

Dredging Contractors of America





Historic Market

- **Reasonably stable**
- **Led by Corps**
- **Generated significant investment by private industry**

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Current Market

- **Confused and Unstable**
- **Corps struggling**
- **We all struggle**

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Future Market ??

- **Corps remains important leader**
- **Local Sponsors more important**
- **Dredgers need to adapt or else**

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Communications

- Sales by all sides
- Corps/Industry communications
- Ports and Dredgers?

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Funding Confusion

- No reprogramming
- Sponsors
“hording”
- Projects on hold



Continuing Contracts

A large red crane is mounted on a ship, positioned at a port. The crane's arm is extended, and its bucket is raised. The ship is docked, and the water is visible in the foreground. The background shows a clear sky and some distant structures.

- Old Clause out
- New clause in (and out)
- New Procurement strategy

Fully Funded Option

- Best Option, Best Value, Least likely
- Pros:
 - Money in hand
 - Defined work scope
 - All parties know what the plan
- Cons:
 - Stars have to align



Base Plus Options

An aerial photograph of a large construction barge on a wide river. The barge is orange and white, with a complex metal structure on top. A smaller tugboat is positioned next to it. In the background, a large bridge with tall pylons spans the river. The sky is overcast.

- **Most popular, but confusion reigns**

- **Pros:**

- **Pay as you go.**
- **Gets something done**

- **Cons:**

- **May award to other than low price**
- **Not necessarily lowest cost or schedule with undefined work scope.**

SCCC

A large red and white dredger ship named 'LIBERTY ISLAND' is shown on the water. The ship has a complex superstructure with various antennas and equipment. The name 'LIBERTY ISLAND' is visible on the side of the hull. The ship is moving through the water, creating a white wake.

- **Guaranteed Protest**

- **Pros:**

- **Allows for fixed price but with unlimited schedule for project depending on funding**

- **Cons:**

- **All on back of dredger**
- **Unbuildable.**

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Cost Drivers

The background of the slide is a photograph of an offshore oil rig. A large red crane is the central focus, with its arm extended and bucket raised. The rig is situated on a body of water, and other parts of the rig and distant structures are visible in the background under a clear sky.

Environmental

- New generation
- High risks
- Potential Fines

Cost Drivers

Mobilizations

- More Equipment
- Smaller Projects
- Seasonal Issues
- Potential Fines



Cost Drivers

Katrina Effect

- Tugs
- Barges
- Fuel
- Labor



Cost Drivers

Scheduling

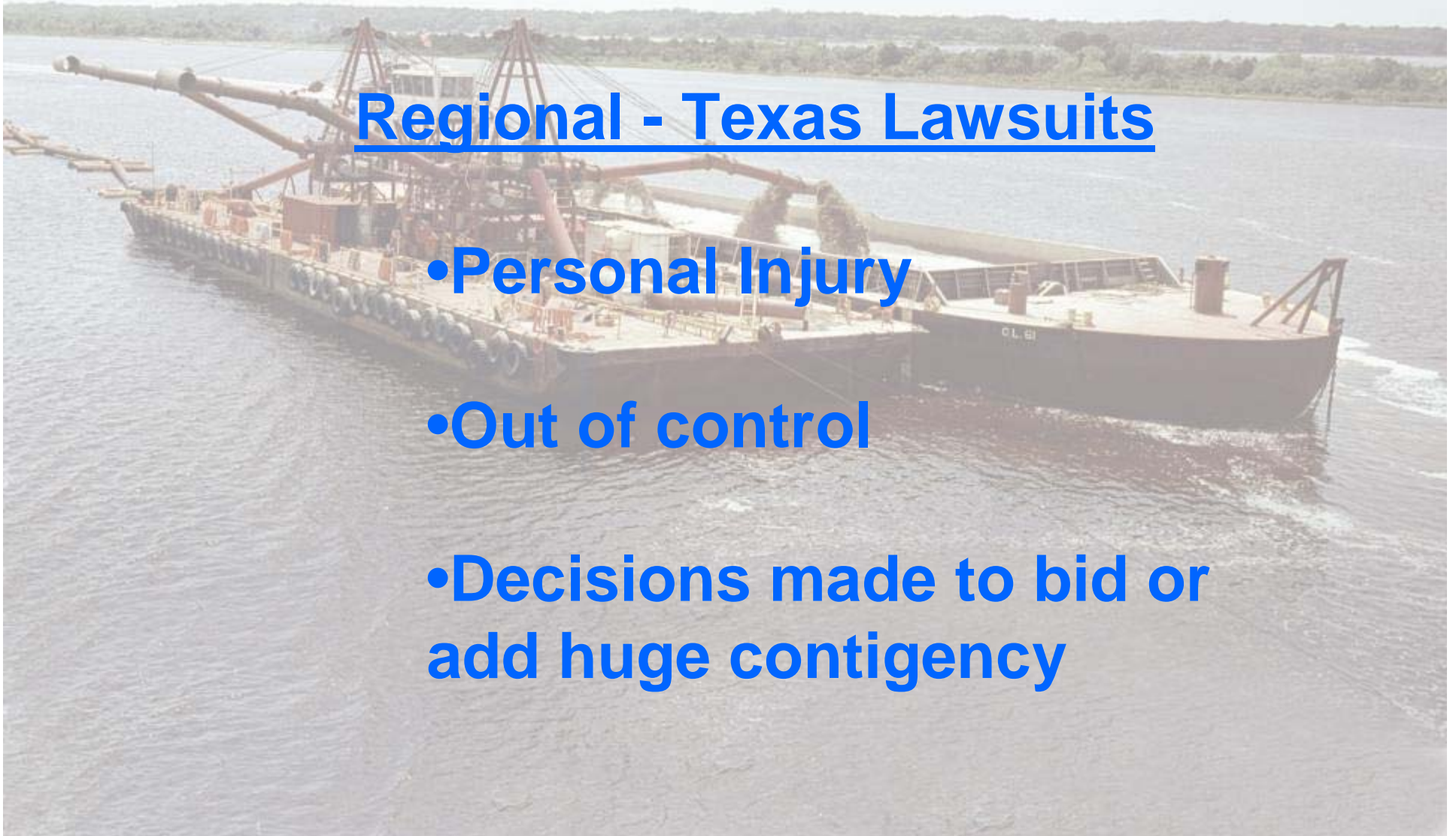
- Scope
- Equipment Selection
- Availability



Cost Drivers

Regional - Texas Lawsuits

- Personal Injury
- Out of control
- Decisions made to bid or add huge contingency





Summary

- **Real Concern**
- **Already some reaction with Dredges leaving market**
- **Contractual confusion lessens confidence**

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