

## **1000 Cell Close Security Prisons -Greene & Bertie Counties**

### **Negotiation Process**

- Construction contract negotiations with Centex Rooney Construction Company on behalf of the State were undertaken by the Department of Correction's Central Engineering Division (DOC) and the Department of Administration's State Construction Office (SCO).
- The negotiation process transpired over a period from August 15 to September 30, 2003 using open-book procedures and employing terms whereby Centex Rooney Construction Company competitively bid all work on each prison. Emphasis was placed on encouraging participation by North Carolina subcontractors and the recruitment of historically underutilized businesses (HUB's). This effort garnered more than 170 bids from subcontractors and material suppliers throughout the State and the Mid-Atlantic region, resulting in accurate market determination of the construction costs.
- DOC & SCO negotiated the General Contractor's general conditions and fee percentages with respect to the market determined value of the construction work. The General Contractor's percentages compare favorably with historical values trended by SCO on other large-scale public projects.
- The General Contractor's price that resulted from the overall negotiation process was reconciled by the negotiation team with expected project costs as determined by the team's own internal analysis, and by using the professional services of an independent construction cost consultant (Harris & Associates).
- The cost figures determined through the negotiation process represent terms and conditions that are guaranteed through December 31, 2003, and are recommended as "reasonable and desirable to the State" pursuant to the requirements of General Statute 148-37.2.