

WBC – Power Lunch

Introduction Design-Build

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Agenda

- What is Design Build?
- Definitions and Roles
- Procurement/Selection Process
- Field Conditions (QA, QC, QO)
- Resources

Design-Build Philosophy

What is Design Build?

“**Design-build** is a method of project delivery in which one entity - the design-build team - works under a single contract with the project owner to provide design and construction services.

One entity, one contract, one unified flow of work from initial concept through completion.

Design-build is an alternative to design-bid-build. Under the latter approach, design and construction are split - separate entities, separate contracts, separate work.”

- DBIA

What Are The Benefits?

Owner/Agency Benefits

- **Faster Delivery** — collaborative project management means work is completed faster with fewer problems
- **Cost Savings** — an integrated team is geared toward efficiency and innovation.
- **Better Quality** — design-builders meet performance needs, not minimum design requirements, often developing innovations to deliver a better project than initially imagined.
- **Singular Responsibility** — one entity is held accountable for cost, schedule and performance.
- **Decreased Administrative Burden** — owners can focus on the project rather than managing disparate contracts.
- **Reduced Risk** — the design-build team assumes additional risk, since risk is negotiated and shared
- **Reduced Litigation Claims** — by closing warranty gaps owners virtually eliminate litigation claims.

Contractor/Designer Benefits

- **Higher Profit Margin** — an integrated team is fully and equally committed to controlling costs.
- **Decreased Administrative Burden** — design-build streamlines communication between designers and builders.
- **Reduced Litigation** — a Victor O. Schinnerer benchmarking and claims study shows that from 1995-2004, only 1.3% of claims against A/E firms were made by design-build contractors.
- **Increased Market Share**— more and more owners choose design-build.

Definitions and Roles

Design-Bid-Build: Three separate contracts

**In all cases,
the Agency
retains the
responsibility
of
Quality
Verification/
Acceptance**

TD/CSS team is EOR	Resident Engineer	Contractor
Environmental Approval Preliminary Design Final Design Bid Documents Construction support Public Outreach during Design	QA/QC of Construction Review of Contractor Payments Change Order Negotiations Site Safety Field Conditions Outreach during Construction M/WBE, DBE Goals Monitoring Outside Agency Coordination	Construct to Plans

Design Build: Two Separate Contracts

In all cases,
the Agency
retains the
responsibility
of
Quality
Verification/
Acceptance

“Owner’s Rep”	Design-Build Team
Act as extension of Agency staff. Assists with: Managing DB Contract Quality Oversight/Acceptance Environmental Approval Concept Design/Performance Criteria Public Outreach Contract Documents RFQ/RFP Evaluations	Design (Designer becomes the EOR) Construction CSS Field Conditions, Site Safety QA/QC <i>Outside Agency Coordination</i> <i>Permit</i>

There may be a preliminary design team in case of infrastructure projects, Owner’s Rep may fulfill that role in some cases.

Procurement/Selection Process

What's Different?

- Bidding vs. Proposing
- Low Bid vs. Best Value
- Prescriptive vs. Performance Requirements
- Traditional vs. Shared Risk

Procurement Steps

“A successful procurement plan for Design-Build enhances collaboration and partnership right up front.” - GCA

Design-Bid- Build

Design

Bid (low bid drives decision)

Build

Design-Build

- Requests for Letters of Interest (LOI)
- Industry Outreach
- Request for Qualifications (RFQ)
 - Determine qualified firms (Shortlist)
 - Allows only the most qualified to compete for contract
- Request for Proposals (RFP)
 - Evaluate proposals
 - Determine Preferred Proposer
 - Stipend for remaining short listed teams

Request for Qualifications (RFQ)

The primary purpose of the RFQ is to develop the shortlist, a list of typically 3 – 5 proposers best qualified to complete the project.

