Choosing the Right Delivery Model

Strategies for Municipal Project Success

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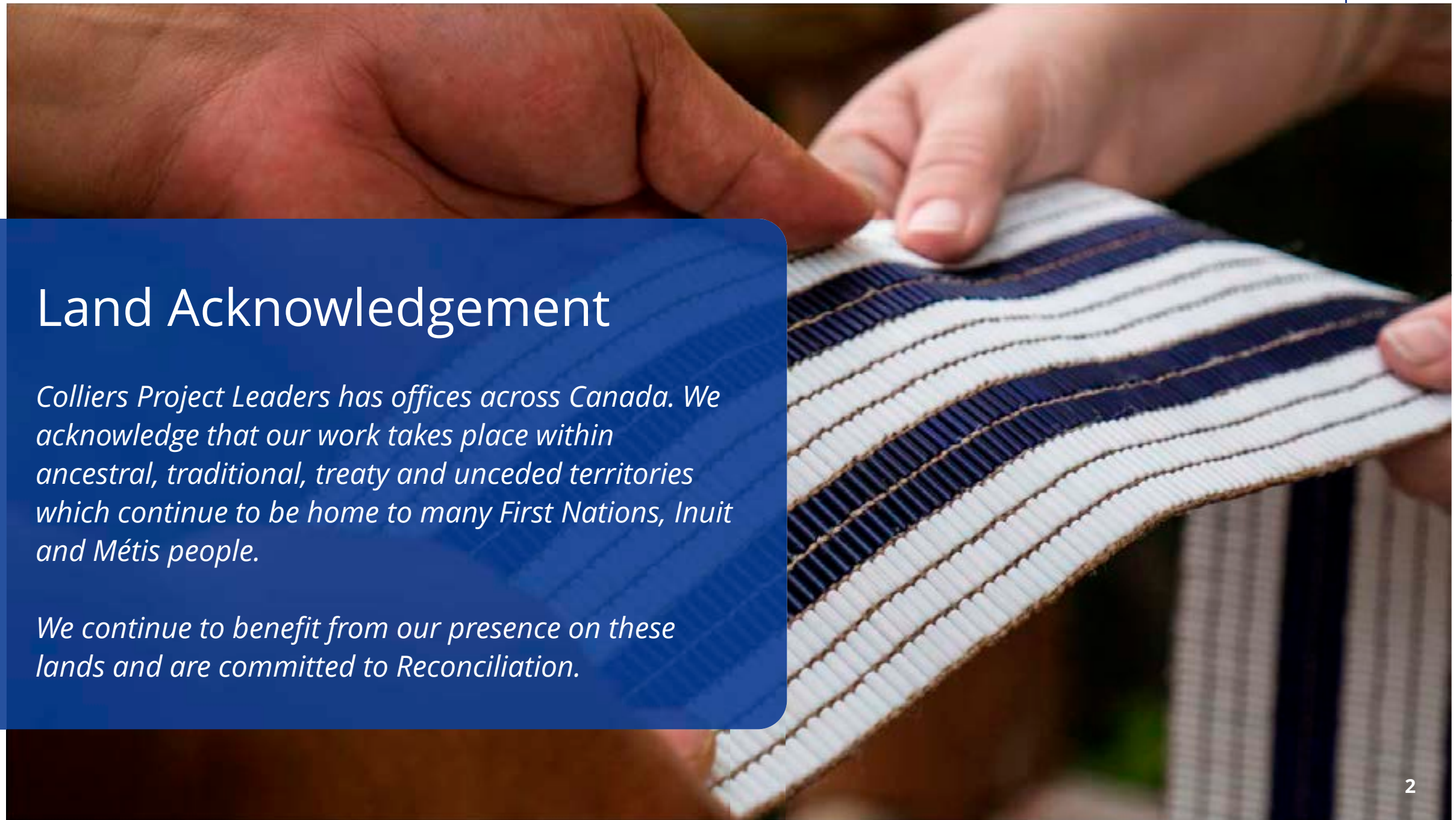

Land Acknowledgement

Colliers Project Leaders has offices across Canada. We acknowledge that our work takes place within ancestral, traditional, treaty and unceded territories which continue to be home to many First Nations, Inuit and Métis people.

We continue to benefit from our presence on these lands and are committed to Reconciliation.

