

this case fees were weighted at 40 points, and Proposal G submitted the lowest fee and received the most points. The qualitative score was weighted at 60 points, and Proposal F received the most points.) In the qualitative section, proposals were rated on general experience, references, past performance, and adequate personnel and their ability to complete the project. From this decision matrix, Proposal F received the highest total score.

### **One School District's Evaluation Process Lacks Consistency**

One school district's procurement process shows inconsistency and lacked open communication during the qualitative evaluation. The school district's evaluation of the firm experience criterion for the architect selection of its new high school does not appear to be scored consistently. It appears that the school district did not clearly communicate information to competing architectural firms interested in the design project. Also, the current projected cost of the high school project increased \$6.5 million above the amount authorized by public vote in a bond election in 2006.

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**A school district's evaluation of the firm experience criterion does not appear to be scored consistently.**

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#### **Firm Experience Evaluation Was Scored Inconsistently**

The school district's selection committee awarded its high school design contract to an architectural firm that did not have the experience in designing high schools that other architectural firms demonstrated on their proposals. Under the "firm experience" section in the selected architectural firm's proposal, the firm declared the following high school design experience:

- Science room remodel
- Commons area converted from a interior courtyard
- Gymnasium addition
- Media center addition with adjoining writing/research computer lab and 50-seat lecture hall
- Auditorium rebuild
- Wrestling facility addition
- Alternative high school

The firm had completed six addition/remodel projects, and one 62,000 square-foot facility for alternative high school students. However, the firm had not designed an entire high school. High schools currently being built in Utah range from 242,000 square feet to 375,000 square feet.

A school district rated an architectural firm higher than other firms who had more experience.

Under “firm experience,” the selected architectural firm also listed other design projects for elementary schools and middle/junior high schools. The firm had designed many new buildings and designed many additions and remodels. Other architectural firms also listed design projects for elementary schools and middle/junior high schools.

The school district’s ratings from the decision matrix revealed that the selected architectural firm, Proposal B, that had never designed a new high school, received higher scores for “firm experience” criterion than three other architectural firms that had experience designing new high schools as shown in Figure 3.2 below. “Firm Experience,” as defined in the request for qualifications, was stated as the “scope, categories, or type of work, in which the firm considers themselves most qualified.”

**Figure 3.2 Firm Experience Ratings.** Each committee member scored firm experience for each proposal on a scale from 1 to 10.

Proposal	High Schools Designed	Committee Member Scores					Total
		No. 1	No. 2	No. 3	No. 4	No. 5	
A	10	10	9	10	9	10	48
<b>B</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>10</b>	<b>47</b>
C	8	7	9	10	10	10	46
D	6	7	10	10	9	10	46
E	5	7	7	10	8	8	40
F	0		4	7	2		13

Proposal B received a higher rating than four other proposals.

The figure shows that the selection committee awarded high points to proposals that had completed projects designing entire high schools, except Proposal B. Proposal B was rated high, even though that firm had not previously designed an entire high school. The architectural firm that

submitted Proposal B was selected to develop the design. Proposal A listed 10 projects designing new high schools and 10 addition/remodel projects for high schools, and only received one additional point over proposal B. Proposal C listed eight projects designing new high schools and many high school additions/remodels. Proposal C received one point less than Proposal B.

Three members of the selection committee were asked by the audit team why the selected architectural firm, Proposal B, was rated high in firm experience. All three committee members gave a similar response—they appreciated the working experience with the architectural firm on two previous projects, and they liked their work from the site visits. The same architectural firm that was selected to design the high school was previously selected to design an elementary school and do work on another building in that school district. None of the selection committee members, who are or were school board members, were qualified in architecture or engineering as required by the USOE resource manual.

It appears that committee members scored Proposal B, the selected proposal, based on their past experience with the architectural firm, while other architectural firms were scored on the information provided in their proposals. Other criteria used for this evaluation besides firm experience (10 points) included responsiveness (5 points), individual experience (15 points), fee schedule (10 points), design ability (25 points), program adaptation (10 points), energy conservation (5 points), references (10 points), and consultants (10 points).

The winning architectural firm, Proposal B, submitted a lower fee than other architectural firms. The “fee” criterion was weighted at 10 points and was scored subjectively by each committee member; it was not scored objectively, as required. We are not saying that the selected architectural firm should not have been awarded the contract; they did submit the lowest bid. In our opinion, it is also appropriate for the school district to select an architectural firm that has no experience building a high school. An architectural firm could be scored high in other criteria areas besides experience and still be awarded the contract. Our concern is that a consistent evaluation process was not followed for scoring firm experience.

