Writing an RFP for Design & Construction

2024 SWTTAP Summit

DISCUSSION OUTLINE

What We Are Going To Cover

How to Determine what is Required

- Where can I find this information?
- What Schedule is Required and When?

Understanding Contract Documents

- RFP/RFQ
- Contract Documents
- Specifications

Developing Your Team

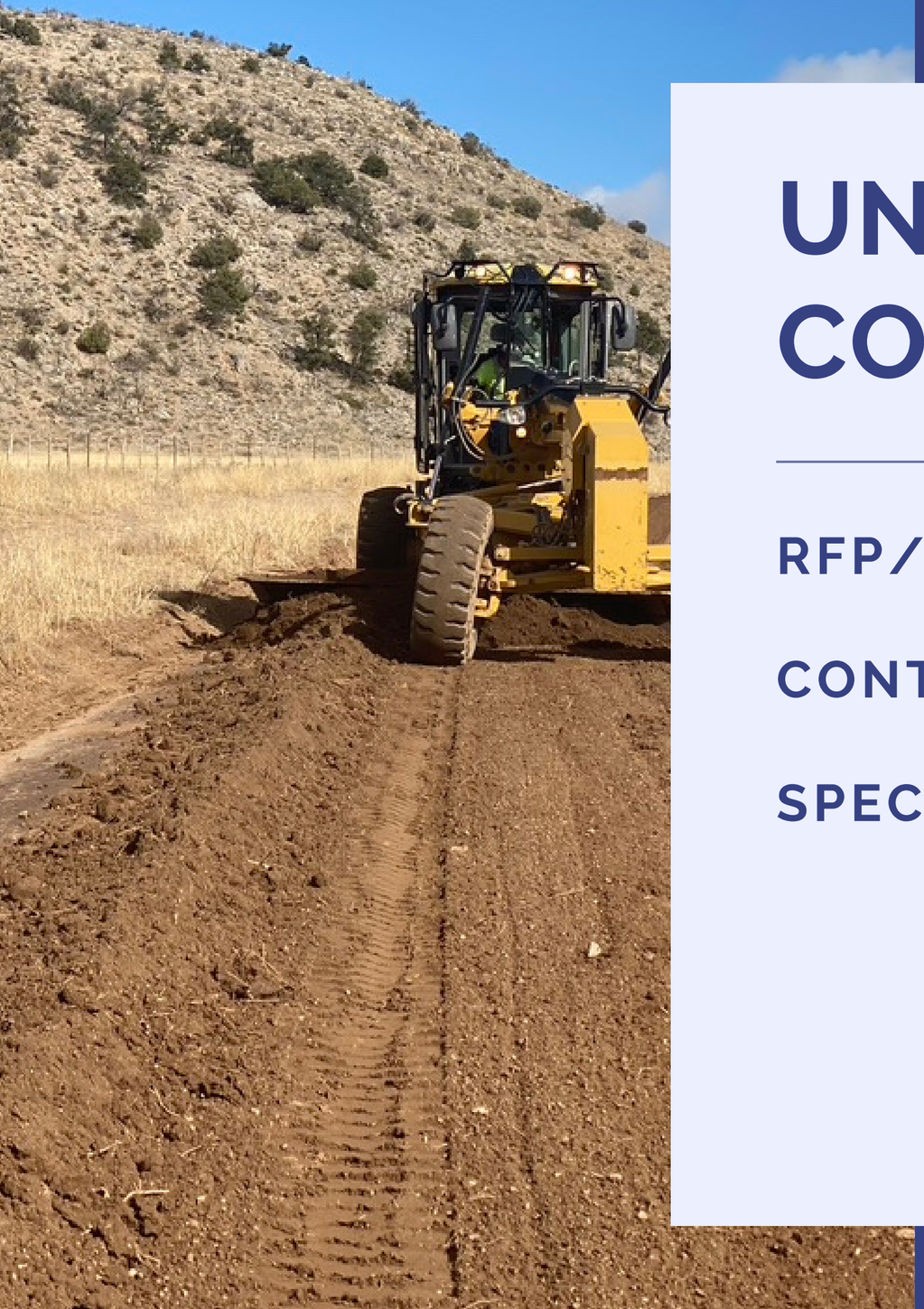
- Interviews

WHERE CAN I FIND IT?

WHAT DO I NEED?

