



The Florida design-builder

Summer/Fall
2007

Newsletter of the DBIA - Florida Chapter

DBIA-FC 2007 Annual Sponsors



The Florida Design-Builder

The Florida Design-Builder is a publication of the Design-Build Institute of America's Florida Chapter, P.O. Box 781172, Orlando, FL 32828.

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DBIA - FLORIDA CHAPTER MOVING FORWARD

LETTER FROM THE PRESIDENT

by Patrick A. Mullen, 2007 DBIA-FC President



Patrick A. Mullen
MWH Americas,
Inc.

Wow, I can't believe how quickly 2007 has flown by. Our Chapter has been extremely busy with thirteen programs held to date and more planned.

In addition to continuing our education of design-build professionals, the Chapter is reaching out to owners to encourage their use of the delivery method. In May we exhibited at the meeting of the Florida Association of Public Procurement Officers in Fort Lauderdale. Representatives were on hand to answer questions and distribute informational materials. In November we are partnering with the National Institute of Government Purchasers Southeast Florida Chapter to present an educational program to their membership. We have also incorporated owner-only sessions within our annual conference.

Working on design-build enabling legislation is another of our initiatives. Florida has one of the most progressive and enabling sets of design-build legislation of any state. Our statutes allow procurement of design-build contracts through both price-based and qualifications-based selection (and a combination of the two); however, there are numerous county and municipal authorities whose

codes do not enable the use of design-build delivery.

Teno West of Holland & Knight, chair of our Legislative Committee, and his team are conducting a review of ordinances and procurement laws of municipalities and public entities throughout Florida to determine which entities allow for the use of design-build in accordance with State law (Section 287.055 of the Florida Statutes, et seq). Because State statutes place the burden on each public entity to establish its own criteria for awarding design-build contracts or determining if such a contract will be allowed, each entity's ordinances must be reviewed to determine if they have been recently amended to allow for the design-build delivery method on public projects in accordance with F.S. 287.055.

This research initiative also includes a review of impediments that may exist at the local level that will need to be modified to utilize the design-build legislation. Such impediments include local low-bid laws, other procurement laws, and the rules and ordinances

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MEET OUR ANNUAL SPONSORS

The DBIA Florida Chapter wishes to acknowledge our 2007 Annual Sponsors. It is through their support that we are able to provide a greater array of services for our members.

CDM

CDM is one of our newest annual sponsors. They are a full-service, integrated, consulting, engineering, construction and operations firm providing a full range of delivery methods to public and private clients. Their commitment to design-build is evident with the opening of a high-tech design-build center at their regional office in Maitland.

The Collage Companies

Collage is one of our first annual sponsors, joining us in 2005. They are a multi-service firm with capabilities in design-build, construction management and general contracting. Collage is a statewide firm with offices located in Orlando and Fort Lauderdale. Celebrating 25 years, Collage continues delivery of quality facilities to community, corporate and government clients.

Garney Companies, Inc.

Another new sponsor, Garney Companies, Inc. specializes in water & wastewater piping systems, concrete structures and water & wastewater treatment facilities.

Haskell

Preston Haskell was DBIA's founding chairman, and the company has been an annual sponsor for the Florida Chapter since 2006. Haskell's sole focus is design-build delivery. They provide complete architectural, engineering, construction, real estate and facility management services on a single-responsibility basis. Projects include manufacturing plants, distribution centers, medical facilities, low-temperature structures, office buildings, hotels and resorts, parking structures and institutional facilities.

Hensel Phelps Construction Co.

An inaugural annual sponsor of the Chapter, Hensel Phelps Construction Co. was founded in 1937. They build a diverse range of project types, including new construction and renovation of commercial office space, airport, distribution and industrial, correctional, public assembly, sports, healthcare, educational, institutional, residential, mixed use, retail, hospitality, mass transportation, entertainment, microelectronics, research and development, and laboratory facilities. These projects have been built for both public and private clients using various delivery methods.

LISTEN AND LEARN ABOUT QUALIFICATIONS BASED SELECTION



Ted Garrison with Garrison Associates recently interviewed John Giachino, regional director, client services for Boyle Engineering Corp. on his radio show - *New Construction Strategies*. Ted and John discuss evolving design-build approaches like Qualification Based Selection using a two-phased implementation approach and applying performance based specifications to appropriate projects.

To listen to this internet radio broadcast, visit: <http://www.jackstreet.com/jackstreet/wcon.giachinoE.cfm>

Holland & Knight, LLP
Holland & Knight has a "one firm" structure that enables them to offer service without boundaries. They have practice groups and industry teams comprised of more than 1,100 lawyers and professionals. The firm represents clients in a variety of design-build projects, including water, wastewater,

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WHAT SECURITY INSTRUMENTS BEST PROTECT OWNERS?

