Seattle’s Cedar Treatment Facilities DBO Project

Procurement Process

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Providing water, solid waste, drainage, engineering and customer services

Seattle Public Utilities
CH2M HILL
Overview

- Background
- Four Truths
- Three Myths
- Teamwork Technology
- Sustainable Products
CH2M HILL Team

- Streamlined
- Local
- Integrated
Our Responsibilities

- Development Period
  - Design & permitting
- Construction
  - Build the facilities
  - Protect the environment
- Operations
  - Provide safe, good tasting water
  - Maintain the facilities

A 29 Year Deal!
Truths

- Procurement Process is Long

4/99
- Qualifications

4/00
- Draft Proposal
- Proposal/BAFO

1/01
- Negotiations

4/01
- Development

A Full Two Years
Truths

- Procurement Process is Costly

$1M +
Truths

- **Procurement Process is Resource Intensive**
  - CH2M HILL Team involved:
    - Over 100 people working a fixed deadline schedule
    - Total staff investment in excess of 20,000 hours
  - Timeline and cost control essentially mandate work beyond 40 hour week
  - Must have staff depth - things will come up but what and when is an unknown
Truths

- A Competition is Just That
  - Firms selected to compete will:
    - Try to determine what is important
    - Target their investment
    - Hold cards close
    - Insist on exclusivity and confidentiality
Myths

- Unfair Risk Allocation
- Unclear Requirements
- Performance Based Approach Inadequate
Risk Allocation

Key Elements
- Draft contract
- Performance requirements
- Consequences

Assessment Process
- Given above, risks can be assessed and decisions made
- In DBO delivery, the process must balance priorities and be ongoing
Risk Assessment Process

- Read
- Document
- Analyze
- Features & “Insurance”
- Decisions & Costs
Submittal and Design Requirements

- **Submittal**
  - Organization established
  - Content outlined
  - Specific requirements must be stated

- **Design**
  - Set key design criteria - performance
  - Set the quality bar
  - Specific requirements must be stated
Submittal and Design Requirements

- Expect Interpretation - it’s a Good Thing
- Process Allowed for Some “Testing/Clarification”
- Confidential Work Sessions Desired
Performance Specifications

- Can Effectively Describe Desired/Required Outcomes
  - 50 year design life
  - 3-log Cryptosporidium inactivation
- Can Effectively Describe Physical Components
  - Quality bar
  - Design criteria
- “Must Have” Items Should be Prescribed
Teamwork

Moving People is Costly and Time Consuming
- Travel cost
- Space and equipment needs
- Human costs

Moving Information is Better
- “Virtual Teams” becoming the norm
Team Website

CH2MILL - MORTENSEN - OMI

Cedar Water Treatment Facility
Design-Build-Operate Project

- Water Quality
- Innovation
- Least Impact
- Partnership

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Sustainable Deliverables

- Paper Deliverables Should be Minimized
- Owners and Contractors Must Embrace
- “Compatibility” No Longer Valid Excuse
Deliverable Summary

- Paper
  - 1200 pages
  - 10 volumes
  - 15 pounds

- CD
  - Interactive
  - Searchable
Conclusions

- The DBO Approach is an Appropriate Model for some Owners and Projects
- Special Attention is Needed to Establish a Fair Process
- Providing Teams with the Draft “Contract” is Essential to Risk Evaluation
Conclusions continued ...

- Submittal Requirements and Procurement Process Should Align with Project Opportunities
- Need to Explore Ways to ..
  - Reduce cost
  - Communicate better
  - Optimize use of time and resources