

Vol 34, Edition 38

Daily Publication

July 9, 2018

## How Firms Can Avoid the Construction Schedule Float Game



Manipulation of project schedules by owners and contractors damages trust and diverts attention away from the real issues on a project

#### By Allen Chilmeran,

Often in today's fast-paced construction industry, critical path method (CPM) schedules are used as a tool to sequester project float as a hedge against potential project risks. Float is how long a specific task can be delayed without causing disruptive delays to key tasks that follow it. The practice of sequestering float violates a major tenet of most construction contracts, one that calls for schedule float to be shared among the contracting parties.

Contractors sequester float by padding durations for construction activities and by using preferential, or soft, logic. On the other hand, owners sequester float by imposing in the contract longer times for submittal reviews.

Time is money, and when it is offered on a first-come, first-served basis, the game of float is inevitable. Moreover, certain provisions in a construction contract often exacerbate the situation by creating a kind of "float-management paradox."

For example, owners may introduce a provision for early completion to help manage contract risks, especially those that potentially interfere with contractor performance. It stipulates that the owner has the right to shorten the contract time should the contractor submit a baseline schedule that shows an earlier completion date; thus, moving up the liquidated damages to the newly proposed completion date. The owner uses this contract provision to protect against a potential claim by the contractor, which might seek to recuperate costs if the owner's actions prevent it from achieving the earlier completion date.

Perhaps ironically, the early-completion provision often will encourage the contractor to sequester float to avoid financial risks. Those could come in the form of liquidated damages imposed on the potentially earlier completion date.

Avoiding the game of float promotes an environment of trust and cooperation between owner and contractor. Such an environment will increase the chances of successfully delivering the project on time and on budget. It allows both sides to focus on real impediments to progress. Float sequestration has the opposite effect because it creates an environment of mistrust. It diverts attention away from the real issues affecting progress and toward manipulating the schedule for financial gain.

Owners can take several steps to better manage or alleviate float sequestering:

• They can invest more time and resources in determining the actual contract time. This entails developing a resource-driven construction schedule based on quantities determined in the engineer's estimate, meaning that the contract time will be more reasonable.

- They need to prohibit contractors from using preferential logic in the baseline schedule.
- They need to allow for varying review times of construction submittals, depending on the size and complexity of the material.
- They need to mandate that contractors submit resource-driven CPM schedules as opposed to task-driven schedules. Calculation of the longest-path and activity-remaining duration in a resource-driven CPM schedule considers project resources. Resource-driven schedules are more effective in neutralizing preferential logic and activity-duration padding, the two principal culprits of float sequestration.
- If the contractor submits a resource-driven CPM schedule that satisfies all contract requirements before the contract time, the owner should treat the saved time as a contractor-schedule contingency. This will provide schedule transparency and present contractors with an alternative to

Continued on page 4

### **SBE OUTREACH SERVICES**

With 1.5 million businesses in our database, SBE is California's #1 source for diversity outreach.

#### Advertisements

Placed in the Small Business Exchange newspaper, SBE Today newsletter, and online at www.sbeinc.com

#### Faxed and Eblast Solicitations

Targeted mailings sent to businesses per your criteria.

#### Telemarketing

Telephone follow-up calls that follow a script of 5 questions you create.

#### **Computer Generated Reports**

Will fit right into your proposal, along with a list of interested firms to contact.

#### **Contact Info:**

795 Folsom Street, 1st Fir, Room 1124 San Francisco, CA 94107 Email: sbe@sbeinc.com Website: www.sbeinc.com Phone: (415) 778-6250, (800) 800-8534 Fax: (415) 778-6255

> Publisher of Small Business Exchange weekly newspaper





Proven Management, Inc. 225 3rd Street, Oakland, CA 94607 Phone: 510-671-0000 • Fax: 510-671-1000

Requests proposals/quotes from all qualified and certified Disadvantaged Business Enterprises (DBE) subcontractors, suppliers, and truckers for the following project:

