

## A CONTRACTOR'S PERSPECTIVE: The Good, the Bad and the Ugly





ATIONAL BRIDGE PRESERVATION PARTNERSHIP CONFERENCE 2018

RACTICES WE CAN NOT AFFORD TO DEFER

# THANK YOU!



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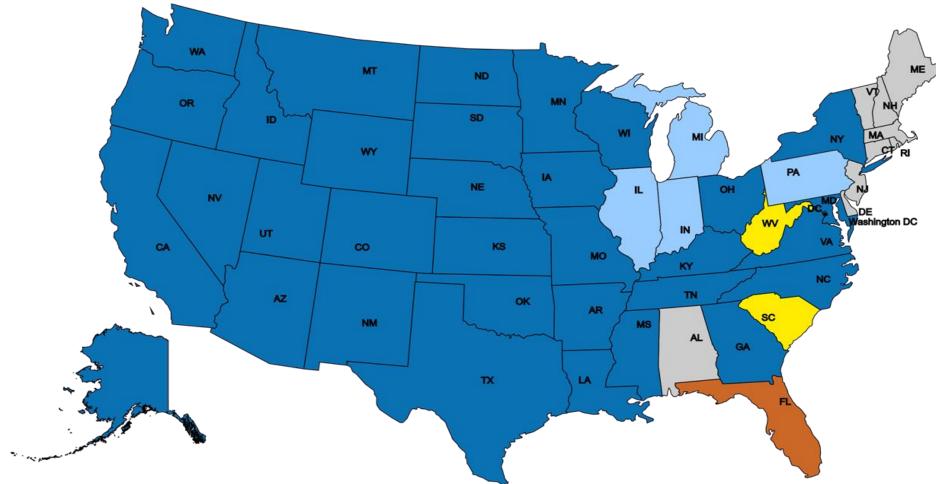
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Kurt Clink President | CEO



I am here to... Honesty in our words Excellence in our craft Leadership from our people Passion for a positive result.







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PRACTICES WE CAN NOT AFFORD TO DEFER

#### **Relevance and Focus**

Repair, Restoration, Strengthening, Protection & Maintenance (of concrete)

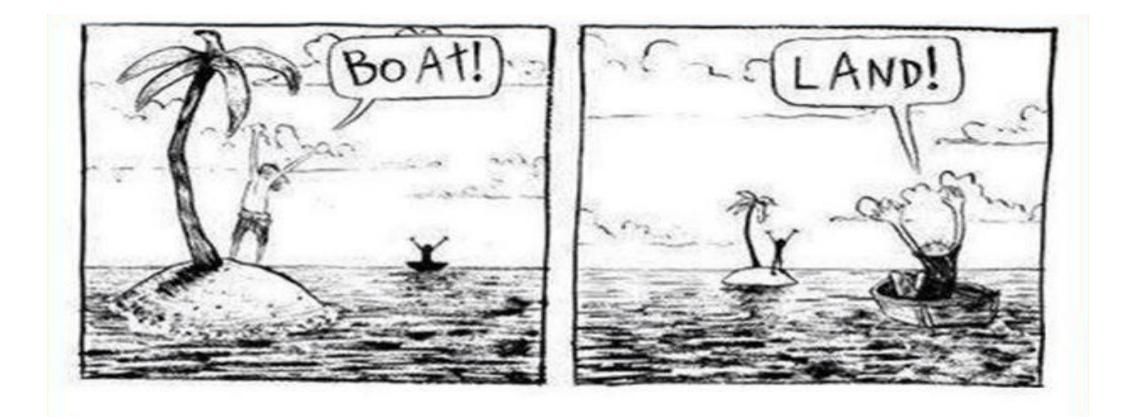
#### Bridge Superstructure (decks, rails, girders, etc.)

