



Maximizing Returns and Minimizing Risks

STRATEGIC BOND PLANNING

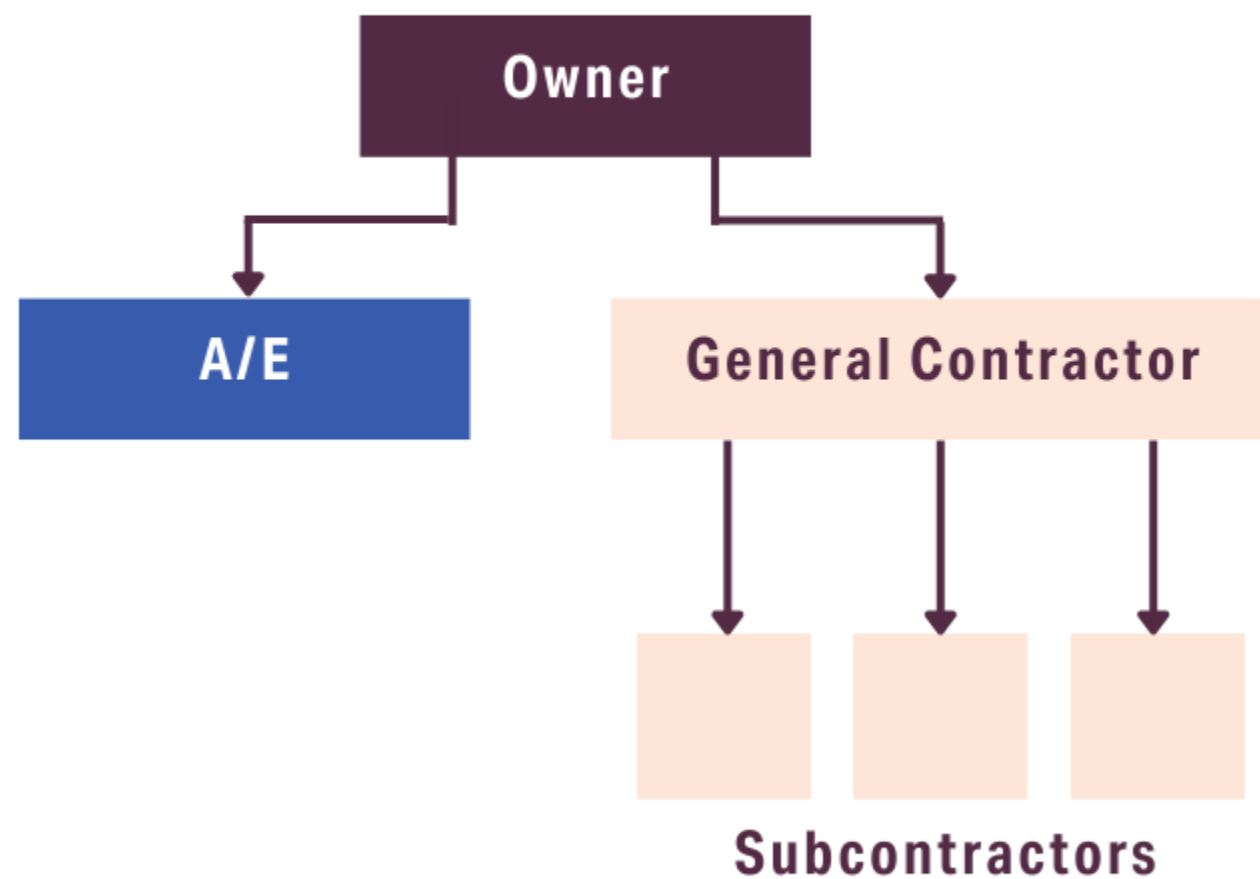
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CHOOSING THE RIGHT DELIVERY METHOD

