



# Construction Project Delivery Systems

May 8, 2023

# Enabling Legislation

## Two Areas of Governance

### Texas Education Code Section 44.031 - Sub Chapter B. Purchases;

#### Contracts

- When this was added, it modified the basic purchasing statutes for school districts.
- This section introduced the concept of “BEST VALUE PROCUREMENT” for contracts of \$25,000 or more.
- School districts were granted the flexibility of choosing any of a list of available methods of contracting.
- District may choose more than one delivery method if there are multiple projects.

### Government Code Chapter 2269

- Contracting and Delivery Procedures for Construction Projects



# TEC 44.031

Methods under Section 44.031 Texas Education Code:

- 1) Competitive bidding for services other than construction services
- 2) Competitive sealed proposals for services other than construction services
- 3) A request for proposals, for services other than construction services
- 4) An inter-local contract
- 5) A method provided by Chapter 2269, Government Code, for construction services
- 6) The reverse auction procedure as defined by Section 2155.062(d)
- 7) The formation of a political subdivision corporation under Section 304.001

# Gov't Code Ch.2269

## Construction and Public Works Methods

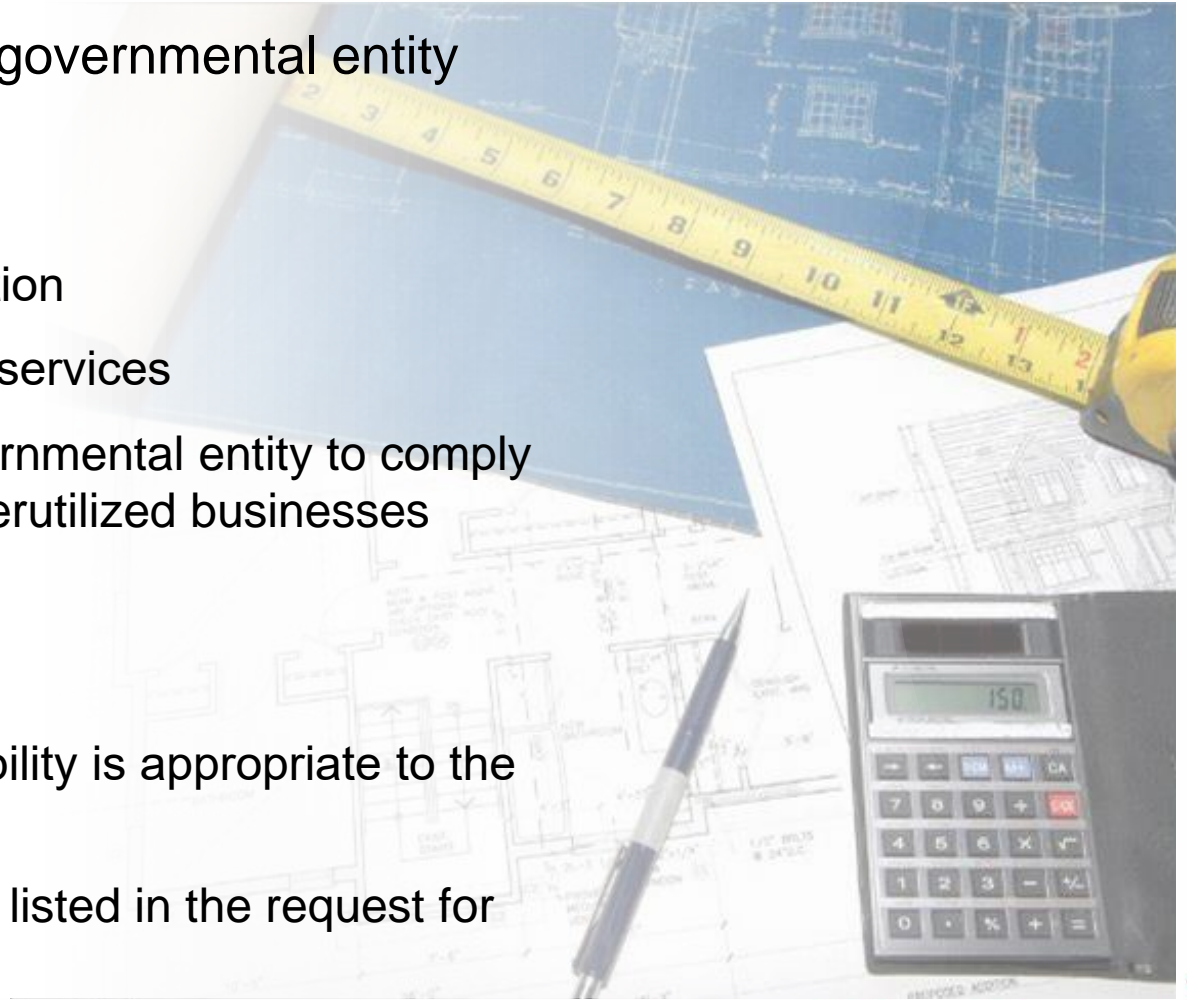
- 1) Competitive Bidding
- 2) Competitive Sealed Proposals
- 3) Construction Manager-Agent
- 4) Construction Manager-at-Risk
- 5) Design-Build
- 6) Job Order Contracting
  - Minor projects - NOT new construction
  - Existing facility



