



# the DESIGN partner

Academic Campus, which is geographically contiguous. The weighted average architect and engineering fee, as a percentage of construction, has typically been approximately 13.8 percent. The existing process for retaining and using consultants has been very traditional, cumbersome, and inefficient in providing service to the university customers, who have been asking for more responsiveness from both in-house staff and consultants in the delivery of their projects.

By working with a single consultant, the university expects to lower fees, improve the overall service level, lower overall project cost, reduce operating costs, and add value for improved functionality for university programs. Reduced fees are expected to be derived from eliminating the need for marketing and preparing proposals, establishing standards in every area of the project delivery system, developing a seamless transition of projects from PPM (Planning and Project Management) staff to the single delivery source, and improving scope definition to eliminate redesign once a project has been approved.

The university looked to other institutions and corporations for advice and for their experience with this kind of consulting arrangement. We found no formal examples among peer academic institutions. Some other local hospitals have informal single source consulting agreements that have evolved over a period of time. The university studied the single source agreement operating at Xerox and a similar model, but which used two consultant groups, at Kodak. Both models appear to be working successfully and meeting targeted goals.

The university's senior administrative staff approved initiation of the selection process after reviewing the reengineering recommendations. The partnering represented a significant departure from business as usual. While this change created a certain level of risk and concern, the potential benefit outweighs the concern.

Over the fall and winter of 1996-97 the university worked with local consultants and developed a request for proposal. Planning and Project Management staff worked with these consultants individually and in groups through round table discussions to gain input and to understand the sensitivities of the consultants who over the years have served the university well and who would be most affected by this

The University of Rochester in Rochester, New York has recently completed a thorough review of how it contracts for its architectural and engineering consulting services. During 1996-1997 the university formed "Reengineering Rochester Teams" to review all administrative functions throughout the university. One of these teams focused on existing processes for selecting and retaining consultants of all kinds, and architectural and engineering consulting was included in that evaluation process.

Like most other institutions, the university has historically contracted with multiple A/E firms for design of renovation and construction projects. The team's analyses indicated that there was significant duplication of effort among all consultants and that it was possible to save at least 10 percent in consulting costs by working with only a single local consultant for most of the routine design work.

The University of Rochester comprises nearly eight million square feet on the River Campus, the Medical Center (which includes Strong Memorial Hospital), Eastman School of Music, and off-campus properties in various locations throughout the community. The university's annual construction budget varies between \$20 million and \$25 million annually. About 70 percent of that work takes place at the Medical Center, while the other 30 percent is at the

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agreement. This process took about four months and gave the local consulting community time to form professional alliances in advance of the receipt of the proposal. One of the more difficult aspects of the partnering arrangement is that the agreement will partially limit access to a wide variety of talent within the community.

When the proposal was developed, it was submitted in draft format to senior administration for review and input. In addition, the university's Board of Trustees was advised of the intention to issue this proposal. Advisors given copies of the proposal were asked to comment on the proposal as well as the process.

The request for proposal was developed based on the input of consultants and of facilities managers at other institutions. The proposed contract will include standard architectural and engineering services and interior design, landscaping, civil engineering, hazardous materials, contract administration, construction management/inspection, as well as planning and programming. The proposal included: 1) background information; 2) goals and expectations of the university for this work; 3) criteria that would be used in evaluating the proposals; and 4) the format of the response. However, the university elected not to design the solution in advance. The consultants were expected to develop and propose a contractual relationship that they thought would meet the university goals and criteria. The intention was for them to develop a proposal that would work with their team as well as meet our requirements.

The larger firms in the Rochester area were selected to receive these proposals. In addition, all of the 25 or so firms on the university's preferred vendor list were notified when the proposals were issued. They were given the names of those who received the proposals and were urged to contact them. In addition, all of the firms who received the proposals were given our list of preferred vendors. This was done well in advance of receipt of the proposals in order to give everyone as much advance notice as possible. The university had been well served by this group of preferred vendors and it was important that they had enough time to understand and ask about what we were doing.

The consultants were given about a month to respond. Most had already been hard at work based on the communication already established throughout the consulting community. While the university sent out about 15 proposals, it received only three in return, which made the review less cumbersome. For the proposals, the consultants grouped themselves in a variety of ways and formed consortiums and joint venture alliances. These proposals were distributed for review to senior administration, our university customers, PPM staff, and an external advisor. All were invited to be part of the interview process.

PPM core staff made the initial recommendation for the selection of the consultant. Key criteria for the evaluation

related to an understanding of the project scope, proposed approach, overall experience with single source partnering arrangements, evidence of qualified personnel, proposed performance measures and quality control, overall cost reduction potential, and, above all, the best value to the university. Once the interviews were completed, PPM staff met over a period of a week to select the winner. The proposals were all well done and therefore it was difficult to finally choose one over the other. The recommendation was reviewed and approved by the director of university facilities and by the vice president for budgets and institutional planning. It was then sent to the Board of Trustees' Facilities Committee for review and approval.

University Partners Group, a consortium of three firms—Galson-Lozier Engineers, King and King Architects, and the architectural firm of The DeWolff Partnership—was selected. The University Partners Group solution was different in its commitment to setting up a company where the only client would be the university. The other firm proposed a more traditional consultant relationship. While there were many questions raised by this approach, we felt that there would be tremendous value to be gained from a firm who would be dedicated solely to providing service to the University of Rochester, who had great strength and experience with the university in the medical aspects of our project work, and who we thought had the ability to work on the academic campus as well.

In addition, the University Partners Group understood the importance of the efficiencies to be gained by working on a continuing basis. They were committed to working interactively to create a cohesive working group with the existing university staff. Additionally, the group seemed to have a real understanding of our needs and the challenges that needed to be addressed to create a successful partnering.

In addition to giving us project support, the University Partners Group is able to provide "on-call" field engineering support for our Medical Center and River Campus operating groups. This is important because they will be able to troubleshoot and solve many of our day-to-day maintenance challenges within a much shorter time frame and before some of our repairs grow into larger, more expensive projects requiring full-scale engineering.

Although there have been few bumps in the road, the university's facilities managers believe that the university has already benefited from this arrangement within the first six months of operation. The University of Rochester is beginning to see more cost-effective solutions proposed within a shorter time frame. Users have generally been pleased with the efforts to date. The University Partners are getting involved in projects at an earlier stage during the development of scope and budget. We believe that this will reduce the amount of time required to design a project and will reduce overall cost for design as well. 🏠