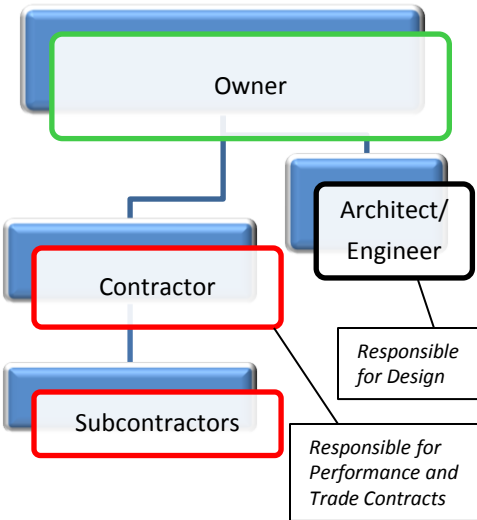


# Project Delivery Systems

## Typical Advantages and Disadvantages

### Design-Bid-Build

Most owners are familiar with this process as it is the most widely used. Plans and specifications are completed, then advertised for bids. Contractors bid the project exactly as it is designed.



#### TYPICAL ADVANTAGES

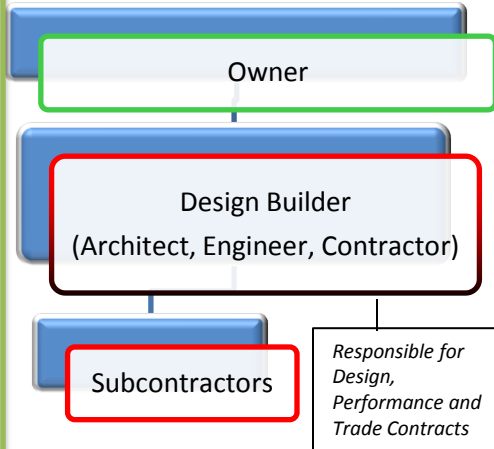
- Contractor cost commitment based on complete design documents
- Designers more active during construction administration
- Familiar delivery method with most team members
- Easy process to manage
- Flexibility in contractor selection (private funded projects)
- Design and construction roles are separate and well defined, making both responsibility and liability relatively clear

#### TYPICAL DISADVANTAGES

- Cost is not firmly established until design is complete
- Gaps in design documents become potential delays or added change orders
- Linear process=Longer schedule
- May require re-design or re-bidding to meet budget
- No Contractor input in early stage of project
- Adversarial relationships and the potential for litigation can develop between designers and contractor due to their separate contracts with the owner

### Design-Build

The builder and designers are hired under one contract. The Design/Builder may use in house design team, or hire an outside entity. Team works together throughout project and construction begins before final design is complete, thus allowing completion in a shorter timeframe.



#### TYPICAL ADVANTAGES

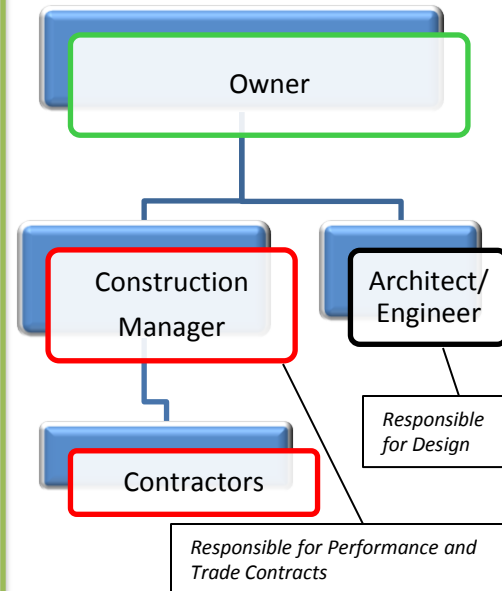
- Single point of accountability for design and construction
- Owner can list 'performance specs' that must be delivered by the design builder
- Conflicts are generally internalized with the team and do not involve the Owner
- Opportunity for quicker completion times and reduced change orders
- Guarantee Maximum Price (GMP) is known at start of construction, Team works together throughout project to meet budget

#### TYPICAL DISADVANTAGES

- Design, schedule, and construction are interwoven and do not involve the Owner
- Owner must select best team, rather than best designers and best contractor
- Quality may be an issue if scope of project not well defined
- Cost saving strategies taken by DB may lead to reduced building quality
- Public Sector projects in Nebraska require the hire of a Performance Criteria Developer to represent owner, potentially adding cost and time.

### Construction Manager at Risk

Allows Owner to hire designers and contractor up front under separate contracts. Contractor typically guarantees a maximum price and works with design team throughout the project to meet budget and intent.



#### TYPICAL ADVANTAGES

- Guaranteed maximum price given at start of project giving Owner degree of security for project cost
- Early contractor involvement in estimating and constructability
- Opportunity for quicker completion times, 'fast-tracking'
- Potential to reduce management burden on Owner
- Construction Manager selection based on quality of work and experience
- Separate CM & Architect contracts for checks & balances

#### TYPICAL DISADVANTAGES

- Management role of CM may be construed as additional cost to project
- Architect may increase fees to offset cost of extra meetings with CM/Owner
- Disputes possible with separate CM & Architect contracts
- GMP generally based on incomplete documents