

# Project timelines delivery, phasing, and bidding in uncertain times

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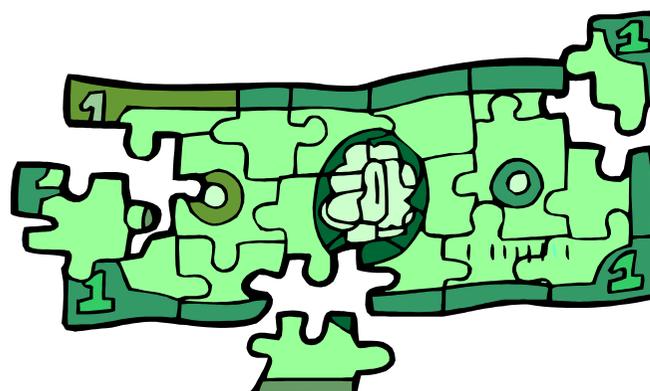
## Funding Realities

- The needs out pace the funding nationally by at least a 2:1 margin, closer to 4:1 locally
- The impact of the oil fields creates increased pressure on the entire funding cycle
- Projects suffer from the market based price approach
- The reality is that there is more work available to contractors which in turn creates higher than predicable bid prices



## Funding Realities Part II

- Grant cycles do not align well with construction cycles
- Funding for FY13 will be in two parts, the first part will be something less than 50% of the sponsor's available entitlement amount
- Multiyear funding is an option however be mindful of project cash flow constraints
- The need has been identified and is reflected in the most recent grant cycle.



# Maybe it is true?



**Bismarck ADO  
received 68%  
more in  
discretionary  
funding that  
planned for in  
FY2012**

*"By God, gentlemen, I believe we've found it—the Fountain of Funding!"*

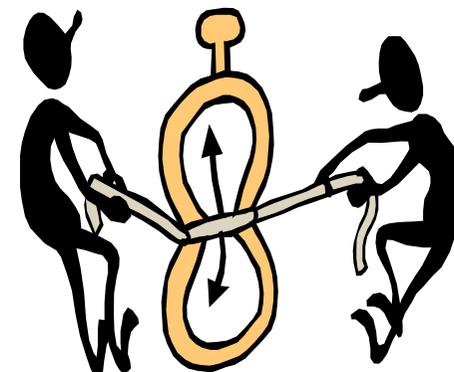
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# Impacts funding and bidding climate

Impact Categories	State aeronautical agencies	Airport sponsors	Consulting community	Contracting community	FAA
Difficulty planning	✓	✓	✓	✓	✓
Impacts to bid cycles	✓	✓	✓	✓	
Uncertainty about airfield impacts	✓	✓	✓		✓
Increased phasing	✓	✓	✓	✓	✓
Protracted construction	✓	✓	✓	✓	
More potential construction impacts	✓	✓	✓	✓	✓
Phased projects can drive increased mobilization costs	✓	✓	✓	✓	✓
Delayed bidding can erode competitive bid environment	✓	✓	✓	✓	✓
Increased costs means less infrastructure built	✓	✓	✓	✓	✓
Problems with material suppliers and subcontractors	✓	✓		✓	
More grants to administer	✓	✓	✓	✓	✓



## Timeline Realities



- Possible Program “A” in FY 13 to end in March 2013
- Funding for FY13 will be in two parts
- Consider all options prior to grant request

