

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT
PROJECT DELIVERY HANDBOOK, AUGUST 2017 DRAFT
PUBLIC COMMENT PERIOD AUGUST 9-31, 2017

COMMENTS RECEIVED FROM: K. CHRISTY
DATE: August 28, 2017

Here is my review --

Index - needs modification to reflect appendices.

P 7. Advertisement. I realize that Administrative Code requires advertisement in a newspaper of "general circulation" and that is not the focus of this Handbook, however, I think the State needs to reexamine this requirement as this may no longer be the best way to solicit bids. I question this every time need to advertise. Must be some better ways to get the word out with current technology. ADN in bankruptcy is an indication that times are a changing.

P 33. Under concurrence I would change wording to "if code provides (or allows).

P 34. Add DEED before Facilities Manager for clarity As long as you are cleaning it up consider "must include a DEED Facilities Staff member if determined by DEED Facilities Manager.

I'd make the statement about meetings being telephonic a separate bullet point so that it doesn't get lost with the other issue.

Composition of evaluation committee will resolve a number of issues. There will be some entities that may find this objectionable and may challenge the legality. You may want to run this by State AG to be sure it is enforceable in advance. It would be good to have that addressed before the issue is raised during an evaluation process. (similar to the local hire issue there are those who have difficulty accepting)

Does requirement of directive of design between 40 to 60% mean 75% design can't use alternative procurement? Do you want some ability to make exceptions? It is also hard to specifically determine a percentage of completion.

Mandated criteria and weighting from Appendix C. Is this really mandated? Appendix C is Titled "Sample Criteria", which indicates flexibility and weights are ranges. -- As there are several different alternative delivery methods, there is merit to have some flexibility in the evaluation criteria. One size doesn't fit all. As an alternative I don't have a problem with Entity submitting the proposed criteria and weighting to DEED for review and approval prior to advertising.

What are restrictions on a two-step process? In addition, a two-step process isn't discussed in the document so it might not be clear to some readers what is being referenced. How are entities to address restrictions?

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P 35 Attorney review. I am not necessarily opposed to this but it might be worth discussion if it will add value or just cost. Depends on capabilities of District attorney. Suggested change – change the wording to legal review. Project might be undertaken by a Borough or Entity instead of a District. Also Entity might want to hire independent counsel experienced in construction. You might want to expand on what the focus of the legal review should be for.

P 45-47. Is this Appendix D or E? Labels may have gotten mixed.

Appendix E - is that what you really want to see – a 20+ page document – much of which is a cut and paste of the Handbook and is not specific to the project. I like Appendix B – it clearly walks through the decision points. The checklist is a good reference and could be used as an outline for the request. Pages 33-34 list requirements that must be satisfied. Keep it simple and to the point. If you do include a District sample, I recommend removing District name and initials.

Don't know if I really want to bring up the issue of Lump sum vs GMP. This update doesn't significantly change existing language. I have not encountered an issue in Project Management of Alternative Procurement project. However, in re-reading the Handbook, there are places where the wording indicates GMP is the only type of cost proposal that is acceptable, other places both are addressed. Probably fine to leave well enough alone but might be a confusing to those new to Alternative Procurement.

Thanks for the encouragement to review.

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COMMENTS RECEIVED FROM: A. WEESE
DATE: August 28, 2017

Mr. Mearig,

Here are my overall comments in regards to alternate delivery methods.

Our district actually reviewed alternate delivery methods last year and had one of our larger Architectural firms (Wolf) compile some information in conjunction with their review of our latest version of our FDCM (Facility Design Criteria Manual).

Pages 13-18 of the [] report analyze the alternate delivery methods in comparison with that of a conventional Design Bid Build project.

Below are a few key points/overview of the report --

Design Bid Build

Advantages: 1. Owners can have control of design. 2. Designers work directly with the owners. 3. Owner has more opportunity for design review. 4. Increased design detail by both designer and owner.

Disadvantages: 1. Increased risk to owner on cost. 2. Contractor not involved in design process. 3. Slow process/ not able to fast track project. 4. Uncertainty of contractor integrity. 5. No incentive for contractor to perform at higher level. 6. Often more cost changes from the contractor.

Design Build

Advantages: 1. Owners risk is minimized. 2. Owner has leeway to select team based on performance over price. 3. Contractor and Designer work on same team. 4. Contractor has the ability to maximize budget. 5. Lower design fees. 6. Change orders are usually owner request rather than contractor initiated. 7. Ability to fast track project.

Disadvantages: 1. Designers are employed by the contractor and not the owner. 2. Contractor dictates level of quality. 3. Difficulty of tracking cost to ensure best value is being received. 4. Quality control is by the contractor. 5. Owner has less impact on design 7. Contractor can influence material selections.

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CM/GC (Team Build)

Advantages: 1. Designers work directly with owner while contractor prices project at the same time. 2. Contractor is able to control project cost through project. 3. Fast track ability is possible. 4. Value engineering options available. 5. Owner has control on team selection. 6. Little if any change orders.

Disadvantages: 1. Difficulty of tracking cost to ensure best value is being received. 2. Selection protocol is complex. 3. CM/GC process limits contractor pool of qualified candidates.

As a contractor, in my past, who has worked for both the Borough and the school district, my preferred delivery method as a contractor was Design Build. I did perform several CM/GC projects but none with the borough or district, so I have no local knowledge of this delivery method to compare. Design Build allowed the team to work together to keep cost down. To use this approach you need to have a reputable/trusting contractor regarding cost. With a good contractor in place, a lot of changes can be minimized and the project can be designed with little cost overrun if the team (owners, designers, and contractors) are all on the same page from the beginning.

What I have seen lately on Design/Bid/Builds are contractors going very low to win jobs and then fighting every little variation with a change order to make up for lost bid cost. This is time consuming for all parties and can be difficult to work through at times, often resulting in increased tensions between the contractor and owner. Both CM/GC and Design Build eliminate (or at a min greatly reduce) these changes. In the end, the cost with changes from a design/bid/build gets close to the “real cost” that would be generated with both a CM/GC or Design Build cost estimate. From my perspective if the contractor is reputable, the design team is chosen by best value, and the owner is willing to work with the contractor on cost, Design Build is the best overall delivery method for quality of work and overall budget.

Give me a call if you have any questions on the report or my overview.

Thank you sir.

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COMMENTS RECEIVED FROM: K. LYON

DATE: August 31, 2017

It looks like a good document, see my minor comments below.

1. District's Legal Review of RFP required – Page 35 – (page 37 of the pdf) – Seems reasonable for Alternate Procurement but should read “Entity’s Legal Review” to cover those that are Municipal, Borough or District.
2. Edit – Top of page 42 (page 44 of pdf) – should be appendix “C” not “D”.
3. Question on bottom Page 34 (page 36 pdf) “Restrictions on the use of a two-step selection process.” – “two-step selection process” - This term is not defined in the document and this is the only place the term is used in the document; it would be beneficial for all to understand what exactly you are restricting.