



Yuma Union High School District
Where Great Minds Grow

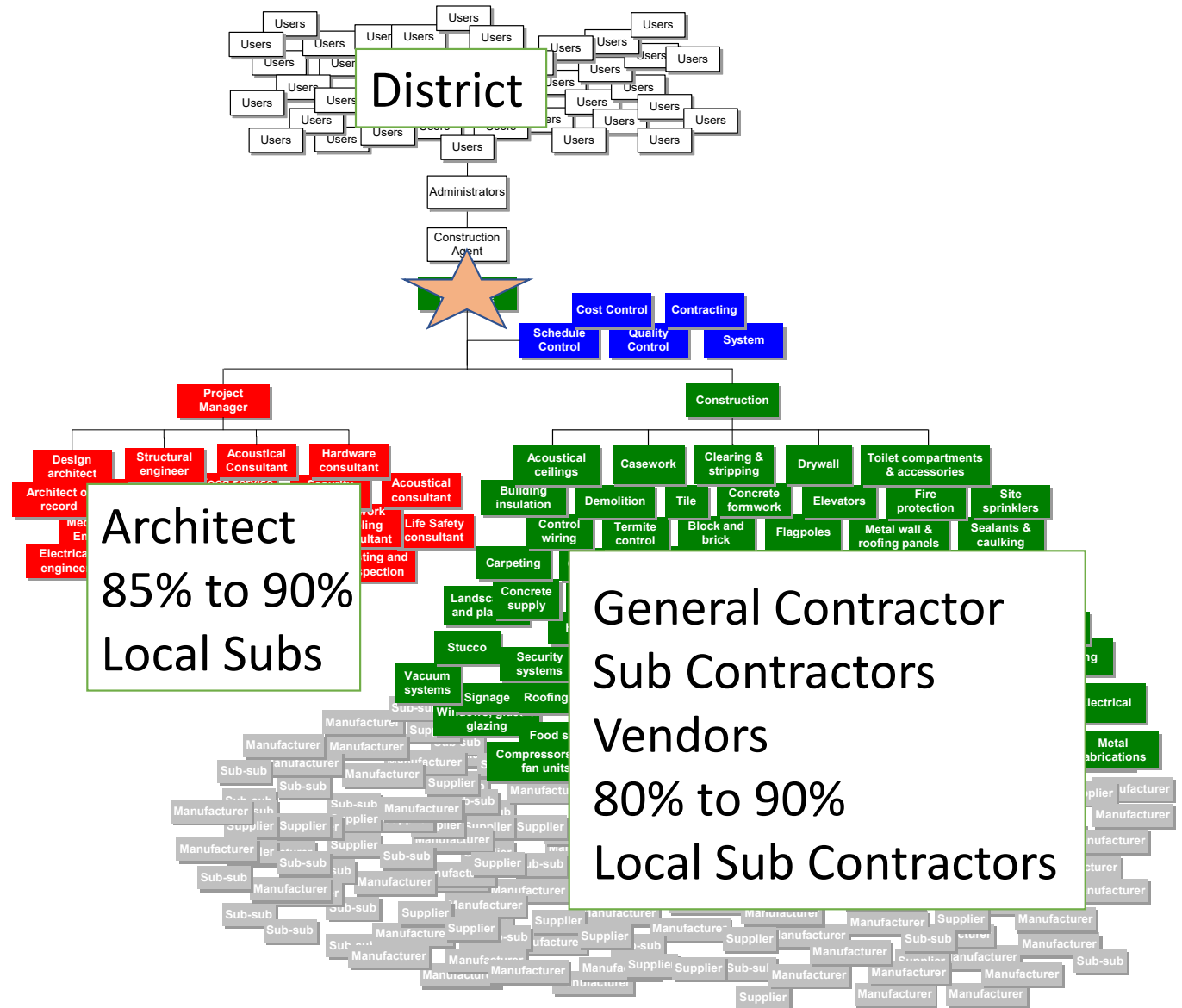
Study Session – Project Delivery Methods Overview & Construction Market Analysis

January 13, 2021



Cibola 700's Building by CMAR – FF&E Direct Purchased and Installed by District

Diagram of people & companies that work on a project....



#1 Owner's Goal: Get what they pay for.....and they care a lot about cost, scope, quality, safety and time

Owner Trends and APDM Methods

(Alternative Project Delivery Methods)

- The industry is always changing
 - Construction is risky, complex and challenging
 - Increased specialization of services
 - Core competencies vs. outsources services
 - Increased need for management and control
 - Delays, changes, disputes, accidents cost more than ever



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Bond Projects - Delivery Methods Available to District



YUHSD BOND PROGRAM DELIVERY METHODS TOOLBOX

Delivery Methods Authorized for Use by the District (ARS Enabling Legislation)

- IFB – Invitation for Bid (Lowest Bid)
- JOC – Job Order Contracting
- CMAR – Construction Manager at Risk
- D/B – Design Build

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Bond Projects – Delivery Methods Used by the District



