

# **DESIGN-BUILD BEST PRACTICES GUIDELINES**

08 September 2017

## **NOTE**

The current draft of the Design-Build Best Practices Guidelines was developed in an open dialogue among owners, contractors and design professionals over the course of two and one-half years of regular meetings. It is a work in progress. Although there is general consensus about the content of this draft, the document there has not been a vote of committee members for approval. We anticipate that to occur in October, prior to a request for approval at the November 2017 CPARB meeting.

Walter Schacht & Olivia Yang, Committee Co-Chairs

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## 0. EXECUTIVE SUMMARY

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### INTRODUCTION

Focus is on projects regulated by RCW Chapter 39.10, which is administered by the Capital Projects Advisory Review Board (CPARB). WSDOT's use of design-build is regulated by RCW Chapter 47.20.

#### WHY DESIGN-BUILD BEST PRACTICES?

##### An Evolving Procurement Method

- All types of design-build are being utilized in Washington State. Increasing use by WSU, UW and DES. Increasing use of the progressive method. Many owners are more familiar with traditional, design and price competitions than other forms of design-build.
- Public owners are developing the process as they go along. Differences between public owners with significant in-house resources and experience and agencies that are utilizing design-build for the first time. A goal is to get public owners to talk to each other and share experiences.
- Washington State's regulations are unique. Sources such as DBIA provide some information, but it is not as comprehensive as all the issues discussed by the committee. Fill the gap between the regulations and practice.
- Design-build has unique challenges. Fundamental changes in relationship between owners, designers and contractors. Increased owner responsibility. Lack of understanding of risk distribution, risk is inherent in any process.

##### Provide Predictability/Consistency

- There is a lot of flexibility in the RCWs. Owners want to keep it that way, designers and builders want more clarity and reliability. The intent of the RCWs was to provide broad discretion on the part of public agencies.
- A key difference between design-build and any other form of procurement is that none of the work subcontracted by the design-builder is required to be competitively bid. On the other hand, nothing constraints the procurement to be organized so that the selected team does 100% complete construction documents before the contract price is set and subsequently bids all the sub-trades.
- There are variations between agencies for all forms of project delivery. However, there appears to be more reliability in typical RFQ selections for professional services than for design-build which is a less common, evolving mode of procurement. Participants in the process do not have common expectations of how the process works.
- Design-build is more performance-based than GCCM, which is much more prescriptive-based. There is more definition about all the steps for using GCCM. Design-build, by nature and by the intent of the law, is much more open. Public agencies do not want to lose the flexibility but agree there is a benefit to providing guidance on how to be successful. Design-build is less prescriptive than GCCM. Open

to more interpretation. The advantages of DB may outweigh that lack of certainty but it does indicate that owners need to provide the discipline and rigor appropriate to public works procurement. With GCCM there is remarkable consistency. Design professionals, contractors and owners understand the process, it is very predictable. There is a benefit of having more flexibility in design-build but the resulting lack of consistency is questioned by design-builders. Create reasonable predictability and consistency across different institutions for similar types of projects.

- Provide a set of recommendations which agencies will use as a measure of their efficiency in relation to the RCWs. It is helpful when there are broad expectations about process and outcomes.

#### **AELC Report on Alternative Project Delivery**

- Public owners are learning from their experiences and modifying their procurement methods to improve outcomes. Invite agencies to share their lessons learned and provide insight on design-build project delivery.
- Design-build procurement continues to evolve. Identify and evaluate the impact of new methodologies such as progressive design-build, adding a verification phase and energy performance contracting.
- Identify best practices to assist public agencies in considering and choosing between design bid build, GCCM and design-build project delivery.
- Identify best practices to assist public agencies in effective utilization of design-build including preparing for the project and selecting a design-builder.
- Evaluate constraints and recommend opportunities for architects, engineers and contractors to compete effectively with a focus on the needs of small businesses.

#### **2015 State Capital Budget**

- The state's 2015 capital budget included funding for several projects with the stipulation that design-build with energy performance guarantees be utilized. Two for the state's community colleges, one for WSU and one for the State Library and Archives.
- Design professionals, contractors and owners questioned the stipulation of project delivery method in legislation. Public owners should have an opportunity to select the method that is the best fit for their project based on their understanding of project goals and risks. Architects and engineers expressed concern about the community college's capacity to utilize design-build, especially with energy performance guarantees. Architects questioned whether design-build was the only way to achieve a high-performance building.
- Design professionals and contractors wanted to make sure that there would be equity in competing for these projects

### **CPARB DB COMMITTEE MISSION AND GOALS**

- CPARB charged the committee with identifying best practices to assist public agencies in the effective utilization of design-build.
- Evaluate the current use of design-build procurement, understand what is working and where there is room for improvement. The committee's work targets best practices guidelines that enable public owners, architects, engineers, and contractors to utilize design-build effectively.
- Help the industry and public owners implement the project delivery tool as good stewards of public dollars.
- Owners are interested in how design-build is impacting professional practice. They need to know what architects and contractors are experiencing to expand their perspective on the process.
- The guidelines or best practices are recommendations, not requirements. It is not necessarily the intent of the committee to modify legislation related to design-build.
- Guidelines should recognize that procurement varies widely from one agency to the next depending on regulations, goals, organization and culture. Projects have unique project needs, funding source requirements.

#### **Terminology**

- Owners, design professionals and contractors do not have a common terminology for many aspects of Design-build procurement. Terms vary from agency to agency, state to state. Create a common language that facilitates communication between owners, design professionals and contractors.

#### **Resource Document**

- Transparency - enable owners to explain their process and decisions.
- A tool for public agencies that are new to the process and do not have the resources to do comparable research or evaluate industry trends.
- Applicable to horizontal and vertical construction.
- Being a good owner is similar on vertical and horizontal construction in terms of the relationship with the contractor, engineer and architect.
- A checklist of questions for owners to ask themselves in preparation for a project.
- Help owners develop the right process, make the right choices in relation to what is specific about themselves and their project.
- Identify process for selecting project delivery type.
- Address owner readiness.
- Help owners identify an honorarium that matches the level of effort designers provide.

**Other Resources**

- WSDOT design-build study mandated by the legislature. Five white papers include lessons learned, best practices, successful contractual changes and...
- Note that WSDOT does mostly bridging. Sound Transit does bridging too.
- Best practices exist for the transportation, water, waste water, and federal sectors. They are limited in scope to accommodate the many differences in project needs and goals.
- Existing industry resources provide a foundation for CPARB's best practices. These include ConsensusDocs, AGC, AIA, ACEC, AFCE and DBIA.

**SUMMARY OF GUIDELINES**

- 1. TYPES OF DESIGN-BUILD PROCUREMENT**
- 2. CONSIDERING THE USE OF DESIGN-BUILD**
- 3. DESIGN-BUILD TEAM SELECTION**
- 4. ENCOURAGING COMPETITION**
- 5. AFTER TEAM SELECTION**
- 6. APPENDIX**

**IMPLEMENTATION**

- Consider the role of the Project Review Committee (PRC) which provides an opportunity for education. The PRC application and review process can refer agencies to the guidelines. Guidelines could serve as a checklist to support the public owner's management of the process.
- The role of the PRC is to determine if a public agency is qualified to manage alternative project delivery. The PRC's involvement at the beginning of the process does not ensure that best practices are followed all the way through. When the PRC certifies an agency to do design-build it is based on their skills and experience. Whether that works in practice is an issue. There is no follow up after project is approved or an agency is certified. A different form of outreach is required for certified agencies because they are reviewed every three years.
- Develop a communications network that enables state agencies that utilize design-build regularly to share their knowledge and experience with other public owners.
- Syllabus for AGC Education Foundation Course
- Collect case studies and data.

## 1. TYPES OF DESIGN-BUILD PROCUREMENT

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### WASHINGTON STATE REGULATIONS

#### RCW 39.10

RCW Chapter 39.10, Alternative Public Works Contracting Procedures regulates design-build (DB), general contractor/construction manager (GCCM) and job order contracting (JOC) for all public agencies in Washington State except the Washington State Department of Transportation (WSDOT). Design-build is specifically addressed in Sections 39.10.300, 39.10.320 and 39.10.330.

WSDOT's use of design-build procurement is separately regulated by RCW Chapter 47.20, Miscellaneous Projects, Sections 47.20.780 and 47.20.785.

#### ADMINISTRATION

The Capital Projects Advisory Review Board (CPARB) oversees the use of alternative project delivery methods defined in RCW 39.10 and advises the legislature on policies related to public works delivery methods as defined by Sections 39.10.220 and 39.10.230

#### AUTHORIZATION OF USE

CPARB's Project Review Committee (PRC) is established to review applications from public agencies to use either design-build or general contractor/construction manager contracting procedures on individual projects. The PRC also reviews applications from public agencies to be certified to use design-build or general contractor/construction manager contracting procedure, or both. A public body may use the contracting procedure for which it is certified on individual projects without seeking PRC approval for a period of three years. The certification can be renewed. Sections 39.10.240, 39.10.250, 39.10.260, 39.10.270, 280 and 39.10.290 define the PRC's membership and process.

Section 39.10.330 (3) allows the use of design-build for portable facilities or pre-engineered buildings without approval by the PRC.

#### OTHER REQUIREMENTS

Requirements in addition to state law may apply to design-build projects. Funding sources, such as the federal government, may have additional constraints.

### DESIGN-BUILD TYPES

There are three basic formats for design-build project delivery: progressive, traditional (design and price competition) and bridging. The key difference between them is the point in the process that the contract scope and price are established. The selection process for all three methods requires competing teams to submit, at minimum, qualifications, a technical approach design concept and cost factors. Cost is a required component of the selection but does not have to be a price for construction, it can be overhead and profit, fees and/or other factors. Competing teams that are not awarded the contract are given an honorarium.

**CAPITAL PROJECTS ADVISORY REVIEW BOARD  
DESIGN-BUILD BEST PRACTICES COMMITTEE**

	<b>PROGRESSIVE</b>	<b>TRADITIONAL</b>	<b>BRIDGING</b>
<b>CONTRACT SCOPE &amp; PRICE</b>	Established after the design-build team is selected. The term progressive derives from the fact that scope and cost are agreed upon through a series of steps taken jointly by the owner and the design-builder. May occur at any point in the process but typically during the design development phase.	Established at the time the design-build team is selected. Often referred to as a “design and price competition” or “competitive design-build” because teams selected to participate in the RFP phase of the selection process submit firm proposals for the design and price.	Established at the time the design-builder is selected. The term bridging derives from the fact that the owner’s separate design architect/engineer provides bridging documents that prescribe a design solution which the design-builder implements.
<b>SELECTION CRITERIA</b>	The design-builder is selected based on qualifications and cost factors, prior to submittal of a final design and firm cost proposal. RFP requirements may include a management plan and/or an initial design concept. Qualifications typically play a larger role in team selection than other design-build types.	The design-builder is selected based on qualifications, a design concept and a firm cost proposal. The quality of the design proposal is very important in some selections. Cost is more important in others.	The design-builder is selected based on qualifications, a management plan to implement the owner’s design concept and a firm cost proposal to complete the project. Selection is typically focused on cost.
<b>PROJECT CRITERIA DOCUMENTS</b>	The owner may provide detailed project criteria prior to commencing the design-build team selection process or the detailed project criteria may be developed with the selected design-build team. Project scope, budget and schedule do not have to be aligned before the selection process commences. The services of a separate architect/engineer to prepare the project criteria may or may not be required.	The owner must provide detailed project criteria prior to commencing the design-build team selection process. Project scope, budget and schedule must be aligned before the selection process commences. Project criteria typically consist of performance requirements and may include some prescriptive requirements. The services of a separate architect/engineer to prepare the project criteria and assist the owner in evaluating RFP submittals are typically required.	The owner must provide detailed project criteria prior to commencing the design-build team selection process. Project scope, budget and schedule must be aligned before the selection process. Project criteria typically include prescriptive requirements for the overall design concept and may include some performance requirements for engineered systems. The level of development of the bridging documents, which can range from schematic design to nearly complete construction documents, depends upon the project. The services of a separate architect/engineer to prepare the project criteria are always required. The owner’s designer typically assists in evaluating RFP submittals and verifying that the design-builder’s work aligns with the intent of the bridging documents.

