

P3s essential for transportation projects: Georgia DOT Official

While some high-profile public projects using the public-private partnership delivery method have hit roadblocks in recent months, a presenter at last week's Design-Build Conference 2019 in Las Vegas said that the approach is a natural fit for most transportation projects.

Darryl D. VanMeter, assistant P3 division director at the Georgia Department of Transportation, said the goals of a P3 align with his agency's needs. The Georgia DOT is overseeing multiple P3s such as the \$800 million improvement of Interstate 285 in Atlanta, expected to be complete next year.

"When you think about it, most DOTs across the country have as their charge to design, plan, construct and operate a transportation system and one of the key aspects of P3s is that they really consider lifecycle costs," he told the audience at the conference sponsored by the Design-Build Institute of America (DBIA). "So working on a P3 is really about thinking like a DOT does."

P3 arrangements pair public entities with private investors to create projects that range from toll roads and highways to airports, government buildings, schools and universities. They are seen as an innovative way for municipalities to get much-needed infrastructure upgrades without cutting corners or breaking public

taxpayer-funded budgets. Most P3 contracts are for design-build, fixed budgets and fixed schedule work, according to a recent position paper from the Design-Build Institute of America.

In most P3s, long-term maintenance responsibilities on the project are handled by the contractor or other private entity, which incentivizes the design and construction team "to take a whole-of-life costing approach to deliver solutions that result in overall life-cycle cost efficiencies of the asset," the position paper explains.

VanMeter said that P3s are negatively impacted when contractors take on too much of the risk, but disparaged the notion that owners see P3s as a way to push their responsibilities on to designers and builders. In fact, his agency is looking into ways to make P3s more viable for contractors.

"From my experience at the Georgia DOT, we want to be a partner of choice when it comes to bringing good developers and good contractors to the state," he said. "We're trying to pay attention to the things we need to change or influence and realize that in some areas we're best suited to manage certain risks."

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About The GDOT

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on GDOT contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



About The Program

The Construction Estimating Institute (CEI) works with GDOT as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program. We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

Modular Monitor: Why does offsite construction matter

Hype for modular construction has hit a level of ubiquity.

It seems like every month another prefabricated hotel tops out at a record height for the delivery model, or a city official lauds the practice as the panacea for affordable housing — and the labor pinch — or a new offsite-based startup follows Katerra in stacking up investment funds.

But for every modular-related headline, there's a project supervisor barking safety orders at a crew on a cold jobsite who is thinking of modular as niche and questioning the impact it has on the industry as a whole. In other words, she's asking, "Why would modular matter to me?"

This new column sets out to answer that, putting in place one deep-dive installment every month to create a comprehensive overview of where the business model is (and isn't) making inroads, what opportunities are on the horizon and how much your business stands to be disrupted.

To start, here's an overview on where modular fits in the industry now.

Modifying old traditions

"There's a deep, historic industry that has called itself modular," Timothy Swanson, chief design officer of Skender, told Construction Dive. The idea typically conjures up images of double-wide trailers carrying a

single-family mobile home, Bob Vila's do-it-yourself kits, portable classroom modules and other relatively simple, one-piece structures.

But if that's what you're imagining, you've missed out on what's been going on behind the scenes of a quiet revolution, Swanson says.

In the background, various conventional builders and new entrants have been shifting more and more of their process indoors to manufacture elements of a building in a controlled environment. The parts — be it wall panels, bathroom pods or an entire hotel room with all finishings — are then delivered to the site and pieced together like Lego blocks.

Almost all buildings involve some prefabrication, or offsite production. But when it comes to full three-dimensional structures that are built almost entirely offsite, known as volumetric modular building, the segment has wrangled about 4% of the market and, in 2017, drove approximately \$7 billion worth of construction activity, according to the Modular Building Institute. There's potential for about 10% around the corner, some experts say.

It's what society is demanding, according to presenters last month at the Modular Building Institute's Offsite Construction Expo (OSCE) in Washington, D.C.

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