YUHSD BOND PROGRAM DELIVERY METHODS TOOLBOX

Delivery Methods Used by the District

- ✓ IFB – Invitation for Bid (Lowest Bid) ⁽¹²⁾
- ✓ JOC – Job Order Contracting ⁽³⁾
- ✓ CMAR – Construction Manager at Risk ⁽³⁾
- D/B – Design Build ⁽⁰⁾

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IFB – Invitation for Bid (Lowest Bid)



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IFB – Invitation for Bid (Lowest Bid)

Pros:

- Lowest initial price
- Most often used for simple, low risk projects

Cons:

- Adversarial - less contractual risk management
- No pre-construction involvement by G/C
- Not qualifications or safety-based selection
- Opportunity for more change orders, delays, disputes & claims

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IFB – Invitation for Bid (Lowest Bid) Special Note



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IFB – Special Note about Bid Coverage

A Saylor Associates analysis of bid results revealed the following correlation between number of bidders and variance between the low bid and the pre-bid estimate:

| | | |
|-----------------------|--------|-------------------|
| 1 bidder | add | 15% to 40% |
| 2 to 3 bidders | add | 8% to 12% |
| 4 to 5 bidders | | -4% to +4% |
| 7 to 8 bidders | deduct | 5% to 7% |

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JOC – Job Order Contracting



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JOC – Job Order Contracting

Pros:

- On Call Contracting (For projects under \$1M or \$2M)
- Qualifications based and useful for major maintenance projects
- Fast response, easy to administer & open book
- Added value: pre-construction, D/B and partnering

Cons:

- Potential for higher construction costs
- Limited to \$1M or \$2M (based on rules)
- Raises the threshold for contractor entry

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CMAR – Construction Manager at Risk



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CMAR – Construction Manager at Risk

Pros:

- Qualifications Based
- Early integration of general contractor into design process
 - Open book – fully auditable
 - Increased owner control to achieve project objectives
 - Construction sequencing, logistics & cost modeling
- Guaranteed Maximum Price (GMP)
 - Sub-contractor bidding (qualifications/price)
 - Risk management, no-surprises – demand best value

Cons:

- Potential for higher construction costs
- Raises the threshold for contractor entry

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CMAR – Construction Manager at Risk