Q *What security instruments best protect owners in a design-build agreement from a contractor's failure to perform?*

A Contractors typically provide parent company guaranties, performance bonds and, to a lesser extent, letters of credit to guaranty their performance under a design-build agreement.

Under a parent company guaranty, the contractor's parent company unconditionally guarantees the contractor's contractual obligations. Parent company guaranties are often used when the contractor has limited assets or when the size and nature of the project dictate a greater level of protection for the owner. Such guaranties are usually capped at a specified dollar value. To establish the cap for a parent company guaranty it must be determined

which contractor costs do not apply against the limit. The contractor costs excluded from such a cap may include indemnification payments, payments of fines and penalties, operating losses and any insurance and performance bond payments.

Performance bonds are the most common security instruments used in connection with design-build agreements. This form of security has long been used by owners in connection with traditional construction projects. Contractor performance bonds provide security to the owner that the project will be built. Such bonds may not provide security to the owner that the project will actually meet the required performance standards.



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Letters of Credit, as a security instrument, afford the owner a high level of protection due to their accessibility. This is because an owner may draw upon the Letter of Credit provided by the contractor when the contractor has breached its obligations under the design-build agreement.

Unlike the parent company guaranty or the performance bond, the owner may directly access the Letter of Credit funds from the bank that provided the Letter of Credit. It is due to this accessibility, as well as such security instrument being treated as a liability of the contractor, which tends to limit their use in design-build agreements.

It should be noted that the design-build agreement should provide that if the contractor fails to maintain the required security instruments, such failure shall allow the owner to terminate the agreement.

If you have a question that you'd like to have answered, please send it to info@fldbia.org with a subject line of Newsletter Question.

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applicable to each municipality or public agency. As a result, Mr. West and his team are continuing to review the ordinances of the counties, as well as those of other municipalities, public agencies and public authorities to determine what amendments to such ordinances may be necessary to enable the use of design-build delivery methods.

Information on this research will be made available to our members

upon its completion.

As you can see, our Chapter is continuing to progress and move forward. This of course would not be possible without our dedicated corps of volunteers. They work tirelessly to develop and improve the Chapter. New volunteers are always needed. If you're interested in getting more involved, please feel free to give me a call (954) 846-0401.

MEMBER NEWS

JACKSONVILLE, FL - **Stellar** recently held a groundbreaking ceremony for its new 25,000 square foot building. The new facility will be LEED-certified.

"We are very excited about our new project says **Richard Lovelace**, vice president of commercial construction for **Stellar**. In keeping with LEED, we tore down our old building and recycled a major portion of it.

The new Stellar Commercial building, which they are designing and constructing, is scheduled to be completed by the end of 2007.

LAKE MARY, FL - For the fourth year in a row, **Collage** received a National Safety Award from the Associated Builders and Contractors, Inc. The 2007 ABC/Charles J. Eidel Safety Award recognizes **Collage's** achievement for their 2006 safety program at the Gold level.

SARASOTA, FL - **Gibbs & Register, Inc.** of Winter Garden recently began the construction phase of a

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MANAGEMENT'S ROLE IN CHANGING SAFETY CULTURE

Wayne Jensen, Director of Safety, Stahl & Associates Insurance

Industry has struggled for many years trying to figure out how to change the culture of their workers from working unsafe to a culture of working 100% safe. The biggest thing you need to know, as a high level manager or owner, is "your people are working like they believe you want them to work!"

Look at that logic. People who want to keep their job so they can provide for their families believe they must please the ultimate person who is running the company. If they believe you are there only to make money, which is only possible when there is high productivity, they will also believe that safety is of secondary importance. You may be thinking that "I am on record stating that safety is number one". The fact is that you can say safety is number one as many times as you want and your people will still think you are saying that to keep OSHA or the insurance company off your back. They won't believe you mean it.

The primary reason employees believe the way they do is because of layers of management between you and your people. The worker with wrench in hand associates what you want by what his or her immediate supervisor wants. If their immediate supervisor focuses only on production because they too believe that is what you want, then that worker will only believe productivity is number one and safety follows behind and maybe not at the number two position. After all, you created the system. The people who are in



place at all levels are there at your pleasure. They do what you want them to do and if they stop doing that they all believe they will get fired. That is just how it works.

How do you think your supervision, at all levels, is portraying you? Are they representing you well? Are they demonstrating your values about safety in the way you want them to?

If you think that people just won't risk their lives for the sake of pleasing an owner or high level manager, you are right. The fact is that they will only do things that they believe they can do without injury. This does not mean they are following safety rules to prevent injury. They will tend to break any safety rule that they believe is unnecessary or that they have skill to break without getting hurt. No worker intentionally works unsafe believing that "today" is likely to be the day they will die! A worker may admit to "breaking a safety rule," but seldom to working unsafe. At least that is the story they tell their spouse.

