

Setting expectations in the world of Alternative Deliveries

# Owner Readiness



### Introductions:



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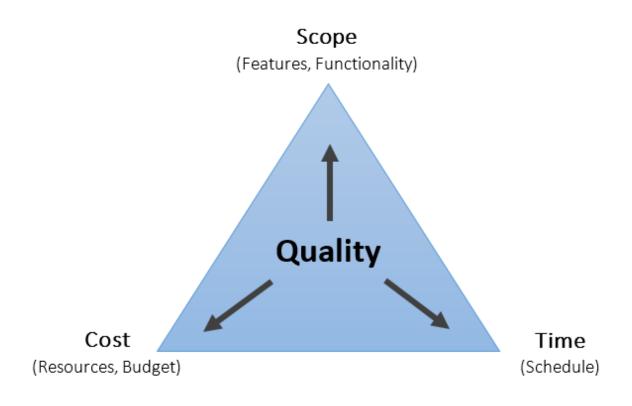
Dan McCausland



## Setting Expectations: Our Agenda

- 1. Owner's Constraints & Reasons
- 2. Clearly defining the process
- 3. Keys to success
- 4. Communications Plan
- 5. Discussions

### The Owner's Constraints

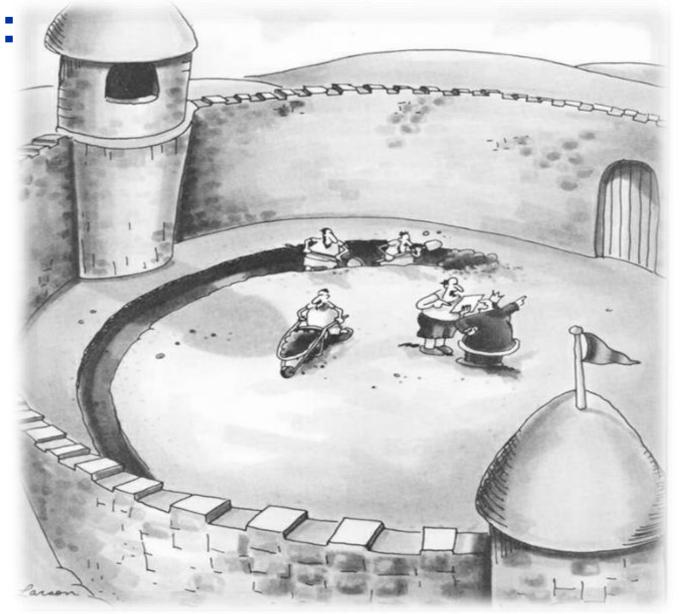


#### **The Players & Decision Makers**

- Boards and Councils
- CEOs, COOs
- Senior Management
- Project Managers
- Executors

**Setting Expectations:** 

Suddenly, a heated exchange took place between the King and the moat contractor.



Settii WHAT WE KNOW WHAT SOME MIGHT KNOW (and most really need to find out) WHAT WE REALLY NEED **TO KNOW** WHAT WE MAY **NEVER KNOW** THE UNKNOWN

## **Setting Expectations: Why Alternatives?**

#### The Disadvantages of the Traditional Method

- 1. Schedule: Traditional sequence too long
- 2. Budget: Cost escalations during all phases

- **Quality:** Differing contractor qualifications ignored in the competitive bid process
- 4. Adversarial Relationships: Problem solving and dispute resolution showing up as change orders and claims

#### **How the Alternatives Address the Concerns**

- Schedule: Alternative processes allow expediting the schedule
- 2. **Budget:** Contractor pricing and estimating available earlier in the process
- **3. Quality:** Qualifications based selection of the contractor and/or sub-contractors
- 4. Disputes: The contractor participates in the warrants of the drawings limiting disputes