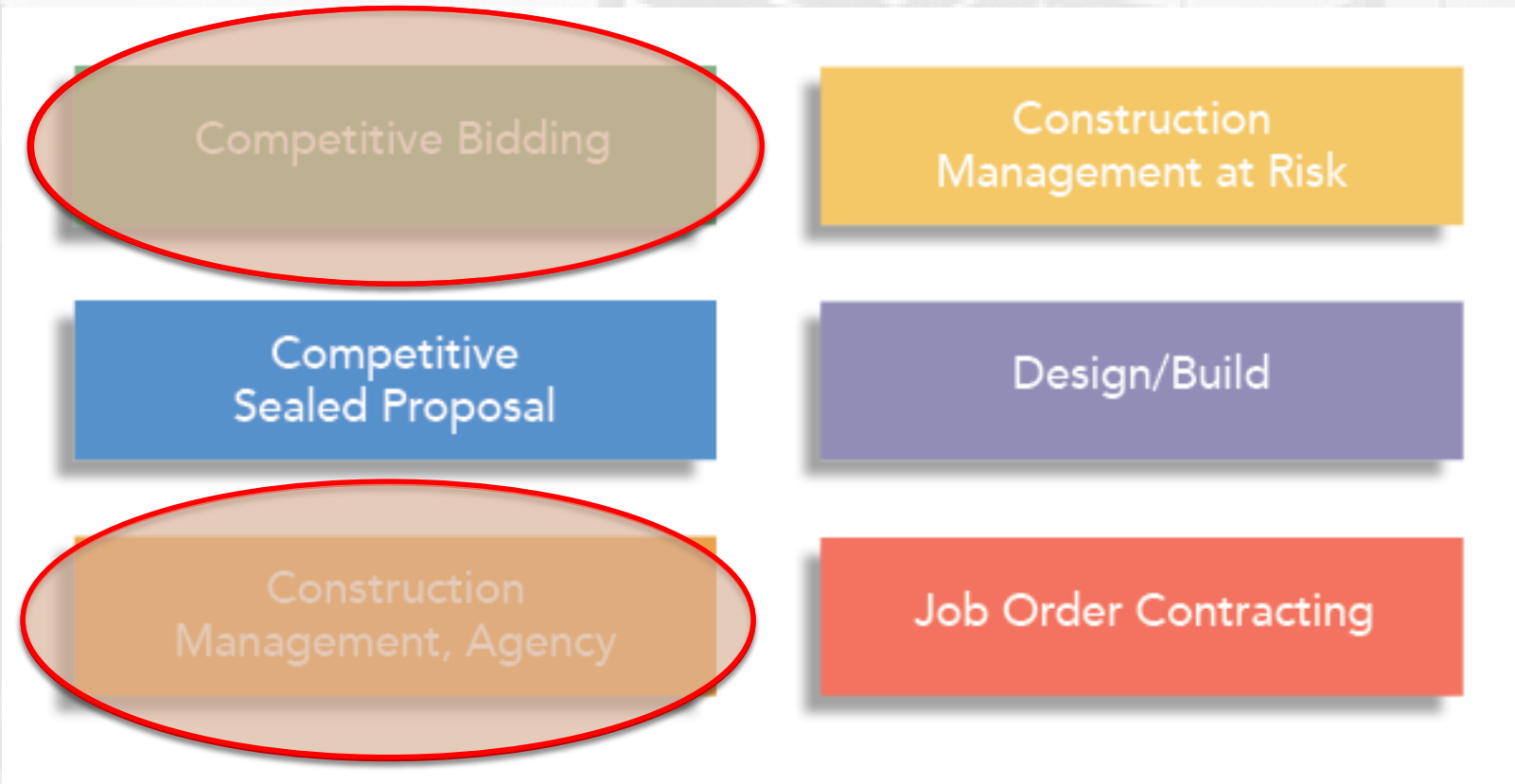
# Gov't Code Ch.2269

Sec. 2269.055 Criteria to Consider – The governmental entity may consider:

- The price
- The offeror's experience and reputation
- The quality of the offeror's goods or services
- The impact on the ability of the governmental entity to comply with rules relating to historically underutilized businesses
- The offeror's safety record
- The offeror's proposed personnel
- Whether the offeror's financial capability is appropriate to the size and scope of the project
- Any other relevant factor specifically listed in the request for bids, proposals or qualification



