Project Delivery Method Overview

Competitive Bidding

Competitive Sealed Proposal

Construction Manager at Risk

Design/Build

Job Order Contracting

PROJECT DELIVERY METHOD: Competitive Bidding

DESCRIPTION: Standard method of construction contracting with award to the lowest responsible bidder.

- Three prime players: City, Architect/Engineer (A/E) and General Contractor
- Three linear phases: Design, Bid, Build
- Construction contract awarded to lowest responsible bidder

Best Suited:
- Projects that are not schedule sensitive or subject to change after bidding

Least Suited:
- Complex projects that are sequence or schedule sensitive
- Projects subject to potential change after contracting

ADVANTAGES:
- Established, familiar delivery method
- Project scope well defined when construction cost is established
- Open, aggressive bidding
- Single point of responsibility for construction
- Check and balance between A/E and Contractor
- Clearly established M/WBE program requirements prior to solicitation
- Council action is required for award of construction contract

DISADVANTAGES:
- Linear process means longer delivery schedule
- No design phase assistance by contractor
- Firm price not established until receipt of bids – however, cost estimate is established with design
- May require re-design and/or re-bid to meet budget after bid
- Minimal control over contractor selection
- Potential adversarial relationships between design firm and construction firm, with disagreements going through City

SMALL BUSINESS OPPORTUNITIES
- Current bidding processes are known, understood and are clearly outlined in solicitations

ACTION REQUIRED: Standard delivery method utilized for projects currently.

PROJECT DELIVERY METHOD: Competitive Sealed Proposal

DESCRIPTION: Alternate method of contracting that differs from competitive bidding in the selection of the contractor. Selection can take into account factors in addition to price, including vendor reputation, quality of goods or services and the vendor's past relationship with the COA.

- Three prime players: City, Architect/Engineer (A/E) and General Contractor
- Three linear phases: Design, Propose, Build
- Construction contract awarded to proposer providing best value to City

Best Suited:
- Projects that are not schedule sensitive or subject to change after bidding

Least Suited:
- Complex projects that are sequence or schedule sensitive
- Projects subject to potential change after contracting

ADVANTAGES:
- Decision to utilize this delivery method can be made at any point prior to solicitation
- Easiest of delivery methods for City to implement
- Allows construction contract award based on best value rather than price alone
- Project scope well defined when construction cost is established
- Allows for scope to be redefined to fit the budget, without having to re-propose
- Single point of responsibility for construction
- Check and balance between A/E and Contractor
- Provides better opportunity for small business participation

DISADVANTAGES:
- Not conducive to remodel or renovation projects
- Linear process means longer delivery schedule
- No design phase assistance by Contractor
- Price not established until design is complete
- Potential adversarial relationships, with disagreements going through City
- Resource commitments to develop new solicitation and contract documents, and train staff

SMALL BUSINESS OPPORTUNITIES
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation.
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation history on previous projects.

ACTION REQUIRED:
- Identification of projects to be recommended for this methodology
- Selection Criteria and Matrix review by staff
- Council approval prior to solicitation

PROJECT DELIVERY METHOD: Construction Manager at Risk

DESCRIPTION: Construction Manager is brought on earlier in the design process to allow for interface with design consultants.

- Three prime players: City, Architect/Engineer and Construction Manager-at-Risk (CM-R)
- Enables fast-track delivery (beginning construction before design is complete)
- CM-R selected during design on basis of best value rather than price alone
- Design – Contract – Build

Best Suited:
- Larger projects that are complex, schedule sensitive, difficult to define, and/or subject to change

Least Suited:
- Smaller projects

ADVANTAGES:
- Faster delivery schedule
- Helps build integrated project team and defuse adversarial tendencies
- Design phase builder assistance / expertise
- Early construction cost commitment
- Competitive pricing for subcontractor work
- Change flexibility
- Single point of responsibility for construction
- Check and balance between A/E and Contractor

DISADVANTAGES:
- Resource commitments to develop new solicitation and contract documents, and train staff
- City needs experience evaluating guaranteed maximum price (GMP) or lump sum for construction
- Resource commitments to develop new solicitation and contract documents, and train staff
- Scope is not clearly defined if selection occurs during design process

SMALL BUSINESS OPPORTUNITIES
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation.
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation history on previous projects.
- Owner is 'at the table' negotiating construction contract packages within the guaranteed maximum price.

ACTION REQUIRED:
- Identification of projects to be recommended for this methodology
- Selection Criteria and Matrix review by staff
- Council approval prior to solicitation

PROJECT DELIVERY METHOD: Design/Build

DESCRIPTION: Design-build is a method of construction procurement under which design and construction services are contracted through one entity, either a joint venture between a design consultant and a constructor or from a single entity that has both capabilities.

- Two prime players: City and Design-Build Entity
- Two continuous phases: Design and Build
- Design-Construction contract awarded to proposer providing best value

Best Suited:
- Larger projects that are complex and schedule sensitive

Least Suited:
- Smaller projects
- Projects that are difficult to define and are not schedule sensitive

ADVANTAGES:
- Potentially the fastest delivery schedule
- Enables construction to begin before design is complete
- Provides integrated project team
- Design phase builder assistance / expertise
- Single point of liability for design and construction services
- Early construction cost commitment
- Reduces likelihood of design related change orders and construction delays

DISADVANTAGES:
- Resource commitments to develop new solicitation and contract documents, and train staff
- Different process in front end of project
- Delivery method must be decided upon early in project development
- Complex methodology; more challenging to manage
- Potential for lack of direct connection between City and A/E
- Loss of check and balance between A/E and Contractor
- Potential for cost-saving strategies to erode design and construction quality
- Requires a partnering attitude (can't rely on contract clauses to get job done)
- M/WBE participation reporting for professional services and construction is complex and requires creating a new process

SMALL BUSINESS OPPORTUNITIES
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation.
- General contractor selection matrix can include evaluation criteria on the basis of M/WBE participation history on previous projects.
- Owner is 'at the table' negotiating construction contract packages within the guaranteed maximum price.

ACTION REQUIRED:
- Identification of projects to be recommended for this methodology
- Selection Criteria and Matrix review by staff
- Council approval of matrix and projects prior to solicitation

PROJECT DELIVERY METHOD: Job Order Contracting

DESCRIPTION: Contracting method for repair/renovation of facilities where specifics of tasks are undefined at time of solicitation and pricing is determined using pre-described pricing lists.

- Three prime players: City, Architect/Engineer (A/E) and Job Order Contractor
- Job Order Contractor retained for recurring minor repair or renovation work on facilities of varying types with indefinite delivery times and quantities
- Construction contract awarded to proposer providing best value to City

Best Suited:
- Schedule sensitive, multi-trade, minor repair, alteration or renovation projects

Least Suited:
- Single-trade, simple projects

ADVANTAGES:
- Job order contractor serves as a general contractor resulting in a variety of subcontracting opportunities
- Fast construction response
- Reduced up-front time and cost on individual projects
- Check and balance between A/E and Contractor(s)

DISADVANTAGES:
- Resource commitments to develop new solicitation and contract documents, train staff, and administer contract
- Each job order requires M/WBE compliance plan approval by DSMBR

SMALL BUSINESS OPPORTUNITIES
- Each construction assignment requires a solicitation of small, minority and women owned businesses for compliance with the M/WBE ordinance.

ACTION REQUIRED:
- Identification of projects to be recommended for this methodology
- Selection Criteria and Matrix review by staff
- Council approval of matrix and projects prior to solicitation