

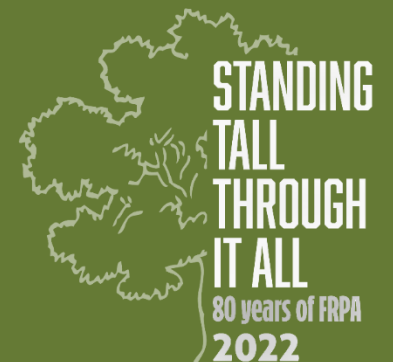


Welcome to the 2022 FRPA Conference!
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Delivery Methods for Capital Projects

What you need to know





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“My staff doesn’t have the experience or time to manage construction projects.”



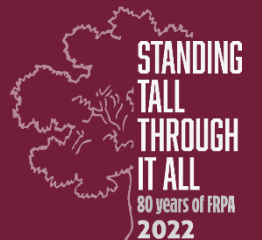


**“I feel like change orders kill us on
just about every project we bid out.”**



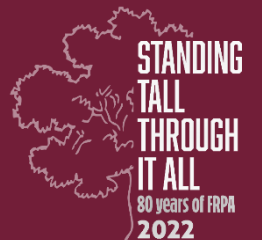


“Our projects never get done on time.”





“Occasionally, all bids come in over budget and we have to go back and take stuff out of the project to get back to budget.”



