

ALTERNATIVE PROJECT DELIVERY METHODS



Capital Contracting Office

This Class will Cover

- Overview of Contracts
- Focus on CMR and JOC
- Contracting Opportunities



Contract Tool Box:

Choosing the "right" contract for the job.



Construction-Related Contracts

TYPES

BASIS OF SELECTION/AWARD

Professional Services:

→ Most highly qualified

Construction Services:

Competitive Sealed Bid – (IFB)

→ Lowest responsible responsive bid

Competitive Sealed Proposal

→ **Best Value**

Construction Manager-at-Risk

→ **Best Value**

Design-Build

→ **Best Value**

Job Order Contracting

→ **Best Value**

Alternative Delivery (?)

SOLICITATION, EVALUATION, SELECTION AND CONTRACT VARIES FROM “TRADITIONAL” DESIGN-BID-BUILD OR LOW BID (IFB)

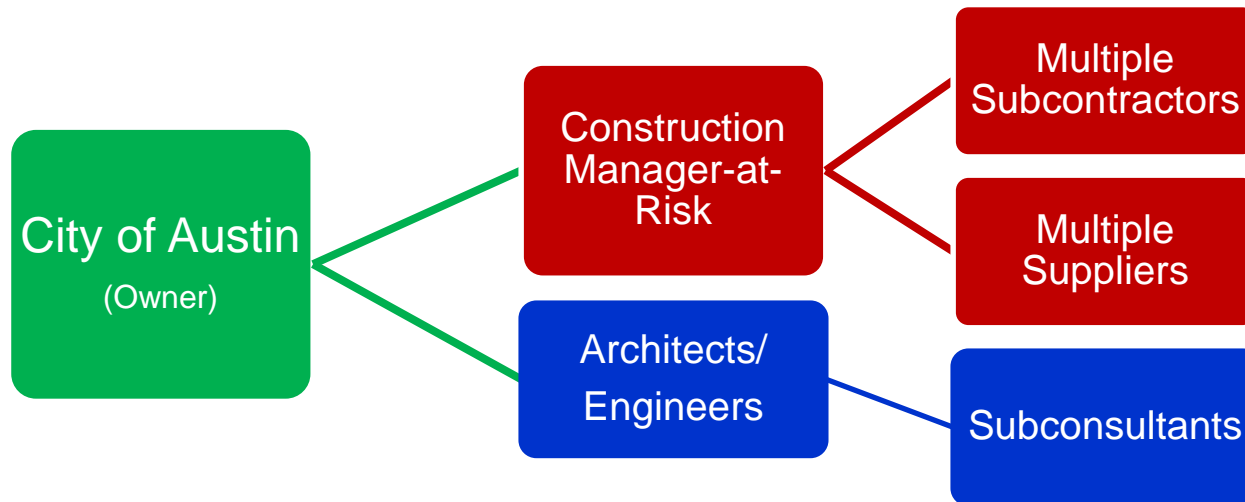
- **City Council authorizes use of delivery method on a project-by-project basis**
- **Evaluation / Selection is based on “Best Value” criteria**
- **Contracts and amendments are negotiated**
- **Contract terms (D-B, CMR, JOC) include complex components**

“Best Value” Selection

- Evaluation criteria is published in the solicitation documents
- Criteria may include:
 - GATEKEEPER ITEMS:
 - *M/WBE compliance*
 - *Financial capacity*
 - *Safety program and past safety history*
 - SCORED ITEMS:
 - Specific qualifications/relevant experience
 - History with M/WBE (or similar programs), business practices, outreach
 - Work approach, schedule, organizational structure
 - Reputation and Quality of Services
 - Proposed price (if applicable)
- Proposals are evaluated, scored, and ranked
- Top-ranked firm is selected / Council awards / Negotiations begin

Construction Manager-at-Risk (CMAR)

- Typically used for large projects involving new facilities or major additions, and longer project schedule
- Contract begins with Preconstruction Phase Services (no construction)
- CM is on-board during design phase to *collaborate* with City/design team
- Construction begins after design (usually phased)
- Multiple work packages thus creating more subcontracting opportunities
- Quick Pay Program provides subcontractor opportunity for weekly payments



