

# Alternative Project Delivery Methods

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- Indefinite Delivery, Indefinite Quantity (IDIQ)
- Best Value Contracting
- Design Build
- Construction Management/General Contractor

- Task Order or Job Order Contracting
- Indefinite quantity of work over a fixed period of time
- Types of contracts
  - Asphalt paving
  - Lighting
  - Guardrail
  - Striping
  - Chip seal projects
  - Culvert linings
  - Etc.

- Pros:
  - Flexible scope
  - Multiple seasons
  - Flexible quantity for same price
    - Minimum and Maximum quantities established in contracts
  - Lower pre-letting costs
  - Anticipation of need
- Cons:
  - Simple scope projects
  - Material escalation potential
  - Potential higher unit bid prices

- State Law Enacted in 2007
  - Enables public agencies to select based on best value, rather than low bid
  - Some criteria include:
    - Qualifications of Personnel
    - Experience of Personnel or Similar projects
    - Experience of Contractor on Similar projects
    - Availability of Key Personnel, Equipment, Materials
    - Ability to Meet Completion Date
  - Price must be a factor in the selection process

- Pros:
  - Lower life-cycle costs
  - Lower first cost
  - Cost growth reduced
  - Competition will encourage shorter schedule
  - Shorter schedule can encourage innovation
  - Limits are necessary on duration of schedule
- Cons:
  - May require more lead time
  - May limit some contractors from participating
  - Protest potential

- Current law
  - Nine DB best value projects for Locals
    - MnDOT procurement process
- Best value or low bid
- Project types
  - Large and small complex
  - Interchanges: TH 52/CSAH 9, TH 13/CR 101
  - Reconstruction: 169 in St. Peter
  - Slope stabilization: TH 2 in Beltrami Co.
  - Bridge replacements: I-90 bridges of Mower Co.
  - Other Projects: Hwy 55, District 4 Signing, TH 10/TH 32
- Contractor and Consultant Designer Team

- Pros:
  - Risk allocation
  - Clear project goals
  - Time of delivery
  - Single source of responsibility
  - Innovation
  - Cost control
- Cons:
  - Culture change
  - Cost estimating



- Construction Manager/General Contractor(CMGC)
- Current Law
  - Allows 10 CMGC contracts for MnDOT
- Types of Projects
  - Large and small complex projects
  - MnDOT
    - Winona bridge replacement
    - TH 53 bridge (Virginia)
- Contractor and consultant are selected using QBS
  - Both work under separate contracts with owner
  - Initial contractor contract is a professional services contract
  - Construction contract is negotiated
    - If unable to reach agreement owner can bid project competitively

- Pros:
  - Risk allocation and understanding of costs
  - Collaboration
  - Time of delivery
  - Innovation
  - Cost control
  - Cost estimating
- Cons:
  - Culture change
  - Cost estimating

- **Cost**
  - Risk management and assignment
  - Schedule, geotechnical, unclear scope, etc.
- **Loss of control by owner**
  - Process
  - Strong contract administration
  - ATC's, pre-approved elements, hold points, etc
- **Only for the big projects**
  - Overlays, slope failure, signing, etc.

- Expedited delivery
- Owner flexibility
- Best value
- Innovation
- Risk management
- Cost control/Certainty

- What is needed to succeed?
  - Right mindset
  - Right skillset
  - Right reasons
  
- Selection guidelines

- IDIQ:  
<http://www.dot.state.mn.us/const/tools/idiq.html>  
– Scroll to Contract Administration Manual, Chapter 7
- Best Value:  
<http://www.dot.state.mn.us/const/tools/docs/BestValueGuide-FinalMarch2013.pdf>
- Design Build:  
<http://www.dot.state.mn.us/designbuild/index.html>
- CMGC  
<http://www.dot.state.mn.us/const/tools/const-manager-general-contractor.html>



# Questions?

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