Why Talk About Delivery Methods

1. Cost
2. Schedule
3. Financing
4. Risk Allocation
5. Control





Typical Delivery Methods for Public Projects

1. Conventional Project Delivery

- Design-Bid-Build

2. Alternative Project Delivery

- Construction Management
- Design-Build
- Public-Private Partnership

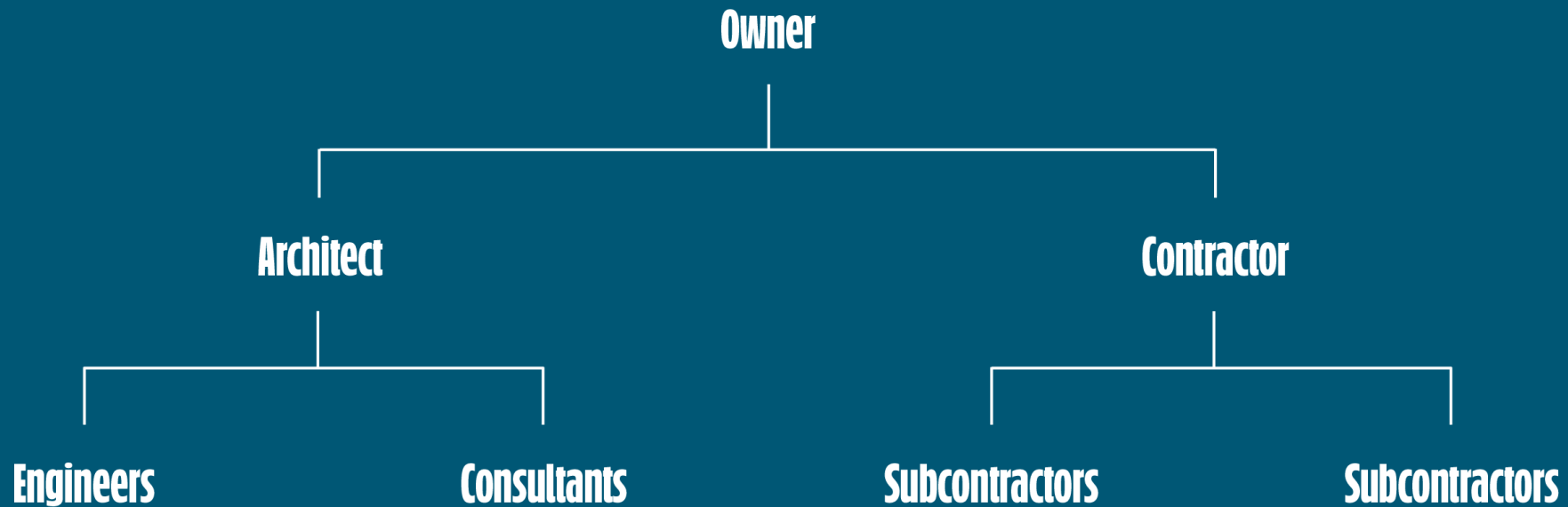
Conventional Project Delivery

Also known as Design-Bid-Build

1. Owner Selects an Architect
2. Construction Drawings used for Bidding
3. Owners Hires a Contractor



Conventional Project Delivery



Conventional Project Delivery

Advantages

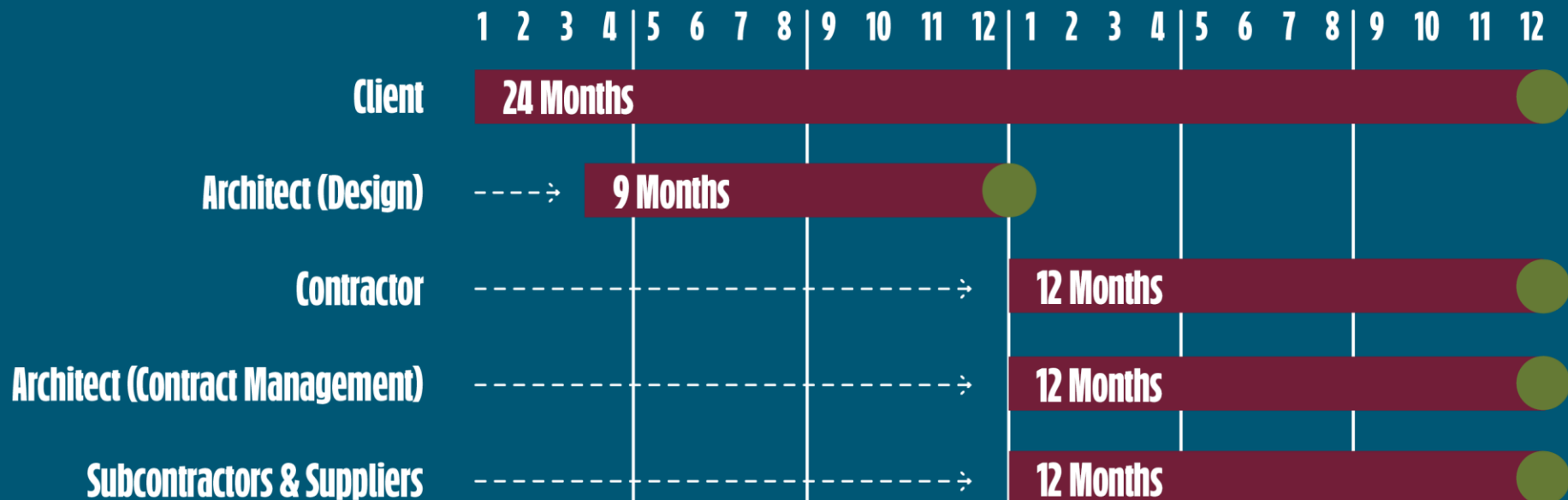
- Owners have opportunity to review competitive bids
- Owners can participate in the design process
- Single bid package

Disadvantages

- High customer time commitment
- Does not allow for fast-track construction
- Can lead to unqualified bidders
- Susceptible to change orders (normal)
- GC not on board early
- Owner does not realize any cost savings
- Process not transparent



