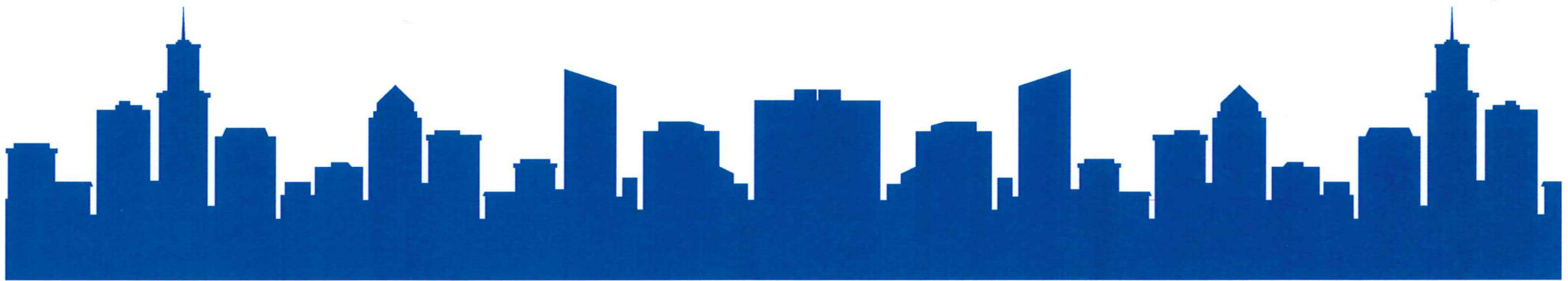




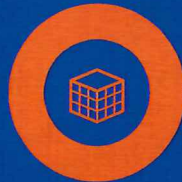
Procurement Method Review

CMa, CMc, BOT



AGENDA

Introductions



What is CMa?

CONSTRUCTION MANAGER AS ADVISOR



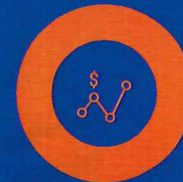
What is CMc?

CONSTRUCTION MANAGER AT RISK/
CONSTRUCTION MANAGER AS
CONSTRUCTOR

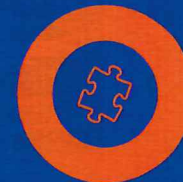


What is BOT?

BUILD OPERATE TRANSFER



Questions?