25 CFR 170.

- LRTP
  - 170.411
  - 170.414
  - 170.415
- TTIP
  - 170.421
  - 170.435
- NEPA
  - 170.450
- Preliminary Engineering & ROW
  - 170.460
- Procurement
  - 170.606
- Construction & Construction Engineering
  - 170.460



UNDERSTANDING CONTRACT DOCUMENTS

RFP/RFQ

CONTRACT DOCUMENTS

SPECIFICATIONS

PROJECT DELIVERY METHODS

Which One is Best for My Project?

DESIGN BID BUILD

CONSTRUCTION MANAGMENT MULTI-PRIME

DESIGN BUILD

PUBLIC PRIVATE PARTNERSHIPS

CONSTRUCTION MANAGER AT RISK

INTEGRATED PROJECT DELIVERY

DESIGN BID BUILD (DBB)

Design-bid-build (DBB), also called traditional project delivery, involves a design team and general contractor working directly for the owner under separate contracts.

The design team works with the owner to develop the contract documents: drawings, specifications, and other exhibits. Once the design is finished, it is sent out for general contractors to provide a bid on the project.

Then, the design team and owner evaluate the proposals from the GCs and select one to enter into contract with. Once the contract is signed, materials and equipment are ordered so that construction can begin.

ADVANTAGES

- MAY RESULT IN A LOWER-COST PROJECT DUE TO THE COMPETITIVE NATURE OF THE BIDDING PROCESS
- SEPARATING THE DESIGN TEAM FROM THE CONSTRUCTION TEAM CAN POTENTIALLY REDUCE CONFLICTS OF INTEREST

DISADVANTAGES

- THE DESIGN PHASE CAN REQUIRE THE OWNER TO SPEND A LOT OF CASH BEFORE GETTING A FIRM PRICE ON THE ACTUAL CONSTRUCTION PROJECT.
- DEPENDING ON THE QUALITY OF THE DESIGN, THE OWNER MAY BE VULNERABLE TO CHANGE ORDERS, DELAYS, AND ADDITIONAL COSTS INITIATED BY THE CONTRACTOR, WHO ISN'T ABLE TO PROVIDE FEEDBACK BEFORE CONSTRUCTION BEGINS.

DESIGN-BUILD (DB)

Design-build (DB) involves an owner contracting with a single firm for a project's design and construction.

The entire project is led by either the architect or the contractor depending on who the contract is with — from start to finish, drawing a stark contrast to a design-bid-build project.

In theory, when the design team and build team are rolled into one operation, the project becomes more efficient. DB projects allow contractors and subcontractors to have a say in the design, which can be beneficial when they have extensive experience. The process from start of design to completion of construction is usually shorter too, so it is often used for fast-track projects.

ADVANTAGES

- MAY BE MORE EFFICIENT AND LESS COSTLY DUE TO THE IMPROVED COLLABORATION BETWEEN THE DESIGN AND CONSTRUCTION TEAMS
- OWNERS EXPERIENCE SIMPLIFIED COMMUNICATION AND FINANCIAL COMMITMENTS SINCE THERE'S A SINGLE CONTRACT

DISADVANTAGES

- POTENTIAL CONFLICTS OF INTEREST BETWEEN THE CONTRACTOR, WHO WANTS TO KEEP COSTS LOW, AND OWNERS, WHO WANT A HIGH-QUALITY PRODUCT
- MAY BE ADDED LIABILITY FOR GENERAL CONTRACTORS, WHO COULD REQUIRE ADDITIONAL ERRORS AND OMISSIONS INSURANCE

CONSTRUCTION MANAGER AT RISK (CMAR)

With Construction Manager at Risk (CMAR), a construction manager acts as the owner's representative during both the design and construction phases.

As with traditional project delivery, the CMAR method separates the design and building processes. The construction manager is involved from the beginning with the design process, mainly as a cost controller, and also oversees construction in a similar way to a general contractor.

However, the CMAR accepts the risk for meeting the project deadline and owner's cost requirements, which are usually expressed as a guaranteed maximum price.

If construction costs come in higher than expected, the CMAR is expected to absorb those costs, which reduces their overhead and profit. Of course, on the other hand, if costs are lower than expected, the CMAR will increase their profit, unless the contract calls for sharing the savings. Either way, the CMAR is invested in reducing costs and keeping the project on schedule, which helps the owner meet their project goals.

