

# Session 5

**Why is it that Contractors bid some programs and not others?**

**The answers could:**

- 1) Enhance contractor interest.
- 2) Lead to more competitive bidding.
- 3) Highlight environmental problems.
- 4) Create process improvement.



Panel Member  
**Dave DeGroot**

**Professional Building Corporation**

- Geographical Focus – West Coast
  - Hails from Spokane WA.
  - General Manager of PBC.
  - 15 Years of residential construction experience including 12 years in RSIP throughout the country.
  - PBC's SoCal group bids on projects in the LA area where they have completed 35 projects since 1998. Unsuccessful at Burbank, Ontario, and San Diego.
  - 50 full time employees.
  - PBC specializes in RSIP.

Dave's RSIP work:

Boston	Burbank
Chicago	Ontario
Milwaukee	Inglewood
Cleveland	Orange County
El Segundo	Los Angeles



Panel Member

# Anthony Bucci

S&L Specialty Contracting

- Geographical Focus - National
  - Hails from Syracuse NY.
  - Project Manager for S & L .
  - Construction professional for 8 years 3 years in RSIP.
  - 12 full time employees.
  - S & L has bid in San Diego, Ontario, Monterey, Tulsa, Columbus, Detroit, Toledo, Cincinnati, Phoenix. Unsuccessful at Burbank, Inglewood.
  - Specializes in RSIP.

Tony's RSIP work:

Tulsa	Columbus
Detroit	Toledo
Cincinnati	Phoenix



Panel Member  
**Ara Karajerjian**  
**Karabuild Development**

- Geographical Focus: California
  - Hails from Rochester NY.
  - Project Manager for Karabuild, has performed projects locally and internationally.
  - Construction Professional for 11 years, 6 years in RSIP.
  - BS in Engineering from CSUN, Professional designation in Building and CM from UCLA.
  - Karabuild has bid on RSIP projects in Burbank, LAX and Inglewood. Unsuccessful at Van Nuys, CDC, and El Segundo.
  - Works on RSIP and other types of Public Works contracts.

Ara's RSIP work:	
Burbank	Inglewood
Los Angeles	



Panel Member

# Charles GoodBallet

## G&G Specialty Contractors

- Geographical Focus – South West
  - Hails from Dallas TX.
  - EVP and General Manager for G & G.
  - 23 Years experience senior executive in large Environmental and General Contracting firms, 5 years in RSIP.
  - Holds 9 contracting licenses in Arizona and California. (Has held licenses in 4 other states.)
  - Successful at winning contracts where they bid.
  - Works on RSIP and other types of Public Works contracts.

Charles's RSIP work:	
Phoenix	Tucson
Monterey	



Panel Member

# Walter Perfect

Lynn Perfect Construction

- Geographical Focus – Southern California
  - Hails from Chicago.
  - 37 Years experience as tradesman and Contractor.
  - General Contractor, union carpenter, cabinet maker.
  - Started California construction business in 1977.
  - Completed 3 construction modules for Burbank RSIP from 1999 to 2002.
  - Lynn Perfect Construction has bid in Burbank, unsuccessful at El Segundo, CDC and Van Nuys.
  - Works on RSIP, other types of Public Works contracts as well as Commercial and Residential Work.

Wally's RSIP work:

Burbank



Moderator  
**Jack Kozakar**  
Wyle Laboratories

- Geographical Focus – National
  - Hails from Los Angeles.
  - 18 years experience in the Construction Field, 4 in RSIP.
  - Residential, Commercial, Industrial, High-rise and Public Works Construction Management.
  - Program Manager and National Construction Manager for Wyle.
  - Former Naval Officer.
  - Bachelors degree from USC, Masters from USN and Masters from Pepperdine U.

