Progressive Design Build

UCOP Design & Construction, Capital Projects
OGC
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Agenda

1. Progressive Design Build - Overview

2. Owner Pros & Cons

3. Procurement

4. Process

5. Design Builder Compensation

6. Determining Guaranteed Maximum Price

7. Project Innovations

Progressive Design Build Overview

Design Build In a nutshell
Selection of Design/Build Team based on a method and grading system for evaluating contractor proposals on the basis of a preliminary design, outline specifications, a price, and the financial condition and relevant experience of the contractor and the contractor's architect.

Progressive Design Build In a nutshell – Same, and the University brings the Design Build primary team members onboard earlier, so they have more ability to shape the project. This combined with a fair and transparent process for pricing, leads to a higher quality project at a fair cost.

Pros & Cons

- Pros (theoretical):
  - Working collaboratively as a team
  - Streamlined procurement process
  - Incorporating Lean project delivery methods
  - Keeping the process fair and transparent
  - Getting the best value for dollars spent
  - More flexibility to adjust design or program
  - Clearly defined "exit ramps" if needed

- Cons:
  - Scope, Schedule and Price certainty come after Design Builder is on board
  - Owner devotes considerable personnel resources to participate in design, contract management, and payment application review
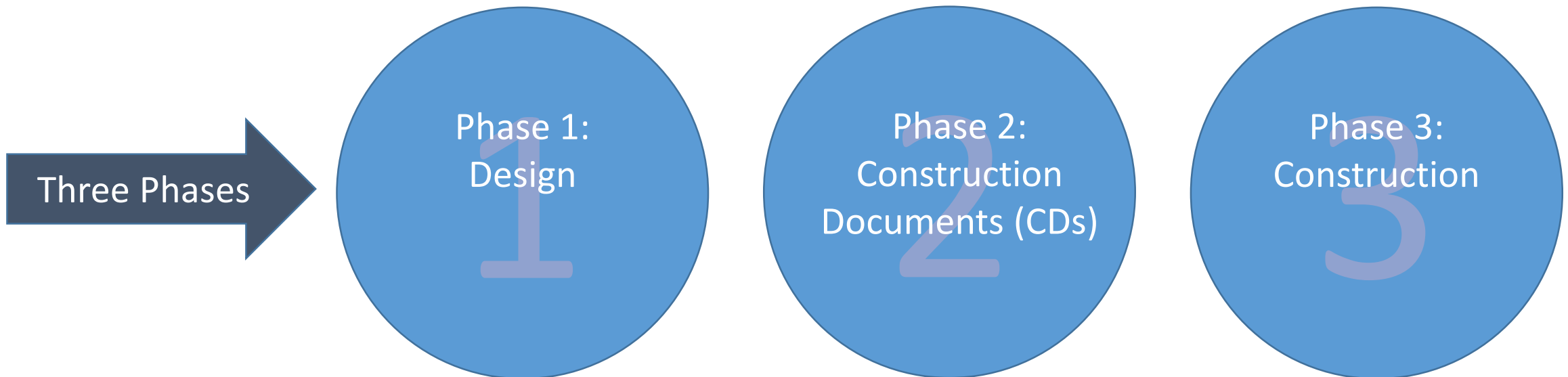
Progressive Design-Build

 A Design Build delivery method where the process is phased or stepped.

The Owner uses a statutory-based price and qualifications process to select a Design Builder (DB).

The Design Builder and Owner work collaboratively to progress from Programming through Design and arrive at a guaranteed maximum price (GMP).

The Design Builder is paid a fixed fee for the work during design phases and the cost of work plus a fixed percentage during construction.

