

CONSIDERATIONS AND BEST PRACTICES FOR CONSTRUCTION PROJECT DELIVERY

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GENERAL OUTLINE

- Brief review of statutorily authorized delivery methods
- When each is most appropriate
- Considerations and Tips –
 - When advising clients on method and compliance, what do we communicate for consideration

**THIS IS WHY
ROADWORK**



**TAKES FOREVER
TO COMPLETE**

WHICH
DELIVERY
METHOD IS
BEST FOR
TIMELY
COMPLETION?

Considerations for Delivery Method

- What is a Delivery Method
- Texas Government Code Ch. 2269
- Default Procurement Code
- Competitive Bidding
- Competitive Sealed Proposals
- Construction Manager Agent
- Construction Manager At-Risk
- Design-Build (Civil and Vertical)
- Job Order Contracting

TRADITIONAL DELIVERY

- Design – Bid – Build
- Budget is main driver
 - Problematic in competitive markets
 - Chuck and a Truck



WHEN TO USE COMPETITIVE BIDDING

- Budget is Driving Factor
- Complexity is minimal
- Schedule is important, but not critical
- Project has average degree of difficulty –
 - Not the Triple Lindy (Back to School)



CHOOSING AN ALTERNATIVE DELIVERY METHOD

- Gov't Code 2269.056 – Selection of Delivery Method
 - If method other than competitive bidding - must, before advertising, determine which method provides the best value for the governmental entity

Gov't Code 2269.053 – Governing Body may Delegate the determination to staff

- Must provide
 - Notice of the delegation
 - The limits of the delegation
 - Publish name or title of person by Rule or in the RFB, RFP, RFQ or in an addendum.

COMPETITIVE SEALED PROPOSALS

- Recommended Method
- Suitable for all Projects
 - Custom Selection Criteria
 - Subjective Analysis
 - Sophistication of Bidders more apparent
 - Negotiation Available
- *Better Pricing than other alternative methods*
- *Concerns among Contracting Community*

Construction Manager At-Risk

- No limit on vertical projects
- Time savings on horizontal where Design/Build Prohibited
- Priced as a GMP
 - Timing is everything for CMAR
 - Both for pricing and for realizing schedule efficiency
- Ability to overcome budgeting and constructability challenges

DESIGN/BUILD


DBIA: Cheaper, Faster, Better

Limits Schedule Creep &
Cost Escalation

Faster –

Accountability -

Collaborative -

Cheaper - 



JOB ORDER

- IDIQ – Indefinite Duration, Indefinite Quantity
- Recurring
- Single or Multiple Providers
- Minor Work
- Not Program Manager
- Not Major Projects
 - Recent legislative changes rejected

PRACTICE TIPS

- Competitive Bidding
 - Price and Budget is the Driver
- Concerns
 - Lower Ability to control
 - Scope and schedule creep
 - Change Orders
 - Delay
- Competitive Sealed Proposals
 - Time to Plan & Design
 - Pricing Important
 - Difficult Project – qualifications vital
 - Prevent Default
 - Financial Capacity & Sophistication
 - Concerns:
 - More required of the client's procurement and purchasing professionals

PRACTICE TIPS

- Construction Manager At-Risk
 - Not *de facto* Design/Build
 - Disfavored by some contractors
 - RFQ Early – 30% Complete
 - Selection Criteria – CMAR Experience?
- Design/Build
 - Don't Do It Just Because
 - Use Caution in Selection
 - Experience
 - But beware of “Chuck in a Corvette”

FINAL THOUGHTS & QUESTIONS?

Buy Board for use with Job Order Type Contracts

Co-ops are not appropriate for design services – or Design/Build services

Beware of business development professionals selling purchasing, public works, or facility managers for your clients any particular delivery method