People Profile

Jerome Soumastre

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Agenda

01 Who We Are

02 Project Delivery Model Overview

03 PDB Overview – A Collaboration Tool

04 Choosing the Right Model

05 Discussion

Who we are

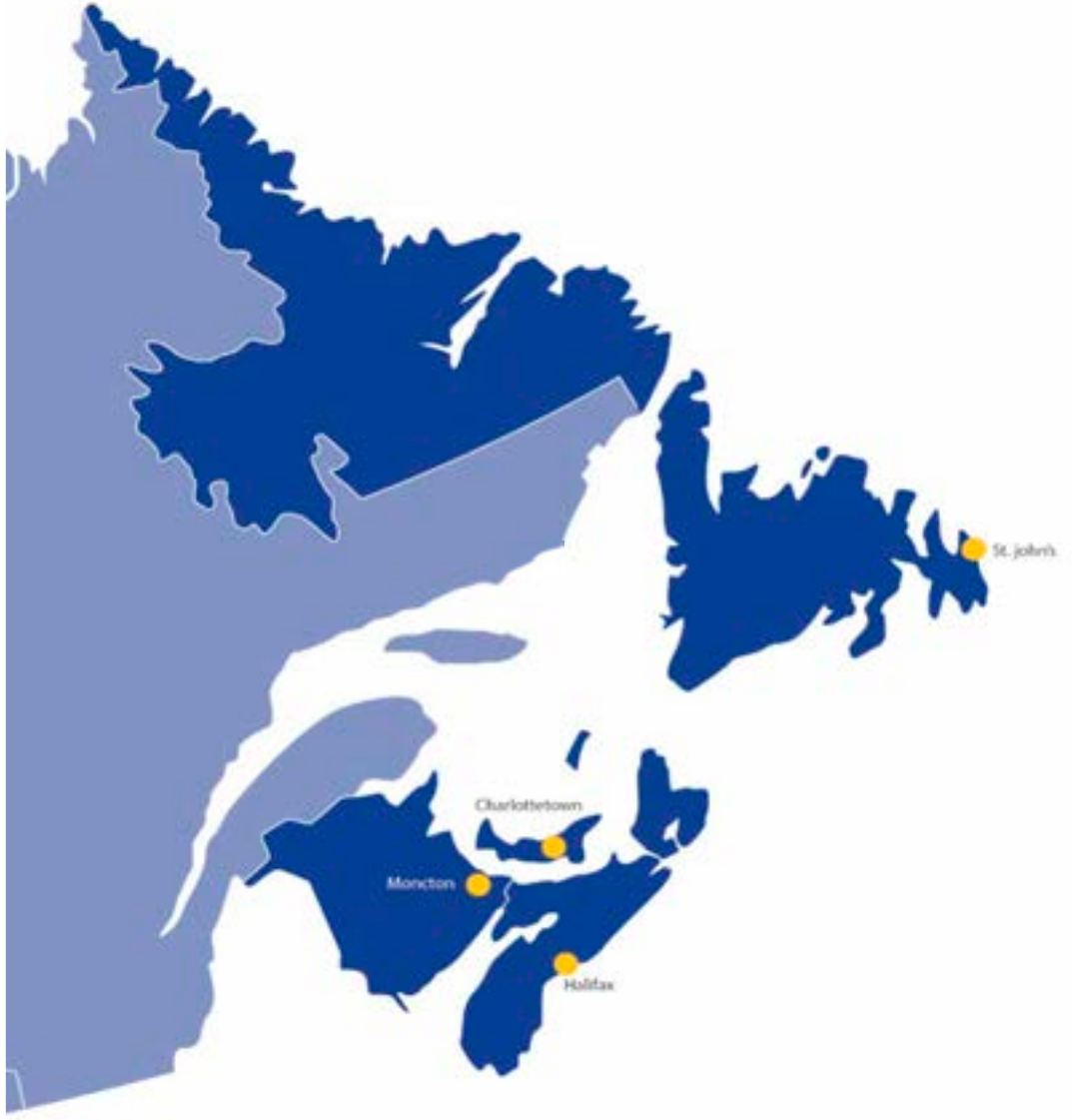
Where you **are**

30 **offices**
across Canada

18,000+
public and private sector projects

35+
years of service

ISO
9001:2015



Our services

Your best interest is the foundation of our work. The right combination of expertise ensures your capital project is successful, and your return on investment is maximized.

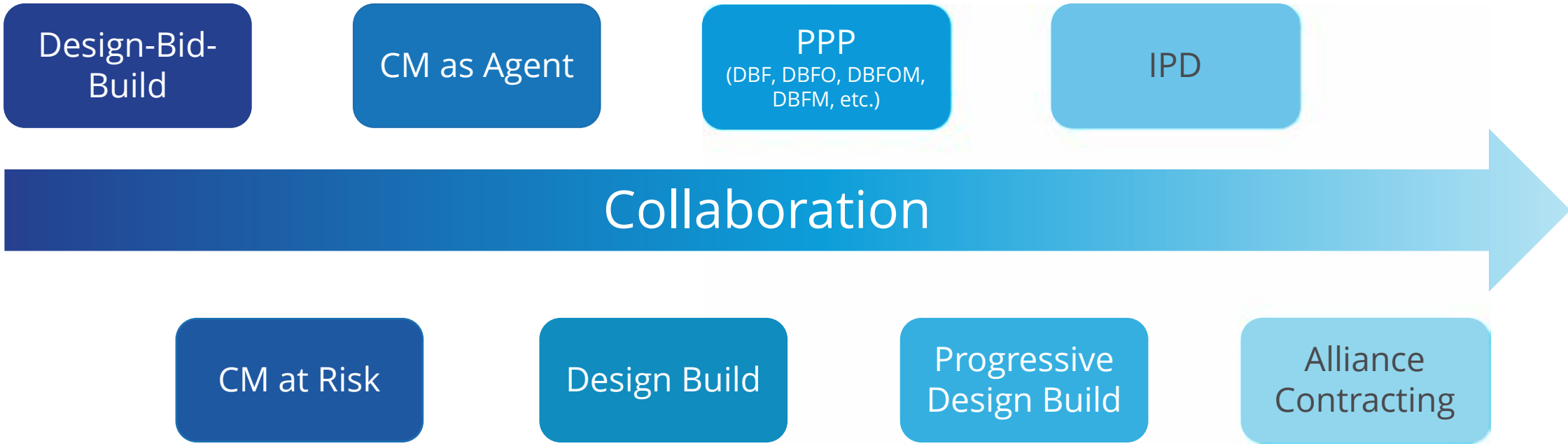
Our services include:

- Project management
- Program management
- Advisory services
- Risk management
- Project controls
- Procurement support
- Construction solutions

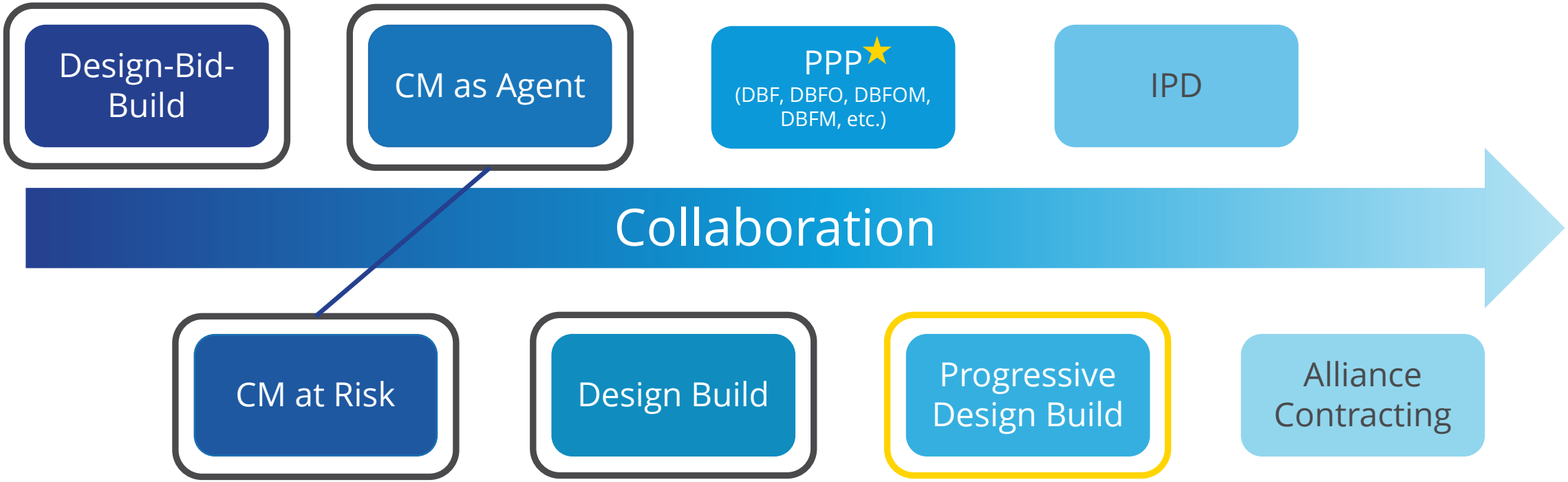
St. John's International Airport – East Expansion (Departures)

Project Delivery Model Overview

Delivery Models



Delivery Models



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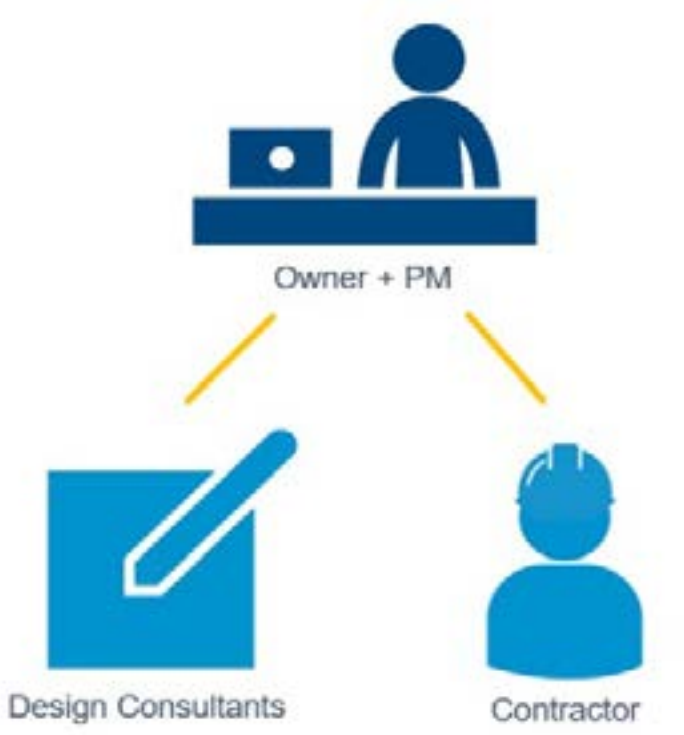
Design-Bid-Build (DBB)

Advantages

- **Simple** relationships
- Owner has significant input and **control** over the design
- Design is complete **prior** to construction award
- **Fixed price contract** through competitive bidding process
- DBB is **well known** and understood across all industries / sectors

Disadvantages

- **No input** from General Contractor during design phase
- Owner at risk to contractor for **design errors**
- General Contractor selection is primarily based on **lowest price**
- Potential for re-design if **bids exceed budget**
- Increased potential for **change orders** and claims



Construction Manager (CM)