APRON RECONSTRUCTION PHASE II CITY OF PALO ALTO, AIRPORT DIVISION CIP: 16000-080 Bids: July 17, 2018 @ 3 pm

SUBCONTRACTING GOAL - DBE - 11.2%

The work consists but not limited to the following: Clearing/Grubbing; Excavation & Embankment; Controlled Low-Strength Material; Cement Treated Subgrade; Aggregate Base Course; Hot-Mix Asphalt Pavements; Bituminous Prime Coat & Tack Coat; Emulsified Asphalt Seal Coat; Structural Portland Cement Concrete; Runway & Taxiway Marking; Hydro Seeding; Pipe for Storm Drains & Culverts; Manholes, Catch Basins, Inlets & Inspection Holes; Apron Area Lighting; Underground Electrical Duct Banks & Conduits; Electrical Manholes & Junction Structures; Aircraft Tie-Downs; Low-Voltage Electrical Power Conductors & Cables; Grounding & Bonding, Hangers & Supports, Raceways & Boxes; Underground Ducts & Raceways, Identification for Electrical Systems; Lighting Poles & Standards; LED Exterior Lighting.

Bonding, insurance, lines of credit and any technical assistance or information related to the plans & specifications & requirements for the work will be made available to interested DBE certified suppliers & subcontractors. Assistance with obtaining necessary equipment, supplies, materials, or related assistance or services for this project will also be offered to interested DBE certified suppliers, subcontractors, truckers. PMI is signatory to the Operating Engineers, Carpenters, and Labores Collective Bargaining Agreements.

100% Payment & Performance bonds will be required from a single, Treasury-listed surety company subject to PMI's approval. PMI will pay bond premium up to 1.5%. Subcontractors awarded on any project will be on PMI's standard form for subcontract without any modifications. For questions or assistance required on the above, please call.

We are an Equal Opportunity Employer



Proven Management, Inc. 225 3rd Street, Oakland, CA 94607 Phone: 510-671-0000 • Fax: 510-671-1000

PMI requests proposals/quotes from all qualified and certified Small Business (SB) subcontractors, suppliers, and truckers for the following project:

M-LINE TUNNEL LIGHTING UPGRADE VARIOUS STATIONS IN SAN FRANCISCO BART #15AA-110 <u>Bids: 08/07/2018 @ 2 pm</u> LSB GOAL – 18%

The work in this contract includes but is not limited to: Selective Structure Demo; Haz Matl's Abatement; Concrete Restoration/Reinforcing/Finishing; Metal Welding; Cold-Formed Mtl Framing; Metal Fabrications; Firestopping; Joint Protection; Painting; Identification of Facility Services; Electrical;

PMI will provide assistance in obtaining necessary bonding, insurance, equipment, supplies, materials or other related services. 100% Payment & Performance bonds will be required from a single, Treasury-listed surety company subject to PMI's approval. PMI will pay bond premium up to 1.5%. Subcontractors awarded on any project will be on PMI's standard form for subcontract without any modifications. For questions or assistance required on the above, please call 510-671-0000. PMI is signatory to the Operating Engineers, Carpenters, and Laborers Collective Bargaining Agreements.

We are an Equal Opportunity Employer



11555 Dublin Boulevard • P.O. Box 2909 Dublin, CA 94568-2909 (925) 829-9220 / FAX (925) 803-4263 Estimator: JIM YACKLEY Website: www.desilvagates.com An Equal Opportunity Employer

DeSilva Gates Construction (DGC) is preparing a bid as a Prime Contractor for the project listed below:

APRON RECONSTRUCTION PHASE II CIP: 16000-080 IFB No. 171727 Disadvantaged Business Enterprise Goal Assigned is 11.2% OWNER: CITY OF PALO ALTO PUBLIC WORKS

DEPARTMENT – AIRPORT DIVISION 250 Hamilton Avenue, Palo Alto, CA 94301 BID DATE: July 24th, 2018 @ 3:00 P.M.

