

Alternative Delivery Methods - IDaC Talking Points

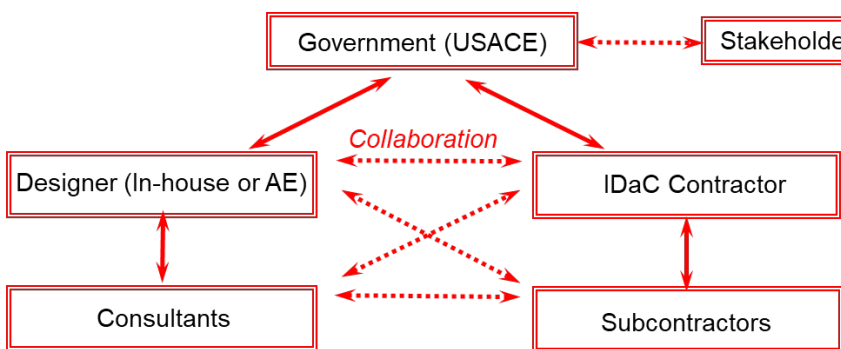
-Alternative Delivery Methods (ADM) must be explored to improve current project delivery with respect to cost, schedule, and quality. Construction projects have grown steadily more complex and costly over the years considering the current market conditions plaguing the construction industry.

-ADMs provide for increased team integration, collaboration, and partnering through early contractor involvement to ensure successful delivery of the program.

-Integrated Design and Construction (IDaC) is a new construction contracting method under development by USACE to maximize integration, collaboration, and partnering between the designer of record and construction contractor during the design phase and subsequently through construction completion.

-IDaC is a simplification of the more complex version of Early Contractor Involvement (ECI) – FAR 52.216-17 (Fixed Price Incentive Successive Targets). The IDaC methodology is tailored for construction. The key difference is that risk to the Government is minimized as the award and execution of the construction option may ONLY occur as a Firm Fixed Price (FFP), similar to traditional construction contracts.

-The Government awards two separate contracts: one to a designer (i.e., architect-engineer contractor) and one to a construction contractor (i.e., IDaC contractor) prior to the completion of the design documents.

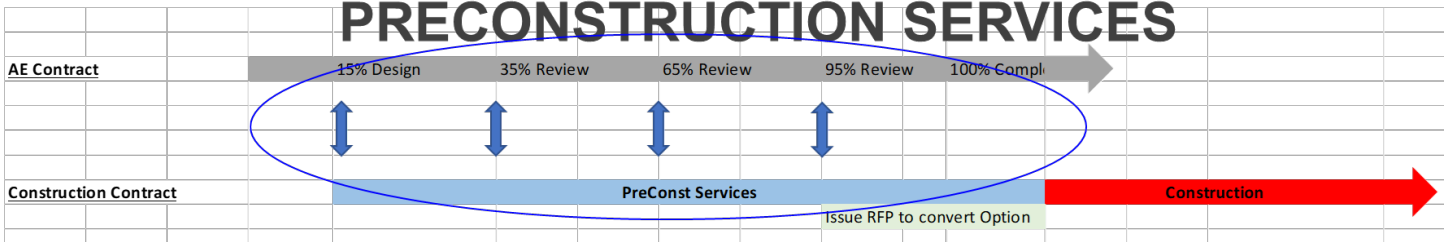


IDaC permits award of the construction contract early in a project's development through a competitive process. The Government retains the IDaC contractor during design to work with the architect-engineer contractor to provide pre-construction phase services such as constructability reviews and cost estimating.



-This early involvement enables the construction contractor (i.e., IDaC contractor) to provide constructability and cost input as the design progresses to the Designer of Record (i.e., architect-engineer contractor, or in-house staff), who is simultaneously performing under a contract separately awarded pursuant to Selection of Architect-Engineers procedures in 40 U.S.C. 1101.

PRECONSTRUCTION SERVICES



-Consultation

in construction methodology, current market conditions and identification of coordination issues;

-Construction cost estimates to validate designer prepared estimates at each review phase, discuss alternative designs and materials, adjust for changed market conditions

-Cost control when there is a significant difference or the construction estimate exceeds the target, the estimates will be examined to determine the cause for the differences and steps made to correct the Government or contractor estimates

NOTE: The contractor shall not be responsible for any design services. The responsibility of the design will remain wholly with the Designer of Record.

IDaC provides an opportunity for the Designer of Record and Construction Contractor to collaborate with the owner and stakeholders to solve problems early in the process. The earlier problems can be resolved, the greater savings can be achieved by the project and potential delays can be avoided.

Benefits of IDaC

- Improved Design Quality & Constructability
- Increased understanding of market conditions
- Pricing feedback during design development
- Incentive to collaborate & meet cost objectives
- Allows Small Business “Prime” contractors

Unique to IDaC

- Requires establishment of FFP as a condition for awarding construction option.
- Effectively blends incentive clause into FFP.
- Does not allow fast track approach
- Early Work Packages must be FFP at award.
- Cost Accounting Standards – not required.**
- Earned Value Management – not required.**

-The IDaC Construction Contractor is also **financially incentivized to collaborate** and achieve cost savings that will result in a greater profit for the contractor. Conversely, the risk is limited if costs increase over an established ceiling price. The IDaC contractor can walk away from the project as an “off-ramp” while the Government can then solicit a traditional DBB project.

