Optimizing Your Delivery Method:

*Let Your Project Goals Be Your Guide*
Your options for delivery

**Traditional Delivery**

- **Design-Bid-Build (DBB)**
- **Owner**
- **Contractor**
- **Designer**
- **Local Subconsultants**
- **Local Subcontractors**

**Alternative Delivery**

- **Construction Management at Risk (CMAR)**
- **Owner**
- **CM**
- **Design/Builder**
- **Local Subconsultants/Subcontractors**

- **Lump-Sum Design-Build**
- **Owner**
- **Design/Builder**
- **Local Subconsultants/Subcontractors**

- **Progressive Design-Build**
- **Owner**
- **Design/Builder**
- **Local Subconsultants/Subcontractors**
Every delivery method has relative strengths and weaknesses.
Design-Bid-Build

- Most common and familiar approach
- Design, procurement and construction in separate phases
- **PROS:** Clear requirements; familiarity to all parties; pre-bid design approval; contractors compete on price
- **CONS:** Little opportunity to optimize cost/schedule; limited transparency and innovation; increased potential for change orders, claims & disputes; limited owner input into equipment and subcontractors
Construction Management at Risk (CMAR)

- Separate contracts with engineer/designer and construction manager

- **PROS:** Good for schedule, equipment choice, budget control; constructability insight during design from CM; transparent subcontract bidding

- **CONS:** Cultural change/challenge; labor-intensive bidding process
Design-Build

- Advisor or bridging consultant does up to 30% of the design, then design/builders compete.
- A single contract is awarded.
- Lump sum is a low-bid competition, while progressive is all about collaboration and teamwork to unlock maximum value.
Progressive Design-Build

• **PROS:** Maximum collaboration and innovation; efficient scheduling and coordination; construction can start early; owner’s staff can be deeply involved; a single point of responsibility

• **CONS:** Requires extensive owner buy-in and involvement; state regulations can be onerous; requires careful risk balancing and contracting
The **clarity of the owner’s vision** is the key to a successful project.
If your priority is... **innovation:**

- Maximum collaboration between designers and builders
- Operators can gain knowledge and take advantage of innovation
- Find a team that’s done it together
If your priority is... **budget control:**

- **D-B-B seems** best, but fails if you hit roadblocks
- **CMAR is open book:** the owner gets to see everything!
- **Progressive D-B** can also be good for budget control
If your priority is...**transparency:**

- CMAR offers open book access to everything as it proceeds.
- Progressive D-B is much more transparent than lump-sum D-B. Owner involvement is key.
If your priority is... **schedule:**

- D-B lets you begin construction tasks and procurement during design development.
- Maximum schedule savings result from total coordination.

Progressive Design-Build (PDB)

Owner

Design/Builder
If your priority is... **design approval:**

- Traditional D-B-B, or, CMAR for constructability input from the CM
If your priority is... minimal disputes:

- Designers, builders and owner’s staff are in one room throughout the entire process

- Do your homework; With advisor, get a handle on costs and don’t try to shift all the risks

Progressive Design-Build (PDB)
How can owners optimize their alternative delivery project?
Doug’s keys to optimizing AD

• Get buy-in from legal

• D-B: Don’t make cost-impacting decisions too early

• CMAR: Plan for Value Engineering
Chitra’s keys to optimizing AD

• Identify an executive sponsor

• Get O&M involved

• Ensure your scoring system is sound
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To learn more about CDM Smith’s Alternative Delivery Capabilities, go to:  
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