- Repair, retrofit, strengthening
- Joints, deck and barrier spalls
  - Bridge Deck Overlays
    - Healer/Sealer (Methacrylate/LV Epoxy)
    - Epoxy/MLO
    - Polyester Concrete Overlays

#### Bridge Substructure (foundations, piers, etc.)

- Repair, retrofit, strengthening
- Bearings

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## Perspective...



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Increase the amount of repairs your DOT can complete without spending another dollar. Owner - Contractor Relationships

- Basis is a Contract (litigious)
- Starts with a Bid
- It is about risk transfer/ownership of risk
- Risk = Cost

How can you design and bid your projects to reduce the cost to the owner?

Key is to remove unnecessary risk to the contractor.

ANY INTELLIGENT FOOL CAN MAKE THINGS BIGGER AND MORE COMPLEX... IT TAKES A TOUCH OF GENIUS AND A LOT OF COURAGE TO MOVE IN THE OPPOSITE DIRECTION

Albert Einstein

celebquote.com



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## Owner - Contractor Relationships Delivery Method

Traditional
 Design - Bid – Build (contractual)

Alternative (2 Examples)
Design/Build (D/B, CMAR,...relational)
Job Order Contracts (JOC....RFQ vs RFP)

Key is to match the delivery method with the job.

### **Owner - Contractor Relationships** Prequalification Practices

**Criteria should yield desired result** 

- By Project (if not at DOT level)
- Financial limits

Ensure formulas make sense Ensure it relates to "Capable" (avoid opposite effect) Bond requirement (diminishes need)

#### Prior Experience

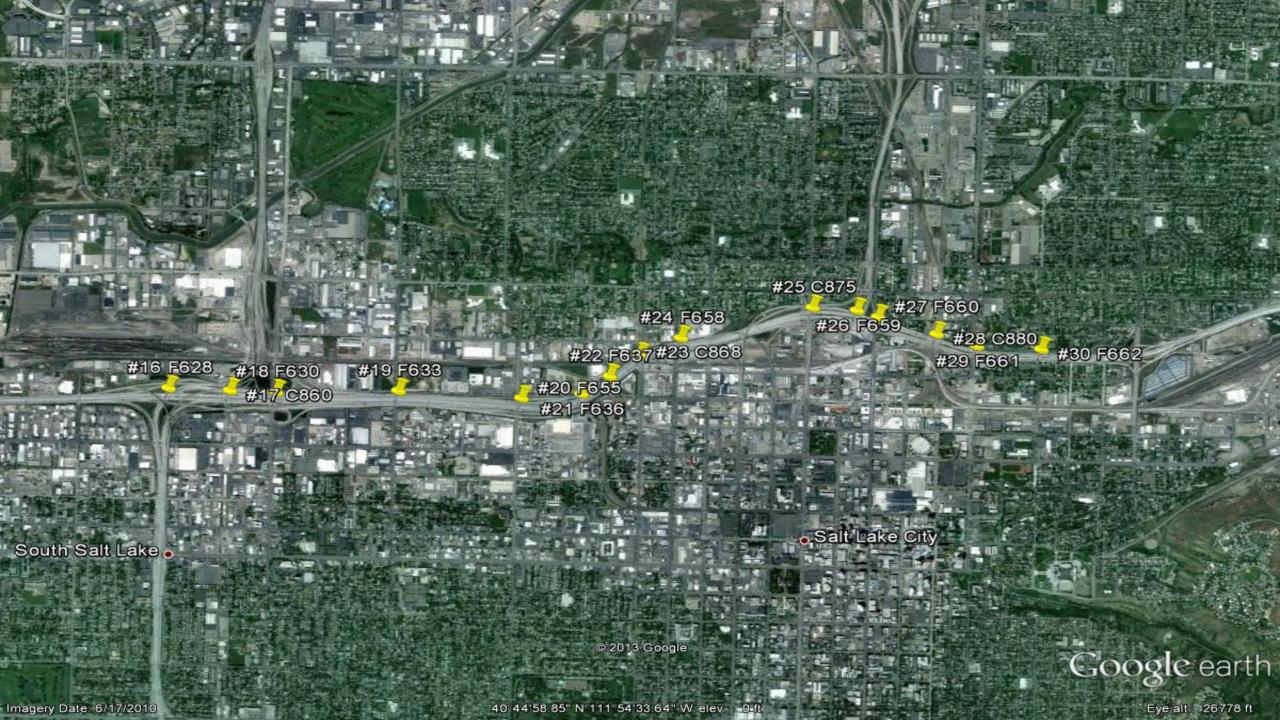
Relevant, but not identical Too many classifications