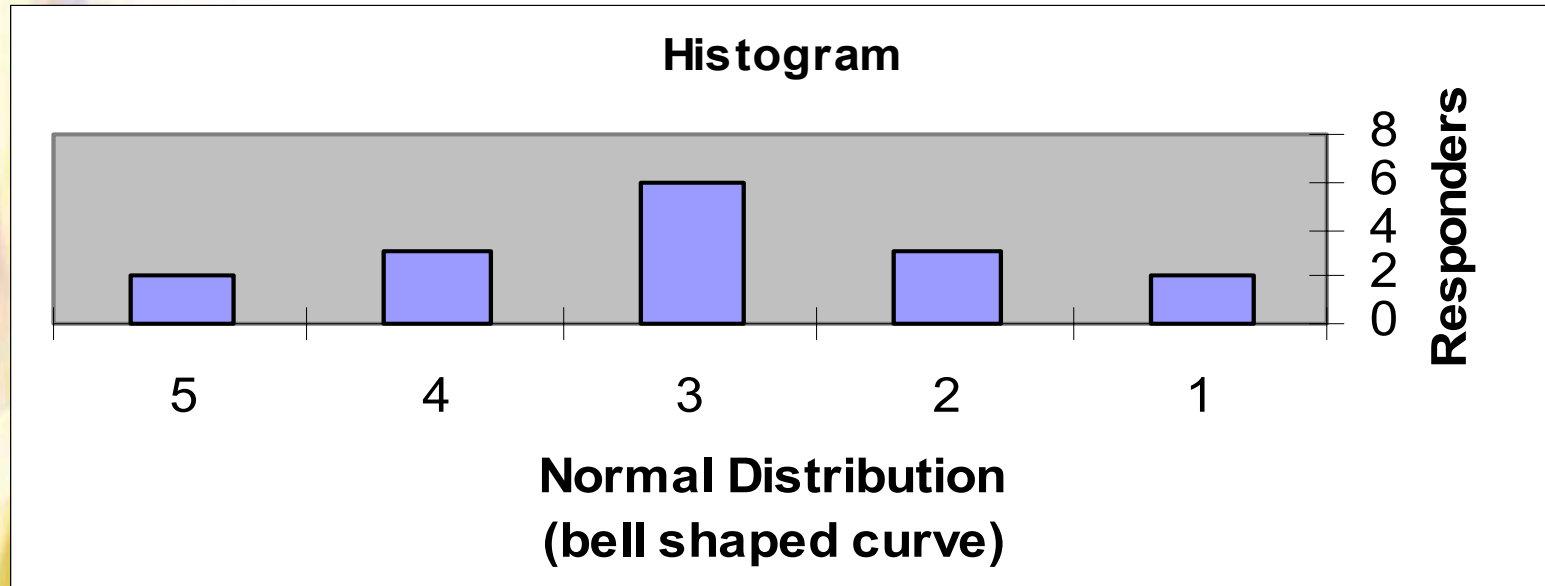
# Session Overview

- 1.5 Hours
  - Primary factors of non-participation
    - Research and Methodology
    - Statistical Analysis
  - Discussion
    - Factors for Contractor non-participation
    - Increasing Contractor Interest
    - Trends in Competitive Forces