DGC is soliciting quotations from certified Disadvantaged Business Enterprises, for the following types of work and supplies/materials including but not limited to:

ADJUST IRON, ELECTRICAL, HYDROSEEDING, JOINT SEAL, MINOR CONCRETE STRUCTURE, PRIME OIL SUPPLIER, ROADWAY EXCAVATION, SAWCUTTING, SLURRY SEAL, SWPP/ WATER POLLUTION CONTROL PLAN PREPARE, TEM-PORARY EROSION CONTROL, UNDERGROUND, TRUCKING, WATER TRUCKS, STREET SWEEP-ING, FAA AGGREGATE BASE MATERIAL, HOT MIX ASPHALT (FAA) MATERIAL, ASPHALT OIL SUPPLIER, CEMENT TREATED SOIL.

Plans and specifications may be reviewed at our offices located at 11555 Dublin Boulevard, Dublin, CA or 7700 College Town Drive, Sacramento, CA, or at your local Builders Exchange, or reviewed and downloaded from the ftp site at ftp://ftp%25desilvagates.com:f7pa55wd@ pub.desilvagates.com (if prompted the username is ftp@ desilvagates.com and password is f7pa55wd) or from the Owner's site.

Fax your bid to (925) 803-4263 to the attention of Estimator Jim Yackley. If you have questions for the Estimator, call at (925) 829-9220. When submitting any public works bid please include your DUNS number and DIR number. For questions regarding registration for DIR use the link at: www.dir.ca.gov/Public-Works/PublicWorks.html

If you need DBE support services and assistance in obtaining bonding, lines of credit, insurance, necessary equipment, materials and/or supplies or related assistance or services, for this project call the Estimator at (925) 829-9220, or contact your local Small Business Development Center Network (http://californiasbdc.org) or contact the California Southwest Transportation Resource Center (www.transportation.gov/osdbu/SBTRCs). DGC is willing to breakout portions of work to increase the expectation of meeting the DBE goal.

At our discretion, 100% Payment and 100% Performance bonds may be required as a subcontract condition. This will be a PREVAILING WAGE JOB. DGC is an equal opportunity employer.

## ADVERTISE YOUR AD HERE

Advertise your Sub-Bid Requests in the Small Business Exchange With a monthly readership of 75,000, SBE reaches a diverse audience, cutting across ethnic and gender lines as well as tradional industry segments.



Kiewit Infrastructure West Co. 4650 Business Center Drive Fairfield, CA 94534 Attn: Victor Molina • norcal.bids@kiewit.com Fax: 707-439-7301

Requests sub-bids from qualified California Unified Certification Program (CUCP) certified Disadvantaged Business Enterprise (DBE), Subcontractors, Consultants, and/or Suppliers seeking to participate in the Construction on State Highway in Sacramento County in and near Sacramento from 1.1 Miles South of Elk Grove Boulevard to American River Viaduct Project.

#### http://www.dot.ca.gov/obeo/index.html

Subcontractors and Suppliers for the following project:

I-5 American River Viaduct Lane Rehab Project Contract No. 02-0E1804 Federal-Aid Project: ACSB1IM-005-6(349)E Owner: Caltrans

Bid Date: August 9, 2018 at 2:00 P.M.

Disadvantaged Business Enterprises (DBEs) wanted for the following scopes, including, but not limited to:

AC Surfacing, Aggregate Supply and Install, Bridge Removal, CIDH Piling, CISS Piling, Clear and Grub, Cold Plane AC Pavement, Concrete Barriers, Concrete Pumping, Concrete Reinforcement, Concrete Supply, Core Concrete, Crack and Seat, Data Core, Decorative Railing, Earthwork, Electrical, Erosion Control, Fence Removal and Installation, Grind Existing Bridge Deck, Grind Existing Concrete Pavement, Ground Anchoring, Guardrail, High Friction Surface Treatment, HMA Dike, HMA Paving, Hydraulic Mulch and Dry Seed, Joint Seal, Lighting, Lime Stabilized Soil, Message Signs, Minor Concrete, Misc Metals, Pavement Markings & Striping, Paving Fabric, PCC Materials, Pedestrian Barricades, Pipe Supply, Polyester Concrete Overlay, Precast Concrete, Prepare Bridge Deck Surface, Remove/ Relocate/Install Sign Structures, Roadside Signs, Sound Walls, Structural Shotcrete, Traffic Control Systems, Utilities, Vegetation Control, SWPPP, Survey, Biologist, Noise Monitoring, Environmental Compliance, Hazardous Material Abatement & Trucking, Trucking & Hauling, Sweeping, Water Trucks.