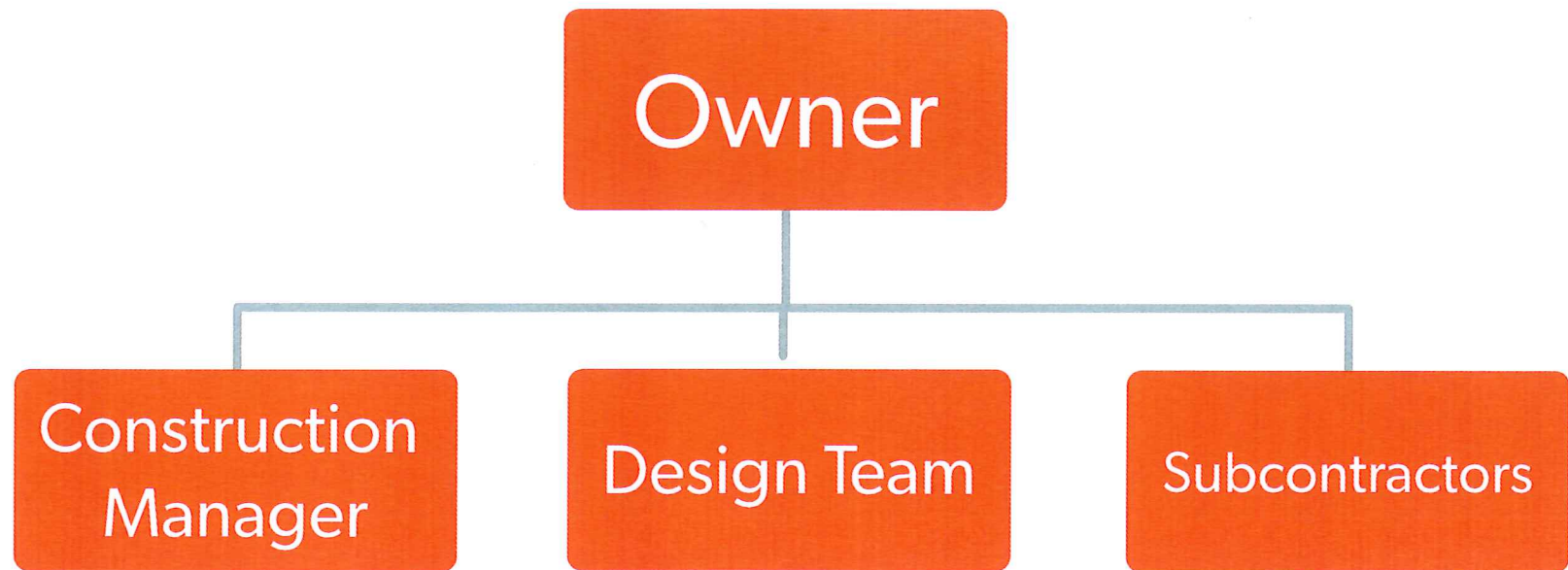


What is CMa?



Construction Manager as Advisor (CMa) is a project delivery method in which the Construction Manager acts as a agent to the owner in the project development and design phases, and construction as a professional service provider. The Construction Manager serves as a fiduciary agent on behalf of the project owner. A standard AIA contract, AIA C132 - 2019, Standard Form of Agreement Between Owner and Construction Manager as Adviser is typically used to contract with a CMa.

Contract Structure



CMa PROS & CONS

on the Construction Manager as Advisor approach



All costs and fees are transparent



Owner holds multiple contracts

Lower costs and fees to the owner



Owner holds contract risks

No conflicts of interest -
fiduciary responsibility to only
the owner



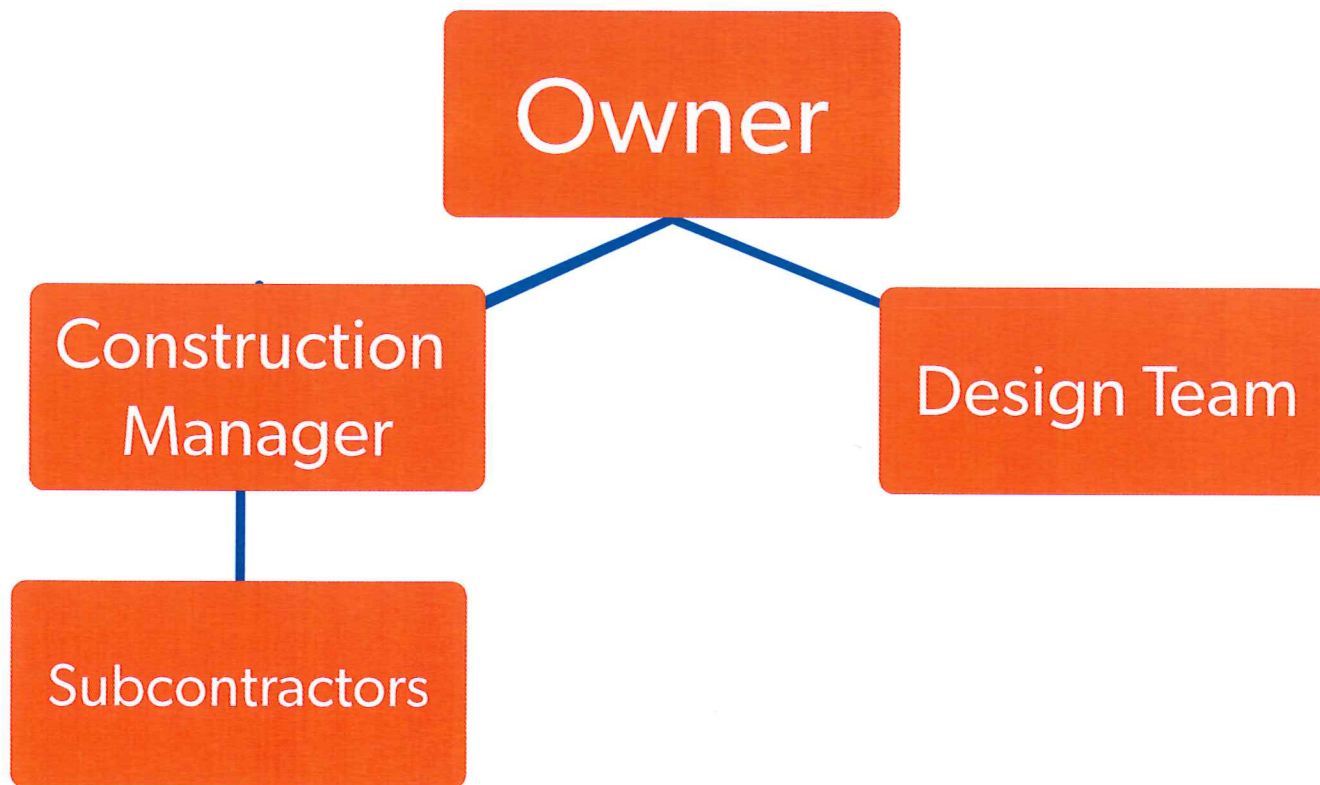
Does not provide guaranteed
maximum price

