PURPOSE

- To provide an overview of Alternative Project Delivery Methods for Capital Improvement Program (CIP) projects in the City of Austin

- To enable participants to recognize potential contracting opportunities
Capital Program

○ No single project delivery method is appropriate for every project

○ City uses a variety of contract delivery methods:
  ● Traditional, Invitation for Bid
  ● Cooperative Contracting (TXMAS, BuyBoard)
  ● Alternative Project Delivery Methods (CSP, CMAR, D-B, JOC)
MOST COMMON METHOD
“Traditional” Project Delivery Method
a.k.a. Design / Bid / Build

- Commonly used and more familiar to most. Also called, “low bid” method.
- City contracts with an Architect/Engineer (Professional Services) to complete design and produce a project specifications manual.
- City advertises for construction work and Contractor bids on completed design and specifications.
- City awards a contract with the lowest responsive responsible bidder.
ALTERNATIVE METHODS
“Alternative” Project Delivery

- Called “alternative” because the solicitation, evaluation, selection, contracting and project delivery methods varies from the most traditional design/bid/build competitive “low bid” method.
- Award is made to the firm who provides the “BEST VALUE” to the City of Austin
- Best Value factors weighted criteria published in the solicitation.
- Offeror’s are evaluated and ranked.
Legislative Authorization

- In 2001, the Texas Legislature authorized the use of alternative project delivery methods to municipalities for facilities, "vertical" construction.
- In 2007, authority was expanded to include civil engineering construction such as water treatment plants, streets/highways, and other "horizontal" construction.
- In 2012, the 82nd Legislature repealed previous authority and moved to Gov. Code 2267 (some changes resulted).
Advantages to the City of Austin

The most qualified firm is selected providing the “BEST VALUE” to the City of Austin

- Promotes collaboration / cohesiveness / partnering throughout project
- Allows City to establish relevant meaningful criteria such as (but not limited to):
  - Technical experience and experience of key personnel
  - Proposed price
  - Experience with Austin Issues
  - Sustainable Practices and business practices
  - Quality of Safety Program and Record
  - Quality of Services and Past Performance
  - MBE/WBE Program Participation
  - Quality Assurance/Quality Control
Considerations in Determining Best Project Delivery Method

- Work complexity and
- Coordination complexity
- Project size and duration
- Project scope
- Need for constructability reviews
- Technical expertise
- Schedule sensitive
- Fast-tracking of work
- Recurring need of repairs/improvements
- Subcontracting opportunities
- Internal Resources
ALTERNATIVE TYPES AND STRUCTURE
Types of Alternative Methods Used by the City of Austin

- Competitive Sealed Proposal (CSP)
- Construction Manager-at-Risk (CM@R)
- Design-Build (D-B) (Facilities)
- Job Order Contracting (JOC)
COMPETITIVE SEALED PROPOSAL (CSP)

Benefits:
- Most similar to traditional D/B/B
- Familiar to the contracting community
- Best for well defined work
- Contract is negotiable
- Selection is on best value criteria

Considerations:
- City must get Council approval for the method
- 1-2 months added to project schedule
- Scope must be well defined
- Not good for schedule-sensitive work
- Cost threshold of $1.5 mil for civil engineering work
CSP STRUCTURE

City of Austin

Architect/Engineer
(Professional Services)

General Contractor

Subcontractors

Suppliers
CURRENT CSP PROJECTS

- AFRICAN AMERICAN CULTURAL CENTER
- STREET RECONSTRUCTION, GROUP B
- HOLLY STREET POWER PLANT DECOMMISSIONING
CONSTRUCTION MANAGER-AT-RISK (CM@R)

**BENEFITS:**
- City selects CM who offers Best Value
- CM is on-board during design phase to collaborate with City team and design team on constructability and cost savings
- CM is responsible for construction
- Open book method – City reviews CM’s processes (especially necessary during CM’s bidding process)
- Good for larger complex projects with sensitive design and construction schedules

**CONSIDERATIONS:**
- Two-step Selection Process - 4-6 months for the overall project schedule
- Complex contract components (Preconstruction Phase Serv., General Conditions, GMP-Construction Phase Serv.)
CM@R TEAM STRUCTURE

City of Austin

Architect/Engineer

Construction Manager-at-Risk

Subcontractors

Suppliers
CURRENT CMAR PROJECTS

- WTP4
- Austin Energy New System Control Center
- New Central Library
DESIGN-BUILD (D-B)

**BENEFITS:**
- Design-Builder is a single firm to perform both design and construction services
- D-B starts construction before design is complete
- Good for faster delivery of construction

**CONSIDERATIONS:**
- Nine month solicitation / selection phase
- Complex contract components (Preliminary Design, Design, General Conditions, GMP-Construction)
- Quality may be compromised
DESIGN-BUILD TEAM STRUCTURE

City of Austin

Design-Builder (Arch/Eng & Gen. Contractor)

Subconsultants / Subcontractors

Suppliers
CURRENT D-B PROJECTS

- Municipal Court
- PARD Aquatic Pools Complex Improvements
- Asian American Resource Center
- ABIA Infill (Terminal Expansion)
JOB ORDER CONTRACTING (JOC)

BENEFITS:
- City selects contractor(s) to perform construction services on an “on call” basis for ID/IQ
- Contract has established pre-priced unit pricing
- Good for schedule-sensitive minor work
- Multiple Job Order Assignments going at one time

CONSIDERATIONS:
- Requires knowledgeable City resources to administer base contract and individual job orders
- Some work assignments may not be adequately scoped
CURRENT JOC

- City’s first to end this year - $6 mil
- 2013 JOC in solicitation – ready in early 2013 - $6 mil
CITY COUNCIL’S ROLE
Austin City Council’s Role on Alternative Project Delivery Projects

- Authorize use of Alternative Project Delivery Method
- Approve award and authorize negotiations with top-ranked firm
- Approve contract amendments, i.e., construction phase GMP for CM@Risk and design phase and construction phase GMP for Design-Build
WHY NOT USE ALTERNATE DELIVERY METHODS FOR ALL PROJECTS?
Reasons why . . .

- **WORK CONSIDERATIONS:**
  - Actual work may not warrant extended solicitation process
  - Typical construction may be best suited for traditional bid method and delivery

- **COST CONSIDERATIONS:**
  - Alternative Delivery is focused on Best Value, not price alone
  - May not be feasible considering the total project cost (internal/external)

- **TIME COMMITMENT:**
  - Solicitation process is lengthy due to evaluation process

- **REQUIRES MORE INTERNAL RESOURCE:**
  - Evaluation and selection process
  - Contract negotiations due to complex contract components

- **CONTRACT/PROJECT MANAGEMENT:**
  - Complex contractual relationships and components
  - Higher level of city resources to oversee and manage the project

- **COMMONLY USED – FAMILIAR TO MOST:**
  - Traditional D-B-B remains common practice for governmental entities and familiar to the majority of the Contractor community
QUESTIONS?

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