



**DESIGN-BID-BUILD**  
**VS**  
**DESIGN-BUILD**

**Marion County Board of Commissioners**  
**BOC/CAO Meeting**  
**October 5, 2011**



# DEFINITIONS

## **Design-Bid-Build** - (multiple solicitations/contracts)

Traditional approach prescribed by statute for delivering public owner improvement projects. Contracting agency either performs the design work in-house or solicits for an architectural/engineering design firm to prepare drawings and specifications under a design services contract, and then separately contracts for construction by engaging a contractor through competitive bidding (“low bid” method.)

## **Design-Build** - (single solicitation/contract)

Alternate contracting method allowed by statute when authorized. System of contracting whereby a contractor is responsible for both architectural/engineering and construction under a single contract.



# PURPOSE/DECISION

At the request of the owners and task force members, an owners' representative has been retained to craft a solicitation to obtain a market-driven cost estimate for remediation of the CH2 Complex.

## Procurement Process Options

- When crafting the appropriate solicitation each method is considered based upon the nature of the project
  - **Design-Bid-Build – Traditional**
    - Traditional method is typically used for “new” construction
  - **Design-Build – Alternative**
    - Alternative method is typically used for complex, well defined projects such as the Courthouse Square complex which needs an engineering component and construction fix



# DESIGN-BID-BUILD

## ADVANTAGES

Traditional method prescribed by state statute

- **Owner responsible for design, construction, and quality of project**
- **Multiple solicitation processes ensure fair and open competition**
  - **Design Contract**
    - Competitive request for proposal (RFP) process
      - Technical expertise/qualifications selection based on criteria
    - Design complete before formal bid for construction costs
    - Design changes easily accommodated
  - **Construction Contract**
    - Lowest cost alternative
    - Ensures fair and open competition
  - **Related Services Contracts**
    - Competitive RFP for services such as building commissioning, owners' representative, quality assurance/quality control (QA/QC), peer review, Clerk of Works, and materials testing.



# DESIGN-BID-BUILD DISADVANTAGES

Traditional method prescribed by state statute

- **Multiple contracts to manage/oversee may increase costs**
- **Lacks single point of responsibility for project delivery**
- **Owner at-risk for detecting design/construction errors**
- **Design and construction are sequential**
  - Longer schedule, more steps, more costs
  - Actual construction cost unknown until construction contract award
    - Prone to change orders
- **No contractor input and/or value engineering during design phase**
  - Constructability issues could cause potential project delays & cost increases due to changes
- **Qualifications/technical expertise of contractors not considered in this method**



# DESIGN-BUILD ADVANTAGES

## Alternative Contracting Methodology

- **Selected contractor responsible for project delivery**
  - Provide communication efficiency and integration throughout project
- **Competitive Request for Proposal Process**
  - Detailed scope of work & performance specifications
  - Large firm or partnership proposals
  - Selection is based on expertise & most qualified; not low bid
  - Fixed project costs known at proposal submission
    - Lump sum or guaranteed maximum price (GMP) options
    - Fewer change orders
  - RFP will require prime contractor to maximize use of local sub-contractors
- **Design & construction are concurrent**
  - Shorter schedules, less steps, less costs



