TOP 6 THINGS TO KNOW

5 SINGLE SOURCING

is **PROVEN** to raise **PROJECT COSTS**

6



DESIGN BUILD

can save you money, but your Municipality needs a

PROJECT MANAGER



RFP -
stands for Request for Proposal, which is a procurement document created to solicit bids for professional services in a construction project.

RFQ -
stands for Request for Qualification, which can be a part of a pre-qualification process for a Design Build project where you invite interested Contractors to indicate their ability to complete your project. Typically you can use a RFQ process to identify a few Contractors to invite to fully bid the project.

RFI -
stands for Request for Information, which is generated by a Contractor during the construction phase of a project where they formally request clarification on an issue which requires the attention of your Designer and Town Stakeholders. RFIs have a set timeframe where they have to be dealt with or you may be held responsible for the costs associated with delaying the project.

Tender -
the set of documents which Contractors bid to win the work on a project. Typically these contain a set of project drawings and a specification document. Tenders are created by your Design Firm and Project Management Firm.

Bid Build -
the traditional approach to construction whereby a Municipality secures the services of a Project Manager to define the scope of a project. They then procure a Design Firm to develop the technical design of the project. Then a Contractor is secured via a Public Tendering process where the lowest bidder typically wins the project.

Design Build -
a newer approach to construction where a Municipality hires a Project Manager to define the scope of a design build project, resulting in a RFP for Design Build Contractor. An advantage of this approach is that the Contractors will have to demonstrate their understanding of the project and their ability to complete the work in addition to pricing the project. The lowest bidder does not have to win the project if they fail to demonstrate their understanding or capacity.

OPM -
stands for Owner's Project Manager which is the first entity a Municipality should engage for a construction project. They work solely for the Municipality and engage with your Designer and Contractor on your behalf. They are responsible for managing the cost and schedule of your project.

Internal vs. External OPM's -
Larger Municipalities may have sufficient technical staff to act as the OPM for a project. It is vital to ensure that your staff are trained and experienced in project management for the type of project you are executing. Most importantly, your staff must have the time necessary to commit to managing the project. Municipalities that do not have staff with the skill or time to act as an OPM should look to an External OPM to manage their project.

Design Firm -
refers to the consulting firm you engage to complete the technical design of your project. This can be an Architect or Engineering firm who will organize the various technical disciplines necessary to design your project.

Prime Consultant -
refers to the Design Firm who is primarily responsible for the Design of your project. This is typically the 'lead' Designer who takes on responsibility for the technical design. They may engage other disciplines but your Prime Consultant is responsible to deliver the design of your project.

Prinicipal Contractor -
is the Contractor who is awarded your project. They are responsible to deliver your project per the terms of your Tender or RFP for Design Build.

Change Orders -
occur when an extra cost has been identified on a project. These can be caused by the Municipality adding scope to the project, an omission in the project documents, or the Contractor experiencing challenges during construction. Whatever the reason, your Project Manager is there to anticipate and prevent Change Orders whenever it is possible.

Delay Claims -
are the precursor to a legal action taken against the Municipality by a Contractor for costs associated with the time required to finish a project due to the Municipality or Designer not providing the information necessary to complete a project on time. Delay Claims are based on the cost of a contractor staying mobilized on the job with personnel and equipment. Your single best defense against Delay Claims is the proper Project Management of your project. Documenting meetings, action items, issue logs, and schedule impacts will insulate your Municipality from being held responsible for delays.

Municipalities
Newfoundland and Labrador

MUNICIPAL CONSTRUCTION PROCUREMENT Tool-Kit





1 Your PROJECT MANAGER will work for YOU!

Your first call should be to a Project Manager! They will work **ONLY** for you and are responsible for your success!

2 COMPETITION IS GOOD!



Competitive bidding will:
- ▶ SAVE YOU MONEY
- ▶ PREVENT DELAYS
- ▶ AVOID LITIGATION

3



Sick of CHANGE ORDERS?

