared drive, software system? If so, how will the consultant gain access to these systems?

Virginia Tech Response: Project Manager's will share via a shared drive.

30. Who are the holders of the trade contracts? IE, will trade contracts be held by VT, or by a CM/GC?

Virginia Tech Response: Trades contracts are held by the CM/GC.

31. Is there a page limit for the proposal?

Virginia Tech Response: There is no page limit; however, firms are encouraged to keep all proposals to a reasonable page length.

32. Is Virginia Tech requesting a biography or resume of all persons included on the proposal or just key personnel (management)?

Virginia Tech Response: Virginia Tech cannot tell you how to structure your proposal.

33. With respect to VT's risk management policies on construction contracts, does VT utilize an Owner Controlled Insurance Program (OCIP), a Contractor Controlled Insurance Program (CCIP) or ask that all tiers of contractors provide their own insurance policies?

Virginia Tech Response: Contractor Controlled.

34. Would Virginia Tech be agreeable to a limitation of liability provision that limits Supplier's liability to three times the fees for any engagement under the contract?

Virginia Tech Response: This can be addressed during negotiations.

35. Will Virginia Tech consider modifications to Attachment A: Terms and Conditions, including the RFP General Terms and Conditions? Such modifications would be industry standard and typical for the type of services contemplated, and would be included as exceptions within our proposal, including, but not limited to, indemnification obligations limited to third party claims, inclusion of a limitation of liability for claims between the parties, modifications regarding insurance applicable to the services contemplated, etc.

Virginia Tech Response: This can be addressed during negotiations.

36. How many projects does Virginia Tech anticipate awarding to each vendor selected?

Virginia Tech Response: There is no guaranteed amount of business under any potential awards.

37. Attachment A.A – Is it ok for vendors to provide a list of other value-add service offerings outside of construction audit within their proposals?

Virginia Tech Response: Yes; however, please be aware of the main focus of the solicitation.

2. All other terms, conditions and descriptions remain the same.
3. The due date and hour remain April 19, 2021 @ 3:00PM

I acknowledge that I have read and understand this addendum in its entirety.

Signature

Date



April 19, 2021

VIRGINIA TECH

Proposal to Serve – RTDQ
Construction Cost Audits RFP# 0062166



Mr. Reed Nagel
Assistant Director for Facilities & Services
(504) 231-5240
tnagelr@vt.edu

April 19, 2021

Via email to procurement@vt.edu

RE: Request for Proposal #0062166 – Construction Cost Audits

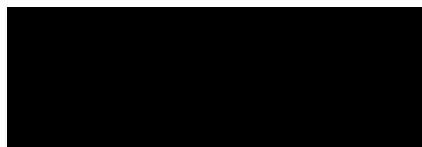
Dear Mr. Nagel:

Thank you for this opportunity to present our proposal to provide professional services to Virginia Tech. RTDQ, a SWaM certified company, brings the best of both worlds with Big 4 experience and a breadth of construction industry backgrounds. Unlike Big 4 or other large firms that will sprinkle their engagement with a few hours of experienced professionals while the work is performed by junior inexperienced staff, RTDQ brings over 70+ years of construction industry experience with two former Ernst & Young senior managers and a former manager actually performing the audit scope. Unlike some small firms that focus only on audits and miss the latest trends and issues in construction, RTDQ's personnel, while experienced with all sorts of audits and evaluations, brings real world project management experience in to temper our audit efforts.

This is an exciting opportunity for RTDQ. We believe we have exactly the right mix of backgrounds including Big 4 professionalism, boutique prices, and Capital Program Audit and Advisory experience to support Virginia Tech in meeting your strategic objectives. Please do not hesitate to call me at 202-809-3258 or via e-mail at stephen.titus@rtdqconsulting.com if you have any questions. I am duly authorized to bind our firm to this proposal.

We have attempted to keep our response to the RFP concise per your request. However, we welcome the opportunity to answer any questions in the interview process.

Respectfully,



Stephen Titus
President
RTDQ

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Cover Letter

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1A. Organizational Experience (RFP para. VIII.A.1)

“Comment on the experience of your organization in performing construction audit projects. Give a brief overview of your expectations from Virginia Tech during this project. Provide an overview of the firms experience in working specifically with Commonwealth of Virginia construction requirements including the Commonwealth’s Construction & Professional Services Manual.” (RFP, para. VIII.A.1, pg. 7)

RTDQ is experienced in providing construction audit and advisory services to public and private sector organizations both domestically and globally. The combination of our audit and advisory experience in the construction industry makes RTDQ the ideal choice to not only perform construction audits and services, but also to identify operational weaknesses and control gaps that would undermine the effectiveness of the University’s existing construction management processes and procedures.

RTDQ, formed in 2020, specializes in supporting clients along the Construction Project or Program Lifecycle. We combine 70+ years of industry experience along with the utilization of best practices to minimize risks and cost exposure to our clients. We offer services to all industries including Public Institutions, Energy, Education, Health Care, Hospitality, and more.

1A.1 Qualifications and Experience by Category

In addition to the Employee Qualifications and Experience included in Section 2, the following sections provide highlights of RTDQ’s experience in each of the requested areas of services mentioned in the RFP.

Contract Compliance and Cost Audits – Experience Highlights

RTDQ’s extensive contract compliance auditing experience is highlighted with select engagements in the following table:

Description	Sector	Industry
<p>Performed extensive audit of costs and schedule delay-related issues related to the GMP construction of a new Chemical Engineering building for a Public University. Specifically:</p> <ul style="list-style-type: none"> • Extensive review of schedule delay causation and impacts. • Review of direct construction costs related to the delays and budget overruns. • Evaluation of change orders and associated costs. • Analysis of causation and impacts for curtainwall subcontractor default. • Audit of general conditions costs for CM-at-Risk. 	Public	Higher Ed

Description	Sector	Industry
<p>Performed Audit procedures with respect to a private university's process for managing small capital projects. Specifically:</p> <ul style="list-style-type: none"> Assessed the level of compliance by University project management personnel in their use of the prescribed project management policies and procedures for the selected projects. Evaluated selected construction costs charged to the University and assessed compliance with the "costs to be reimbursed" section of the selected contracts, including an assessment of general contractor submittals, material substitution requests, project correspondence files, daily reports, meeting minutes, and other project logs. Confirmed that selected change orders submitted by the contractors and reimbursed by the University had corresponding costs that could be documented and the necessary approvals were executed. 	Private	Higher Ed
Supported internal audit and performed multiple audits of the multi-hundred-million-dollar capital program of a Mid-Atlantic University hospital system. Identified significant process and contract risk as well as cost issues.	Public	University health system
Performed regular construction cost audits for a non-profit medical institute's construction of a \$400 million medical research facility over a three-year period. Audits included the primary CM-at-Risk performing under a GMP contract as well as all subcontractors and focused on general conditions costs, detailed reviews of change orders, and two subcontractors also operating on a GMP basis. Efforts identified cost savings, changes to future billings to prevent recurrence of improper billings, and contract compliance and implementation risks.	Private	Medical Research
<p>Multiple engagements covering 11 GMP contracts totaling over \$7 billion in Construction cost. Scope included, but not limited to the following:</p> <ul style="list-style-type: none"> Claims Analysis Review and Negotiation of over \$600 million in pending change orders Litigation Support Estimated Forecast to Complete Evaluation Subcontractor closeout support 	Private	Gaming

Description	Sector	Industry
<p>Performed multiple engagements related to a multi-billion-dollar capital program including:</p> <ul style="list-style-type: none"> • Crane Safety Audit • Equipment Audit • \$250 million Cost Audit related to an Earthen Dam Reconstruction • Project Controls Assessment • General Conditions Assessment 	Public	Power
Performed multiple cost audits on behalf of a state DOT of construction contractors including detailed audits of payroll, labor burden, contractor-owned equipment, and direct construction costs identifying significant billing issues.	Public	Transportation
Performed a Cost Audit associated with a \$450 million Hospital Tower and Parking Garage facility.	Public	Healthcare
Cost audit of a \$1.8 billion power plant construction project for a power utility in NC using an EPC contract with hybrid fixed price, fixed fee, cost plus, and allowance costing methods. Identified significant billing issues with personnel and the entire payment application process. Developed, trained, and implemented a project cost evaluation tool capable of analysis of hundreds of line items monthly and identification of errors and possible risk areas.	Private	Utility
Conducted a cost audit for a medical system in NC's new construction of a \$100 million hospital bed tower including review of contract compliance by the CM-at-Risk under a GMP contract. Identified cost and risk issues.	Private	Healthcare
Performed cost audits for two new data center projects in NJ and MD. Identified contract risks and questionable and unsupported costs as well as providing recommendations that enabled the developer to improve follow-on projects and minimize claims.	Private	Data Centers
Provided detailed audit support for the financial audit of over 40 projects for a global engineering and construction firm. Performed detailed analyses of project costs, reviewed potential schedule delays, identified key risks, evaluated claims against the owner as well as claims by subcontractors, and provided feedback on estimates at completion.	Private	Oil & Gas Construction

Project Management Consulting – Experience Highlights

RTDQ has extensive experience in Project Management Consulting. The following table provides some of the highlights that demonstrate both the breadth and depth of our experience:

Description	Sector	Industry
Purpose was to understand and document the Company's Capital Project Design and Delivery processes and risks relating to capital programs as demonstrated by the delivery of their Ultra Deep-water Drillship Projects. Assessed the adequacy and effectiveness of their internal controls to mitigate risks; identified opportunities for process improvements across the key areas of Project Management (Schedule, Cost, Risk, Procurement, etc.).	Public	Oil & Gas
Reviewed Company's processes and procedures supporting a \$500m facility expansion. Scope covered the following areas: Scope Management, Cost Management, Schedule Management, Contract Administration, Design/ Engineering Management, Procurement/ Supply Chain Management. Opportunities for improvement were identified across all areas reviewed.	Public	Aerospace
Provided a client (the Company) with an Enterprise Risk Assessment. The objectives of the evaluation were to assist management in assessing risks across the Company and provide recommendations for continuous improvement. Evaluation was conducted through interviews of stakeholders, review of existing policies & procedures, training material, and related supporting materials. RTDQ focused the assessment in key risk areas defined as Corporate, Operations, Contractual and Financial.	Private	Engineering
Performed an internal audit risk assessment of a healthcare system's \$200 million capital program involving the renovation of the existing bed tower and new surgical and women's and children's facilities. Identified significant project risks that led to an audit of the CM-at-Risk's estimates, management of budgets and contingencies, an ongoing advisory role to assist with risk management, and assistance with the identification and hiring of a program manager,	Private	Healthcare
Collaborated extensively with a range of project and management personnel to develop a new project management process manual for a utility with a multi-billion-dollar capital program with a mixture of project types and project delivery mechanisms (eg EPC, design-build, design-bid-build, GMP).	Private	Utility
Performed and evaluation of project contracting and procurement processes for an East Coast port authority with a \$25 billion capital program.	Public	Port Authority

Scheduling – Experience Highlights

The RFP specifically mentions project scheduling as a possible engagement. RTDQ personnel have extensive experience in schedule analyses including expert witness testimony on schedule delay claims. While the applicable techniques for schedule analysis vary depending on the type of project and the specific issues involved, the following table highlights some of our schedule-related experience:

Description	Sector	Industry
Delay analysis and cost audit for construction of new University chemical engineering building.	Public	Transportation
Delay and cost analysis related to the construction of a 15-story judicial building housing 26 courtrooms and a temporary lockup facility.	Public	Government
Schedule delay analysis, productivity, and costs/ damages calculation and designated expert witness for concrete contractor for PA prison project.	Public	Prison
Designated expert witness for schedule delay, productivity, and both claim and counter-claim costs/damages analysis (over \$70 million total) for a major manufacturing facility in the Midwest.	Private	Manufacturing
Schedule delay and costs/ damages analysis and designated expert witness for surety related to new maintenance facility for US Army Corps of Engineers.	Public	Defense
Delay analysis and costs/ damages for claim related to airport facility and runway.	Public	Transportation
Delay analysis for delays to sewer reconstruction project.	Public	Utilities
Mediation and schedule delay analysis and designated expert witness for delays related to construction of a VA hospital.	Public	Healthcare
Productivity and delay analysis of contractor and subcontractor claims with costs/ damages for Public Housing Authority.	Public	Housing
Schedule delay, productivity, and costs/ damages analyses for owner of interstate fiber optic line in response to contractor claims.	Private	Oil & Gas

