

FILANC[®] Building It Better Together[™]

Customize Your Path to Success with Collaborative Delivery

**DBIA-WPR
Webinar**

November 22, 2022

Presenters:

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Webinar Objective

- Share the experiences of a veteran practitioner
 - There are many ways to successfully execute a collaborative delivery project
 - The key is to adapt and evolve to suit each Owner and project specific requirements

Agenda

- Why Owner's Choose Collaborative Delivery
- The Many Variations of Collaborative Delivery
- Fixed Price vs. Progressive Design-Build
 - How are they the same?
 - How are they different?
- Observations and Experiences
- Paths Taken by Two Owners
 - City of Morro Bay
 - City of Escondido

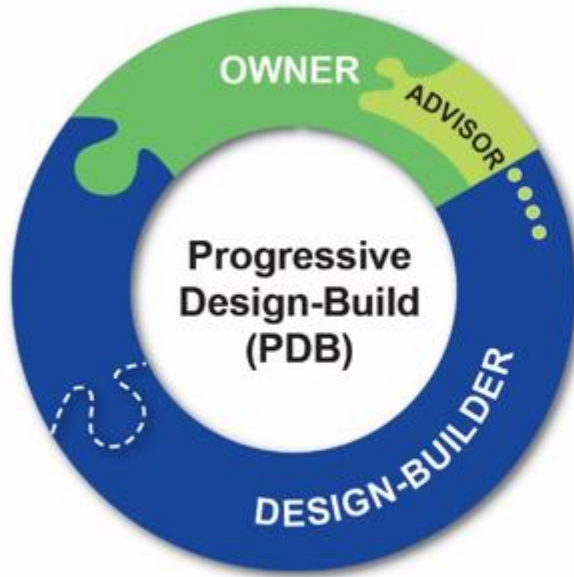
Why Owners Choose Collaborative Delivery

- Collaboration
- Compress Schedule
- Risk Transfer
- Reduced Effort to Prepare Bridging Documents
- Try Something New

The Many Variations of Collaborative Delivery

- Design-Build
 - Fixed Price Design-Build (FPDB)
 - Progressive Design-Build (PDB)
- Construction Manager at Risk (CMAR)
- Construction Manager / General Contractor (CMGC)
- DBO, DBOM, DBFO, ...
- Public Private Partnership (P3)
- Engineering, Procurement and Construction (EPC)

Fixed Price vs. Progressive Design-Build



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Fixed Price VS. Progressive Design-Build

Elements in Common:

- Integrated and collaborative
- Owner holds one contract with Design-builder
- Two-step procurement: RFQ and RFP
- Best value selection
- Owner often hires an advisor (OA)
- Enables overlap of design and construction
- Shared risk

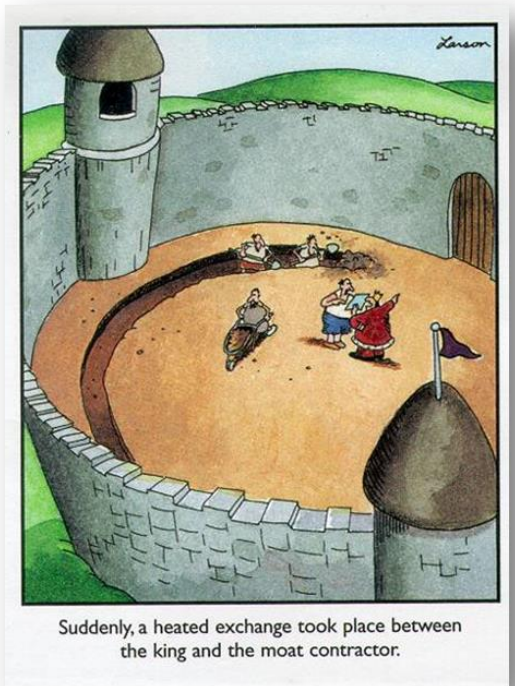
Fixed Price vs. Progressive Design-Build

Elements Normally Associated with FPDB:

- Owner prepares detailed bridging documents with RFP
- DB prepares detailed technical solution in proposal
- DB prepares a binding lump sum price with proposal

Generally Recommended When:

- Project scope is relatively well-defined
- Owner desires early price certainty



Fixed Price vs. Progressive Design-Build

Elements Normally Associated with PDB:

- Two-phase process:
 - Phase 1: 60% design and GMP (parallel processes)
 - Phase 2: Complete design, construction, startup
- Technical proposal can involve less engineering
- Price proposal includes Phase 1 pricing and markups only