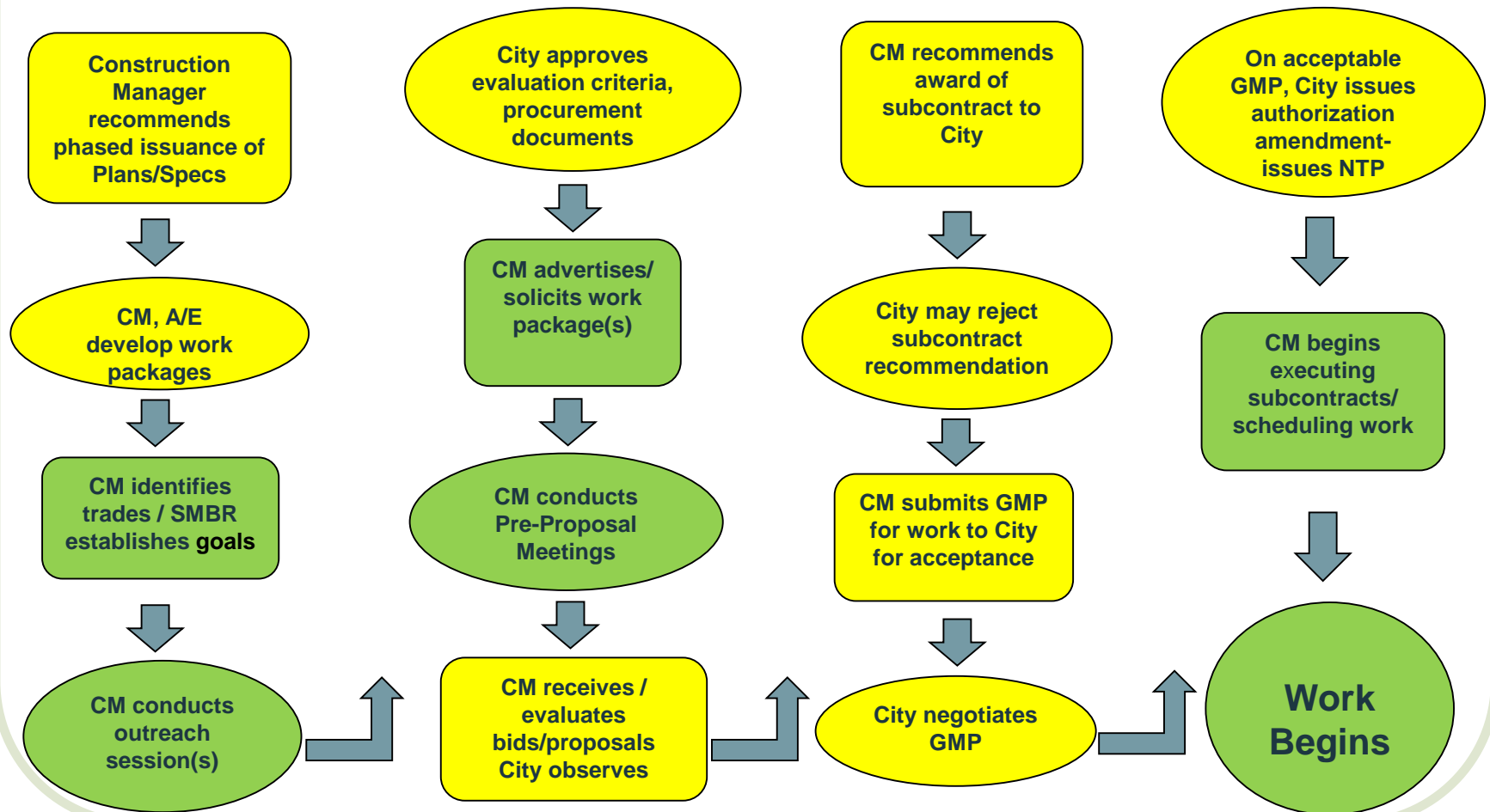
Construction Manager and Key Personnel Experience Required

The following are key to be considered for a CMAR:

- At least 5 projects of similar size and scope successfully completed
- **At least 10 years experience performing Construction Manager-at-Risk project delivery**
- Technical experience and expertise in performing the specific construction-related work required for the Project
- **Extensive experience of Key Personnel (Project Manager, Safety Manager, Project Superintendent)**
- Capability to perform constructability reviews of varying stages of design completion
- **Favorable reputation, business practices and business culture that promote small and minority business outreach, and sustainability practices in its business**
- Ability to plan, schedule, and implement the Work in phases or by Work Packages

