



**Missoula Urban Transportation District
Planning Committee Meeting Minutes
October 20, 2022**

APPROVED

Members Present

Don MacArthur, Chair
Amy Cilimburg
Jesse Dodson
Andrea Davis

Members Absent

Sebastian Strauss
Anna-Margaret Goldman

Staff

Corey Aldridge, CEO & GM
Jennifer Sweten, Dir. Of Operations
Mary Hanson, Dir. of Finance
Colin Woodrow, Proj. & Plan. Mgr.
Shanti Devins, Commc'n. Mgr.
Michele Erickson, Recorder
Jason Struppler, Operations

Guests

Chris Anderson, PE of DJ&A
President and Chairmen of the Board
(<https://www.djanda.com/about-us/staff/>)

Kenneth E. Atkins, P.E.
Contract Administration Engineer
Construction and Project Management Team
Federal Highway Administration Resource Center
(www.fhwa.dot.gov/resourcecenter/)

Call to Order and Roll Call

Don MacArthur called the meeting to order at 11:05 p.m. Roll call was taken.

Changes or Additions to the Agenda

None

Public Comment on Items Not on the Agenda

None

Action Items

4.1 Minutes of August 10, 2022

No motion to approve minutes was brought before the board. The motion to approve the August 10, 2022, minutes will be brought up at the next Planning Committee meeting on November 9, 2022.

Discussion items

5.1 Guest Speaker from Federal Highway Administration to discuss Alternative Contracting Methods

Woodrow opened the meeting citing Atkins's extensive career accomplishments and welcoming him to present his alternative contracting methods for review. Woodrow discussed the status of the Mountain Line facility project and the continued efforts to seek land for expansion. Woodrow expressed the need for Mountain Line and the Board Members to agree on a contracting method as well as create a firmer budget for the project. Woodrow believes there is a need to have 15% of the project designed before bids can be considered.

With the topic of discussion clarified by Woodrow, Atkins began his presentation to educate Mountain Line about the possible methods of contracting along with their benefits and disadvantages. Atkins referred to the NCHRP (National Cooperative Highway Research Program): Report 787, Guide for Design Management on Design-Build and Construction Manager/General Contractor Projects, used by the Federal Highway Administration when determining best practices. Utilizing a bubble graph organizer Atkins illustrated the main concept of DBB (Design-Bid-Build), DB (Design-Build), and CM/GC (Construction Manager/General Contractor). Atkins stated, in his experience, DB is used typically when companies are required to accept the low bid or best value bids, also known as, DB/LB and DB/BV, respectively. Atkins also explained, DBB is the most used method of construction although they do not believe it to be the most successful. Atkins added that companies using DBB, and DB/LB typically experience an average of 30% overages on time and budget.

Atkins advocates for companies to use the CM/GC method of construction. He explains bringing in a designer and contractor into the project at an earlier time, contributes to the overall positive outcomes seen in projects which make use of the CM/GC method. In Atkins' opinion, the successful use of CM/GC is attributed to having clear and specific visions for a project.

MacArthur raised a question concerning how the FTA, Federal Transit Administration, would view the alternate methods of construction. Atkins responded first, citing the balance of getting work quoted without falling into old construction methods such as DBB or DB/LB. Woodrow contributed to the response by informing MacArthur of a meeting with FTA where progressive building methods such as CM/GC are now preferred and being incorporated more often. MacArthur stated the information back to Atkins and Woodrow to clarify for the layperson, that CM/GC methods can work with the FTA guidelines for a request for proposals (RFP) or request for quotations (RFQ), with inclusions of specific monetary bids as well as following FTA guidelines for subcontracting in the area. Atkins confirmed his definition to be an accurate representation of the facts he was illustrating.

Atkins proceeded with his presentation moving on to how alternative contracting methods like CM/GC increase innovation and reduce risk. Atkins provided several illustrations to demonstrate his point. Davis asked Atkins to clarify the term 'FAR.' Atkins responded that the acronym FAR

is for Federal Acquisition Regulations. Atkins refers to FAR when speaking about the regulatory requirements in construction projects such as CM/GC builds.

