Take My Money!

Municipal Capital Delivery Methods

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NCTCOG Public Works Roundup 2020
# Definitions

<table>
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<th>Statutory Procurement Methods</th>
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<td>$50k trigger, City may have lower limit</td>
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<th>Conventional Delivery</th>
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<td>Construction Management Agent</td>
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<td>Construction Management at Risk (CMAR or CM@R)</td>
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<td>Job Order Contracting</td>
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| Other Purchasing Cooperatives (such as NCTCOG SHARE) |
Legal Authority

- LGC Chapter 252
  - Low-bid
  - CSP

- LGC Chapter 2269
  - Alternative methods

- GC Chapter 791
  - ILAs / purchasing cooperatives

- TML Procurement Made Easy
Conventional vs. Alternative Delivery

Degree of Private Sector Risk

Degree of Private Sector Involvement

- Design Bid Build
- Competitive Sealed Proposals
- CM Agent
- CMAR/CMGC
- Design Build
- Progressive Design Build
- Design Build Operate
- Design Build Finance
- Private Public Partnership
- Concession
- Privatization
Conventional vs. Alternative Delivery

- Same amount of work
- Decision making shifts
- Front end loaded

### Early Decision Making

![Graph showing cost-conscious changes over project progress with two delivery methods: Traditional Delivery and Design-Build Delivery. Key points include completion of drawings and bid documents.](image-url)
Low-bid

- Engineering projects: Design-bid-build
- Also used for sundries
- One criterion: price
- Simple process, well-known
- Takes 15 days to bid plus design time
A+B Bidding

- Also called Cost Plus Time Bidding
- Contractor bids cost and days to construct
- Days are assigned a cost (TxDOT method)
- Awarded on A+B
  - Contractor is paid A
Best Value

Bids can be evaluated using additional criteria:
- Price
- Experience and reputation
- Quality of goods or services
- HUB
- Safety record (EMR)
- Proposed personnel
- “right-sized”
- Any other relevant factor specifically listed
CSP

- Similar to Best Value Method
- Proposals are evaluated and ranked
  - Weight of factors is important
- Allows for negotiation after ranking and selection
  - Scope, schedule, & price can be modified
Category Weight – Lesson Learned
Category Weight – Lesson Learned

Low bid 50 points?
Average bid?
High bid?

Different Weighting Options
- Price
- Experience
- Safety
- Personnel
- Prior performance
Design-Build

- Compress schedule by overlapping design and construction
- High burden on review staff
- Design-builder assumes responsibility for design and construction
Construction Manager – Agent

- Third-party acting on behalf of the City through Procurement and Construction

- City must also hire design professional
Construction Manager at Risk

• Similar to a General Contractor
  – Provides input to City during and after design

• Shifts some cost risk to CMAR
  – CMAR cannot be Engineer

• Based on qualifications and pricing
• Evaluation and ranking based on published criteria
Job Order Contracting

- Can be used for recurring work of an indefinite quantity
- Can be used for up to 5 years
- Can be awarded to multiple contractors
Interlocal Agreements and Purchasing Cooperatives

- Can be used to leverage other Cities’ contracts
- Can purchase goods or services that have already been through the procurement process
### Relative Comparison

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Schedule</th>
<th>Quality</th>
<th>Logistics</th>
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<tbody>
<tr>
<td>Low Bid</td>
<td>++</td>
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<td>A+B</td>
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<tr>
<td>Job Order</td>
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<td>N/A</td>
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<td>Coop.</td>
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Questions

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