

The Designer's Perspective of Design-Build

Speaker Introduction

- James Avitabile, PE, DBIA – VP & Alternative Project Delivery Market Leader – RS&H
 - Vice Chair DBIA Transportation Markets Committee
 - Past President DBIA Florida Region
 - Established a national DB Program at RS&H
 - DBIA Certified Professional

DB Nationwide Trends

- The Transportation marketing is one of the fastest growing market segments in DB, The number and value of design-build projects has doubled in the last five years.
- FHWA and FTA have become strong supporters and advocates of the use of alternative project delivery methods on complex projects, specifically Best Value DB

Defining Best Value in DB Procurement

- Focus is on value rather than price
- Two-Tier Selection Process
 - Project Qualifications with intent to shortlist 3 or 4 teams
 - Technical proposal submittal with a fixed bid price
- Adjusted or Weighted Score Selection Process
 - Process Rewards or Stimulates Innovation, Quality, Creativity and Schedule Optimization
- Effective use of stipends to encourage innovation, offset costs and increase value

Why is BVS Important?

- DB Project Delivery is a Value Driven Process
- Quality of Work is Emphasized and Rewarded
- Innovation Generates Strong Beneficial Results
 - Reduced Maintenance Costs
 - Reduced Project Schedule
 - Reduced Impacts to Travelers
 - Reduced ROW Costs
 - Increased Contractor Guarantees and Warranties
- For Specific Projects a Better Product is Provided at a Reduced Cost
- DB Team Incentivized to Think Creatively, and be Proactive
- Owner's Benefit from All of the Above

Common Themes Employed

- All Use Best Value Selection
- Two-Tier Selection Process
- Technical Weighted Score
- Stipends
- Strong Agency/Industry Relationship
- Highly Transparent
- Open Communications

These themes also lead to the following survey findings.

Risk and Innovation

- Risk tolerance varies at the designer level
- Risk needs to be managed through use of agreements and mutually beneficial contract language
- Agencies using DB tend to push risk down to the Design Builder especially on larger projects
- Definition of innovation tends to drive risk tolerance
- Design Builders expect the Designer to share some level of risk
- Designers who understand the risk reward equation provide value added, innovate and are more likely to share in the project awards
- Contractors & Designers need to become Partners in the DB process

Procurement Process

- Trends within the Transportation Industry
 - Program size may drive the procurement schedule
 - Some agencies place higher importance on getting it right rather than rushing the process
 - Most agencies rely heavily on team qualifications
 - Shortlist with a goal of typically three finalists
 - Most requires a detailed Technical Proposal submittal
 - Those using BVS use varying methods of weighted scoring that emphasizes best value techniques
 - Most use a formal ATC process or similar form of One-on-One meetings

Payment of Stipends

- Not intended to cover total Pre-Award costs
- Recognized as an essential means of offsetting the high cost of design during the DB Process
- Agencies use the stipend to compensate unsuccessful teams for their proposal
- Stipends stimulated increased innovation and improved results
- Owners actually realize a 4:1 and 10:1 return on investment regarding this expense
- Amounts varied based on complexity of the project
- Typically ranged between 0.1% and 0.4% of estimated construction cost (.25% ave.)

Which Projects are best suited for DB and Why?

- Each of these agencies said that it is Best for Complex Innovation Driven projects
- Of less value when Innovation is limited
- Increased levels of Innovation reflected in higher increased value to the owners
- Constant communication with the legislature, construction industry, and design industry helps identify and address lessons learned
- In effect the process is ever changing

Alternative Technical Concept Process

- Agencies encouraged advance communication of the DB Team ideas
- Agencies rarely shared these ideas or changed the RFP due to an ATC
- Agencies noted that ATC's were beneficial
 - Gained an advanced understanding of the DB Team's concept
 - Helped steer the idea and avoid wasted efforts
- Confidentiality was Absolutely Essential

DB Requires Constant Adaptation

- Listen intently to your industry partners
- Many agencies maintain regular interaction with the local construction and design industries – sharing lessons learned – get involved
- Suggest changes or enhancements that improve the process or address deficiencies
- Measure performance and results
- Seek input from other agencies
- When opportunity to innovate is limited, agencies developed modified DB Procurement methods

DB is Not Right for Every Project

- Complex Projects with Multiple Structures were best suited for BVS DB
- Straight forward projects with limited innovation were best suited for Modified DB
 - Accelerated Small Bridge Programs
 - Arterial Widening or Improvements
- Projects with 90 Percent Prescriptive Plans that the Owner did not want changed were not best suited for BVS DB

In order for DB to be Successful

- Both Contractors and Designers must assume a Leadership Role
- As we progress towards more alternative delivery , the metrics of DB become more important
I am doing a great deal more of travel these days, but travel is just going where the work is.
- BVS is essential when Innovation is Beneficial
- Alternative Procurement Methods Exist for Projects that are not Value Driven
- We all Need to work Together to insure that DB is properly implemented and done right

Thank You

James Avitabile, PE, DBIA, RS&H Alternative Project Delivery Market Leader and
Past President of DBIA Florida
James.Avitabile@RSandH.com