INNOVATIVE PROCUREMENT FOR ABANDONED MINE RECLAMATION

September 22, 2014
OBJECTIVES

• Identify common repair, rehabilitation & alteration challenges WITH ABANDONED MINES! Projects that drive you batty!

• Establish a common understanding of Indefinite Quantity Construction Contracts (IQCC) and their benefits

• Explain how you can complete work using IQCC
COMMON CHALLENGES

• Disproportionate procurement burden relative to job size & scope for competitively-bid work

• Staff limitations in peak work periods to execute procurements

• Cost control challenges associated with unknown conditions

• Transparency / governance

• Conformance to local hiring goals
• An IQCC is...
  – a Firm Fixed Priced, Competitively Bid, Indefinite Quantity Procurement Process
  – Primarily Used for Repair, Alterations, and Minor New Construction Projects
  – a Fundamentally Different Construction Procurement Relationship
    • Contractors are subject to different motivations and behaviors
    • Non-adversarial relationship between Owner & Contractor
UTAH DIV OF MINES CHALLENGES

- Time constraints
- Difficult to scope
- Hazardous materials
JOC / ezIQC USERS – PROGRAM IS DESIGNED FOR CLIENT

- United States Postal Service  
  - (US Nationwide)
- State of California
  - Administrative Office of the Courts  
  - (Statewide Program)
- State of Georgia  
  - (Statewide Program for use by all Public Agencies)
- State of Arizona  
  - (Statewide Program for use by all Public Agencies)
- State of Ohio  
  - (Statewide Program for use by all Public Agencies)
- State of Utah  
  - (Statewide Program for use by all Public Agencies)

- City of New York  
  - (3 Departments)
- Los Angeles County  
  - (3 Departments)
- City of Chicago  
  - (4 Departments)
- City & County of San Francisco  
  - (4 Departments)
- City of Columbus
- Harris County, TX
- National Security Agency
- Washington Metropolitan Area Transit Authority
- City of Richmond, BC
ezIQC PROCESS EXECUTION

ezIQC PROCESS

IDENTIFY A PROJECT
Owner enters a project into the ezIQC system
Your local ezIQC Rep will quickly schedule a Joint Scope Meeting

JOINT SCOPE MEETING
Owner & Contractor jointly develop detailed scope of work
Identify design components

CONTRACTOR PREPARES PROPOSAL
Contractor develops detailed scope of work and price proposal from Construction Task Catalog®

REVIEW PROPOSAL
Owner reviews and approves price proposal, schedule, list of subs, and submittals

ISSUE PO
Owner issues authorization to proceed

START CONSTRUCTION
Contractor commences work

NOTE
Gordian serves as owner’s representative in steps 2 and 4.
• Cost of construction: 3-6%
  – Contractor offers discount because bidding a large volume of work, not one small project
  – Overhead and profit spread over entire value of contract
• Lower procurement and administrative costs: 1-2%
  – Eliminates the full procurement cycle for each and every project
• Fewer change orders and claims: 1-2%
  – Joint scoping process eliminates misunderstandings about Detailed Scope of Work
  – Contractor responsible for errors and omissions
• Reduction of A/E fee: 3-5%
  – Currently many small projects are "designed" primarily for procurement purposes
BENEFIT: EFFICIENCY

- IQCC Offers a Cost Effective Alternative to the Traditional Bid
  - Faster Procurement – Weeks Instead of Months
  - Based on Owner-Contractor Partnership = Non-Adversarial Relationship
CONSTRUCTION TASK CATALOG®

- 275,000+ tasks
- 180+ labor categories
- 2,900+ equipment types
- 240,000+ material items
- Actual, local costs
- Customized technical specifications for each task
## SAMPLE PRICE PROPOSAL

