

Topic: **Pursuit Phase**

*Teaming – How could it be better?*

- Teaming is like a middle school dance. A race to ask the most popular/cute to dance.
- Teams would prefer to go with outfits they have confidence in.
- Bundling of Small Works allows for bonding with new team players.
- Qualifications could be too restrictive to bring in new blood. Too many questions around past performance which are counter to new teaming.
- Selection can come across as political.
- Governments (Federal) typically have “set-asides” that allow for smaller firms to engage in the arena.
- Teaming as early as possible can be viewed as a good thing.
- Knowing Teaming format upfront is critical, late changes can have challenges with recruitment.
- Making team deals takes time - 1 month minimum from advertisement to SOQ Submission.
- Smaller partners need more time/runway to be in good position.
- Philosophically aligned between architect/contractor is beneficial.
- Contractors and designers want to be competitive
- May be qualified on paper, but how they are as a partner is key.
- Difficult when owner asks for years experience “together”
  - Leave requirements loose for prior work as team or individual
- Name 3 suggested design partners and why?
  - Contractor to list off their design partners
  - Designers to list of their contractor partners
- Takes repetition to get good at “design build”
- Resume- open up the project type to consider as experience
- The project budget range may influence the teams “chemistry”
  - More money 45+ million want to create teams with more work experience together
  - Smaller budget- may not have worked together prior to teaming
- Don’t fixate on the team “chemistry” but explain our goals as an owner
- If the real intent is to NOT team up before the RFQ- say it
- Host meet and greet
- Question suggestion: What is your plan to work together successfully? Versus experience working together prior to this project.
- Smaller jobs can push the boundaries more when trying to create new teams and partnerships
- Prefer owners who provide clear communication.
- Educating stakeholders and end users on how to evaluate.
- Encourage the design team to bring a partner
  - How could we ensure the partner has a significant role throughout the project.
- Make previous project experience less limiting to bring new talent that may not have the select project experience.
- Forget about the firm and judge / score based on the people proposed that is are a good fit for the project.
- Bring a MWBE w/out a joint venture, but as a partner (contract language suggestion)
- Can’t assume that same company/firm has the same culture with teams.
- Personality traits play a part of teaming – some folks aren’t used to working together in a team, but adversarial.
- Mix up the interviews – maybe go on a tour

- Don't bring the client departments in for scoring the Q only for the P phase.
- Innovation – what can a team add?
- Provide clarify of intention
- Maybe drop the RFP/Q requirement from the teaming matrix if you want new teams.
- Problem solving exercise – one day to develop a reno competition. Team together in one room and has to develop the bldg. plans, schedules and all for a hypothetical project.
- New to Owner vs New to Each-Other.

### *Potential RFQ Interview Process?*

- Video versus paper proposal
  - Video may end up with more marketing effort versus teams strengths
- Calls- so you don't get the jitters, not formal
- Ask simple questions
  - What are you working on right now?
  - Where do you get joy on your current project?
  - What challenges are you facing on your current project?
- During an interview give a hypothetical problem to solve. – maybe they don't know ahead of time.
- Could the owner describe their appetite for risk in the RFQ?
- Instead of naming who can be at an interview, ask for "key team members"
- Allow teams to demonstrate their problem solving skills.
- Propose that identifying the engineers at time of RFQ/P might allow owner to better see problem solving characteristics of the team.
- Short Interviews before RFQ would be appreciated, virtual acceptable
- Require a narrative of how the firms have prepared themselves for the specific project
- Smaller firms might like the interview because they don't feel like they are being shortlist.
- Not everyone can WOW in 30 minutes
- Presenting quals in person, moving straight into interviews could work.
- All info on "Q" only and only fees schedules on the "P".
- Pop quiz (blind) questions.
- Making the "Q" process financially worthwhile.
- Proprietary meetings are beneficial.
- Initial RFQ should be based on performance data from team.
- Interview individuals on the team rather than the whole team
- Opposition to virtual interviews
- Host a pre RFQ meeting with all the proposing teams
- Don't include the user group in the qualifications review
- Additional interview would add more time on both owners and proposing teams
- 30 minutes interview equates to 3 days of prep
- Concern that meeting in person can bring bias, paper eliminates this.
- Maybe a pyramid of interviews; 1st come in to talk, 2nd a day or two later a phone call if WSU has follow-up questions or further info needed.
- Gives opportunity to ask questions after having met with other firms in RFQ phase.
- If using more time to interview more people/teams, instead expand the references check process. 30-minute interviews are counter-productive. References speak to the quality and satisfaction of work done. Interviews are sales pitches.
- Interviewing doers rather than sales/marketing.