Advantages

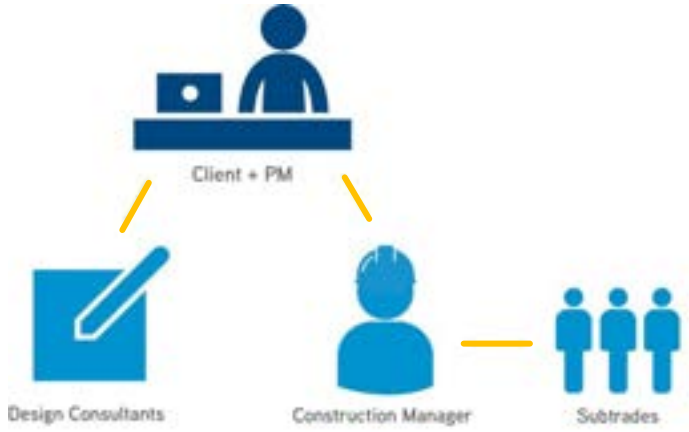
- The Owner gains benefit of incorporating **CM's construction perspective** and advice into design decisions.
- The CM aids the Owner in managing / coordinating the Project.
- Ability to **plan** initial components of construction **before design** phase is completed.
- **Beneficial for large and complex projects** that are difficult to define prior to the construction phase and have a high probability of changing in scope.

Disadvantages

- **Premium** associated with CM's skills and experience.
- Significant internal **procurement management** resources.
- Owner may be **liable** for the **missed details** and inconsistencies in the construction plans and contracts.
- Design and construction firms have no long-term commitment to the Project; **limited focus** on whole-life outcomes of the asset.
- Separate design and construction responsibilities results in **no single point of accountability** for resolving issues during the construction period.

CM as agent

CM at risk



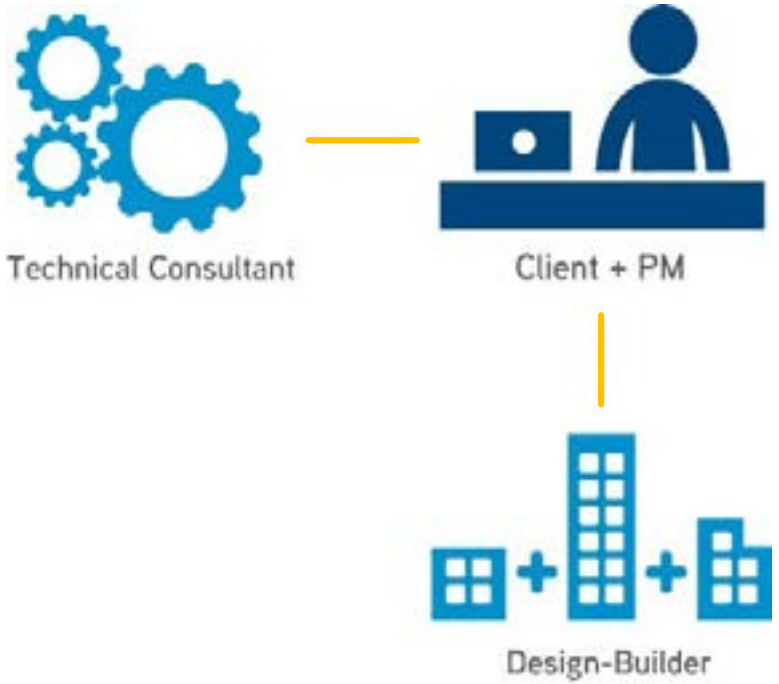
Design-Build (DB)

Advantages

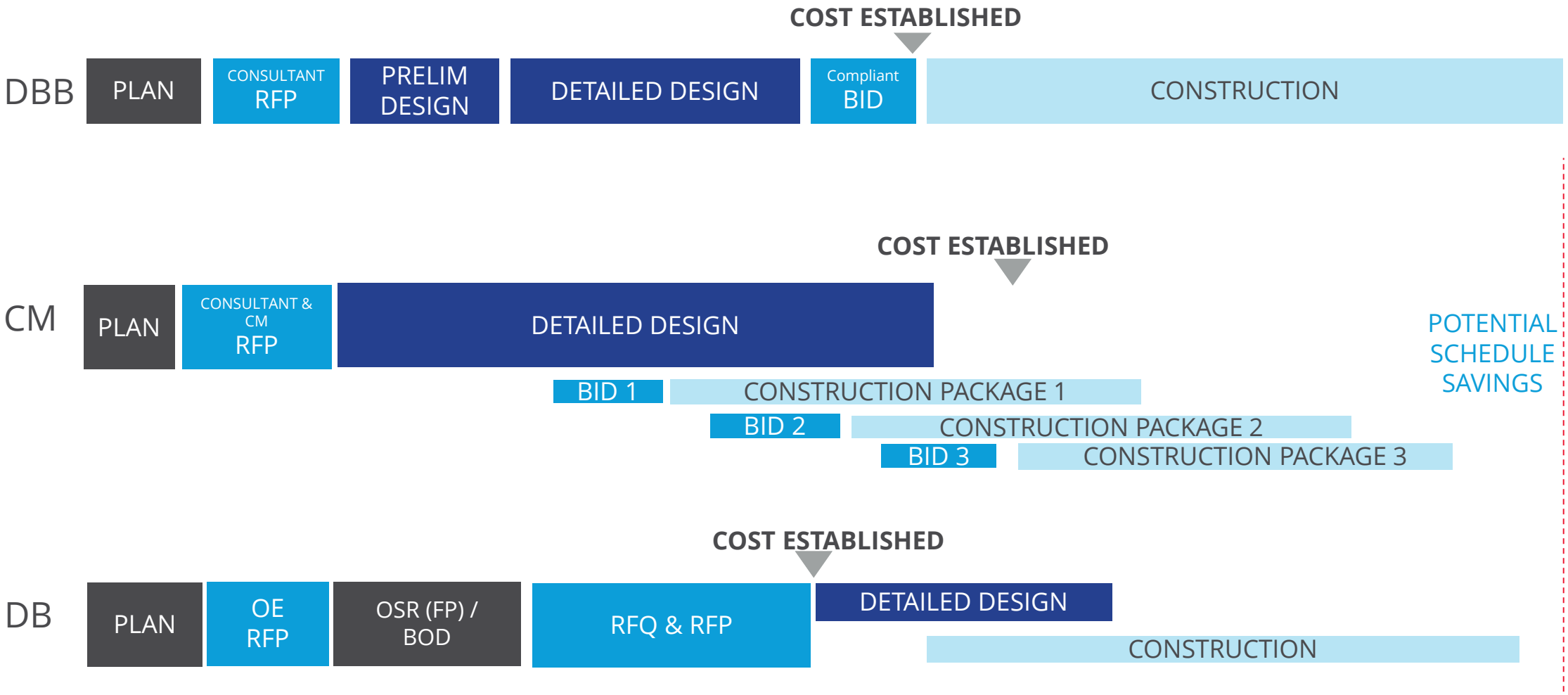
- Owner has a **single source of responsibility** for design and construction
- Potential for **better design and construction** coordination
- **Design-Builder is responsible** for errors or omissions in design documents
- **Accelerated Schedule**
- **Less administrative** burden on Owner
- **Low risk** retained by Owner

