

THE VARIOUS ALTERNATIVE PROJECT DELIVERY METHODS REQUIRE THOUGHTFUL CONSIDERATION PRIOR TO DETERMINING IF IT IS THE BEST METHOD. **NO SINGLE PROJECT DELIVERY METHOD IS APPROPRIATE FOR EVERY PROJECT.** EARLY IN THE CAPITAL PLANNING PROCESS, THE FOLLOWING SHOULD BE SERIOUSLY CONSIDERED.

OVERVIEW OF EACH ALTERNATIVE DELIVERY METHOD USED BY THE COA:

COMPETITIVE SEALED PROPOSALS (CSP)

- ✓ Most similar to traditional design/bid/build (D/B/B) method with an evaluation matrix added
- ✓ Normal Project Management capabilities should be sufficient
- ✓ Construction risks are similar to traditional D/B/B projects, i.e., change orders, etc.
- ✓ Used primarily for building/facility (vertical) work and may be used for civil-engineering type (horizontal) work up to \$1.5 million
- ✓ Relevant experience and qualifications may be of equal or greater importance than price in selection of contractor
- ✓ Council approval and solicitation process may add 2-3 months to the overall project schedule
- ✓ City Council Action is required for use of delivery method and at contract award

CONSTRUCTION MANAGER-AT-RISK (CMAR)

- ✓ Experienced Project Management/Contract Management/Project Accounting-Auditing/Construction Inspection resources needed
- ✓ Successful project delivery is contingent upon Owner, CM and Architect/Engineer (A/E) collaboration and teamwork
- ✓ Used for larger facility work or improvements to real property
- ✓ Used when construction experience and estimates are required during the design phases
- ✓ Evaluation and selection is based on Construction Manager experience and qualifications in CMAR delivery method
- ✓ Overall project schedule impact may be shortened during contract award and more during the construction phase depending on the number of bid packages.
- ✓ City Council Action is required for use of delivery method and approval of contract award and Guaranteed Maximum Price proposal(GMP) amendment(s)

DESIGN-BUILD (D-B)

- ✓ Experienced Project Management/Contract Management/Project Accounting-Auditing resources needed
- ✓ Successful project delivery is contingent upon Owner and D-B collaboration and teamwork
- ✓ One entity to perform both Design and Construction services
- ✓ Used primarily for facility work or improvements to real property
- ✓ May be used for civil-engineering type work but with limitations (COA has not used D-B for horizontal work)
- ✓ Scope must be well defined by way of the Design Criteria Manual
- ✓ Evaluation and selection is based on design-build experience and qualifications, etc.
- ✓ Overall project schedule impact may be the same as D-B-B
- ✓ City Council Action is required for use of delivery method, approval of contract award and GMP amendment(s)

JOB ORDER CONTRACTING (JOC)

- ✓ JOC Contractors selected on qualifications, experience and co-efficient pricing (.8 - 1.3 markup)
- ✓ Good for smaller facility/building improvements (\$50-\$350K threshold)
- ✓ Job Order Assignments average 90 days from identification of scope of work to start of work
- ✓ Pricing is based on current year RSMeans Building Construction Costs with Austin City Cost Index

DECISION FACTORS FOR COMPETITIVE SEALED PROPOSAL (CSP)

Choose this method if the following pertain:

MANAGEMENT CONSIDERATIONS

- Standard COA Project Management Resources are available
- City's standard evaluation criteria can be readily customized and utilized

SCOPE OF PROJECT

- Work is well defined through independently completed documents
- Work is vertical construction (building, facility improvements to real property, power plants, swimming pools, etc.)
- Horizontal work (civil engineering-type work) is less than \$1.5 million

DEFINING QUALIFICATIONS OF CONTRACTOR

- Relevant qualifications and technical expertise are needed in the Contractor
- Qualifications, experience and expertise of the Contractor are of higher importance than the cost of the work.

SCHEDULE IMPACT CONSIDERATIONS

- Project schedule factors in the City Council Action required for use of delivery method and approval of contract award
- The schedule permits a three to six month duration for solicitation, selection, and contract execution process
 - Impacts to schedule for large scale projects (estimated project cost over \$2.5 million) is estimated to be 4-6 months for solicitation phase
 - Impacts to schedule for small scale projects (estimated project cost between \$500,000 to \$2.5 million) estimated to be 3-4 months for solicitation phase (fast-tracked solicitation)
- A need exists to exercise opportunity to negotiate price, scope and schedule during contract negotiations/execution
- City recognizes that contractor change order requests are probable

DECISION FACTORS FOR CONSTRUCTION MANAGER AT RISK (CMAR)

Choose this method if the following pertain:

MANAGEMENT CONSIDERATIONS

- Sufficient dedicated experienced project management resources are available to manage complex contract components such as monitoring and managing fee, contingencies, allowances, general conditions, reviewing bid (work package), negotiating Guaranteed Maximum Price Proposals, amendments, cost accounting, etc.
- Sufficient dedicated experienced contract management resources are available to provide support the project team in negotiating and managing complex contractual components
- Sufficient dedicated construction inspection resources
- City's standard evaluation criteria can be readily customized and utilized
- Auditing/Accounting resource support are available for the "Open Book" cost management approach
- COA, CM, and Designer are committed to success contingent upon collaboration/teamwork
- City accepts the risks of terminating the Agreement if a GMP cannot be agreed upon