ADVANTAGES

- POTENTIALLY HELPS KEEP COSTS UNDER CONTROL
- IMPROVES COMMUNICATION BETWEEN THE OWNER AND THE DESIGN TEAM OR GENERAL CONTRACTOR

DISADVANTAGES

- A SINGLE POINT OF FAILURE EXISTS IN THE CMAR, WHO CAN MAKE OR BREAK A PROJECT
- THE CMAR MUST ACTIVELY GUIDE AND CONTROL THE PROJECT OR FACES SERIOUS FINANCIAL BURDENS FROM COST OVERRUNS

CONSTRUCTION MANAGEMENT MULTI-PRIME (CMMP)

In Construction Management Multi-Prime projects — also called multi-prime (MP) — the owner acts as a general contractor and goes to contract with each of the design team members and major trade contractors. This method is best for owners who have a lot of experience managing construction projects and want more control.

ADVANTAGES

- SUBCONTRACTORS HAVE A DIRECT CONTRACTUAL RELATIONSHIP WITH THE OWNER, POTENTIALLY REDUCING PAYMENT PROBLEMS
- OWNERS WITH SIGNIFICANT CONSTRUCTION EXPERIENCE ARE ABLE TO GUIDE THEIR PROJECTS MORE DIRECTLY

DISADVANTAGES

- OWNERS WITHOUT SUFFICIENT EXPERIENCE CAN STRUGGLE TO EFFECTIVELY GUIDE PROJECTS
- THE LACK OF A DEDICATED GENERAL CONTRACTOR MAY LEAD TO DIFFICULTIES IN MANAGING PROBLEMS AS THEY ARISE ON SITE

PUBLIC-PRIVATE PARTNERSHIPS (PPP OR P3) (FEDERAL-TRIBAL)

Public-private projects — get to reap the benefits of both public and private projects. As their name suggests, the project is the result of a partnership between a private and a public entity.

Projects like affordable housing and infrastructure are often the result of these types of agreements. Like private projects, they are built by a private company which helps create efficiency and add expertise. Like public projects, there's a steady project owner, decreased payment risks, and a project that will greatly benefit the general public.

ADVANTAGES

- THE PUBLIC BENEFITS FROM GOVERNMENT FUNDING AS WELL AS PRIVATE-SECTOR EXPERTISE IN CONSTRUCTION

- PROJECTS ARE TYPICALLY PROTECTED BY BONDS, WHICH ENSURE THAT EVERYONE WORKING ON THE PROJECT WILL BE PAID

DISADVANTAGES

- PROJECTS CAN BE DELAYED OR IMPACTED BY CHANGES IN THE PRIORITIES OF THE GOVERNMENTAL AGENCY

- BOND CLAIMS, IF AVAILABLE, CAN BE DIFFICULT TO MANAGE FOR CONTRACTORS WHO AREN'T PAID FOR THEIR WORK

INTEGRATED PROJECT DELIVERY (IPD)

Integrated project delivery (IPD) is a relatively recent addition to the suite of project delivery options. In these projects, all the project team members are contractually connected with only one contract. All team members are selected before design begins, and they each play a role in the whole process, from design to construction.

IPD is gaining popularity because everyone shares the risk on the project equally. Also, this method creates the most innovative and collaborative approaches to projects. When combined with other construction methods, such as lean construction, they can greatly improve the efficiency of construction methods and shorten project timelines significantly.

ADVANTAGES

- RISK IS SHARED EQUALLY AMONG ALL STAKEHOLDERS ON THE PROJECT
- COLLABORATION MAY BE IMPROVED BY GATHERING ALL PARTIES FROM THE PROJECT'S OUTSET