**CAPITAL PROJECTS ADVISORY REVIEW BOARD  
DESIGN-BUILD BEST PRACTICES COMMITTEE**

<b>OPPORTUNITIES</b>	Take advantage of the design-build team's ability to participate in the development of the project goals, program, performance criteria, and project budget. Increased opportunity for owner participation. Integrates the owner, constructor and designer with in the programming and planning process. An effective method if limited scope and cost information are available, or difficult to ascertain, at the time of design-build team selection.	Significant track record of use in Washington State. Allows owners to choose amongst alternate proposal for design, cost and value.	Opportunity for owner involvement and design control. Owners who develop horizontal projects typically use prescriptive project criteria due to the complexity of land use requirements and alignments, to ensure consistency and systems operation and to meet federal funding requirements. Retains single point of responsibility for implementation.
<b>OWNER RISKS</b>	Lack of competition for contract price. No cost certainty at the time the design-builder is selected. The final price is a negotiation between the owner and the design-builder. The owner must have the resources necessary to know that the price is fair which typically includes retaining a cost consultant. The owner carries a burden to demonstrate the appropriate use of public dollars.	Additional costs to prepare project criteria that are adequate for RFP phase and honoraria for losing teams. Limited engagement between owner and design-builder during RFP phase in which design and cost are being developed. Risk involved with setting a price prior to confirming the alignment of a design proposal and cost with the owner's programmatic and operating needs.	Owner responsibility for content of bridging documents. Prescriptive solutions may reduce the opportunity for innovation and integration between the designer and builder. Requiring a design-builder to guarantee a prescriptive design has the potential to create a conflict between the owner's separate designer and the contractor.
<b>D-B LEVEL OF EFFORT/RISK TO COMPETE</b>	Limited scope of technical approach design concept and cost or price related factors reduces level of effort and risk to compete compared to Traditional and Bridging procurements.	Preparing the design concept and cost proposal typically requires significant effort for the competing teams. Typically, costs for competing in RFP phase are not adequately compensated by honoraria. Significant risks for design-builder to propose contract price based on the limited information contained in a schematic design.	Preparing technical and/or management proposals and a final cost proposal typically requires a significant effort for competing teams.
<b>CONTRACTS</b>	The contract for design and construction may be awarded through a single contract with the cost to be set later or there may be two separate agreements for the design and construction phases.	Typically, a single contract for design and construction.	Typically, a single contract for design and construction.

**CONTRACT TYPES**

Two types of contracts are typically used for design-builder/owner agreements, a lump sum agreement or a guaranteed maximum price (GMP).

	<b>LUMP SUM</b>	<b>GMP</b>
<b>DEFINITION</b>	The design-builder provides a fixed price for executing the entire scope of work defined by the contract documents.	The design-builder provides a schedule of values for the scope of work defined by the contract, a fixed fee and a maximum amount.
<b>RISK/REWARD</b>	<p>Earlier in the process there is more risk guaranteeing prices. Lump sum provides the contractor with flexibility in buying out the job and may reduce the contingencies and overall cost.</p> <p>Acknowledges the risk/reward nature of design-build procurement. The design-builder's incentive to complete the project ahead of schedule and below the contract amount aligns with the risks in making a design and cost proposal based on a schematic design or design development.</p> <p>Contractors indicate that they can offer a lower price in a lump sum bid because they can manage the cost of the work for the overall project in relation by balancing the losses and gains among individual subcontracts. Owners indicate that lump sum has the potential to reduce change order impacts.</p>	<p>A GMP makes more sense when the price is set later in the process and there is more certainty.</p> <p>Progressive method has less risk and provides more opportunities for the owner/design-build team to align scope and cost. GMP may provide a better gauge of the final project value.</p> <p>May include a shared savings clause gives both the design-builder and the owner an incentive to maximize efficiencies. Oversight required to ensure there is not a trade-off in terms of value.</p>
<b>ACCOUNTING</b>	Less work for the owner and design-builder to track during construction.	GMP tracking requires significant documentation and review. May require an audit, which adds cost.
<b>TRANSPARENCY</b>	May require a third-party to verify that the cost and scope defined in the design-builder's proposal provide reasonable value.	Many owners believe that a GMP agreement is easier to defend in terms of the use of public dollars.

## 2. CONSIDERING THE USE OF DESIGN-BUILD

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### PROJECT DELIVERY METHODS & EVALUATION TOOLS

The guidelines focus on the use of design-build. A significant amount of information is available on the nature of design-build in relationship to other project delivery types such as design-bid-build (DBB) and general contractor/construction manager (GCCM).

Every project has unique circumstances that should be considered in selecting a project delivery method. A detailed evaluation of the project specific situation is required to determine the most effective method. The Appendix also includes references to evaluation tools that can help owners assess project goals and objectives, specific conditions and potential risks in order to choose a project delivery type that is appropriate to their needs and opportunities.

Following is a partial list of resources that explain the pros, cons and differences among delivery types and tools that help identify the appropriate method of procurement given the nature of a project. Please note that the resources tend to reflect the institutional agendas of the organizations that prepared them.

- CMAA: Owner's Guide to Project Delivery Methods, <http://cmaanet.org/files/Owners%20Guide%20to%20Project%20Delivery%20Methods%20Final.pdf>
- DBIA: Choosing a Project Delivery Method, [https://www.dbia.org/about/Documents/db\\_primer\\_choosing\\_delivery\\_method.pdf](https://www.dbia.org/about/Documents/db_primer_choosing_delivery_method.pdf)
- Transit Cooperative Research Program Report 131: A Guidebook for the Evaluation of Project Delivery Methods, <http://www.trb.org/Publications/Blurbs/161690.aspx>
- WSDOT Project Delivery Selection Guidance, <https://www.wsdot.wa.gov/Projects/delivery/designbuild/PDMMSG.htm>

### CONSIDERATIONS IN ALIGNING DELIVERY TYPE WITH OWNER NEEDS AND GOALS

#### AGENCY PREPAREDNESS

Design-build requires a public agency to understand and fulfill its responsibilities, from preparing for and conducting the team selection process to understanding their role after the contract scope and price have been established. The process and the relationships among owner, contractor and design professionals are fundamentally different from other project delivery types. Traditional and bridging procurements in particular require significant, upfront effort for owners.

Designers and builders are concerned that owners do not always understand their obligations or the differences between design-build and other procurement methods. For public agencies considering the use of design-build for the first time, it may be a good idea to choose a project with limited scale, cost and complexity.

### **PROGRAM DEFINITION & STAKEHOLDER INVOLVEMENT**

The level of program development and extent of stakeholder involvement are factors in considering the use and type of design-build procurement. Given that scope and price are typically established before all aspects of the project have been defined and that the design-builder is responsible for managing scope, budget and schedule, stakeholder involvement may be more limited than in other project delivery methods.

### **TEAMWORK**

Improving teamwork between design professionals and contractors is a fundamental goal of design-build project delivery. Owners identify the benefits of working with a team that is committed to its partnership. Architects and contractors identify the benefits of selecting their partners. The qualifications of the best team may differ from the qualifications of individual firms.

### **VALUE & INNOVATION**

Design-build provides an opportunity for owners to get input from both designers and contractors on how to maximize the value of its investment. The level of value and innovation that design-builders can provide is directly related to the nature of the public owner's problem statement and the timeframe for developing a design solution and establishing a cost. This, in turn, is related to the decision to choose the progressive, traditional or bridging method. An open-ended problem statement such as "how can we maximize outcomes, in terms of program and budget, for a facility to house our science programs" suggests a progressive procurement. A clearly defined problem statement such as "can you deliver a 70,000 sf STEM education building for \$40 million?" could be addressed by all three methods.

### **CONTRACTUAL RELATIONSHIPS**

Design-build allows the owner to contract with a single entity that will be responsible for design and construction, taking the owner out of the middle of the relationship, reducing the owner's responsibility for errors and omissions claims.

Design-build changes relationship between owner, architect and contractor from a "three-legged stool" to a "two-legged stool." The owner does not have a direct contractual relationship with the designer. Stakeholders must trust that the design-build team will allow them to engage the designer. Architects are concerned about the changes. The architect-engineer/contractor relationship becomes a contractor/subcontractor relationship, a business model that has significant implications in practice. There is a loss of the checks and balances that go with tripartite relationship.

### **COST CERTAINTY**

Design-build allows the project scope and cost to be established earlier in the process than other project delivery methods, often during schematic design or during design development. It does not, however, relieve the owner from latent conditions, changes in code requirements, owner-initiated scope changes or other issues beyond the control of the design-builder.

The risk of cost changing is related to the point in the process that the contract is awarded. The earlier in the process it is established the greater the potential for costs to vary due to limited amount

of project definition and the number of variables that exist. The later in the process it occurs the more difficult it can be to shift the risk for scope and budget to the design-builder.

#### **OWNER INVOLVEMENT**

Design-build transfers more risk to the contracting team than other project delivery methods. This has an impact on owner involvement after the scope and price are established. In order to manage risk, the owner must be willing to allow the design-build team to make decisions that maintain alignment between that scope, budget and schedule. In doing so, the owner typically relinquishes the level of control beyond the performance and prescriptive and criteria that are defined by the contract. The owner may have less control over the details than is typical of other procurement types. The design-build's team ability to organize their process to solicit and accommodate owner input may be important to a successful project.

#### **CHANGES IN PROJECT SCOPE**

Modifying project scope after the price is established requires a change order to the design-build contract, which may have significant cost impacts. It is a change to a construction contract. This may, under some circumstances, reduce the owner's inclination to make changes.

#### **SUBCONTRACTOR INVOLVEMENT & SELF PERFORMANCE**

Design-build allows the contractor to get subcontractors involved at any time. Trade partners can provide input on how to build and stage the work. Subcontracts do not have to be competitively bid, which provides flexibility in terms of qualifications based selections and meeting agency goals for business diversity. There are no limitations on contractor self-performance.

#### **PERFORMANCE GUARANTEES**

Design-build is a performance-based contract. It provides a single contractual entity that is responsible for guaranteeing performance. If a system does not perform the team is responsible for dealing with the issues. The owner is not typically responsible for dealing with the fact that it is a design issue, a construction issue or both. As a result, design-build and design-build-operate-maintain are typically the only procurement methods utilized for energy performance guarantees and/or operations and maintenance contracting.

#### **FUNDING**

Public funding for capital projects is often separated into separate allocations for design and construction phases, which is a challenge for all types of project delivery and design-build in particular. It creates issues in terms of the project schedule, construction cost escalation, changes in the owner's, contractor's and designer's team, building codes and technology. Unanticipated changes in construction phase funding may result in significant costs to redesign a project.

Bifurcating the funding is a particular challenge for design-build procurement where a construction contract defining scope and cost is typically executed during the design phase. Ideally, design and construction funding would be in a single allocation. It aligns with the nature of a project delivery method that brings the designer and builder together as a team. It takes advantage of design-build's potential to reduce costs by expediting the schedule. It facilitates team continuity and cost certainty. It allows the design-builder an opportunity to realize the rewards that balance their risks.

RFPs and contracts should anticipate the possibility that funding may not be provided. In the case of a project that is not funded after the RFP phase is complete the selected team should receive compensation equivalent to the level of effort required to compete. For example, if schematic design was required then the compensation should be equal to the schematic design fee. In the case of a project that is not funded after the design phase, compensation related to termination should be defined in the owner/design-builder agreement.

The type of design-build procurement selected should align with the outlook for project funding. Progressive design-build provides some flexibility since the scope and price can be established after the construction phase funds are allocated. Ideally, construction funding is allocated before team selection occurs in traditional design-build to provide certainty that a contract can be awarded and teams are fairly compensated for the risks they take in competing. Bridging design-build provides some flexibility if the design-build team is selected after the construction phase funds are allocated.

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### **3. DESIGN-BUILD PROCUREMENT**

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The selection process for any method of procurement should be transparent and fair while providing sufficient information on the project, what the agency values, and funding levels. The selection process is the agency's opportunity to ensure they are selecting the most qualified firm, but also an opportunity to demonstrate what a partnership with the agency will look like to potential design-build partners.

While RCW 39.10.300-330 provides general requirements for the design-build procurement process, many agencies have variations in to their procedures on how they comply with these requirements. This can be challenging for the contracting and consulting community and it's important for each agency to establish a level of consistency for how they administer their design-build procurements. This consistency has the potential to encourage more firms to pursue design-build opportunities thus creating more competition.

#### **PROCUREMENT PROCESS**

The design-build procurement process is a two-phase process; the Request for Qualifications (RFQ) phase and the Request for Proposals (RFP) phase. Each phase has unique requirements and different goals, both of which will be discussed further below. It's important to understand that each project has unique characteristics. Within an agency there may be different goals and stakeholders for each project. The project and the agency will benefit from customizing the solicitation documents to each project while maintaining a consistent overall procurement process.

The solicitation documents are the agency's opportunity to provide clarity of its expectations. When putting together these documents an agency should consider the following:

- Providing complete information in all phases of the selection process. This allows teams to compete effectively thus increasing the agency's ability select the right team.
- Agencies should provide adequate information about project goals and objectives. This will assist with the selecting the right team for the project.
- Allow the team preparing the project criteria adequate time to complete the effort to align scope, program, and budget. Avoid compressing the schedule for pre-solicitation documents. The opportunity to expedite the schedule comes after the design-build team is selected.