# Data Presentation Format



Converted data

Strongly Agree = 5 ,

Neutral = 3,

Strongly Disagree = 1

Correlated Response data with Baseline data

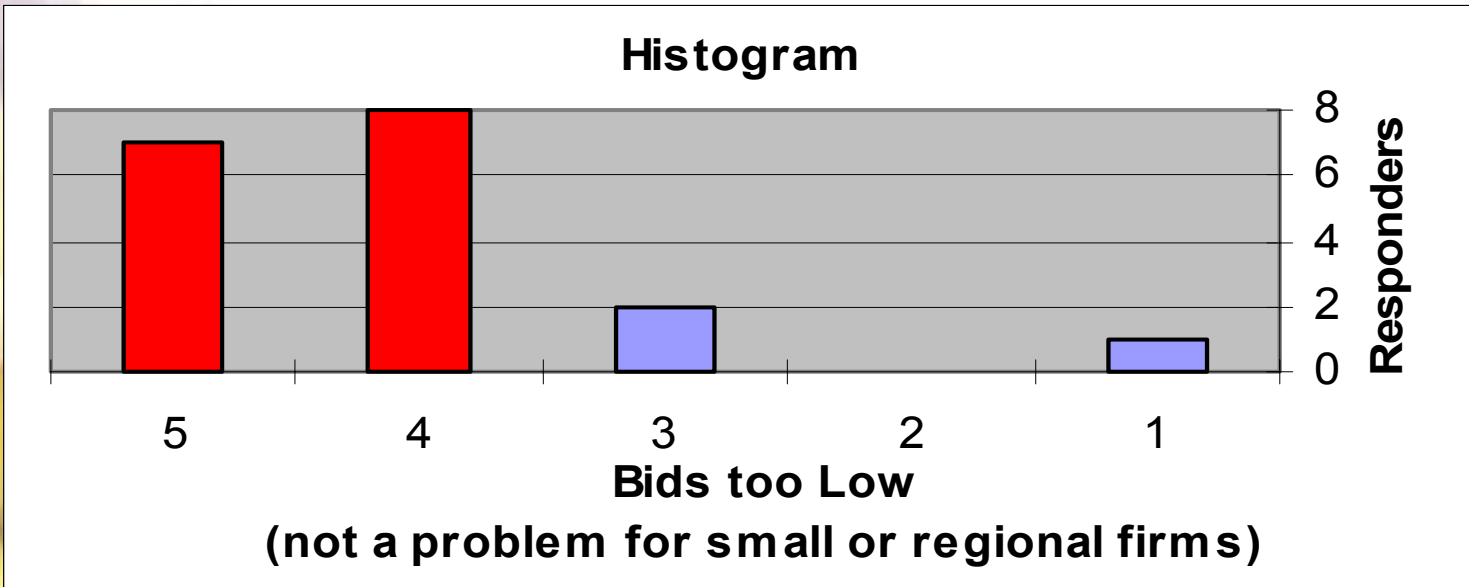
Firm's Annual Revenues

and

Firms Scale of Operations

Most responses for a given factor, chart into a normal distribution.

# Critical Factor

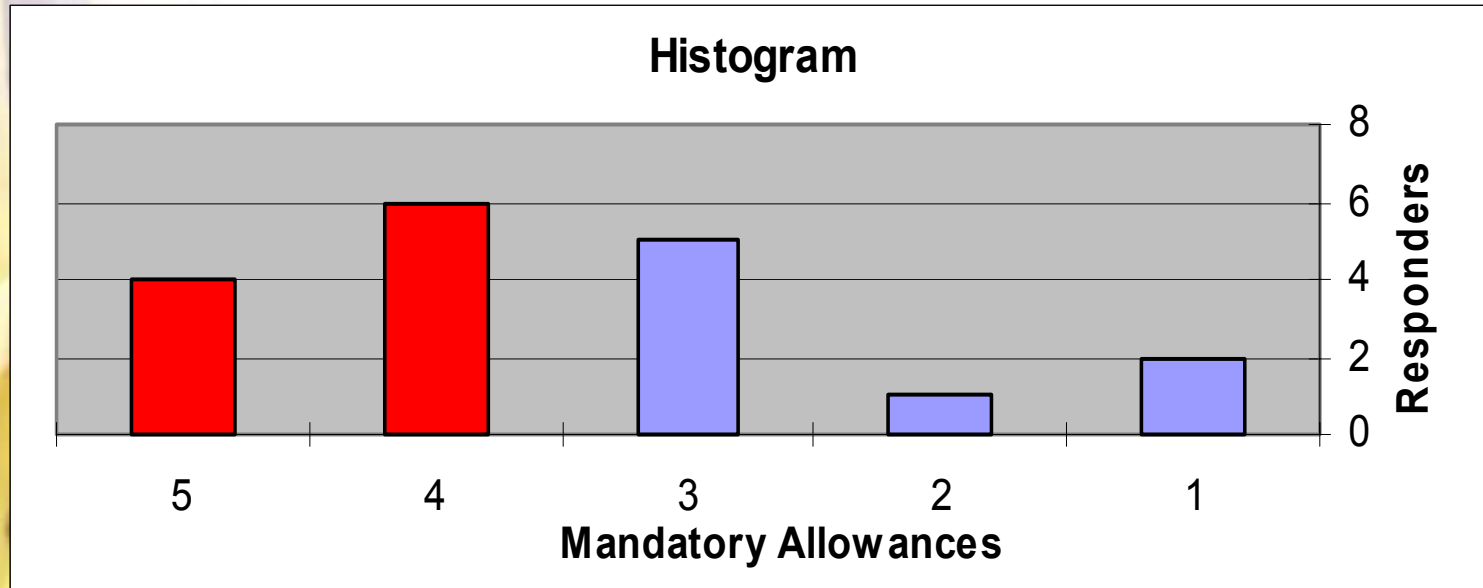


Data Skewed.

Data Negatively Correlated.

Small and regional firms have local knowledge in knowing of specifications and program requirements.

