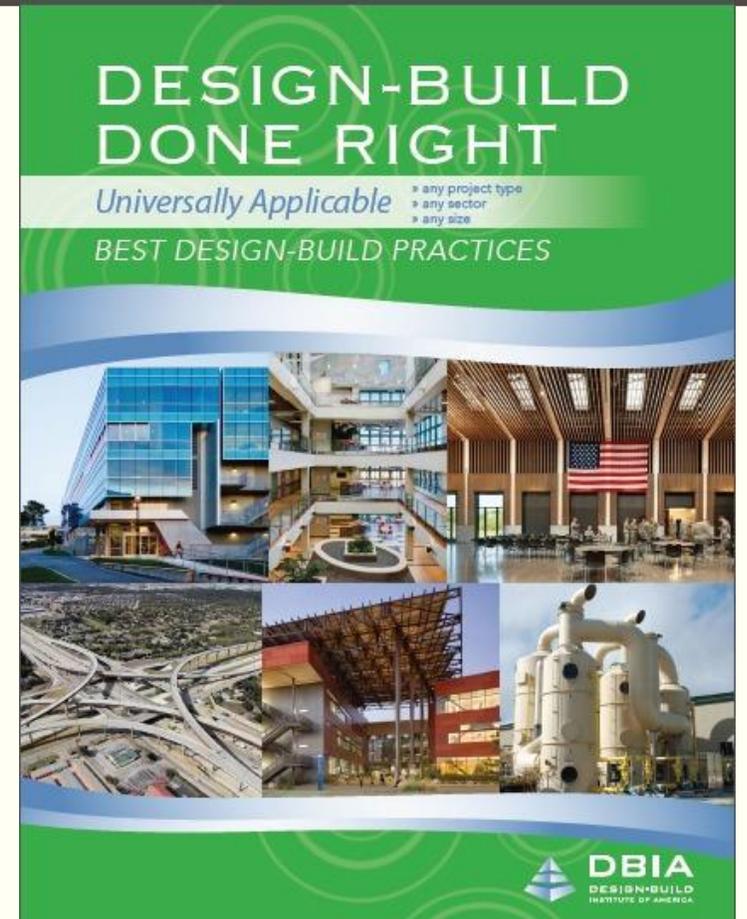


DESIGN-BUILD DONE RIGHT

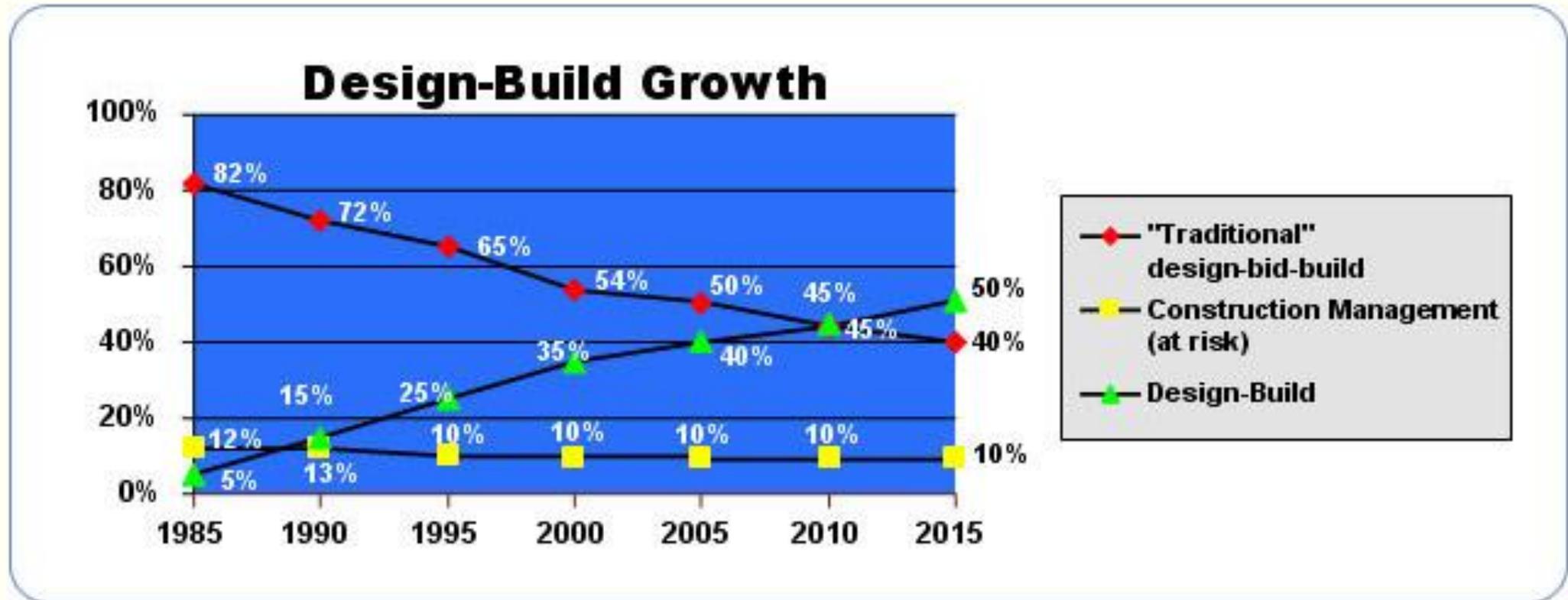
CMAA SoCal Chapter Workshop
October 3, 2014



Why Do Owners Select Design-Build?

- Allows selection based on price and other factors (Best Value Selection)
- Fosters greater collaboration between the design team, specialty trade contractors and builder