#### **PROGRAM, SCOPE, SCHEDULE AND BUDGET ALIGNMENT**

Clarity about the program, scope, schedule and budget is necessary for traditional and bridging procurements. This increases firms' ability to make a competitive submittal by fully understanding the agency's alignment of the program, scope and budget. They should not be a moving target during a traditional or a bridging selection process as that can create confusion amongst the finalist firms and result in poor proposals or inaccurate pricing.

When establishing the program, scope, and budget for traditional or bridging design build projects agencies should consider the following:

- Every project has four key parameters: scope, quality schedule and budget. Owners should be clear about which of the four are most important and which can be sacrificed.

- Set a baseline program that is well aligned with scope and budget, and identify desired betterments or additions. If there is a prospect for lower funding than anticipated set that as the baseline and identify the additional scope that would be included if full funding was provided.
- If the owner knows the program and budget are not in alignment they should provide that information to all proposers and allow them to propose creative solutions. In this situation, the owner should identify the minimum scope that can be realized within the budget and then challenge the teams to deliver more.
- Clearly identify its hierarchy of goals for the project and understand that there is a possibility that not all elements will be included given the budget constraints.
- Owners should not, knowingly, set a budget that is not feasible to implement their project. Design-build can add value but the target budget should be realistic. If it is not, there may be reduced quality and increased owner risk. Additionally, teams may take a risk when the owner's scope and budget aren't aligned, thus making substitutions during construction to stay on target with the budget.
- There have been situations when, during the RFP phase, all of the finalists informed the owner that the budget did not align the scope. This creates a challenging situation for everyone. Competitors may be forced to challenge the owner's assumptions at the same time they are trying to be selected for a project. The owner may be forced to either cut scope or increase the budget during the competition, as teams are working towards a design, a price and a submittal deadline.
- Knowledge about the project evolves from predesign and schematics to design development and construction. Updated codes, changing permit requirements, equipment changes, et cetera can fluctuate as the design is developed. Once selected, the design-builder is at risk for many, if not all, of these issues. The construction budget must be adequate to allow for these contingencies.
- Agencies should consider allowing finalist firms the opportunity to adequately investigate existing conditions. This will reduce some uncertainty and risk for the proposers. However, it is the agency's responsibility to provide information necessary to meet RFP requirements, such as topographic and utility surveys, geotechnical data and/or measured drawings.

When it comes to progressive design build projects, it is not as critical for an agency to fully develop the program, scope and budget. The selected firm and the agency will work together to clarify the program, scope, and budget. For this reason, it is important for agencies to focus on other aspects of the project like a firm's design/construction management plan, their approach to the project, and how they intend to overcome the identified risks or concerns for the project.

## **PRE-SOLICITATION DOCUMENTS**

Pre-solicitation documents that represent the owner's project requirements (the project criteria) should be developed prior to preparing the RFQ and the RFP. They enable the owner to select the most appropriate form of design-build to use for each specific project. The information enables design-builds teams to compete effectively during both phases of the selection process. It sets the stage for an successful project in terms of program, budget and schedule.

## PROJECT CRITERIA

### Performance and Prescriptive Criteria

Most projects involve a combination of performance and prescriptive criteria. Performance criteria identify the owner's goals for an element or elements of the project. They assume that there are a range of solutions to achieving the owner's goals. Prescriptive criteria identify specific solutions and/or systems the owner wants implemented.

### Design Standards

Design standards provide assurance that the design aligns with the owner's maintenance and operations protocols.

- Progressive procurements allow design standards to be developed as part of the planning and design process which may allow more opportunity for value analysis.
- Traditional and bridging procurements depends upon design standards to create a level playing field for competing design-build teams. On the other, they may limit the teams' ability to maximize value.

Standards should be reviewed and updated prior to each procurement to ensure alignment with current agency protocols, codes and technology.

### Pre-design Studies

Some agencies choose or are required to conduct a pre-design study as a means to develop the project criteria. A typical pre-design defines the scope of the project in terms of owner's project requirements (OPR), functional program, regulatory and site constraints, schedule and budget. It often includes conceptual drawings that demonstrate the feasibility of the project (a test-to-fit scenario) and are the basis for a cost estimate that confirms the project scope and budget align. The pre-design is meant to provide a solid foundation from which to begin design but it should not impose constraints that cannot be altered during the design process as additional information becomes available.

- A pre-design may be completed prior to starting a progressive procurement or it can be part of the design-build team's effort after selection.
- A pre-design level of programming and planning is typically required for a traditional, design and price competition.
- A pre-design could be the first step in developing bridging documents but would not typically have adequate information to provide the prescriptive design intent for the project.

## USE OF CONSULTANTS

Agencies may require the support of a consultant team to develop the project criteria depending on the design-build method to be utilized. The consultant can assist in identifying the agency's intent, translating it into documents that become part of the RFP and confirming it is implemented.

- Agencies with significant design-build experience may choose to select consultants with programming and/or project type experience but limited or no experience with preparing design-build project criteria. These agencies typically have the ability to prepare the RFQ and RFP.
- Agencies with limited design-build experience should select consultants that have design-build experience to help them understand what documents are required and how competing teams will use them. They made need support in terms of preparing the RFQ and RFP.
- Consultants can assist during proprietary meetings, on-going review of design and performance evaluation.

	<b>PROGRESSIVE</b>	<b>TRADITIONAL</b>	<b>BRIDGING</b>
<b>PROJECT CRITERIA</b>	May not be required. Need for consultants to prepare project criteria depends upon how clearly the owner wants to define the project before selecting the design-build team.	Typically required. Consultant support in preparing project criteria may be critical to developing a realistic program, scope and budget that enables teams to compete effectively, provide a design and cost proposal that can be implemented.	Always required. The consultant's bridging documents form the basis for the agreement between the owner and design-builder.
<b>POST CONTRACT AWARD</b>	Not typically retained	Varies. May be a continuing advisor to ensure that project criteria are implemented, support owner during construction phase.	Typically retained to ensure that project design is implemented.

### **RFQ EVALUATION CRITERIA**

The RFQ phase is an agency's opportunity to select the best qualified firms who will receive the RFP. Selection during this phase is based solely on a firm's qualifications. This is when an agency will determine which firms have the best experience, capability and can best achieve the agency's expectations to ultimately deliver a successful project. An agency determines this through the evaluation criteria established in the RFQ. The following are evaluation criteria requirements in RCW 39.10.330(1)(i):

- Evaluation criteria may include, but not limited to: technical qualifications; capability to perform; past performance of the proposers' team, including the architect-engineer and construction members; and other appropriate factors.
- Evaluation criteria may also include past performance in utilization of small business entities and/or disadvantaged business enterprises.
- Cost or price-related factors are not permitted in the request for qualifications phase.

- Per RCW 39.10.330(1)(d), agencies must also provide the RFP evaluation factors, the relative weight given to each factor, and the process the agency will use for their evaluation.

While the RCWs outlines the minimum requirements an agency must include with the RFQ, it is recommended that agencies provide additional information and clarity with the RFQ. This is where an agency can tailor the solicitation documents to highlight the necessary experience, important project elements, and overall project goals. The following are elements an agency should consider when creating its RFQ:

- Preparation of the project criteria and the RFP documents should be at or near completion prior to commencing the RFQ phase of the selection process. It is recommended that agencies include a completed RFP with the RFQ.
- The agency's master plan and other preparatory documents that helped establish the project.
- The project budget for design and construction, along with evidence of project funding and the date funding will be received. Teams have submitted their Statement of Qualification, been shortlisted only to discover that there were inadequate funds to design and build the project. This means firms have no way of recouping the spent time and expense required with submitting a Statement of Qualifications.
- The proposed contract and general conditions of the contract for construction.
- A list of required deliverables in the RFP phase.

This additional information enables proposers to understand the full scope of the project, evaluate if the project aligns with their skills and experience, and determine if the scope and budget are likely to result in a feasible project. Providing the available information enables teams to make informed decisions and ensures all potential proposers have the same information.

## **RFP EVALUATION CRITERIA**

The RFP phase is when the agency will select which firm it will work with to deliver the project. This is the finalist firms' opportunity to align their vision of the project with the agency's and how they plan on executing that vision. The level of detail can range depending on the type of design-build procurement method chosen, either traditional, bridging, or progressive. As such, it is recommended that agencies consider the following depending on the type of design-build delivery method chosen:

- A progressive solicitation may occur before a detailed program and firm budget is developed. However, it should include a level of project criteria that defines the broad parameters of the project to give proposers and understanding of owner goals.
- Requirements for clearly defining program, scope, budget and schedule are higher in traditional and bridging design-build than other forms of procurement, given the clarity of intent required to conduct a competition for cost.
- Agencies should consider releasing all previous studies to the finalist teams. Previous work does not inhibit teams from being creative or innovative, rather it can contribute to their efforts. Access to previous work done by the agency can lead to a deeper understanding of the issues. If an agency decides to release this information they should clearly identify how it should be used; as background

information or prescriptive requirements (i.e. features the agency likes or features the agency doesn't like).

- Avoid issuing addenda when the finalist firms are completing their proposals.

Similar to the previous RFQ phase, RCW 39.10.330(1)(d)ii has a number of requirements that an agency must include in their RFP evaluation criteria:

- Evaluation criteria must include the following factors from the RFQ phase; technical qualifications; capability to perform; past performance of the proposers' team, including the architect-engineer and construction members.
- Evaluation criteria shall also include, but not limited to; technical approach design concept; ability of professional personnel; past performance; ability to meet time and budget requirements; ability to provide a performance and payment bond; recent, current, and projected workloads of the firm; location; and cost or price-related factors that may include operating costs.
- Agencies may also include in the evaluation criteria an outreach plan to include small business entities and disadvantaged business enterprises.

A unique characteristic of the design-build delivery method that is allowed under RCW 39.10.330 (b)(ii) is if a public owner determines that all finalists are capable to produce a design that adequately meets project requirements, the public body may award the contract to the firm that submits the responsive proposal with the lowest price. Should an agency choose this option, it must clearly identify in the RFP what would qualify as a responsive proposal.

## **COST & PRICE-RELATED FACTORS**

Cost or price-related factors are a required element of the finalists' proposals for all types of design-build procurement. There are no requirements for the weight of the cost in relation to other selection criteria which gives owners significant latitude in determining the extent to which it factors into the equation.

### **RFQ & RFP REQUIREMENTS**

RCW 39.10.330 states that the request for qualifications (RFQ) must include, "a description of the process the public body will use to evaluate qualifications and finalists' proposals, including evaluation factors and the relative weight of factors and any specific forms to be used by the proposers." The RFQ must describe the relative weighting of selection criteria and include the price-submittal forms to be used in submission of cost proposals. Owners are also required to disclose the methods they intend to use in evaluating price submittals in the request for proposal (RFP) phase. However, no cost or price-related factors may be included in the submittal requirements or evaluation of the RFQ.

RCW 39.10.330 also states that evaluation factors for finalist's proposals shall include, "cost or price-related factors that may include operating costs..." which indicates that the RFP must expand upon the cost information described in the RFQ to include the specific basis of cost or price submittal components, such as scope of work, schedule and other project conditions and/or performance metrics. The owner should provide the formula to be used for price-factor evaluation

**SCORING**

Transparency, consistency and fairness are critical in the evaluation and scoring of cost proposals.

Cost proposals are typically graded according to a pre-determined formula. The lowest cost gets the highest number of available points. Other proposals get less points based on the formula. The weight that an agency assigns to the cost sends a message to proposers. For example, if the value of the cost criteria is low, that indicates that price is not as important as other factors. On the other hand, if it is high that indicates that cost is a critical component of the selection.

<b>PROGRESSIVE</b>	<b>TRADITIONAL</b>	<b>BRIDGING</b>
<p>Given that the selection is made prior to development of a firm design and price proposal the design-builder's fee is typically required to meet the required cost or price-related factor. Where qualifications are more important than cost, a limited number of points is assigned to this selection criteria.</p> <p>Designers believe that their fees should be excluded from the cost and or price-related factors required for a progressive selection because (a) it may a violation of RCW 39.80's requirements for qualifications based selection (QBS) of architects and engineers, and (b) the full design team is not typically involved at the time of selection it may not be possible to evaluate the cost.</p>	<p>Owner's typically designate a fixed price for submittals when design quality and program functionality are their highest priorities This approach focuses on the evaluation on qualifications, design quality and value. The owner may identify betterments in addition to the baseline program to encourage teams to provide additional value within the fixed price.</p> <p>Owner's typically seek the lowest cost proposal from a qualified design-build team when economy is their highest priority. This often works best for simple programs and limited design goals.</p> <p>The cost submittal should align with design proposal requirements which typically include schematic design documents. Costs are typically broken down into multiple categories, including owner-stipulated allowances.</p>	<p>Given the prescriptive nature of bridging documents owners typically seek the lowest cost proposal from a qualified design-build team.</p> <p>The cost submittal should align with design proposal requirements which typically include design development documents. Costs are typically broken down into multiple categories, including owner-stipulated allowances.</p>

Agencies should test the weighting of the cost and price-related factors in relation to other RFP scoring criteria prior to issuing the RFQ and RFP to evaluate the impact of cost on the overall score and ensure it aligns overall project goals for program, quality and cost.

