

Building

NANUQ

Project Managing

the construction of a new 36-passenger vessel for West Coast Aquatic Safaris



NANUQ is a first class Transport Canada Safety certified all-weather catamaran.

NANUQ MEANS POLAR BEAR IN THE INUIT LANGUAGE

This species of bear was thought to be the Master of all Bears. I learned that mastering the birth of this bear was a very challenging but ultimately rewarding project...

Deciding to Build a New Vessel

Half way through the second season for West Coast Aquatic Safaris' (WCAS), a marine eco-tourism company I launched in Tofino, British Columbia, it became obvious that the business had a true following. People wanted its signature experience: inside seating for all, three outdoor decks for front row viewing, and the availability of an onboard restroom. However, WCAS was not able to accommodate the demand and was often sold out more the 24 hours before departures. Also, having only 12 seats available per departure was frustrating as there were a few departures a day when staff could easily sell three times the capacity. This apparent demand from visitors helped me to decide to build a second vessel, but this time I would look at larger capacity - I would build a 36-passenger vessel.

Selecting a Contractor

After deciding to build a larger capacity vessel, the next step in the process was to contact Daigle Marine who was the company that constructed WCAS' first signature vessel, WASCO. Post WASCO, Daigle Marine had constructed a vessel similar to WASCO but was larger and operating on the east coast of Vancouver Island. Daigle Marine quoted a price over three times the cost of construction of WASCO, which was too much for the budget, but provided a good comparison point. I was able to research the Canadian marine construction market and determined that this new project would be above WCAS' budget. At the same point I began to investigate in the United States, specifically Washington State and was able to find a firm, Armstrong Marine, who had previously operated out of Canada, but had, ten years prior, transferred south to Washington. They quoted a price on construction that was over 30 per cent less than comparable prices in Canada. Despite the fact that going with Armstrong Marine would cost WCAS less money, I already anticipated that I would be paying for the savings in other ways.

Budgeting and Scheduling

One of the first immediate differences I experienced with working with a U.S. based contractor was the different payment schedule, which was different than the industry standard of paying one third of the total project cost preconstruction; paying the next third at the half way point of construction and paying the final third upon project completion. Armstrong Marine requested pay installments every two weeks.

Also, in my experience, it normally takes approximately five months for a fully staffed job shop to produce a vessel of this size whereas Armstrong was estimating ten months. My suspicion was that the 2008 economic downturn had caught up with this manufacturer and that my vessel build contract was supporting the company's payroll. I knew that I would need to keep a very close eye on this project.

Managing Process

At the onset of the build, Armstrong provided me with photos of the construction progress. About two months into the project and the end of our season, progress on the boat

build had slowed down immensely. I decided to travel to Washington to see how construction was coming along. Once at the shop I learned that Armstrong's focus and energy was on trying to secure US military contracts and not into the completion of the WCAS vessel. The on sight project manager had left and so had the progress on my boat. I stood my ground and withheld payment until certain steps had been completed. I also established a progress schedule which required that Armstrong had to communicate on-going project progress, mostly through photos, before I made the next payment instalments to them. I had to continue driving the contractors to progress the build but nonetheless, they were able to maintain the schedule.

Once the construction of the 36-passenger NANUQ was complete and the vessel on-sight in Tofino, Transport Canada inspectors required modifications be made to the vessel. The contractor used these modifications as reasons why they were falling behind schedule on the project. I made the decision at that point to travel down to the build site in Washington every month in order to drive this project to the finish line.



REFLECTION



Lessons Learned

As I reflect back on this major project that I initiated, oversaw and managed, I realize the different way I would handle this situation again now that I have acquired some business tools from the MBA program. Back then, I did not understand the time value of money. Had I understood this business concept then, I would not have agreed to the payment schedule the contractor held me to and I would have negotiated a more advantageous schedule for my company.