# Project Delivery Systems

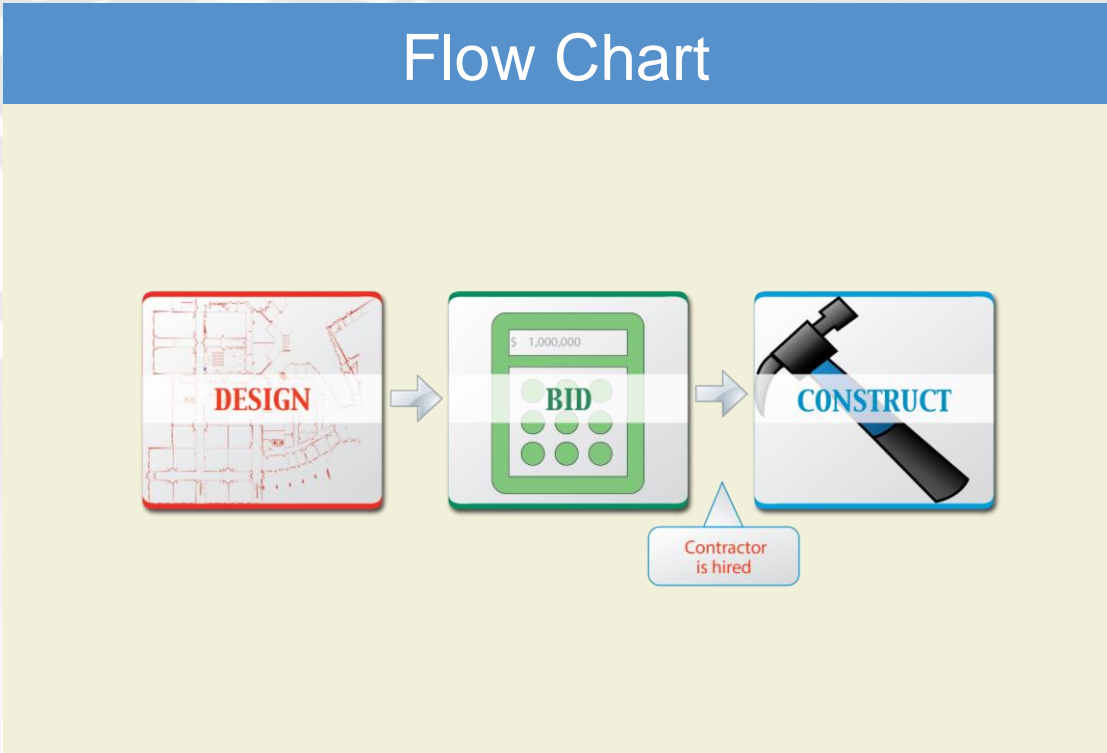
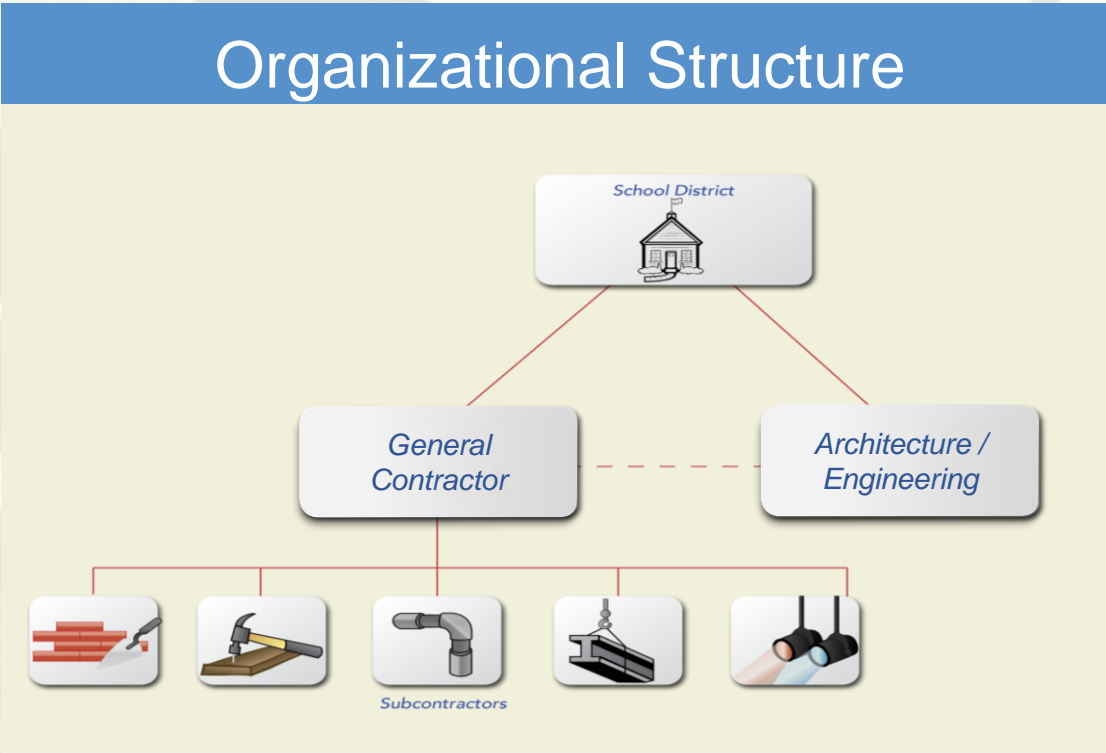


# Competitive Sealed Proposal (CSP)

## Quick Facts

- Similar to Competitive Bid – combination of price and other factors established by the district
- District selects the Architect to design the project
- After documents are fully complete, lump sum prices are accepted
- Selection of General Contractor is not only based on the low price – but also on factors such as a project team, personnel. Schedule and similar project experience

# Competitive Sealed Proposal (CSP)





# Competitive Sealed Proposal (CSP)

## Pros & Cons

### PROS

- Selection flexibility
- Defined project scope
- Single point of responsibility for construction
- Aggressive bidding – opportunity to select more qualified team