Key is to achieve the **best value**, which requires an adequate number of capable bidders.

## Owner - Contractor Relationships Packaging / Bundling

- Overall Project Size (financially) Bigger is better
- Geography/footprint of locations
   Smaller is better (clusters)
- Scope(s) of Work
  - Single or few vs many Primary is *primary* (determines Prime)
- Working Hours
  - Days OR nights, (think shifts for a crew)

#### Key is to PLAN the projects intentionally.



**Owner - Contractor Relationships Project Duration (scheduling)** Working Days vs Completion date some flexibility is better float = flexibility = attractiveness Short contract days costs more not due to acceleration due to "fit" (Tetris game) float = flexibility = attractiveness Incentives work A+B not so much (dis-incentive) **Completion date OR work days** 

Owner - Contractor Relationships Closure "work" Schedules
Cost AND Safety factors
TOTAL Costs not always clear some flexibility is better float = flexibility = attractiveness (More bidders and more aggressive bids)

#### Key is to consider ALL costs, over time.

## Closure "work" Schedules EXAMPLE

- Proposed closure is 11pm 5am 6 hours
  - .5 hour traffic setup
  - 1 hour work
  - 4 hour cure (or more...specified!)
  - .5 hour traffic take down

#### Proposed closure is 10pm – 5am

- 7 hours
  - .5 hour traffic setup

#### 2 hours work

- 4 hour cure (or more...specified!)
- .5 hour traffic take down

## Closure "work" Schedules EXAMPLE

6 hours = 1 hour to work

8 hours of pay for union crew & equip 1 traffic closure 5,000 SF "treat/overlay" (5ksf/hr x 1) \$10,000 cost = \$2/SF (labor & equip)

7 hours = 2 hours to work

8 hours of pay for union crew & equip 1 traffic closure 10,000 SF "treat/overlay" (5ksf/hr x 2) \$10,000 cost = \$1/SF (labor & equip)

A small change in closure hours can double the cost of the work!

## Closure "work" Schedules EXAMPLE

6 hours = 1 hour to work

 8 hours of pay for union crew & equip
 1 traffic closure
 5,000 SF "treat/overlay" (5ksf/hr)
 50ksf total = 10 days

7 hours = 2 hours to work

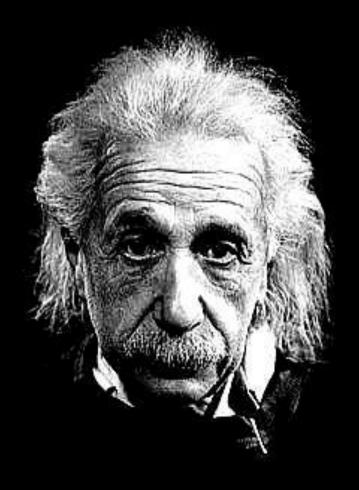
 8 hours of pay for union crew & equip
 1 traffic closure
 10,000 SF "treat/overlay" (5ksf/hr)
 50ksf total = 5 days

A small change in closure hours can double the TIME for the work!

### Owner - Contractor Relationships Closure "work" Schedules

- Cost AND Safety factors
- Costs not always clear
  - some flexibility is better float = flexibility = attractiveness
- Another hour or two can cut costs by 50%
- Another hour or two can cut days by 50%

What is truly safer and more cost effective?