What is CMc?

Construction Manager as Constructor (CMc) is a project delivery method in which the Construction Manager acts as a consultant to the owner in the project development and design phases, and assumes project performance risk by holding all trade contracts. A standard AIA contract, A133-2019 Standard Form of Agreement Between Owner and Construction Manager as Constructor is used to contract with a CM at Risk. The use of this project delivery method is authorized by I.C. 5-32 and became available in 2017.



Contract Structure

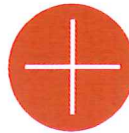


PROS & CONS

on the Construction Manager at Risk approach



Owner does not hold subcontracts



Increased cost due to shifting of contract risk

Guaranteed maximum price (GMP)



Change orders can still occur due to scope gap

CM can prequalify subcontractors



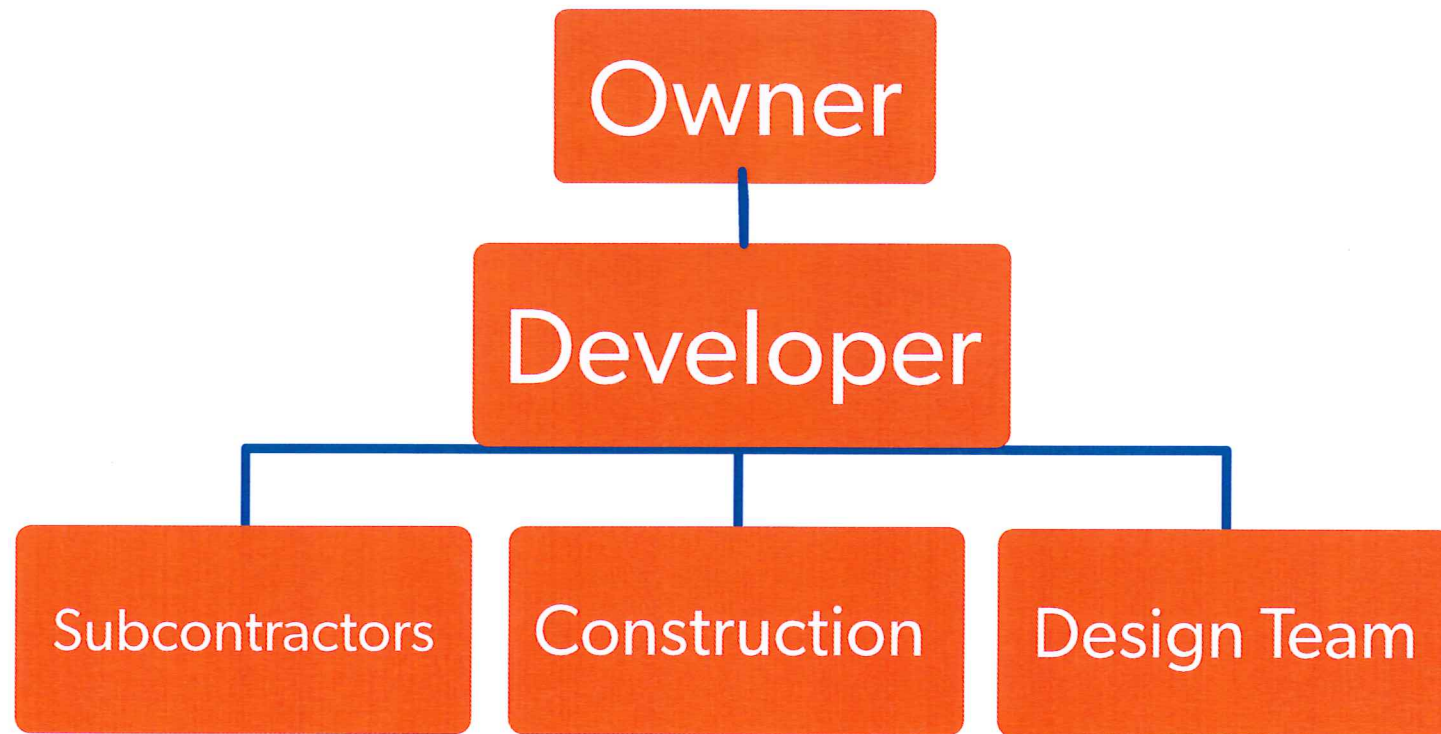
Value engineering can start early as the CM manages risk