Inventory Management – Experience Highlights

Inventory management issues often become apparent during a construction contract compliance audit or when evaluating project management processes. RTDQ has uncovered these types of issues throughout our decades of experience in the industry. The following table highlights some of our inventory management experience:

Description	Sector	Industry
Performed inventory management activities as a Field Engineer for the construction of a 750 linear foot pedestrian tunnel located between the Main and A/B Terminals at Dulles International Airport. Additionally responsible for monitoring mining operations and all support activity.	Public	Airport
Detailed analysis of contractor materials stored and complete and contractor-owned equipment for the multi-million-dollar expansion of a publicly owned airport.	Public	Airport
Evaluation of procurement requirements and their application to contractor procurement of materials and equipment for a Port Authority with a \$25 billion capital program including airports, ports, tunnels, and office and commercial construction.	Public	Port Authority
Repeated evaluations of on-site materials related to the delayed construction of the curtain wall for a 15-story municipal court facility in the Mid-Atlantic.	Public	Judicial
Evaluation of inventory management processes and procurement for a multi-billion-dollar power plant in the Midwest identifying series problems with procurement, shipping, rules of credit, onsite inventory control and allocation, laydown yard organization, etc.	Private	Utility
Performed Inventory management tasks as a Field Engineer on Michigan Highway 59 reconstruction; the \$32 million project included the new construction and re-construction of 6 railroad bridges including five retaining walls, and a grade separation.	Public	Transportation

Project Management Training – Experience Highlights

In addition to our personnel's experience in teaching graduate-level project management and risk management courses, RTDQ has extensive experience providing customized training on needed project management topics. The table below provides a few examples:

Description
Internal audit training of over 20 internal auditors for a multi-billion-dollar power utility. Provided training on multiple aspects of construction project management and construction audits including contract compliance, cost, schedule, PM processes, and implementation of financial controls in the project. (2-day course)
Scheduling and understanding/ evaluating schedule delays (16-hour seminar) including a refresher on the basics of scheduling, the ways to analyze schedule delays in accordance with contract requirements and industry standards, and an understanding of the ways in which schedules can be manipulated to mislead the owner.
One-day training seminar for approximately 20 FEMA representatives (GS-14 and GS-15). Training content included Project Management fundamentals aligning with the Project Management Book of Knowledge or PMBOK, published by the Project Management Institute (PMI). The training was interactive and critical to help them improve their project management skills and help them to better engage with their stakeholders.
Performed Finance, Risk and Project Management Training for PMs through DC Metro. Training included Income Statement analysis, Contract Risk, Schedule Development and Monitoring, and other key areas of project management.
Earned Value Management (EVM) training for corporate Project Management Office personnel involved with guiding a \$7 billion capital program.
Short courses on scheduling, schedule delay analyses, and construction costs for the construction litigation departments of several law firms.
Performed cost audit training for Internal Audit staff of a global mountain resort company that was engaged in a multi-year multi-million dollar capital program.

1A.2 Expectations and Integration with OARC Auditors

Expectations from Virginia Tech

Any good audit is built on a solid working relationship in which each party has clearly expressed expectations and trust that they will be met. RTDQ takes its audit relationships seriously and will work to meet this trust with all stakeholders in the audit process. This goes both ways. RTDQ needs certain expectations to be met by the client team as well.

These expectations include:

- A clearly defined, mutually understood, and agreed Scope for each audit engagement including defined testing and sampling protocols to maximize audit cost effectiveness.
- The availability of appropriate individuals and resources as reasonably required for the engagement. The timely availability of complete and accurate information and personnel may affect the amount of time and expense we may incur and therefore the fees to be charged.
- Cooperation of and responsiveness by Virginia Tech's program managers, contractors, and CM-at-Risk firms in meeting the timing objectives of the audit.
- Provision of work space during field work (if necessary).
- Timeliness in the draft report lifecycle.

Integrating OARC Auditors into Audit Engagements (RFP, para. VII.A – Scope)

“Auditors from OARC may assist with engagements as available. The impact on fees should that scenario be chosen will be addressed per project.” (RFP, para. VII.A – Scope, pg. 6)

Our team is experienced and comfortable in supporting organizational functions such as the Office of Audit, Risk and Compliance (OARC) and the Division of Campus Planning, Infrastructure, and Facilities (CPIF) in a range of ways that integrates your team with ours as desired and agreed on an engagement-by-engagement basis.



- Acting in an advisory role in which you provide the audit team and we provide subject matter expertise.



- Acting in a co-sourced role in which we have mixed audit teams made up of both your personnel and key staff from our team.



- Acting as the primary audit team and providing both audit personnel and subject matter expertise.

It will be easy to incorporate auditors from OARC into any specific engagement as desired by Virginia Tech in a way that is relatively seamless and with modified fees accordingly. In addition, should auditors be supplied to assist with a more specialized audit with which OARC auditors have less experience, RTDQ can incorporate initial training to assist in enhancing OARC audit capabilities (e.g. schedule-related as mentioned in Section VII of the RFP).

1A.3 Experience with Commonwealth Construction Requirements

RTDQ reviewed the Virginia Tech Construction & Professional Services Manual ([Maroon Manual](#)) and determined that it is consistent with what we have seen in other public and private sector capital programs. Our scope and approach will include the key relevant components of the Maroon Manual should we be the successful responder to the RFP. We have extensive experience with official construction manuals including the development of such manuals for companies engaged in billions of dollars in capital programs, the review of procedural and procurement manuals and standard contract terms and conditions for a northeastern Port Authority with a \$25 million capital program, and the application of relevant procedures related to government and large-scale private capital programs.

1B. Approach and Methodology (RFP Addendum 2)

“Selected firm(s) will work with OARC to perform contract compliance audits for specific construction contracts selected by OARC and CPIF. In general, the audits will consist of analyzing contracts including uniform and supplemental general conditions; all invoicing and back-up; schedule of values and related pro-ratio; contractor general conditions; subcontractor and self-performed work invoicing; contractor and/or subcontractor wage certifications, fiscal transaction process; and other relevant related process requirements.” (RFP, para. VII.A – Scope, pg 6)

1B.1 Understanding Your Needs

We understand your Objectives for contract cost and compliance audits are to:

- Determine that billings and payments for selected construction projects are in accordance with contract documents.
- Determine that various costs are not duplicated.
- Determine the appropriate pricing of change orders.
- Identify opportunities for cost avoidance.
- Provide information that will result in cost recoveries, and/or to evaluate time commitments in relation to contracts.

Additionally, we understand other objectives may include reviews of Inventory Management, Project Management Consulting and Training.

RTDQ has extensive experience in all phases of the Construction Project Lifecycle and is confident that we will bring value to Virginia Tech and meet these objectives

1B.2 Construction Cost Audits

Our methodology focuses on a construction project’s most critical areas by reviewing all contract documents to identify key risks and then by targeting those risks during the audit engagement.

RTDQ will study the contracts to obtain an understanding of specific contract terms in concert with the Maroon Manual. Key terms include allowable costs under the umbrella of the “cost of work,” reimbursable costs, excluded costs, contractor’s fee, project management compensation, owner requirements (e.g., insurance, bonding, competitive bid requirements, use of contingency and allowances), subcontractor requirements and payment procedures.

Typical cost and compliance audit procedures for contractor payments and change orders will be tailored to your contract terms and will emphasize the specific contract risk areas that need to be controlled. Examples of risk areas include reimbursable limitations, labor substitutions,

excessive hours, incorrect rates, double billings, excessive employee benefits, payroll charges, bonding and insurance markups, equipment rates, change order pricing, not-to-exceed limits, home office charges, overhead markups, unsupported travel and expenses, material or warehouse charges, and undisclosed related-party transactions.

1B.3 Typical Audit Steps

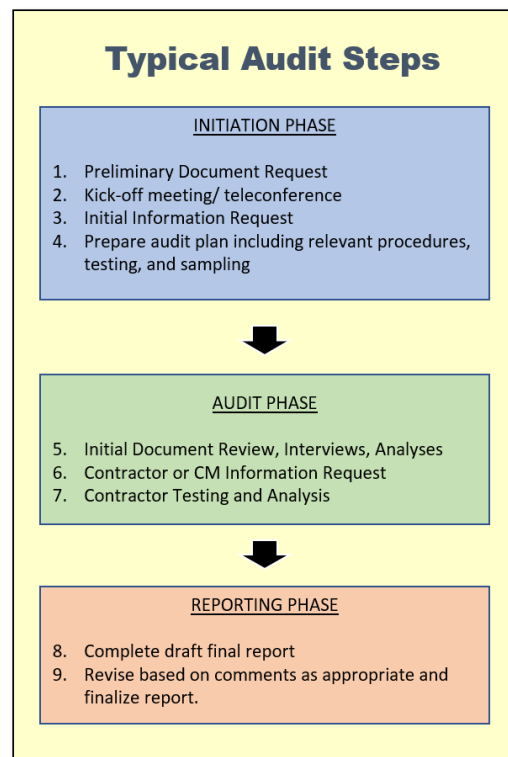
Steps that will be included in a Virginia Tech Cost Audit:

Initiation Phase

1. **Preliminary Document request:** These are documents needed prior to each audit kick-off meeting to maximize the value of the discussion. They include the construction contract, schedule, change order log and request for information logs, the project cost report, the most recent Contractor's monthly progress report, any internal project status report (most recent), and the most recent Contractor invoice with all supporting documentation (Lien Waivers, Sub contractor invoices, etc.).

2. **Kick off meeting / teleconference:** This meeting ensures that key stakeholders are aware of the audit and its objectives and sets the stage to complete the audit within the agreed timetable. Following this kick-off, Virginia Tech should notify the Construction Manager or General Contractor that it is exercising its audit rights under the contract and to expect interview(s) with agreed designated personnel as well as a detailed document request list.

3. **Initial Information Request:** This step includes the request and provision of documents that Virginia Tech's CPIF or OARC should have in its possession. The documents requested typically include cost report(s), accounts payable report(s), bid documents and internal evaluation documents, contracts and supporting documents, Contractor invoices and supporting documentation, change order logs, change orders and supporting documents, Contractor monthly reports, and the baseline and latest project schedules. This request will be provided for discussion and finalization at the Kick-off Meeting.



4. **Prepare Audit Plan:** RTDQ will work with the designated OARC individuals to develop a project-specific audit plan that incorporates RTDQ's construction auditing experience and knowledge of construction auditing leading practices with Virginia Tech's standard internal auditing procedures and formats.

Audit Phase

5. **Initial Document Review, Interviews, and Analysis:** This is the primary review of the documents requested above. Areas reviewed include contract documents, analysis of costs, verification of invoices and supporting documents, a review of bid documentation at a high level to better understand the project cost structure, evaluation of change orders, and identification of any other cost-related risks. In addition to the document review, this step will include a minimum of 1-4 interviews with key Virginia Tech or program manager personnel to develop an understanding of the background of the project, as well as its cost structure, risks, and execution. We anticipate interviews will be conducted via a web based platform such as MS Teams or Zoom.

This step will result in a detailed understanding of the project costs, an identification of possible "hot spots" with potential issues, as well as a plan for further testing. This plan will include sample selections appropriate to enable coverage of each project cost area. At the end of this step, RTDQ will provide a Contractor information request including all documents being requested as well as identification of Contractor personnel for interviews.

6. **Contractor or CM Information Request:** During this period, the Contractor prepares the documents to be provided and/or RTDQ conducts fieldwork to review sampled documents. For documents that will be provided electronically, the assumption (which will be stated in the request) will be that the Contractor forwards the documents in each category once they are ready rather than waiting until all the requested documents are available. This will minimize any delays and allow work to begin in each category of documents as they become available and will make fieldwork and additional testing more productive. In addition, during this period, RTDQ will conduct the Contractor interviews as requested in the Contractor information request.
7. **Contractor Testing and Analysis:** This step includes testing and analysis of the provided contractor documents to identify questionable and/or unsupported costs. It will overlap with the previous step based on documents provided.