## **Clearly Defining the Process Ahead**

#### Solicit Interest (1st Step)

- Stakeholder Meetings
- Stakeholder Commitments
- Issue RFQ
- Complete Advanced Pre-lim Design
- Perform Risk Assessments
- Prepare the Bridging Docs
- Prepare the RFP
- Coord Public & Private Utilities
- Coord Pre-lim ROW
- Identify Ranking Committee
- · Receipt and Ranking of SOQ's
- Short List notifications

#### Technical Competition (2nd Step)

- Receipt of Federal Authorization
- Issue RFP with:
- Pre-lim design
- Include all Agreements
- · Performance Standards
- Specifications
- Guidelines
- · Schedule & Budgets
- · Selection & Ranking Criteria
- . Strategy for ROW & Util.
- Stakeholder meetings & coord
- Preparation of Technical Proposals
- Advance ROW activities
- Advance Public & Private Utilities
- Public Information Meetings
- · Receipt of Technical Proposal

#### Selection & Award

- Evaluation of Technical Proposals
- Finalize Design Components
- Finalize Agreements
- Finalize Cost Negotiations
- Public Meetings: Agreements, Structure, Schedule, Budget
- Stakeholder Confirmations
- Award Design Build Contract

#### Design Build Phase

- Stakeholder & Teaming Kickoff
- Establish Communications Process (formal & informal)
- Internal Reporting & Controls
- Public Information & Reporting
- Informal & Formal Design Review
- . ROW & Utility Coord.
- Stakeholder Coordination

Warning! What is not defined will take on a life of its own.

> This will be **EXPENSIVE!!!!**

#### Preparations

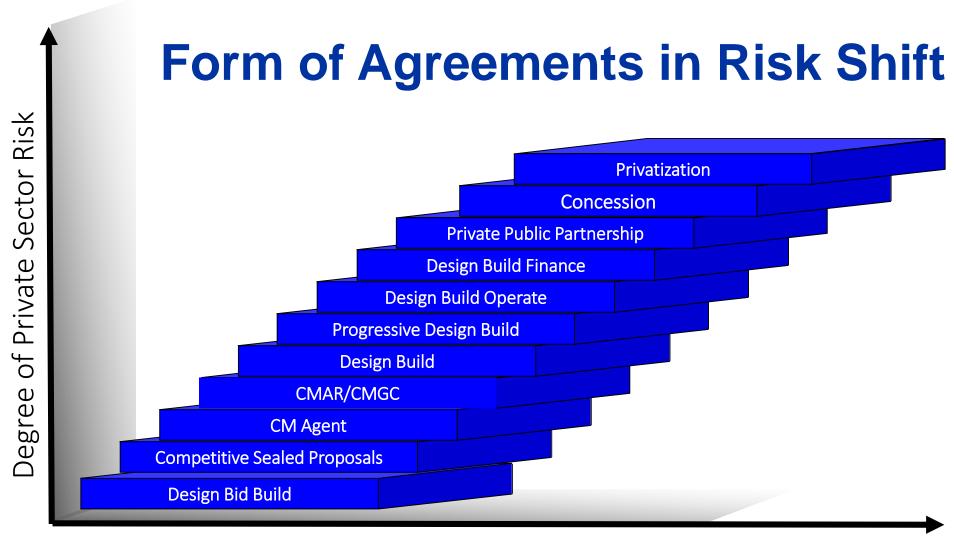
- · Advance Pre-lim Engineering
- Design Build Education & Training
- Develop Responsibility Matrix
- Prepare the Request for Qualifications (RFQ) • Define Components of
- Bridging Docs
- Identify all Stakeholders

## **Clearly Defining the Process**



- 1. Expectations defined
- 2. Clear understanding of scope
- 3. Intended & unintended consequences of contract language