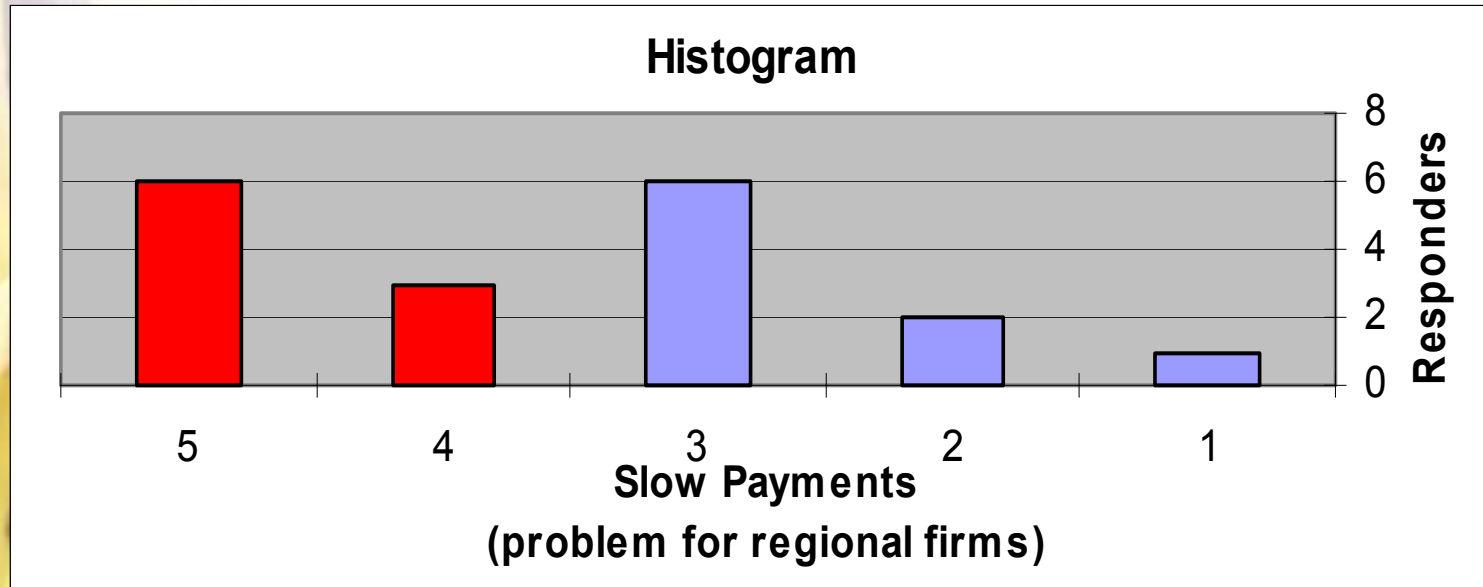
# Critical Factor



Data Skewed.

Firms willing to take risks will win jobs.