Reporting Phase

8. **Complete Draft Report:** A comprehensive DRAFT report will be provided for review by OARC and CPIF. As indicated in the RFP, contents will include a scope statement, detailed explanation of any cost savings/avoidance identified, and any process improvement recommendations.
9. **Revise Report and Issue Final Report:** Following the review of the draft report, RTDQ will revise the report as agreed and will meet with designated Virginia Tech personnel and present the report including all findings and recommendations. At this point, the final report, with supporting analyses as necessary, will be issued.

Update Meetings: RTDQ will coordinate with OARC and CPIF personnel to determine the appropriate cadence for meetings before, during, and at each audit close out.

Possible Cost Recovery Areas

- | | |
|-------------------------|-----------------------|
| 1. Inflated claims | 6. Offsite work |
| 2. T&M charges | 7. Equipment rates |
| 3. Improper quantities | 8. Phantom equipment |
| 4. Duplicate charges | 9. Fraudulent charges |
| 5. Product substitution | 10. Excessive COs |

Lessons Learned: At no cost to Virginia Tech, RTDQ will provide a lessons-learned session with designated Virginia Tech personnel (and other shareholders as agreed) to describe what was done and what can be learned for future construction

cost audits. This presentation might be as simple as a brown bag lunchtime sharing or as detailed as a half-day or full-day training session. RTDQ will work with the Virginia Tech team to co-develop the parameters for this session during the course of the audit.

1B.4 Construction Cost Audit Approach

From our experience the primary purpose of a construction contract/ cost audit is to identify issues with contract compliance as well as construction costs that might be **questionable** or **unsupported**. RTDQ typically identifies general risks associated with the contract, contract compliance issues, and observes areas for possible improvement in the invoice review and approval process or other processes (such as change order management).

Original	Amnt Paid	Remaining	# Invoices	Retainage Per Pay App 15 (7/25/2020)	% Total Amt Paid	% Total # Invoices	% of Total Calc Retainage	AMT PAID FOR V1 SELECTION	# INVOICES FOR V1 SELECTION	Retainage Per Pay App 15 FOR V1 SELECTION	Retainage Per Pay App 15 FOR V2 SELECTION
\$ 26,865.16	\$ 26,865.16	\$ -	40		0.23%	17.42%	0.00%	\$ -	0	\$ -	\$ -
\$ 191.01	\$ 191.01	\$ -	2		0.00%	0.76%	0.00%	\$ -	0	\$ -	\$ -
\$ 4,654.00	\$ 4,654.00	\$ -	6		0.02%	2.27%	0.00%	\$ -	0	\$ -	\$ -
\$ 2,893.40	\$ 2,893.40	\$ -	4		0.02%	1.52%	0.00%	\$ -	0	\$ -	\$ -
\$ 16,391.28	\$ 16,391.28	\$ -	10		0.09%	5.79%	0.00%	\$ -	0	\$ -	\$ -
\$ 82,151.80	\$ 82,151.80	\$ -	5	6,215.18	0.36%	0.74%	0.00%	\$ 2,151.80	2	\$ 6,215.18	\$ -
\$ 80,400.00	\$ 80,400.00	\$ -	5		0.36%	0.74%	0.00%	\$ -	0	\$ -	\$ -
\$ 6,929.68	\$ 6,929.68	\$ -	17		0.02%	8.44%	0.00%	\$ -	0	\$ -	\$ -
\$ 14,604.50	\$ 14,604.50	\$ -	8		0.07%	3.93%	0.00%	\$ -	0	\$ -	\$ -
\$ 14,619.00	\$ 14,619.00	\$ -	5		0.07%	1.89%	0.00%	\$ -	0	\$ -	\$ -
\$ 14,716.97	\$ 14,716.97	\$ -	4	1,471.70	0.07%	1.52%	0.00%	\$ -	0	\$ -	\$ 1,471.70
\$ 192,201.24	\$ 192,201.24	\$ -	4	21,699.30	0.92%	1.52%	1.13%	\$ -	0	\$ -	\$ 21,699.30
\$ 488,300.00	\$ 488,300.00	\$ -	3	35,740.08	1.18%	1.54%	1.89%	\$ 488,300.00	3	\$ 35,740.08	\$ -
\$ 803,228.00	\$ 803,228.00	\$ -	7	80,322.00	3.94%	2.86%	4.17%	\$ 803,228.00	7	\$ 80,322.00	\$ -
\$ 66,925.00	\$ 66,925.00	\$ -	3	6,692.55	0.32%	1.54%	0.88%	\$ -	0	\$ -	\$ 6,692.55
\$ 190,830.00	\$ 190,830.00	\$ -	4		0.93%	1.52%	0.00%	\$ -	0	\$ -	\$ -
\$ 4,576.00	\$ 4,576.00	\$ -	3		0.02%	0.38%	0.00%	\$ -	0	\$ -	\$ -
\$ 42,576.00	\$ 42,576.00	\$ -	3	4,714.50	0.20%	0.34%	0.24%	\$ -	0	\$ -	\$ 4,714.50
\$ 49,370.00	\$ 47,145.00	\$ 2,125.00	1	4,257.60	0.23%	0.38%	0.22%	\$ -	0	\$ -	\$ 4,257.60

Subcontract Payment Analysis

Questionable costs are those that might be recoverable. While cost recovery cannot be guaranteed (due to possible legal and/or business decision-making), questionable costs are those that are either:

- Not billed in accordance with the agreement,
- Or not billed in accordance with industry standards (especially in cases where the agreement is silent or potentially ambiguous).

Classification	App #11R				App #12				App #13				App #14				App #15 (May and June)			
	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost	Total	Cost
Project Engineer	103.00	\$ 7,823.88	103.00	\$ 14,698.26	103.00	\$ 12,761.28	173.50	\$ 13,179.06	173.50	\$ 13,330.98	173.50	\$ 13,330.98	173.50	\$ 13,330.98	173.50	\$ 13,330.98	173.50	\$ 13,330.98	173.50	\$ 13,330.98
Superintendent																				
Project Executive																				
Pre-Construction	9.00	\$ 790.00																		
Admin Support																				
Project Executive	14.00	\$ 2,320.00	24.00	\$ 4,320.00	16.00	\$ 2,880.00	23.00	\$ 4,140.00	34.00	\$ 6,120.00	28.00	\$ 5,040.00	6.00	\$ 1,080.00						
Project Engineer	0.50	\$ 90.50																		
Reprographics	0.75	\$ 50.21	1.00	\$ 66.95	0.25	\$ 16.74														
Admin Support																				
Project Manager	0.75	\$ 48.75	2.25	\$ 146.25	0.50	\$ 33.50	3.75	\$ 251.25	5.00	\$ 335.00	5.50	\$ 358.50	4.00	\$ 268.00						
Superintendent																				
Cost Controls	103.00	\$ 24,450.00	233.00	\$ 34,950.00	100.00	\$ 29,700.00	173.50	\$ 26,250.00	100.00	\$ 24,000.00	100.00	\$ 24,000.00	100.00	\$ 24,000.00	100.00	\$ 24,000.00	100.00	\$ 24,000.00	100.00	\$ 24,000.00
Superintendent																				
Admin Support																				
Project Executive																				
Director, Safety																				
Cost Controller	1.00	\$ 135.00																		
Project Engineer	104.00	\$ 9,146.28	232.50	\$ 12,966.55	178.00	\$ 9,927.08	181.00	\$ 10,317.45	111.00	\$ 6,190.47	81.00	\$ 4,517.37	5.00	\$ 278.95						
Project Cost Controller																				
Safety Director	10.00	\$ 1,800.00			2.00	\$ 360.00			4.00	\$ 720.00	2.00	\$ 360.00								
Reprographics																				
Cost Controls	7.00	\$ 866.00	22.00	\$ 3,036.00	10.00	\$ 1,380.00			2.00	\$ 152.00										
Cost Controls	9.00	\$ 1,251.00	37.00	\$ 5,365.00	42.00	\$ 5,845.00	29.00	\$ 4,205.00												
Cost Project Manager	122.00	\$ 11,026.56	238.00	\$ 21,520.44	203.00	\$ 18,347.16	136.00	\$ 12,291.68	157.00	\$ 14,189.66	49.00	\$ 4,428.62								
Project Engineer																				
Project Accountant	16.00	\$ 1,544.00	27.00	\$ 2,549.00	22.50	\$ 1,997.50	24.50	\$ 2,151.50	19.00	\$ 1,531.00	19.50	\$ 1,696.50	14.00	\$ 1,218.00						
	630.00	\$61,361.98	1011.25	\$99,008.43	924.25	\$92,282.22	888.75	\$81,551.94	994.75	\$101,014.75	834.50	\$95,432.08	186.75	\$20,328.00						
	630.00	\$61,361.98	1011.25	\$99,008.43	924.25	\$92,282.22	888.75	\$81,551.94	994.75	\$101,014.75	834.50	\$95,432.08	186.75	\$20,328.00						

Unsupported costs are those which might be legitimate but for which insufficient documentation exists. Once identified as unsupported, the construction manager or contractor must typically provide supporting documentation or the costs may be reclassified as questionable and a decision made (by management responsible for the project) to

either accept the costs as legitimate or seek recovery.

Each contract type has its own audit focus because each poses different risks for the Owner. One of the types of contracts that Virginia Tech employs is a CM-at-Risk Cost Plus Fee with a Guaranteed Maximum Price (GMP) form of agreement. These are common in the industry but so are the audit issues encountered. Such issues often include items attempted to increase the GMP amount (especially in a shared savings scenario), incorporation of additional fee for the Construction Manager in various General Conditions line items, failure to pay subcontractor retainage in a timely manner placing the Owner's project at risk, and inflated change orders or improperly applied mark-ups.

Fixed price contracts, on the other hand, typically have some different areas of concern especially around change orders that might include Time and Materials (T&M) billing, approvals, progress payment processes centered around work complete, and materials purchased and stored.

The following table includes a breakdown of the major categories involved in an audit as well as some of the potential areas of concern for each contract type.

Table 1B.4 – Potential Areas of Concern by Contract Type

Categories	Contract Pricing Type	
	Cost Plus GMP	Fixed Price
General Conditions & Requirements	<ul style="list-style-type: none"> GC Labor (PM and Site personnel) – rates vs. actual costs, burden calculations, overtime for salary personnel, FICA included for whole year, etc. Insurance including contractual rebates. Transferring GC/GR costs to subcontractors. Required insurance coverage. Bonding for subcontractors. 	<ul style="list-style-type: none"> Usually billed as fixed price pro-rated over the course of the project. Related Cos. Delay-related impacts. Insurance and required bonding.
Fee and Home Office Overhead	<ul style="list-style-type: none"> Properly applied to COs Consistent with market rates (typically non-recoverable but useful). Moving overhead into GCs/GRs. Charges for home office personnel included in GC labor. 	<ul style="list-style-type: none"> Fee included in fixed price. Markups on COs. Extended home office overhead on delay-related changes. Correct markups on subcontractors, vendors, and allowance items.
Labor	<ul style="list-style-type: none"> CM self-performed work labor costs. T&M labor included in COs. Payroll Certification Requirements (prevailing wages, Davis-Bacon, etc. especially for Federally-funded projects). 	<ul style="list-style-type: none"> T&M labor included in COs Correct markups. T&M approved and verified Certification Requirements (prevailing wages, Davis-Bacon, et.). Payroll Certification Requirements (prevailing wages, Davis-Bacon, etc. especially for Federally-funded projects).
Equipment	<ul style="list-style-type: none"> CM-owned equipment. CO equipment charges. Inflated equipment rates with items covered by GCs/GRs. Rates based on incorrect depreciation. Verification of equipment on site. 	<ul style="list-style-type: none"> Largely included in fixed price. Equipment rates included in COs. Especially for T&M work prior to CO finalization.

