

Innovative Contract Delivery

MAAPT 56th Annual Conference
Wednesday, December 2nd, 2009
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Innovative Contracting Purpose

- Reduce Overall Contract Time
- Allow for Contractor Innovation
 - Specs are not set-up for least efficient contractor
 - Proposed different approaches
- Does NOT reduce queue lengths or back-ups
 - Requires additional MOT measures

Innovative Contracting Strategies

A+B (Cost + Time)

Lane Rentals

Incentives

Locked Incentive Dates

Best-Value Contracting

Constructability Reviews

ATC's for Design-bid-build

CM @ Risk

A + B Bidding

- Uses 'Traditional' Method, but adds a time factor
- Contractors bid cost + time:

$$(A) + (B \times \text{Road User Cost/Day})$$

- Contract is awarded to the lowest bid of the combination of cost + time.

A + B Examples

TH 10 at Hanson Road

	<u>Bid #1</u>	<u>Bid #2</u>
A =	\$16.95 Million	\$16.98 Million
B =	135 Days	100 Days

Frequent Uses (statewide)

- Unbonded Overlay Projects (D6)
- Detour Projects (D2, D4, Metro)
- Interchange Closures

Lane Rental

Use for short-term durations

- Daily lane closures
- Minimize time lanes are closed

OCIC Recommendations

- Keep it simple
- Use on short-term segments of a project
 - Short-duration mill and overlay
 - Center pier construction
 - Finishing work after roadway is open

Incentives / Disincentives

- Offer incentives to reduce contract time
 - Little \$ often goes a long way
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No Excuse Bonus (LID)

- Use on very critical projects
 - Significant impact if time extensions are granted
 - TH 36
 - DeSoto Bridge
 - I-35W

No Excuse Bonus (LID) cont.

- No extension in bonus date
- Accept Bonus = Waives ALL claims
- Decline Bonus = Can claim Time & \$
- If missed bonus date, time extensions are given before penalty starts

Best-Value Contracting

- Allows Mn/DOT to consider other elements besides time
- OCIC is developing an approach
 - Objective Measures
 - Alternative Technical Concepts (ATC)
 - Subjective Measures
- Requires special FWHA Approval
 - OCIC oversight
 - Kevin Kosobud

Design-Build

- TH 169 in Saint Peter (Complete in 5 Months)
 - Five Contractors bid
 - Five different approaches to staging
- TH 610
- TH 13 @ 101 Low bid
- Bridges of Mower County - TH 90 in Austin
- TH 2 in Bemidji - Replace Bridge with Box culvert
- Elk Run Development Interchange
- Hastings Bridge Replacement

