



### **2014 AM 2 Breakout Session Recap**

## **AM 2: Let's Debate: Alternative Project Delivery – Where Are We Going?**

### **Moderator:**

Mark Kempton, Project Director, Skanska and Advisory Board Member, Mobility 21

### **Panelists:**

- Bruce Blanning, Exec. Director, Professional Engineers of California Government (PECG)
- James H. Roberts, President and CEO, Granite Construction
- Jessica Peters, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
- Geoffrey S. Yarema, Partner, Nossaman LLP

## **Summary**

This session allowed industry heavy-weights to debate this oft-misunderstood topic and potentially come to a joint resolution. The panelists discussed the alternative project delivery mechanisms available in the state of California, the roadblocks and potential solutions to utilization, and predictions about how mechanisms will change in the future.

## **Takeaway**

Alternative Project Delivery is a complicated issue and we are all trying to get the best value for our transportation buck. There are a wide range of tools available and no tool is perfect. Owners need to take a step back before considering an Alternative Project Delivery method to assess what their motivation is for pursuing a mechanism — do they understand the complexities, increased liabilities, procurement process and have the expertise to provide oversight and administer this type of project. Not every project is well suited to use an alternative project delivery method. There should be a comparable analysis conducted of Design-Bid-Build and Alternative Project Delivery mechanisms before deciding what approach to pursue. Something to consider is the amount of control an owner may want. Owners often struggle with

relinquishing control during their first Alternative Project Delivery project. If Design-Bid-Build works, why change now? There are funding gaps between transportation needs and available funds.

Alternative Project Delivery methods can help move projects forward and offer the potential for different financing options. It is a misconception that Alternative Project Delivery mechanisms bring new money. They only offer different financing options.