



# Improving Capital Project Delivery

SFMTA

Establishing new ways of doing business



## Creating an environment for successful capital project delivery

Recent audits have identified specific areas for improvement including increasing staffing and providing access to additional resources to improve capital project delivery processes. These improvements are needed to deliver quality projects and to make use of alternative contracting strategies for more efficient and effective project delivery.

In order to develop a team that can deliver quality capital projects on-time and on-budget, we need to foster an environment of collaboration, mutual respect and excellence agencywide. These investments will help the Capital Programs & Construction team:



Increase key leadership positions and training opportunities for staff.



Hold managers accountable for measurable project delivery outcomes.



Provide project teams with clear expectations for performance, collaboration and communication, as well as the tools needed to meet those expectations.



Make the necessary investments in the design phases to mitigate construction impacts.



Conduct contractor safety record reviews as part of contract award review.



Collaborate early with multiple stakeholders to foster improved cross-divisional communication, resulting in improved accuracy of scope, schedule and budget.

### FOR CONSIDERATION:

Staffing and resources are necessary to implement a 'new way' of doing things.

Staff are focusing implementation to see high impact on improvements with little to no impact to the operating budget.

Some training will be strategically funded via capital projects where there are relevant training opportunities. These investments will help drive down the cost of overall project expenses.

Additional training budget utilized will draw from Division budget.

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## New Ways of Doing Business

### **Increase key leadership positions and training opportunities for staff.**

- ✓ Empower managers and staff to obtain trainings by including in performance plans.
- ✓ Commissioning a consultant to develop a training program in the upcoming fiscal year to promote a culture of trust with small group discussion, hands on coaching and training to foster sustainable change in the Division.

### **Make the necessary investments in the design phases to mitigate construction impacts.**

- Update Project Operations Manual to incorporate changes from lessons learned using actionable items which are easy to follow such as checklists.
- Incorporate Constructability Reviews during Design Phase.

### **Hold managers accountable for measurable project delivery outcomes.**

- Use performance plans to measure manager's role in project delivery.

### **Conduct contractor safety record reviews as part of contract award review.**

- ✓ Incorporated contractor safety record review into contract award review.

### **Provide project teams with clear expectations for performance, collaboration and communication and the tools needed to meet those expectations.**

- ✓ Centralized document record solutions using SharePoint for retention of official project records.
- Develop dashboards to increase visibility and establish standards.
- Standardize current change documentation and implement change database.

### **Collaborate early with multiple stakeholders, allowing for improved cross-division communication, resulting in improved accuracy of scope, schedule and budget.**

- ✓ Leveraged new tools to include more voices into the CIP Development process reducing the time needed to produce higher quality estimates. This is expected to improve accuracy of original scope, schedule and budgets.
- Ensure employees preparing project cost estimates have the knowledge, skills and abilities to develop accurate capital planning estimates.

## Alternative contracting strategies for construction services

SFMTA is ready and able to take advantage of any of the four contracting methods available for use, matching methods to projects based on best fit.

CONTRACTING METHOD	POTENTIAL BENEFITS	KNOWN CHALLENGES	BEST FIT FACTORS
<p><b>FIRM FIXED PRICE</b></p> <p>Traditional low-bid or design-bid-build</p>	<p>Fastest, least expensive to develop, and most practiced bid in the city</p>	<p>Highest risk for high final construction costs and low performing bidders due to lowest bid requirement</p> <p>Small pool of bidders willing to participate</p>	<p>Projects where time is the critical factor</p>
<p><b>BEST VALUE</b></p> <p>Weighing price as one of several factors</p>	<p>Best chance for a larger, more inclusive pool of bidders, and contracting with the most qualified bidder</p>	<p>Lengthier bid process with higher administrative costs and later start of construction</p> <p>May pay a premium for proposal that most effectively delivers scope</p> <p>Not always available for federally funded projects</p>	<p>Projects where cost and time are less important than other factors</p>
<p><b>Construction Manager/General Contractor (CM/GC)</b></p> <p>Hiring a contractor during design to weigh in prior to bidding work and negotiate to build the project</p>	<p>Shifts some of the design responsibility to the contractor</p> <p>Should result in fewer changes during construction</p>	<p>Lengthier bid process with higher administrative costs and later start of construction</p> <p>Rigid process that typically requires multiple legislative authorizations by the Board of Supervisors</p> <p>Agency relinquishes some cost control to contractor</p>	<p>Complex projects with multiple design disciplines that have a higher risk of design conflicts in construction</p> <p>Projects with long lead items</p>
<p><b>DESIGN-BUILD</b></p> <p>Hiring a contractor during design to complete the design and build the project</p>	<p>Shifts substantial design responsibility to the contractor, which should allow the city to evaluate more design options</p> <p>Can save construction time by building design elements as they are completed</p>	<p>Higher administrative costs for lengthier bid process and design oversight</p> <p>Very rigid process and typically requires multiple legislative authorizations by the Board of Supervisors</p> <p>Agency relinquishes substantial design and cost control to the contractor</p>	<p>Complex projects that are likely to have many design options</p> <p>or</p> <p>Larger, straightforward projects with very well documented requirements</p>