Many agencies establish a not-to-exceed or maximum allowable amount for the design-build competition. A cost proposal over the maximum allowable amount is deemed to be non-responsive and rejected. This approach constrains the agency from requesting best and final offers from proposers who are considered non-responsive. Some agencies use a different approach, where a cost proposal that exceeds the maximum gets zero points for the cost criteria but the firm is not rejected.

## **SUBMITTALS**

It is typical to specify that all cost related information be submitted in a separate, sealed envelope to ensure that the selection panel's evaluation of other criteria is not influenced by the cost proposals. The cost elements are scored separately and added to the scoring for other criteria to establish a final score for each proposal. However, some agencies evaluate price along with the technical proposal in order to put a value on the technical elements being evaluated. Either way, an agency should clearly explain to all proposers and evaluators how they intend to evaluate the cost portion of the proposal.

Public opening of cost proposals, while not required, provides transparency.

## **ALTERNATIVE TECHNICAL CONCEPTS**

Alternative technical concepts (ATC) are ideas submitted by proposers that deviate from the project requirements established in the RFP. These can prove to be extremely valuable for agencies, with proposers creating new and innovative ways of achieving or exceeding the agency's project goals, meeting or reducing the project cost, and potentially providing better value.

Agencies that utilize the ATC process should establish clear guidelines on the submittal and review process, including timelines for both submission and agency review. Agencies should establish how firms can incorporate reviewed and approved ATCs along with an appeals process for rejected ATCs. Here are few things to consider with regards to ATCs:

- Consider which individuals within an agency or third parties needs to be part of the review and approval process. Third party approval may take more time than internal review, as such, the review schedule should reflect this.
- Allow proposers to identify ATCs in the one-on-one meetings. Proposers can potentially invest considerable time and resources in creating and submitting ATCs. Allowing proposers to discuss potential ATCs lets them gauge the Agency's willingness to approve them, meaning the proposer only needs to invest in ATCs of value.
- If possible, avoid putting a limit on the number of ATCs submitted.
- Be clear on what level of approval is acceptable for inclusion in the proposal (i.e. approval, supplemental approval, etc.)
- Clearly identify how the approved ATC must be included in the proposal, including what documentation is required. Agencies should also consider requiring firms to highlight the incorporated ATC along with ATC approval documents. This allows an agency to quickly and accurately verify the ATC was incorporated as approved.

ATCs are typically proprietary. Agencies must consider maintaining fairness amongst competing teams when allowing deviations from stated project criteria. Significant deviations from project parameters may need to be shared, by addendum, with all of the teams. Specific solutions to design issues or technical innovations should remain proprietary.

Agencies should also consider how they intend to utilize proposed ATCs from the firms that were not selected for the project. Some agencies reserve the right to use those ATCs and some agencies do not. Either

way, it is important to be clear and transparent in the RFQ and RFP as to how the agency intends to utilize these ATCs.

## **TEAMING AGREEMENTS**

Teaming agreements are the agreements between the firms within the proposing team. It is becoming more common for agencies to request these agreements as part of the RFP process. It is particularly important when it comes to progressive design-build projects. These agreements can provide the agency assurance about mutual expectations of the designer and the builder. It can address issues such as the design team's anticipated standard of care and the contractor's contingency for the inevitable errors and omissions in the design drawings. It is important for agencies to remember teams are not separated as designers, builders or owners, but rather the team should work together collaboratively as building professionals.

## **SELECTION**

Agencies need to ensure that their selection process is reliable, rigorous and objective. It takes more discipline to select a design-build team than a design only or construction only team. Design-build, particularly when it involves a traditional design and price competition, also requires a much greater investment of time and financial resources by both the firms competing and the agency selecting.

The design-build selection process is more complex than traditional selection processes. It benefits an agency to disclose how the process will play out not only because it's required by the RCW, but it also gives potential proposers a clear picture of how they can expect to be evaluated and hopefully selected. Clarity for the contracting community increases their ability to determine what resources and time they will need to invest in the process and whether or not they want to make that investment. An unclear selection process can potentially reduce the number of firms willing to pursue an agency's project. Below are some things and agency should consider when establishing their selection process:

- Allow ample time to review the proposals.
- Consider the role of people involved in proprietary meetings on the selection panel. Some agencies assign an independent panel who does not know the names of the proposing teams or team members in order to be fair. Most agencies assign participants in the proprietary meetings to the selection panel to maintain continuity and provide a means for the quality of design-build team relations with the owner's stakeholders to be reflected in the selection.
- Carefully consider how price will be evaluated. How an agency evaluates price can drastically change the outcome of a proposal. Some agencies evaluate price with the technical proposals and some do not. Either way, ensure the RFP clearly explains how price will be evaluated. The weighting of criteria and price can drastically affect the importance of either.
- Test the price formula and the criteria weighting before issuing the RFQ.

## **SELECTION PANEL**

The owner's selection criteria should influence the formation of the selection committee. Agencies should identify committee members who can evaluate teams and proposals in relation to the desired outcomes. Include people who are well versed in the aspects of the project. Some agencies have found that a lack of understanding of the key project issues has created issues during the selection process.

While it may seem appropriate to only include the facility users on the panel, agencies should consider other stakeholders necessary to evaluate all elements of the project or the program identified in the RFP evaluation criteria. Agencies should consider a diversity of representation may open the door to more fairness in evaluation, as well as being in the owner's best interest. Some agencies will ask an architect, engineer, contractor or other industry expert to sit on a panel to help them evaluate the final proposals. Additionally, sometimes agencies will include the consultant who helped prepare the project criteria to participate in design-build team selection process.

As agencies evaluate whom to include on the selection panel, they may find it becoming very large. Large panels can become difficult to manage and more importantly, difficult to gain consensus. To mitigate this problem, many agencies have voting and non-voting members, sometime called technical advisors. Individuals with specific technical expertise, such as engineers and environmentalists, can support the selection panel's understanding of the proposals without being a part of the selection panel. Some agencies may not have these resources available so it's important to identify the level of assessment required to evaluate the proposals and if there aren't adequate in-house resources then external support may be necessary.

Agencies should also consider whether they want to disclose the names of the panel members to the proposers or not. Not all agencies disclose this information. Sharing this information increases the transparency of the project while ensuring all proposers have the same information. This is especially critical if the agency is involving outside architects or contractors in the evaluation process. This information can also influence whether a firm pursues the project or not. It can also influence the proposals submitted. If administrators predominate the selection committee, teams may be more likely to address broad institutional issues. If facilities staff predominate, teams may focus more information on maintenance and operational aspects of the project. Whichever method an agency decides, they need to ensure they constrain competitors from communicating directly with panel members during the selection process. Agencies should also ensure the RFP clearly identifies how proposers are to address the project requirements and evaluation criteria identified in the RFP.

#### **Conflicts of Interest**

Conflicts of interest are extremely important for all selection type procurements, not just design-build. However, the potential increases for design-build due to the broader proposal members, both from the construction and design communities. There are many potential conflicts of interest and it's critical for an agency to have a clear process for evaluating and determining whether a panel member has a conflict of interest. Consider the following when evaluating conflicts of interest:

- Panelists from outside the agency should identify whether they have a business relationship with anybody who is submitting for the project. If they have any kind of existing or pending business relationship, they should not participate.
- Consider having panel members sign a disclosure that they do not have a conflict of interest with the finalist firms.
- Establish a code of conduct for third-party owner's representatives to ensure fairness.

## RFP PHASE MEETINGS & INTERVIEWS

Meetings between the proposers and the agency are a critical component of the RFP phase. There are various potential meetings that agencies can utilize to improve the proposers understanding of the project and the agency's understanding of the proposals. Most agencies utilize three types of meetings during the RFP phase; Pre-RFP meeting, one on one meetings, and interviews. Each provide different levels of information sharing between the parties.

### PRE-RFP MEETINGS

A pre-RFP phase meeting that involves all the selected teams is an effective method of getting everyone on the same page before the second phase of the selection process commences. Typical topics of discussion include:

- Administrative issues
- Details of the selection process
- RFP phase selection panel members
- The owner's program/scope priorities
- Site issues
- Project risks

These types of meetings are more geared towards disseminating information from the agency to the proposers. Firms can be reluctant to ask too many questions or propose meaningful ideas at this meeting for fear of providing their competition insight into how they intend to design and propose on the project. This is why the next type of meetings is considered more valuable to all parties, the one on one meetings.

### ONE-ON-ONE (PROPRIETARY) MEETINGS

One-on-one, or proprietary, meetings are typically held between the agency and one firm at a time. This gives both parties an opportunity to discuss the project without the other firms in the room. Typically, these meetings are considered proprietary, meaning the agency will not share ideas discussed in the meeting with other proposers. The one-on-one meetings provide the proposers an opportunity to test and better understand the agency's priorities. In order to utilize these meetings effectively, agencies should establish clear guidelines for the meetings in the RFP. Agencies should consider:

- Agencies must establish clarity of expectations with the proposers about the format for one-on-one meetings. Who is leading the meetings, the contractor or the agency? Which party is responsible for the agenda, schedule, attendees, et cetera? This information helps design-build teams utilize the time effectively.
- Internally, an agency should explain to the selection panel the rules and expectations of the one-on-one meetings.
- Although there are likely to be discoveries about the overall program during proprietary meetings, the quality of the project criteria included in the RFP should ensure that these meetings are limited to ideas raised by the design-build teams and not errors, discrepancies, or lack of clear

intent in the owner's documents. It is important that agencies not use these meetings for project programming.

- Proposers should have the same access to information in the same time frame. If an agency provides clarification to one firm, they should inform the other firms on the same day regardless of if there is a scheduled meeting or not. If an agency needs to clarify or change the assumptions provided in the RFP, they should provide written clarifications or addenda to all teams rather than provide verbal clarifications in the one on one meetings.
- Agencies should document what was discussed at the one-on-one meetings. This will provide transparency for the overall process.
- One-on-one meetings can be evaluated, but the RFP must explain the evaluation structure the agency will utilize for proposal evaluations. Some agencies will provide a transcript of the meeting to the evaluation members for review.
- If an agency plans on holding more multiple one on one meetings, consider rotating the order of when the teams meet with the agency, i.e. 1-2-3 then 2-3-1 then 3-1-2.
- It is critical to have the correct representatives from the agency at the meetings. It should be a close knit of owner representatives who know how the process works. Some agencies require the evaluation members attend these meetings. If the people who provide proposers feedback are not evaluating the proposal, there may be a potential disconnect of information or direction.
- The owner's representatives should be required to attend all of the meetings for all of the competing teams.
- The individuals from the agency who meet with the proposing firms should be the same throughout the process. This allows for consistency in direction and creates familiarity between the agency and the proposers. Agencies should consider assigning a project manager and a user group as the core team who is responsible for obtaining input from the rest of the agency.
- Proprietary meetings can give the agency the opportunity to see how each of the design-build teams' work, giving the agency better insight into how collaborative a design-build team might operate during the project. The dynamic of the design-build team in one-on-one meetings may also reflect their capacity to work together. However, it is important that agencies understand that these meetings may not fully reflect the true nature of the design-build team's relationships. They are not the same as typical owner/consultant meetings. The design-build team is in the process of trying to win the job.

However, an agency establishes the proprietary meetings, it is critical that the objectives and the message from the agency is clear and consistent between all the proposers. In a design and price competition, teams are using the one on one meetings to get feedback on their developing concepts so that they can refine them in relation to client needs. In progressive selections the meetings may not involve design, but instead focus on how the team interacts to solve a problem.

#### **FINAL INTERVIEWS**

Agencies can hold final interviews with the proposing firms. These are similar to the interviews held during the RFQ phase, but with a focus on the actual proposal submittal. The interviews are typically

held post proposal review. Agencies should allow adequate time between proposal submittal and interviews to allow the selection panel to thoroughly review each of the proposals. The interviews allow the proposers to explain their proposal and also allows the agency to ask questions about the proposal.