The Collaborative Process - Subcontracting Opportunities

Construction Manager ❖ City Project Team ❖ Architect/Engineer ❖ SMBR



Potential Opportunities

ABIA Terminal/Apron Expansion & Improvements

Construction Manager, Hensel Phelps Construction, 512/834-9848

- First Package – site preparation and temporary facilities (stormwater and deicing, exit lanes, elevated walkways and passenger boarding bridges):
Work underway
 - Work Package 1A and 1B: 9.65% DBE goal – Compliance Plan 12.72%
 - Work Package 3A: 6.33% DBE goal – Compliance Plan 7.50%

- Second Package – Apron expansion, install elevated walkways, terminal hoisting: bids/proposals received. **Work estimated to be underway early May 2016**
 - Work Package 2A: 10.73% DBE goal – Proposed Compliance Plan 14.84%
 - Work Package 3B: 2.77% DBE goal – Proposed Compliance Plan 13.55%

Potential Opportunities

ABIA Terminal/Apron Expansion & Improvements

Construction Manager, Hensel Phelps Construction, 512/834-9848

- **Third Package(s) – Terminal improvements/expansion (underground and structural, skin and interiors)**
 - **Multiple bidding opportunities / multiple trades**
 - **Outreach sessions to be conducted April/May 2016**

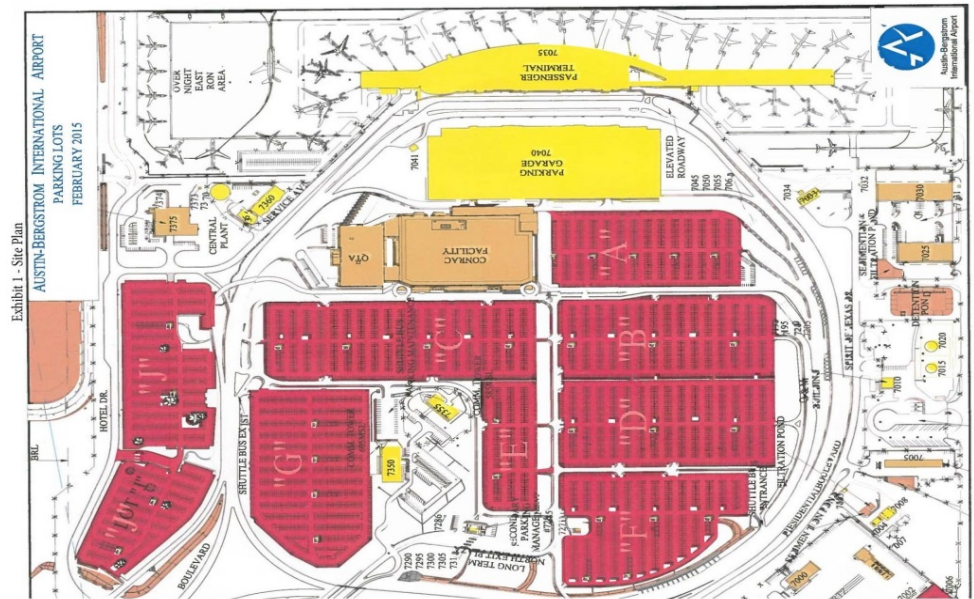
- **Forth Package(s) – Apron expansion and evaporation pond**
 - **Multiple bidding opportunities**
 - **Outreach sessions projected for early 2018**

(Based on current project schedule)

Future Opportunities

ABIA Parking Garage & Admin Offices

- In Programming and Schematic Design Phase which will continue until August/September 2016
- Construction Manager-at-Risk currently in selection phase. Contract negotiations/execution process should complete in late June 2016
- Pre-Construction Services will occur July to November 2016
- **Construction outreach in Fall 2016**
- **Construction anticipated to begin Spring 2017**



CMR SUBCONTRACTING

The Construction Manager may select subcontractors by competitive sealed proposal method. The CM may be looking for the following....