Topic: **Cost of Construction**

*Are we getting all we can out of the Cost of Construction?*

- Don't create a process that squeezes everyone.
- Owner should exhibit more trust in the cost/budget but verify.
- Transparency – less pressure with high number situations.
  - Promote creativity around funding.
  - What is the contractor carrying and what is the owner carrying
  - What are the true values of the owner for the project.
- Bonding Insurance costs are problematic and bring unnecessary redundancy.
- Hold one contingency bucket (GC, Owner, Designer, Subs – Transparency).
- Maybe utilize incentives.
- Low maintenance materials tend to cost more.
- Less drawing, what is the minimum the AHJ needs. Perhaps invite the AHJ to attend forum to contribute to the discussion.
- Life cycle cost in design to get the best long term decision
  - University is not “flipping” spaces
- Innovation takes time and design costs. Long lead times and schedule is limiting.
  - Is WSU fostering an environment that allows innovation to flourish?
- Engaging new teams could directly impact the cost of construction.
- Contractors have to deal with a lot of risks, need to get them on board so they can come up with simpler building methods.
- Be careful of stifling innovation with rigid standards.
- Make decisions more quickly and efficiently.
- Good teams build trust. DB helps with costs, but needs to break down baggage of silos.
- Where can the higher costs be value added? Rather than saving costs.
- Early engagement of trade partners.
- Early procurement of long lead items.
- Acknowledge that there is risk in new innovative ideas that could reduce costs.
- First costs are realized savings long term and long term O&M
- Labor is the cost driver, not materials and systems.
- Insurance, overhead, etc. can owner take move risk out of the contractor's bucket?
- Architects are aging out (talking about experience) and are commanding more money for time.
- Labor is demanding significantly high wages – don't see this coming down over time.
- “Cost of entry” for smaller firms to get insurance is too high.
- Legislation is making compliance more expensive, but awarded budgets are not going up.
- Have subconsultants and trade partners create shop drawings early to reduce redundant drawing. Reverse the order of drawing. “Just in Time” drawings.
- Challenges with AHJ review/approval/permits requirements to proceed. Can the AHJ revise their processes for Design-Build?
- Use of AI in Design to do some of the production.
- Digital Twin technology with BIM 360
- Change culture? Institutional past/future
  - Educate users.
  - Program shared spaces will reduce SF.
  - Inflation will continue to increase; Operations/ energy cost; look at variables b/c cost to build isn't going down.
- Be intentional about goals, stick to objectives.
- Be flexible on actual spec / brand.

- Be open-minded to alternatives.
- Long term planning
- Changing process versus labor and materials – incentivize this innovation
- Architects/Designers define and draw too much.
  - Or not enough
- What info does the GC actually need for the stage of the design?
- Dedicated team decisions
- Choosing by advantages, being nimble
- Look at abundance thinking rather than scarcity – gives people more comfort
- Maybe include residential developers in a conversation to see how they save money
- Subcontractor incentivized to sign up for maintenance and operations contract – so they have to maintain it for a while and see a direct impact from their work?
- Architects – incentive is less time to do it. When do you need it – implementation drawings. Tell architects what needs to be drawing for that You can build it. Needs to have these conversations with the builder.
- Code changes have made it more difficult to lower the cost of construction. The projects we are building now are more complex buildings, they are like building massive smart computers.
- Working Collaboratory as Master Builders.
- Much more life cycle cost analysis need
- Competition has become more challenging on the East Side of the State. Pulling in resources from the West Side.
- Regulations and Insurance destroyed innovation
- Reduce Red Tape items.
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### Topic: **Prompt Pay**

*How can we encourage prompt pay as an owner? How can smaller contractors/consultants get the necessary experience dealing with the admin side of the business?*

- Process for Prompt pay are in place – make a pool of money to be available for prompter pay.
- Have a closeout dollar amount instead of retainage.
- Contractor- when we pay “actual” we are under paid by the time the bill is paid
- GC is carrying the cost the entire time
- Escrow account for prompt pay?
- Contracts start with lack of trust, some industry hold 10% because owner/prime doesn’t believe work will be done
- Monthly budget meeting with project team.
- Add column to the SOV for the next period.
- Could design costs not be taxable in DB?
- Rally around best practices and create standardization
- Maybe owner could have a “pool” for prompt pay if it remains in the project until the work is complete. Prompt pay contingency line item.
- Having knowledge of when to expect payment helps the small business.
- Some type of agreed upon payment schedule.
- Allow a labor column from Month #1 forward, so labor isn’t a deficit moving forward through the project?
- Can the balance be released if there are pay questions?

- Contract terms to allow subconsultants to be paid early?
- Lead the process by a period or two for certain scopes?
- Pool to pay small businesses when they are complete
- “We are not a bank”
- Concerned about the sub-consultants not finishing their scope of work or opting out of completing their scope, which would diminish the idea of paying early because they didn’t complete what was initially in the contract for the amount of compensation.
- Reduce Red Tape items.
- Prompt Pay Pool as a Finance Tool: earn float on PV of Prompt Pay Pool.

### Topic: **Open Conversation**

#### *Future Topics?*

- Can taxes be eliminated on public works? Or for Design in Design-Build?
- Private industry staying away from DB because design is taxed. Can this get changed?
- Showcase Project success stories for design build community.
- Example of changes made and benefit.
- LD’s are high enough to be a deterrent.
- Dumbed-down version of design build operation for new owners.
  - Problematic from a legal standpoint, inexperienced owners can lead to issues/new laws.
- Share good news stories of our recent design-build experiences. (lessons learned)
- Are WSU projects too in-the-weeds with end user feedback when there is the potential that the students/researchers leave before the project even wraps up?
- Transition to sustainable occupancy
- DB for Dummies how to educate others
- Are we too custom?