## HONORARIA & SCOPE OF DELIVERABLES

An honorarium or stipend is an amount of money that the unsuccessful finalist firms can expect to receive as compensation for submitting a responsive proposal. They are typically included in most design-build procurements and in Washington State, honorariums are required under RCW 39.10.330, which states,

- The public body shall provide appropriate honorarium payments to finalists submitting responsive proposals that are not awarded a design-build contract. Honorarium payments shall be sufficient to generate meaningful competition among potential proposers on design-build projects. In determining the amount of the honorarium, the public body shall consider the level of effort required to meet the selection criteria. (RCW 39.10.330(8))

The RCW does not provide further guidance beyond what was stated above and there are a number of resources available that try to provide various means of determining this amount, but an agency should consider the following when determining what an appropriate honorarium is for their project:

- There are different levels of effort for all three types of design-build methods; traditional, bridging, and progressive. However, all three methods still require a cost proposal and technical design concept, not to mention the costs associated with the RFQ phase.
- Honorariums that are too low for traditional design-build competitions may not be adequate to encourage the qualified teams to pursue the projects. Some agencies and projects have failed to generate enough meaningful competition because of this.

Agencies typically ask traditional design-build competitors to provide a schematic design or more. When establishing an appropriate honorarium for this level of effort, agencies should consider using the state's Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects for schematic design as a basis of compensation.

- Agencies should consider that the costs incurred for traditional design-build competitions projects generally go beyond a typical schematic design. Teams must not only provide schematic design, but they must also sell their ideas to be successful. A significant amount of work goes into preparing drawings that enable contractors to propose a firm price while also providing enough information for the agency to understand the value of the proposal.
- Agencies should examine the amount of work they are requiring each proposer to perform. Work includes not just the proposal documents, but the proprietary meetings, the duration of the proposal period, presentation materials, interviews, et cetera. Proposer will incur costs associated with all these elements which weigh into their decision to pursue a project or not.
- Agencies may consider collecting data on the cost of competition to the design-build teams. This can give the agency a historical basis to understand how their honorariums compare to the cost of pursuing their projects.

## DELIVERABLES

Deliverables refers to the actual proposal and materials the agency requires each finalist firm to submit. These can include the proposal documents, presentation materials and handouts, 3D models, or other items requested in the RFP. All these deliverables place a real cost on the proposers and the agency should consider deliverables are truly required to make an informed evaluation. Some things to consider are:

- For progressive design-build, agencies should focus the submittal on the nuts and bolts of the process, the qualifications of the team and their ability to deliver the project.
- Identify the documents required to convey the value of a proposal in terms of design and price.
- The deliverables should be adequate to enable the owner to make an informed, decision. As agencies become more familiar with design build they have been able to reduce the document required to make an informed decision.
- Agencies should consider placing constraints or consistent requirements for all proposers on intermediate presentations at proprietary meetings or in the final interviews.
- Reducing deliverable requirements is helpful but it does not reduce the amount of work required to arrive at fixed price proposal.
- Deliverable requirements must align with the level of design required to demonstrate ability to meet performance criteria and provide a fixed cost.

Agencies should be aware that reducing the deliverables may not reduce the cost of competing for a traditional procurement. Each proposer undertakes a lot of work to develop and coordinate an integrated design scheme that meets the owner's project criteria and is competitive for design, price and value. Owners should not limit their stipend based solely on the number of deliverables, but also the holistic costs of pursuing a design-build project, ultimately establishing an amount that will generate sufficient competition.

## USE OF PROPOSALS

Once agencies have reviewed and selected a firm to work with, there remains the issue of the submitted proposals. The RCW does not prescribe how an agency can use the non-selected proposals nor is there a standard industry practice. Some agencies reserve the option to utilize ideas generated in non-selected proposals and some agencies do not. In design and price competitions it may be inevitable that owners will see features in losing submittals that they would like to see incorporated into the selected team's proposal. However, an agency decides to utilize these proposals there are a few things to keep in mind.

- Agencies should clearly identify in the RFQ and RFP how they intend to utilize the non-selected proposals.
- Should an agency give themselves the ability to utilize aspects of a non-selected proposal, the agency should understand that they may get less interest in the project or they may not get the most innovative ideas in the proposals.

- Most parties generally agree that, except for minor features of submittals, incorporating substantial elements of another team's design into the winning proposal is discouraged for design and price competitions. The decision should be made on the proposed design and price as a package.
- Each proposal is unique solution. Each submittal represents a specific proposal which connects the team, their qualifications, design concept, and implementation strategy and with their price.
- Elements from non-selected proposals may not fit with the selected firms design concept, qualifications, schedule, or price.

It is important for agencies to maintain a fair selection process regardless of what decision they make with use of non-selected proposals. Transparency of the process is critical. This ensures all parties are working from the same rules and guidelines and it also allows potential proposers to make educated decisions about pursuing a design-build project or not.

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## 4. ENCOURAGING COMPETITION

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Design-build has specific challenges that may make it more difficult or expensive for contractors and design professionals to pursue than other types of procurement. Increasing use of design-build for public works presents challenges to owners, contractors and design professionals who have years of experience in capital projects but limited or no experience in this project delivery method. Owners should consider the opportunities to encourage firms to compete for design-build contracts in order to maintain the open competition that is part of the public works procurement process and ensures that they can select from the largest pool of qualified firms. Successful projects often involve people and firms that are working together for the first time, including the owner.

### SECTION 1096 OF THE 2015 STATE CAPITAL BUDGET

The 2015 State Capital Budget directed CPARB and DES to make recommendations that would encourage competition for design-build contracts

- (3) The department [of Enterprise Services], with assistance from the capital projects authority [advisory] review board [CPARB], shall provide recommendations to the governor, house capital budget committee, and senate ways and means committee, on ways to improve the project delivery methods. It must include, at a minimum, methods to incorporate more architectural and engineering firms and contractors to be eligible for design-build projects...

## CHALLENGES

### RELATIONSHIPS

Design-build requires designer and contractors to find a partner in order to compete for projects that they would otherwise be able to pursue on their own. Qualified design professionals can be successful in winning contracts for design services on design-bid-build or GCCM projects without a contractor. Qualified contractors can bid on a design-bid-build or submit their qualifications for GCCM without having a design partner. Qualified firms may be excluded from competing if a suitable partner is not available.

Because there are no requirements to bid the work the opportunities to compete for subcontracts may be limited.

### BUSINESS DEVELOPMENT

Finding a partner and preparing for design-build pursuits typically requires firms to identify prospective projects and create partnerships months or years in advance of the time that a project is advertised for team selection. Many designers and contractors have the experience and resources to be effective partners on a design-build team but do not have the additional business development resources or relationships required to compete for design-build projects. It can be a significant challenge for medium and small firms.

### RISKS & COST TO COMPETE

Design-build represents significant risks for teams that compete for and do the work. There are significant risks agreeing to project scope, design and cost, whether at schematic design or design

development, early in the process, which is typical for all three forms of design-build procurement. Owners may not be prepared to manage their responsibilities given the differences in stakeholder involvement and decision-making that result from the transfer of risk for delivering the project on schedule and budget.

The cost to compete can be significantly higher than for typical design-bid-build and GCCM pursuits, especially in traditional, design and price competitions. The prospective field of competitors for traditional procurements may be constrained by the limited number of times any size firm will compete for work in a year. The effort, cost and risk, may be too great for small and medium with the requisite management and technical capabilities to do the work.

### SELECTION CRITERIA

- Selection criteria that favor design-build teams that have worked together previously and/or previous design-build experience of firms and individuals may exclude teams that are otherwise qualified to do the work. Firms that have demonstrated the requisite management and technical skills and have a track record of success on design-bid-build and GCCM projects of comparable scale, complexity and cost should be able to compete for design-build projects. Successful projects for all delivery types are typically the result of the collaboration skills required for design-build. Designers and builders who work together in the “forced marriage” environment of design-bid-build and GCCM may be excellent
- Owners look for the builder and designer to have worked together before - it’s all about the relationship and the alignment. The owner does not want the firms “dating” on the project, they want a designer and builder who are experienced as a team.
- There is always an element of the unknown in terms of teaming with an architect, a design-builder and a client. It depends on the individuals more than the firms. Does that reduce the opportunities even further? Challenging for businesses of all sizes who have been successful in doing in public works through design-bid-build to build those relationships with contractors and compete for design-build contracts.
- The qualifications process can be exclusionary due to project size, bonding requirements and RFQ/RFP selection criteria.
- Small businesses in Washington State have been the prime consultants for projects with construction costs exceeding \$30 million. They are qualified to serve as the lead architect on a design-build team but many have not completed a design-build project and are not therefore able to compete effectively.
- Some of these businesses have been the prime for large projects that are design-bid-build and/or GCCM. How do they remain competitive?
- Encourage firms that do not have design-build experience but who are qualified to do the work to compete.

- Small, medium and large businesses are all concerned about the opportunities to participate. Small, disadvantaged, women and minority businesses should be able to compete. Allow firms who has been in the industry for the twenty to fifty years, many of whom are small and medium-sized in-state businesses, to survive.
- Much of design-build is being done by a group of design firms and contractors who have team experience who were early adopters of the project delivery method, have existing client relationships and the resources to deal with the cost of competing and risk of contracting.
- Concern that it is an inequitable business practice because only a small segment of the industry is currently participating.
- Large national firms with significant portfolios of design-build projects. Medium and small companies may not have done as many.
- Few have the qualifications to compete with large, national companies who have being doing the work for a long time.

## **OPPORTUNITIES**

### **PROVIDE ADVANCE NOTICE**

- Provide advance notice to give firms a chance to find partners and get organized.
- Increasing the visibility of opportunities benefits owners. More competition from qualified firms.
- Public agencies should have a process for advance notification.
- Increase transparency.
- Everybody should have the same information at the same time, so there is a level playing field.
- Some contractors and designers are aware of projects years ahead of the procurement enabling them to form teams very early on.
- Owner project managers may share upcoming project lists with a few preferred consultants and contractors. It is not always transparent. There's always going to be awareness of a project by some firms prior to any advance notice by the owner.
- Prospective competitors identify potential projects from agency capital budgets however the scope of work and project delivery method are often not evident.
- A major problem with finding a partner amongst a limited field of available firms. Design-build teams may organize three, four, five years in advance. If you find out a project in advance you

have an opportunity to seek out the best design or build partners, consultants and trade partners and get a commitment.

- Defining the scope of the project early facilitates design-build team's ability to reach out to small businesses, WMBE.
- Outreach is critical to involving small businesses and MWBE. Advance notice gives prime contractors more opportunity to reach out to SBE and MWBE.
- Advertise intent to select design-build team six months to a year in advance of RFQ. Identify scope, approximate budget and selection criteria.
- It would level the playing field if agencies would provide better access to the opportunities, funding for the coming biennium, master plan capital goals, etc. It would help small businesses.
- Many agency web site display projects that are currently bidding but do not indicate future opportunities.
- Consultants and contractors regularly attend Sound Transit board meetings to track projects, network with project manager assigned to future projects, although large firms may have more capacity to keep track of what is going on some smaller firms are able to do it too.

#### **Port of Seattle**

The Port utilizes its website to identify bidding opportunities. It includes both current and future procurement opportunities. The Port updates its project list monthly.

The Port should be credited for getting notice out a year in advance, giving teams a chance to partner and getting a great team as a result.

#### **Sound Transit**

- Sound Transit maintains a list of current and future procurements which it updates regularly.
- Updating, modifying, and changing websites to meet the best practices guidelines for advance notice goes far beyond the people who manage capital projects. It gets into how the agency runs and can be cumbersome. Procurement portals can be challenging. Agencies change portals, some access is blocked unless you pay an extra fee or invest in setting it up correctly.

#### **BROADEN SELECTION CRITERIA**

- RFQ criteria that require previous design-build experience of the designer and builder as a team or as separate entities limits the number of firms that can compete.

- Selections tend to favor firms that have previous experience with the public owner. This may exclude firms that have relevant experience with other public and private clients.
- Owners are looking for a team that will provide the best outcomes. Proprietary meetings can reveal the capacity of a team to work collaboratively for all types of design-build procurement.
- Provide selection guidelines with broadened definitions and scoring of previous experience.
- Be specific about goals encouraging competition and incorporate into selection criteria to inform selection panel. Give the selection panel permission to be open-minded.
- Port of Seattle uses a guidance for scoring which may designate “excellent experience” if the teams have worked on many design-build projects together, “good experience” if they have worked together but not on design-build projects.

#### **WSU**

- The university’s goal is to expand the pool of interested firms.
- Track record of success with a wide range of consultants and contractors. Open to teams they have not worked with in the past. Relevant experience rather than experience at the university.
- Does not require firms to have worked together previously. Wants to understand team’s ability to work collaboratively which can be revealed in office visits, proprietary meetings and interviews.
- A lot depends on the members of the selection panel, their perspective and their interaction with competing teams during interviews and proprietary meetings.

#### **WSDOT**

- WSDOT values relevant project type experience more than previous experience with the agency to level the playing field between firms.
- Teams can bring value to the project even though they do not have previous experience working together.
- To succeed in selection process, teams should demonstrate comparable project type experience and articulate their working relationship through a Teaming Agreement.

#### **EXPAND RELEVANT EXPERIENCE CRITERIA**

- A range of experience can be used to qualify teams.