Conventional Project Delivery



Construction Management

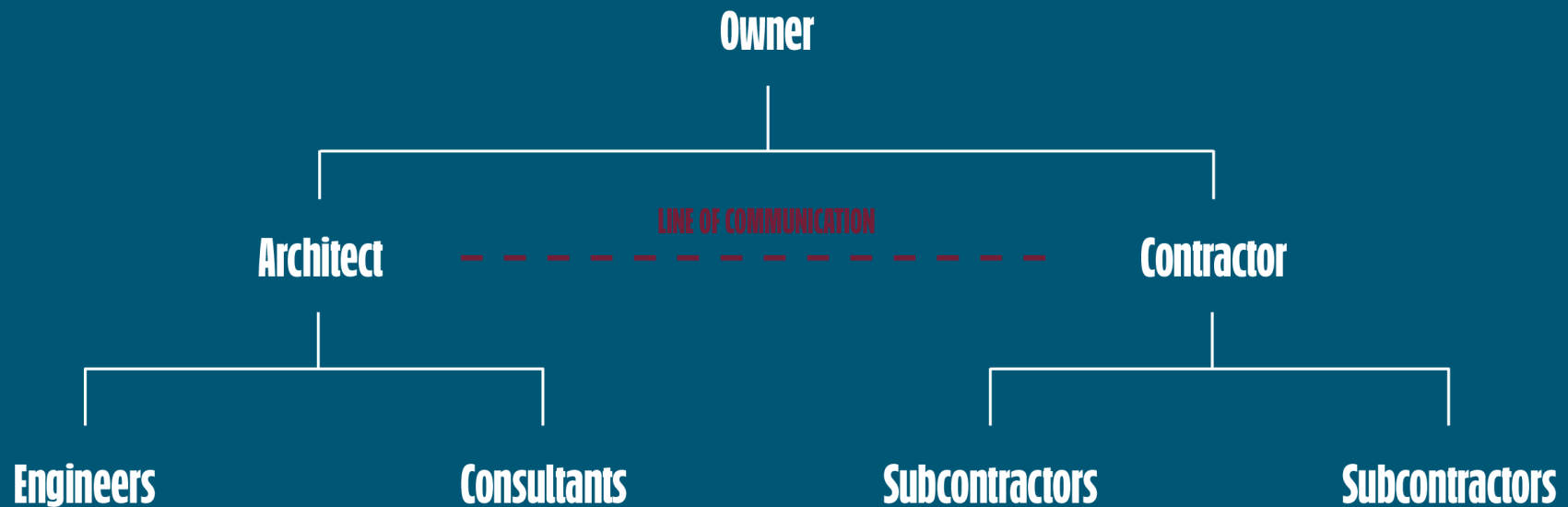
Construction Manager Serves the Owner

1. Construction Manager as Constructor (at Risk)
2. Construction Manager as Advisor (Agency)

Construction Manager Hired Early



Construction Management



Construction Management

Advantages

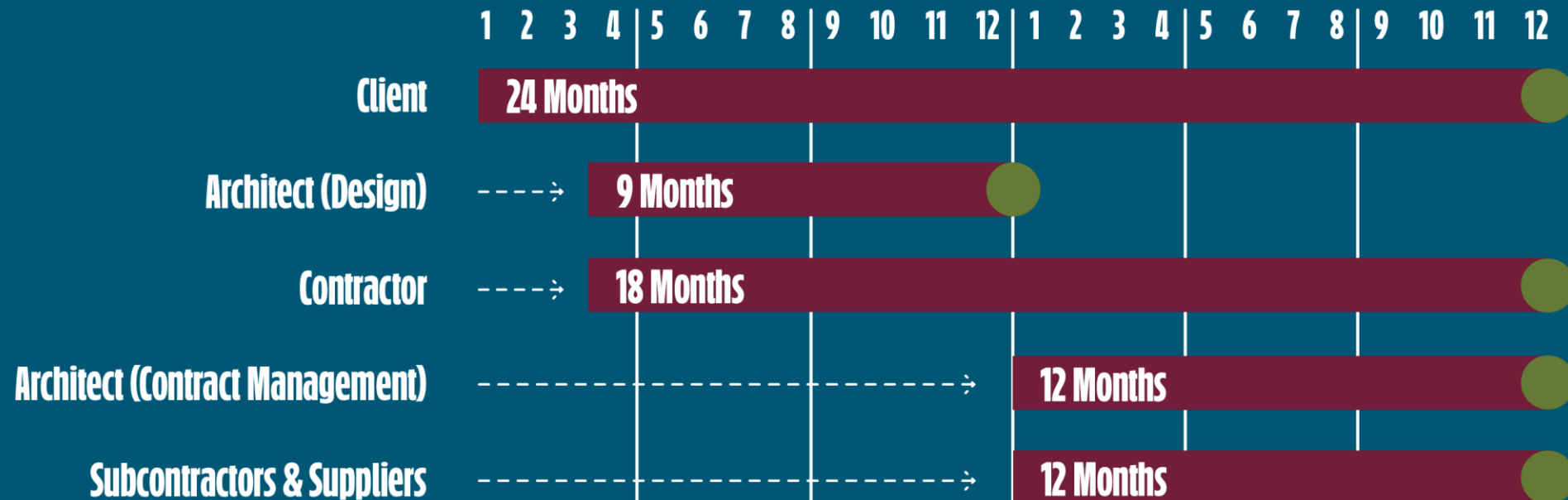
- GMP can be established at any point in time
- Maximizes cost control and value analysis opportunities during the design phases
- Savings can be shared by the team or returned to the owner after construction
- Transparent open-book process
- Multiple bid packages available, coordinated by the CM and architect
- Allows for fast-track schedule
- Reduced owner time commitment
- Public subcontractor procurement
- Strong system of checks and balances