Bonding, insurance and any technical assistance or information related to the plans or specification and requirements for the work will be made available to interested certified, DBE suppliers and subcontractors.

Assistance with obtaining necessary equipment, supplies, materials, or services for this project will be offered to interested certified suppliers and subcontractors.

Performance Bond and Payment Bonds may be required for subcontractors and a suppliers bond for suppliers.

#### Subcontractor and Supplier Scopes are due August 3, 2018 and Quotes NO LATER THAN August 8, 2018 at 5 PM.

Plans are available for viewing at our office at our address below and through SmartBidNet (SBN).

All subcontractors that are registered in our SBN database will receive an invitation to bid. Please visit http://www. kiewit.com/districts/northern-california/overview.aspx to register your company and to be able to receive bidding information, view plans and specifications.

You can view the plans in our office during regular business hours by appointment.

Performance Bond and Payment Bonds may be required for subcontractors and a suppliers bond for suppliers.

Davis-Bacon Act Applies Buy America Requirements Apply An Equal Opportunity Employer CA Lic. 433176 DIR # 1000001147



### **DIVERSITY OUTREACH**

- Advertise
- ITB to Targeted (NAIC/SIC/UNSPSC) Certified Business
- Telephone Follow-up (Live)
- Agency/Organization Letters
- Computer Generated Dated/ Timed Documentation
- Customized Reports Available

## Visit this link for the OUTREACH ORDER FORM:

#### www.sbeinc.com/services/ diversity\_outreach.cfm



PROJECT NAME: San Francisco Ambulance Deployment Facility SFPW Contract Number: 1000006282 BID DATE: August 3, 2018 at 3:00 PM

Swinerton is requesting quotations from MBE's, WBE's and OBE's, certified with the City of San Francisco's Contract Monitoring Division. The project has a 20% LBE requirement. Subcontractors not certified as LBE's are encouraged to include Lower Tier Vendors/Suppliers that are Certified. Subcontractors must include a completed Proposed Subcontractors Form (including your California Department of Industrial Relations "DIR" Registration Number) with the Bid by 3:00 PM on August 3, 2018.

Building Construction Estimate: \$26.6 Million

Scopes: All Trades

#### Project Description:

Construction of a new, four-story, steel frame Ambulance Deployment Facility building at 2241 Jerrold Avenue, San Francisco, CA. Total building area, including the garage structure is approximately 44,244 GSF. More details about the Summary of Work are in the Specifications document, Section 01 11 00 – 1.

#### PLANS & SPECIFICATIONS:

https://secure.smartbidnet.com/External/Public-PlanRoom.aspx?ld=384814

#### WE REQUEST BIDS FROM ALL SUBS.

Contact: John Collins

Tel: (415) 421-2980

EMAIL TO: JCollins@swinerton.com

Please submit your bid via SmartBid or by email.

"Swinerton is an Equal Employment Opportunity, Minority, Women, Disability, and Veteran Employer."

## How Firms Can Avoid the Construction Schedule Float Game

#### Continued from page 1

sequestering float to hedge against risks that were unknown when the bid was prepared.

The concept of a contractor-schedule contingency raises an important question: What will happen if actions by the owner cause a delay that will partly or fully consume the contractor-schedule contingency? Will owners be responsible for compensating contractors for the use of their schedule contingency?

Contractors should be entitled to noncompensable, excusable time extensions in the event of ownercaused delays that affect their contingency. This will relieve the contractor from exposure to liquidated damages and preserve the contingency. It also will protect the owner from financial-exposure risks that could arise from interference with the project's early-completion time as proposed by the contractor.

