



HAWKINS
CONSTRUCTION COMPANY

**State of Nebraska Department of Correctional
Services (NDCS)**

RFI Number 3016 Response

**Design/Build/Finance Options for an Adult Male
Multi-Security Level Correctional Facility**

May 27, 2020





ONE COMPANY. ENDLESS CAPABILITIES.



May 27, 2020

Mrs. Kate Severin
NDCS Purchasing
Nebraska Department of Correctional Services
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Lincoln, NE 68522

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Dear Mrs. Severin,

It is our pleasure to provide this response to the State of Nebraska, Department of Correctional Services (NDCS) RFI Number 3016 – Design/Build/Finance Options for an Adult Male Multi-Security Level Correctional Facility.

We believe that our experience in the construction of local correctional facilities including the 960-Bed Tecumseh State Correctional Institution, our vast knowledge of the local and regional subcontractor and supplier landscape, as well as our recent successful implementation of an alternative financing model for a Nebraska Department of Transportation project (Lincoln South Beltway) with an approximate value of \$350 Million, will allow us to provide the NDCS with some valuable insight regarding the information requested in RFI 3016.

We understand that project feasibility is a top priority and can prove that selection of the proper financing model and procurement methods have the largest impact on reducing the overall project cost and providing the most taxpayer friendly solution. Thus, we will focus our response on the financing model known as a “Tax-Exempt Private Gap Financing Program”, and procurement methods that possess many intrinsic advantages when compared to a developer led private financing and procurement model. If structured properly, these suggested models will provide the lowest overall project costs which will result in the best value for all stakeholders.

Should there be any questions regarding our response to this RFI, please feel free to contact me directly by phone at 402-221-7613, or by e-mail at mmiller@hawkins1.com.

Sincerely,

Matthew Miller
Executive Vice President
Hawkins Construction

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Company Background

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Tradition is the foundation of Hawkins Construction Company. Our story begins in 1922 when Kenneth Hawkins and his brother Earl were awarded the construction contract for Nebraska's premier sports venue, the Nebraska Cornhusker's Memorial Stadium in Lincoln, Nebraska. Hawkins Construction is a privately held, family-owned and operated corporation. Third generation family member, Kim Hawkins – President/CEO and fourth generation family member Chris Hawkins – Chief Operating Officer, manage the company.

Hawkins Construction Company is very diversified and provides general contracting, construction management, design-build, and alternative-financing services and solutions. Backed by over 300 construction professionals in eastern Nebraska and western Iowa, Hawkins has ascended into one of the region's largest and most successful general contractors. Hawkins is well-known as being the region's most accomplished construction firm for completing projects ahead of schedule and on budget.

Performing construction services within a 300-mile radius of our Omaha office, Hawkins Construction has been providing services as a General Contractor and Construction Manager for over 60 years. With our vast experience in Nebraska, no one knows the local subcontractor and material supplier market better than us. We always procure the most favorable prices because subcontractors appreciate the way we do business and enjoy working with us. Hawkins Construction has also worked with many of the major design firms in the region and has built lasting relationships with them due to our non-adversarial and solution driven approach to project management.

Reputation

Hawkins Construction Company prides itself as being the region's premier design-builder, construction manager and general contractor. We challenge ourselves to complete each project ahead of schedule and under budget. Throughout our 60 plus years in the construction industry we have completed a number of correctional facility projects of various sizes and complexities. We attribute our success on past projects to the team-oriented, solution-driven approach that we use to manage our projects. We understand that the key to a successful project is open, honest and frequent communication between all members of the project team.

Service Capabilities

Hawkins Construction Company utilizes the latest tools and technology when it comes to project management, field integration and final implementation. With the use of Building Information Modeling (BIM), advanced scheduling and estimating techniques, and robotic total stations, we can streamline the entire design, procurement and construction processes, thereby creating a virtually seamless transition between the each one.

