
Design-Build
Project Delivery
presented by
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What is Conventional Design-Bid-Build Delivery?

The owner separately contracts with an architect/engineer to design the project and a low bid contractor to construct the improvements.

- Sometimes leads to disputes over responsibility between the parties when good projects go bad
- Quality can be compromised

What is Design-Build Delivery?

Design-Build is a method in which one entity (a design-builder) forges a single contract with the owner to provide architectural, engineering design and construction services.



How Does It Differ from Conventional Delivery?

- Singular responsibility
- Quality
- Cost savings
- Time savings
- Early knowledge of firm costs
- Risk allocation/management



Design-Build Delivery Makes Sense

The Austin-based Construction Industry Institute conducted a national study of project delivery methods and concluded:

- 12% faster for construction than design-bid-build (DBB)
- 33% faster for delivery of design and construction process than DBB
- 5% less in a project's "cost of growth" despite change orders than DBB

Applicable Project Situations

- Project types of a familiar nature
- Defined scope
- Those which have been previously constructed by the Owner

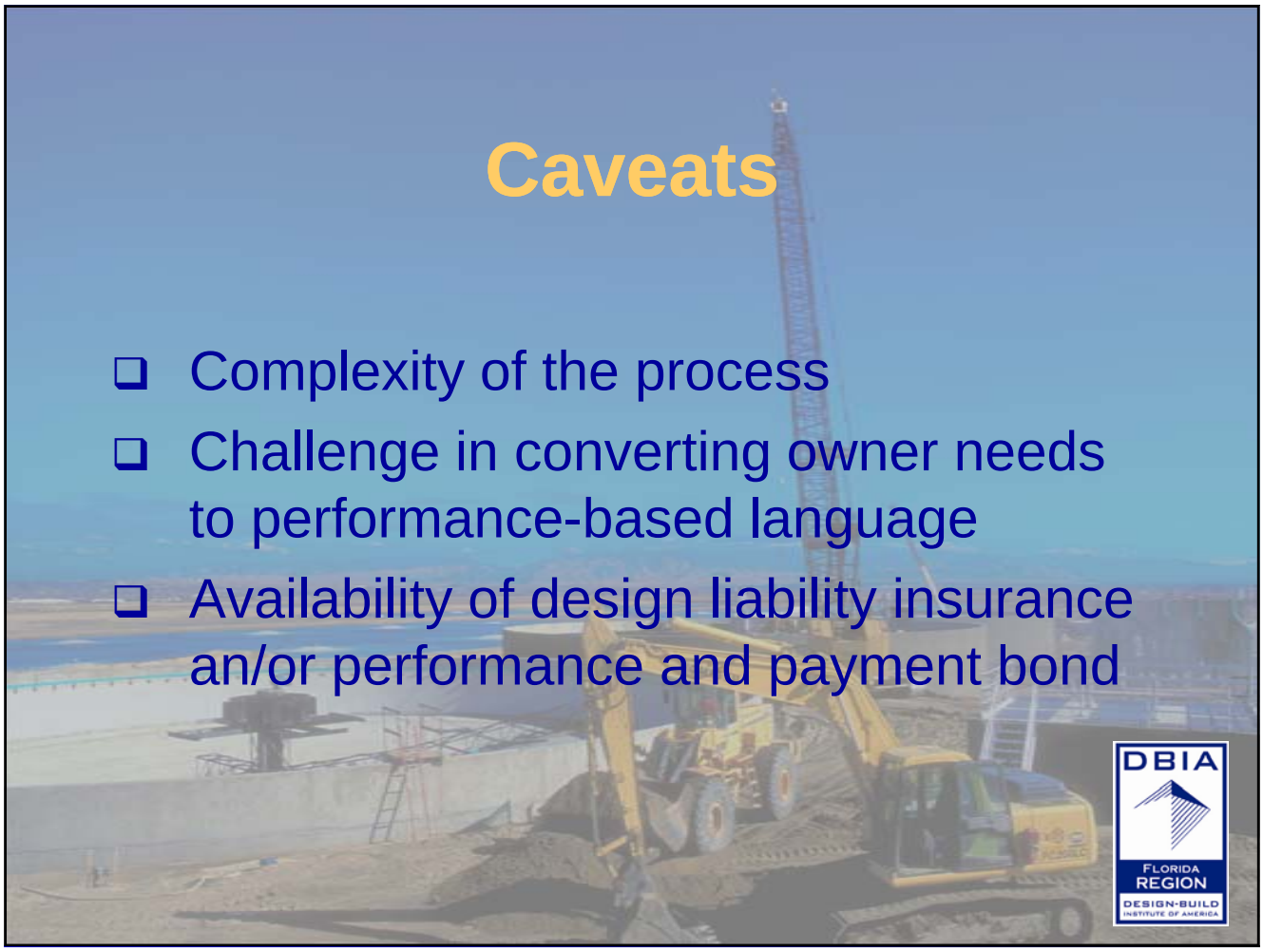


Design Build Projects

- Environmental facilities
- Education facilities
- Dormitories
- Jails and prisons
- Parking structures
- Data centers
- Medical facilities
- Courthouses
- Administration buildings
- Convention centers
- Transportation projects
- Office buildings

Are There Right & Wrong Projects?