Contents of the RFQ

- Statement of project goals and objectives
- Information on project scope (enough to help contractors and designers form competent teams)
- Identification of key Project roles and descriptions
- General information on schedule, environmental process, project status, rules of contact, governing law, and bonding/insurance
- Explanation of the procurement process
- Explanation of the evaluation process, including the evaluation factors
- Protest procedures
- MBE/DBE Requirements
- PLA Status
- Department rights and disclaimers
- Explanation of Stipends

RFQ Process

Industry Day

Select Shortlist

Draft RFQ Preparation

Pre-Solicitation
Review

*(Coordination with
outside stakeholders
parties)*

Solicitation

Responsiveness Check

SOQ Evaluation

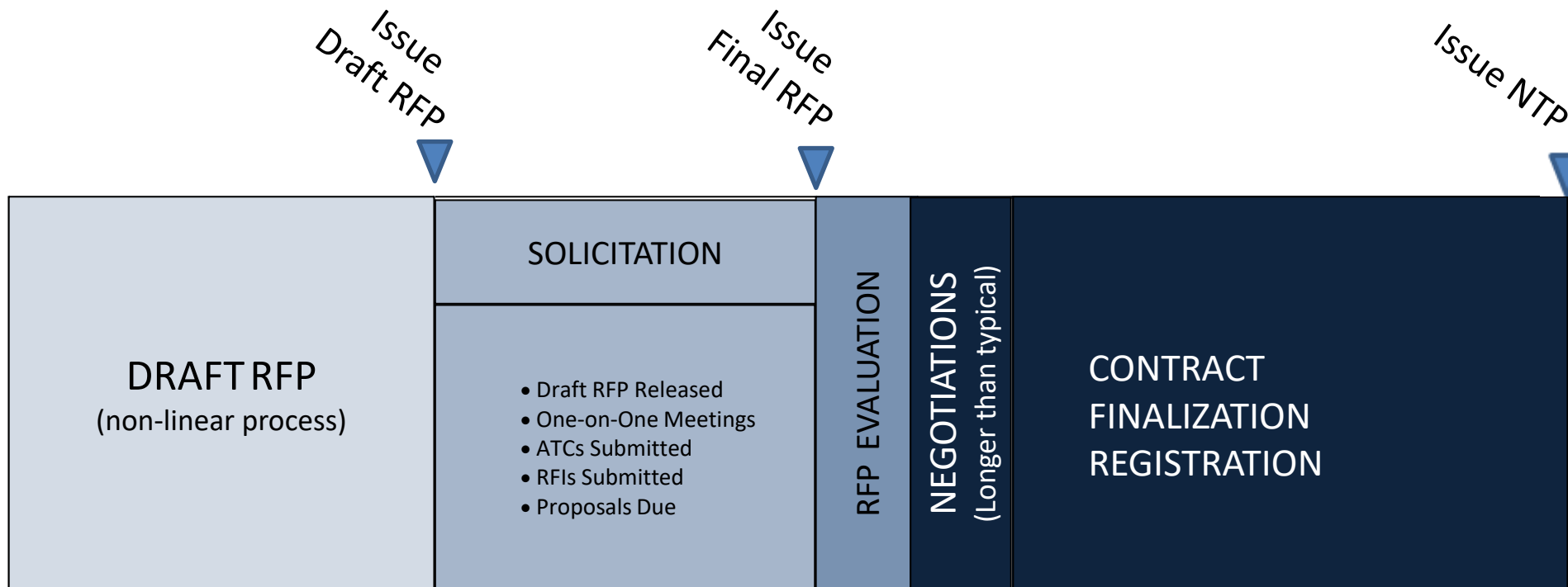
Request for Proposals (RFP)

*The primary purpose of the RFP is to choose the Proposal that provides the best combination of **Quality and Price** to complete the Design and Construction of the Project.*

Contents of the RFP

- **Instructions to Proposers** – establishes the rules, processes and procedures for preparing and submitting Proposals
- **Contract Documents**
 - Design-Build Agreement
 - DB Section 100
 - Design Requirements
 - Special Provisions
 - Performance Criteria and PLA
 - MWBE/DBE Requirements
 - Utility Requirements
 - Construction Specifications
- **Reference Documents** – Preliminary reports, studies, models, survey

RFP Process



Stipends

Stipends allow for payment to some or all of the Proposers who submit a responsive proposal.

