

May 15, 2007

Design-Build

The lowest price is not the law

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Reducing the risk of cost escalations and other factors that may boost the price of a project isn't the same thing as skimping on the team selected to design and build a project, or any other facet of the project, speakers told the recent Canadian Design-Build Institute's annual conference in Vancouver.

Seeking the lowest bid is a particular danger as public-private partnerships have boosted the popularity of engaging design-build teams for projects.

Peter Busby, managing director of Busby Perkins Will architects in Vancouver, voiced concern that P3 projects are focusing on getting the cheapest buildings without paying enough attention to elements such as good design and sustainability.

"I don't believe the cheapest buildings should be the buildings we're building at the moment," Busby said.

Busby Perkins Will is trying to achieve a balance between low cost and fitness for use in projects such as the design for a replacement of Vancouver's aging St. Paul's Hospital.



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Targetting a LEED Gold level standard, and ideally LEED Platinum, the project aims for efficient planning that presents both an improvement over the design of the hospital's current layout, and operational efficiencies estimated by the client, Providence Health Care, at \$32.1 million annually.

Provincial funding requirements could see the project proceed as a P3, which would likely involve a design-build team. Providence is mulling designs drafted by Busby and engineering firm Stantec.

Construction, which requires approval from the province, likely wouldn't proceed until 2010 at the earliest.

Selecting a design-build team for such projects, especially complex infrastructure developments, means that the owner can't afford to skimp on fees, either.

Since P3s seek to obtain the best deal for the public and the lowest risk, Scott Matheson, director for business development, Alberta, with PCL Construction Management Inc., said owners have to know what they're asking design-build teams to do and be prepared to pay for it.

"You've got to pick the qualified team; you can't just base [selection] on fee," he said. Determining an appropriate fee requires clear information about what the project involves, and the responsibilities (and liberties) of each party.

"Don't impose contract conditions on a design-build team if it doesn't make sense for them to take that risk," Matheson said.

Using the example of sustainable design within design-build projects, Busby said contractors need greater certainty about what exactly the projects involve. Documentation for bidders must be specific about environmental requirements so they can prepare an appropriate bid and not feel they've been surprised midway through a project if requirements are more stringent than initially understood, or circumstances change, Busby explained. Matheson encouraged providing the right amount of information for firm decisions to be made.

This goes beyond standard services to include all aspects of building construction so that the design-build team will be able to pursue the project with as few surprises as possible.

The more comfortable a team feels with a project, the greater the likelihood the owner will be pleased, too.
