

THE DESIGN-BUILD OPTION

The pyramids are fantastic structures. Centuries later, we still marvel at their creation. In the days of the master-builders of Egypt, when the pyramids were built, those who were responsible for the design of a building or structure were also responsible for the construction. There was one person, or perhaps a unified group of people, slated to oversee the development of the structure from start to finish. As the design and construction field evolved over time, the two functions – design and construction – have become separate. In certain cases, I have seen owners try to save money by not hiring the design team to play an active role in the construction process. Today, there is a definite shift back towards one team performing both tasks, and the Design/Build option is becoming increasingly more popular.

Design/Build Defined

In order to understand what the design/build option has to offer, you must first be familiar with the “typical” design and construction process most commonly used today and in the recent past. First, a design team will be hired to develop the drawings and specifications required to build the new (or renovated) facility. During the course of this design process, a rough budget may be given or obtained from other contractors looking to get a first crack at the work. Second, following the design process, the documents will go out to bid to several contractors. These contractors will offer pricing based on the documentation that the design team has developed. Once the pricing is collected and reviewed, a contractor will be selected to perform the work.

In Design/Build, the design and construction tasks are approached in a much different manner. First, a team is assembled which is capable of handling both the design and construction scopes of work. This team may consist of separate firms, such as an independent architect and an independent contractor, agreeing to work together on the project. It may also consist of firms that can handle both tasks in-house. Keep in mind that the team will include all of the different disciplines needed to develop the document package including, but not limited to,

Mechanical, Electrical, Plumbing, Structural, Foodservice, Landscape, and potentially many more. This team will see the project through from a blank sheet of paper until the final punch list is completed.

Advantages of Design/Build

There are numerous advantages to using the Design/Build method for development, which is evident by its growing popularity. Perhaps the most important advantage is the single point of responsibility that the Design/Build team has. In the more traditional configuration, a designer and contractor often end up at odds during the construction phase. Frequently, the contractor will insist that the documentation was not clear while the designer will maintain that it was. These finger pointing exercises occur when a problem arises, with the underlying objective of the disagreement being who will end up taking responsibility for the misunderstanding. These “discussions” are not much fun.

The Design/Build format also allows for a streamlined process. Given that the key members of the construction team are selected at the beginning of the process, some of the documentation required to convey certain information in the traditional design process may be reduced or eliminated all together. For example, custom designed millwork counters may not need to be designed by the architect, with shop drawings repeated by the millwork contractor if the millwork contractor is already on board during the design phase. Instead, the millwork contractor could develop the shop drawings and have them serve as part of the design package. The end result is savings of time and money.

When the design and construction entities are closely integrated, as they are in the Design/Build model, additional flexibility exists to fast track a project. Case in point – I was working on a Design/Build project that had a very tight time line. In order to meet the aggressive deadline, the design package was broken out into three phases: demolition package, permit package, and interior finishes package. This allowed for certain design and construction functions to overlap, a virtual impossibility under the traditional approach. In this particular instance, the demolition was underway before the permit set was even completed.

Design/Build does an excellent job of helping to control construction costs. First, the contractors who are going to be involved in the construction effort are available to the design team during the design effort. This creates a forum by which the contractors can share their field experience and ideas with the design team, ensuring that the most practical and cost effective construction methods are incorporated into the design. Second, with the contractors on board, the budgets will be accurate and limit the need for significant design changes following the bid phase. In the more traditional design and bid process, it is not uncommon for the bids to come back higher than expected after the design phase has been completed. The end result is a series of changes that must be made to align the design with budget – a costly effort at such a late stage in the process.

As with any construction process, problems will arise in the field. As these problems do arise, and decisions must be made quickly, it is a tremendous benefit to have a construction team that is not only familiar with the design, but the logic behind it. This scenario improves the decisions making process. There are many other advantages of Design/Build, but these are some of the most significant.

Common Misconceptions

There are some common misconceptions about Design/Build, perhaps the most common being the protection of the owner. Many critics of this model feel that the collaboration of the design and construction teams is not in the owner's best interest. The main fear is that the design and construction teams will act in their own best interest, and not the best interest of the owner. The fact is there are easy ways to combat this fear and still maintain the benefits of the Design/Build model.

First, request from your Design/Build team the right to work on an open book basis. If you structure a cost-plus or fixed fee agreement, the profit will be known to all parties and permit the review of actual costs submitted by the manufacturer or sub-contractor. This improves trust between the owner and Design/Build

team, allowing all to focus on the best solutions without the fear that the Design/Build team is proposing one solution over another because it is more profitable. Second, you can request to be part of the bidding process. Typically, the contractors on the job will hire sub-contractors for portions of the work to be performed. These sub-contractors must bid on the work. Insist on being part of the bid process. You can interview the sub-contractors and develop a level of comfort before the final selection is made.

As I am sure you can tell by now, I am a proponent of the Design/Build model. In fact, I have used the Design/Build method in my own development efforts. If you are about to embark on a construction project, you should give the Design/Build method some serious consideration. Ask your designers and contractors if they offer such an option. The benefits, as you will see, are substantial.