Fixed Price VS. Progressive Design-Build

Elements Normally Associated with PDB (cont.):

- Second authorization required to move to Phase 2
- GMP development and negotiation is open book

Generally Recommended When:

- Scope is less defined, more complex
- Need to design to budget

Observations and Experiences

General:

- FPDB and PDB are equally collaborative
- Both delivery methods can be customized
- Important to use a balanced contract (e.g., DBIA)

Observations and Experiences

Procurement Period:

- PDB is selected on more than quals
- PDB indicative price is of marginal value
- Collaboration is limited during proposal period

Observations and Experiences

Project Execution:

- FPDB doesn't provide absolute price certainty
- Design-phase scope creep is a key risk factor
- Owner-directed changes in FPDB are a sign the process is working

Observations and Experiences

Project Execution (cont.):

- Can be managed as cost-plus or lump sum
- PDB provides market pricing closer to procurement
- PDB requires Owner expertise to evaluate open-book GMP

Case Study:

City of Morro Bay

Morro Bay Water Reclamation Facility

- Fixed Price DB, \$78M
- Filanc / Black & Veatch JV
- In Startup
- Innovative Peak Flow Management
 - 8 mgd primary treatment
 - 2 mgd BNR/MBR
 - 1 mgd AWT for IPR



Case Study:

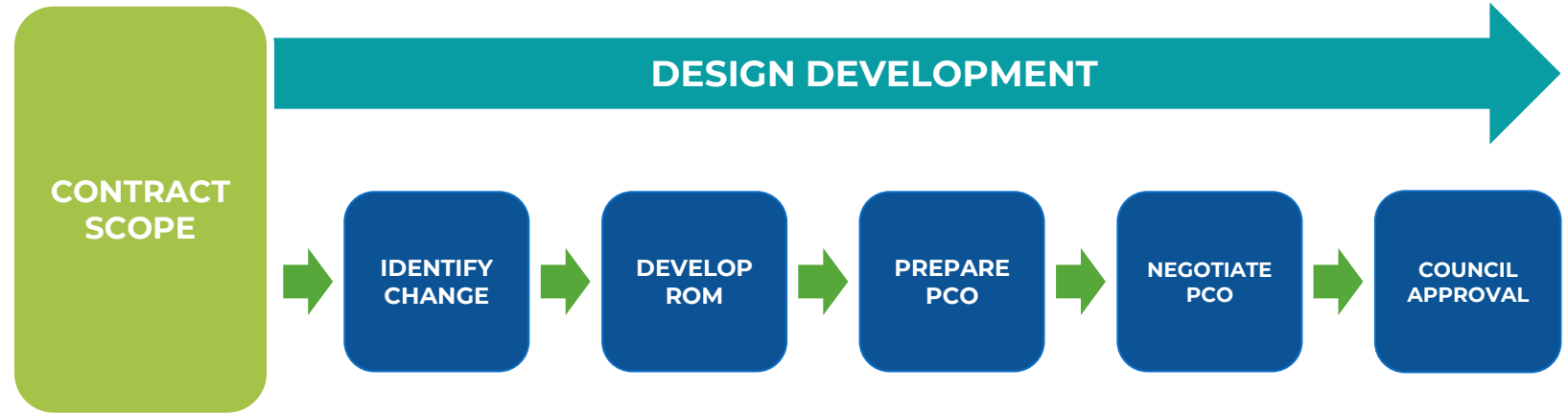
City of Morro Bay

- Executed as a hybrid of FPDB and PDB
- Intensive Owner engagement and collaboration
- Many owner-directed changes
- Decisions tracked and cost impacts addressed via contract amendments



Case Study:

City of Morro Bay



- Established baseline scope by merging RFP and proposal
- Contract amendments justified to Council
- 46 Owner-directed changes in Phase 1
 - 35 additions / 11 reductions
 - Examples:
 - Centralized chemical feed (\$219K)
 - Increase size of maintenance building (\$517K)
 - Revise conduit design (-\$268K)

Case Study:

City of Escondido

Escondido MFRO Facility for Agriculture

- Progressive DB, \$65M
- Filanc / Brown and Caldwell JV
- Construction ~80% Complete
- 2 mgd MF/RO plant



Case Study:

City of Escondido

- Project began as DBB
- Site location changed pre-procurement
- RFP requested an indicative price
- Owner-customized contract



Case Study:

City of Escondido



- Site moved again before selection of DB entity
- PDB ultimately proved to be the best choice
 - Major scope changes due to new site
 - Supply chain/inflation issues
- Rigorous estimating process to control cost for GMP