These steps may not solve the float-sequestration problem, since it's likely that attempts to sequester float will continue; however, those may occur on a much smaller scale that owners can better control through effective project-schedule management.

Leaving behind the game of float offers both the owner and the contractor a golden opportunity to focus their energies on genuine impediments to project progress. And that will improve the chances of a successful on-time and on-budget delivery.

SOURCE: www.enr.com



SWINERTON INVITATION TO PREQUALIFY FOR PHASE II TERMINAL AREA IMPROVEMENTS AT LONG BEACH AIRPORT

#### DUE DATE FOR PREQUALIFICATIONS

Requesting completed prequalification forms from Subcontractors by Monday July 9, 2018 2:00PM PST

> PRE-BID MEETING July 11th in Long Beach, CA For more information and to RSVP: https://conta.cc/2Kjw8Ox

#### **DUE DATE FOR BIDS & AWARD OF CONTRACTS**

Bid Due – Component 1A: Thursday, July 26, 2018 2:00PM PST Bid Due Date for remaining components will be published at a later date.

#### PROJECT INFORMATION AND DESCRIPTION

The Project will focus on increasing customer service and the safe movement of vehicular and pedestrian traffic through the Terminal Area. The Project will include construction of:

- Component 1A Checked Baggage Inspection System (CBIS) facility
- Component 1B Baggage Claim Area Improvements
- Component 2 Ticketing Facilities
- Component 3A Terminal Renovation
- Component 3B Rental Car Customer Transaction Services
- Component 4 PreSecurity Concessions, Meet and Greet Plaza, and Restrooms
- Component 5 Roadway and Signage Improvements
- Component 6A Rental Car Vehicle Storage
- Component 6B Ground Transportation Improvements

#### TRADES

**Component 1A:** Rough Carpentry, Architectural Woodwork, Thermal Insulation, Membrane Roofing, Flashing and Sheet Metal & Wall Panels, Doors Frames & Hardware, Silding Exterior Automated Doors, Framing, Drywall, Plaster, Fireproofing, Acoustical Ceilings, Parking Control Equipment, Tiling, Resilient Flooring, Interior & Exterior Painting, Signage, Toilet Compartments, Corner Guards & Fire Ext, Site Concrete and Deck Overlay, Joint Sealants, Wall Coverings, Audio-Visual Equipment, Window Treatments, Furnishings and Accessories, Site Furnishings, Asphalt Paving, Pavement Markings, Fences and Gates, Landscaping, Electrical, Plumbing, Mechanical, Fire Alarm, Fire Protection, Baggage Handling System.

#### REQUIRED SUBMITTALS

1. Swinerton Prequalification: http://www.swinerton.com/subcontractors/subcontractor-prequal

2. Project-Specific Prequalification Packet (Provided upon request to our office)

If interested in prequalifying and bidding, please contact EstimatingOC@swinerton.com or call

949.622.7075 for the prequalification forms. Do NOT contact the City of Long Beach, Long Beach Airport, Architect or any of the project Consultants. All queries of any nature should be directed to Swinerton.

Swinerton is an Equal Employment Opportunity, Minority, Women, Disability, and Veteran Employer



Requests quotes from qualified and certified DBE Subcontractors, Suppliers, and Service Providers for the following (but not limited to) work:

Clear & Grub, Imported Borrow, Fence & MBGR, Landscape, Erosion Control, Cold Plane,AC Paving, Rebar, Rock Slope Protection, Stripe & Mark, Traffic Control, Bore & Jack,Pipe Lining, Compaction Grouting, SWPPP, Project Schedule, Aggregate, K-Rail, Misc. Iron & Steel, CSP, Ready Mix Concrete

CONSTRUCTION ON STATE HIGHWAY IN SAN BERNARDINO COUNTY AT 2.9 MILES SOUTH OF OLD CITY CREEK ROAD In District 08 On Route 330