- **Specialty-trade and multi-trade subcontractors**
- Similar project work experience, past performance, and reputation
- **MBE/WBE or DBE certification**
- Safety Record
- **Ability of resources and personnel to perform the work**
- Ability to meet the project schedule
- **Competitive pricing**
- Ability to provide bid bonds and insurance

Job Order Contracting (JOC)

How to become a JOC Contractor/Sub-Contractor

- **City has maintained a JOC Program since August 2010.**
- **JOC Contractors are selected based on “best value” criteria.**
- **Contracts are term contracts with option to renew for up to 5 years.**
- **Type of work includes maintenance, repair, alteration, renovation, rehabilitation, or minor construction of a facility.**
- **Work is of a recurring nature but the delivery times, type, and quantities of work are indefinite.**
- **Job Order Assignments may be up to \$300k per assignment.**

City of Austin JOC Program

as of March 31, 2016

2010 JOC Program

(CLMB300 Job Order Contract For City Of Austin Facilities)

Awarded: August 10, 2010

Completed: September 12, 2012

Original Authority:	\$3,000,000.00
Additional Authority:	\$4,500,000.00
Total Authority:	\$7,500,000.00
Total Encumbered to Date:	\$6,928,842.77
Job Orders Issued:	35

2013 JOC Program

(CLMB312 Job Order Contract For City Of Austin Facilities)

Awarded: December 6, 2012

Expires: January 2018

Original Authority:	\$6,000,000.00
Additional Authority:	\$18,000,000.00
Total Authority:	\$24,000,000.00
Total Encumbered to Date:	\$11,980,228.76
Job Orders Issued:	46
Open:	3

Job Order Contracting is...

DEFINITION:

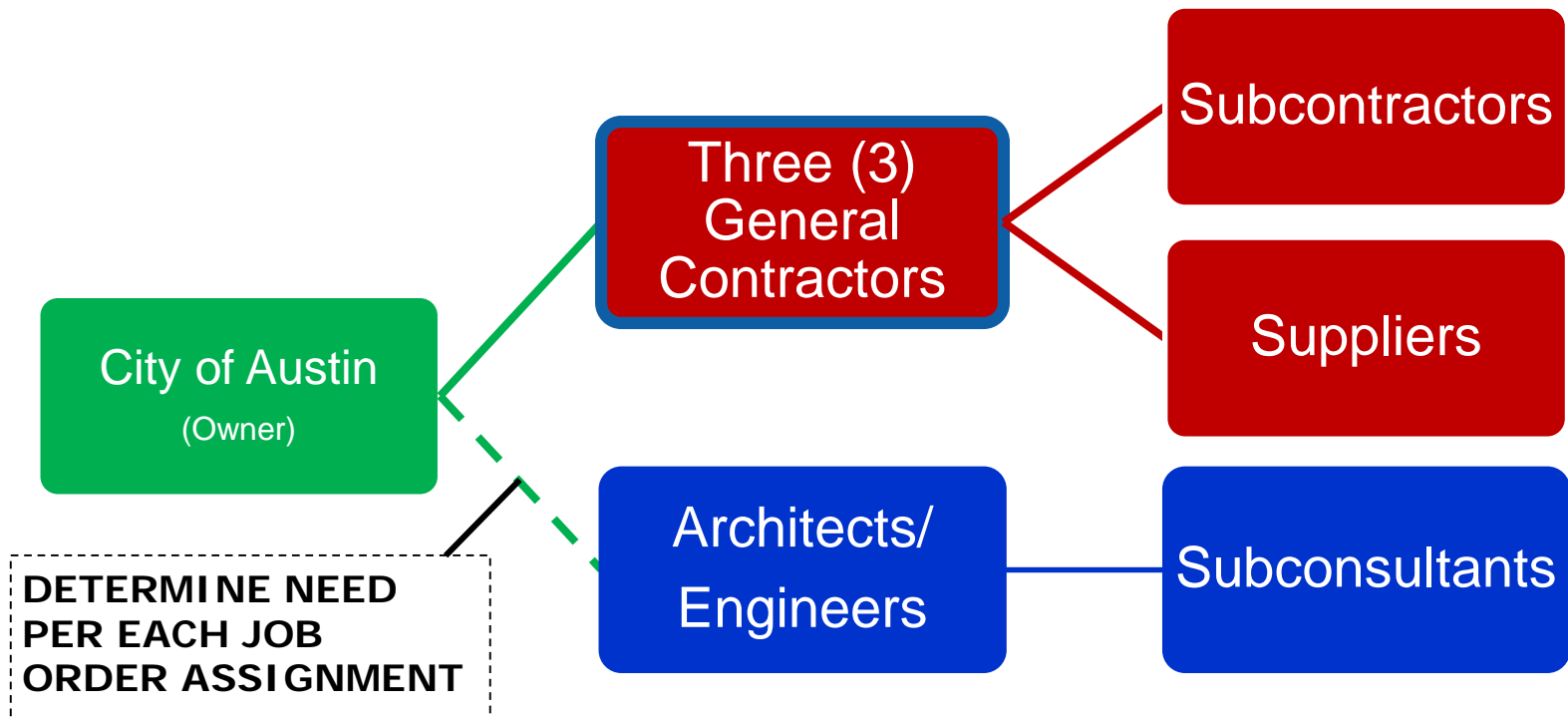
- A Fixed Price, **Competitive Proposal**, Indefinite Quantity Type Contract
- Designed to accomplish small to medium, multi-trade, maintenance, repair, renovation and minor new construction projects.