The use of stipends:

- Increases the quality of Proposals and level of innovation
- Encourages qualified Proposers to participate in the Procurement
- Secures Department ownership of ideas and concepts presented within the Proposals
- Encourages participation in future DB procurements

Field Conditions (QA, QC, QO)

Quality Management

It's a balancing act between risk and control.

	Design-Build	Design-Bid-Build
Quality Control	<ul style="list-style-type: none"> • The responsibility of the D-B team • D-B Quality Control Plan becomes part of the Contract 	<ul style="list-style-type: none"> • The responsibility of the REI to ensure Contractor compliance
Quality Assurance	<ul style="list-style-type: none"> • Different schools of thought on “QA” responsibility • Some Authorities retain control of certain portions of the “QA” that they do not want entrusted to the Contractor • A shared QA approach has implications on risk and liability 	<ul style="list-style-type: none"> • The responsibility of the Owner thru REI • Owner holds more risk as Contractor builds to plans/specification by others
Quality Acceptance	<ul style="list-style-type: none"> • The responsibility of the Owner (Authority) • Owner retains authority, with minimized risk 	<ul style="list-style-type: none"> • The responsibility of the owner (Authority). • In D-B-B, this is seen the same as QA.

Keys to Successful Project



- Preserve the Trust
- Foster Teamwork
- Be Fair and Firm
- Resolve Issues at the lowest level possible
- Don't Default to Traditional D-B-B. Keep the "Design-Build" mindset

Legislation

Current NYC D-B Legislation

New York City Public Works Investment Act, December 2019

- Project Costs: > \$10 Million for NYCDOT projects (>\$1.2 Million for improved sidewalk access)
- Contractors are selected based on responses to a publicly advertised Request for Qualification
- Selection of proposal which offers the best value based on responses to the Request for Proposals
- Types of contracts Agency is able to use:
 - Cost Plus
 - Lump Sum
- Subject to requirements of Environmental Conservation Law and NEPA, where applicable
- Report to the State by June 30, 2020, continued annually.
 - Report must describe each design-build contract, information about procurement process, total cost of each DB contract, explanation of estimated savings resulting from DB method, participation rate of MWBE firms
- Act expires in at end of 2022, efforts underway to extend Act

MBE/WBE/DBE

- The Legislation provides that certification as a minority or women owned business enterprise may be used as a qualitative factor in the evaluation of bids or offers for awarding contracts
- If the contract is City funded a M/WBE a utilization goal must be set
- If the contract is a federal aid contract a DBE goal must be set for design and construction

Setting the goal requires thoughtful process

Resources

Resources

- DBIA Resource Links
 - [What is Design Build?](#)
 - [Best Practices](#)
 - [Projects Database](#)
- NYS DB Resources
 - [NYS DOT Design Build Projects](#)
 - [NYS DOT Design Build Procedure Manual](#)
 - [NYS DOT Letters of Interest and RFQ](#)
 - [NYS DOT Design Build Contract Document](#)
 - [NYSDOT Design Build Evaluation Templates](#)
 - [NYS DOT Design Build Sample Forms](#)
- Other Resources
 - Florida Association of Public Procurement Officials: [Fundamentals of Collaborative Delivery Methods](#)
 - FHWA: [Sharing Work Zone Effective Practices for Design-Build Projects](#)
 - League of California Cities: [Design Build for Public Works](#)
 - Georgia DOT: [Design Build Manual](#)
 - Washington State: [Design-Build](#) Best Practices Guidelines

Questions?