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Design-build is the contracting method every owner should consider for their next project

September 15, 2009 - Connecticut

As we are coming out of the latest economic doldrums, you may be asking yourself if it is time to expand and prepare for the future. Many are still sitting on the fence and will still be next year when they will be wishing they took advantage of these lower pricing opportunities. A design-build contractor has the recourses and current pricing experience to give the up to date information you need to make these decisions.

Long gone are the days of a quick visit to the local building department for a permit. Today's building projects require months of designing, planning and approvals from various regulatory boards and commissions at the local level before construction can begin. State and federal approvals may also be required, depending on the size and complexity of the project. In most of the projects I am involved in, time schedules are as important as price. Time frames for today's projects continue to be reduced making it more difficult to employ a more traditional design bid build method.

In order to address these requirements and produce a facility in a fast track manner, many owners including state and federal agencies are turning to firms that specialize in design-build project delivery. Design-build allows an owner to wrap the design and construction services into one complete package. Many design builders have engineers, designers and construction managers on staff or they work closely with an independent architect or engineering firm to formulate a design-build team. Normally these firms are selected on past experience in the type of facility required. Whether commercial, industrial, institutional or residential, there is a team out there that's "been there and done that".

In its recent study on design-build, the American Society of Civil Engineers maintains that "Design-Build has been used successfully on complex power plant and chemical process facilities and on simple straightforward office buildings and family housing. In fact," claims the ASCE report, "There is no reason that design-build cannot be used on most types of construction projects, including traditional civil infrastructure projects."

Contracting with a design-build firm can involve several different contract methods. Depending on the amount of time and information available to solicit a design-builder, the owner may elect to contract on a lump sum for the complete project or cost plus a fee with a guaranteed maximum price option. If the project is well defined, a lump sum may be readily acquired. If the project is less defined, a design-builder may establish a guaranteed maximum price and monitor the budget during the design phase.

No matter what type of design-build firm or method of contract the owner selects, the benefits are numerous and significant. They include the following:

Single Point of Responsibility

With both design and construction in the hands of a single entity, there is a single point of

responsibility for quality, cost and schedule adherence. The design-builder is motivated to deliver a successful project by fulfilling multiple parallel objectives, including aesthetic and functional quality, budget, and schedule for timely completion. With design-build, the owner is able to focus on scope/needs definition and timely decision-making, rather than on coordination between designer and builder.

Quality

The single responsibility inherent in design-build serves to motivate the contractor for quality and performance. The owner's requirements are documented in performance terms and the design-builder accepts responsibility to produce results accordingly.

Early Knowledge of Firm Costs

Because the entity responsible for design is simultaneously estimating the construction costs, guaranteed costs are known far earlier. Communication between the designer and estimator is direct and coordinated to accurately conceptualize the project. This can be extremely helpful with the staging of design expenditures.

Reduced Administrative Burden

During the actual design and construction, the owner is not required to invest time and money coordinating and arbitrating between separate design and construction contracts.

Cost Savings

During the design phase, designers, estimators, and construction personnel continually evaluate the project design to ensure compatibility with the established budget. Alternative building materials and construction methods are considered. Value engineering is used continuously from schematic design documents to actual construction. Budget overruns are identified at an earlier stage which allows for adjustments and early financial decision making by the owner.

Although design-build is not the solution for every project, it is a contracting method that every owner should consider for their next project.

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