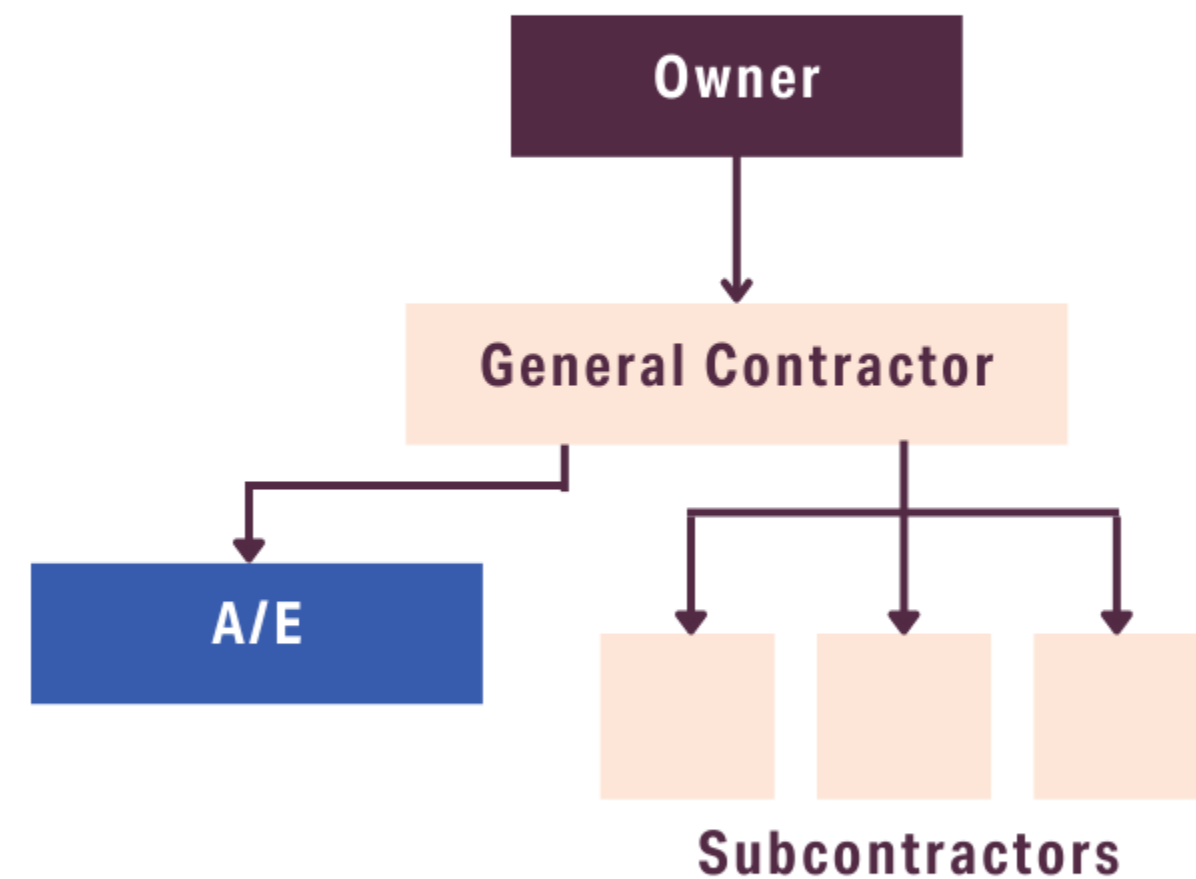
Understand the risks and opportunities of each delivery method, and then choose the one that aligns with your priorities.

CONTRACTING STRUCTURES

GC/CM Design-Bid-Build



Design-Build Progressive Design-Build



DESIGN-BID-BUILD (DBB)

WHAT IS DESIGN-BID-BUILD?

A traditional project delivery method that involves three distinct phases: design, bidding, and construction.

The owner first procures an architect or engineer to design the project. Once the design is finalized, the owner then solicits bids from multiple contractors to execute the construction work. The contract is awarded to the lowest bidder, and the contractor then begins construction.



PROS OF DESIGN-BID-BUILD

- **Transparency & Accountability:** The DBB process is well-established and widely understood, helping owners track progress and keep contractors accountable.
- **Competitive Pricing:** The bidding process encourages contractors to compete on price, potentially leading to lower construction costs.
- **Clear Separation of Roles:** The distinct phases and separate contracts for design and construction provide clear lines of responsibility.
- **Owner Control:** Owners retain significant control over the design process and have the opportunity to review and approve design documents before bids are solicited.
- **Industry Familiarity:** Many contractors and subcontractors are well-versed in the DBB method, which could lead to a larger pool of qualified professionals.



CONS OF DESIGN-BID-BUILD

- **Delays & Overruns:** The distinct, sequential phases of DBB can delay construction start and lead to delays and cost overruns if unexpected construction issues arise.
- **Divided Project Teams:** Separate design and construction teams can limit communication and collaboration, risking design flaws or constructability issues.
- **Administrative Burden:** Juggling multiple contracts and coordinating phases increases administrative complexity for owners.
- **Reduced Flexibility:** Once bids are submitted and the contract is awarded, there is limited flexibility to make changes to the design or scope of work.
- **Adversarial Dynamics:** The competitive bidding process can create an adversarial relationship between the owner and the contractor, making it challenging to resolve disputes constructively.