Unlike many of our competitors, Hawkins Construction has the unique advantage of the ability to self-perform many aspects of the work to assure maximum quality and on-time completion. Because of our diverse, multi-disciplined labor force we consistently overcome many challenges that a project may present and have the ability to self-perform critical phases of the work.

Our Self Performing Capabilities Include:

- Precast Concrete Wall Panel Erection
- Site Piping Installation
- Concrete Reinforcement
- Metal Joist & Roof Decking
- Concrete Paving and Curbs
- Concrete Formwork
- Concrete Footings/Foundations
- Rough & Finish Carpentry
- Concrete Slab-On-Grade
- Structural Steel Erection
- Miscellaneous Steel Installation
- Door/Frame/Hardware Installation
- Specialties Installation

Hawkins Construction Company also has one of the largest equipment fleets in the region. Our equipment replacement value is over \$50 million and includes: cranes, concrete paving equipment, material handlers, backhoe loaders, rugged excavators, wheel loaders, skid loaders, and medium and heavy-duty truck fleets. This ensures that we will have always have the available equipment and resources to perform the work on the project.

Related Project Experience



Tecumseh State Correctional Institution

Location: Tecumseh, NE

Description:

TSCI is a 960-bed maximum / medium custody facility for adult males, that includes a 194-bed restrictive housing unit. It has a 10-bed skilled nursing facility, clinic exam rooms, on-site x-ray, medical lab, optometry & dental facilities.

Nebraska Correctional Youth Facility

Location: Omaha, NE

Description:

The NCYF is a 72-bed maximum, medium and minimum security correctional facility designed for youthful male offenders who range in age from early adolescence to age 21 years and 10 months.



Douglas County Juvenile Detention Facility

Location: Omaha, NE

Description:

This facility is a 144-Bed juvenile detention center with support facilities, a common gym in the middle of the building and recreational spaces connected to each living unit.

Pottawattamie County Jail

Location: Council Bluffs, IA

Description:

This is a 288-Bed facility with security levels ranging from maximum security single cells to minimum security dormitory housing units. The facility also houses the Pottawattamie County Sheriff's office and associated functions.



Proposed Procurement Method

To facilitate and maximize the value of the proposed Tax-Exempt Private Gap Financing model that is outlined in the next section, we believe that the utilization of the following project procurement methods will provide the most economical value to the taxpayers and NDCS. The involvement of the NDCS in the preconstruction (land acquisition and design) and post construction (ownership and maintenance) phases of the project offer some the greatest potential opportunities to reduce the project's total budget, by minimizing financing costs, eliminating additional mark-ups, and reducing other redundant fees (legal, accounting, consultants, etc.).

Proposed Procurement Methods for this project and their Value-Enhancing benefits include the following:

Land Acquisition: Land Purchased by NDCS In lieu of Developer

Benefits:

- NDCS has a better understanding of desired location that would support long-term supply of qualified employees.
- NDCS has the power of eminent domain to attain property that a land owner may be unwilling to sell to a private developer, and eliminates the potential for litigation and protests due to the land's intended use that could prolong or derail the procurement process by a private developer.
- The purchase price (est. \$3-5 Million) could be incorporated into the NDCS's annual budget and paid for in one budget cycle, versus financing it over 30 years if wrapped into the annual lease payment by a developer (this could result in a \$3 Million savings).
- By purchasing the land directly (In lieu of through a developer), additional fees, transaction costs and mark-ups added by the developer are eliminated, this saving significant costs.
- Environmental permitting could also commence earlier under this model, as all known concerns would be identified prior to the construction process thereby eliminating significant unknown risks to the contractor. In the developer model, a hefty cost for potential unknown environmental risks will be priced into the budget and wrapped into the lease payment.