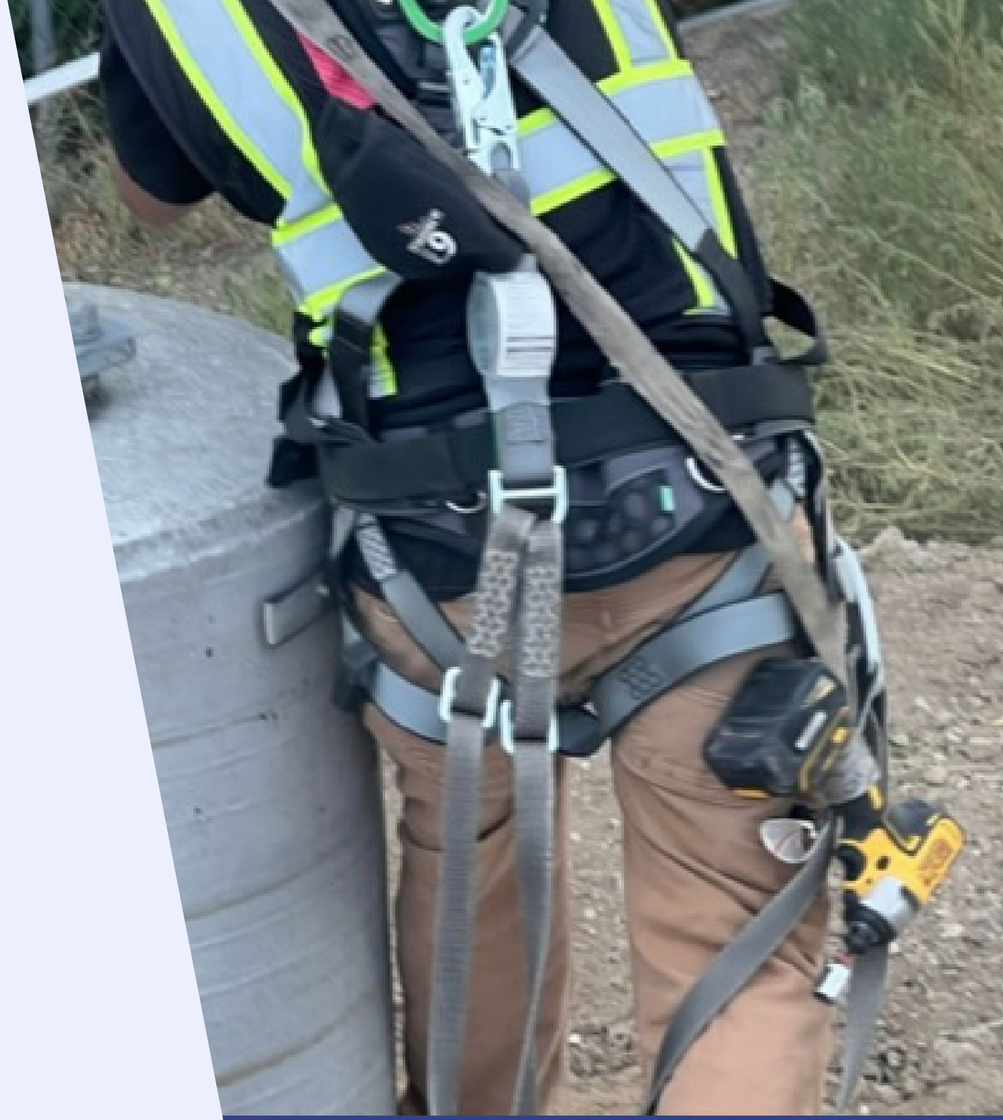
DISADVANTAGES

- CAN BE DIFFICULT TO MAKE ADJUSTMENTS AS THE PROJECT GOES ON
- REQUIRES A HIGH DEGREE OF PLANNING IN THE VERY EARLY STAGES OF A PROJECT

LOW COST vs. BEST VALUE

A LOW-COST BID LOOKS ONLY AT THE COST OF A SERVICE AND NO OTHER FACTORS. WITH A BEST-VALUE RFP, THE GOVERNMENT EMPLOYEE REQUESTS INFORMATION ABOUT IMPORTANT COMPONENTS FOR THAT SERVICE AND THEN SCORES THE RFP BASED ON THEIR VALUE TO SELECT THE WINNING BID.

CREATING A RESULTS DRIVEN RFP/RFQ



DISCUSSION OUTLINE

Planning for Your RFP

Information Gathering to Inform Your RFP

RFP Writing - Problem Statements and Goals

RFP Writing - Scope of Work and Incentives

RFP Writing - Metrics and Contract Management

RFP Writing - Evaluation and Selection Criteria

Finalizing Your RFP

Activities Following RFP Release

PLANNING FOR YOUR RFP

BUILDING A WELL ROUNDED PROJECT TEAM

DEVELOPING A PROJECT PLAN

PLANNING FOR YOUR RFP

WHAT RESPONSIBILITIES DOES YOUR PROCUREMENT/PURCHASING STAFF HOLD FOR A TYPICAL RFP (IN COMPARISON TO PROGRAM/DEPARTMENT STAFF)?