SUMMARY

Design-Bid-Build offers **transparency, accountability, and competitive pricing** but can be susceptible to delays, cost overruns, and limited flexibility.

The suitability of DBB depends on the specific project requirements, owner preferences, and risk tolerance.

GC/CM

GENERAL CONTRACTOR/ CONSTRUCTION MANAGER

WHO CAN USE GC/CM?

GC/CM is a public works project delivery method available to all public bodies in Washington State approved by the Project Review Committee (PRC).

GC/CM

GENERAL CONTRACTOR/ CONSTRUCTION MANAGER

WHAT IS GC/CM?

GC/CM is a construction process where a contractor collaborates with the project owner and designers from the outset to meet predefined cost, time, and quality goals.



WHY CHOOSE GC/CM?

- **Early Integration:** Engage a General Contractor early for design collaboration, cost estimation, value engineering, constructability reviews, and communication.
- **Cost Savings:** Early contractor input can provide cost-effective design alternatives and minimizes change orders.
- **GC/CM Types:** Traditional or Heavy Civil



WHY CHOOSE GC/CM?

- **Qualification-Based Selection:** Contractors are chosen based on their qualifications and fees, mitigating concerns of inadequate expertise in low-bid selections.
- **Predictable Outcomes:** Improved cost and schedule predictability for the owner.
- **Guaranteed Maximum Price (GMP):** Establishes a GMP early in process (90% completion).
- **Safety & Efficiency:** Ensures construction is planned with student and staff safety in mind, aligning work phases to maintain a secure learning environment.



WHEN TO USE GC/CM?

- Complex scheduling, phasing and/or coordination
- Construction at an occupied facility
- Early contractor involvement is critical to success
- Complex or technical work environment
- Specialized work on historically significant buildings
- Heavy civil construction project

HINTS FOR SUCCESS

- Hire a qualified project manager first to safeguard owner interests and ensure proper process management.
- Designate a district representative with decision-making authority and the capacity to oversee construction consistently.
- As the owner, set expectations for communications and teamwork at all levels.

PROGRESSIVE DESIGN-BUILD (PDB)

WHAT IS PROGRESSIVE DESIGN-BUILD?

An alternative delivery method where the owner selects a team based on qualifications or value, then collaboratively develops the project's design and engaging with the designer from the beginning.