Design Process: NDCS Procures the Design Services Utilizing a Competitive RFP Process

Benefits:

- NDCS would be able to procure the services of a leading correctional facility designer through a competitive RFP process where design firms are selected on criteria that provide the best value to the taxpayer and NDCS. In contrast, a developer will not use a competitive selection process and the same design services will inherently cost more because the designer had no competition.
- The cost of the design services (est. \$15-20 Million) could be incorporated into the NDCS's annual budget and paid for in one budget cycle, versus financing it over 30 years if wrapped into the annual lease payment by a developer (this could result in a \$15 Million savings).
- By procuring the design services directly (in lieu of through a developer), additional fees and mark-ups added by the developer are eliminated, this saving significant costs.

Note: It is highly recommended that a construction manager with correctional facility experience be consulted during the design phase to perform periodic constructability reviews and advise on efficient construction methods, the selection of materials and building systems, local resources and identify any potential adverse impacts to the project schedule. This service will provide significant value to the project.

Proposed Procurement Method

Construction Process: NDCS Procures the Construction Services Utilizing a Competitive Bid Process with an Alternative Financing Solution

Benefits:

- NDCS would be able to procure the services of a contractor through a competitive RFP process where construction firms are selected based on a competitive bid that incorporates an alternative financing solution. This process encourages competitive bids in all subcontracted scopes of work, thus maximizing value. In contrast, a developer is not incentivized to utilize a competitive bid process for the contractor and subcontractors, thus the same construction services will inherently cost more because it was not a competitive process.
- By sourcing the construction services directly (in lieu of through a developer) additional fees and mark-ups added by the developer are eliminated, thus saving significant costs.
- The alternative financing model will relieve the NDCS and State of Nebraska from taking on debt (such as issuing bonds) to service the cost of the project, and instead reduce the project cost to an annual payment to the contractor for a fixed duration.
- Due to its inherent tax-exempt features, the previously mentioned Tax-Exempt Private GAP Financing Program will provide the NDCS with the lowest possible financing option (lowest interest rate), next to state issued bonds) that are privately attainable.

Ownership & Maintenance: NDCS Retains Ownership of the Facility and Provides all Operational and Maintenance Services

- NDCS currently owns, operates and maintains all of its current facilities and is well versed in the resources and processes required to manage this process.
- By managing this process directly (in lieu of through a developer) additional fees, mark-ups and unknown annual inflation costs added by the developer are eliminated, thus saving significant costs.
- These costs would be incorporated into the NDCS's annual budget and paid for in each budget cycle, versus wrapping them into the annual lease payment by a developer, who would add inflated inflation rates to reduce their risk. Also, because this would be included in the annual lease payment, these services would be unnecessarily financed, thus adding significant costs to the value of the project and annual lease payment.

PROPRIETARY INFORMATION

**RFI 3016 Response - Design/Build/Finance
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May 27, 2020

SECTION 4. “*Proposed Financing Alternatives – Prepared by RBC Capital Markets*” of the enclosed RFI response is **PROPRIETARY INFORMATION** and submitted in a separate package marked as **PROPRIETARY**.

Form A
Respondent Contact Sheet

Request for Information Number 3016

Form A should be completed and submitted with each response to this RFI document. This is intended to provide the State with information on the vendor's name and address, and the specific persons who are responsible for preparation of the response.

Preparation of Response Contact Information	
Name:	Hawkins Construction Company
Organization Address:	2516 Deer Park Blvd. Omaha, NE 68105
Contact Person & Title:	Chris Grojean, Vice-President
E-mail Address:	cgrojean@hawkins1.com
Telephone Number (Office):	402-231-7811
Telephone Number (Cellular):	402-850-8328
Fax Number:	402-505-3666

Each respondent shall also designate a specific contact person who will be responsible for responding to the State if any clarifications of the vendor's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Name:	Hawkins Construction Company
Organization Address:	2516 Deer Park Blvd. Omaha, NE 68105
Contact Person & Title:	Matt Miller, Executive Vice-President
E-mail Address:	mmiller@hawkins1.com
Telephone Number (Office):	402-221-7613
Telephone Number (Cellular):	
Fax Number:	402-505-3666