CEO's and managers need to use this message: "Work Safe and

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DBIA CHAPTER/REGION REORGANIZATION

William Green, DBIA
The RMH Group

The Design-Build Institute of America National Board of Directors has approved a reorganization plan to convert the current 16 chapters of DBIA into regions. This will allow each of the 16 new regions to form local chapters to better serve the membership. This plan was originally conceived by DBIA President Lee Evey as a means of getting into closer contact with the membership through the growth of local

“The growth of DBIA...has led to a need for local events to satisfy continuing education credits for the DBIA Design-Build Professional designation program...”

chapters. By the end of 2007, all current chapters of DBIA will complete their transition to regions, and each region will be encouraged to form local chapters in population centers within the region. The DBIA members around the country will then have more ability to participate in events closer to home. The growth of the DBIA, especially in the federal government sector, has led to a need for local events to satisfy continuing education credits for the DBIA Designated Design-Build Professional™ program. It has also led to an increasing need for “boot camps,” or week-long programs, where participants can get all the required classes for DBIA Designation. Designation is beginning to be recognized by some government clients as an evaluation criterion for selection on design-build projects.

CHAPTER HOSTS INDUSTRY FORUM WITH THE U.S. ARMY CORPS OF ENGINEERS

On June 6, the DBIA Florida Chapter hosted a construction industry forum with the U.S. Army Corps of Engineers. Representatives from the South Atlantic Division, Mobile, Savannah, and Jacksonville Districts were on hand to inform attendees about upcoming projects and how to do business with the Corps.

Massive civil projects in the Everglades and Lake Okeechobee, renovations and upgrades to aging facilities, new construction of everything from barracks to hangars to medical clinics are all upcoming projects in our region and many of them are design-build. The Corps



Col. Benjamin H. Butler, Deputy Commander, South Atlantic Division

reviewed what was happening and asked for feedback.

Copies of the presentations can be found at www.fldb.org. The program was sponsored by Hensel Phelps Construction Co., BRPH and PBS&J.

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Follow All Safety Rules.” Many people don’t equate working safe with following safety rules.

As an executive manager, try leading a meeting where the point of discussion is the value of working 100% safe. Something as simple as asking the question “What would be the value of working 100% safe at this company?” Listing the answers on a flip chart to involve everybody is powerful. Ultimately, you lead the process, but ask your people for the answers. It has to be their idea if you want the culture to change.

If you really want to prove to yourself that management is the hardest group to win over on safety culture, ask them the question: “If we begin telling our

people today to work 100% safe (which means follow all safety rules) what will happen to productivity?” The answer from managers and workers alike every time is “it will decrease.”

The truth is that productivity always increases when people are required to work 100% safe. You will have the greatest life saving opportunity of your entire life if you will say to your people, “I don’t care if production falls off, I want you to work 100% safe.” If you prove to your people that you care so much about them that you are willing to sacrifice productivity or even the business if it will prevent even the slightest injury, they WILL provide you with productivity and success. The converse is also true.

MEMBERS NEWS

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\$14.7-million design-build contract with Sarasota County. They are completing the final design and construction of the "Rails-to-Trails" project which is a permanent trail on most of the 12.4 mile, former CSX railroad corridor between Sarasota and Venice. This final design will consist of an asphalt trail, trailhead connections and signal crossings. Six trestles will be either replaced or rehabilitated.

ORLANDO, FL - **The Scott Partnership Architecture and Interiors, Inc.** is in the process of building their new corporate headquarters using the design-build delivery method. "Acting as owner, architects and design-builder our vision had single source accountability. We had the freedom to develop our vision and monitor its execution," said spokeswoman Colette Jones. Their experience is detailed in the July/August issue of *Dateline*.



Rendering of the interior of The Scott Partnership Architecture's New Corporate Headquarters.

JACKSONVILLE, FL - **Mike Santarone**, who has been instrumental in the success of **Stellar's** food processing division, has been promoted to Chief Operating Officer. In his new role, **Santarone** will have complete oversight for all engineering, construction and design operations within all **Stellar** business units.



Mike Santarone

ORLANDO, FL- **Jackie VanderPol** of The Fulcrum International announces that DBIA members will receive a ten percent discount on job postings. The online job board can be found at www.thefulcrumintl.com.

SANFORD, FL - The **Wharton-Smith, Inc.** (WSI) Center for construction education has been established for Seminole Community College (SCC). The new facility will provide education and training to construction students and professionals, as well as those in other fields. WSI's donation of \$250,000 is expected to be matched by the state for a total contribution of \$500,000.

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transportation, health and hospital facilities. They too are an inaugural annual sponsor.