Disadvantages

- Many general contractors are not qualified construction managers
- A qualified construction manager must be selected as early as possible to realize the advantages



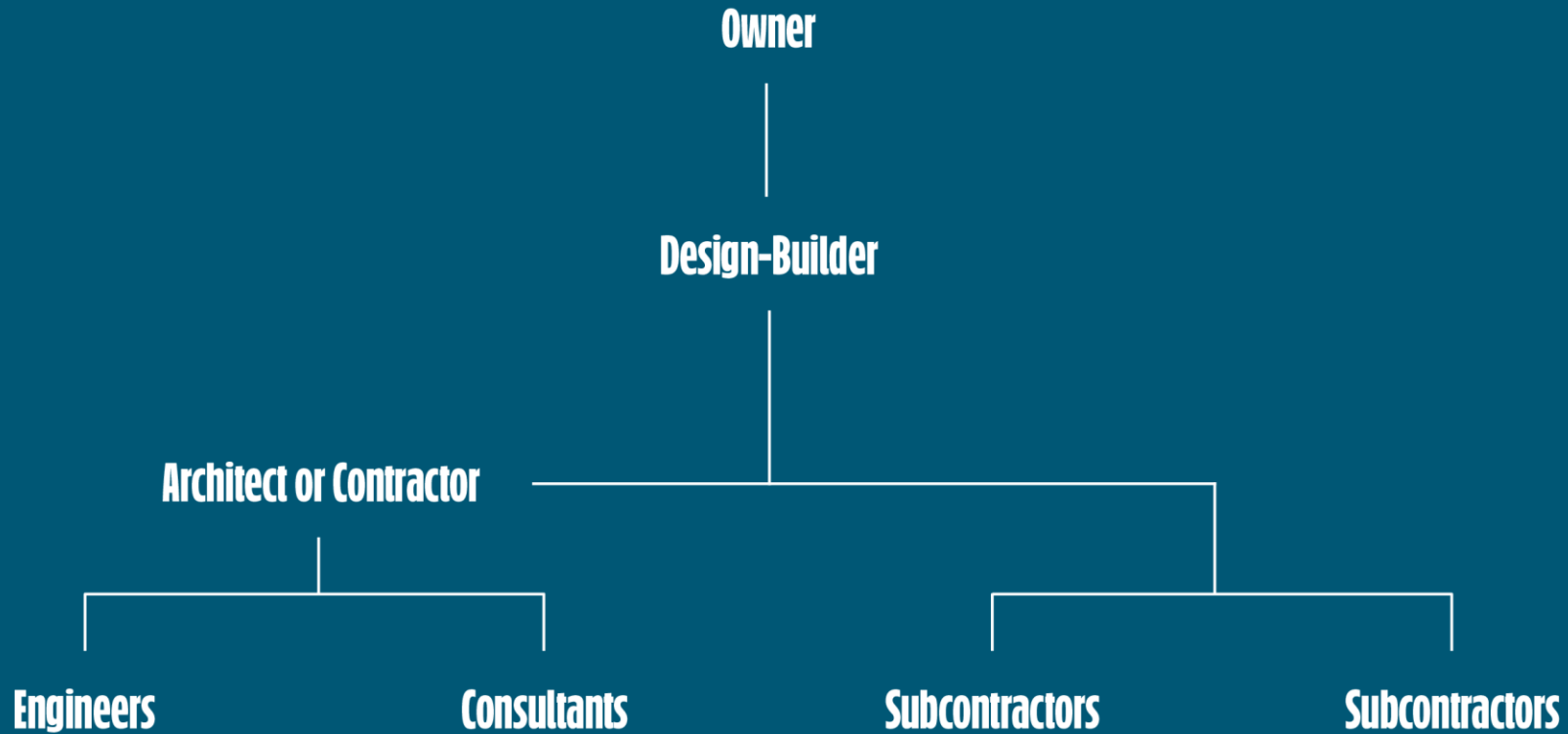
Construction Management



Design-Build

1. Design Team & Construction Team Under a Single Contract
