## Prepared for the Board of Regents Information FLMC November 2023

The intent of these guidelines are to: (1) offer support to individuals responsible for executing, processing and/or managing contracts related to construction projects utilizing an alternative project delivery methodology and (2) to establish standards for assessing and seeking authorization for utilization of such methods.

The Chief Procurement Officer will maintain and regularly update these guidelines, ensuring they are

Project delivery methodologies generally refer to how a project is managed and the contractual relationships established between the owner, designer, and contractor. When assessing a project and determining the most suitable project delivery method, several key factors should be taken into account:

Budget: This entails evaluating the total project cost, the flexibility of funding, the possibility of phased implementation, and the need to commence construction before full funding is secured. Consider how adaptable the budget is and whether it can easily expand or contract based on available resources.

Design: Examine the extent of the scope of work, the size of the site or building, the number of disciplines or trades el748 353.45 (h)-4(e)5(e)8(f)6ct is m4(i)10(n7)10()46(, a)-4(ive) nu ETGeqo(re)-2(iis)

projects or those with complex operating systems.

Risk: Projects with medium to high risk levels can be accommodated with the ability to share risk with the OM. This approach allows for a risk-sharing mechanism that can help mitigate uncertainties.

Schedule: The timelines for OM @Risk projects often require construction to commence before the full design is completed or funding is secured. Staggered completion dates can be used to enable partial occupancy ahead of the overall project completion, optimizing project timelines. Owner Expertise: OM @Risk requires experienced project management staff and substantial

including budget control and management. This method demands a high level of owner involvement and expertise in project management.

is an alternative project delivery method that shares some similarities to DB and OM@Risk. In PDB, the design-builder (PDB entity) is primarily selected based on qualifications and their project approach to quality, schedule, and cost analysis. Unlike DB and OM@Risk, the final price and schedule commitment are not established during the selection process. PDB involves two distinct phases:

Phase One: This includes budget-level design development, preconstruction services, and the negotiation of a firm contract price, which can be either lump sum or guaranteed maximum price for Phase Two.

Phase Two: This encompasses final design, construction, and commissioning.

## Advantages

Advantages of PDB include fostering owner project goals and innovation, offering flexibility 60.091357m 580.067

Budget: PDB is suitable when the owner has a firm total project cost and requires budget predictability with options for value-engineering.

Design: The scope of

innovation in a collaborative manner.

Risk: PDB is appropriate for projects with fairly predictable risks and low to medium level of risk Outcomes are manageable by placing design risk on the PBD entity, and the owner can manage schedule risk.

Schedule: Timelines are flexible as long as the completion date is maintained. Construction can also begin ahead of final design, similar to DB.

Owner Expertise: PDB requires a dedicated team with expertise in DB and CM@Risk and sufficient resources to keep up with the pace of the PDB team. It may require less project staffing once construction begins.

typically involves a selection process similar

to CM @Risk or Progressive Design-Build, where the owner independently selects both a designer and a contractor Once selected, the three parties - owner, designer, and contractor, negotiate an agreement that establishes shared goals, risks, incentives, and objectives. This agreement sets up contractual relationships that foster collaboration among the three parties.

framework for the project, including the specifics of incentives, risk sharing, and shared goals. Analysis and Criteria for use

For the IPD project delivery method, several key considerations should be taken into account:

Budget: IPD is well-suited for projects with a contained and usually substantial budget, with a strong aversion to any changes or cost increases.

Design: IPD is ideal for projects with a high level of complexity, where the scope is well defined but challenging to turn into a complete design or has a risk of scope

In general, eligible projects for alternative project delivery methods should be relatively large, complex, or risky to offer significant savings or benefits that offset potential additional costs. Risk factors can include cost certainty, funding restrictions, and schedule constraints, with a focus on how project success or failure might impact the Universit s mission. Complexity may arise in various project aspects, such as design, materials, sequencing, equipment installation, specialty construction, multi-trade coordination, staging, budgeting, working in occupied facilities, multiple contractors working on the same site, and encountering unknown conditions. Schedule considerations may involve fast-tracking, seasonal construction, long lead-time equipment and materials procurement, or other time-related constraints.

Furthermore, It is imperative that projects utilizing alternative delivery methods are managed by experienced project management teams possessing a strong technical understanding of both design and constructability issues. These teams should employ structured techniques to effectively manage

should be well-documented and supported by compelling factors and potential benefits, with a focus on addressing the unique characteristics and requirements of each project.

Alternative project delivery methods may be appropriate under various circumstances, including:

Complex Logistics and Scheduling Requirements:

- 1. Work in and around occupied spaces requiring dynamic temporary pedestrian and life safety construction
- 2. Work in and around occupied spaces requiring precise scheduling unique to the university setting (e.g. between semesters)
- 3. Stes with limited access, like remote campuses or just-in-time delivery sites where there is no available staging area. Installation of complex owner-furnished equipment, such as large boilers, steam chillers, projects with fast-track schedules involving overlapping design and construction activities or constrained seasonal construction. Projects with partial funding but a directive to

The proposed changes to Board Policy BOR 05.05.215 will make the currently listed alternative project delivery methods allowable. H