Your Project Manager and Designer must be separate entities.

4 RIGHT PEOPLE RIGHT ROLES



Set yourself up for success by procuring the right people for the right roles.

MUNCIPAL CONSTRUCTION PROCUREMENT

BID BUILD

PLANNING

OPM

An OPM is an Owner's Project Manager. They should be your first hire for any Municipal Construction Project.

Internal

External

Competitive RFP

Using a RFP process is vital to the success of your project. You are more likely to get the best service for the best price if you use a competitive process. MNL will assist you with this by providing a template for a RFP for Project Management. Your first hire for both Bid Build and Design Build should be a Project Manager.

Evaluate

Evaluating the RFP is a key part of the competitive process. Using consistent criteria and scoring will help you be fair to the firms who bid your work and allow you to identify the best fit for your project. MNL will provide guidance on how to evaluate your RFP responses.

PM Selected

Develop Project Requirements

The first major step on any project is the detailed planning of the project. The requirements you develop with your Project Manager will form the basis of the next step of your project. A lack of planning is the single biggest cause of failure in most municipal projects! These requirements will become a part of your RFP for a Design consultant which your project manager will construct on your behalf.

DESIGN

Design Firm RFP

Evaluate

Evaluating your Design firm requires having the ability to understand whether the bidding firms have demonstrated their ability to execute the design for the requirements you identified earlier with your Project Manager. Your municipality can expect your Project Manager to assist you in identifying which Design firm is best suited to complete this work based on the scoring of the RFP bids.

Award

Detailed Design

Review Design

Prepare Tender

Your Design Firm and Project Manager will take care of this procurement piece on behalf of your municipality. This process is governed by the Public Tendering Act and your consultants will ensure that all standards are adhered to in executing your tender. Your Design Firm will produce the project documents and specification and your Project Manager should perform a tender document review to ensure the project document package is as robust as possible before issuing the tender. With the fixed price model of most construction tenders it is vital to ensure that the tender your municipality creates is as close to perfect as possible.

CONSTRUCTION

Issue Tender

Evaluate Bids

Tender Awarded

Construction

Closeout

RESPONSIBILITIES DURING CONSTRUCTION

OPM:	Designer:	Contractor:
- Contract administration - Managing cost/schedule - Managing RFI's - Change management - Payment certification	- Detailed Design - Technical Inspections - Respond to technical RFI's - Review shopdrawings	- All traditional aspects of construction

DESIGN BUILD

PLANNING

OPM

External

Competitive RFP

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PM Selected

Develop Project Requirements

Planning of a Design Build project requires significant expertise in this model of project delivery. Your Project Manager will lead you through this process. Getting input from all stakeholders and ensuring that they have signed off on your requirements is vital to your success. Your Project Manager should identify and work with all of these stakeholders on your behalf. One important thing to note is that as of October 2016 your municipality will have to get approval from Municipal Affairs to execute a Design Build project. Your Project Manager will assist with this.

DESIGN BUILD

Design Build RFP

Developing this procurement document will likely involve engaging an Architect and/or Engineers to assist in constructing your RFP for a Design Build Contractor. Don't worry, your Project Manager will engage these firms on your behalf and lead you through the process.

Evaluate

Evaluating Design Build RFPs is a highly complex, time consuming process that requires expertise in modern methods of construction. Your Project Manager will lead you through this process to identify which Design Build Contractor best suits the needs of your municipality. Unlike a Tender, your bidders here are not solely evaluated on cost, which can help you avoid many problems as you can feel more confident that the winning Contractor is fully capable of completing the project.

Award

Commence Design & Construction

Closeout

RESPONSIBILITIES DURING CONSTRUCTION

Design Build Contractor:
- All traditional aspects of construction
- Technical Inspections
- Shopdrawing review
- Detailed Design

OPM:
- Contract administration
- Managing cost/schedule
- Managing RFI's
- Change management
- Payment certification
- Shopdrawing acceptance

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