2. All United to Serve Interest of the Owner
3. Single Point of Contact

Design-Build



Design-Build

Advantages

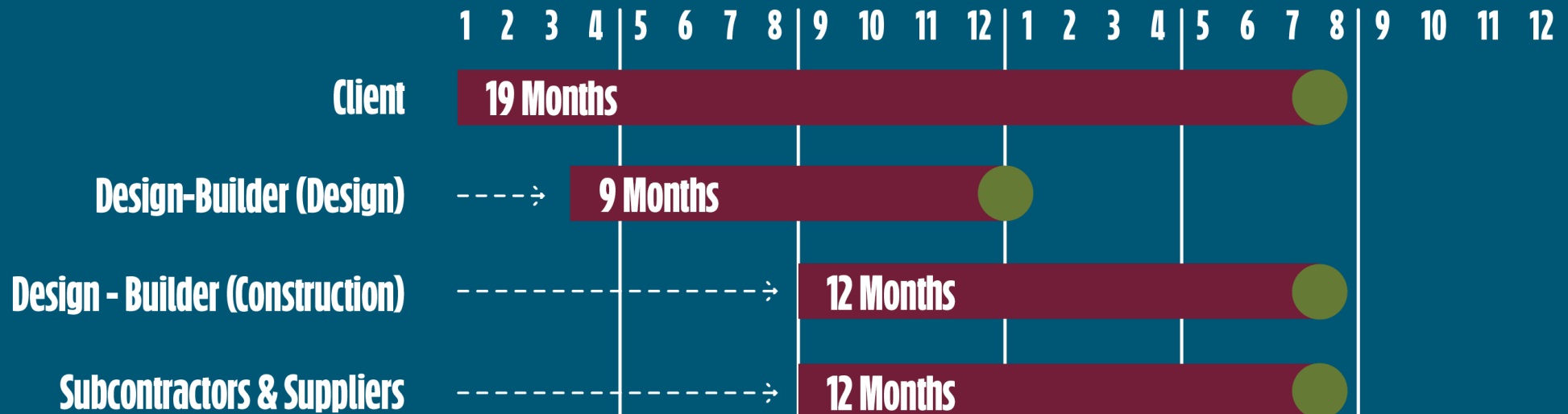
- Single contract for owner
- Budget informs design, and vice versa
- Design and construction can overlap (fast-track)
- Change orders are minimized