- Enables involvement early-on with specialty trade contractors
- Single source of responsibility
- Better BIM Coordination
- Reduced change order experience
- Improved schedule performance (faster to construction)
- Perceived reduction of risk

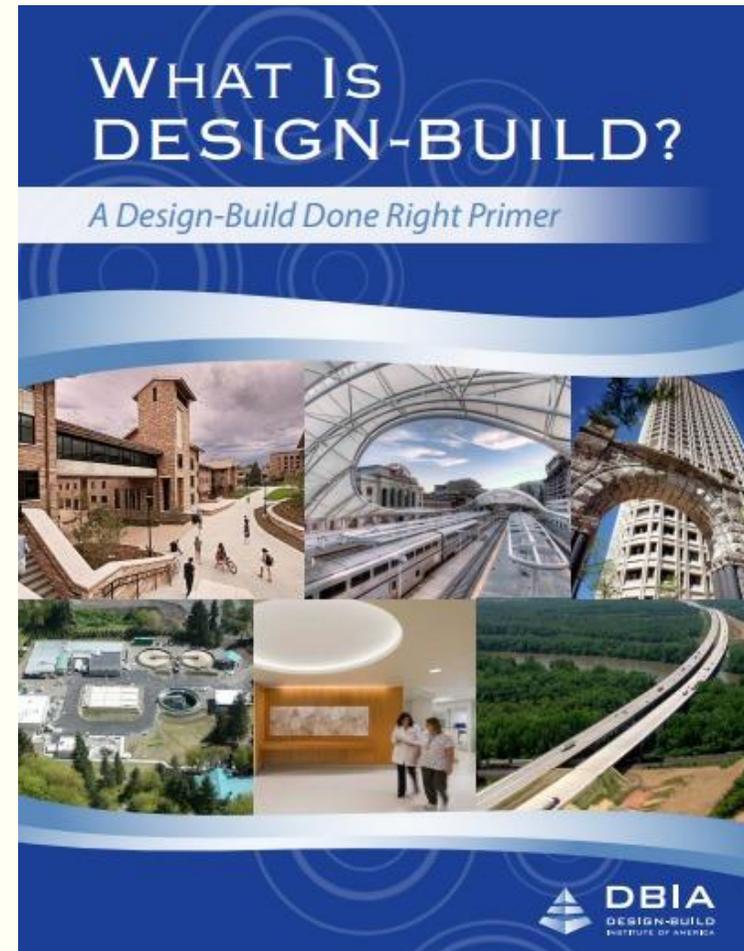
Design-Build Growth (1985-2015 Projected)