Disadvantages

- **Complex early planning** and commitment to develop all project requirements
- **Quality** of construction is a higher risk when accelerating the schedule
- Drastically **less control** over design and design details
- Can be challenging to obtaining **timely permits** (site plan approval as well)
- **Stakeholders struggle** with requirements when there is no design
- **Design changes** after construction begins are costly



Most Common Project Delivery Methods



PDB Overview

A Collaborative Tool

What we're seeing

Industry trends and challenges

Cost Certainty

Project controls

Procurement

Proven process

Risk Management

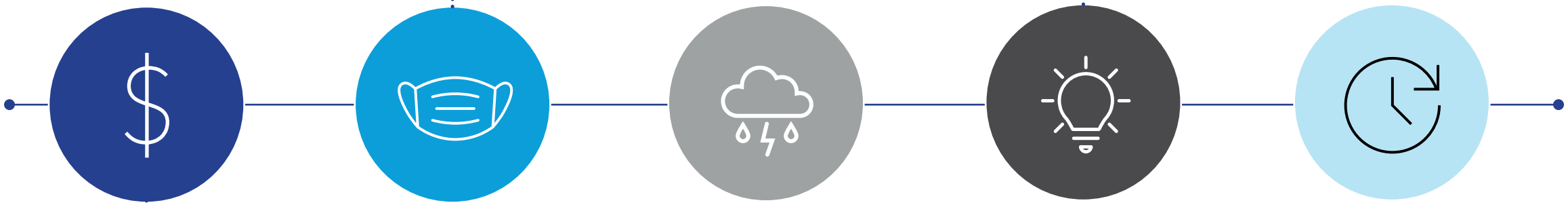
Proactive mitigation

Collaborative Project Delivery

Collaborative approaches

Why Progressive Design Build?

How did we get here?



Pre-Covid (before 2020)

- Construction funding constraints
- Market pressures due to labour shortages and inflation

COVID (2020-2022)

- Halt in construction industry
- Supply chain Issues
- Worldwide uncertainty

Climate Crisis (2022 – Present)

- Projects needing to be done faster
- Critical infrastructure repairs with less conventional scope

Today

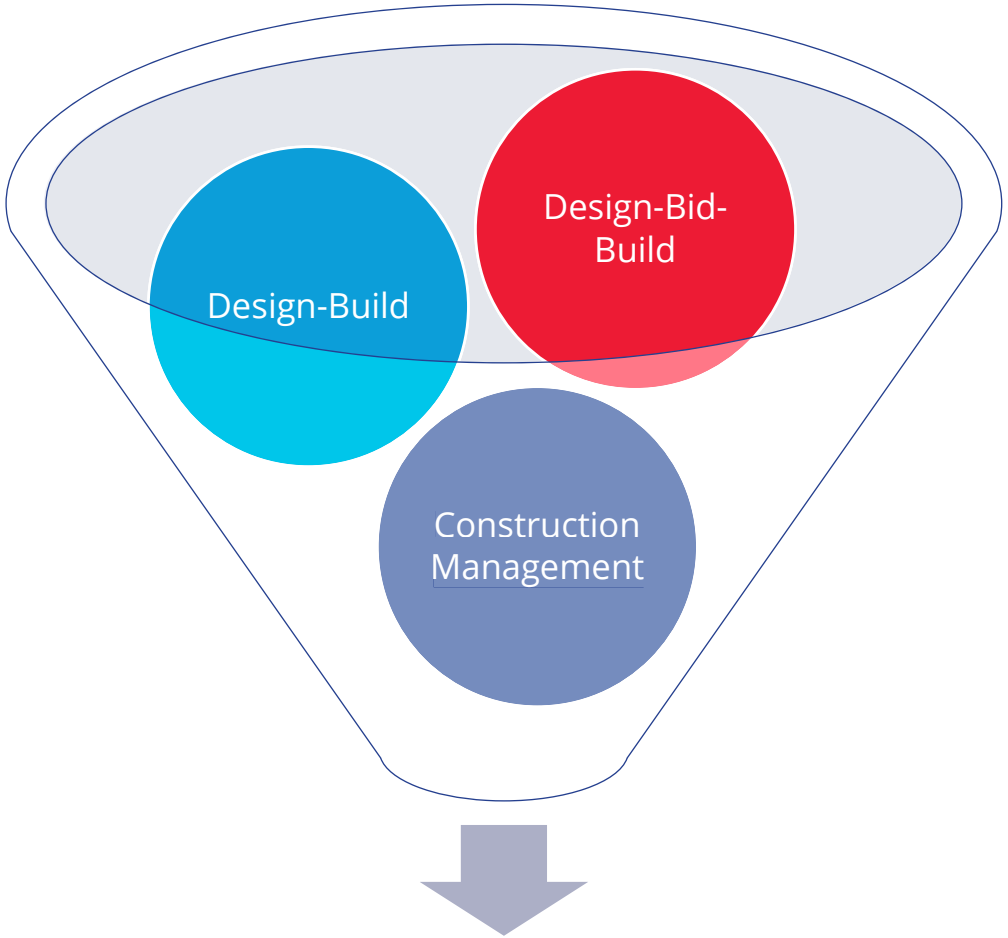
- Innovative delivery models
- Thinking outside the box