Disadvantages

- Defining the scope of work prior to design may be difficult
- A disreputable design-builder may sacrifice quality in favor of cost
- Management required of the owner is more extensive than in other methods
- Work performed in the early phase determines many of the design and functional aspects of the project
- Process not transparent (normal)
- Owner does not realize cost savings



Design-Build



Public-Private Partnership (P3)

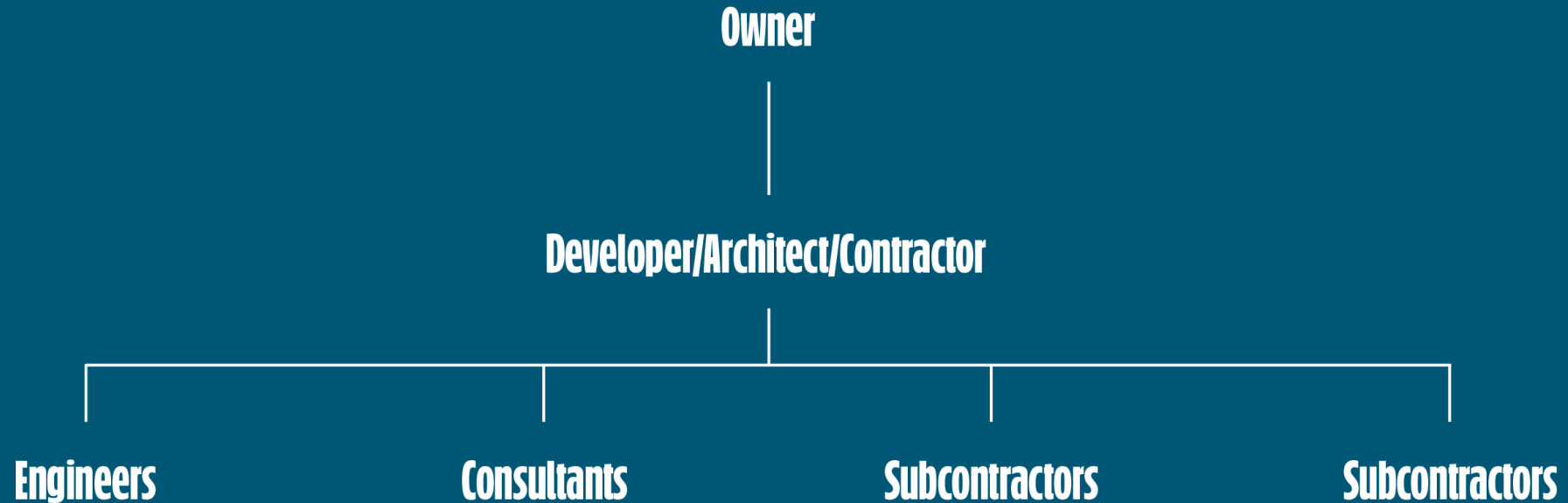
Section 255.065, Florida Statutes

- Public entity contracts with a private entity to deliver a facility that “provides an essential public service.”
- Section 255.065 is the current “P3 Statute” / Existing framework for P3, amended in 2016 to allow for Home Rule authority
- Governed by local procurement codes, or follow the process outlined in the statute
- Financing can be a combination of project-specific equity and debt. Repayment can be lump sum at completion or over time as agreed upon.
- P3 allows for design, construction, operation, management, maintenance, and financing of the cost of a public facility to be partially or entirely the responsibility of the private entity



Public Private Partnership (P3)

Section 255.065, Florida Statutes



Public Private Partnership (P3)

Section 255.065, Florida Statutes

Advantages

- Transfer of risk to private entity
- Flexible solutions / More innovative design and construction techniques
- Potential to accelerate delivery of asset
- Low issuance costs
- Qualifications-based selection
- Guaranteed pricing on construction and financing / No. or limited. change orders