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**Members of the selection committee were not qualified in architecture or engineering.**

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**Consistent scoring could have resulted in the selection of a different firm.**

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The “firm experience” criterion scores could have made a difference between which architectural firm was awarded the contract. Total possible points for the evaluation was 500. Proposal B received 455 points. The second-highest proposal was Proposal A with 439 points. These two proposals were separated by 16 points. If the selection committee had given Proposal B 16 fewer points out of 50 for the firm experience criterion, they may not have been awarded the contract. The other firm that did not have experience building a new high school, Proposal F, only received 13 points.

### **The Selected Architectural Firm Conducted a Needs Assessment**

The architectural firm that submitted Proposal B volunteered to conduct a needs assessment for the new high school. The architectural firm interviewed the high school’s faculty and staff to determine their needs. A school district official and board members stated that the architectural firm was not paid for this assessment and that the architectural firm asked the school district for permission to do the assessment. A school district official also stated that no other architectural firms asked to do a needs assessment.

With the aid of the needs assessment, new design concepts were developed by the selected architectural firm for the submitted proposal. Three selection committee members stated that the winning proposal was selected due to the fact that they liked the new design concepts provided in the proposal.

A selection committee member said the architectural firm selected for the high school project had done their homework. While other proposals were based on past designs, the winning architectural firm submitted a new traditional design that would fit this area. The winning firm was rated higher than other firms for the “design ability” criterion. The “design ability” criterion was given a weight of 25 points, the highest weight of the criteria.

One competing architectural firm felt the procurement process was fair, but two other competing firms felt it was unfair. These two firms felt they should have been invited to complete a needs assessment and believe the assessment may have given the selected firm an advantage in the procurement process. One firm stated that “this part of the process was

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**The selected architectural firm was not paid for completing the needs assessment.**

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**Using the needs assessment, the selected architectural firm developed new design concepts.**

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**One competing architectural firm felt the procurement process was fair while two other firms did not.**

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confusing and I was told by the school district that submitting a repeat design would be fine.” The other firm was more negative stating that “when the firm submitted their proposal that a school board member told a firm’s employee—thank you, but we like the design of another proposal better—even though the design contract had not yet been awarded.”

Even though it was not inappropriate for an architectural firm to conduct a needs assessment, we believe the school district should have clearly communicated to competing architectural firms their vision and any pertinent information required for the project in the RFP. First, the school district should have made it clear to all competing firms whether they wanted all firms to submit new design concepts as part of their proposal and/or repeat designs.

Second, the school district should have made competing firms aware that one architectural firm had conducted a needs assessment to develop a new design and invited all competing firms to conduct their own needs assessment at their own cost. The school district could have also purchased the needs assessment from the architectural firm that did the work and provided that information to all competing firms to equalize the playing field. This lack of communication may have provided an unfair advantage, but we found no evidence to conclude that it did.

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**The total cost for one new high school has exceeded the originally planned price by 11 percent.**

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### **The Cost of the Construction Project Has Increased**

The school district reported that the total cost of the project is estimated at \$66 million for construction and land acquisition, 11 percent higher than originally planned. The November 2006 proposition to build the new high school stated that general obligation bonds would not exceed \$59.5 million for the purpose of defraying all or a portion of the costs of land acquisition, equipment, acquisition, and construction of a new high school and related improvements.

When the construction manager signed the contract on March 5, 2007, to build the high school, a guaranteed maximum price was not established at that time. The contract stated:

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**No guaranteed maximum price was established when the contract was signed.**

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The Construction Manager acknowledges that Owner’s budget for this Project, including the preconstruction, construction, and post-construction phases, and the Cost of the Work and the

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**A standard cost-control mechanism is to have a guaranteed maximum price stated in the contract.**

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Construction Manager's fee during each of those phases is \$46,200,000.00. [NOTE TO CONSTRUCTION MANAGER: school district wants to leave this at \$46,200,000.00. However, they understand that you have told them that the price for their project as currently designed will assuredly come in at a higher number.]

A standard cost-control mechanism is to have a guaranteed maximum price stated in the contract. From the amount stated in the original contract to the current reported construction costs of \$61.7 million, the construction costs have increased by \$15.5 million. The current size of the high school is 320,000 square feet, with a cost of \$193 per square foot.

Two other high school construction projects in the state also began in 2006:

- One high school reported construction costs of \$51.5 million for a 285,000-square-foot building, with a cost of \$181 per square foot.
- A second high school reported construction costs of \$33.4 million for a 260,000-square-foot building, with a cost of \$128 per square foot.

The average cost per square foot for all seven high schools completing construction between 2007 and 2009 in the state is \$154 per square foot. The high school being reviewed, in this school district, is at \$193 per square foot and 320,000 square feet—the most expensive high school being built during our review period.

A school district official stated that cost of materials has increased since the beginning of the project. The school district official stated that the current high school property will need to be sold to help cover the increase in costs. The new high school construction project is not finished yet but is expected to be completed for the 2009-2010 school year. Costs for this building may continue to increase depending on the need for change orders.