# Bidding Realities

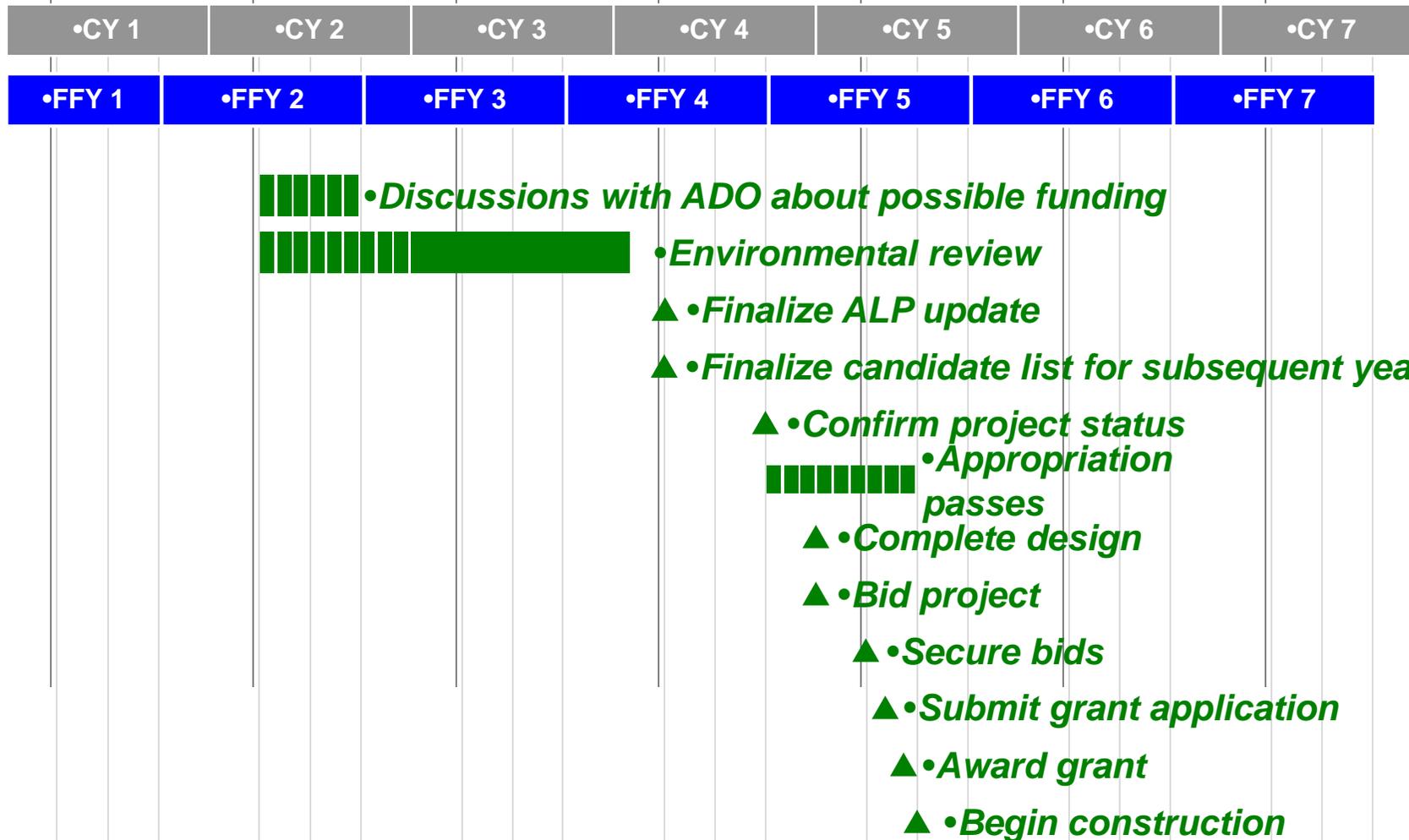
- Bid prices have increased in excess of 25% in one construction season for oil impacted areas and beyond
- More available work equates to less bidders, reducing competition and increased project costs
- Bids have a shelf life. Coordination between all parties is critical to awarding project in accordance with State Statutes, Codes, and laws

# How do we advance projects in uncertain times?

- **We can do our best to prepare for all of these uncontrollable events by planning.**
- **We need to keep the long range priorities of the airport in mind when short term problems can blur our vision**