# DESIGN-BUILD

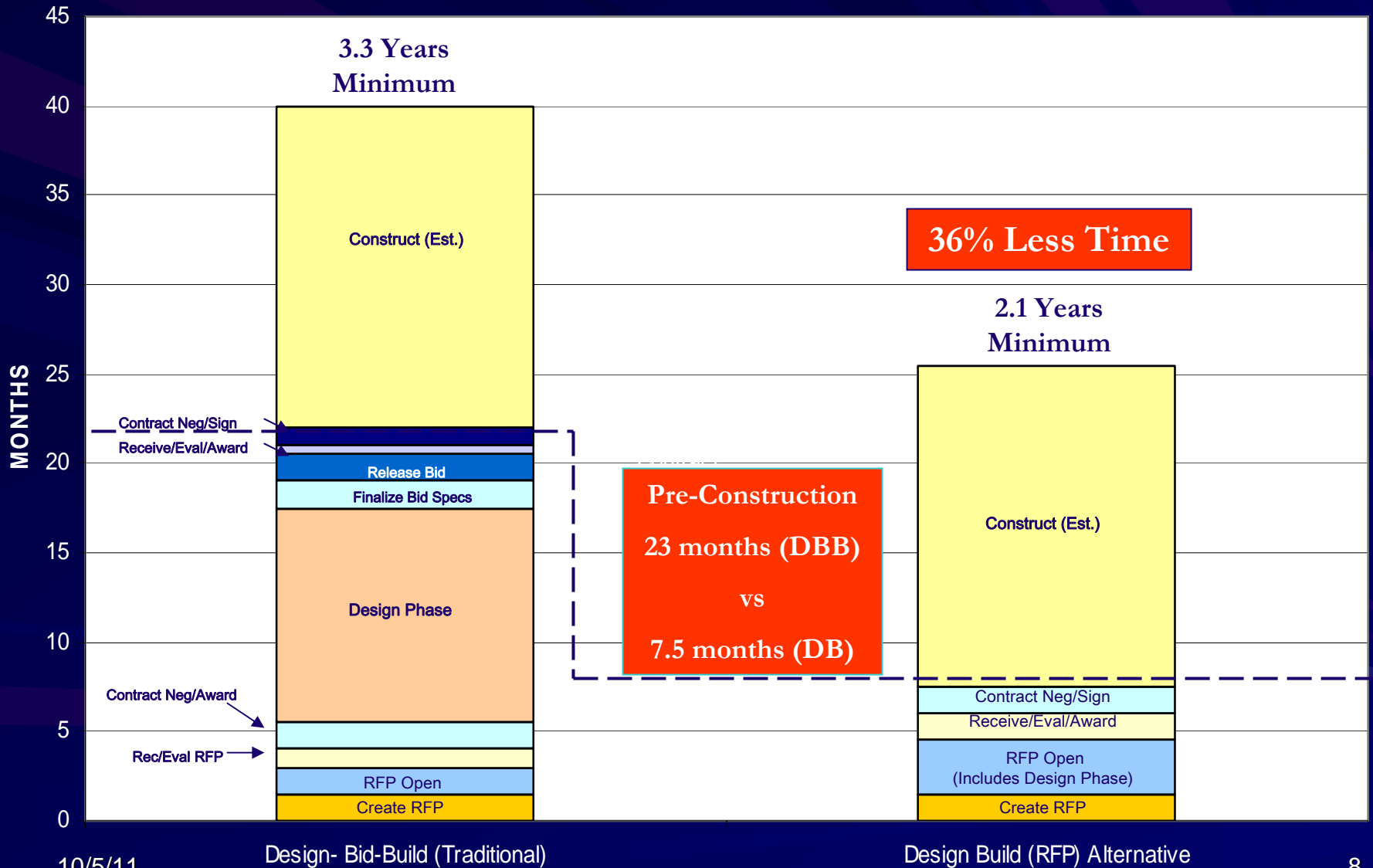
## DISADVANTAGES

Alternative Contracting Methodology

- Will need outside expertise due to limited experience in design-build projects, (owners' representative/clerk of the works, etc.)
- May limit competition due to complexity of project requiring national industry leaders in building remediation
- More oversight of prime contractor necessary to closely monitor scope, contingency, and costs to keep project on time and budget