MWH

MWH has supported the Chapter as an annual sponsor since 2005. The firm is a global provider of solutions to municipalities, government agencies, multinational companies, industrial concerns and military organizations worldwide. This includes integrated solutions in environmental engineering, power generation, facilities development, laboratory services, construction, multi-sector program management, asset management, financial services, IT consulting, government relations and applied science.

Wharton-Smith, Inc.

Headquartered in the Orlando area with offices in Tampa and Palm City, Wharton-Smith, Inc. is a general contractor specializing in Commercial, Environmental, International/Entertainment and Industrial construction. They came on board as an annual sponsor in 2006.

Send Us Your News: *We are especially interested in DBIA member networking stories, member accomplishments, and company news. If you have information that you would like to share, please send it to Karen Wallace at kwallace@fldbia.org.*

KEYS TO A SUCCESSFUL DESIGN-BUILD PROJECT

While the use of the design-build procurement method can result in a project that is built more quickly and more cost-effectively than one that follows the more conventional design-bid-build process, there are a number of considerations that can mean the difference between a successful job and one that falls short.

Starting Considerations:

Before the design-build project even begins, project team members must set aside traditional design-bid-build processes and relationships. The early involvement of key decision makers such as elected officials (mayor, city council members, county administrator and county commissioners) and the owner's senior staff (capital planning, engineering, legal, public outreach, project management and operations personnel) helps facilitate a firm understanding of design-build so the method receives the support and endorsement it needs throughout the design and construction process. Assigning responsibilities and equitably allocating risk among the owner and design-build project team is important. Owners should develop succinct criteria specifications so the design-build entity knows what it is expected to build, and provide for financial guarantees with the contractor. Or, for appropriate projects, the owner can provide performance-based specifications. An example of this would be in construction of

a new water plant in which the owner specifies that the facility will provide a certain quantity of water meeting specified quality criteria and then leave the solution to the proposers' discretion and experience. This allows the owner to apply the best solutions to the project.

Competitive Considerations:

The extent and complexity of the RFQ or RFP issued by an owner have a direct effect on the quantity and quality of bids the owner will receive. Competition will be discouraged if requirements are too demanding or specific. A Florida entity recently issued an RFP for the design of a sewer system that requested the use of highly prescriptive materials and specifications. While more than 30 design-build teams showed an interest in the project at the initial proposal meeting, only two ended up submitting the extremely complex and time-consuming proposal. Understand that design-build firms may not have the time, resources or interest to follow such an RFQ or RFP process through to submission.

Evaluation Considerations:

When evaluating bidders, gather together a technically sophisticated panel of judges who can knowledgeably examine the qualifications of the design-build entities under consideration. Separate the analysis of cost from the analysis of the firm's capabilities and expertise. Add weighting



To help you hit a home run on your next design-build project, we have assembled a program that will provide you the tools to be successful. Sign up today. Go to: www.fldb.org.

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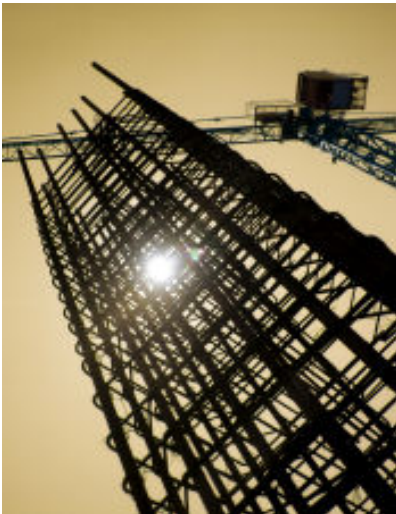
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factors to evaluate the criteria that represent the owners' best interests. For one owner, cost may be the deciding factor. For others, past experience with a similar project type may be the most important aspect.

This article originally appeared in a special DBIA Florida Chapter advertising supplement to Southeast Construction. It has been reprinted with permission from McGraw-Hill Construction.



ADVANCED DESIGN-BUILD STRATEGIES FOR ARCHITECTS

The Design-Build Institute of America (DBIA) and the American Institute of Architects (AIA) have teamed up to take design-build project delivery to new heights! This course will be delivered eight (8) times across the country by two of the industries leading authorities.

TOPICS INCLUDE:

- How to become a Leader on Design-Build
- Teaming Between Architects and Contractors
- Scope Definition and Management
- Design Excellence through Design-Build
- An Owner's Perspective on Design-Build
- Owner's Initiatives and Objectives
- Critical Success Factors

November 16, 2007
Orlando, FL
7:30 am to 5:30 pm

INVESTMENT:
\$225 - DBIA and/or AIA
Members
\$325 - Nonmembers

8 DBIA continuing education credit hours and
8 AIA HSW LU

For more information or to register, go to
www.designbuildducation.com
or contact DBIA at 202-682-0110.

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