MacArthur raises questions about whether the building project will attract regional attention or out-of-state interest, and how will local contractors be incorporated by utilizing the CM/GC method of construction. Anderson replies to MacArthur's question by referencing his experience on the Mullan project build where they have chosen to use the CM/GC method and are also receiving federal aid money. Anderson explains there were five potential bids for the work on Mullan and they went with an out-of-state contractor who is subcontracting out portions of the work locally. Anderson offers to meet at another time to go over the specifics of how those contracts were structured.

Atkins provided an example of how they often get proposals on contracts. He identified the importance of marketing and getting out what he refers to as letters of interest with specific goals and plans outlined. MacArthur expressed his concerns with the ability to attract out-of-state interest when bids are scored more heavily in favor of local contractors. Atkins talked about the need to be careful with 'scoring' criteria on RFPs, request for proposals, or RFQs, request for quotes. He explains when RFPs from local contractors get assessed with more favoritism, it can discourage appeals from out-of-state contractors.

Atkins moved on with the presentation to discuss the risk associated with each type of construction method. In his opinion, DBB has the highest risk for the agency and the least amount of risk for the contractor. Atkins explains in DBB the agency provides all the specifics about the project and hands it over to the contractor. The contractor is not involved in the planning process. He addresses that in doing this, any faults with the planning and excess expenses become the responsibility of the agency and absolve the contractor of most of the risk within the contract. Atkins reiterates his past comment on the overages of these contracts being around 30% more expensive due to the assumptions made by the agency which did not seek out contractor input.

Atkins then explains the DB method of construction pushes much of the responsibility and risk to the contractor. A company can put forth the concept of the bid but has the contractor produce design, cost estimates, and timeline. Atkins clarified that while this would absolve the agency of much of the risk, contractors are less likely to accept a project in which a substantial portion of the risk is their responsibility. Atkins describes how CM/GC is a method of construction that lowers the agency and contractor's risk. He details the process of bringing in a designer and contractor before the proposal is complete. He adds, with CM/GC the designer and the contractor help build the plans that may more accurately reflect the price and timeline of a project.

MacArthur clarifies for Atkins that the Board believes the most important aspects of choosing a construction method will rely on the best value that can be attained. MacArthur explains a method may look pleasing according to the cost and timeline availability, however, if the building will only last for 10 years, it will not have served the purpose for which it was built. MacArthur asks Atkins which method of construction can provide the best value with regard to asset retention. MacArthur is concerned about continuing to maximize the value proposition to all the community and federal investors. Atkins replies that choosing a qualified team for a contractor and designer is the most effective way to maximize the vision and limit the risk. It is his opinion, the CM/GC method would be the most efficient option for the contracting method for Mountain Line's goals.

Davis raises the question of whether a decision would be made by the end of the meeting. MacArthur replied that no decisions will be made today. Woodrow agreed there needs to be a follow-up meeting to make the final decision on the method of construction. Atkins further advises the committee to participate in a questionnaire put together by FWHA to align their goals and objectives.

Aldridge poses the question to Atkins if, in his experience, he believes a CM/GC project can attract out-of-state attention when the funding for a project has not yet been fully secured. Atkins replied they have seen jobs without full funding acquire attention with the expectation that funding will eventually be achieved. Anderson added he believes the next step for the Board is to decide on a construction method and how to achieve the project. Anderson also gives the Board his opinion on the differences in alternative construction methods affecting the timeline of when the Board should be reaching out for proposals. Atkins suggests the Board bring on a designer, purely as an advisor, as well as an ICE (Independent Contractor Estimator), to help put together the RFP or RFQ.

Davis left the meeting at 12:59 PM. Cilimburg left the meeting at 1:06 PM.

Discussion continued over the exact time and duration of when a decision on a specific method of construction will be decided. Any decisions have been tabled until further discussion at the next Board Meeting on November 17th, 2022.

Struppler left the meeting at 1:14 PM.

Adjournment

The meeting adjourned at 1:19 PM

Submitted by Michele Erickson.