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**The old high school will need to be sold to cover the increasing costs of the new high school.**

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**The School District Paid Part of the Design Costs Before the Bond Election.** The architectural firm awarded the design project was announced during the March 9, 2006, school board meeting. At the

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**Fees were paid to the architectural firm before the new bond had passed.**

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August 17, 2006, school board meeting, the school board authorized the school district to pay the selected firm \$382,500 for architect fees. Beginning August 31, 2006, the school district paid the firm three equal payments of \$127,500 for three consecutive months. The bond to build the new high school did not pass until November 7, 2006, and the contract was signed November 16, 2006.

These events show that work had been completed and that the school district paid the architectural firm before the bond election. If the result of bond election had not been approved for building a high school, then the \$382,500 would have been a sunk cost. It is a common practice among school districts to first hold a bond election to obtain the necessary funds, before beginning school construction projects.

### **A Few Selection Committees Should Be Strengthened**

Most selection committees for architect and construction manager or general contractor procurement consist of individuals with relevant backgrounds and skills. For example, one school district's architect selection committee consisted of the school district's building official—qualified in engineering—the purchasing director, three school district board members, the business administrator, and the building maintenance supervisor. Another school district has asked a community member to participate on their selection committee in addition to other qualified members. A third school district has the principal of the school being built participate on selection committees, in addition to other qualified committee members. School districts' selection committees for construction proposals usually carry forward the same individuals of the architect selection committees, with the addition of the project's architect.

We found three school districts' selection committees are small or consist mostly of school board members. When school districts form selection committees, they should ensure that committee members have the necessary skills to evaluate proposals. A selection committee consisting mainly of school board members may not have the needed expertise or qualifications to adequately evaluate proposals.

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**Having qualified members on the selection committee helps to ensure proposals are adequately evaluated.**

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## **Architect Selection Committees Require Expertise in Architecture or Engineering**

According to the USOE's resource manual and *Administrative Rule R33-5-540*, architect selection committees must consist of at least three members; at least one of them must be well qualified in the professions of architecture or engineering, as appropriate. All selection committees had at least three members, but architect selection committees in four school districts did not have a committee member qualified in either architecture or engineering. One school district is in an urban area, and three of the school districts are in rural areas.

A school district in a rural area that does not have a qualified architect or engineer to participate on a selection committee can consider one rural school district's approach. A school district in a rural area has asked employees with expertise in architecture or engineering from another school district to participate on their selection committees. This helps to ensure that selection committee members have relevant experience to evaluate proposals. That same school district asked the administrator of facilities of a different school district, who is a licensed architect, to participate on a selection committee for the procurement of a construction manager. This helped the school district form a well-qualified selection committee.

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**One rural school district asked qualified persons from another school district to join their selection committees.**

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**Seventy-one percent of schools surveyed did not require committee members to sign confidentiality and conflict-of-interest statements.**

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**Selection Committee Members Need to Sign a Confidentiality And Conflict-of-Interest Statement.** Of the 21 school districts surveyed, 15 school districts (71 percent) did not require their selection committee members to sign an evaluator confidentiality and conflict-of-interest statement as recommended by the state's Division of Purchasing. The purpose of having committee members read and sign an evaluator confidentiality and conflict-of-interest statement prior to the evaluation is to help ensure that committee members understand the following:

- The information contained in the proposals and information regarding the evaluation process is proprietary and cannot be released or discussed with other offerors or individuals not involved in the evaluation process.
- They should not participate in the evaluation process if they or immediate family members have a material, personal, or financial interest in or fiduciary relationship to any offeror or to a direct competitor of any offeror under consideration.



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**Statements of confidentiality and conflict-of-interest help the evaluation process remain fair and impartial.**

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- They should not participate in the evaluation process if they have any relationship or bias toward any offeror or any relationship or bias that may create the perception of bias of an evaluation.

A statement of confidentiality and conflict-of-interest helps to ensure the evaluation process is fair and impartial. If a committee member discloses a relationship or bias, the purchasing director, along with other school district officials, will need to determine whether it is appropriate for the prospective committee member to participate on the evaluation committee.

## **Recommendations**

1. We recommend that school districts implement the following:

- Evaluation criteria be weighted to reflect the priority of the information asked for in an RFP or a statement of interest and qualifications (SOIQ), following the Division of Purchasing guidelines.
- Evaluation criteria, including the criteria weighting, be clearly stated in RFPs and SOIQs.
- Fee proposals be evaluated objectively and independently from the qualitative proposal.
- Criteria be evaluated consistently by selection committee members based upon a predetermined definition.

2. We recommend that, pertaining to selection committees, school districts ensure:

- Architect selection committees have one member who is well qualified in the profession of architecture or engineering.
- Selection committees have the necessary expertise and skills to evaluate proposals.
- Selection committee members read and sign confidentiality and conflict-of-interest statements.