Future

- A.I.
- Adaptability

Why Progressive Design Build?

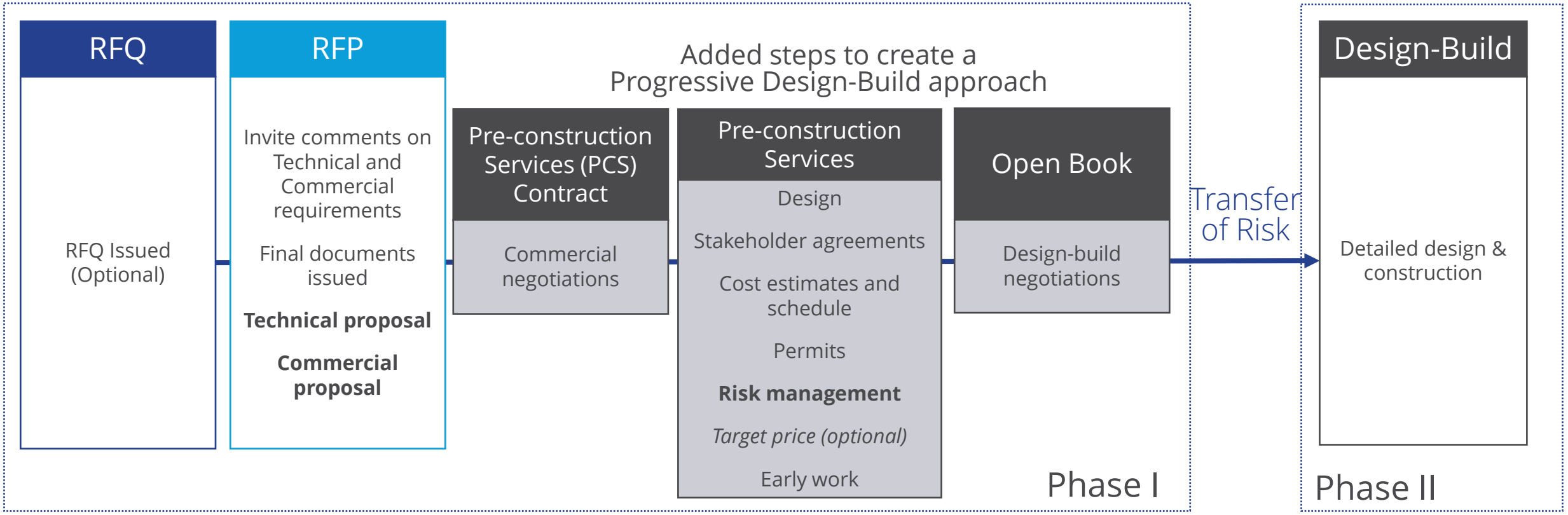
How did we get here?



Progressive-Design-Build

What's the difference?