Source: DBIA

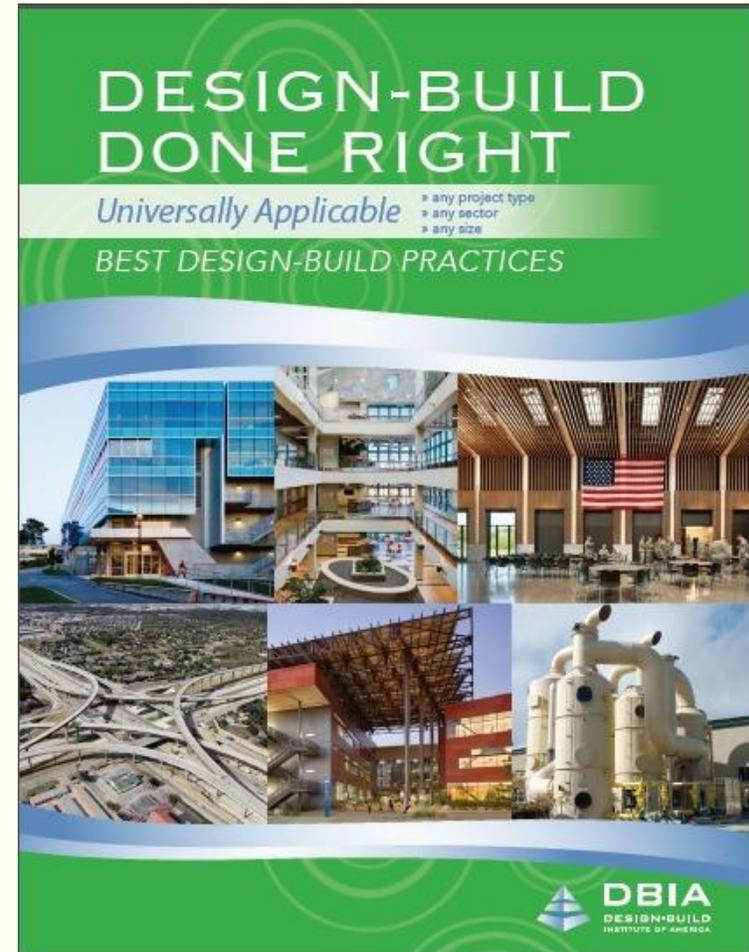
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http://www.dbia.org/resource-center/Documents/what_is_design_build_primer.pdf



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Procuring Design-Build Services

1) An owner should conduct a thoughtful, proactive and objective assessment of the unique characteristics of its program/project and its organization before making the decision to use design-build.

- Owners should understand the attributes of design-build and how these attributes will benefit its program/project before deciding upon its use.
- Owners should be educated and trained in the procurement, contracting and execution of design-build projects, as well as in the importance of setting expectations and fostering a collaborative relationship among all members of the project team.
- Owners should have senior leadership that is committed to the success of the design-build process and that can help instill a healthy and trusting relationship among the entire project team.

Procuring Design-Build Services

- Owners should be informed by current industry market research as they plan their design-build programs, as market research will reveal risks and opportunities in the current environment.
- Owners should use a rigorous and thoughtful project risk assessment process, based on market research, early in the procurement process and update/refine the results of that process as the project proceeds from procurement to project execution.
- Owners should have a comprehensive understanding of any procurement constraints or flexibility imposed or afforded by their legislative, regulatory, or internal requirements.
- Owners should make an early determination of their conflict of interest policy on design-build procurements and promptly disclose this policy to the relevant marketplace.