### CONS

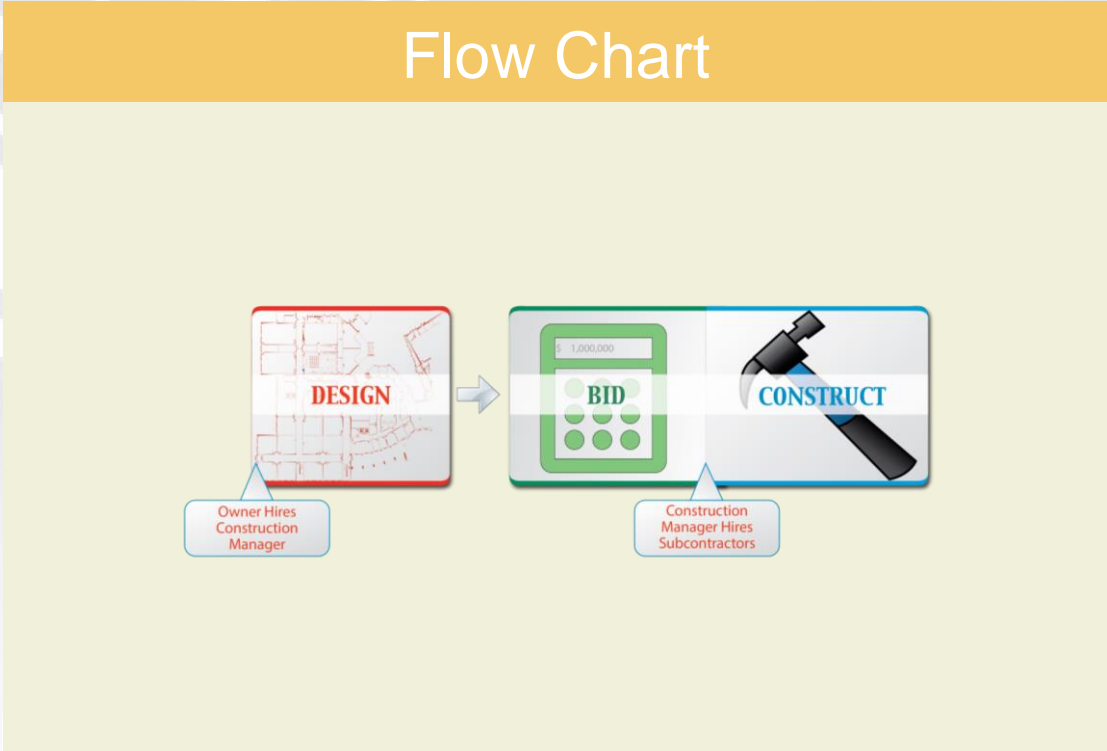
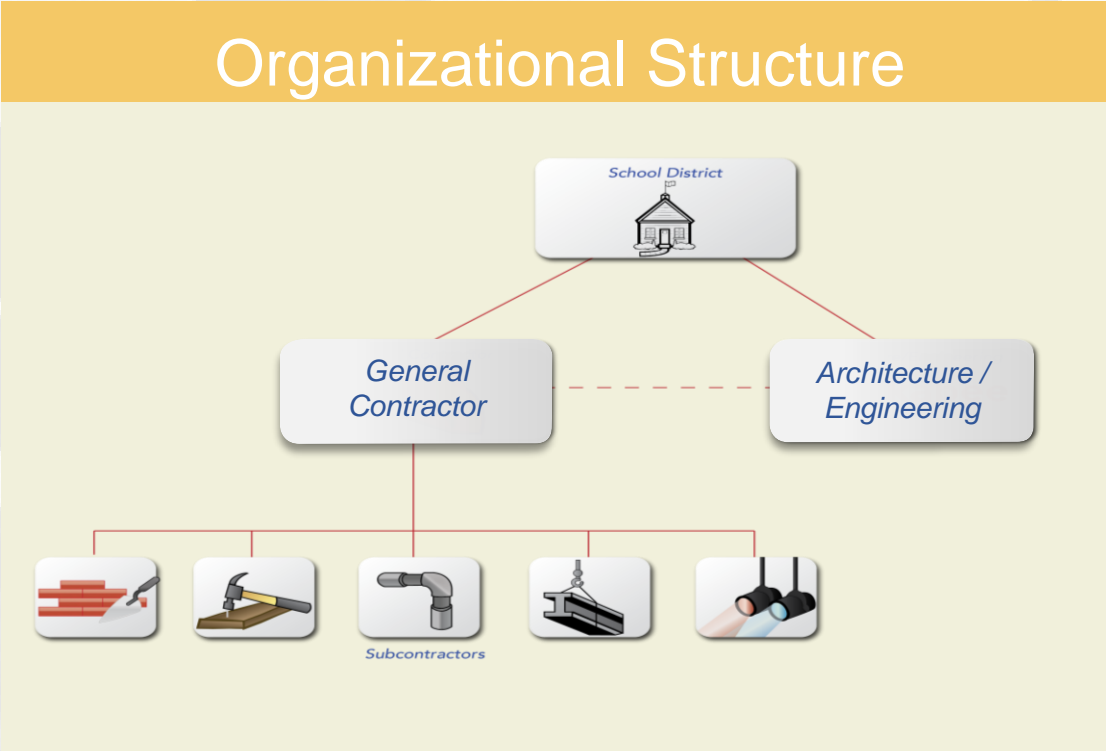
- No design phase teaming
- Longer overall duration
- Longer bid process with several required steps