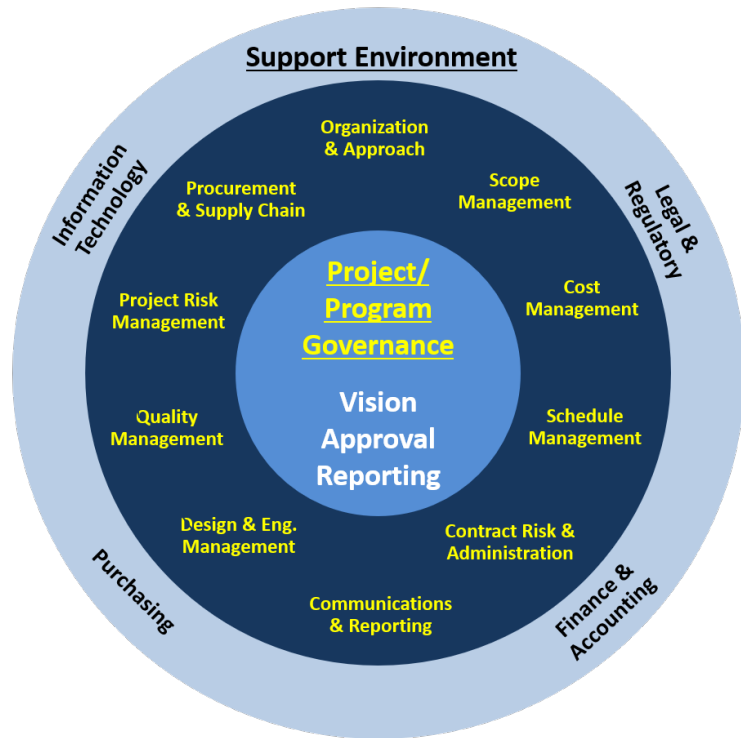
Table 1B.4 – Potential Areas of Concern by Contract Type

Categories	Contract Pricing Type	
	Cost Plus GMP	Fixed Price
Materials (including “equipment” installed)	<ul style="list-style-type: none"> • Improper or unverified quantities. • Rules of credit. • Owner-provided. • Stored materials (inventory management) 	<ul style="list-style-type: none"> • Improper or unverified quantities. • Rules of credit. • Owner-provided. • Stored materials (inventory management).
Self-performed Work	<ul style="list-style-type: none"> • Bid process or owner agreement requirements. • Use of subsidiaries to perform work or provide equipment or materials without identifying it as self-performed. 	<ul style="list-style-type: none"> • Bid process or owner agreement requirements. • Fixed price or some other means of pricing.
Subcontractors	<ul style="list-style-type: none"> • Subcontracts carry mandatory Virginia Tech clauses. • Partial and Final Lien Waivers. • Progress payment process contractually compliant and sound. • Inclusion of Subcontractors and Vendors that are not fixed price. 	<ul style="list-style-type: none"> • Subcontracts carry mandatory Virginia Tech clauses. • Partial and Final Lien Waivers. • Progress payment process contractually compliant and sound.
Allowances and Contingency	<ul style="list-style-type: none"> • Allowance items properly allocated and agreed (per contract requirements). • Contingencies properly applied. • Adjustments to allowances in subcontracts. 	<ul style="list-style-type: none"> • Allowance items properly allocated and agreed (per contract requirements). • Adjustments to allowances in subcontracts.
Change Orders	<ul style="list-style-type: none"> • Credit for deductive change orders properly applied. • T&M work performed prior to CO approval. • Multiple CO-related items included in above categories. 	<ul style="list-style-type: none"> • Credit for deductive change orders properly applied. • T&M work performed prior to CO approval. • Multiple CO-related items included in above categories.

1B.5 Project Management Consulting Approach

Typically, in a project management audit, our team would look at all areas of project/ program management relevant to the types of projects undertaken. As shown in the accompanying figure, these areas fit into a larger Supporting Environment that impacts the project and supports the Governance level that should also be considered.

The following describes our ten project/ program evaluation areas typically included in a project management process audit:



1. **Organization and Approach** to evaluate the overall project team organization, leadership, and expertise as well as the selection of the project delivery system.
2. **Scope Management** to assess the project team's scope management processes including planning, verification, and change management.
3. **Cost Management** to understand and evaluate the project's job cost reporting, billing, tracking commitments, administration of change orders, and other financial systems in-place including contractor job cost reports and related billing records, change order billings, cost categories including mark-ups, labor and labor burden, overhead allocations, equipment rates, and insurance/bonding costs, and project close-out documents such as warranty documents, and lien waivers.
4. **Schedule Management** to assess the processes in place for time management of the project including schedule development, acceptance, progress measurement and reporting, and relationship to other project management disciplines such as cost management.
5. **Contract Administration** to determine the level of compliance with contract requirements concerning progress payments, changes and amendments, performance reporting, and close-outs.

6. **Communications & Reporting** to assess project communication processes to address potential problems, non-compliance or other critical issues.
7. **Design and Engineering Management** to assess the processes around design management including interactions with the contracted engineers, progress of design, engineering productivity, and owner review of design documents.
8. **Quality Management** to evaluate the project team's implementation of effective QA/QC policies and procedures to identify weak areas resulting in additional risks to the project.
9. **Risk Management** to assess the project team's management of project risks including relevant processes for risk planning, assessment, handling, and monitoring with a specific goal of identifying risks that Virginia Tech may have assumed due to nonstandard practices, failure to comply with procedures, or failures of risk allocation.
10. **Procurement and Supply Chain Management** to assess the procurement and supply chain management processes to identify weak areas, lack of standardization or compliance with corporate policies, the timely identification, purchase, and expediting of long-lead equipment and materials and other areas of procurement and supply chain that might pose a risk to successful project completion.

1B.6 Inventory Management Approach

We understand that the physical, traceable placement of received materials in accordance with appropriate storage requirements and plans is an important component of any construction project. RTDQ has experience in auditing Inventory and associated processes on other projects. Although we anticipate co-developing a scope for any audits of this nature with OARC and CPIF, the following areas are typically those we would include as part of an audit:

- **Visual Inspection:** The initial inspection of materials and equipment that occurs preferably before unloading to note damages or deficiencies prior to any handling by the recipient.
- **Material Acceptance:** The acceptance of delivered materials by the recipient or designated party, from a delivery carrier. The signature of the receiving personnel on the carrier's freight bill, or bill of lading, confirms this acceptance.
- **Receipt Process:** The physical inventory of the received materials to ensure they are in accordance with what the shipper states was shipped (the packing list) and what the buyer states was purchased (the purchase order).

- **Detailed Inspection:** The inspection performed during (or immediately after) the receipt process. The detailed inspection will make note of any concealed damages and verify the satisfactory condition and acceptability of material received, including compliance to the purchase order specifications.
- **Material Storage:** The physical, traceable placement of received materials in accordance with appropriate storage requirements and plans.
- **Material Receiving Report (MRR):** A receiving report which documents all of the material delivery information including; the date received, items received, quantity received, storage location, shipping information, freight bill number, receiving remarks, and any discrepancies associated with the delivered materials.
- **Freight Bill / Bill of Lading:** The shipping documents used by carriers to provide a general description of materials to be delivered, the consignee (company to which to be delivered), and form of payment for the freight cost. Freight Bill or Bill of Lading information is usually limited to number and type of pieces, with a general material description.
- **Returnable Items:** Containers, shipping saddles, cable reels, special handling equipment or equipment installation tools, or any item that carries a time-based demurrage cost, a reimbursable cost when returned to the supplier, or a cost to the project if not returned to the supplier.

In addition to being a reviewable area in its own right, the contractor or construction manager's inventory management process also ties directly to their payment applications and impacts contract compliance and cost audits via the category of "Materials Purchased and Stored." Do they have the materials they are claiming for payment? Are they secure and protected against weather? And are they claiming payment for unfavorable and atypical Rules of Credit that might indicate overpayments or even fraud?

2. Employee Qualifications (RFP para. VIII.A.2)

“Describe the qualifications and experience of the individuals that will service the Virginia Tech account.” (RFP para. VIII.A.2, pg. 7)

The primary RTDQ personnel providing services to Virginia Tech will be Stephen Titus, Mark D. Steele, PE, and Michelle Delehanty, PE, PMP. Unlike some firms that provide experienced personnel at a high level only to have most of the work performed by more junior personnel, RTDQ provides you with expert level personnel at every step of the project. Our personnel collectively have over 70 years of experience in providing construction services at every stage of project delivery.

Stephen A. Titus, PMP - President

Mr. Titus has over 20 years of experience, conducted over 100 client engagements including dozens of contract compliance/ cost and project management audits. His breadth of experience includes working in every role including consultant/auditor, PMO director, and hands-on roles in large construction and engineering firms.

Mark D. Steele, PE – Senior Consultant

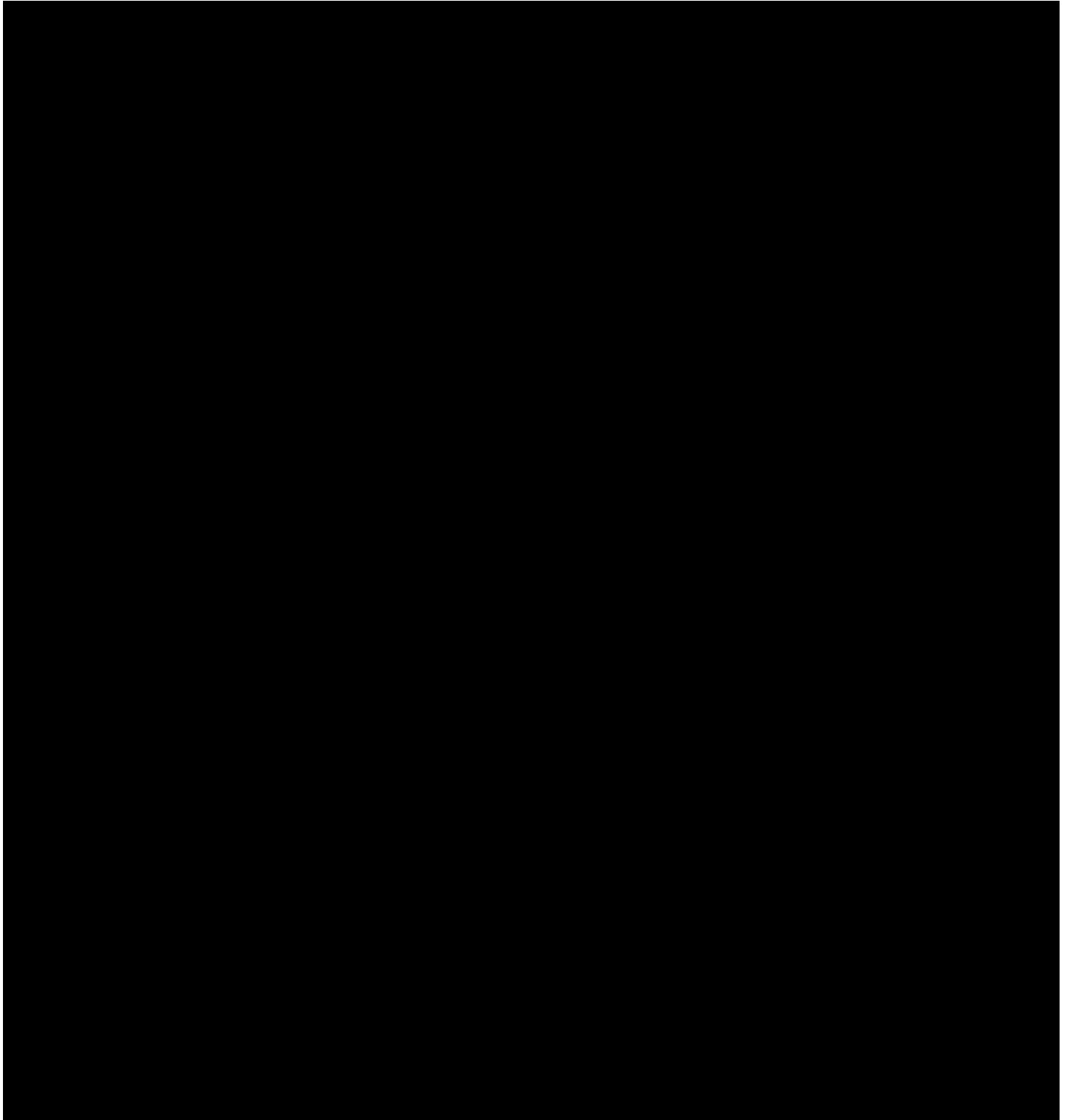
Mr. Steele has personally managed, led and executed engagements in internal auditing, construction cost and contract compliance auditing, project management consulting, risk management, dispute analysis and expert witness, and financial audit support for capital programs for over 200 projects in the last 30 years (with project values from a few million dollars to those greater than \$7 billion). In addition, he has contributed thought leadership ranging from the book, *Projects on Purpose 2.0* to published articles including topics such as identifying hidden profit in a GMP, using earned value to assess project portfolios, and using advanced statistical techniques to identify project problems.