<table>
<thead>
<tr>
<th>Day</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>5,000 Gallon Vacuum Truck With Full-Time Truck Driver</td>
<td>3.00</td>
<td>1,190.77</td>
<td>1.2087</td>
<td>4,317.85</td>
</tr>
<tr>
<td>3</td>
<td>Equipment Delivery, Pickup, Mobilization And Demobilization Using A Rollback Flatbed TruckFor equipment such as trenchers, skid-steer loaders (bobcats), industrial warehouse forklifts, sweepers, scissor platform lifts, telescoping and articulating boom manlifts with up to 40' boom lengths, etc.</td>
<td>4.00</td>
<td>150.00</td>
<td>1.2087</td>
<td>725.22</td>
</tr>
<tr>
<td>4</td>
<td>Collect Existing Debris And Load Into Truck Or DumpsterPer CY of debris removed.</td>
<td>26.00</td>
<td>11.58</td>
<td>1.2087</td>
<td>363.92</td>
</tr>
<tr>
<td>5</td>
<td>30 CY Dumpster (3 Ton) &quot;Construction Debris&quot;Includes delivery of dumpster, rental cost, pick-up cost, hauling, and disposal fee. Non-hazardous material.</td>
<td>2.00</td>
<td>355.80</td>
<td>1.2087</td>
<td>860.11</td>
</tr>
<tr>
<td>6</td>
<td>Hauling On Unimproved Roads, First 15 Miles</td>
<td>265.00</td>
<td>0.76</td>
<td>1.2087</td>
<td>243.43</td>
</tr>
<tr>
<td>7</td>
<td>Hauling On Unimproved Roads, Miles Over Initial 15 Miles</td>
<td>265.00</td>
<td>0.60</td>
<td>1.2087</td>
<td>192.18</td>
</tr>
</tbody>
</table>

**Subtotal for 01 - General Requirements**

$7,137.84

### 02 - Site Work

<table>
<thead>
<tr>
<th>Day</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Factor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Remove 501 - 1000 Gallon Tank Cut Straps, Extract Tank From The Diggings And Block To Prevent MovementExcludes excavation or backfill</td>
<td>8.00</td>
<td>485.79</td>
<td>1.2087</td>
<td>4,697.39</td>
</tr>
</tbody>
</table>
PROJECT TYPES

• Time sensitive projects
  – IQCC is a fast paced procurement system allowing you to procure the work and start construction within 20-30 days.

• Backlog projects that keep getting pushed to the side so you can focus resources on procuring higher priority, more important projects.
  – Procuring construction work takes time. With limited resources available, some projects get pushed to the side. With IQCC, the cooperative contract has been awarded and you can start work on those projects within 30 days.

• Projects that do not require 100% design
  – Based on projects complexity, maybe you only need 70% drawings? This saves money on design costs.
• Emergency work
  – The cooperative contract has been awarded. The contractor can start work immediately and you are protected as the Contractor is only paid for the work completed at the unit prices published in the Construction Task Catalog®

• Safety issue projects for IQCC. These projects arise during the worst times. It could be public, environmental or city employee work areas. Generally speaking it is not an emergency, but requires immediate attention.
Describing an abandoned mine as a unique or difficult work site is an understatement. Each mine can contain several hazards – explosives, hazardous waste, risk of underground fire, water hazards, toxic air, radioactivity, rotting support timbers, and animals.

In the case of old Uranium mines, a Geiger counter is used to measure the level of radon. The radon reading determines the level of protection workers should take – what protective clothing and gear should be worn and how long they can work inside the mine.
ACCURATE LINE ITEMS

- Line items specifically for Mines
  - Difficult Access
  - White Nose tool Control
  - Hazardous Materials
  - Use of “On-site” materials for closures “hairball closure”
WHY USE AN IQCC?

• Owners adopt IQCC for the following benefits
  – Simplifies the Procurement Process for repair, alteration & minor new construction projects
  – Faster Customer Response - Projects start in weeks rather than months
  – Improves the Quality of the Work
  – Increases Local and Diverse Subcontractor Participation
  – Virtually Eliminates Defaults, Terminations, and Claims
ezIQC

Rachel Legree, 435.200.4663  r.legree@thegordiangroup.com
Matt Garrison, 312.505.4809  m.garrison@thegordiangroup.com

http://www.njpacoop.org/
QUESTIONS AND DISCUSSION