What is BOT?

BOT or build operate transfer is a public-private project (P3) delivery method which developer designs, builds, finances, operates or maintains a public project. A public-private agreement (PPA) is used to contract with a developer to design, construct, operate and possibly finance the public project. The developer assumes all risks related to design, development and construction. The use of this project delivery method is authorized by I.C. 5-23.



Contract Structure



PROS & CONS

on the Build Operate Transfer approach



Only one contract with the developer



Without open book, costs are not transparent

Guaranteed maximum price (GMP) with no change orders



Value engineering can be performed by the developer

Privately negotiate with subcontractors



Features and Benefits



- **Risk transfer**
- **Cost reduction**
- **Cost certainty**
- **Flexibility**

RISK TRANSFER

Build Operate Transfer **transfers risk** from the County to the developer

| Risk Type | Build Operate Transfer | Traditional Project |
|-------------------------|------------------------|---------------------|
| Construction Pricing | Developer | Public Unit |
| Construction Bidding | Developer | Public Unit |
| Construction Completion | Shared | Public Unit |
| Construction Quality | Developer | Public Unit |
| Obtain Financing | Developer | Public Unit |
| Interest Rate | Public Unit | Public Unit |
| Long Term Maintenance | Developer | Public Unit |

COST REDUCTION AND CERTAINTY

- The developer will provide the County with a **guaranteed maximum price (GMP)**.
- BOT allows the developer and the design team to design the project to the County's **needs and exact budget**. The County would know the exact costs at the end of the process.
- If the developer holds the design contracts, this **eliminates change orders that are not owner directed**. Changes related to “scope gap” do not create a change order that increases the guaranteed maximum price.
- Developers have a **network of qualified and quality contractors that may not bid public work**. This project delivery method increases the number of trade contractors available to bid each scope of work. Increased competition reduces costs.

FLEXIBILITY

- Developer can select **local contractors** through a custom contractor selection process.
- Developer can **privately negotiate with trade contractors** to meet a defined budget and provide a clearly defined scope of work. **Public bidding of construction trades is not required.**
- Developer **may privately finance** the project which allows the unit of government flexibility on sources of repayment and debt structure. However, **private financing is not required** to realize the full benefits of BOT.
- Developer can **privately acquire real estate and right-of-way.**

PROCESS

- **Pass BOT authorizing resolution** - The Commissioners pass a resolution to adopt the provisions of IC 5-23.
- **Issue a RFPQ** - The Commissioners issue a RFPQ (request for proposals and qualifications) and provide public notice as required under IC 5-3.
- **Hold a public hearing** - The Commissioners will hold a public hearing to award the project to the developer.
- **Begin the scoping process** - County enters into an agreement to proceed with the scoping process (planning, design and preconstruction process).
- **Set the guaranteed maximum price (GMP)** - After commencing with design, the developer would then deliver a guaranteed budget for consideration. The County can choose to reject this budget or move forward with the project.
- **Close on project financing** - A licensed municipal advisor will work with the County and developer to recommend the appropriate project financing.
- **Begin construction** - Construction can begin immediately following the acceptance of the GMP and public hearing.
- **Transfer project improvements to the County and provide a warranty** - After the project is completed to the owner's satisfaction, the developer will transfer the completed improvements to the owner. The "transfer" is only related to the constructed improvements. The County can maintain ownership throughout the project.

BOT Pro Tips



- **Design Intent and Details**
- **Contingencies/Allowances**
- **GMP Savings**

Questions?

Thank you for your time!