Progressive Design-Build



Progressive Design-Build

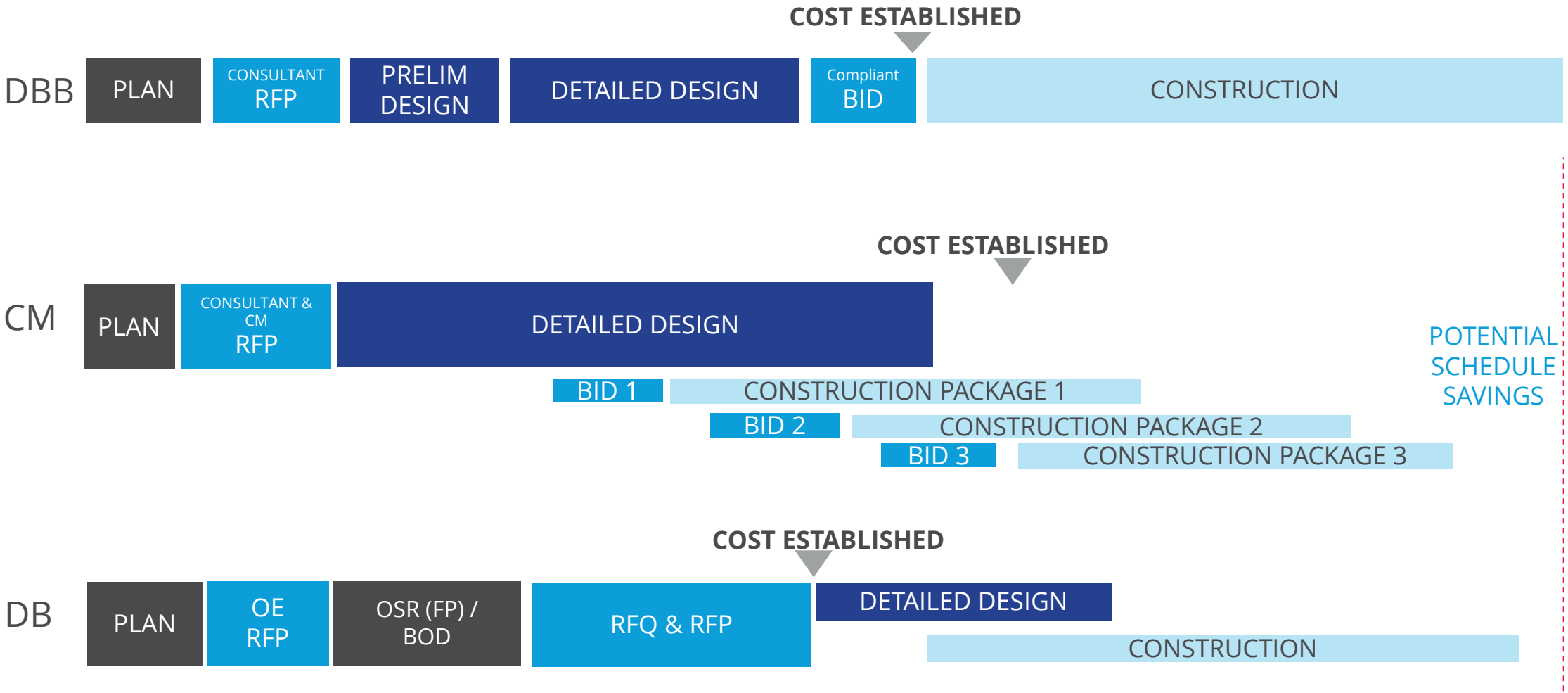
When should you consider Progressive Design-Build

- Market conditions/risk tolerance
- Complex, high-risk projects
- Aggressive delivery schedule
- Rehabilitation or renewal work with existing conditions
- Ongoing operational requirements
- Multiple stakeholders
- Complicated phasing