# Construction Manager at Risk (CMR)

## Quick Facts

- Construction Manager (CM) serves as the General Contractor assuming the risk for construction at contracted price or GMP (Guaranteed Maximum Price)
- CM is responsible for project cost and schedule
- CM provides design phase services in evaluating cost, schedule, constructability and alternatives
- Selection is based on criteria that may combine qualifications, experience and fee

# Construction Manager at Risk (CMR)



# Construction Manager at Risk (CMR)

## Pros & Cons

### PROS

- Selection flexibility
- Design phase assistance
- Single point of responsibility
- Change flexibility
- Team concept
- Faster schedule delivery

### CONS

- Removes some competitive nature of bidding
- Difficult for district to evaluate validity of GMP

# Design Build (DB)

## Quick Facts

- A single entity is contracted to provide both design and construction
- Complex delivery approach that requires district to be knowledgeable and very involved
- Selection is based on proposal offering the best overall value to the district
- Governmental entities are required to hire an independent architect to serve as their representative for the duration of the project

# Design Build (DB)

## Pros & Cons

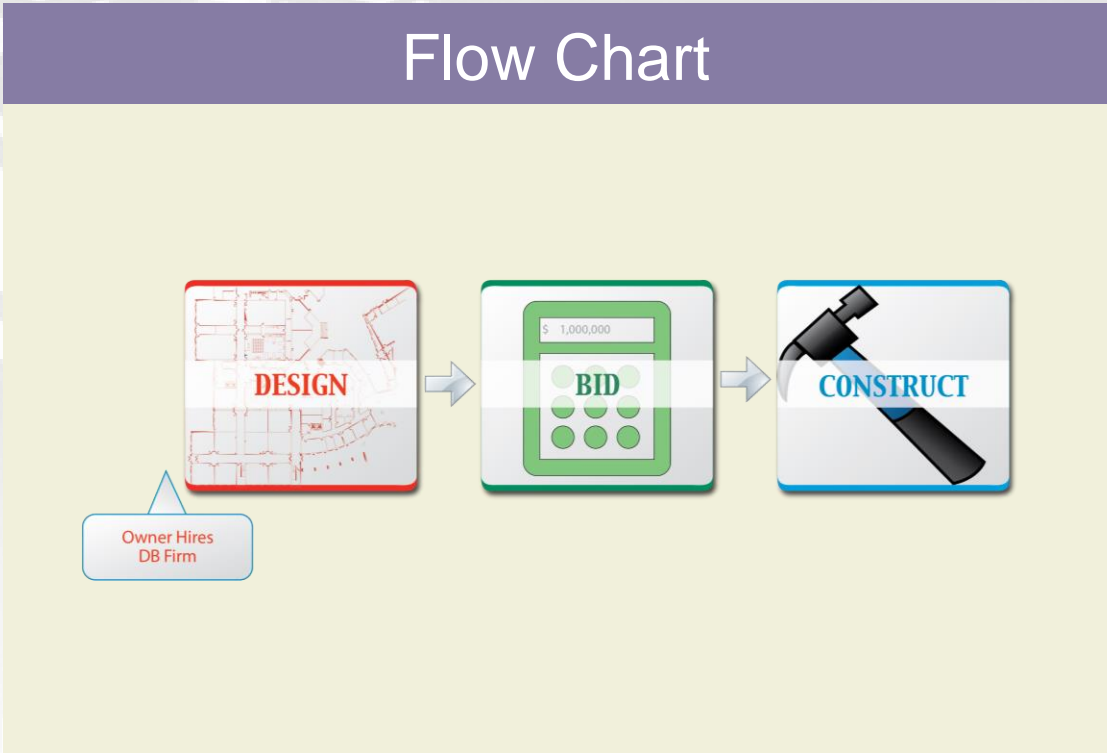
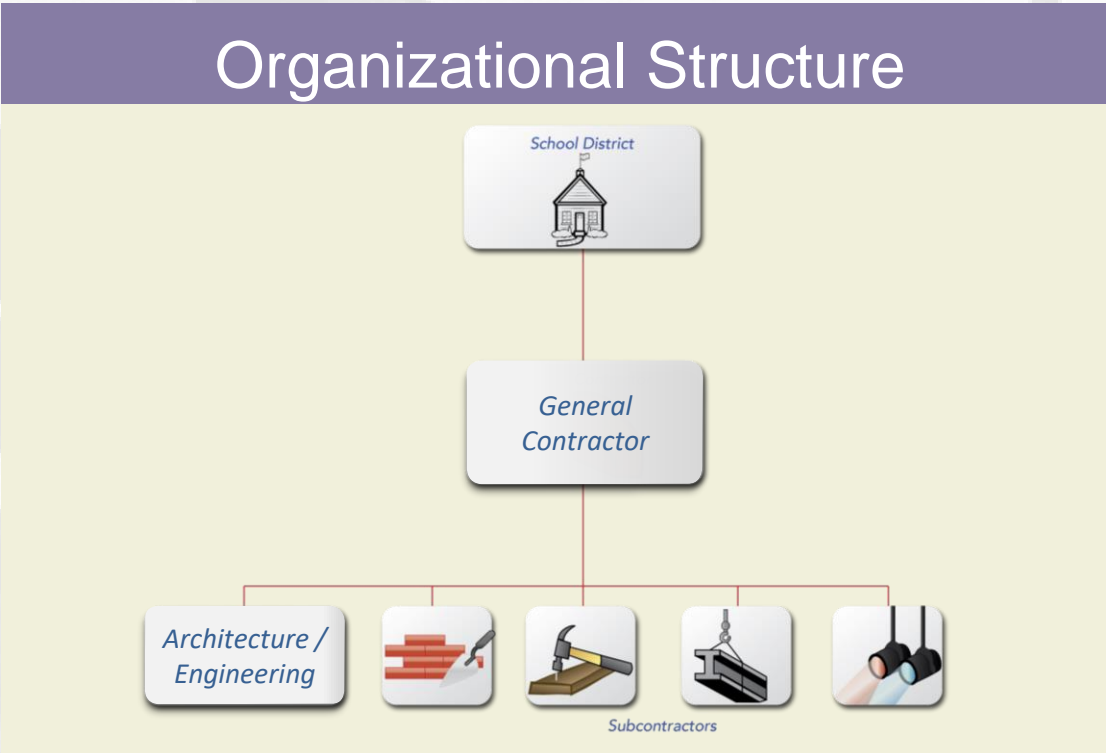
### PROS