# Planning/Funding and Construction Cycle\*

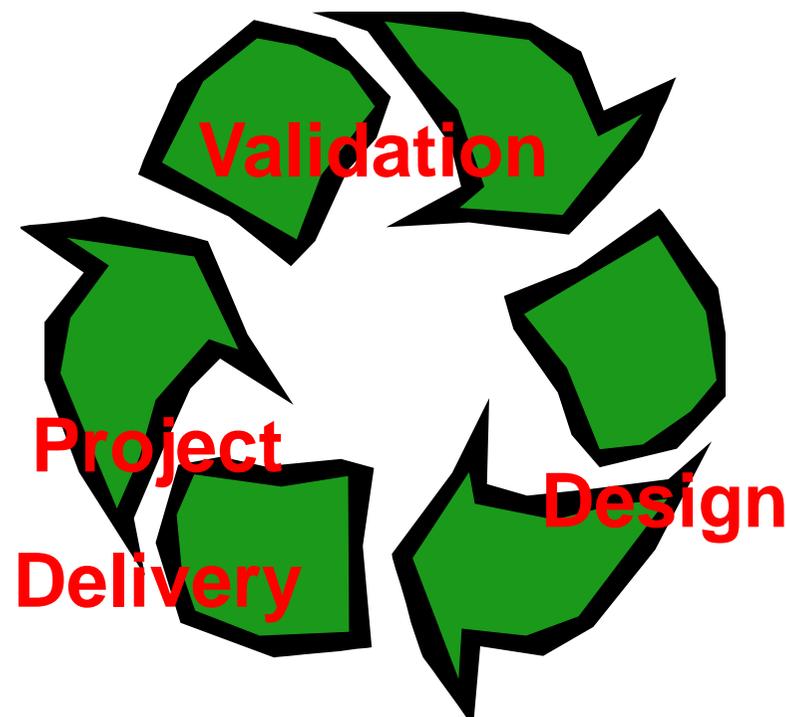


\* Not intended to be a comprehensive or hard-and-fast schedule. Every project is unique, and may require more or less time for certain steps.



# Continuous Planning for Projects-Cycle

- Your CIP is a “living” document
- As projects are completed new needs develop on the airfield



# Planning Cliché's

- **“Failure to Plan is Planning to Fail”**
- **“If a thing is worth doing, it's worth doing right”**
- **“Do not undertake vast projects with half-vast plans”**
- **“If you can't see your plan, maybe you don't have one”**



# Why Have a Plan?

- **Reasons *not* to plan:**
  - “Things change.”
  - “It’s a dynamic industry.”
  - “Sponsor do not like to be “locked in”
  - “Local political priorities change.”
  
- **Reasons *we have* to plan:**
  - Needs vastly outweigh funding
  - Address highest priorities first-stay focused
  - Provides options to align project up with available funding
  - Give states, sponsors and consultants some idea of what is or is not realistic.

## Continuous Planning-Validation Letters

- **Now is the time to review your needs, revise projected cost estimates and consider how best to go forward for FY13 and beyond.**
- **Compare you available funding against your proposed needs-do they match?**
- **Its important!-Did you know that your airports CIP submittal helps secure funding for the region and the state?**



## Two purposes of the CIP

- **NATIONAL**

→ Provides an annual snapshot for funding at the national level.

- **ADO**

→ Provides a planning tool that can be referred to through- out the year in assisting the Airport & FAA in making sound development decisions.

# CIP Planning

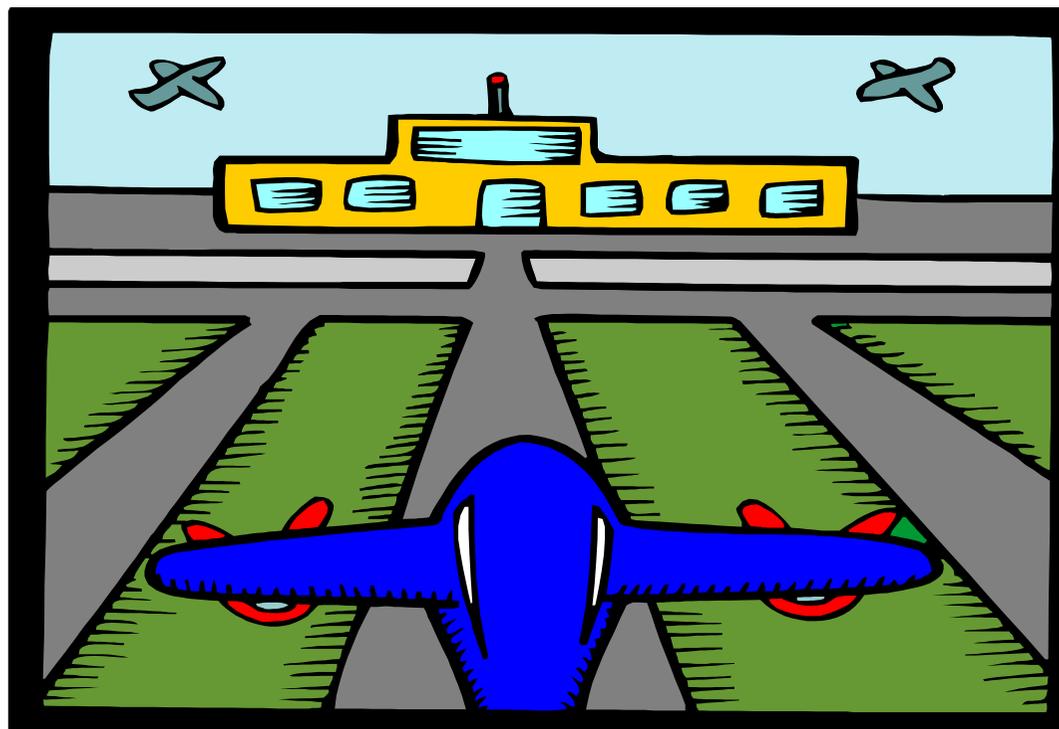
- **Update your 5 year CIP to reflect current market trends due to oil impacts**
- **Update your 5 year CIP to reflect current needs-for most airports they are changing rapidly**
- **If in doubt-ask the ADO**



