CITY OF TACOMA – TACOMA POWER

ALDER UNIT 11 REBUILD – DESIGN-BUILD PROJECT

1. Items 4 & 5 of your application (pg 4 of 10) describe having to disassemble the generator unit prior to fully knowing the equipment/parts condition to determine what refurbishing/replacement work will need to be completed. We understand why a DB delivery method versus DBB delivery method would save significant time for this type of work scope. However, do you think it is fiscally beneficial to the public to have the DB Contractor to forward price the "unknown" risk & scope of the generator condition (via RFP price) and why? Did you considered a Progressive DB delivery method?

   Response:

   We use forward pricing as a mechanism to reduce the cost of potential necessary work due to unexpected as-found conditions. From prior experience, we have a good general understanding of potential additional work that, while not likely, carries a higher probability of being required. Our experience is that better pricing and terms are obtained when this work is priced and negotiated up-front as options or even as additional scope, rather than in the middle of the construction work, when a premium in cost is required to minimize impacts to total construction cost and schedule. For these circumstances, even a progressive DB delivery approach would require a pause mid-construction to adjust the scope and price; therefore, progressive DB (without forward pricing) would impact the project schedule goals and not likely result in a cost savings.

   Further, one of the considerations in whether to use progressive DB is the familiarity of the specific industry. Traditional design-build is the typical delivery method in this industry. Using progressive DB would likely require a significant learning curve for the design-build team, and the project is likely not large enough to justify going through that learning curve for the design-builder.