- Selection flexibility
- Single point of responsibility for design and construction
- Team concept
- Faster schedule delivery

### CONS

- Loss of checks and balances
- Difficult for district to manage
- Key element is trust. Trust is hard to demonstrate to taxpayers

# Design Build (DB)



# Job Order Contracting (JOC)

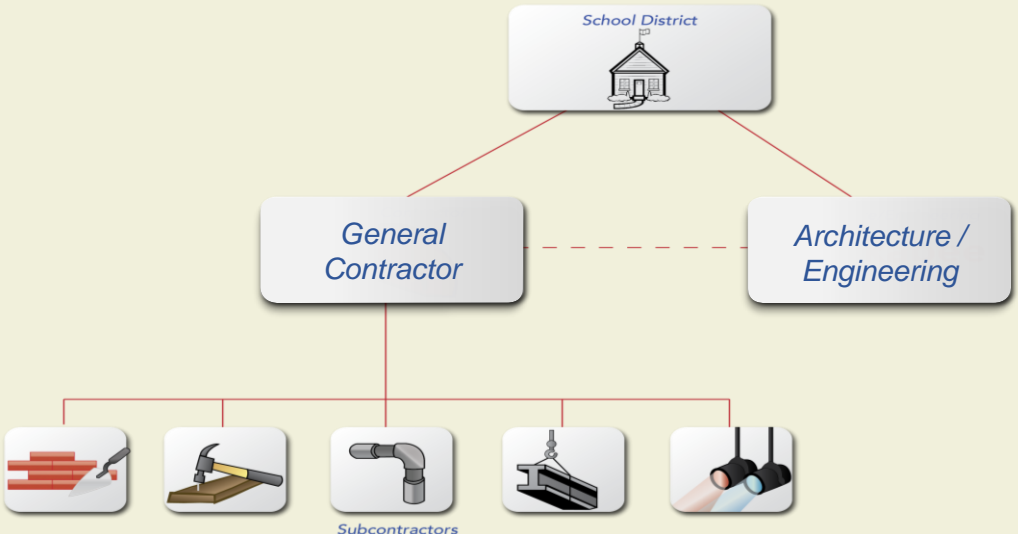
## Quick Facts

- Job Order Contracting can be used for minor construction, not just repair and rehabilitation as was the previous limitation.
- While there is no statutory dollar limit, owners should use their best judgment in determining the maximum aggregate value of projects under this method



# Job Order Contracting (JOC)

## Organizational Structure



## Flow Chart



# Job Order Contracting (JOC)

## Pros & Cons

### PROS

- Suited for small in-house projects
- Costing margin determined against RS means or other industry accepted labor table

### CONS

- Competition limited

# Historical Results

## General Contractors (Last 10 Years)

- Northstar Builders
- Pogue Construction
- Core Construction
- Ratcliff Construction
- Hill & Wilkinson General Contractors
- Buford Thompson Company
- Cadence McShane Construction
- Adolfson Peterson Construction
- Joeris General Contractors
- Bartlett Cocke General Contractors
- Key Construction
- Joe Funk Construction
- Balfour Beatty Construction

## Architectural Firms (Last 15 Years)

- Huckabee
- Glenn Partners
- Perkins+Will
- SHW
- PBK
- Corgan
- VLK
- Stantec

# Final Thoughts

- Start With The End In Mind
- Define Project Expectations
- Understand Budget And Scope
- Understand Project Schedule
- Identify Challenges In The Construction Market





**Questions?**