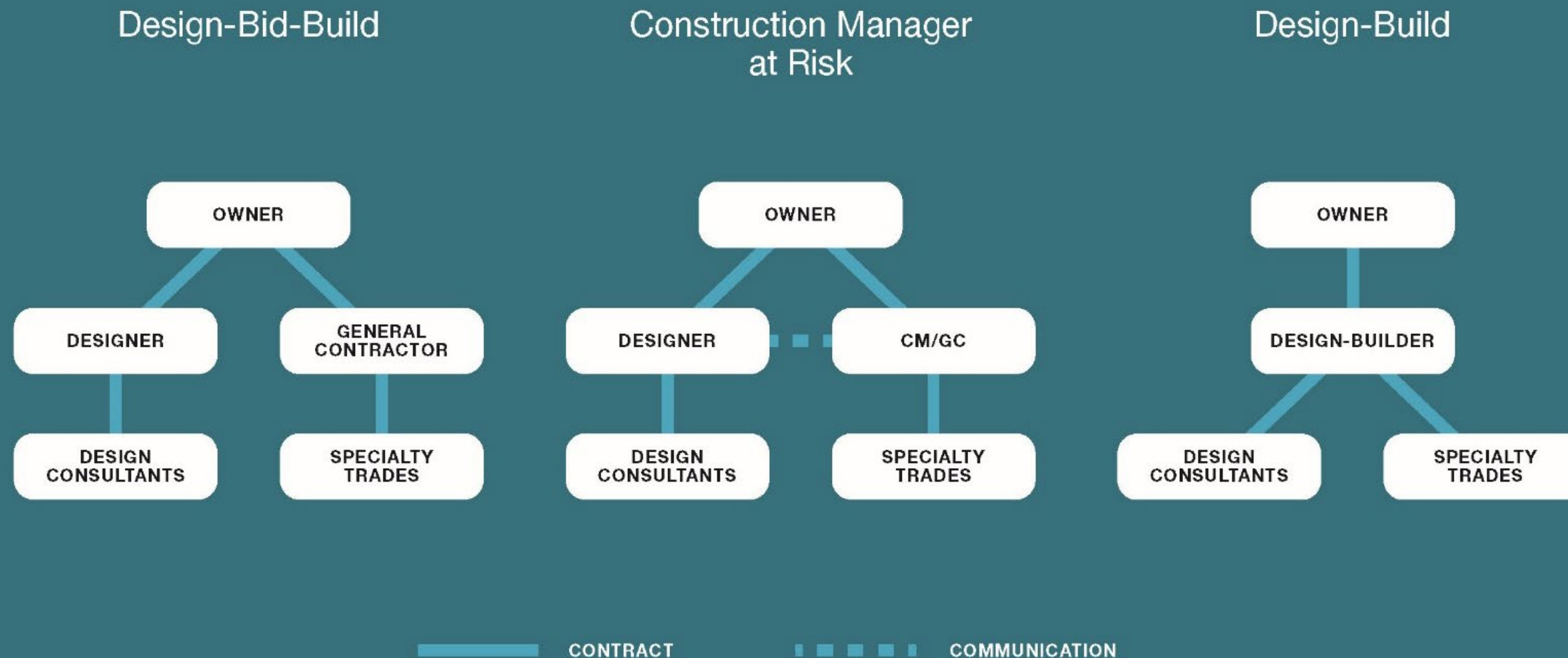
WHY CHOOSE PROGRESSIVE DESIGN-BUILD

- **Procurement Efficiency:** Streamlines and simplifies the procurement process.
- **Most Collaborative:** Enables the Owner to provide substantial input on design and buyout decisions.
- **Owner Time Management:** Reduces the review and decision-making timeframe for Owners on design submissions.
- **Schedule Acceleration:** Shortens the overall project timeline.
- **Cost Transparency:** GMP (Guaranteed Maximum Price) provides clear insight into the final costs of design and construction.
- **Unified Responsibility:** Provides a collaborative way to establish “Single Point of Responsibility”.

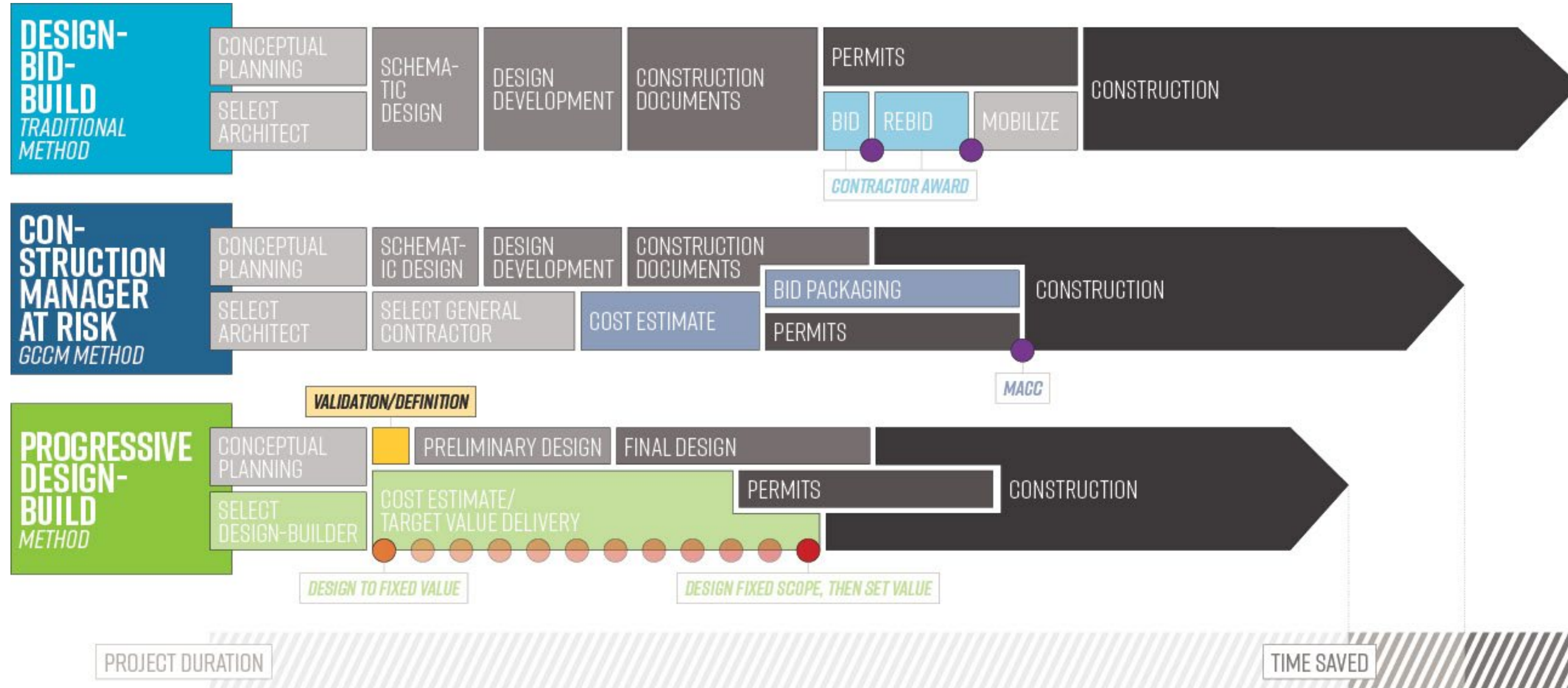
DESIGN-BUILD (DB)