WHOM MIGHT YOU NEED TO CONSULT TO CHECK THAT YOUR TEAM IS FOLLOWING ALL LEGAL AND POLICY REQUIREMENTS AS YOU PLAN AND DRAFT YOUR RFP?

WHO IN YOUR AREA HAS RECENTLY COMPLETED A SIMILAR RFP AND COULD HAVE VALUABLE INPUT FOR YOUR PROJECT TEAM?

LOOKING BACK AT PAST RFPS, WHICH STEPS TOOK THE LONGEST? WHERE WERE DELAYS MOST LIKELY TO OCCUR?

PROJECT TIMELINE		
Activity	**Target date or date range**	**Notes (e.g., who will be responsible, what this activity will include, what could potentially delay this activity)**
Basic project organization completed (budget identified, timeline finished, & project team created)		
Information gathering completed		
RFP draft completed		
RFP review by decision makers		
RFP release date		
Deadline for proposer questions		
RFP responses due	(at least 3 weeks after RFP release)	
Evaluation committee first-round scoring completed		
Interviews/demos held		
Awardee(s) selection date		
Contract negotiations and drafting		
Contract approval process		
Contract executed		

INFORMATION GATHERING TO INFORM YOUR RFP

- UNDERSTANDING YOUR USERS TO BETTER DIRECT AND DELIVER SERVICES
- LOOKING AT PAST PERFORMANCE TO UNDERSTAND PREVIOUS EFFECTIVENESS
- CONDUCTING MARKET RESEARCH TO UNDERSTAND WHAT VENDORS CAN OFFER
- INFORMATION GATHERING IN A SOCIAL SERVICE CONTEXT
- SYNTHESIZING WHAT YOU HAVE LEARNED

RFP WRITING - PROBLEM STATEMENTS & GOALS

PROBLEM STATEMENTS

BEGINNING YOUR RFP WITH A PROBLEM STATEMENT THAT EFFECTIVELY COMMUNICATES THE CHALLENGE YOU ARE FACING IS THE FIRST STEP IN DESIGNING A PROCUREMENT FOCUSED ON RESULTS.

GOALS

WHILE THE PROBLEM STATEMENT GROUNDS THE RFP IN A WELL-DEFINED CHALLENGE, ARTICULATING CLEAR GOALS ALLOWS YOU TO DEFINE FOR VENDORS WHAT SUCCESS LOOKS LIKE – WHAT IT LOOKS LIKE WHEN THE PROBLEMS ARE ADDRESSED.

RFP WRITING - SCOPE OF WORK & INCENTIVES

USING PAYMENTS OR CONTRACT STRUCTURES TO MINIMIZE RISK AND INCENTIVIZE PERFORMANCE

RFP WRITING - METRICS & CONTRACT MANAGEMENT

PERFORMANCE METRICS

PREPARING FOR ACTIVE CONTRACT MANAGEMENT

RFP WRITING - EVALUATION & SELECTION CRITERIA

PROPOSAL SUBMISSION REQUIREMENTS

DEVELOPING EVALUATION CRITERIA

FINALIZING YOUR RFP

Sample RFP Outline:

1. Title page and/or summary page with key project dates, facts and contact information
2. Table of contents
3. The opportunity
    - Project summary and **outcome goals**
    - **Problem statement**
    - Other relevant background information
4. Scope of work
    - **Description of services to be provided**
    - **Performance metrics and active contract management plan**
5. Proposal content and submission process
    - **Submission requirements and checklist**
    - Information about schedule, pre-proposal conference, how to submit questions, deadline, and submittal process
6. How we choose
    - **Evaluation criteria**
    - Selection process, and protest information
7. Terms and conditions
8. Attachments, exhibits and required forms (e.g., template contract, pricing sheet, or

ACTIVITIES FOLLOWING RFP RELEASE

HOSTING A PRE-PROPOSAL CONFERENCE

RECEIVING AND EVALUATING PROPOSALS

HOLDING INTERVIEWS, DEMOS OR SITE VISITS

SELECTING VENDORS FOR AWARD AND NEGOTIATING THE CONTRACT

DEBRIEFING UNSUCCESSFUL PROPOSERS

HOSTING AN AFTER ACTION REVIEW

MANAGING AND MONITORING THE CONTRACT