Procuring Design-Build Services

2) Owners should understand the attributes of design-build and how these attributes will benefit its program/project before deciding upon its use.

- Owners should use procurement processes that focus heavily on the qualifications of the design-builder and its key team members rather than price.
- Owners should use a procurement approach that encourages the incorporation of key specialty trade contractors early in the procurement process.
- Owners should develop their design-build procurement with the goal of minimizing the use of prescriptive requirements and maximizing the use of performance-based requirements.
- Owners should make a conscious decision about the importance of design excellence and innovation on the project, and reflect such decision in its procurement approach.

Procuring Design-Build Services

- Owners should make a conscious decision about the importance of sustainability on the project, and reflect such decision in its procurement approach.
- Owners should set forth estimated contract cost/budget ceilings in their project-specific procurement documents.
- Owners should be mindful of the level of effort required by proposers in developing responsive proposals, and should limit proposal deliverables to only those that are needed to differentiate among proposers during the selection process.
- Owners who require project-specific technical submittals, such as preliminary designs, to evaluate and select the design-builder should use a two-phase procurement process and limit the requirement for delivery of such submittals to the second phase of the process.

Procuring Design-Build Services

3) An owner using a competitive design-build procurement process should ensure that the process is fair, open and transparent, using clear evaluation and selection processes.

- Owners should perform appropriate front-end work, including geotechnical investigations and permit acquisitions, to enable the owner's team to have a realistic understanding of the project's scope and budget, and to enable proposers to reasonably rely upon such information as they establish their price and time assumptions in the proposal.
- Owners using a two-phase procurement process should shortlist the number of proposers invited to submit proposals.
- Owners should conduct confidential meetings with shortlisted proposers prior to the submission of phase two proposals, which meetings will encourage the open and candid exchange of concepts, concerns, and ideas in a confidential setting.

Procuring Design-Build Services

- Owners should provide unsuccessful shortlisted proposers with a reasonable stipend when responding to a proposal that requires a significant level of effort by the shortlisted proposers.
- Owners should ensure that their technical and cost proposal team members are trained on the particulars of the procurement process.
- Owners should ensure that technical review teams do not have access to financial/price proposals until after the technical proposals have been finally scored.
- Owners should provide the opportunity for unsuccessful proposers to participate in an informative debriefing session.

Contracting for Design-Build Services

1) Contracts used on design-build projects should be fair, balanced and clear, and should promote the collaborative aspects inherent in the design-build process.

- Contracting parties should proactively and cooperatively identify significant project-specific risks and clearly identify in the contract how such risks will be handled.
- Contracts should reasonably allocate risks to the party that is best capable of addressing and mitigating the risk.
- Contracts should have language that is understandable to those personnel who are administering the project.
- Contracts should encourage, rather than hinder, communications between the parties.
- Contracts should contain a fair process to allow for adjustments in the contract price and time.
- Contracts should contain alternative dispute resolution processes that will promote the prompt identification and resolution of disputes.

Contracting for Design-Build Services

2) The contract between the owner and design-builder should address the unique aspects of the design-build process, including expected standards of care for design services.

- Owners should, consistent with their overall procurement strategy, thoughtfully evaluate the use of appropriate contractual incentives that will help align the performance of their design-build teams with the owner's project goals.
- If the design-builder is expected to meet performance guarantees, the contract should clearly identify such guarantees, and the guarantees should be capable of being measured and reasonably achievable by a design-builder performing its work in a commercially reasonable fashion.
- The contract should clearly specify the owner's role during project execution, particularly relative to: (a) the process for the design-builder reporting to and communicating/meeting with the owner; (b) the owner's review and acceptance/approval of design submittals; and (c) the owner's role, if any, in QA/QC.