The JOC Difference?

JOB ORDER CONTRACTING:

- **Work quantity & type are undefined**
- **Contractor submits a proposal of services and an Adjustment Factor(s) (Coefficient) to the Catalog of Work Items (UPB)**
- **Long Term “Partner” Relationship**

JOC Structure



Job Order Assignment (JOA) anticipated amounts up to \$300k per assignment

Alternative Contracting Method

JOB ORDER CONTRACTING:

- Decreases construction performance schedules
- Controls negotiated construction cost through usage of a standardized Unit Price Book (UPB).
- Method of contracting indefinite quantities of projects,
 - *From commencement to completion*
 - *Inclusive of multiple trades and disciplines*
 - *Issued by Job Order(s) under one (1) Contract*
 - *Period of time defined either by calendar and/or dollars.*

Job Order Contracting is...

WORK ACCOMPLISHED BY:

- **Team development of individual Job Order(s)**
 - *Scope of Work & ***Construction Drawings****
- **Selection of Line Items from Catalog of Pre-priced Construction Task(s) – UPB**
- **Job Order(s) issued on negotiated series of Line Items directly related to items in Scope of Work**
 - *Items & Quantities Negotiated (Not the Unit Price)*

Expectations for JOC

CITY'S GENERAL EXPECTATIONS:

- **Faster Response Time(s)**
 - *Shorten the Project (Job Order) Development & Procurement Time*
 - *More Reliable, Controlled Construction Schedules*
 - *Meet or exceed the Needs of the Customer(s)*
- **High Level of *QUALITY***
 - *Performance Satisfaction*
 - *Standardization*
 - *“Lessons Learned”*

CITY'S GENERAL EXPECTATIONS:

- **Include a Large Number of Subcontractors**
 - *While trying to maintain 25% Prime Contractor performance*
- **Retain JOC Contractors:**
 - *Achieve and Exceed MBE/WBE program objectives*
 - *Truly develop a Partnership Relationship (Non-Adversarial)*
 - *Serve as a mentor to Local, Small and Minority Contractors*
 - *Meet or Exceed Outlined & Proposed Performance Criteria*

What Makes a Successful JOC Program?

“Successful” Contractor Profile (I of III)

Success Relies on Meeting or Exceeding the Following:

- **Provide the City with a responsive and experienced Management Team that is capable of:**
 - *Preparing & Executing Multiple Projects at Multiple Locations **SIMULTANEOUSLY!***
 - *Delivering High Quality Work in a Timely Manner.*
 - *Managing a Large Number of Multiple Subcontractors.*
 - *Computer Operations Skills/Drawing & Engineering Skills.*
 - *Maintaining a “CAN DO” Attitude*

What Makes a Successful JOC Program?

“Successful” Contractor Profile (II of III)

Success Relies on Meeting or Exceeding the Following:

- **Pro-Active MBE/WBE Program & Small Business Subcontracting - JOC Contractors:**
 - *Reach out to Local Subcontractors.*
 - *Promotes “mentoring” to assist smaller Subcontractors.*
 - *Play an active role in meeting MBE/WBE program priorities*

What Makes a Successful JOC Program?

“Successful” Contractor Profile (III of III)

Success Relies on Meeting or Exceeding the Following:

- **Financial resources to undertake the projected level of Work, including:**
 - *Significant mobilization costs (i.e. bonds, insurance, computers, office, personnel, etc...)*
 - *Ability to assist small local subcontractors with payroll and material expenses*
 - *Long lead time before a positive cash flow*

JOC Subcontractors

Steps to Performance

What JOC Contractors want to know.....