Michelle Nenna Delehanty, PE, PMP

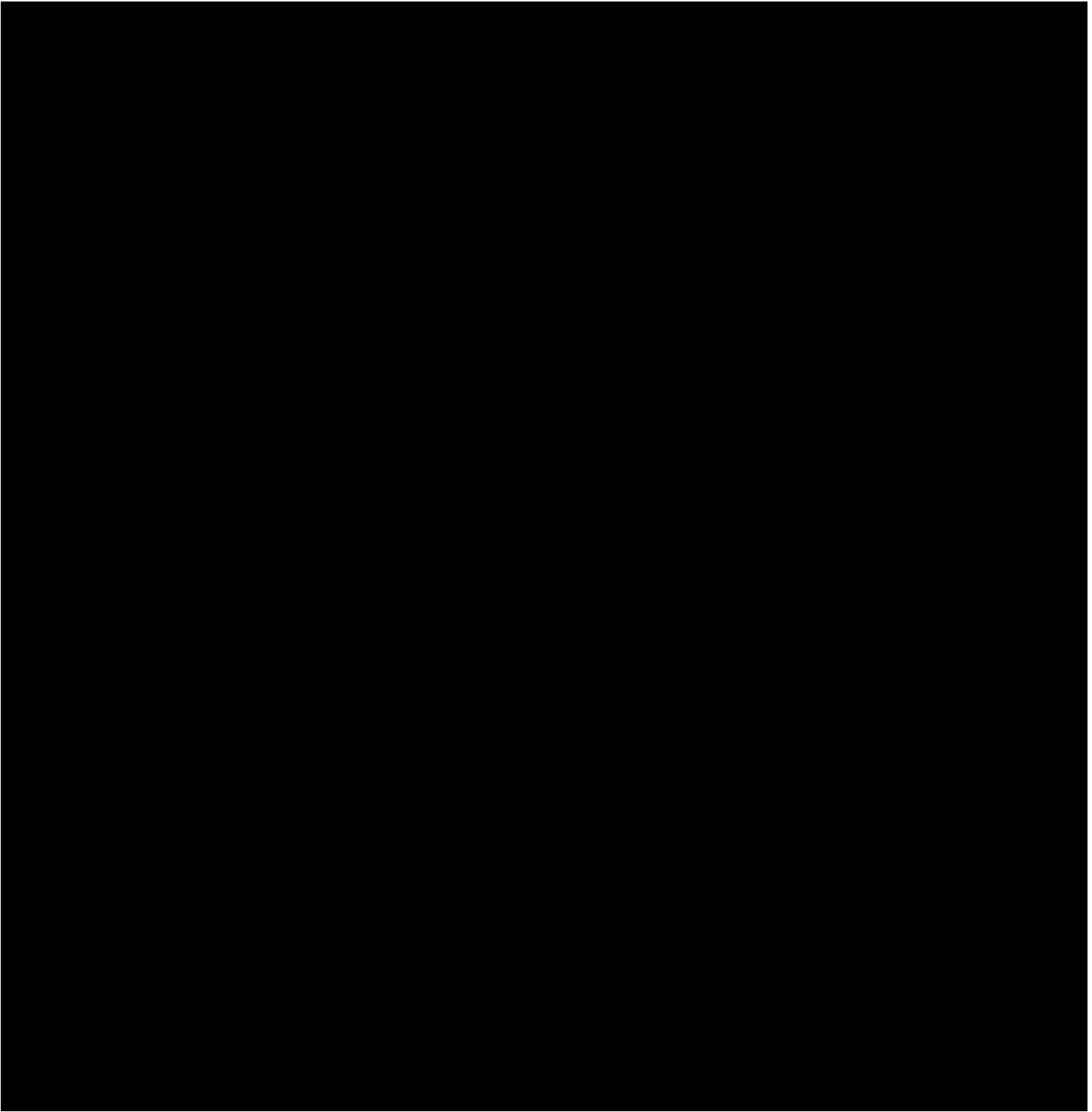
Ms. Delehanty has over 20 years of experience in the construction industry, having worked on all sides of a project including construction manager, contractor, consultant, operations, and owners’ representative. She has experience across multiple industries such as government, museums and institutions, commercial office buildings, healthcare, utility plants, manufacturing, and residential. Her skills include project management, contract compliance and cost audits, change order review, schedule investigation, scope monitoring, contract administration, earned value reporting, estimating, and commissioning.

See the following pages for more detailed personal bios.