## **Clearly Defining the Process**



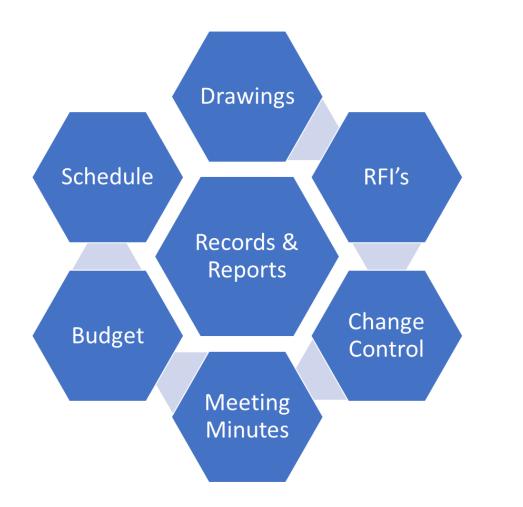
Degree of Private Sector Involvement

## **Keys to Success:**

- 1. Team Integration
- 2. Pre-construction Services
- 3. Cost Transparency
- 4. Leadership



## **Keys to Success:**

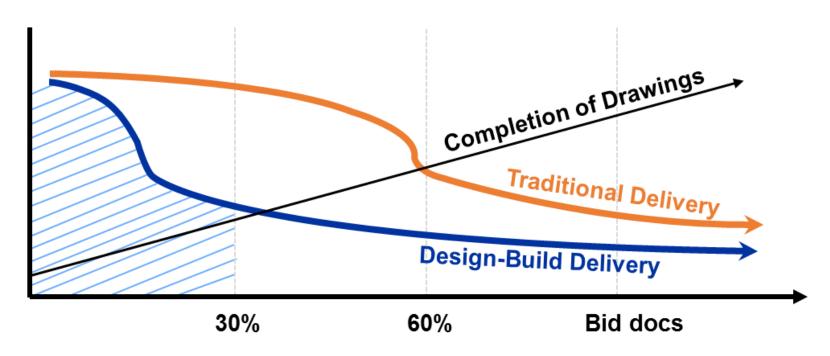


#### **Collaboration & Controls**



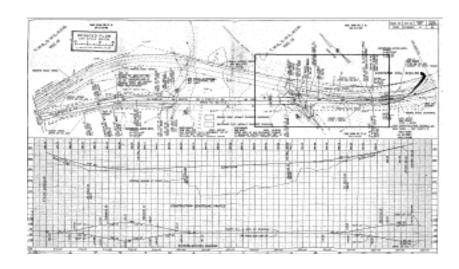
### **Keys to Success**

#### **Early Decision Making**



The Owner's ability to make changes without impacting cost.

## **Keys to Success: 2 Strategies**



#### **Early Design Commitments**

- Set plan and profile early
- Commit to horizontal control at 30%

#### **Responsibility Matrix**

	OWNER	OWNERS REP	PDB	KEY STAKEHOLDERS
Pre-Construction Phase		1121		O I I WELLIO ED EL TO
Cost Estimates & Conceptual Pricing	3	2	1	3
Quantities		1	2	1
Pricing		2	1	1
Phasing		2	1	2
Master Schedule	2	2	1	1
Summary Level Program	1	2	3	2
Constructability Reviews	2	1	1	1
Design Comment Review mtgs	2	1	2	2
Value Engineering	2	1	1	3
Review	2	1	2	3
Costing	3	2	1	1
Subcontracting Plan	2	2	1	1
Pre-qualification	2	2	1	1
Costing	3	2	1	1
Pre-Purchasing	2	1	1	1
Over the shoulder reviews	1	1	1	1
Weekly CMAR meetings	2	1	2	1
Weekly Owner meetings	1	2		
Design Documents	2	1	3	2
Permitting	1	1	2	
Safety Plan	2	2	1	2
Contracting Docs	1	2	2	1
GMP Pricing	3	2	1	2
Utility Coord. & Agreements	2	1	3	2
Progress Payments (CMAR)	1	1	1	3
Progress Payment (Design)	1	1		
Scope Changes	2	1	2	1
Monthly Summary Report	1	1		1
Commissioning Plan	2	1	1	1
1 = Primary Responsibility				
2 = Coordination & Review				
3 = Input				

### **Communications Escalation Plan**



### **Discussions with Panel**