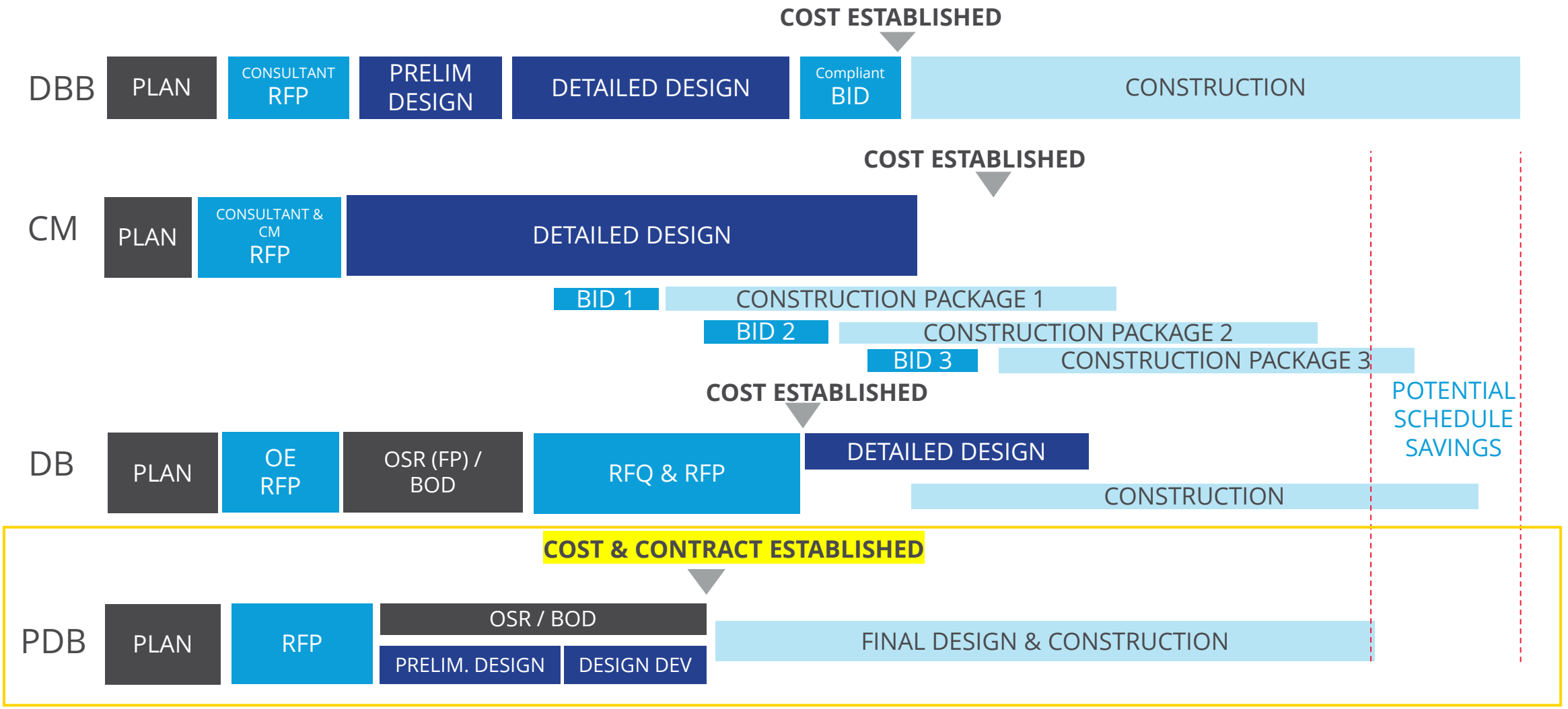
Colliers Project Leaders

When do you reach Cost Certainty?

Most Common Project Delivery Methods



Progressive Design-Build



Progressive Design-Build

Success with this method requires…

1. Collaboration between DB team and Owner
2. Early decision-making by Owner during Phase 1 (Limited changes)
3. Accurate OSR by Owner/DB Team (no Compliance or Bridging Architect needed)
4. Careful articulation of quality expectations
5. Understanding of all conditions on the project

Progressive Design-Build

Benefits

1. Collaboration
2. Owner maintains some control of the design
3. A shorter procurement cycle
4. No honorarium
5. Buy-in from consultants
6. Increased competition

Progressive Design-Build

Risks

1. No industry standard process and agreement
2. Lack of methodology understanding from industry
3. Increased client involvement during Phase I
4. Unsuccessful Phase I outcome
5. Early procurement & construction not possible

Our Clients

NBDTI – Kouchibouguac River Bridge No.1

HRM – Mill Cove Ferry Terminal

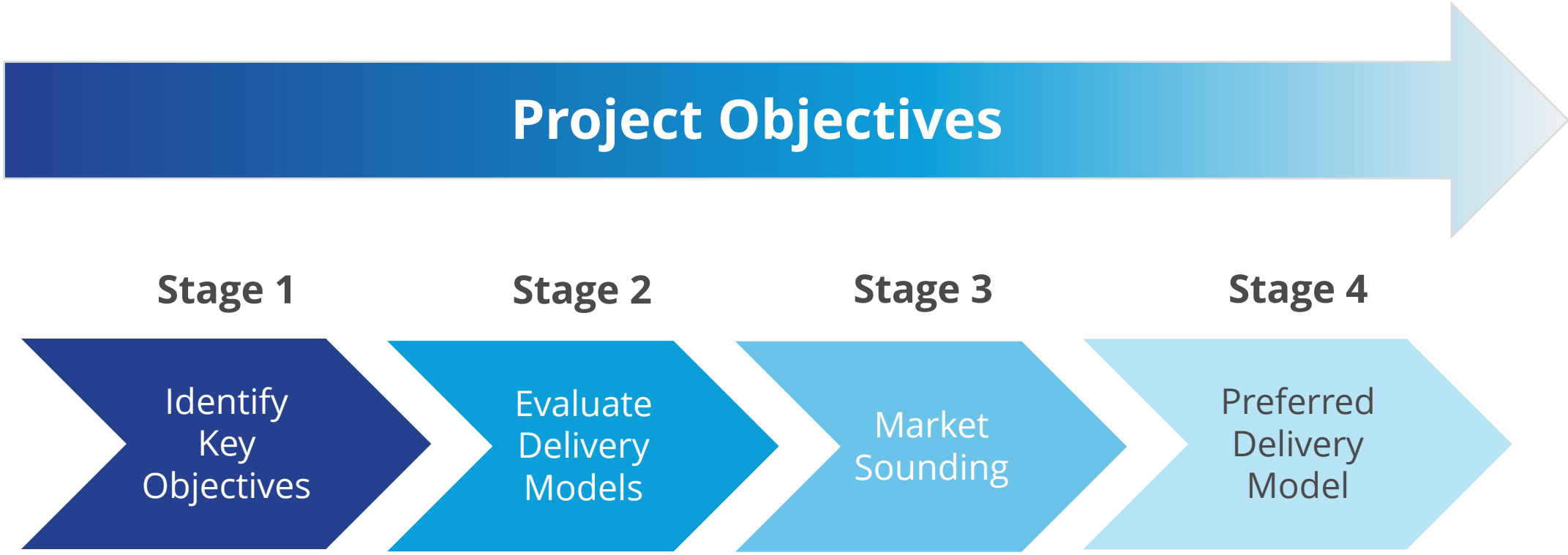
HRM – ZEB Transit Garage

Choosing the Right Model

When in the **project life cycle** should the delivery method be chosen?

- Early, before design consultants are engaged
- Delivery method will impact project schedule
- Delivery method selection will influence budget structure

Procurement Option Analysis



Assessment Criteria

Innovation - Design	Change Orders and Approvals
Innovation - Construction Methods	Risk Management
Innovation - Technology	Flexibility
Cost Certainty	Operational Cost Certainty
Cost Control	Transition to Operations
Schedule Certainty	Whole of Life Outcomes
Procurement Complexity	Asset Quality
Capacity (Owner and Market)	Subject Matter Expertise
Management Preferences	Reliability

Discussion

Thank you & Let's stay in touch!

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