Contract No. 08-1F8304 Federal-Aid Project ACST-S330(011)E DBE Goal 13%

### BID DATE July 26, 2018 @ 2:00 p.m.

Sub & Vendor Scopes and Bids Due Prior

#### Sukut Construction, LLC 4010 W. Chandler Avenue, Santa Ana, CA 92704

4010 W. Chandler Avenue, Santa Ana, CA 92704 Contact: Matt Bahnsen

Phone: (714) 540-5351 • Fax: (714) 545-2003 • Email: estimating@sukut.com

Plans/specs are available for viewing at our office by appointment, via Sukut's FTP site, or may be obtained from Owner. Subcontractors must be prepared to furnish 100% performance and payment bonds and possess current insurance and workers' comp coverage. Sukut Construction will assist Qualified Subcontractors in obtaining bonds, insurance, and/or lines of credit. Please contact Sukut for assistance in responding to this solicitation. Subcontractors/Vendors will be required to sign Sukut's Standard Subcontract/Purchase Order. Copies are available for examination.

Sukut Construction's listing of a Subcontractor in its bid to the agency is not to be construed as an acceptance of all of the Subcontractor's conditions or exceptions included with Subcontractor's price quotes. Quotations must be valid for the same duration as specified by Owner for contract award.

Sukut Construction, LLC An Equal Opportunity Employer

#### Shimmick Construction Company Inc. 8201 Edgewater Drive, Suite 202 • Oakland, CA 94621 Phone (510) 777-5000 • Fax (510) 777-5099

LBE & DBE Subcontractor/Supplier Bids Requested For:

San Francisco Public Utilities Commission General Contractor: Sundt/Walsh, A Joint Venture Southeast Water Pollution Control Plant Bruce Flynn Pump Station Improvements Contract No. CWWSIPSE02 <u>BID DATE: July 23, 2018 at 2:00PM</u> Email all quotes to northwest.estimating@shimmick.com

Requesting certified LBE & DBE Subcontractor and Supplier Quotes on: Architectural, Structural, Mechanical, HVAC

Contract Documents are subject to a non-disclosure agreement. Please contact Jamie Helmick at jhelmick@shimmick.com for more information.

Bidders are hereby notified that work to be performed under this contract will be in full or in part financed by the Clean Water State Revolving Fund (SRF), administered by the United States Environmental Protection Agency (US EPA) and the State Water Resources Control Board (SWRCB). The Bidder shall comply with all applicable terms and conditions, special provisions, and reporting requirements, as set forth in these specifications, and as may be required by federal law, rule, or regulation. Refer to Contract Section 00 48 10.01 for more information.

Subcontractors and Suppliers interested in this project may contact Jerry Blazek by email at jblazek@shimmick.com

100% Performance and Payment bonds with a surety company subject to approval of Shimmick Construction Company, Inc. are required of subcontractors for this project. Shimmick Construction will pay bond premium up to 1.5%. Subcontractors will be required to abide by terms and conditions of the AGC Master Labor Agreements and to execute an agreement utilizing the latest SCCI Long Form Standard Subcontract incorporating prime contract terms and conditions, including payment provisions. Shimmick Construction's listing of a Subcontractor is not to be construed as an acceptance of all of the Subcontractor's conditions or exceptions included with the Subcontractor's price quote. Shimmick Construction requires that Subcontractors and Suppliers price quotes be provided at a reasonable time prior to the bid deadline to enable a complete evaluation. For assistance with bonding, insurance or lines of credit contact Scott Fairgrieve at (510) 777-5000.

## Small Business Exchange

### The Sub-Bid Request Specialist

It's takes a sharp pencil and qualified, competitive sub-contractors, vendors, and suppliers to win the bid and achieve the diversity goals.

## Look no further. We have them all in our database

Need construction contractors and suppliers familiar with public contracting, bondable, certified by cities, states and federal entities, and willing to work in one or many locations? *We have that, too.* 

Want to reach them by industry-specific codes (NAIC/SIC/UNSPSC)? *We can do that, too* 

The next time you're bidding project where time and accuracy are of the essence, call us. *We'll make it happen.* 

We are on the move to make your business better.