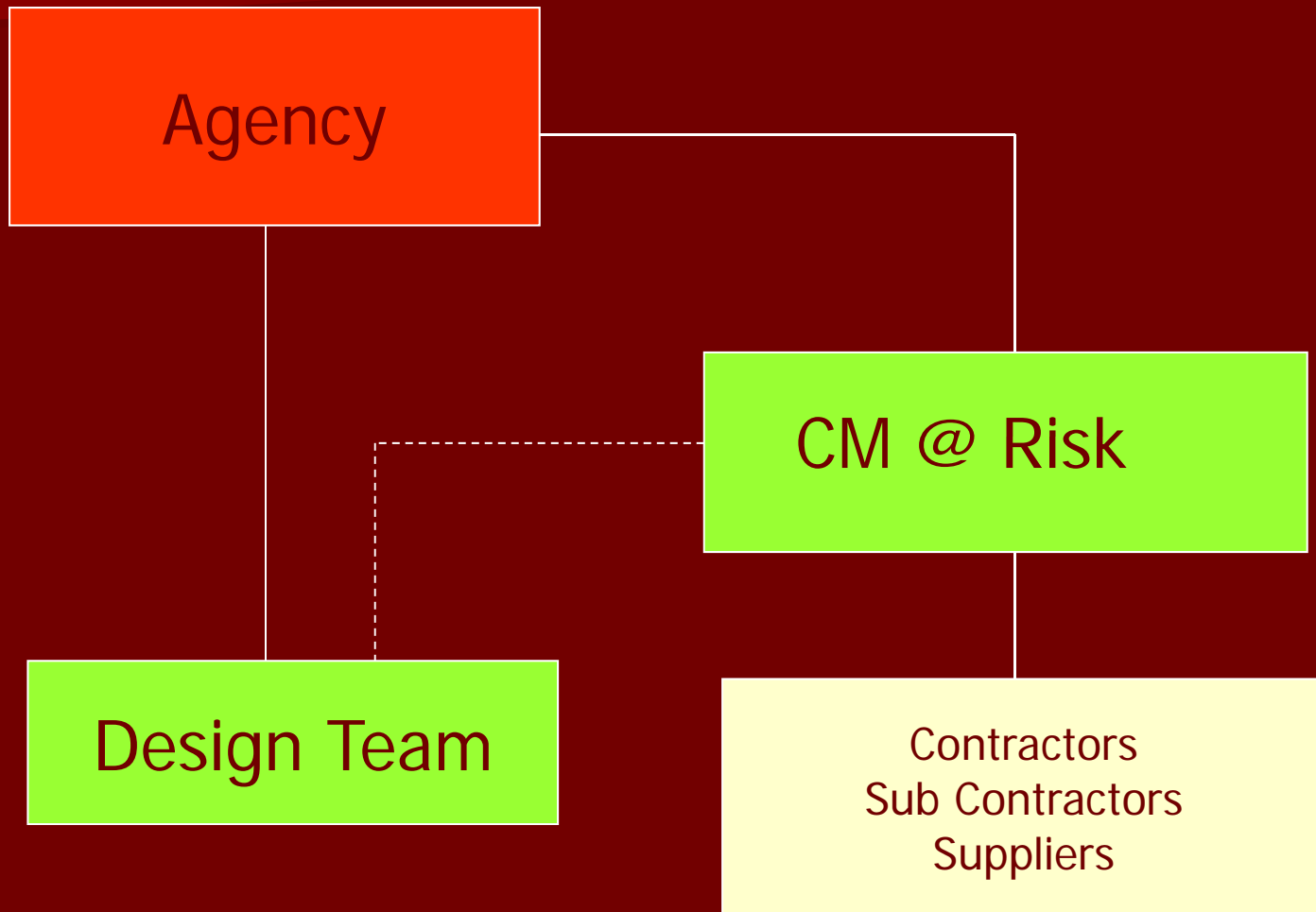
Constructability Reviews

- One-on-one meetings with contractors at about 50% design
- Obtain input from Contractors early
- Incorporate input back into design
- Consider bringin in traffic control subs
- Case Studies
 - TH 36
 - I-35W
 - I-35 Duluth

Alternative Technical Concepts (ATC) for Design-Bid-Build

- Allows for the submittal of value engineering proposals pre-bid
- Pricing will be incorporated into Contractors bid
- Will be used on TH 35 Project in Duluth for the first time
- Will only apply to Traffic Control/Staging

CM @ Risk



CM @ Risk

■ Role of CM

- Chosen by QBS
- Constructability Reviews with Designers
- Hire Contractors

■ Why At-Risk?

- Sets Guaranteed Maximum Price

CM @ Risk

■ How Does it Work

- At 50% Design, CM negotiates GMP
- Agency and CM also negotiate contingencies
- At 100% Plans, the CM selects firms to bid
- CM opens the bids with agency oversight
 - Does not have to take low bid
- If costs > GMP + Contingencies, the CM is responsible for all overruns

Questions?



58 total 60' Trestle Spans Missing (46 EB & 12 WB)

Arizona AGC Meeting February 2008

66 Span Miss Aligned