



MANAGING PROJECTS IN A LOW BID MODEL

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NCTCOG Public Works Roundup

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- Welcome, Introduction, Purpose 5 min
- General Management Considerations 5 min
- Schedule 10 min
- Cost 10 min
- Q&A 5 min

THE *ART* OF MANAGING CONSTRUCTION

Welcome and Introductions



❖ Who are we?

➤ Chris Poteet, P.E.

❖ Who is Freese and Nichols?

❖ Who are you?

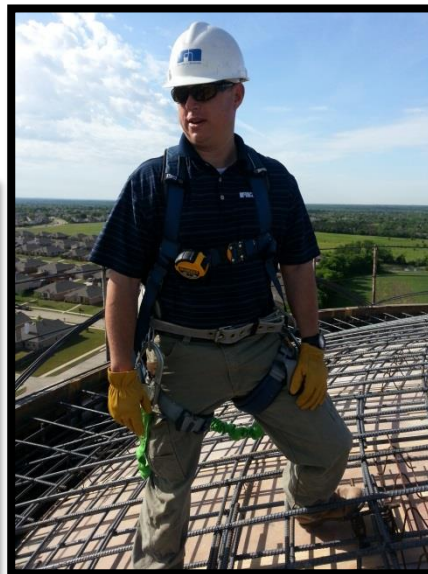


Purpose



Provide some tips in Construction Management (CM) from an Owner's Representative perspective.

Share and discuss tools, tips and insights that can help clients deliver quality projects, constructed on time and within budget, while minimizing the issues inherent in the construction process.



Communication



❖ Trust me...I hear you and I know what you need!



How the customer explained it



How the project leader understood it



How the engineer designed it



How the programmer wrote it



How the sales executive described it



How the project was documented



What operations installed



How the customer was billed



How the helpdesk supported it



What the customer really needed



GENERAL MANAGEMENT CONSIDERATIONS

General Management Considerations



- ✓ *Low bid model ~ Design – bid - build*
- ✓ *Avoid pitfalls on smaller projects*
 - ✓ *Smaller project sometimes equals less experienced contractors*
 - ✓ *Smaller projects / contractors typically have fewer assets and flexibility*
 - ✓ *These contractors sometimes require more active management by owner / consultant*
 - ✓ *These contractors sometimes have less experience on smaller projects*



General Management Considerations



- ✓ *Focus on Contract Documentation done “right”*
 - ✓ *Documents are sometimes applied to the wrong project (i.e. treatment plant to a roadway)*
- ✓ *Reduce Risk Factors*
 - ✓ *Example: volatile commodity and contract approval cycle*
 - ✓ *Be careful in using “or equal” specifications*
 - ✓ *Be careful to not dictate means and methods; overly restrictive schedules; unrealistic DBE / HUB goals*
- ✓ *Define Roles and a Communication Plan*
- ✓ *Active Management in Construction!!*





SCHEDULE



Schedule



- ✓ *Value the schedule created by those that do the work*
- ✓ *Agree to an initial schedule with the contractor*
- ✓ *Have a process to trigger a Recovery Schedule*
- ✓ *Make sure duration (days) is well defined within the contract*
- ✓ *Discuss incentives, penalties and milestones*
- ✓ *Address long lead-time items (ex. Light poles)*



Schedule



- ✓ *Cover other scheduling impacts, i.e. school access, trash pickup, mail schedule*
 - ✓ *Discuss submittal cycle and duration*
 - ✓ *Include a matrix of submittal requirements (not all-inclusive)*
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- ✓ *Cover these items within the contract documents AND also discuss in detail at the **Pre-Construction Conference***



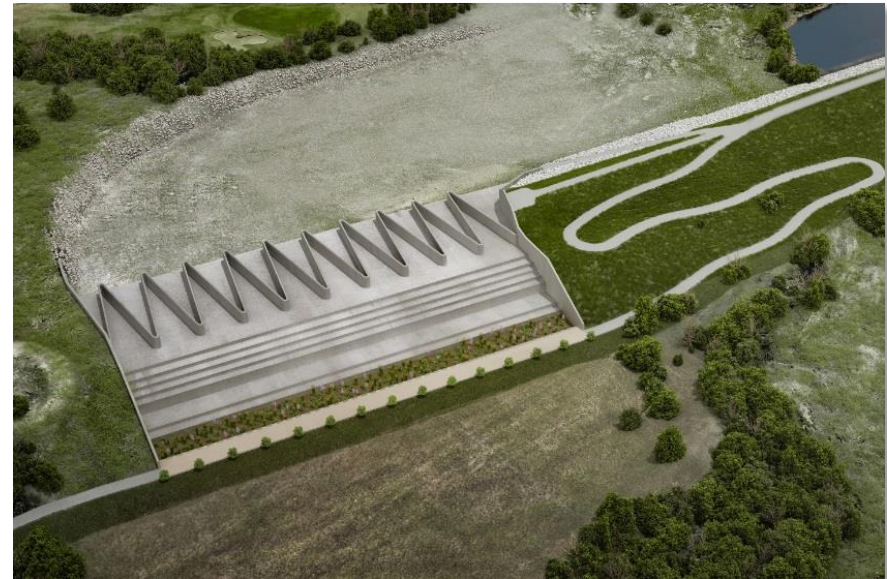


COST





- ✓ *Start with accurate bid documents, including*
 - ✓ *Detailed bid tab*
 - ✓ *Detailed bid item descriptions*
- ✓ *Have an agreed upon schedule of values prior to work commencing*
- ✓ *Have field inspectors review and approve pay application prior to team*
- ✓ *Stress the process for contract modifications*





- ✓ *Clarify the pay application cycle within the contract documents*
- ✓ *Require a cash-flow projection from the contractor*
- ✓ *Maintain % complete metrics within the pay application (\$ and time)*
- ✓ *Maintain an “issues” log throughout construction*
- ✓ *Require and conduct pre-activity meetings before major tasks*
- ✓ *Maintain DETAILED / COMPREHENSIVE documentation*





Questions?

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