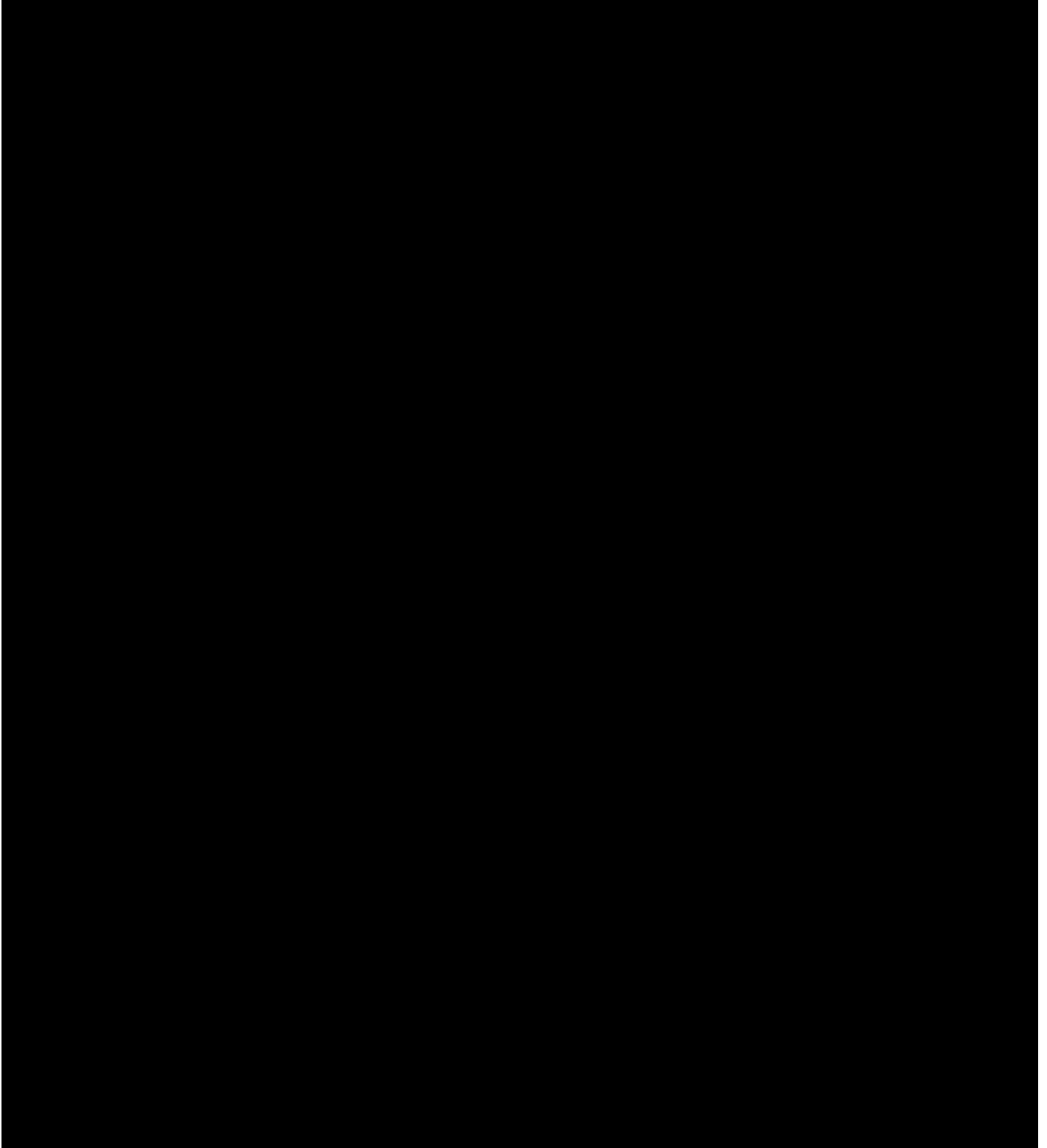
Stephen A. Titus, PMP
President



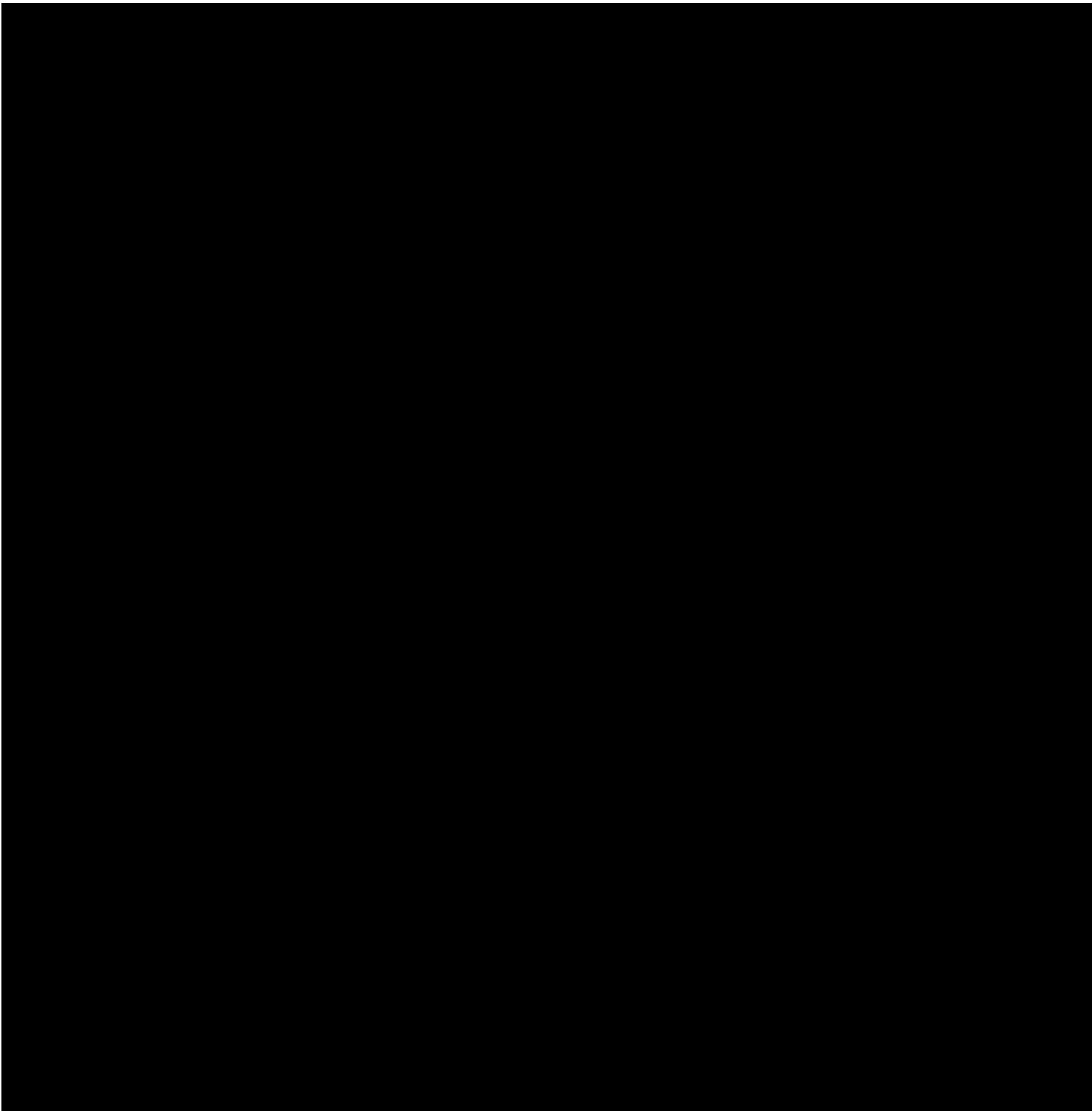
Stephen A. Titus, PMP – continued



Mark D. Steele, PE
Senior Consultant



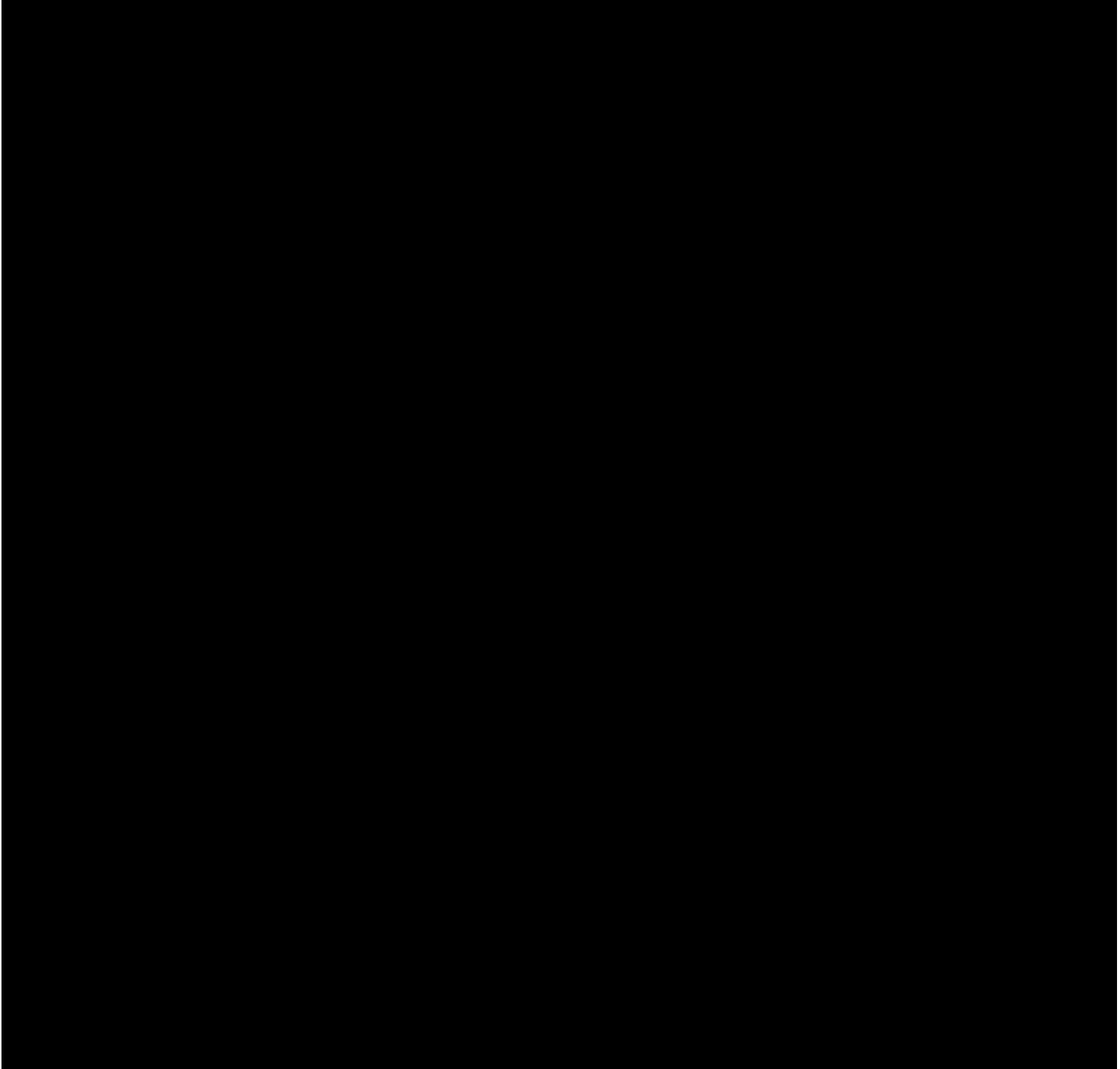
Mark D. Steele, PE – continued



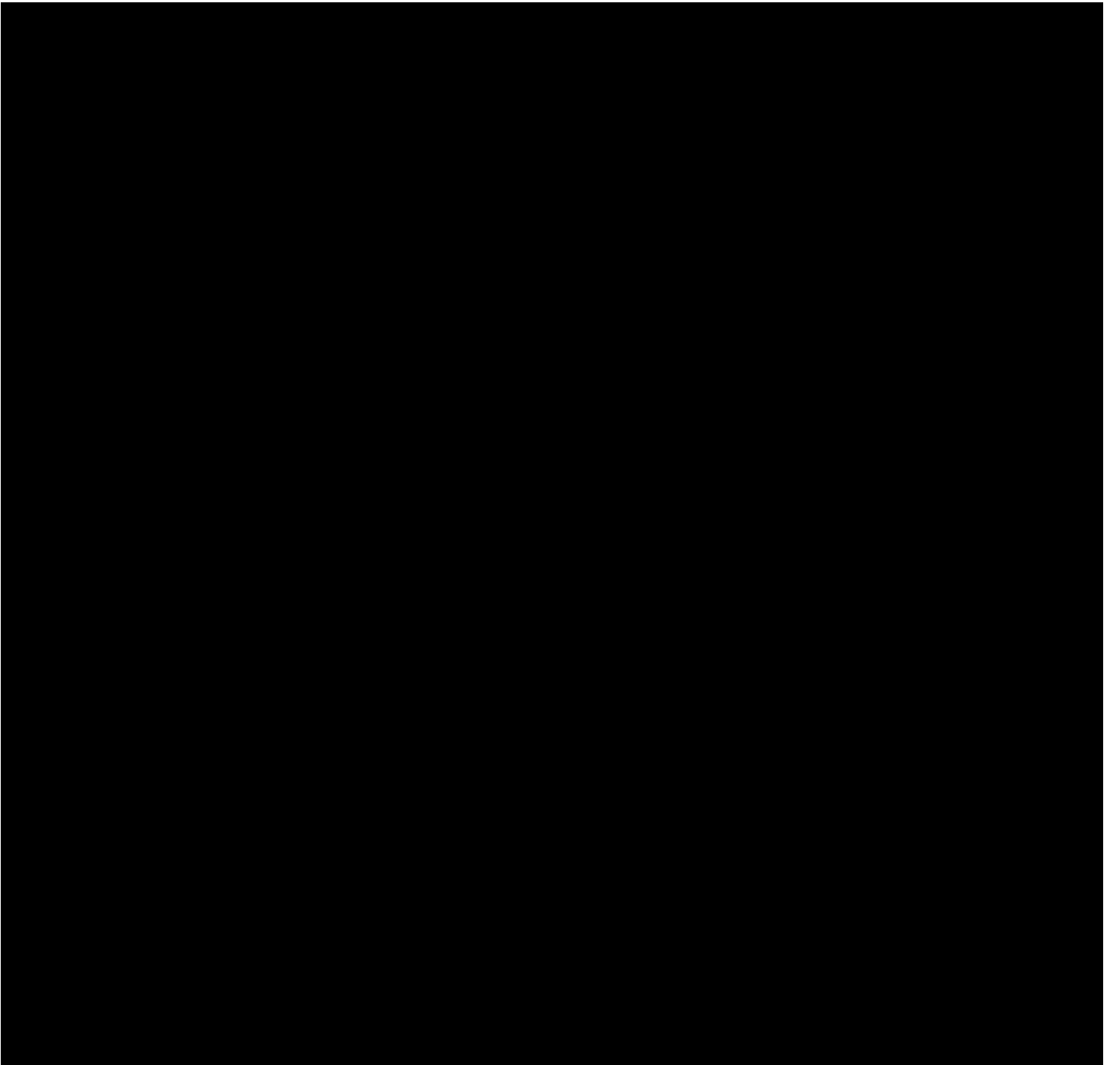
Michelle Nenna Delehanty, PE, PMP
Senior Consultant



Summary



Michelle Nenna Delehanty, PE, PMP – continued

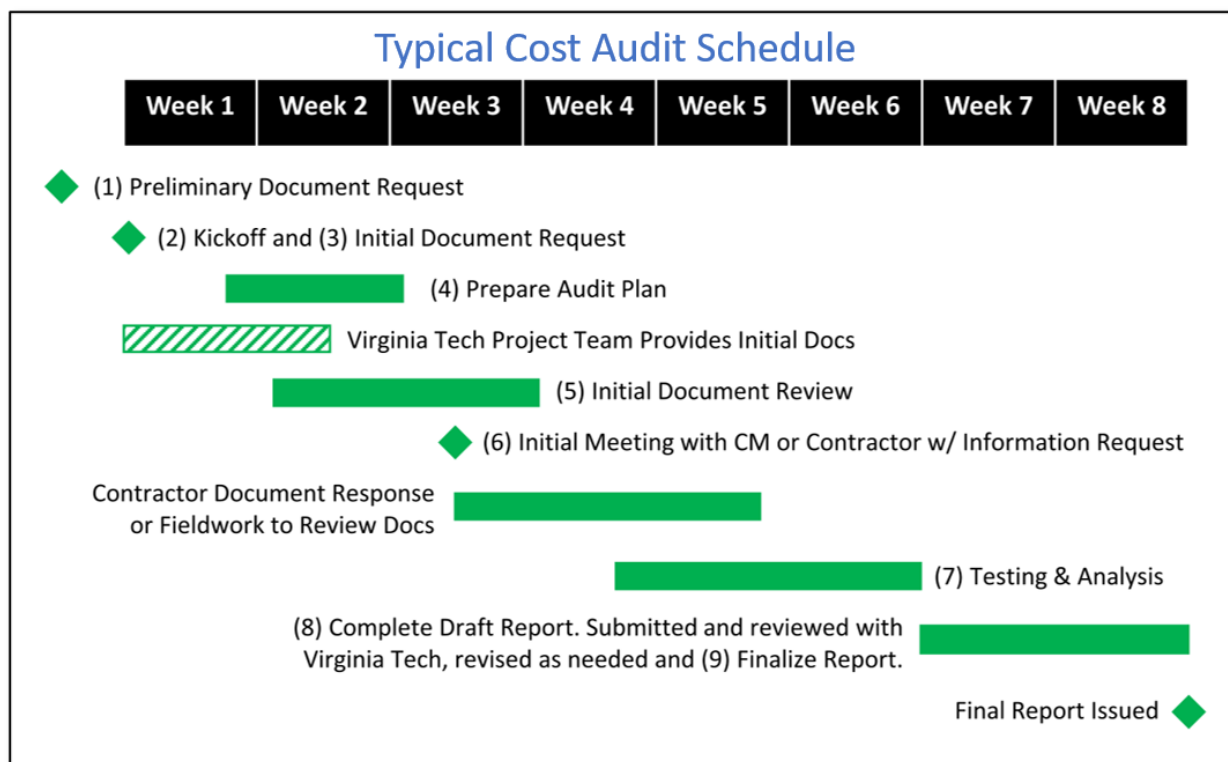


3. Ability to Provide Construction Cost Audits in a Timely Manner (RFP para. VIII.A.3)

“Provide time frame required to perform a comprehensive construction cost audit. Note any variables that will affect the timeline proposed.” (RFP, para. VIII.A.3, pg. 7)

3.1 Typical Engagement Schedule

A typical Construction Contract Compliance Audit as described in Section 1B takes approximately 7-9 weeks from receipt of the initial documents included in the request submitted to the company at or before the kickoff meeting (Step 1).



