



TRANSPORTATION CABINET

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MEMORANDUM

TO: Executive Management, Prequalified Contractors, and Prequalified Consultants

FROM: James E. Ballinger, PE, State Highway Engineer 

DATE: May 15, 2023

SUBJECT: Award of Alternative Delivery Projects

Progressive design-build (PDB) and construction manager/general contractor (CM/GC) contracts are awarded using a Qualifications-Based Selection (QBS) process. For both PDB and CM/GC projects, the sections below describe the procedure for initially selecting proposals and negotiations that occur during the Preconstruction Phase to arrive at a guaranteed maximum price (GMP) for construction activities.

Initial Proposal Selection

- On PDB projects, the Department solicits proposals from design-build teams (DBT) capable of furnishing both design and construction services.
- On CM/GC projects, the Department solicits separate proposals from a design consultant **and** a construction manager. A construction manager is retained throughout the Preconstruction Phase to collaborate with the Department and design consultant. The construction manager provides input on issues such as construction scheduling and cost, innovation, and constructability.

The following steps apply to **both** PDB and CM/GC projects:

- A Technical Review Committee chosen by the KYTC Project Manager (PM)/team uses project-specific evaluation criteria to identify the apparent best value proposal(s).
- The PM prepares an executive summary of the Technical Review Committee's findings and submits it to the Awards Committee. If members of the Awards Committee request additional information, the PM is responsible for submitting it them.
- The Awards Committee makes a formal recommendation on whether it concurs with the selection.

Preconstruction Phase

- Throughout the Preconstruction Phase Construction Cost Reconciliation Meetings are held at pre-determined milestones. The meetings bring together the Independent Cost Estimator and either the DBT (PDB projects) or construction manager (CM/GC projects).
- The purpose of these meetings is to work toward a negotiated GMP for each Pricing Package that is satisfactory to the Department and the DBT (PDB projects) or construction manager (CM/GC projects). A Pricing Package consists of one or more buildable units.
- Once negotiations conclude, the PM submits to the Awards Committee the pricing approach and negotiated GMP, after which the committee will award or reject each Pricing Package. Separate Awards Committee meetings must be held to address each Pricing Package.
- The Department's goal is to build each project with as few Pricing Packages as possible. In some cases the Department can benefit from awarding multiple Pricing Packages.