## The CIP is...

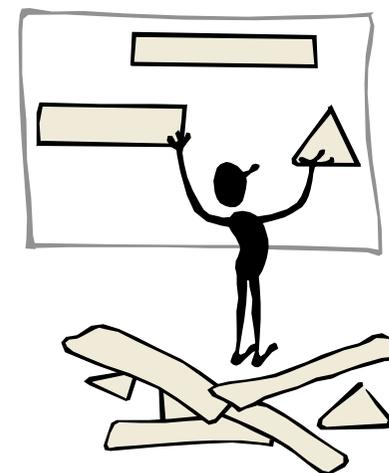
- **A living breathing document that encompasses:**

- Safety
- Security
- Capacity
- Access



## Before submittal ask yourself

- **Did I read it?**
  - **Did I review it?**
  - **Do I understand it?**
  - **Do I know it?**
- **Does this CIP portray where we envision the airport heading towards?**



# Project Validation Worksheet requires breakdown by element of work

- **Runway**
- **Taxiway**
- **Apron**
- **Taxilane**
- **Navigational Aids**
  
- **Not by the work you are doing**
  - Paving (runway, taxiway, apron)

## Project Validation Worksheet Part II

- **Projects are entered by element of work into the FAA grant program**
- **Projects are reviewed at a regional and a national level once they leave the ADO**
- **Much easier to remove an element of work than add at the last minute. Last minute additions could jeopardize project funding**



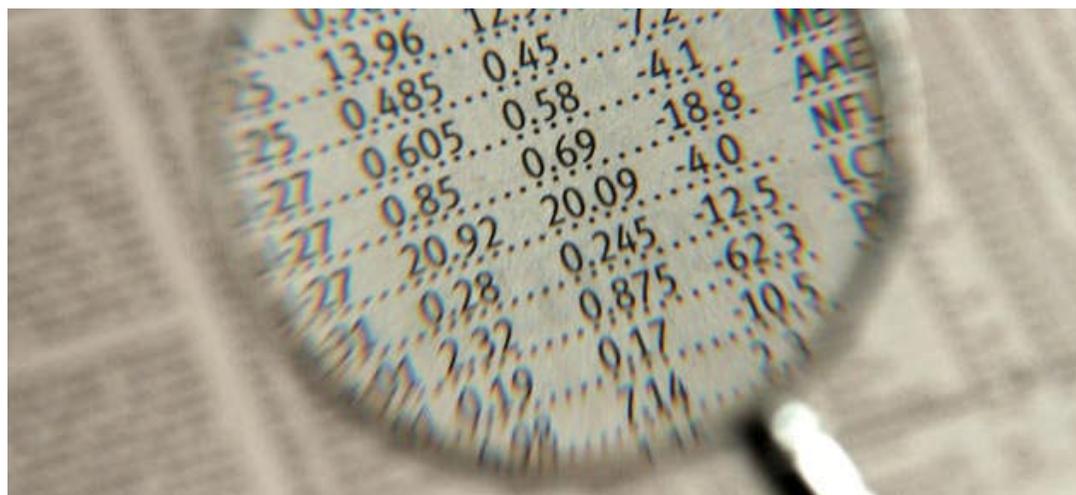
## They cycle continues with design

- **Recommend designing the projects relative to their element of work**
- **Consider a modular plan set to allow flexibility**



## Design Cycle

- **Compare project costs at 30%, 50% and 90% design**
- **Adjust project scope to align project with available funding**



## Project delivery sequencing

- **More emphasis on phased projects**
  - Several years
  - Useable units of work
  - Group items that are inter-related if they are all necessary to complete the phase of the project