Contracting for Design-Build Services

3) The contracts between the design-builder and its team members should address the unique aspects of the design-build process affecting each party's performance.

- The design-builder's proposal team should use written teaming agreements to establish their relationships during the procurement process and to establish the key elements for the post-award relationship.
- The contract should reflect that the designer-of-record is regularly and actively involved throughout the project's execution.
- The contract should establish the role that each party will have relative to the design process.
- The design-builder should ensure that its team members have a clear understanding as to how communications will take place with each other and with the owner.
- The design-builder should recognize that many of the same benefits that derive from the owner's use of design-build on the project apply to the design-builder's process for designing and constructing elements of the work, and that there is a benefit to procuring and contracting with specialty design-build trade contractors on their projects.

Executing the Delivery of Design-Build Projects

1) All members of the design-build team should be educated and trained in the design-build process, and should be particularly aware of the differences between design-build and projects delivered under other delivery systems.

- The importance of collaboration and trusting relationships must be understood and then applied in practice.
- Projects should not be staffed with individuals that are not educated or experienced in, or are ill-suited to, the implementation of design-build best practices.
- All project teams should have senior leadership committed to the success of their projects and actively supportive of design-build best practices.

Executing the Delivery of Design-Build Projects

2) Project logistics and infrastructure should be established to support integrated project delivery.

- Owners and design-builders should be co-located when justified by the characteristics of their projects, including the project's complexity and volume of design submittals.
- Design-builders should strive to have their design and construction teams working in the same place as often as possible, including co-location if practical.
- Owners and design-builders should ensure that the administrative processes associated with their projects' execution are appropriate and well-understood, particularly relative to the owners' review of design submittals.

Executing the Delivery of Design-Build Projects

3) The project team should establish processes to enable timely and effective communication, collaboration, and issue resolution.

- The owner and design-builder should create an executive leadership group, including individuals from key members of the design-builder's team, to meet regularly, monitor the project's execution, and facilitate the understanding and achievement of the parties' mutual goals.
- The owner and design-builder should collaborate on the formulation of a thoughtful plan to engage the owner and key members of the design-builder's team in purposeful meetings to discuss the development of the design.
- The owner and design-builder should develop processes that enable key stakeholders to interface directly with the design-builder and its design professionals on key elements of the work.
- The owner and design-builder should endorse and liberally use integration philosophies at the outset of the project and take steps to continue these processes throughout the duration of the project.
- The owner should be fully engaged, educated, and ready to make the timely decisions necessary to facilitate the design-builder's performance.

Executing the Delivery of Design-Build Projects

4) The project team should be particularly focused upon the design management process and that there is alignment among the team as to how this will be executed.

- The owner and design-builder should acknowledge the significant level of effort required to manage the development and review of the design, and dedicate sufficient resources to foster a collaborative environment for this work.
- The design-builder should ensure that design advancement and changes of any type to the contract documents are clearly and contemporaneously documented, and that there is a clear understanding as to when and how the owner is to be notified of such advancement and changes.

The Big 3 Design-Build Complaints from the Design Community

1. The Cost of Pursuit

Beware the RFP that requires a hard price as part of the proposal. This necessitates significant design investment that places a disproportionate share of financial burden on the design firms.

2. Diminished Design Excellence

Many architects have a sense that design excellence is potentially diminished when their contractual relationship is with the builder not the owner.

3. Qualifications-Based Selection

Fully evaluate the selection criteria before moving forward. Some selections are made on the basis of personality and not qualifications. Understand how your customer views this and structures their selection process.



Panel Discussion

- Jacob Williams, Assistant Director, County of Los Angeles Department of Public Works
- Jay Jefferson, Construction Manager, California State University System Office
- Roger Johnson, Deputy Director, Los Angeles World Airport
- Moderator, David Umstot, Umstot Project and Facilities Solutions, LLC, Senior Vice President, DBIA Western Pacific Region