

Canadian Design-Build Institute

A Special Committee of the Canadian Construction Association
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INTRODUCTION

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The Institute, as part of its mandate, provides information bulletins on the subjects of interest related to design-build practice. These bulletins are published from time to time when subject matter and circumstances warrant. Any suggested subjects can be forwarded to David Morgan, Chair of Standards of Practice Committee or the Secretary at CCDBI Office.

Design-Build – A Fast-Growing Project Delivery Method

The Design-Build Method is not a new or radical approach to the Construction process. It has been in practice for many years in such forms as TurnKey Construction Contracts, Developer Proposal Call Systems and Package Contracting, all of which involve basically the same approach.

The Design-Build Method differs from the more traditional forms of contracting in that the Owner deals with one single entity, the Design-Builder, who provides the design and the construction under one contract.

Why Design-Build?

The single-source responsibility of the Design-Builder reduces administration, claims and litigation as conflicts between design and construction and the division of responsibility between them is primarily the responsibility of the Design-Builder. By working together as a team, the Consultant and Contractor can fast track the process and improve constructability, quality and innovation potential. All these lead to a lower cost for the Owner.

Design-Build Process:

Under the Design-Build Method, the Owner outlines the requirements for the particular facility. In general terms, these include comprehensive physical parameters, timing, and occasionally, financial aims. The best practice method is usually for three (maximum five) recommended Proponents to enter the second stage of a selection process and then prepare and submit design, drawings and specifications together with a price for the project. The Owner selects one proposal by using "best value" criteria for development and construction.

Each Design-Build Proponent Team must decide how best to satisfy the Owner's needs in its submission within the predetermined parameters. It is then up to the Owner to choose which proposal gives the "best value". Since each Proposal will have its own advantages, the assessment of Proposals and the selection of the successful Proposal requires well developed criteria. Price alone should not be the determining factor. Knowledge of design criteria and construction techniques are prerequisites to making a sound decision.

If the Owner does not have qualified staff within the organization to evaluate the proposals and later administer the work, it is recommended that Advocate Consultants be engaged for this purpose. They can assist in drafting the original proposal document, assessing the proposals, and reviewing contract documents or construction. The Proponent is responsible for the performance as well as the organization and supervision of the work.

Once the Owner has selected the successful Proponent, a Contract (recommendation: CCA-CSC-RAIC Document 14) is executed. Working drawings and specifications are completed within the parameters of the selected proposal. On-site operations can begin almost immediately, allowing final design details and working drawings to proceed concurrently with construction.

This method of procuring design services and construction services should not be used to the exclusion of all others. Indeed, Owners, both public and private, recognize they must select the type of contract best suited to the particular requirements of each project.

Practice Issues to be Addressed in Future Bulletins:

• Owner's Statement of Requirements

The Owner should establish a Statement of Requirements of specific needs including the following without limitation:

- **SITE INFORMATION:** Description, topographical and boundary surveys, environmental, geotechnical and designated substance investigation reports, utility information, and covenants and restrictions on the property; and
- **OWNER'S PROGRAM REQUIREMENTS:** Budget, design objectives and parameters, performance requirements, detailed spatial and functional requirements and their relationships for the total project, any special equipment and systems, and indications for flexibility and expansion.

• Transparency in the Selection Process

The Owner assessing each Proponent submission shall draw up an Appraisal Report. It is recommended that the Owner make the Appraisal Report results available to all Proponents after the selection has been made.

• Honorarium for Design-Build Team

Because of the nature of this type of Proposal Call, it is a prerequisite that all Proponents, together with the Proponents' Team, be carefully investigated so that the tender call is limited to only those Proponents who are best qualified for the particular Project. It is recommended that only three (maximum five) Proponents be invited to submit proposals for final selection. In recognition of the large expenditures involved in preparing design and price proposals and especially considering the professional service being provided, the Owner shall reimburse all Proponents an amount commensurate with the requirements of the Proposal. The amount shall be pre-determined and stated in the Proposal Call. The honorarium shall be paid to all Proponents with compliant submissions immediately following final selection.

• Copyright

Design Proposal copyrights are not the property of the Owner and rest with the Consultant or the Design-Builder.

• Selection Criteria

Elements of a project can be cost analyzed and value engineered including operating and maintenance costs. Significant elements for analysis should be outlined in the Proposal Call together with the necessary design information required from the Proponents to allow the Owner to carry out analysis. Various financial analytical methods exist, e.g. life-cycle costing. All significant criteria should be judged on a Point Weighted System. The distribution of weighted points will vary from project to project, depending on the project type and Owner's needs and wishes, and therefore must be assigned for each project by the Owner or its consultant.