

Design-Build Project Delivery

presented by

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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

Six Phases Of A Conventional Project

1. Enthusiasm
2. Disillusionment
3. Panic
4. Search for the Guilty
5. Punishment of the Innocent
6. Praise & Honors for the Non-Participants

Six Phases Of A Design-Build Project

1. Enthusiasm
2. More Enthusiasm
3. Calm
4. Search for Innovative Solutions
5. Added Value and Rewards for the Owner and Private Partner
6. Praise & Honors for the All Participants

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?

Right

- ❑ Evergreen
- ❑ Treatment Plants
- ❑ Storage structures
- ❑ Pump stations

Wrong

- ❑ Buried utilities
- ❑ Retrofits
- ❑ Upgrades (sometimes)

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.”

Example 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

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

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

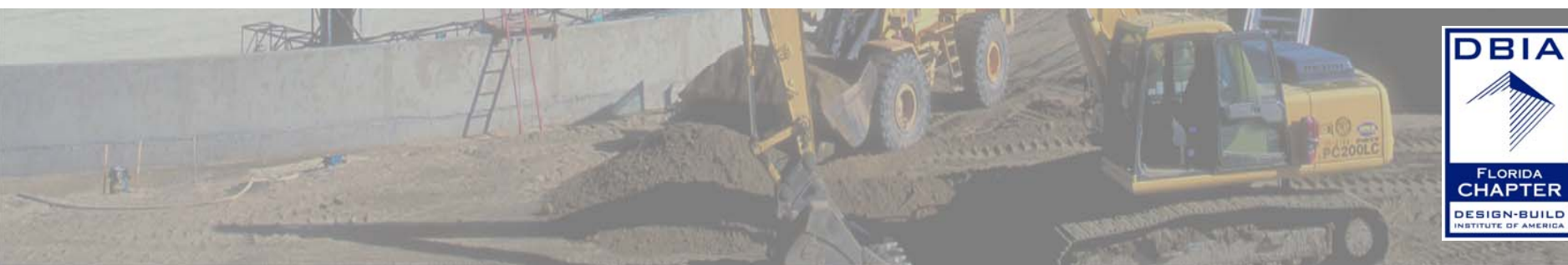
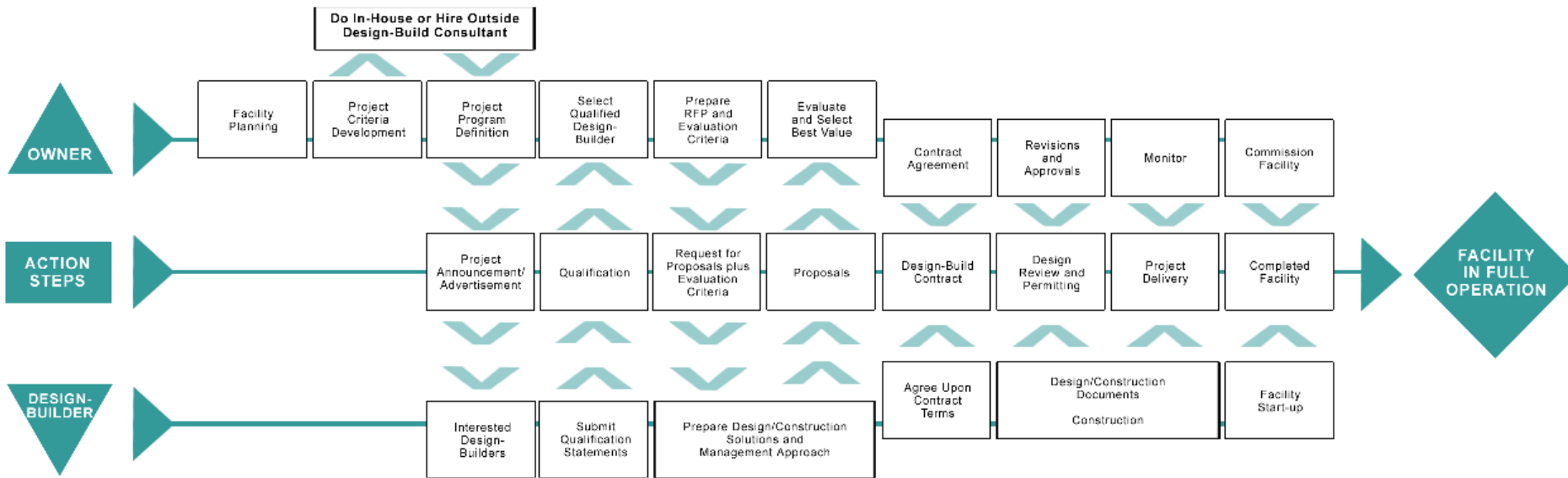
- ❑ Qualifications Based Selection (QBS)

-- OR --

- ❑ Two-Step Process
 - Prequalify offerors/proposers
 - Request separate cost and 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

Issues 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

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
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 - Chapter Committee involvement
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 - Sponsorships

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