Having experience with COVID-19 related impacts, much documentation in recent cost audits has been provided electronically rather than via fieldwork. RTDQ has experience in both methods of getting and handling the required audit documents and can work effectively in either environment or a mix of the two. In fact, we have found the reliance on electronically provided data to be more cost effective but minimizing the “chance discovery” that sometimes comes through fieldwork. Obviously, as the COVID-19 situation evolves we will be able to work with the Virginia Tech team to identify the best means for any specific audit.

3.2 Schedule Variables

The most critical schedule variable is the cooperation and timely provision of documents both initially by the Virginia Tech project team and then later by the Contractor or Construction Manager (or access to their files for fieldwork).

Additional schedule variables are not limited to but may include the following:

- Contractual ambiguities or contradiction in interpretation of what documents are required.
- Wrong or incomplete docs.
- Delays in third party information (this is less common with electronic data than it used to be but an example is the ability to provide proof of payment requiring bank involvement).
- Unavailability of project team or contractor personnel for projects that are either complete or in close-out.
- The need to shift focus during the audit due to initial discoveries and analyses identifying critical potential issues.

4. Price (RFP para. VIII.A.4)

“Describe your plan for providing Virginia Tech with a construction cost audit and outline costs associated with providing said review. Please note that cost plus a percentage of cost pricing arrangements are not acceptable.” (RFP, para. VIII.A.4, pg. 8)

4.1 Proposed Hourly Rate

Based upon the information included in the Virginia Tech RFP and our anticipated schedule, we can offer Virginia Tech the **hourly rate of \$150.**

4.2 Typical Construction Audit

Every audit is different – pricing variables below – in our experience a typical audit might look like this. Any specific pricing for an audit would be discussed and agreed beforehand including scope, variables, etc. A typical contract close-out for a \$20-25 million project might have a schedule such as the one in the previous section and, in terms of pricing, might look like this:

Variable	Estimate
Duration	7 – 9 weeks
Hours	120 – 180 hours
Price	\$18,000 - \$27,000

4.3 Pricing Variables

Variables that may impact cost and timing of an audit may include but are not limited to:

- Dollar value of project.
- Quantity of invoices, change orders and subcontractors.
- Contract type (e.g., GMP vs. Fixed Price).
- Subcontract types.
- Number of Subcontractors.
- Volume of self-performed work by CM or GC.
- Project Phase: Preconstruction, Construction in Progress, and Contract Close-out.

5. References (RFP para. VIII.A.5)

“Provide four (4) recent references, either educational or governmental, for whom you have provided the type of services described herein. Include the date(s) services were furnished, the client name, address and the name and phone number of the individual Virginia Tech has your permission to contact.” (RFP, para. VIII.A.5, pg. 8)

RTDQ	
<div data-bbox="203 533 332 577"></div>	<div data-bbox="573 533 993 619"></div> <div data-bbox="573 661 901 871"></div>
<div data-bbox="203 890 422 934"></div>	<div data-bbox="573 890 1063 934"></div> <div data-bbox="573 955 987 997"></div> <div data-bbox="573 1018 1047 1228"></div>
<div data-bbox="203 1247 365 1291"></div>	<div data-bbox="573 1247 812 1291"></div> <div data-bbox="573 1312 922 1522"></div>
<div data-bbox="203 1541 305 1585"></div>	<div data-bbox="573 1541 812 1585"></div> <div data-bbox="573 1606 828 1732"></div>

6. Participation of SWaM Business (RFP para. VIII.A.6)

RTDQ is a Certified SWaM Business (small).

SWaM Certification [REDACTED], Valid through November 30, 2025

7. General Information Form and Addenda (RFP para. VIII.A.7)

“The return of the General Information Form and addenda, if any, signed and filled out as required.” (RFP, para. VIII.A.7, pg. 8)

FORMS INCLUDED

1. RFP 0062166 GENERAL INFORMATION FORM
2. SIGNED ADDENDUM #1 TO RFP # 0062166
3. DECLARATION OF AN EMERGENCY AT VIRGINIA POLYTECHNIC INSTITUTE
AND UNIVERSITY
4. SIGNED ADDENDUM #2 TO RFP #0062166

RFP 0062166
GENERAL INFORMATION FORM

QUESTIONS: All inquiries for information regarding this solicitation should be directed to: Reed Nagel, Phone: (540) 231-5240 e-mail: nagelr@vt.edu

DUE DATE: Proposals will be received until April 2, 2021 at 3:00 PM. Failure to submit proposals to the correct location by the designated date and hour will result in disqualification.

PROPOSAL SUBMISSION:

Bids or Proposals may NOT be hand deliver to the Procurement Office.

Due to the COVID-19 Emergency Declaration, Virginia Tech will be accepting electronic submission of proposals. All submissions should be submitted to procurement@vt.edu with the RFP number, due date, and time in the subject line of the email.

Virginia Tech will not confirm receipt of proposals. It is the responsibility of the proposers to make sure their proposal is delivered on time. Delivery Confirmation functionality is recommended from the proposer's email system.

Attachments must not exceed 25MB to avoid delivery issues thru email servers.

TYPE OF BUSINESS: (Please check all applicable classifications). If your classification is certified by the Virginia Department of Small Business and Supplier Diversity (SBSD), provide your certification number: [REDACTED] For assistance with SWaM certification, visit the SBSD website at <http://sbsd.virginia.gov/>.


☐ **Large**

☒ **Small business** – An independently owned and operated business which, together with affiliates, has 250 or fewer employees or average annual gross receipts of \$10 million or less averaged over the previous three years. Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) certified women-owned and minority-owned business shall also be considered small business when they have received SBSD small business certification.

☐ **Women-owned business** – A business concern that is at least 51% owned by one or more women who are U. S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law, and both the management and daily business operations are controlled by one or more women who are U. S. citizens or legal resident aliens.

☐ **Minority-owned business** – A business concern that is at least 51% owned by one or more minority individuals (see Section 2.2-1401, Code of Virginia) or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

COMPANY INFORMATION/SIGNATURE: In compliance with this Request for Proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods or services in accordance with the attached signed proposal and as mutually agreed upon by subsequent negotiation.

FULL LEGAL NAME (PRINT) RTDQ LLC		FEDERAL TAXPAYER NUMBER (ID#) 	
BUSINESS NAME/DBA NAME/TA NAME RTDQ Consulting		BILLING NAME RTDQ LLC	
PURCHASE ORDER ADDRESS P.O. Box 941 McLean, VA 22101		PAYMENT ADDRESS P.O. Box 941 McLean, VA 22101	
CONTACT NAME/TITLE (PRINT) Stephen A. Titus - President			E-MAIL ADDRESS stephen.titus@rtdqconsulting.com
TELEPHONE NUMBER 202-809-3258	TOLL FREE TELEPHONE NUMBER N/A	FAX NUMBER TO RECEIVE E-PROCUREMENT ORDERS	N/A

I acknowledge that I have received the following addendums posted for this solicitation.

1 ☒ 2 ☒ 3 ☐ 4 ☐ 5 ☐ 6 ☐ (Please check all that apply)

Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the Code of Virginia, 2.2 – 3102 - 3112

YES ☐ NO ☒

SIGNATURE



Date:

4/14/2021

08/01/2020

ADDENDUM # 1 TO RFP # 0062166

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (Virginia Tech)
Procurement Department (MC 0333)
North End Center, Suite 2100
300 Turner Street NW
Blacksburg, Virginia 24061

DATE	NEW DUE DATE AND HOUR
March 31, 2021	April 19, 2021@ 3:00PM

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO: Reed Nagel Assistant Director Procurement
E-MAIL ADDRESS: nagelr@vt.edu TELEPHONE NUMBER (540) 231-5240
FAX NUMBER (540) 231-9628 AFTER HOUR MESSAGES (540) 231-6221

Construction Cost Audits

1. Due to the COVID-19 Emergency Declaration, Virginia Tech will be accepting electronic submission of proposals. All submissions should be submitted to procurement@vt.edu with the RFP number, due date, and time in the subject line of the email.

Virginia Tech will not confirm receipt of proposals. It is the responsibility of the proposers to make sure their proposal is delivered on time. Delivery Confirmation functionality is recommended from the proposer's email system. Official timestamp of received proposal will be based on the Virginia Tech web server date and time received.

Attachments must not exceed 25MB to avoid delivery issues thru email servers.

2. Replace Section IX. Subsection A. Selection Criteria in its entirety with the following.

<u>Criteria</u>	<u>Maximum Point Value</u>
1. Quality of products/services offered and suitability for the intended purposes	20
2. Qualifications and experiences of Offeror in providing the goods/services	30
3. Specific plans or methodology to be used to provide the Services	30
4. Participation of Small, Women-Owned and Minority (SWaM) Business	20
Total	100

3. Replace Section IX. Subsection B. Award in its entirety with the following.

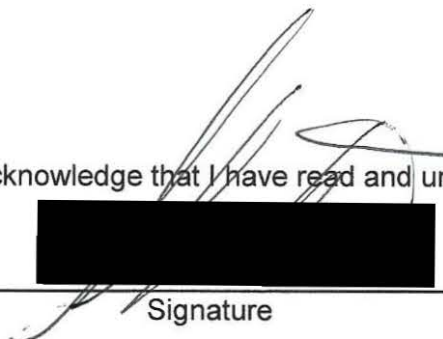
Award (Professional Services)

Virginia Tech shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternate concepts. At the discussion stage

Virginia Tech may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and, where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, Virginia Tech shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to Virginia Tech can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on, until such a contract can be negotiated at fair and reasonable price. Should Virginia Tech determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

4. A large number of inquiries were received as a result of this solicitation, the responses to these will be posted by next Friday at the latest.
5. All other terms, conditions and descriptions remain the same.
6. The due date and hour have been changed to April 19, 2021 @ 3:00PM

I acknowledge that I have read and understand this addendum in its entirety.


Signature

4/14/2021
Date



OFFICE OF THE PRESIDENT
VIRGINIA TECH

Timothy D. Sands, President (0131)
Burruss Hall, Suite 210
800 Drillfield Drive
Blacksburg, Virginia 24061
540-231-6231
President@vt.edu

DECLARATION OF AN EMERGENCY AT VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

By virtue of my authority as President of Virginia Polytechnic Institute and State University, I verbally declared an emergency on the Virginia Tech campus on Tuesday March 3, 2020, as a result of COVID-19 outbreak that is impacting students and employees traveling abroad and has the potential to impact the University's programs in Virginia.

The health and welfare of the students and personnel and the peril to property on the campus necessitated the proclamation of the existence of an emergency.

I am also hereby declaring that Dr. Guru Ghosh, shall serve as the Vice President in charge and that Michael Mulhare shall serve as the Emergency Response Coordinator.