# SAMPLE TIMELINE COMPARISON

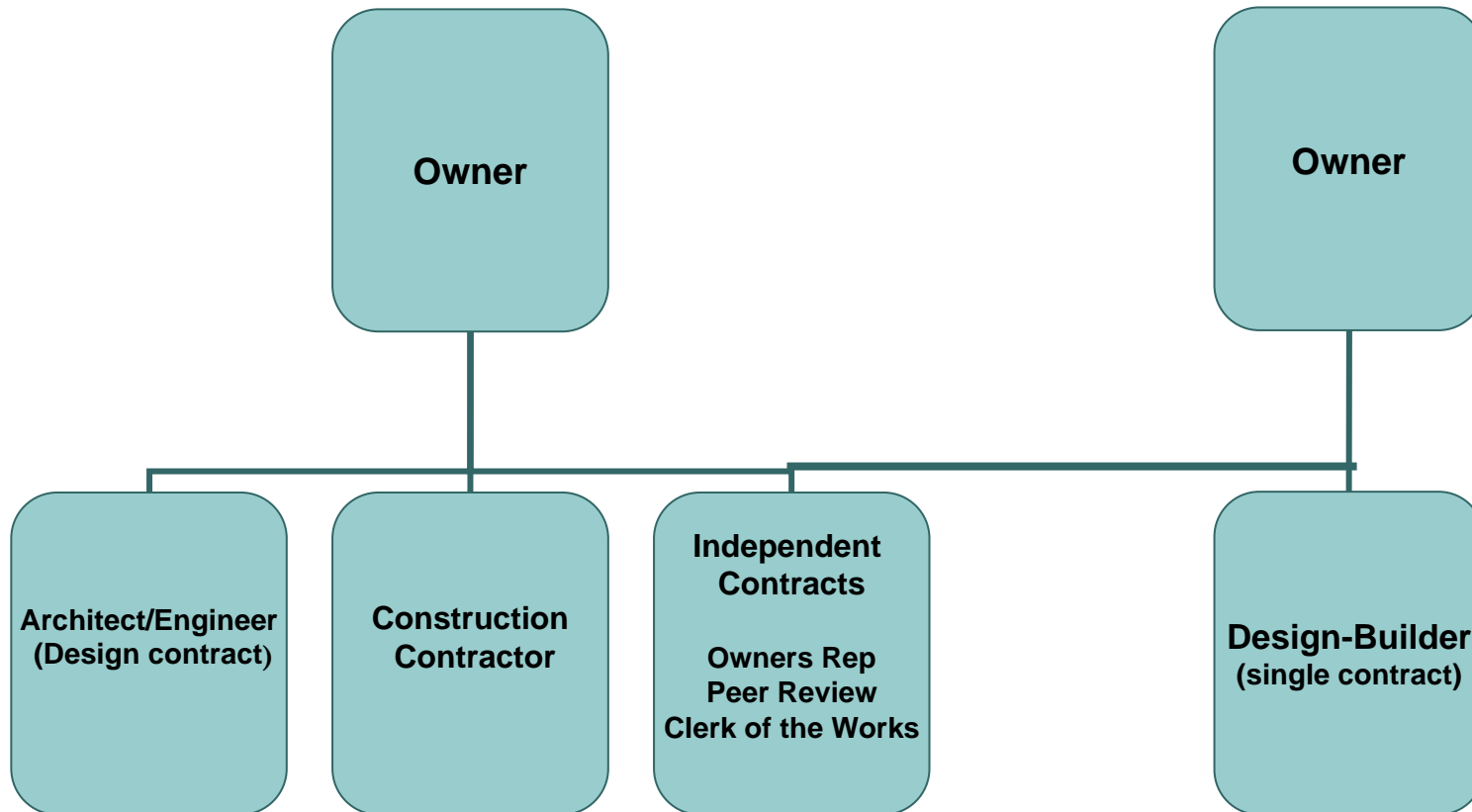
## Design-Bid-Build vs Design-Build



# FLOW PROCESS

## Traditional: Design-Bid-Build

## Alternative: Design-Build





# DESIGN-BUILD PROJECT EXAMPLES

- Clackamas County Adult Correctional Facility
- Metropolitan Area TVCTV Building
- Hillsboro Public Services Building
- Portland State Office Building
- Pearl Street Parking Structure (Eugene)

- Citizens Bldg Parking Structure (Eugene)
- Gresham Park and Ride
- Sunset Transit Center (Beaverton)
- Willamette River Bridge Re-deck (Harrisburg)
- Hillsboro Stadium
- Tri-Met Headquarters



# LEGAL PROCESS TO USE ALTERNATIVE METHOD

- Findings required to justify use of alternative method:
  - Is not likely to result in favoritism or substantially diminish competition
  - Is likely to result in substantial cost savings
- Contract Review Board must hold public hearing
  - Receive public testimony on draft findings (14 day notice)
- Adopt, modify, or reject findings
- Final report of the project to owners due at project completion

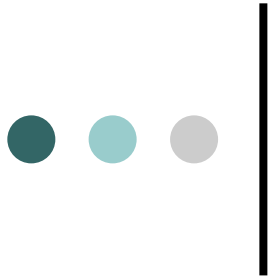


# RECOMMENDATION

**In order to obtain a market-driven cost estimate for remediation of the Courthouse Square complex, a design-build alternative contracting methodology is recommended by staff. It is in the county's best interest to issue an RFP for remediation services for the following reasons:**

1. Selected contractor is responsible for project delivery
2. Complex nature of the project lends itself to this method
3. Shorter time frame to determine cost and complete remediation
4. Reduces potential cost escalations due to change orders
5. The competitive process is not diminished and includes maximizing local subcontractor participation

Note: On September 22, 2011 the Salem Area Mass Transit board gave direction to its staff to utilize the design-build methodology.



Questions?