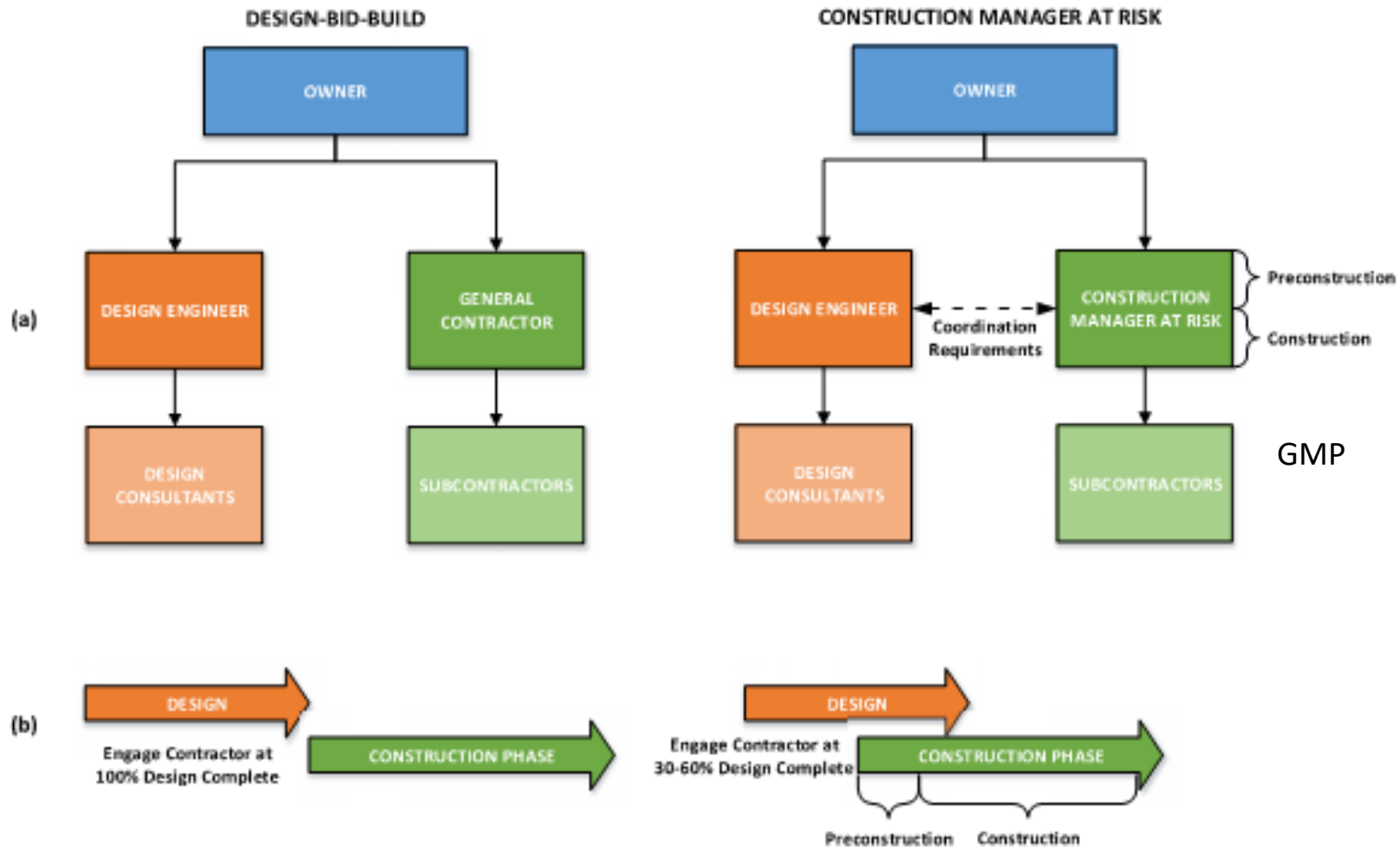


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Important CMAR Aspects

- During pre-construction (design phase), CMAR acts as a consultant to the owner
- When the construction GMP is established, the CMAR becomes the equivalent of a general contractor
- A separate contract is issued for pre-construction (design phase services) and another for construction phase services
- If an acceptable Construction GMP is not agreed upon, then relationship is severed

(Shorney-Darby 2012).



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CMAR – Construction Manager at Risk - Typical Scope of Work



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Prior to GMP, CMAR provides Pre-Construction Services:

- Estimating
- Scheduling/Phasing/Sequencing (Early Release Construction)
- Design assistance and constructability reviews

If Owner accepts the GMP for Construction...

- CMAR assumes role of general contractor
- CMAR is responsible for cost of the project
- CMAR must bid sub-contractor work
- Project team concept is maintained

Yuma K-12 Construction Market Analysis



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New K-12 Construction Market Analysis

(In order of completion and/or bid 2020 to 2016 – scope varies)



YUHSD BOND PROGRAM DELIVERY METHODS TOOLBOX

- ❖ Somerton Elementary (IFB) \$245.62 Sq.Ft. (includes site work & food service equipment) (Bid only) (New Build) (Initial Price) May 2020
- ❖ Dorothy Hall Elementary (CMAR) \$219.23 Sq.Ft. (includes site work, no FF&E) (New Build) Open 2019
- ❖ Kofa Building 4 (CMAR) \$181.96 Sq.Ft. (site work and FF&E outside GMP) (New Build/Existing Campus) GMP 2018
- ❖ Kofa Auxiliary Gym (CMAR) \$165.09 Sq.Ft. (site work and FF&E outside GMP) (New Build/Existing Campus) GMP 2018
- ❖ Vista High (CMAR) \$174.17 Sq.Ft. (includes site work and limited FF&E) (New Build) GMP 2017
- ❖ District Admin & Professional Dev Bldg. (CMAR) \$201.59 Sq.Ft. (Includes site work, Elevator and limited FF&E) (New Build) GMP 2017
- ❖ Cibola 700 Bldg. (CMAR) \$168.45 (site work and FF&E outside GMP) (New Build/Existing Campus) GMP 2016

YUHSD – Somerton H.S. Specific

CMAR – Construction Manager at Risk – Expected Outcomes



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EXPECTED OUTCOMES FOR SOMERTON H.S.

- Time - Ability to manage schedule, including early release construction packages (Multiple GMP's) – Schedule acceleration to meet academic calendar & control
- Cost - Stay on-budget with the ability to control the use of 5-funding sources. Open book transparency, assure best value with *competitive sub-contractor bidding*
- Scope - Manage risk, quality and achieve academic objectives & quality community spaces
- Safety - Continue delivering projects safely

Q/A

YUHSD – Further Information

CMAR – Somerton High School CMAR Qualifications Criteria



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SOMERTON HIGH SCHOOL CMAR QUALIFICATIONS CRITERIA

1. FIRM INFORMATION (50 POINTS) - LICENSES-BONDING CAPACITY-SAFETY RATING-TEAM MEMBERS
2. CURRENT WORKLOAD (50 POINTS) – CAPACITY TO COMPLETE WORK ON SCHEDULE
3. APPROACH TO PROVIDING PHASED CONSTRUCTION SERVICES FOR A NEW GROUND UP FACILITY INCLUDING PHASED OFF-SITE IMPROVEMENTS, EXPERTISE IN COST CONTROL, COST EFFECTIVE APPROACHES AND DEMONSTRATING BEST VALUE TO THE SCHOOL DISTRICT (300 POINTS)

YUHSD – Further Information

CMAR – Somerton High School CMAR Qualifications Criteria –
Continued



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SOMERTON HIGH SCHOOL CMAR QUALIFICATIONS CRITERIA – CONTINUED

4. RELATIVE WORK EXPERIENCE (250 POINTS) –
COMPARABLE PROJECTS-DELIVERY METHOD-KEY STAFF
THAT WORKED ON THOSE PROJECTS-PAST CLIENT
CONTACTS
5. EXPERIENCE OF KEY PERSONNEL FOR PROJECTS (250
POINTS)
6. REFERENCES AND OVERALL EVALUATION OF FIRM'S
PERCEIVED ABILITY TO PROVIDE SERVICES (100 POINTS)