WHAT IS DESIGN-BUILD?

A method of project delivery in one entity (design builder) forges single contract with the Owner to provide architectural engineering design and construction services.



PROJECT DELIVERY TIME COMPARISON



When total contract value can be set:

● Set Construction Value

● Fixed Budget/Variable Quantity-Quality:
Team designs to budget

● Fixed Quantity-Quality/Variable Budget:
Team designs to need, then sets final value



PDB: WHAT NOT TO DO

- **Change:** Resistance to new methods in favor of traditional practices maintains status quo in agency culture.
- **Trust:** Historical reliance on Design-Bid-Build has created barriers to trusting new contractor partnerships.
- **Decisions:** Effective decision-making is crucial; delays and lengthy processes are a significant impediment.
- **Readiness:** Owners must understand and prepare for their specific roles, distinct from those of Design-Build partners.
- **Procurement:** A collaborative and skilled selection committee is essential, with group consensus needed for scoring to ensure the integrity of the process.



PRC PERSPECTIVE

- **RCW 39.10 Compliance:** Spend less time describing your project and more time describing how it complies with RCW 39.10 requirements.
- **Lessons Learned:** Emphasize lessons learned during your presentation to the PRC to demonstrate owner proficiency with the delivery method.
- **Diversity, Equity, & Inclusion Data:** Present concrete data and results when addressing diversity, equity, and inclusion.
- **Owner-Led Presentations:** The owner should take the lead in most of the presentation, rather than relying on consultants or external legal counsel.
- **PRC Interactions:** Maintain a cooperative stance and avoid disputes with the PRC.



CONSULTANT PERSPECTIVE—TOP 5

- **Owner Readiness:** Effective governance through leadership, finance, internal auditor, and purchasing.
- **Design-Build Procurement:** Select partners based on skill, expertise, and consensus, not just tenure and averaging.
- **Trust:** Trusting your Design-Build team fosters innovation, creativity, and effective performances.
- **Contractor Roles:** There are differences between a general contractor and a Design-Build contractor.
- **Cost Modeling:** Cost estimating or forecasting is difference from cost modeling. This is essential for Design-Build planning.

Delivery Method Comparisons

	Design-Build & Progressive Design-Build	Design-Bid-Build	GC/CM
Selection Method	Highest Score	Low Bid	Highest Score
Owner contracts with...	Design-Builder	Architect & General Contractor	Architect & General Contractor
Requires approval from Project Review Committee?	Yes	No	Yes
Design Completion Before Cost Certainty?	+/- 25-90% Designed	100% Designed	90% Designed
Option to Off-Ramp to DBB?	Yes	N/A	Yes
Responsible Party for Errors & Omissions	Design-Builder	Owner	Owner
Change Orders (quantity/probability)	Low	High	Medium
Level of Owner Management Required	Medium	Very High	High

Which will serve your project best?

Design-Bid-Build

- GC selected based on lowest price
- Best for simple, straightforward projects
- Owner is intermediary between designer & contractor
- Owner assumes risk for errors & omissions

GC/CM

- Collaborative management between owner, architect & contractor
- Good for complex projects or occupied facilities
- Involves complex scheduling, phasing, coordination
- Owner assumes risk for errors

Design-Build

- DB team selected based on qualifications, design solution, & guaranteed cost proposal
- DB team assumes risk for errors
- Project benefits from efficiency & innovation
- Requires approval by PRC

Progressive Design-Build

- PDB team selected based on qualifications, design solution, & guaranteed cost proposal
- PDB team assumes risk for errors
- Project benefits from efficiency & innovation
- Requires approval by PRC



THANK YOU

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