By:

President

Dated:

March 3rd 2020

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution



5/14/21

ADDENDUM # 2 TO RFP # 0062166

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY (Virginia Tech)
Procurement Department (MC 0333)
North End Center, Suite 2100
300 Turner Street NW
Blacksburg, Virginia 24061

DATE	NEW DUE DATE AND HOUR
April 7, 2021	April 19, 2021@ 3:00PM

ADDRESS ALL INQUIRIES AND CORRESPONDENCE TO: Reed Nagel Assistant Director Procurement
E-MAIL ADDRESS: nagelr@vt.edu TELEPHONE NUMBER (540) 231-5240
FAX NUMBER (540) 231-9628 AFTER HOUR MESSAGES (540) 231-6221

Construction Cost Audits

- Below are the responses to inquiries provided as a result of this procurement.
 - Please provide a range of the size of projects that will be audited on this contract? Are they major capital projects, minor projects, deferred maintenance projects, or a combination of all of these?
Virginia Tech Response: Projects are greater than \$3m, some could exceed \$100m. Currently all planned are major capital projects.
 - In the Statement of Needs, Section A, the scope refers to the auditing of "fiscal transaction processes". Please provide an example or more detail describing this scope of work?
Virginia Tech Response: Fiscal transaction process are the methods used to process payments for goods and services. In the context of the project objectives in Section A, this would be the processes used in billings and payments, costing, and pricing of change orders.
 - Please confirm if professional certifications or licenses are applicable for team members on this proposal? If applicable please provide a list of required or recommended certifications or licenses.
Virginia Tech Response: Virginia Tech cannot tell you how to structure your proposal. Please provide your best team possible.
 - Can larger firm's partner will a SWaM firm regardless of the language in the special terms and conditions around subcontracting?
Virginia Tech Response: Yes, this special term and condition refers to subcontract after contract execution.
 - RFP Section VII B. "Each execution of the contract will be individually negotiated, but in general each project includes the following minimum expectations." **With the understanding that there are individual projects, what is the range in construction spend that Virginia Tech anticipates will be audited?**
Virginia Tech Response: The five-year capital program is currently estimated to be in excess of \$1 billion.
 - Will Virginia Tech require the screening of the backgrounds of contractors that perform work on construction projects?
Virginia Tech Response: Virginia Tech places the responsibility for background screening on the contractors.
 - When does Virginia Tech anticipate starting contract compliance audits?
Virginia Tech Response: This is an as needed term contract. Engagements with the awarded firm(s) can take place at any time over the life of the contract and no amount of business is guaranteed.

8. Will audits be desk based (remote) or will fieldwork be required?

Virginia Tech Response: The contractor can determine the best method to achieve the contract terms.

9. Does VT have a percentage goal for work to be subcontracted to a SWaM?

Virginia Tech Response: There is no subcontracting goal; however, the more subcontracting provided the greater the amount of points awarded in that category.

10. Does OARC have an estimated period of performance for a typical project under this contract?

Virginia Tech Response: An estimate does not exist.

11. If possible, would OARC please provide the names of any entities currently performing construction services that may be covered under this contract, to enable offerors to perform a conflict check and ensure their independence to perform this project?

Virginia Tech Response: Will be addressed as part of the awards under the term contract.

12. Would OARC please clarify whether the contractor will be required to perform these reviews under a specific set of professional standards? If so, would OARC please identify those standards?

Virginia Tech Response: No professional standard is required.

13. Would OARC please clarify whether it has a specific report template that the contractor should use when reporting its findings? If so, would OARC please provide a sample template?

Virginia Tech Response: A specific reporting template does not exist.

14. Specific plans or methodology to be used to provide the Services" as one of the evaluation criteria. However, Section VIII. Proposal Preparation and Submission (p. 7), does not appear to include a methodology section among the specific proposal requirements. Would Virginia Tech please (a) confirm whether offerors should include a technical methodology section in their proposals, and (b) if so, clarify which section offerors should include the methodology in?

Virginia Tech Response: Plans and methodology to complete an audit should be part of your proposal.

15. Can you provide a list of projects in the Capital plan along with estimated construction cost totals?

Virginia Tech Response: The most recent capital outlay plan can be found here: <https://cafm.vt.edu/capital-assets/capital-outlay-projects.html>

16. What is the approximate annual audit budget?

Virginia Tech Response: Virginia Tech does not give out budget information.

17. Does Virginia Tech expect to audit project at a point in time? Using information to date? Using information for a selected period? Or ongoing throughout the total project?

Virginia Tech Response: As noted in Section VII A., the audit projects will typically be performed in two or more phases (preconstruction, construction in progress, contract close out). Each of these reviews will be at the point in time of information available to date.

18. Is firm experience with the Commonwealth's Construction & Professional Services Manual required?

Virginia Tech Response: Experience is not required.

19. What point value is deducted for lack of Commonwealth of Virginia construction audit experience?

Virginia Tech Response: Points are scored on a subjective basis.

20. Will the vendor be expected to provide updates/presentations to the Board of Visitors or would OARC handle those items?

Virginia Tech Response: OARC will handle presentations to the Board of Visitors.

21. What tools and/or software does Virginia Tech currently use as it relates to construction management as well as tracking and receiving contractor pay applications and tracking the construction schedule?

Virginia Tech Response: GCPAY, AIM Hokie Serv, Google Drive, and Laserfiche

22. Will the awarded auditor be provided access to the construction department's project management and financial systems?

Virginia Tech Response: No the auditor will not be provided access.

23. Is there a vendor currently performing this type work for Virginia Tech? If so, how many years have they been providing these services?

Virginia Tech Response: Services are currently being provided by Commercial Cost Control Inc. and Fort Hill Associates. These contracts have been in place since 2013.

24. The RFP states that the construction audit will be performed in two or more phases, Preconstruction, construction in progress, and Contract Close Out. Within the construction in progress phase, would this be a specific point in time or the duration of the entire construction phase (e.g., continuous monitoring effort)?

Virginia Tech Response: Services are envisioned as a point in time review.

25. Is there an external Construction Manager or Project Management Office that will oversee all construction projects?

Virginia Tech Response: Virginia Tech maintains its own staff of Project Managers.

26. Are any of the construction projects anticipated to be Design-Build or are they all specified as Design-Bid-Build?

Virginia Tech Response: Virginia Tech utilizes all of the 3 types of construction methods (Design-Bid-Build, Design-Build, and CM at Risk)

27. Does OARC or CPIF typically assist with engagements?

Virginia Tech Response: No. Audits are performed independently by the firms. CPIF and OARC provides independent oversight.

28. What is the size of the staff / department that performs these audits?

Virginia Tech Response: Virginia Tech cannot provide this information.

29. Will the Contractor have direct access to documents via a shared drive, software system? If so, how will the consultant gain access to these systems?

Virginia Tech Response: Project Manager's will share via a shared drive.

30. Who are the holders of the trade contracts? IE, will trade contracts be held by VT, or by a CM/GC?

Virginia Tech Response: Trades contracts are held by the CM/GC.

31. Is there a page limit for the proposal?

Virginia Tech Response: There is no page limit; however, firms are encouraged to keep all proposals to a reasonable page length.

32. Is Virginia Tech requesting a biography or resume of all persons included on the proposal or just key personnel (management)?

Virginia Tech Response: Virginia Tech cannot tell you how to structure your proposal.

33. With respect to VT's risk management policies on construction contracts, does VT utilize an Owner Controlled Insurance Program (OCIP), a Contractor Controlled Insurance Program (CCIP) or ask that all tiers of contractors provide their own insurance policies?

Virginia Tech Response: Contractor Controlled.

34. Would Virginia Tech be agreeable to a limitation of liability provision that limits Supplier's liability to three times the fees for any engagement under the contract?

Virginia Tech Response: This can be addressed during negotiations.

35. Will Virginia Tech consider modifications to Attachment A: Terms and Conditions, including the RFP General Terms and Conditions? Such modifications would be industry standard and typical for the type of services contemplated, and would be included as exceptions within our proposal, including, but not limited to, indemnification obligations limited to third party claims, inclusion of a limitation of liability for claims between the parties, modifications regarding insurance applicable to the services contemplated, etc.

Virginia Tech Response: This can be addressed during negotiations.

36. How many projects does Virginia Tech anticipate awarding to each vendor selected?

Virginia Tech Response: There is no guaranteed amount of business under any potential awards.

37. Attachment A.A – Is it ok for vendors to provide a list of other value-add service offerings outside of construction audit within their proposals?

Virginia Tech Response: Yes; however, please be aware of the main focus of the solicitation.

2. All other terms, conditions and descriptions remain the same.
3. The due date and hour remain April 19, 2021 @ 3:00PM

I acknowledge that I have read and understand this addendum in its entirety.

Signature

Date



Mr. Reed Nagel
Assistant Director for Facilities & Services
(504) 231-5240
tnagelr@vt.edu

July 27, 2021

Via email to tnagelr@vt.edu

RE: Request for Proposal #0062166 – Construction Cost Audits – Negotiation Questions

Dear Mr. Nagel:

Per your July 27, 2021 email, we are formally responding to your request by providing responses to Virginia Tech's Vendor Negotiation Questions. Additionally, per your request RTDQ proposes an Hourly Rate of \$150 for services related to RFP#0062166. Should you need any additional information please do not hesitate to contact me at (202) 809-3258.

Respectfully,

A handwritten signature in black ink, appearing to read "Stephen Titus", with a stylized, cursive script.

Stephen Titus
President
RTDQ



Negotiation Questions for Vendors

1. As part of Virginia Tech standard procedures, all awarded contracts will be publicly posted on an online contracts portal. Is there any information included that would be used to identify or harm a person's identity, finances or personal information? If so, please provide a redacted copy of your proposal.

Redacted Proposal will be provided.

2. Are there any additional financial or value-added incentives you would like to offer at this time?

RTDQ believes that our hourly rates are extremely competitive and Virginia Tech is receiving discounted rates as part of this solicitation. However, RTDQ is additionally offering a 10% discount on total estimated cost for each audit if 50% of fees are paid at beginning of the Audit. If this approach is accepted RTDQ will invoice for the balance of fee at each Audit conclusion.

3. Does RTDQ agree to provide monthly invoices with payment due thirty (30) days after receipt of invoice or goods/services, whichever is later?

RTDQ Agrees.

4. Does RTDQ agree that any travel will be reimbursed at cost and tied to the GSA per diem rates?

RTDQ Agrees.

5. Do you agree that you will be performing services as an Independent Contractor, Company, Corporation or other business entity and are not an employee of Virginia Tech or any other Commonwealth Entity?

RTDQ Agrees.

6. Do you further agree that Virginia Tech will not withhold any income taxes from its payments to contractors nor will it provide any employment benefits to the contractor or contractor's employees?

RTDQ Agrees.

7. End of Contract Service Transition Expectations: If or when a transition of service to another provider is required (end of contract life or otherwise), the university would require the incumbent firm to cooperative fully in a successful transition of services. Explain any requirements your firm might have in preparing for such a transition of services. Additionally, please indicate your willingness to establish a transition plan alongside the



new provider of service which may include but not be limited to sharing important data and/or existing service information via a cooperative knowledge transfer process.

RTDQ will cooperate in an End of Contract Service Transition process if requested with no specific requirements at this time. RTDQ is willing to work alongside a new provider as part of the transition process.

8. Do you agree that the initial contract period shall be three years?

RTDQ Agrees.

9. Upon completion of the initial contract period, does RTDQ agree that the contract may be renewed by Virginia Tech upon written agreement of both parties for three (3) two year periods, under the terms of the current contract?

RTDQ agrees.

10. If awarded a contract, do you agree to limit price increases to no more than the increase in the Consumer Price Index, CPI-W, Services category for the latest twelve (12) months for which statistics are available at the time of renewal or 3 percent, whichever is less?

RTDQ agrees.

11. If awarded a contract, are you willing to hold prices firm for the initial contract period and the first renewal period?

RTDQ agrees.

12. Will RTDQ agree to participate in the Wells One AP Control Payment System?

RTDQ agrees.

13. Please identify the highest-level executive in your organization that is aware of this solicitation. Describe that person's commitment to assuring the highest quality service to Virginia Tech if your organization is awarded a contract.

Stephen Titus is the President of RTDQ. He is committed to executing in a quality manner and per the terms and conditions of the RFP and the RTDQ Proposal dated 4/19/2021.

14. Please describe your quickest turn-around time if emergency services are needed.

RTDQ is available 24 hours/day should Virginia Tech wish to make contact regarding emergency service. Depending on the scope requested, RTDQ can commit to providing



services in an expedited manner and will work with Virginia Tech to meet their timelines should an emergency request occur.

15. How soon after contract award can you begin providing services?

RTDQ is available immediately at contract award.

16. Are you registered with and willing to participate in the eVA internet procurement solution described in the terms and conditions of the RFP?

RTDQ is registered with eVA.

17. Do you acknowledge, agree and understand that Virginia Tech cannot guarantee a minimum amount of business if a contract is awarded to your company?

RTDQ Agrees.

18. Does the vendor acknowledge, agree, and understand that the terms and conditions of the RFP # 0062166 shall govern the contract if a contract is awarded to your company?

RTDQ Agrees.