# Critical Factor

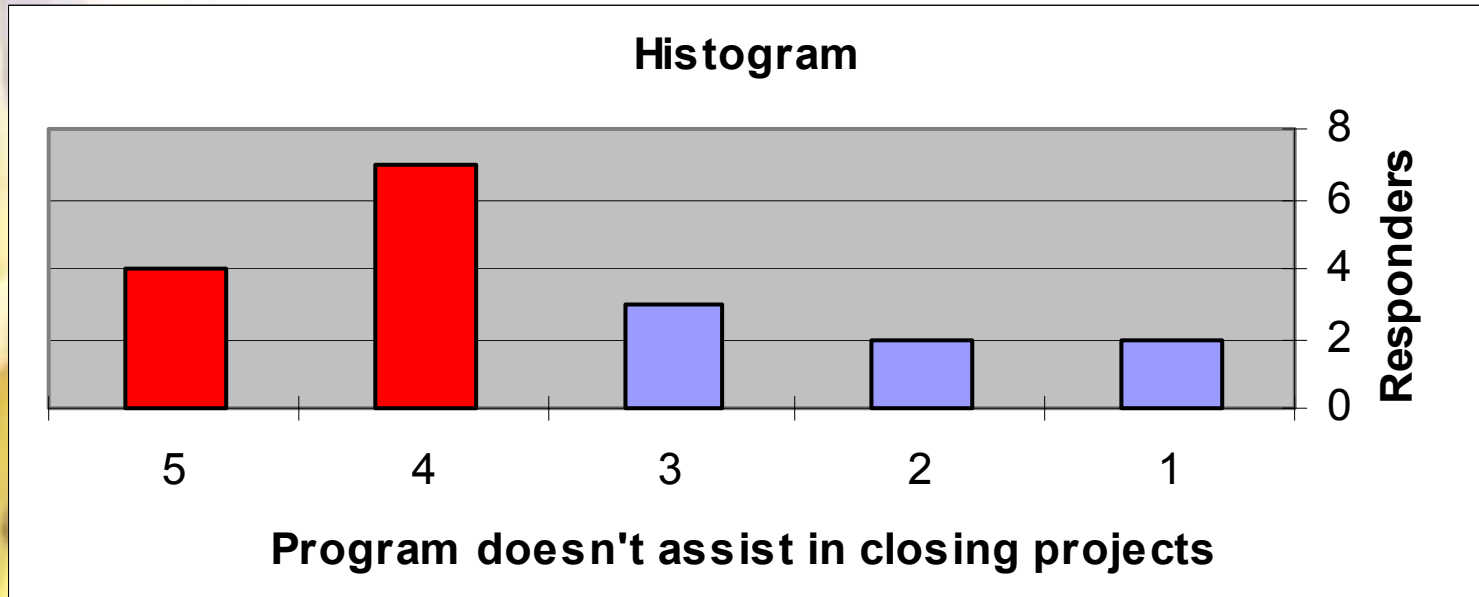


Data Skewed.

Data Correlated.

Regional Contractors work on cash flow. Bureaucratic check release procedures are a problem for these firms.

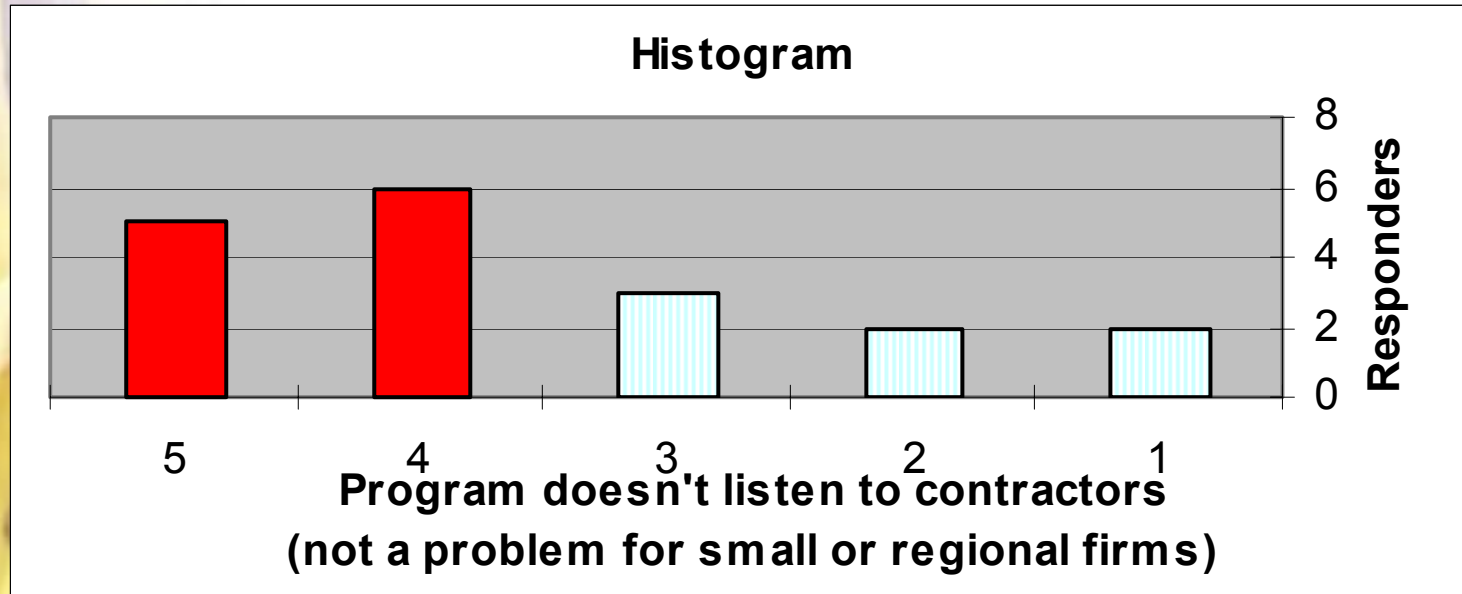
# Critical Factor



Data Skewed.

