

Tools of the Trade

Design-Bid-Build vs. Design-Build

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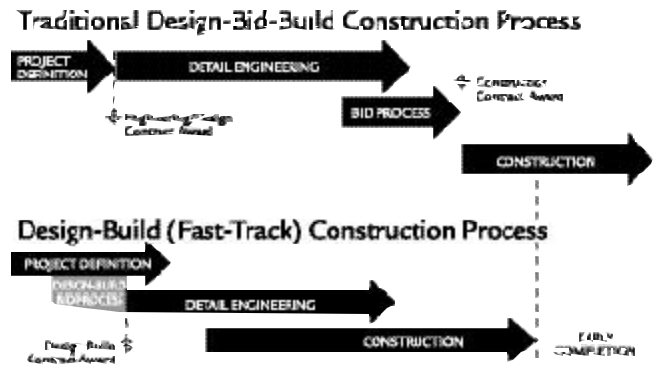


Is Design-Build Right For Your Project?

is the owner able to “lock in” a price for the actual construction and completion of the project.

On design-build projects, the preliminary design and bid selection processes overlap and the design and construction phases of the work are combined into a single contract. This integration of activities reduces the overall project duration. The design-build concept is very similar, and well suited, to a fast-track construction process, as illustrated in the following graphic.

Over the past 20 years, the design-build process has gained popularity throughout the engineering and construction industries. The Design-Build Institute of America estimates that by 2010, approximately 50% of all construction projects in America will use design-build. Regardless of whether these projections prove to be accurate, it is impossible to ignore that more projects are employing this alternative project delivery method. As shown in the table below, some projects lend themselves readily to the design-build process, while others continue to be constructed using the traditional design-bid-build process.



Design-Bid-Build	Design-Build
Project Requires Heavy Owner Involvement	Less Owner Involvement Required
Unique/Complex Facilities	"Cookie Cutter" Projects
Residential	Gas Stations, Fast Food Restaurants
High-End Commercial (Custom Features)	Highways/Utilities/Light Industrial
Heavy/Specialized Industrial Facilities	Public Schools

In design-build, the owner outlines general conceptual and/or performance requirements before entering into a contractual arrangement with the design-builder to perform

What is Design-Build?

Design-build is a construction methodology in which the owner contracts with a single entity to perform the design and construction for a project. The design-build process implements the same general procedures as the long-established design-bid-build construction process; however, it creates a closer working relationship between the engineering/design and construction phases by combining the construction and engineering resources into one team.

On traditional construction projects, the owner enters into a contract agreement with an architect/engineer to perform the preliminary conceptual design, project specifications, and subsequent detailed engineering. After the engineer has completed or nearly completed the detailed design drawings, the owner puts the project out for bid, and a separate construction contractor is awarded the work. Only at this time

the work. The design-builder expands on the owner’s general requirements, incorporates these ideas into a design, and subsequently constructs the facility. The design-build process necessitates that the construction team become actively involved in the engineering phase and requires the architect/engineering team to work closely with the construction contractor to provide information and answer questions during the construction phase. This complementary relationship between the engineer and contractor differs from a traditional design-bid-build project where the architect/engineer and construction contractor often have different ideas regarding what constitutes a successful project.

Will Design-Build be Successful for Your Project?

The design-build process offers pros and cons for both owners and design-build contractors. Owners benefit from the potential cost savings and from having single-point

responsibility with the design-build contractor, which reduces risk. The owner may also realize cost savings based on a shorter overall project schedule, which provides for earlier income generation as well as optimum engineering and construction techniques/methods from the design-build team.

On design-build projects, the owner relinquishes control of the project design to the design-build team. The owner must be aware that on a traditional design-bid-build project, the architect, in most cases, acts as the owner's representative. On design-build projects, however, the architect/engineer is working with the construction contractor and is no longer the owner's representative; therefore, there is a potential loss of checks and balances. The owner should provide either in-house quality control or employ an outside consultant to protect the owner's interests and ensure a successful project.

For the design-build contractor, design-build provides more continuity and teamwork between the engineering and construction teams, which can lead to faster project completions with higher profit potential. In addition, many design-build contracts provide monetary incentives to the

design-build team for completing the project on time and within budget. On the other hand, the design-build entity assumes additional risk for providing the conceptual design, detailed engineering, and construction of the facilities. This means the construction contractor assumes risk/responsibility for the project's design aspects and the designer assumes risk/responsibility for the quality and timeliness of construction.

Conclusion

The design-build process is not the best strategy for all projects and trying to make it fit for every project may lead to significant problems. However, as it is refined and more owners and contractors become familiar with the process, design-build will continue to gain popularity and become an increasingly effective project delivery method.

About the Author:

Christopher L. Hanvey is a senior consultant with Interface Consulting International, Inc., who specializes in construction management, claims, and litigation consulting. He advises clients on project management issues, schedule acceleration, delays, and cost overruns on design-build/turnkey, lump sum, and cost plus contracts. Additionally, he analyzes construction disputes, claims, and breach-of-contract matters and prepares cost and damage assessments for owners, contractors, and/or their attorneys. Mr. Hanvey can be reached at 713-626-2525.

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