

Capital Projects Advisory Review Board

Integrated Project Delivery (IPD) & Best Value Contracting / Competitive Negotiation (BV) Task Force

Meeting # 1 - July 1, 2009

Northwest Carpenters Facility
25120 Pacific Highway South
Kent Washington 98032-5436

Task Force Participants

Norman Strong Lead

John Lynch Co-Lead

(refer to full TF Roster for a complete listing of TF members and participants)

Notes

1:00

Introductions

- Self Introductions & Statement of Interest

Purpose of the Task Force

- The purpose of the task force is to determine what the challenges are in doing publically funded projects, identify potential ways to address to some of these challenges, and whether the existing models of delivery and/or procurement can be modified to suit this new way of doing business. That applies for both IPD and BV issues.
- The need to define the problem, and provide a differentiation between the delivery method of IPD versus the procurement method of BV is a critical issue, with legal implications.
- The idea of this task force discussing the competitive bidding contracts to inform CPARB regarding the enabling statute by June 2013 was discussed. It was determined that another group formed by CPARB would be a better fit for this particular issue.
- The desired outcome of this task force is to discuss all of these issues, apply applicable best practices of IPD and/or BV to current models, come to the September 2009 CPARB meeting with an update, and then provide a subsequent summary of the task force's findings during a future CPARB meeting.

What are the challenges in doing public projects?

The task force discussed this as a question. The following is a recap of flip charts that were posted during the meeting, and notes from the discussion:

- Public Owner's Perspective

1. Projects don't fit current models / methods.
 - a. A creative approach is needed to address these issues.
2. Cost effective use of public money.
 - a. The need to provide a low cost solution needs to be balanced by the need for transparency and the socio/economic issues for public projects.
 - b. The mix of diversity %'s on low bid versus GCCM projects can be an impact to inclusiveness.
3. Traditional methods are often used for most projects (medium & small size) with similar challenges as large projects.
 - a. Smaller projects are being done by the bulk of the agencies, with alternative delivery methods not being used. Design/Bid/Build has many problems but it is the way these projects are delivered.

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- b. The match of the scale of the work and the size and complexity of the agency is critical.
 4. Input from subcontractors and suppliers as early as possible would be helpful.
 - a. For larger projects, interested in getting GC's and Subcontractors selected during the design process. Possibly even suppliers.
 5. High overhead costs sometimes disproportionate on small projects.
 - a. The cost to implement the procurement process is an administrative burden.
 - b. Smaller agencies don't have the forces to track the details of the construction process.
 6. Pressure to be efficient.
 - a. The speed of delivery is critical to be more responsive on public projects.
 - b. Need a way to get there faster, in team oriented environment, with the full team involved.
 - c. How much information is enough? Eliminate duplication, while understanding design and implementation differences.
 - d. Logistics are difficult, needing to do a of "re-do" based on the complexity of the projects.
 - e. The basis of the selection of the entire team is a big issue.
 7. Early integration useful.
 - a. Process intensive focus.
 - b. Integrated schedules.
 - c. Maintenance and operations information available.
 - d. More collaborative environment
 8. Pick the best people thru prequalification process.
 - a. If we could only pick the best people for construction
 9. Traditional methods often lead to adversarial relationships and inconsistent C.M.
 - a. One concern is that construction safety doesn't have a financial motivation.
 10. Sometimes we need / want to disqualify subs & suppliers.
- Contractor's Perspective
1. What is wrong with the current methods? (Design/Bid/Build, GCCM, Design Build)
 2. What can't be done in current models and why can't it be fixed within those models before a new model is considered.
 3. New & smaller contractors may not be able to qualify.
 - a. Publically funded jobs need to address contractors without a big portfolio.
 - b. Might close down competition, and take away opportunities.
 4. Price (objective) doesn't always equal Best Value (subjective)
 5. Need an all inclusive pool of GC's and subs.
 - a. Prequalification of GC's like in California is a good idea, if a select bidders list comes out of this process.
 6. Can models be tweaked to work better?

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7. Best Value contractor (reliability) not the same as low bid.
 - a. Price and best value are most times mutually exclusive.
 - b. Bidding too low is not good either.
 8. Full integration (BIM) doesn't fit the current models.
- Designer's Perspective
1. Need to have a qualification based selection process for all players.
 2. Early collaboration and information sharing throughout the process is critical.
 3. Need to develop a higher quality process, one that if focused on the long term.
 4. Need to combine capital funding with operations funding.
 5. Need more of a focus on Client's end result and ultimate goals for a project.
- Other Perspectives
1. Low bidders sometimes disqualified based on responsibility criteria.
 2. Time equals money. Sometimes there is no choice but to accept / disqualify bidders due to the time constraints. (i.e.: hitting the fish window)
 3. Required qualifications sometimes are disproportionate to the size of the project.
 - a. Small business and small contractor issues are critical in considering a best value contract.
 4. Keep the entire spectrum in perspective. (owner, builder, etc.)
 5. Entitlement and permitting requirements are exclusive and outside the control of any delivery method.

What "It" is?

- BV Presentation by John (see attached PDF)
- IPD Presentation by Norm (see attached PDF)
- Q&A A general discussion followed, focusing on the attributes of both BV and IPD. Some of the critical issues were:
 - The contracts are not there yet for IPD.
 - Early teaming (full team) is not allowed in the current models.
 - The idea of IPD and BV might be too early, agencies might not be ready.

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Next Steps

- Task Force Assignments (IPD & BV)

1. Based on the results of the sign-in sheet, both IPD and BV will be jointly studied.
2. Need to talk about the tools we have now, or new tools that are needed within the existing delivery and procurement models.
3. Group homework assignment: What can be done now? What should be done in the future?

- Task Force Meetings & Conference Calls (Summer Calendar)

1. Next meeting will be in about a month, for a 3 hour period.
2. We will start by discussing the issues as a full TF group, have a break-up session for small groups, then recap those discussions in a full TF setting.
3. Possibly the next TF can reconvene using the time slot to was held open for the August CPARB meeting that was cancelled?
4. Norm and John will determine dates and times.

- Update Report to CPARB September 10, 2009

Other Items

- None discussed.

3:00

Completion of Meeting #1

Future CPARB Meetings: Sept 10, 2009, Nov 12, 2009, Dec 10, 2009 & Feb 11, 2010