#### **Team Experience**

- A design professional and contractor who have worked together on design-bid-build or GCCM projects of comparable program, scope, complexity and/or budget. Successful track records for those project types are the result of a “forced marriage.” If the team

delivered a project that met all the performance requirements in terms of cost, budget, schedule, and change orders it should be able to work together on a project they partner to pursue.

**Design-Build Experience**

- A design professional or a contractor who has design-build experience with projects of comparable program, scope, complexity and/or budget but not with the partner in question. Designer and builder both have design-build experience but not as a team.

**Comparable Program, Scope and Budget**

- A design professional or a contractor who has worked on public projects of comparable program, scope, complexity and/or budget scale but not with the partner in question.
- A design professional or a contractor who has worked on private sector projects of comparable program, scope, complexity and/or budget but not with the partner in question.

**Relevant Private Sector Experience**

- A large segment of the industry specializes in private sector work and can perform integrated delivery, collaboration, and early participation. In some cases, the private industry is out-performing the public sector in terms of cost and schedule metrics.
- Design-build involves collaboration and integrated project delivery tools which are practiced by designers and builders in both the private and public sector.

**Firm Experience v. Previous Experience with the Public Agency**

- The 2015 State Capital Budget identified “experience with the public agency” as a potential selection criterion on allocations for two community college design-build projects and a UW Bothell design-build project to expand participation. The idea was that experience with UW or DES or working on a campus could demonstrate the ability to perform capably in lieu of design-build experience.
- The legislature’s direction to include experience with the public agency was not intended to disqualify firms that had not worked with the public agency. It was meant to encourage competition by indicating that demonstrated experience working on similar projects that were design-build was a means of qualification.
- The Port does not give more points for doing the Port of Seattle. They want to open the procurement to the best available design-build firms. They do not want somebody teams who have worked for the Port to be at an advantage.
- Expand it to experience with this public agency and/or a similar agency or a similar private entity.

### **Individual Experience**

- Firm and individual qualifications should be considered.
- Individuals are as important, or more important, to the success of a project than the firm.
- Clearly define selection criteria for firm and individuals to guide selection panel.
- Acknowledging the skills and experience of individuals within a firm who gained their experience elsewhere expands the opportunities to compete.
- Indicate that experience of an individual with another firm should be identified as such and credited only on individual resumes, not firm portfolio.
- Consider the qualifications of team members for work on projects of similar scale, program, complexity as well as design-build.

## **PROVIDE OPPORTUNITIES FOR PROPOSERS TO DEMONSTRATE TEAMWORK**

### **RFQ Phase**

- Provide selection criteria that allows teams to demonstrate experience with integrated project delivery. This could include design-build, GCCM, private sector negotiated contracts. Design-bid-build may also be relevant given the collaboration among design professionals to design high performance buildings or work effectively with the contractor after bid.
- Provide selection criteria for Teaming Agreement.
- Provide selection criteria for management tools that promote teamwork.
- Provide selection criteria for project understanding to allow teams to demonstrate their ability to identify issues and solutions, think strategically and take advantage of design-build.

### **RFP Phase**

- Provide selection criteria related to design-builder's performance as an integrated team in proprietary meetings and interviews.
- Evaluate criteria separately from RFQ phase to ensure that competitors get full credit for demonstrating teamwork.

## **OPPORTUNITIES FOR NEW FIRMS AND/OR TEAMS**

- Reduce or eliminate or reduce value of previous experience of designer and builder as a team.
- Indicate that new teams and/or lack of design-build experience are being sought.

### **Small Projects**

- Smaller projects provide an opportunity for teams to get experience.

- Appropriate small projects open the door for new teams and small businesses. Less risk for owner and design-builder. Increases the number of firms that have capacity for risk.
- 
- Small projects are a typical route for architects, engineers and contractors to get experience with public works.
- WSU projects.
- WSU Visitor's Center was \$2,500,000 was a small project that invited a high level of design creativity. The university indicated in its RFQ that it was inviting firms without design-build experience to submit with the goals of getting the best firms to submit and broadening the opportunity to work on a design-build project.
- WSU Tri-Cities Student Union, similar story.
- WSU had a \$5 million project for our Prosser Research Station. It was two pole barns.

#### **Facilitate Teaming Opportunities w/Experienced Partners**

- Small firms can gain design-build experience by partnering or subcontracting with larger firms that have experience.
- Forcing firms that have a track record of experience as prime consultants on projects of comparable program, scope and budget to serve as subconsultants to get design-build experience is not fair.

#### **OWNER V. DESIGN-BUILD TEAM EXPERIENCE**

- Public owners with significant design-build experience may have the skills to organize the project so that teams new to design-build can succeed on their projects. The qualifications of the agency, their knowledge in administering the project should create more opportunity for the designer and the builder to come in with less experience. A public owner with limited or no design-build experience may not have the skills to engage teams that do not have any experience.
- An owner that is not experienced with design-build paired with a general contractor who has a lot of experience in design-build, even if the architect who has little or no experience, may be successful because the contractor is responsible for design management and delivery. A good design-builder is unlikely to pick a non-performing designer.

#### **LIMIT CONSULTANT TEAM EXCLUSIVITY**

- Discuss how this increases competition.
- Limiting involvement of engineering consultants and trade partners during the selection process allows owners to participate in the selection of the team.
- Full teams are typically required for a traditional procurement. Their expertise is required to develop a design and price. The design-builder typically needs a full engineering/trade partner team to provide a price.

- UW limits the RFQ submittal to the designer and the builder. The shortlisted teams in a traditional procurement add team members for the RFP phase.
- The rest of the team may not appear in the RFQ submittal but the design-build proposers must line them up before they submit if they are going to have the team they want in place for the RFP phase.
- Sound Transit discourages exclusive relationships with consultants and request that design-build teams not to select more than one or two key partners to avoid locking everybody up.
- It is common for engineers to be on more than one team. Firms can be on more than one design-build team. They typically assign different engineers to the different teams and avoid exchanging information during the RFP phase. Typically, only large firms can do that. It increases their financial risk.

## **SBE AND MWBE SPECIFIC ISSUES**

- Include meaningful SCS and/or NWBE requirements in the selection criteria.
- Provide a range in scope and scale opportunities for small business. There are several successful MWBE architectural firms in Seattle and Washington State that can compete and bid in this environment.
- Should there be guidelines in addition to the language that was added to the RCWs to encourage design-build teams to increase participation rates among small, minority, and women-owned businesses on their team? Agencies should set goals for contractors to achieve.
- Should small and MWBE businesses participation be a requirement for all selections? CPARB recertification included new language to make those requirements optional criteria.
- There are two issues: one is about the prime, and two is about how the prime can increase the opportunities for subconsultant/subcontractor participation.
- Will the issue of limited access be reduced as design-build becomes a more common method of procurement?
- There's a lot of concern, particularly as a minority, about design-build and the challenges of getting into the game.

### DEFINITIONS/TRENDS

- Washington State is unique. There are varying levels of certification that other states do not have such as SCS (Small Contractor and Supplier Certification) or MWBE.
- The Miller Act in Washington State is behind in comparison to the Federal Government. No one is talking about the impact on small businesses and their opportunities in Washington State.
- Define a small business in terms of the Federal, state, local and agency standards.
- Agencies have different approaches to identifying small, MWBE and MWBE businesses. King County, Seattle and the state all have different lists and then there is the federal criteria. Sometimes we think we are doing the right thing, but we get no credit for it. It is a challenge for everybody.
- DES' MWBE/MWBE initiatives.
- The City of Seattle broadened the definition of minority and small businesses are because of the limitation and to meet city initiatives and ordinances that OWMBE does not recognize.
- UW is expanding monitoring of business equity, so small businesses, women owned, minority owned, veterans owned, as well as state certified MWBE firms. They are starting to track all of it.
- Statewide there isn't uniformity in how agencies try and reach out.
  
- Owners and the design-build competitors should to look at all the small business opportunities for the SPE or even half of the SPE.
  
- The law says the valuation factors may also include the proposer's past performance and utilization of small business entities. at the UW, this is becoming more of an issue and we are going to put more pressure on all teams to use small business.
- The Port of Seattle is interested because we have a goal of 40% of our construction dollars going to small business.
- Can you include suppliers and subcontractors and consultants in that bundle?
  
- Participation is a big issue for our industry right now. I'm not sure if it's a design-build issue or if it applies to all delivery types. If we look at the design-bid-build projects which have gone out for bids history in the last year I'd be interested to see how much MWBE participation there was on those projects.
  
- When we talk about women owned and minority owned businesses, are we talking about certified firms? Is the pool of firms we're talking about broader? WSU is looking at how we can improve outreach at in purchase of goods and services as well as construction. Considering in all the counties that WSU has a campus, how many certified firms there are regardless of whether those firms have anything to do with goods and services or construction? Pullman is in Whitman County. Do you how many firms there are in Whitman County that are certified? None.

- CPARB administers alternative project delivery for the entire state, not just western Washington. Eastern Washington's issues are different.
- How do you find those partners in small businesses, or how do they find these projects?
- There are a limited number of small businesses that are qualified to handle complex projects.
- 2,000 firms in the state are registered. 500 are paying attention. There's 100 in the Puget Sound area that are small business or minority that are quoting work, and there's 50 that are really participating.
- NEED MORE NEUTRAL LANGUAGE TO COVER THESE POINTS.

#### **OTHER**

- Unbundle the work so that subcontractors with limited bonding capacity can bid on a smaller component of the work.
- Bonding can be an issue for small subcontractors but the design-builder can right-size the bid packages to maximize participation.
- Small contractors may not have the bonding capacity. At minimum they need to be able to bond \$2 million if they are going to serve as the prime.
- Small design firms may have the experience and ability to do the work on larger projects and typically can meet the insurance requirements.
- Firms that have existing relationships with the designer and builder have an advantage.
- For large projects design-build teams may hold an open house to allow small firms to present their qualifications, but often a small firm has already been picked. It creates hope, but not necessarily opportunity.
- It may be easier for small businesses to get work in a low bid scenario, but they may be less successful doing it. Design-build's qualification based selection criteria may improve the opportunities for success in doing the work.
- Negative perception in the small business community about design-build may focus on the risk involved in a traditional design and price competition. Progressive may relieve that.
- Is this topic specific to the lead contractor and the lead designer? Or is this about participation throughout the project and not just in the discussion of design-builder?

#### **ADVANTAGES OF DESIGN-BUILD**

- Design-build has more opportunities for business equities than design-bid-build or GCCM because everything must be bid in the other methods. We're having some great successes on the UW/Tacoma project with Mortenson. a lot of it is the outreach that's being done and the way we score the teams on, you know, how they've done on that.

- I don't think there's anything inherent in design-build that limits MWBE or business equity involvement, I think it's just the opposite.
- There may be more opportunities in a DB where the owner requires a certain level of participation and subs do not have to be chosen based on low bid.
- After they lead builder and designer have been selected, that's where you can really maximize participation if an owner desires to do so.
- Design-build allows a greater opportunity flexibility for the owner design-builder and the trades.
- All three parties need to be on board with the program.
- The UW/Tacoma DB project achieved participation rates that were higher than if it was GGCM or DBB. The builder could package and guide things in a way that everybody won.
- One of the benefits of design-build is that the design-builder, once selected, has all the flexibility to assign work to a small subcontractor without going through a low bid process.
- I don't think there's one solution. but design-build is a delivery model that is available for owners, design-builders, and trades craft to get involved. It is part of the solution.
- Design-build may allow better participation rates than either GGCM or design-bid-build given the increased flexibility to assign contracts.
- It depends upon owner requirements to be effective.
- Design-build can help maximize utilization.
- Different levels of participation come with different methods of design-build.
- Design-build allows an award to be based on participation goals, not just cost.
  
- It depends on the form of design-build. If it is a progressive procurement, that's one thing, but if it is a traditional design-build competition there is a significant risk in the investment of the time and effort required.

### **COMPETITIVE ADVANTAGE ISSUES**

- Does the team that prepares documents preparatory to the RFQ/RFP, such as master plans, capital requests and/or predesign studies have an unfair advantage in pursuing the subsequent design-build contract? Should they be excluded from the competition?
- Why is this considered by some agencies as an unfair advantage for design-build when it is not typically an issue for design services procurements?
- Do public owners differentiate between conflict of interest in a qualifications-based design selection and design-build? Is there a fundamental difference in how that is viewed? For qualification-based design selection it has been standard practice to select a firm for predesign with the option of continuing to full design, or starting a new selection process for design. The predesign consultant is typically allowed to compete for design if the process is opened again.