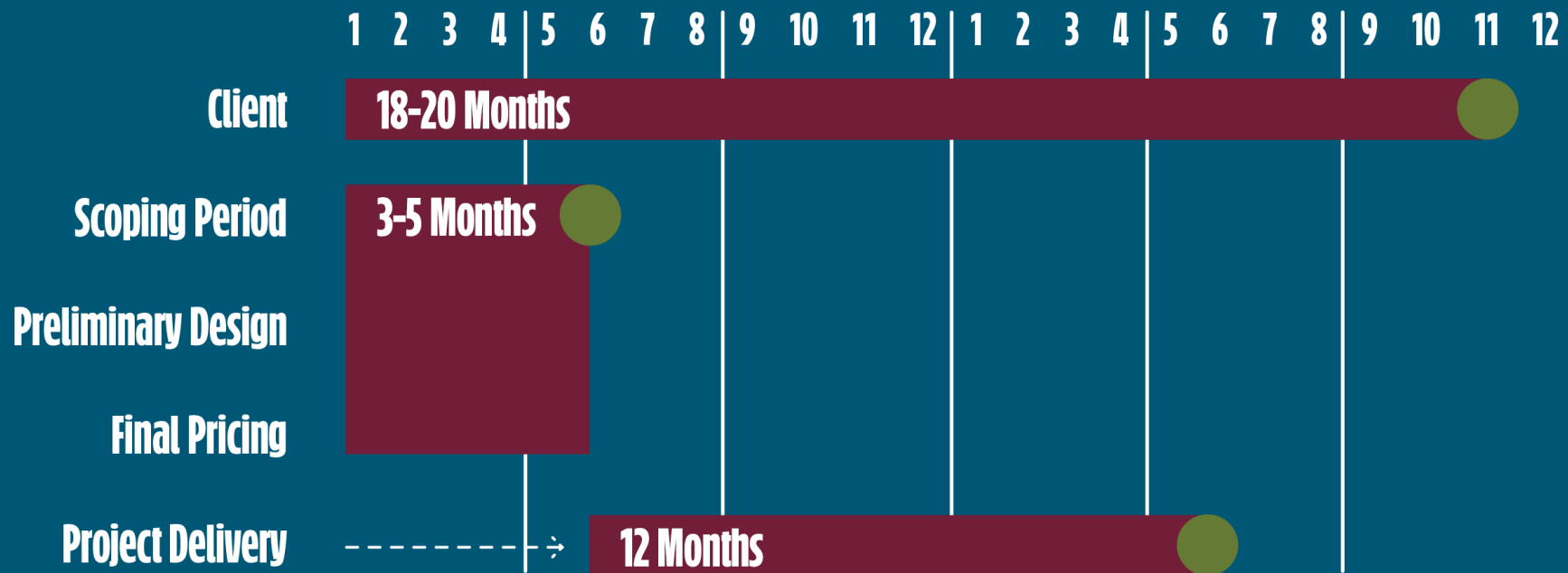
Disadvantages

- Relatively new legislation
- Political justification
- Limited competition in procurement
- Perceived limits on public entity control / input



Public Private Partnership (P3)

Section 255.065, Florida Statutes



Public Private Partnership (P3)

Section 255.065, Florida Statutes

Example of the P3 Process

1. The Public entity releases a Request for Proposals / Qualifications for the financing, design, and construction of the project.
2. OR, an unsolicited proposal is submitted by a Private entity. However, this triggers an RFP/Q process by the Public entity, per Statute.
3. Proposals are evaluated relative to Public benefits and value added, with the most qualified team being selected.
4. The selected respondent enters into a scoping period whereby they must deliver a schematic design, guaranteed financing terms, budget, schedule, etc.
5. The public entity assesses the deliverables against project goals and objectives to determine next step(s):
 - If satisfactory, then financing is closed, design is completed, and construction begins.
 - If not satisfactory, then the RFP/Q process can be cancelled.



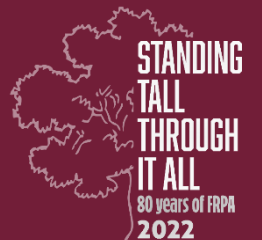


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Thank You!

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