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## **The misconceptions of design/build - by Jennifer Luoni**

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In a world so heavily driven by the traditional design/bid/build (DBB) process it is hard to break the misconceptions about design/build (DB) that exist today. The majority of the push back comes from the people that continue to practice the traditional methods. DB is a complete change in mindset that has to be embraced by the entire team as well as the client.

Many assume that the only difference in traditional design and DB is contractual. They also believe that the only advantage to DB is schedule and that design services are inferior. It is time to break these misconceptions about DB and explain why over 80% of first time design/build users convert to this method for future projects and never look back.

### Misconception 1

“If I don’t get multiple bids, how do I know if I’m getting a good price?”

Many believe less competition drives price up – since there is only one entity controlling the project, there is less competition.

In the DB process there is a progression of bidding that starts in the preliminary planning stages and extends all the way until the Guaranteed Maximum Price (GMP) is presented. Bidding early in the project opens the door for a higher level of constructability input.

DB is based on partnerships with similar methodology. When subcontractors are selected early on it is based on their experience in a particular project type, which provides more value than choosing the lowest bid.

In the DB environment, subcontractors are more than subcontractors – they are partners that share the same goals. Due to this partnership, the subcontractor is more willing to provide the upfront value engineering and design assistance at no cost, knowing the greater goal is moving the project forward. This means designing a system that meets their budget requirements or selecting a system that can be installed at a later date.

## Misconception 2

“If you are the architect as well as builder, who is keeping you honest?” “I feel it is best to keep the architect and contractor separate.” There has always been the perception that the architect will protect the client from the big bad general contractor, but understanding the risk involved with each entity counters that perception.

In the traditional DBB approach the architect assumes a low level of risk for errors – incorrect drawings, bad specifications or undocumented scope – all mistakes that 9 out of 10 times result in the client absorbing the financial impact. The GC has no obligation for these omissions.

In design/build projects a GMP is provided for the scope of work and it is the responsibility of the design/builder to make that scope materialize regardless of incorrect drawings, bad specifications or undocumented scope. The DB team assumes responsibility for any mistakes – not the client. The higher level of risk drives more communication and coordination to meet client expectations.

## Misconception 3

“I want good architecture; can I get it with design/build?” Over the years DB has acquired the reputation that the design is of inferior quality, due to the idea that the designers are subordinate to the contractor.

This belief is due to the contractual arrangement, with the architect being under the umbrella of the GC it is perceived that the design team just does what the GC tells them to do, hence the design suffers. This is where we must separate true design/build versus non-design/builders trying to replicate the model.

DB is not just a contractual agreement it is a mindset, in its purest and most effective form is a company that has a team of people all working toward the same goal. The ability to have open and honest communication ensures client expectations are met.

## Misconception 4

“All trades need to be bid to get the best price” It is perceived that the only way to get the best value is to have competition and what most don’t realize is that competition does the exact opposite.

When subcontractors know there is pricing competition their goal is to have the lowest bid for the scope of work. The mindset in the DBB world is the subcontractors will not divulge information that they know is missing and identify the associated cost due to the potential of losing the project. If it is not shown on the plans it can become a change order after the fact.

DB partners with the subcontractors – these partnerships foster open communication resulting in accurate and thorough proposals and value engineering. The scope of work and timeline is the responsibility of the subcontractor and they understand this at the onset of the project.

## Misconception 5

“How do I know you are the best selection without talking to other contractors?” The value in

negotiating a project with a design/build company can be seen in the early stages, the upfront value to a client is unparalleled.

Making an investment in property or real-estate carries a large amount of risk. Using the design/build model can mitigate those risks by reducing upfront investments, uncovering large financial impacts and ensuring town approvals are understood and met. When many architecture firms begin this process with owners they do not have the resources or abilities to assist a client in site plan approval, budgeting and MEP engineering without partnering with outside resources. In the DB world, those partnerships have long-standing experience and can be offered under one roof.

Design/builders have the same internal checks and balances, plus open communication that helps identify early challenges and establish a Guaranteed Maximum Price (GMP). The contract is set up to deliver the building to the owner the way that they expect – on time and on budget.

Most design/build firms have an 80% repeat client base and negotiate projects.

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