Contractors need specific and consistent procedures on completing work. Their needs can oppose a program's need to evolve, learn, adjust and deal with problem homeowners.

# Critical Factor

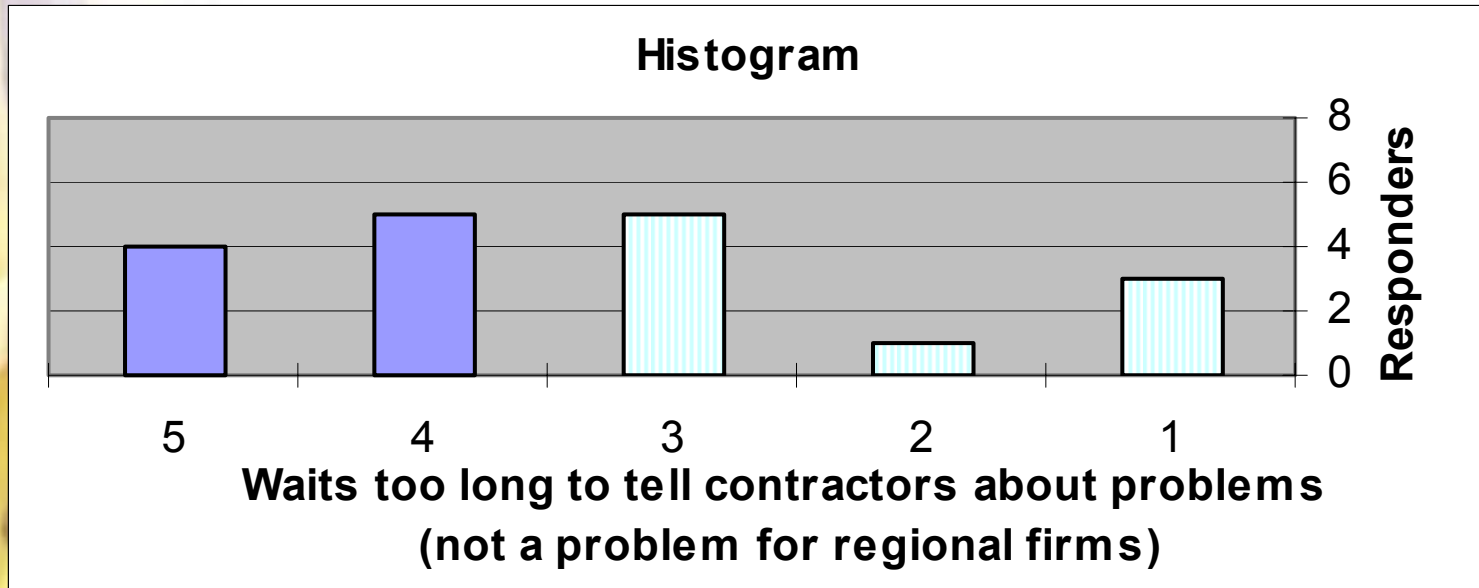


Data Skewed.

Data Negatively Correlated.

Small and Regional firms may have better relationships with Construction Managers and feel as if their concerns are better addressed.

# Critical Factor



Data Skewed.

Data Negatively Correlated.

Regional Firms may have more resources to finish work and control their punch list and have the local knowledge necessary to meet program expectations.



# Additional Factors Program/Environmental

- Write-in factors by contractors:
  - Other contracting opportunities were more lucrative or less competitive (both in and out of RSIP).
  - Difficulty finding quality DBE sub-contractors.
  - Program bids irregularly - difficult to keep steady workforce.
  - Long and unpredictable contract award periods.
  - Programs overly focused on homeowner satisfaction.
  - Bid Packages too small (less than 50 homes).
  - Program allows low bidder to continue getting contracts when work is sub-standard.

# Additional Factors Consultant/Specifications

- Write-in factors by contractors:
  - Contract duration or individual work time limits are too strict.
  - Post installation test-related-reinstallation-requirements.
  - Extended warranty requirements.

# Summary

- General Preference
  - Tight specs and Construction Management, but reasonable approach to change orders.
- Best Competitive Process Insight
  - The older a project gets, the harder it is for new companies to get in. The longer a responsible contractor works in RSIP the more likely their prices will drift up. So generally, the longer a program is around the greater risk of losing responsible contractors and their workforces.
- Conclusion
  - Some of the contractors needs may be opposed to the need of the program to evolve, learn and adjust.