SCOPE OF PROJECT

- Work is complex and constructability reviews and construction estimating is critical during design
- Flexibility or change in the design or in the work is expected
- The project is for construction, rehabilitation, alteration, or repair of a facility (facility meaning an improvement to real property)

QUALIFICATIONS OF CMAR

- Relevant specific qualifications and Construction Manager (CMAR) experience are needed
- CMAR must possess the experience and ability to perform all required major functions well, such as constructability reviews (value engineering type), means/methods and materials input plus cost estimating, scheduling and budget/value analysis throughout the project

SCHEDULE IMPACT CONSIDERATIONS

- Overall project schedule allows for a 4-6 months timeframe for the two-phase solicitation process
- Project schedule may be impacted during construction phase depending on the number of bid packages
- Project schedule factors in the City Council Action required for use of delivery method and approval of contract award and GMP amendment(s)
- Work or portions of the project may begin prior to completion of overall project design
- CMAR Selection can be started in parallel with design consultant selection

<i>DECISION FACTORS FOR DESIGN-BUILD (D-B)</i>

Choose this method if the following pertain:

MANAGEMENT CONSIDERATIONS

- Sufficient dedicated experienced project management resources are available to manage complex contract components such as monitoring and managing fee, contingencies, allowances, general conditions, design phase services, reviewing bid (work packages), negotiating amendments and GMPs for construction, cost accounting, etc.
- Sufficient dedicated experienced contract management resources are available to provide support to the project team in negotiating and managing complex contractual components
- City's standard evaluation criteria can be readily customized and utilized
- Auditing/Accounting resource support are available for the "Open Book" cost management approach
- City has sufficient resources to provide a well-developed Design Criteria Manual on which prospective Offerors base their qualifications response
- City accepts the risk of negotiating scope, fees and design services after selection of the Design-Builder and the risk of terminating the agreement at the completion of Schematic Design if necessary
- City oversight/input may be limited during the selection of D-B subs/suppliers
- City recognizes that it may sacrifice project control of design quality and construction costs as the designer (in most cases) is a prime sub to the builder (D-B)
- City has selected either internally or externally an independent engineer/ architect to act as its representative during the project
- For civil engineering-type work, additional analysis/discussions with Law and Contract Management is required as the selection and contracting process differs from facility improvements design-build

SCOPE OF PROJECT

- The project is for vertical work, i.e., buildings, facility improvements to real property, power plants, swimming pool, etc. but may be used for civil-engineering type work with exceptions

QUALIFICATIONS OF DESIGN-BUILDER

- Relevant experience and qualifications as a design-builder are needed; experience as a team on similar projects is particularly valuable

SCHEDULE IMPACT CONSIDERATIONS

- Project schedule factors in the City Council Action required for use of delivery method and approval of contract award and each Amendment
- Solicitation process may have no significant effect on overall project schedule (in comparison to D-B-B)
- Construction can be started in parallel with design

DECISION FACTORS FOR JOB ORDER CONTRACTING (JOC)

Choose this method if the following pertain:

MANAGEMENT CONSIDERATIONS

- Sufficient PM overview and evaluation of unique pricing is available

SCOPE OF PROJECT

- Repairs, rehabilitation, renovations or alternations and minor construction for buildings/facilities
- Estimated cost of the work is between \$50,000 and \$300,000 (COA JOC contract requirements)
- Contractor assistance is needed in clarifying scope of work

SCHEDULE IMPACTS

- Quick delivery of work is needed
- Performance of work should not be more than 90 calendar days (COA JOC contract requirements)

SUMMARY OF PROCESS

- PM (Sponsor Department) defines Scope of Work and completes a Request for Job Order Assignment with any accompanying construction documents
- PM submits Request for JOA to Administrator in CLMD who makes request of the JOC Contractor next in line
- JOA Administrator arranges a review/scoping meeting with PM and Contractor
- JOC Contractor submits a detailed itemization of pricing/proposal (Job Order Assignment Proposal) and a Subcontractor Utilization Form
- PM, JOA Administrator, SMBR review pricing and Subcontractor Utilization Form and if acceptable Administrator secures bonds, insurance and Contractor signature on Job Order Assignment
- JOA Administrator processes execution of Assignment and submits for encumbrance of funds
- JOA provides executed Assignment to PM and Contractor
- Work may begin

For complete JOA Assignment Procedures, see http://www.ci.austin.tx.us/clmd/joc_2010.htm

CONCLUSION:

IF AN ALTERNATIVE PROJECT DELIVERY METHOD IS DETERMINED TO BE THE BEST SUITED METHOD FOR THE PROJECT OR IF YOU WOULD LIKE ASSISTANCE IN ANALYZING AND MAKING A DECISION ON THE MOST APPROPRIATE DELIVERY METHOD FOR YOUR PROJECT, CONTACT THE CONTRACT MANAGEMENT DEPARTMENT, CONTRACT MANAGEMENT DIVISION FOR ADDITIONAL GUIDANCE.