# Project Phasing

- **Old Way:**

- 2013 – runway extension – phase 1
- 2014 – runway extension – phase 2

- **In reality:**

- 2013 – environmental assessment (EA)
- 2014 – ALP Update
- 2015 – land acquisition
- 2016 – design
- 2017 – construction, phase 1
- 2018 – construction, phase 2

# Bid documents need to reflect the element of work

- **Bid schedules for each element of work**
- **Provide flexibility for help to align funding with highest sponsor priority**
- **As project complexity increases bidding alternates should also adjust to assist with funding constraints**



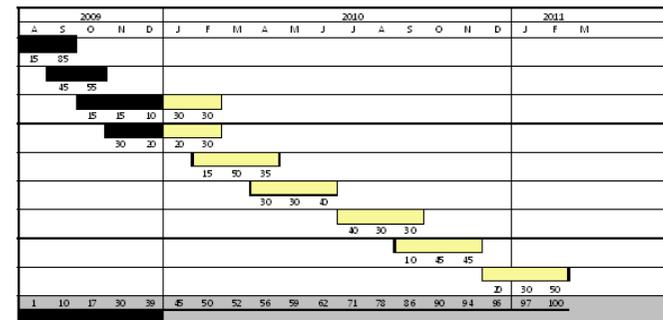
# Bid Openings

**•Don't cut  
it close!!!!**

- **Bid Smart**
- **Consider other non-FAA projects**
  - Is there additional work in the area?**
- **Utilize known dates-for example most grants are issued by September 20<sup>th</sup> every year regardless of funding levels**
- **Allow time post bidding to adjust if need be.**

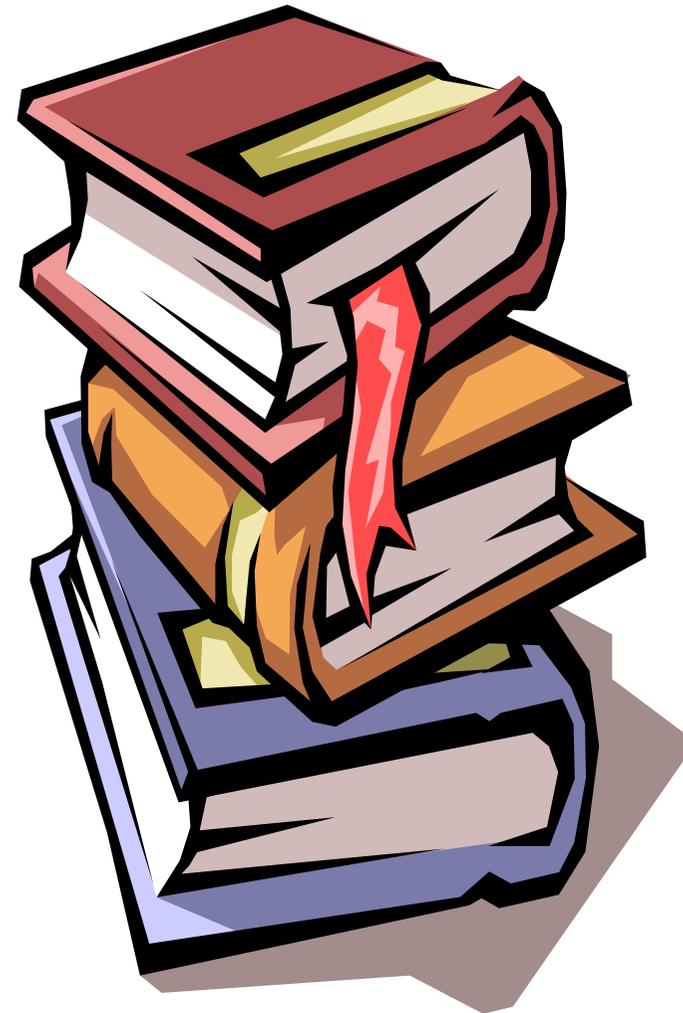
# Critical Path Method to Project Delivery

- Consider development of a project schedule that works the end date forward
- Utilize the schedule as a tool to help the decision process during project development



## Resources Available

- **FAA – ADO**
- **State Agencies**
- **Consultants**
- **[www.faa.gov](http://www.faa.gov)**
- **When in doubt-reach out!**



## Dates you need to know

- **Mid December – Validation letters due**

**The grant process takes time, waiting until the last minute to submit documentation can jeopardize funding.**



# QUESTIONS