"Make everything as simple as possible, but not simpler." –Albert Einstein



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## **Owner - Contractor Relationships** Bid Schedule (Items)

#### Efficient number

- +/- 20-30 BI's work well for projects \$100k- \$5MM (more for larger)
- too few = "incidental" or weighted avg's
- too many = more cost
  - loss of synergy
  - administrative costs
  - Harder to lower bid on bid day

Key is to match the complexity of the BID with the complexity of the PROJECT.











**Owner - Contractor Relationships** Contingency Bid Items

 Establish a Unit Price (risky) unknown quantity drives prices up unknown location(s) drives prices up

 "Allowance" Items (fair) Force Account Lump sum place holders

Don't let an ancillary item dictate who is awarded.

**Owner - Contractor Relationships Costly Contract/Spec Req'ts Risky Risk = Cost** Unnecessary **Obsolete** Self explanatory **Disguised as regulatory** Inappropriate Unit of measure Order of magnitude

#### Avoid letting the biggest risk taker win the job.





## Costly Contract/Spec Req'ts EXAMPLES of RISKY (think "costly"...to YOU!)

Items with the wrong quantity

- "Estimated" with no verification (or logic)
- Unsound/deck spalls
- Items deemed "incidental" to another
  - Unsound/deck spalls
  - Stripe / stripe removal
  - Milling or grinding
- Lump Sum items with no clear specification
  - Environmental
  - Public notification

## Costly Contract/Spec Req'ts EXAMPLES of UNNECESSARY

- Excessive cores
- Excessive testing
- Plotters on every job (provided "free" to DOT)
- Field Office for 1-2 week job
- Air & noise monitoring at multiple locations every night
- Test slabs (not in work area)
- Primer before the MLO (epoxy)
- Specifying exclusive means and methods (HFST)

#### Don't fall for "We'll make the Contractor pay for it".

## Costly Contract/Spec Req'ts EXAMPLES of INAPPROPRIATE

#### Items with the wrong UOM

 Make UOM appropriate to Bid item (2 dimensional versus 3 dimensional)

#### SF or SY when CF or CY is needed

- Furnish Polyester Concrete
- Unsound concrete
- CF or CY when SF or SY is needed
  - Prep & Place Polyester Concrete
  - SF when GAL is needed
  - Furnish Healer/sealer (methacrylate etc.)
- Per Man-Hour: for labor, equipment, materials, traffic +
- Lump Sum when Unit Price is better
  - Repair, or replace "all damaged bolts"
- Unit Price when Lump Sum is better
  - Traffic Control (most times)

## Costly Contract/Spec Req'ts EXAMPLES of INAPPROPRIATE

- Sole sourced (or stated) material or sub
- Destructive testing AFTER complete
  - Core the new cFRP
- Performance Spec *plus* irrelevant req't
  - 5 ASTM test's plus 2:1 mix ratio
  - 5 ASTM test's plus thickness of cFRP
  - Performance Spec plus APL/QPL (short)
- Tests and/or cores too frequent
- Stated price for materials or subs

## Costly Contract/Spec Req'ts EXAMPLES of INAPPROPRIATE

Specifying means and methods (vs performance)

- Only certain proprietary equipment allowed
- Both coats in same shift (MLO)
- 4 hour cure (i.l.o. rebound [ex: Schmidt] hammer)
- Spray methacrylate
- One hand (or both) tied behind your back

Use performance standards when reliable, add testing and acceptability when worried, add means & methods when there is *only one way to do it*. Add minimum Contractor Qualifications when appropriate.

#### **Administrative Best Practices**

- Plan holders list
  - Posted
  - Bidders & non-bidders
- Q&A (Bidder Inquiry) posted
- Monitor/update MBE program goals
- Be consistent with B.I. names
  - Searchable
- Electronic Bidding (not paper)
  - Certainly not BOTH (WY)
- Be consistent with implementation of rules.
  - Avoid being a moving target

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**THANK YOU!** 

**QUESTIONS?** 

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