A recent report by the ASCE states "There is no reason that design-build cannot be used on most types of construction projects, including traditional civil infrastructure projects."


Caveats
Complexity of the process
Challenge in converting owner needs to performance-based language
Availability of design liability insurance an/or performance and payment bond
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Challenges

- Applicable public policy
- Political implications
- Staff familiarity with design-build project delivery
- Willingness to cast off the warm fuzzy design/bid/build sweatshirt

Opportunities

- Multiple design solutions
- Material/systems innovations
- Early involvement of the builder
- Emergency response

Procurement Considerations

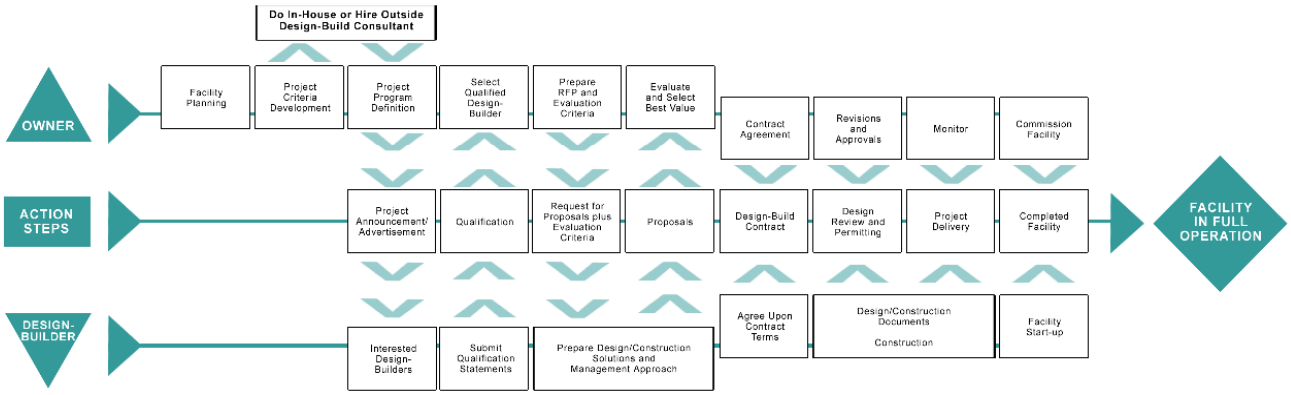
- Qualifications Based Selection (QBS)

-- OR --

- Two-Step Process
  - Prequalify offerors/proposers
  - Request separate cost and and technical proposals
  - Choose design-builder based on Best-Value"
  - Use stipulated sum contracts when selection is price competitive

Selection/Evaluation Process

The Competitive Design-Build Process





Keys to Successful DB Projects

Starting Considerations

- ✓ Set aside traditional processes and relationships
- ✓ Facilitate early involvement of key decision makers
- ✓ Balance responsibility and risk ~ risk allocation can make or break project
- ✓ Develop succinct criteria specifications
- ✓ Include requirement for financial guarantee
- ✓ Consider the need for an owner's design-build consultant

Keys to Successful DB Projects

Competitive Considerations

- ✓ Ask for reasonable submission requirements
- ✓ Consider the applicability of a stipend or honorarium
  - ➢ Level of design provided with RFP
  - ➢ Level of design required by RFP

Keys to Successful DB Projects

Evaluation Considerations

- ✓ Identify selection criteria and weighting to potential offerors
- ✓ Conduct a balanced evaluation by creating knowledgeable judging panels
- ✓ Conduct separate evaluation of cost and qualitative issues

Challenges to Address

Ensure:

- ✓ Integrity of the procurement process
- ✓ Cost and quality control
- ✓ Access for many contractors to engender competition

Issues to Address

Contract Issues:

- Payment Terms
- Contingency and Shared Savings Provisions
- Disproportionate or Concurrent Liquidated Damages
- Bonding and Insurance Limitations
- Indemnification
- Existing Utilities and Differing Site Conditions
- Long Term Inflation and Material Escalation
- Permitting
- Contract Standards
- Performance Guarantees

DB or Not DB

Design-build works when you have:

- The right project
- Good project definition
- Mutual trust
- Effective communication
- Efficient procurement process
- Commitment to quality
- Willing to act as a “team” ~ partnering and trust
- Quick conflict identification and resolution

Example FL Wastewater & Water DB Projects

- Lee County Three Oaks Wastewater Treatment Plant
- Nassau County MBR Wastewater Treatment Plant (JEA)
- Surface Water Component of the Tampa Bay Regional Water Treatment Plant
- Lee County Brackish Wells & Reverse Osmosis WTP

Views on Design-Build Generally Favorable

A recent study by the State of California Legislative Analyst's Office stated, *"The counties and cities that have used design-build generally expressed favorable opinions of the process. Almost all reported that compared to the traditional design-bid-build process, it took less staff time to construct a project and resulted in fewer claims and less litigation. To a substantial degree, this is because the local agency is removed from disputes between architect/engineer and the construction contractor. They also indicated that by awarding a fixed price contract, design-build provided more price certainty."*

Want To Learn More?

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- Florida Chapter
  - Regional program participation
  - Chapter Committee involvement
  - Regional Steering Committee participation
  - Sponsorships

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