

GREAT LAKES DREDGE & DOCK CORPORATION

BACK TO THE
FUTURE






DREDGE PROJECT
COST DRIVERS

October 3, 2019



Partnering

ISSUE PAPERS

-  1 Contracting Issues
-  2 Dredge Estimating
-  3 Overdepth Dredging Guidance
-  4 Management of Turtle Takes in the Gulf
-  5 Hydrographic Surveying



CONTRACTING ISSUES



CONTRACTING ISSUES

(ISSUE: Contracting Methods and Requirements are THE main controllable cost driver)

- *The most critical issues facing the dredging industry are associated with the contract procurement process. Among these issues are Contracting Officer procedures, plans and specifications, the need for contract partnering agreements, FEDTEDS, emergency contracting procedures, and pre-bid planning and partnering.*
- *Contract Partnering. “Partnering is a long-term commitment between two or more organizations for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant’s resources. The relationship is based upon trust, dedication to common goals, and an understanding of each other’s individual expectations and values. Expected benefits include improved efficiency and cost effectiveness, increased opportunity for innovation, and the continuous improvement of quality products and services.”*
- *Emergency Contracting Procedures.*
- *Pre-bid Planning and Partnering.*





DREDGE ESTIMATING



DREDGE COST ESTIMATING

(ISSUE: Impacts of market drivers not being considered in Corps cost estimates.)

- The dredging community (Corps, project sponsors, and private dredgers) has witnessed significant changes over the last few years as a result Congressional contract mandates, funding disruptions, environmental windows, regulatory oversight, and natural disasters. Each of these changes has had dramatic implications to equipment and labor scheduling as well as overall project costs.

- While dredging project owners are frustrated with the fact that they are spending more money for less dredging, it is ironic that the private dredging industry has invested heavily in new equipment, as well as significant upgrades of existing equipment, and now have the capability to dredge more efficiently than at any time in history.

- Restrictions on Contract Methods.
- New generation of environmental restrictions.
- Katrina effect.
- Mobilizations. (Short duration, large equipment spread, winter time, milestones)
- Scheduling difficulties.





OVERDEPTH DREDGING GUIDANCE



Management of Turtle Takes

(ISSUE: Endangered Species restrictions on dredging projects have huge impact on dredging costs due to scheduling restrictions and operational restrictions)

- *DCA seeks the opportunity to participate in a discussion of this policy as well as an opportunity to partner with the Corps in developing a suitable plan and allocation methodology. It will be important to ensure Corps Regulatory, Operations and Construction representation on the PDT to address this issue.*
- *Finally, we would like to encourage the Corps to press NMFS for a more realistic allocation between commercial activities. Currently, some 140,000 turtle “takes” from fishing and shrimping activities are permitted annually as compared to 40 for hopper dredging. After improving the management of the current allowable take, a fresh look at the policy driving this overall allocation is warranted.*





MANAGEMENT OF TURTLE TAKES



OVERDEPTH DREDGING GUIDANCE

(ISSUE: EPA fining dredgers for overdredging)

ERDC/TN EEDP-04-37

June 2007

Overdepth Dredging and Characterization
Depth Recommendations

<https://apps.dtic.mil/dtic/tr/fulltext/u2/a470164.pdf>





HYDROGRAPHIC SURVEYING



HYDROGRAPHIC SURVEYING

(ISSUE : Differing Corps District policies and capabilities lead to confusion in execution of contracts)

The performance and use of hydrographic surveying in the execution of a dredging contract is critical to the timely restoration of channel grade.

Survey Manual and Dredging Regulations.




- *Timeliness.*
- *Multi-beam Surveys.*
- *Regionalization.*
- *Project Acceptance.*

The dredging industry would like to ensure that the use and policies, procedures, timing, and acceptance should be topics of the preconstruction project conference and partnering agreement.



Partnering

Partnering Works

-  1 Lot of work to do
-  2 Lot of moving parts
-  3 No excuses



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