- No team should have a substantial advantage any other team. It is difficult to allow the predesign team to propose in any form of procurement.
- Working on the preparatory documents during the RFQ/RFP phase is an unfair advantage. The phases should be separated.
- The owner invests in the team that develops the preparatory document and should be able to take advantage of the investment, opportunities for efficiency due to knowledge, experience, relationship, continuity.
- Allow teams to compete for all phases ensures that the best teams pursue all phases of service and work.
- Experience on the King County Youth and Justice Center indicates that even a design team that is a prohibitive favorite may not win.
- Is there a difference between the primary consultant for project criteria documents and a subconsultant on their team?
- Challenges occur when an individual(s) who worked on the team that prepared the bridging documents are subsequently employed by a firm(s) are competing for the design-build contract. That situation must be evaluated on a case-by-case basis to make sure that the design firm does not have an unfair competitive advantage.
- On one hand, consultants have an opportunity to build stakeholder relationships building during the preparation of preliminary documents. On the other hand, owners identify relationship building as critical to being successful as a design-build proposer.
- Prior work with a client may be a disadvantage as much as it is an advantage.
- Most public clients have relationships with one or more firms that have worked successfully on multiple projects over the years.

#### **POLICIES AND PRECEDENTS**

- Differentiate between “organizational conflict of interest” and “unfair competitive advantage.”

#### **Legal Requirements in Washington State**

- Washington, unlike many states, does not have a law or regulations relating to organizational conflict of interest. Some public bodies within Washington do. Some municipalities in Washington State do.
- An owner’s legal counsel may provide a conservative opinion which indicates that developing the project is a potential unfair advantage in a selection process.
- The determination may vary given that each owner has a different internal legal team.

### **Federal Acquisition Regulation**

- The Federal Acquisition Regulation addresses the issue in Subpart 9.5 – Organizational and Consultant Conflicts of Interest.
- Section 9.505-2 Preparing specifications or work statements deals with design and development work prepared by a consultant in preparation for competitive acquisition of services for a project. Preparing planning studies prior to selection of a team for design and construction phase services falls into this category. Subsection (a)(3) identifies the value to the government of consultant experience with a project and states, “while the development contractor has a competitive advantage, it is an unavoidable one that is not considered unfair; hence no prohibition should be imposed.” Subsection (b)(3)(ii) indicates that a design consultant who has prepared a work statement for competitive acquisition of services may compete for and/or supply those services. Finally, Subsection (b)(3) states, “no prohibitions are imposed on the development and design contractors,” who have prepared work statements for competitive acquisition of services.

The text of Subpart 9.5 is included in the Appendix.

### **TYPE OF DOCUMENTATION**

- Identify the difference between a preliminary effort that results in a master plan, capital request or feasibility study from preparing the project-specific criteria.
- A predesign defines project criteria. There is a lot of required criteria information. It includes a cost estimate, which is based on a planning concept, but not a schematic design.
- Specifications and/or work statements versus bridging documents.
  - A consultant preparing preliminary documents related to programming or test-to-fit drawings should not be precluded from competing for later phases of a project.
  - A consultant preparing bridging documents that prescribe the design of a project should be precluded from competing for later phases of a project.
- Recognize the difference between establishing the program and cost for a project and writing the selection criteria for an RFQ/RFP. In the latter, there is significant potential for unfair advantage.
- 
- Where work is done, or services provided, that establish criteria which influence performance or outcomes on other work or services there may be a conflict of interest. For example, writing urban design guidelines and simultaneously designing a building that would be constrained by those guidelines. On the other hand, writing the guidelines, completing them and competing for the design of a building that complies with the approved guidelines would be a “fair competitive advantage.”

### **POLICIES AND POSITIONS**

#### **Port of Seattle**

- The Port of Seattle avoids creating situations that might give rise to a protest.

- The Port of Seattle typically excludes firms that perform preliminary work, scoping and planning from the selection process. The Port looks determines its position on a case-by-case basis. (which is it?)
- A firm with a twenty-year relationship with an owner typically has a competitive advantage. To provide fairness in the selection process, selection criteria for projects at Sea-Tac airport focuses on experience with projects of similar complexity and scale. Previous work at the airport is not considered to be an advantage.

#### **Washington State University**

- WSU specifically precludes the teams that prepare the project criteria from competing for the design-build contract. It typically retains the architect who prepares the project criteria as an advisor during and after the design-build team selection.
- The university clearly identifies the exclusion from participation for future phases in its requests for qualifications for project criteria documents, which are typically predesign studies.

#### **Sound Transit**

- Comparable to Washington State University. The project criteria consultant is precluded. They assist during the procurement and by answering RFIs, etc. All firms precluded from pursuing are listed in the RFQ.

#### **DES**

- Consultants and/or contractors that are deemed by DES to have an unfair advantage over competing proposers regarding the knowledge of the project shall be ineligible to participate as a proposer or on a Design Build team.

Performance of the following services are not considered to have an unfair advantage of the project and those proposers are eligible to compete for a Design-Build contract: Master Plan, Budget Estimate, Site Study, and Feasibility Study. Proposers who developed (or assisted with developing) a PreDesign Report and/or a Project Request Report (PRR) for a project are eligible to compete for a Design-Build contract on that project if the following conditions are met: The agreement for the PreDesign Report and/or PRR work was closed more than 180 calendar days prior to the public advertisement for the Design Build RFQ. Furthermore, the PRR and/or PreDesign Report shall be made available to all proposers prior to RFQ solicitation.

Consultants and/or contractors that assisted the owner in preparing a Design-Build procurement documents (to include instructions for bidders and evaluation criteria) are ineligible to complete for that Design-Build contract.

#### **University of Washington**

- The university typically does not exclude teams that prepare preparatory documents from competing for the design-build contract. Their approach is based on a belief that excluding firms may limit the pool of firms who pursue the project criteria documents.
- The pre-solicitation phase is typically separated from the RFQ/RFP phase.

- The project criteria consultant is not typically involved in preparing the RFQ/RFP.
- The project criteria documents are share with all the competitors in the RFP phase.

#### AIA Washington Council

- AIA Washington Council believes that design professionals who provide services for a master plan, project request report, feasibility study and/or predesign study should be allowed to compete for design and construction phase services for the project. Design professionals should be able to exercise their skills and abilities in the best interest of the state. State agencies should have access to the most qualified firms for each phase of a project.
- AIA Washington indicates that their research into best practices indicates that client relationships, previous performance and relevant experience are not considered to be an unfair competitive advantage. Consultants who provide planning services are not typically restricted from competing for subsequent phases of a project. They reference Federal Acquisition Regulation Subpart 9.5 – Organizational and Consultant Conflicts of Interest.
- AIA Washington offers a few recommendations to promote fairness.
- Services for the planning phase agreement should be completed prior to the solicitation for subsequent phases of the project. If the services are provided as an amendment to another professional services agreement then services for the amendment should be completed.
- A reasonable time should separate completion of the planning services agreement (or amendment) and commencement of subsequent selection processes.
- Documents prepared by the planning consultants should be publicly available to anyone who considers competing for subsequent selections at the time of issuance of the Request for Qualifications.
- AIA Washington believes that these provisions would apply to all types of project delivery including design bid build, GCCM and design build.

#### **DESIGN-BUILD AND COMPETITIVE ADVANTAGE**

- The design-build competition levels the playing field. If a firm has been working successfully on a campus for twenty-five years and there is conventional selection they will have a significant competitive advantage. The relationships change with design-build. The contractor's qualifications, cost factors, management approach and in some cases, design, are added to the equation.
- A design and price competition changes the dynamic. The contractor's qualifications also come into play. It broadens the selection criteria.
- It is fundamentally different proposing for design-build. You have a contractor involved, you have an architect involved, the dynamics of your team's interactions are 50% of a subjective element. You have a totally different player involved in the contractor. That dynamic involves construction, not just design. It's now a collective team. That does add a very different dynamic.

## PROCEDURES

### Notification of Constraint

- Owners should be proactive, identify their policy for determining “unfair advantage” and include any constraints on selection for future phases of service or work in the owner’s request for qualifications and agreement with the architect/engineer for the preparatory services.
- Be clear about the ground rules so everybody knows them. Do not change the ground rules.
- Be clear up front. It is important to manage everybody's expectations when they get into that first agreement.
- The public agency should determine at the beginning that the person doing the preparatory work will be eligible. They know that they need to be cautious how they interact with the designer and not provide additional information otherwise they are potentially setting themselves up for later protests.

### Process

- Separate the two and follow the WSU model and take advantage of the fact that the predesign architect now can serve as your program architect and be your team all the way through.
- If you don't want to constrain, then what you need to do is make sure that a) that there's a separation between phases and b) that the RFQ/RFP is written by somebody else and c) that everything that was available to or produced by the predesign architect is available to everybody else.
- Build a firewall by separating the project criteria and design-build team selection phases.
- Share the preliminary work product with all competitors.
- Segregating the pre-solicitation phase from the RFQ/RFP phase and providing complete information as part of issuing the RFQ reduces the potential for conflicts of interest.=

### Selection Criteria

- Establish selection criteria that are fair and reasonable to all competing design-build firms.
- For every project, some firm(s) is likely to have a competitive advantage due to relationships, institutional knowledge, previous experience with the owner. Determine if those are included or excluded from the selection criteria and ensure that the criteria are followed in the selection process.

## 6. AFTER TEAM SELECTION

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### VALIDATION

- The term validation may be used for all three types of design-build but may be a different process depending upon type.
- Validation contributes to successful design-build. Make sure we are all on the same page before we complete the design and build it.
- Two definitions:
  - (1) Verify project conditions with the owner's RFP documents.
  - (2) Additional owner meetings and design work to refine the design and price proposal prior to final contract award.
- The scope and compensation for validation needs to be clear. The validation phase should not compromise the results of the competition. The benefit should not erode the integrity of the design-build competition.
- Concern that proposers can manipulate by system by submitting a lower price on the assumption that they can modify the scope during validation. Validation period should not be used for the owner and the design-build team to balance design promises with the cost proposal.
- It is not a chance to take another bite at the apple.
- The validation period is not a time to make material changes. It is a time to clarify understandings and make some adjustments.
- Validation should not be a time when everything is open for reconsideration.
- The Port of Seattle limits the extent of validation to preserve the veracity of the submission.
- Is validation a distinct phase of progressive design-build or is it built into the planning and design phase of the project?

#### **VALIDATION APPROACH 1: VERIFY OWNER-PROVIDED INFORMATION & SITE CONDITIONS**

- Validation is applicable if the design-builder must rely on information from the owner to develop their proposal or if there are site, regulatory or other conditions that are beyond the ability of the design-builder to identify as part of making a proposal. Examples include:
  - Owner-provided as-built drawings, surveys and/or environmental studies.
  - City requirements to do intersection work. There is not enough information to identify the full scope of work during the RFP phase so an allowance is provided. The full scope is verified during the validation period and the price adjusted if necessary.

- Renovation projects where there are hidden conditions that impact the design-builder's proposal.
- Validation is an important component of bridging procurements because the design-builder is entitled to rely on those bridging documents as they complete the design and construct the project.
- Design-builders should not be required to verify owner-provided information prior to the award. Validation is a "commercially reasonable" evaluation of owner-provided information at the beginning of the project. The sooner that discrepancies or gaps can be identified the less risk for all parties.
- It is not commercially reasonable for a design-builder to have to guarantee performance if there are errors or omissions in owner-provide information. It is not reasonable for owners to try to shift risk for unknown site and/or building conditions to the design-builder. The owner cannot expect the design-builder to warrant and guarantee conditions that are not evident or beyond their control.
- The process would not include modification of the design proposal unless there was an existing condition or a parameter that was determined to be inaccurate.
- The program would not be modified.
- Proposed building systems would not be modified to reallocate costs within the design and price proposals.
- The owner and design-builder can agree to modify the program but that is not an issue for validation.

#### **VALIDATION APPROACH 2: COMPLETE SCHEMATIC DESIGN**

- Select the team with the best proposal and contract with them for additional services to complete the schematic design before a final contract is awarded.
- A month to three months, depending on the size and complexity of the project to say we can guarantee this price.
- The validation process is a confirmation between the design-builder and the owner that they both understand the scope of the project.
- WSU utilizes this form of validation.
- Validation is meant to ensure that the competition proposal matches the owner's expectations.
- Validation is an opportunity for the owner to confirm the details of what is in the project scope.
- They take advantage of the opportunity to collaborate with the design-build team to maximize value and ensure the design aligns with campus standards.
- There are opportunities for trade-offs on things that may not have been covered in the project criteria such as where there is value in spending money on finishes.

