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## **P3s foster design-build**

### **Design-builds are very expensive to pursue**

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With builders in Western Canada swamped with work, why would they risk turning away even more to participate in a costly design-build competition?

That's a question Dale Burghall, who oversees business development for PCL Constructors Westcoast Inc., attempted to answer during a presentation at the annual Canadian Design-Build Institute conference in Vancouver at the beginning of May.

"Design-builds are very expensive to pursue, so why would any contractor pursue these projects?" he asked.

The answer lies partly in the growing popularity of public-private partnerships to deliver public infrastructure. "Where there's P3s, there's design-build," he said.

Indeed, John Neilson, a partner in CEI Neilson Architecture Planning Interiors of Victoria, believes partnering in design and construction services is "inevitable" as P3s become more commonplace.

While competing for P3 work may seem daunting, and managing the plethora of relationships and responsibilities that come with it even more challenging, Burghall said P3s can be just as simple as a standard design-build project.

The primary benefit of the P3 process is the rapid progress projects make. "The P3 model introduces a level of rigour that gets decisions made faster," Burghall said.

For example, the Abbotsford Regional Hospital and Cancer Centre, which has been something of a poster child for the P3 process in B.C., accepted bids within 24 months of the call for expressions of interest.

PCL hopes to complete construction early next year.

A \$151-million outpatient facility designed to relieve congestion at Surrey Memorial Hospital moved even faster, taking just 12 months from the selection of a site to the request for qualifications.

Construction is expected to begin next year and last through 2010. By the same token, P3s don't make design-build projects any easier to do.

Tight competition means teams must be fully committed to projects, Burghall said.

This ties up resources, which could potentially cost firms more immediate opportunities. PCL, for instance, requires exclusive relationships with its partners.

Still, Burghall believes the hardline is worth it for the sake of a successful project.

Moreover, the cost of losing can be significant. One project garnered PCL and its partners a \$500,000 honorarium, but the team spent four times as much drafting the proposal.

But if the design-build team has to be serious about competing, Burghall said clients have to be equally serious about proposing P3s if they want to attract top-quality bids.

The shenanigans and sheer cost of losing out on the development of an \$800-million light rail transit (LRT) line in Ottawa last year has left a bitter taste in Burghall's mouth.

"If this thing is repeated, it's going to kill the entire P3 process," he said.

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*Dale Burghall*

*PCL Constructors Westcoast Inc.*

Some satisfaction may be available through court action (which PCL is not itself initiating) but Burghall made it clear that the actions of Ottawa council inject uncertainty into the process.

Other risks are much easier for the private design-build teams to handle, and they're probably better able to do it than government, Burghall added.

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