- **Define Company Profile:**
 - What construction trade or services provided?
 - Are you a Specialty Trade Contractor?
 - Do you have special skills?
- **Company Make-Up**
 - Self Performance
 - Company Employees
 - Subcontracting (Second or Third Tier)

JOC Subcontractors

Steps to Performance

JOC Contractor may want the following.....

- **Pre-Qualification Statement**
- **Minority/Women Business Certification (City of Austin)**
- **Certificate of Liability Insurance**
- **Certificate of Account Status**
 - The Texas Comptroller of Public Accounts in response to franchise tax status
- **Master Subcontract Agreement**
 - Work Release Form (Job Order Assignment Form)

JOC Subcontractors

Steps to Performance

Getting the Work.....

1. Pick up a set of bid documents from JOC Contractor.
2. Attend a pre-bid conference/site visit.
3. Review bid documents & the project location.
 - a) Request a *second* site visit if necessary to thoroughly understand the project requirements and site conditions.
4. Let JOC Contractor know your company is interested in bidding.
 - a) Call the estimator to verify that you will be bidding the project. It will give him an opportunity to tell you of any changes that need to be made in your bid or the bid requirements.
5. Ask questions!

JOC Subcontractors

Steps to Performance

Getting the Work..... Continued

6. Call before you submit your bid to make sure you have received all addendums.
 - a) Clarifications or changes to the bid documents that might have been issued.
7. Submit your bid at the time and in the manner JOC Contractor request.
 - Price Breakdown
 - Performance Schedule
 - Price Clarifications
 - Price Assumptions/Exclusions

JOC Subcontractors

Steps to Performance

Getting the Work..... Continued

8. If you are the successful, the JOC Contractor will issue a Work Release form to your firm.
 - a) If you are not successful, JOC Contractor will provide information about how the selection was made and how your firm “stacked” up against others bidding the exact same work.

JOC Subcontractors

Steps to Performance

Important Considerations

1. JOC is a fast paced, high-quality program for performing minor construction, alteration and repair projects.
 - a) **Subcontractor must be prepared to start the work immediately upon award (receipt of Work Release Form)**
 - b) **Continue diligently with sufficient workforce and materials, tools and equipment to accomplish the work in the minimum amount of time necessary.**

Important Considerations continued

2. Prevailing wage rates and payroll reporting.
 - a) **City of Austin construction contracts require workers to be paid at least the prevailing wage for their craft. Contractors on City construction contracts are required to prepare and retain weekly certified payroll reports, and to submit them within two (2) working days of request.**

JOC Subcontractors

Steps to Performance

Important Considerations continued

3. Sales & Use Taxes.

- a) All of the work performed by the JOC Contractors will be performed on City of Austin owned or leased property.
- b) The City of Austin has issued an Exemption Certificate to waive payment of sales taxes for materials and equipment installed for the City of Austin

Future Opportunities

Job Order Contracting Assignments

DESCRIPTION	VALUE	CONTRACTOR	PHASE
Dittmar Recreation Center, ADA Improvements	\$180,000	KBR, LLC	Under Construction
Morris Williams Maintenance Barn	\$155,000	Warden	Under Construction
Millwood Branch Library Renovation	\$550,000	Jamail & Smith	Under Construction
Asian American Resource Center, Commercial Kitchen	\$360,000	Warden	90% Construction Document Review
TLC Parking Garage Repairs	\$175,000	Jamail & Smith	90% Construction Document Review
SE Austin Library Foundation/Flatwork Repairs	\$430,000	KBR, LLC (TBD)	90% Construction Document Review
PSTC Storage Building	\$200,000	Warden	Design Development
2 nd & 5 th Str. Garage Restriping	\$50,000	Jamail & Smith	Design Development

JOC Contractor

2013 JOC Program List

(512)469-0874 Warden
Construction
Corporation
1601 Manor
Rd,
Austin, Texas
78722

(512)483-9378 KBR
8240 North
Mopac
Expressway,
Suite 100
Austin, Texas
78759

(512)410-3905 Jamail &
Smith
Construction, LP
8868
Research
Blvd, Ste. 401
Austin, Texas
78758

QUESTIONS?