

# ALTERNATIVE PROJECT DELIVERY 360° - A Perspective From the Inside

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2013 Rail Conference



# GOALS

- Evaluate Alternative Project Delivery Methods (APDM) in Transit
- Provide Owners with Perspective from Designers and Contractors
- Provide Recommendations For Improvement



# BASIC PROJECT DELIVERY METHODS

- Traditional (Design-Bid-Build)
- Design Build (DB)
- CMAR & CM/GC
- Job Order Contracting (JOC)
- Public/Private/Partnerships (P3)



# HISTORY OF DESIGN-BUILD

- **Design-Build Profession Has Been Around Over 5,000 years**

□ Early Civilization was Constructed by Master-builders



# HISTORY OF APDM IN TRANSIT

- **FTA Introduced DB as Part of Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991**
- **5 Demonstration Projects Selected**
  - ❑ **NJ-Hudson Bergen LRT**
  - ❑ **Los Angeles Union Station Intermodal Terminal**
  - ❑ **Baltimore LRT Extension**
  - ❑ **San Juan-Tren Urbano**
  - ❑ **BART-Airport Extension**



# PROJECT DELIVERY PREFERENCE

FIRM/OWNER	NO PREFERENCE	DBB	DB	CMAR-CM/GC
AMES CONSTRUCTION	✓			
AECOM	✓			
GANNETT FLEMING	✓			
HNTB	✓			
PB			✓	
VALLEY METRO			✓	✓
CITY OF PHOENIX			✓	✓
LACMTA	✓			
STANTEC	✓			
SACRT				✓
BROWN/CALDWELL			✓	
SUNDT CONSTRUCTION			✓	✓
NYC (Transit)		✓	✓	
KIEWIT			✓	✓
SOUND TRANSIT			✓	



# WHY ARE OWNERS EXPLORING APDM?

- Too many claims with DBB
- Cost Overruns
- Quality Issues
- Schedule Advantages
- Acrimonious Relationship



# WHERE DOES SUCCESS START?

*"The owner is the key. They Set the tone. The most successful APDM projects are the projects where the owner was engaged, and encouraged the Contractor and Designer to work together"*

*~Mike Berry, PE-Construction Manager, Sundt Construction*





# ARE YOU AN EXPERIENCED OWNER?

- How familiar is staff with DB or CMAR?

- Owners should Have capable staff

*"Staff may not be geared up for managing DB. This also applies to the culture for 3<sup>rd</sup> Parties as well. They are not used to DB, because it is not their standard process, hence they treat DB as a DBB project. ~KN Murthy, LACMTA*

*"Owners do not always fully understand the DB process, but sometimes Owner have to go through it to get a better understanding" ~ Monica Born, PE, Parson Brinckerhoff*



# MAKING THE RIGHT CHOICE?



# EVALUATION PROCESS

- Owners should be clear and consistent about the technical criteria and scoring
- More emphasis should be placed on qualifications Over Price (i.e.. 60% Qualifications, 40% Price)
- Use BAFO only When Necessary
  - Higher Bid Prices than Available Budget
  - Extremely Low Bid
  - Legitimate Scope Clarification



# INCREASE STIPENDS

- Typical Stipends Range Between .01 Percent, and .25 percent of the Project Budget.
- Stipends Cover a Fraction of the Cost on Proposals.

*"Owners should figure out a way of making it less costly to propose on small projects as compared to larger projects" ~ Pat Nicholson, AECOM*



# RECOMMENDATIONS

- Select the Right Delivery Method

*"All delivery methods can be good for all parties everyone does their jobs" ~ Andy Peplow, VP, Kiewit Construction*

- Trust Building Through Partnering

- Balanced Risk Allocation

*"There are two (2) types of Contractors in the world; those that price risk, and those that do not usually go out of business" ~ David Levy, Vice President HNTB*

*"Responsible Contractors will make sure they cover their costs for risks associated with the project" ~ Craig Tweed, Brown & Caldwell*



# ACKNOWLEDGEMENTS

**AECOM**



**SOUNDTRANSIT**



**Regional  
Transit**



**Kiewit**



**Stantec**

**PARSONS  
BRINCKERHOFF**



**Metro**



**Ames Construction, Inc.®**



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