## AFTER THE CONTRACT PRICE IS SET

- What are the roles and relationship of the owner and the design-builder? To what extent was the design-builder selected to make decisions, compliant with the owner's performance and/or prescriptive criteria, that enables them to meet their price and schedule?
- Owners and design-builders are exchanging scripts. owners are doing less, design-build teams are doing more.
- Is there an ideal design process and construction process? What would that look like?
- Design-builders are concerned that owners are not willing to relinquish control of the project to the design-build team in relation to the risk that the design-builder takes on agreeing to a price early in the process when there are still a lot of variables. Whether it is a progressive, traditional or bridging procurement, whether the documents have been developed to schematic, partial design development or complete design development, the design-builder takes a risk based on the assumption that they can make decisions that balance cost and schedule with the performance and/or prescriptive requirements.
- Owners are transferring risk to the design-build team early in the process. They need to allow the team the latitude to manage that risk.
- Owners must recognize that this is a different process than design-bid-build or GCCM. There is a risk shift based on the fact that the design-build team agrees to a price before all of the circumstances of a project are known. They assume the risk based on the opportunity for a reward which means they must have the flexibility to resolve issues internally.
- Detailed resolution of issues in a project may require continuing input from the owner, their stakeholders and facilities team. That approach does not necessarily align with the early commitment to design and price which is at the core of most design-build procurement.
- The design-build team has an opportunity to maximize the value of the owner's funds by focusing on the product and reducing the cost and effort that goes into bid documents which assure that multiple contractors are bidding the same thing.
- Stakeholder engagement is different in design-build than other project delivery methods. The focus is on getting them involved before the price is established. There are opportunities for continuing engagement afterwards but it is limited by the fact that the design-builder has committed to a price and needs the flexibility to deliver it.

## DESIGN MANAGEMENT

- What represents a good model for the design management process in a design-build team?
- How do we select a collaborative, integrative team?
- How do we know that the contractor is equipped to allow the design professionals to do their best work? How do we know that the design professionals know how to collaborate with the contractor?
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- Project delivery should be collaborative process integrating the knowledge and skills of architects, subconsultants, contractors and trade partners. Teamwork based on shared goals and values should create more efficiency and innovation.
- Design-build invites everyone, including the owner, to act differently.
- Owners must understand that their role changes as part of the effort to increase efficiency, maximize the use of resources.
- A good team includes different types of expertise. A respectful, positive tension should exist between subcontractors, architect, contractor, engineers. It is something an owner should look for in a selection,
- Engineers, particularly mechanical and electrical, feel challenged the team. In some cases, they are contracted to the architect, in others they work for a trade partner which may reduce their ability to participate in the design dialogue.
- The contractor's design manager plays a central role in managing the integrated design process. Often that role is filled by an architect working for the builder.
- The success of the process depends upon effective design leadership that invites all members of the team to collaborate and contribute to the project. Too often, design is a compartmentalized function.
- Design should guide everything that a team does from organizing the team and structuring the work plan to the building and its component systems.
- Design management is critical during all phases of the project. It is important during the RFP phase of a traditional design and price competition or the pre-cost phase of a progressive procurement. It is equally important after the cost is established during the design development and construction phases of the project.
- It is a fallacy to assume that teams that have worked together previously have more ability to work as a team and take advantage of the integrated design process that design-build offers. Good collaborators are effective with new partners as well as old ones. In fact, they may be more conscious of the need to

communicate effectively because it is a new relationship. Familiarity may lull existing partners into not being focused on team work.

- Good design-build teams are a partnership. Nonetheless, most builders rely on designers to take the lead in managing the design process, exploring concepts and communicating them to the owner which indicates their trust in their design partner.
- There are parallels to design-bid-build and GCCM. A collaborative architect always engages their consultants and cost estimators in the process of developing an effective, strategic design approach. Design-build has the potential to bring the trades into the conversation earlier in the process, which may provide a broader perspective. However, the process of engaging people, including the owner, in a dialogue is similar.

## **ONGOING OWNER INVOLVEMENT**

- What's the owner's role in the integrated design process?
- At what point does the owner relinquish design control to establish cost certainty and transfer risk? What is the impact on innovation? This is a key for the owner to make when selecting a method of procurement.
- The level of owner involvement after the contract price is established depends on the level of completeness of the design documents. There can be significant variation from project to project.
- The owner rarely steps back completely and says, "run with it."
- Good design-builders want to keep the owner involved to ensure that the final product fits the owner's needs. They also want the owner to understand and accept the boundaries that were established by the project criteria and the design documents that were the basis of their price. That is not always the case.
- Continuity of the owner's team from the pre-contract price phases through the completion of the project is critical to maintain a clear understanding of how decisions were made and what the expectations are for the project. Although the documents define the scope of work included in the contract price, it is important for key people to remain involved to help interpret the expectations that beyond the definition provided by the documents.
- The owner must have the right people in the room who can make decisions and keep the process moving forward.
- Owner involvement is critical to ensuring that the completed project meets their needs.

- The level of engagement depends on the level of prescription in the owner's project criteria and the owner's ability to collaborate.
- Taking advantage of the design-build's creativity depends on owner flexibility. Prescriptive project criteria may limit the opportunity for innovation.
- A lot is learned from the time that program is established to design to construction.
- Level of owner involvement varies depending on the nature of the agency and the project. In some circumstances, the owner will want to hold regular meetings with the design-build team, daily, weekly or monthly. In others, the owner will be satisfied with progress meetings that occur at fixed points of development in the design such as 30%, 60% and 100%.
- Timely, focused owner decision-making is critical to the success of the process. The owner needs to authorize a representative who can make decisions and facilitate the design-build's efficiency.
- Design-build teams need clarity of the owner's vision for the project and the owner's role in managing it.
- Consistency in management protocols within an agency from one project to the next is helpful.
- Clarity of owner expectations for involvement after the contract price is set is critical to enabling design-build teams to provide a cost and schedule for the project.
- Owners should recognize the inherent risks. The design-build team should be rewarded appropriately for success and held accountable for failures that are within their control.
- Owner involvement may be very important to the design-build team.
- Design-build teams expect the owner will be available at the right time with the right people to provide the necessary input and make decisions to keep the process moving forward.
- Design-build can achieve its potential to increase efficiency and reduce project delivery time only to the extent that the owner's decision-making process is streamlined.

- Agree to an achievable schedule. Identify design reviews upfront. Identify those on the owner and design-build team who are responsible for maintaining process and schedule.
- A clearly defined owner decision-making structure is critical to the success of the project.
- Expediting the schedule is fundamental virtue of design-build. The owner needs to keep up with the design-build team to allow them to succeed.
- The level of owner involvement depends upon the level of information provided in the project documents at the time the contract price is established. The more that is clearly defined the less the owner needs to be involved subsequently because there is more certainty in what is included in the project and how it relates to owner goals and operations.
- Nonetheless, design is an evolutionary process and there will always be junctures at which the owner's input is critical to the decision-making process.

#### **OWNER REVIEWS**

- Review provides a means for the owner to verify that the project design aligns with the requirements of the project criteria.
- Be flexible as an owner. Conditions change as the project develops from site conditions to permit requirements.
- Owners should focus on the completeness of the project criteria and the selection process. Trying to control the project through the review process after the contract price is established is challenging. The design-build team needs to respond to many variables in detailing the project.
- The scope and frequency of owner reviews needs to be defined in the project criteria so that the design-builder has a clear understanding of what will be reviewed and how long each review will take.

#### **POST OCCUPANCY EVALUATION**

- Post occupancy evaluation should be a regular part of the process. There should be an opportunity for teams to come back, observe how things are working, and work with the owner's stakeholders and facilities team to optimize performance.
- It is a learning experience that helps owners, designers and builders continually improve their performance.

## SCOPE & COST MANAGEMENT

- A design-builder agrees to implement project for price based on a preliminary design. Their risk is mitigated by their ability to make reasonable decisions that respond to the owner's project criteria, the cost and the schedule. They need the freedom to make it all work.
- It is common for there to be some friction between the builder and the designer as they get into the details of the design, particularly with respect to the level of quality. It is hard to anticipate future design decisions in a proposal. Information about finishes, materials and quality level must be specific if the design-builder is going to price it.
- Completing the design documents to fulfill the original design intent can create conflict between the contractor and the architect. The designer may have made assumptions about finishes, materials, light fixtures and other items that were not reflected in the documents that served as a basis for the price.
- If the public owner wants the project to be extremely high quality perhaps traditional design-build may not be the best alternative. Progressive design-build with an extended design phase, bridging, design-bid-build or GCCM might be better.
- Flexibility post-award depends to some extent on the scope of contingencies in the design-build team's budget.
- If the contractor had an architect on staff to serve as the design manager and the designer has a cost estimator on their staff it might be possible to bridge the gap between design and cost.
- Perhaps the best solution is a design that celebrates the cost constraints. An integrated design-build team has the potential to develop the best lean budget design possible.
- There is a limited amount of time available to align scope and budget during the competition.
- Owners need to be realistic about what their budget will afford. It is not possible to end up with wood paneling in a conference room if gypsum wallboard was in the owner's pre-RFQ/RFP budget.

### BALANCING PROJECT SCOPE & QUALITY WITH CONTRACT PRICE

- There is always fluidity. Things change. There may be a substantial time lag before construction. Costs change due to design issues, permit requirements and/or market conditions. There is a continuing conversation between the designer who wants to use an aluminum fascia panel and the builder who insists on using sheet metal to stay on budget. The design proposal associated with a cost, any almost any kind of design-build procurement is not detailed.
- Transparency regarding the project cost helps ensure the best value is delivered.
- Allow cost overages for some elements of the work to be balanced by cost savings on other elements.

- Can betterments be kept on the table as opportunities to get the most out of the design?
- A GMP contract may include some lump sum components. A lump sum contract may include some allowances.
- A successful project is transparent about all the contingencies. Contingency in the contract price must be adequate to accommodate the unknowns and reflect the level of design upon which the cost is based. There must also be contingency to cover the construction phase.
- Everyone needs to be flexible. If one party is rigid through the process, it can be very difficult. There will be trade-offs, whether the owner wants something else or the design-builder needs some relief to meet the budget and/or schedule. An open discussion throughout the process makes sure that everybody is getting what they expected for what they anticipated paying. Once somebody decides to get rigid teamwork and understanding break down.
- There must be transparency. If the design-builder received the owner's review and approval on construction documents they need to be able to rely on it. If the design-builder wants to change something they need to identify what and why to the owner.

#### **ESCALATION**

- How is escalation handled in a changing marketplace?

#### **DESIGN QUALITY**

- Architects' concern about the quality of the finished work in design-build.
- The design-build process does not allow the same level of attention to detail. In progressive and traditional procurement, the price is set before design of materials and finishes has been explored. In traditional procurements those categories may be squeezed to submit a competitive price.
- It is not impossible to get quality details and materials on a design-build project, but the budget and timeframe to develop those aspects of the design can be a constraint.
- Traditional design-build by its nature does not give an owner the opportunity to be involved in all the details of a project. Setting the price in schematic design has implications in terms of the owner's understanding of the cost and performance of systems and materials.
- The owner can ensure the durability by defining it in the project criteria which makes it the design-builder's responsibility.
- Discoveries are made in the process of design development and documentation which raise questions about and/or add knowledge about the original project criteria. It may be a challenge to adjust after the price is set.

- Owners depend on the design-builder to maintain a collaborative process that keeps them in the loop as decisions are made after the price is set. Good teams strive to do this and to offer owners options as the documents develop and the project is built. The selection process should include the design-builder's management approach including touch points for owner engagement. However, owners must respect the design-builder's authority to make decisions that keep the project on budget and schedule within the limits of the project criteria that are defined in the contract award.
- Progressive design-build allows day-to-day owner involvement in the design process until the point at which the price is set. It also allows the price to be set later in the process when the documents are more refined.
- Traditional design-build typically sets the price based on a schematic design with a few owner/design-team interactions in proprietary meetings.
- Bridging allows the owner to produce a more prescriptive set of documents for the design-build team although there may be a disconnect between the owner's separate architect for the bridging documents and the selected design-builder.

#### **SCOPE OF CONSULTANT DOCUMENTATION**

- Design-build has the potential to change the way projects are documented for construction.
- There is an opportunity to involve trade partners early in the process so that the sequence proceeds directly from drawings that describe design intent to shop drawings. There may be less need for detailed construction drawings by the architect and engineering consultants.
- It is a different project delivery path and may result in different outcomes.
- On one hand, it is more efficient. On the other hand, detailing may be less specific to circumstance, more generic. It depends upon who are the trade partners.
- Owners who are accustomed to reviewing detailed construction documents before they are bid will have to adjust.
- The level of design documentation may be reduced but surety that the details correspond to the trades approach to construction may increase.
- There is significant flexibility. The design-builder can bring a trade partner on board to participate in the design and documentation for any building component or system. They can also have the design consultants prepare computer models which trade partners utilize to fabricate components of the building. It gives the design-build team an opportunity to develop an optimum approach for each work element.
- Owners choose design-build to expedite the schedule. The shop drawing can be the bid and fabrication drawings. The same set of drawings does everything.

## **7. APPENDIX**

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### **PARTICIPANTS**

- List

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