Three Phases

Phase 1: Design
1

Phase 2: Construction Documents (CDs)
2

Phase 3: Construction
3

Progressive Design Build Procurement

Steps

- Pre-Qualification Questionnaire
- Request For Proposal & Design Competition
  - Includes interviews, table top/design exercises

Selection made via Qualifications and Cost Selection Process

University provides:

- Agreement, General Conditions, Supplementary Conditions,
- Division 1 General Requirements, Criteria Documents, and Project Controls Manual
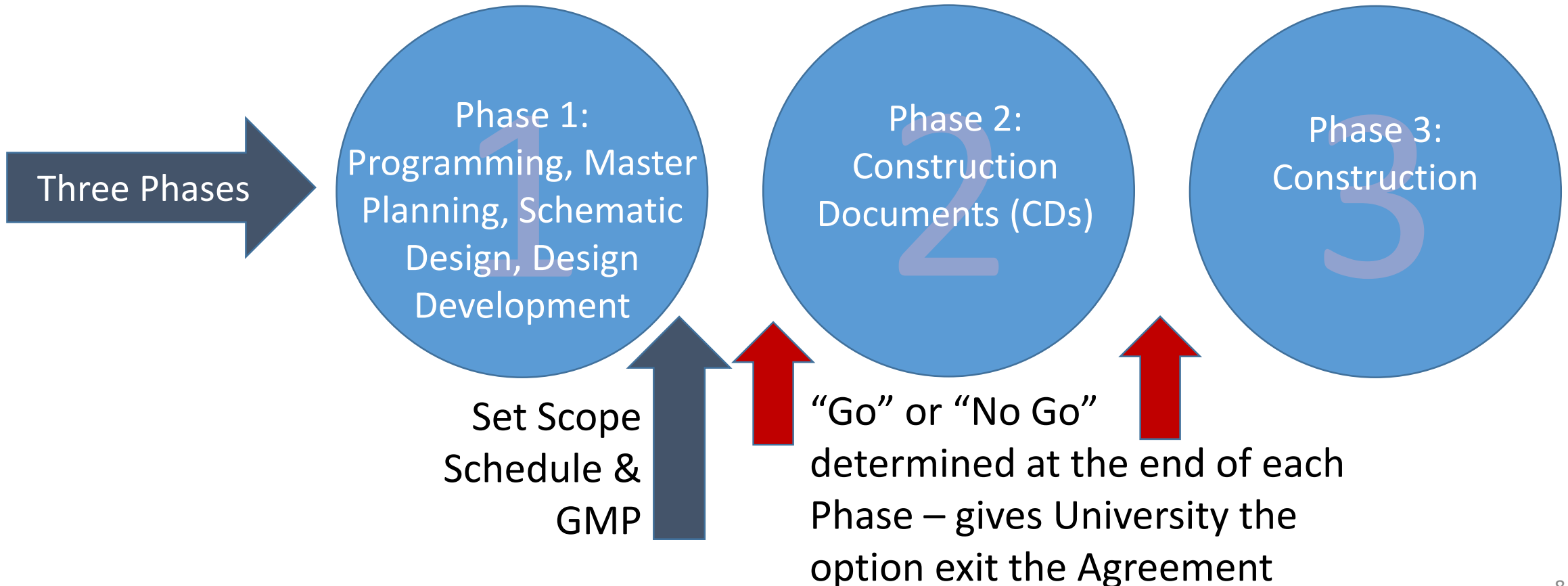
Scoring the Pre-Qualification Questionnaire

| No.	CATEGORY/POINT RANGE	Actual Points	Asgnd Points
1.	**License**		
	Has { } code license (minimum).		1
	Does not have { } code license.		NPQ*
2.	**Construction Experience**		
	Number of projects submitted by Proposer costing more than ${ }, completed between {DATE} and {DATE}: 0-1 2 (minimum) 3 4-6 7-10		NPQ 1 3 5 10
	Completion Record. Based upon information received from Proposer regarding days past completion date, rate proposer's average on-time performance on qualifying projects. 0-20 days 21-35 days 35 plus days		6 3 1
3.	**Design Experience**		
	Number of projects submitted by Proposer costing more than ${ }, completed between {DATE} and {DATE}: 0-1 2 (minimum) 3 4-6 7-10		NPQ 1 3 5 10

"NPQ" denotes "Not Prequalified."

Process

- 3 phases
- Determine Scope, Schedule & Guaranteed Maximum Price (GMP) at the end of Phase 1

Three Phases

Phase 1: Programming, Master Planning, Schematic Design, Design Development

Phase 2: Construction Documents (CDs)

Phase 3: Construction

Set Scope Schedule & GMP

"Go" or "No Go" determined at the end of each Phase – gives University the option exit the Agreement
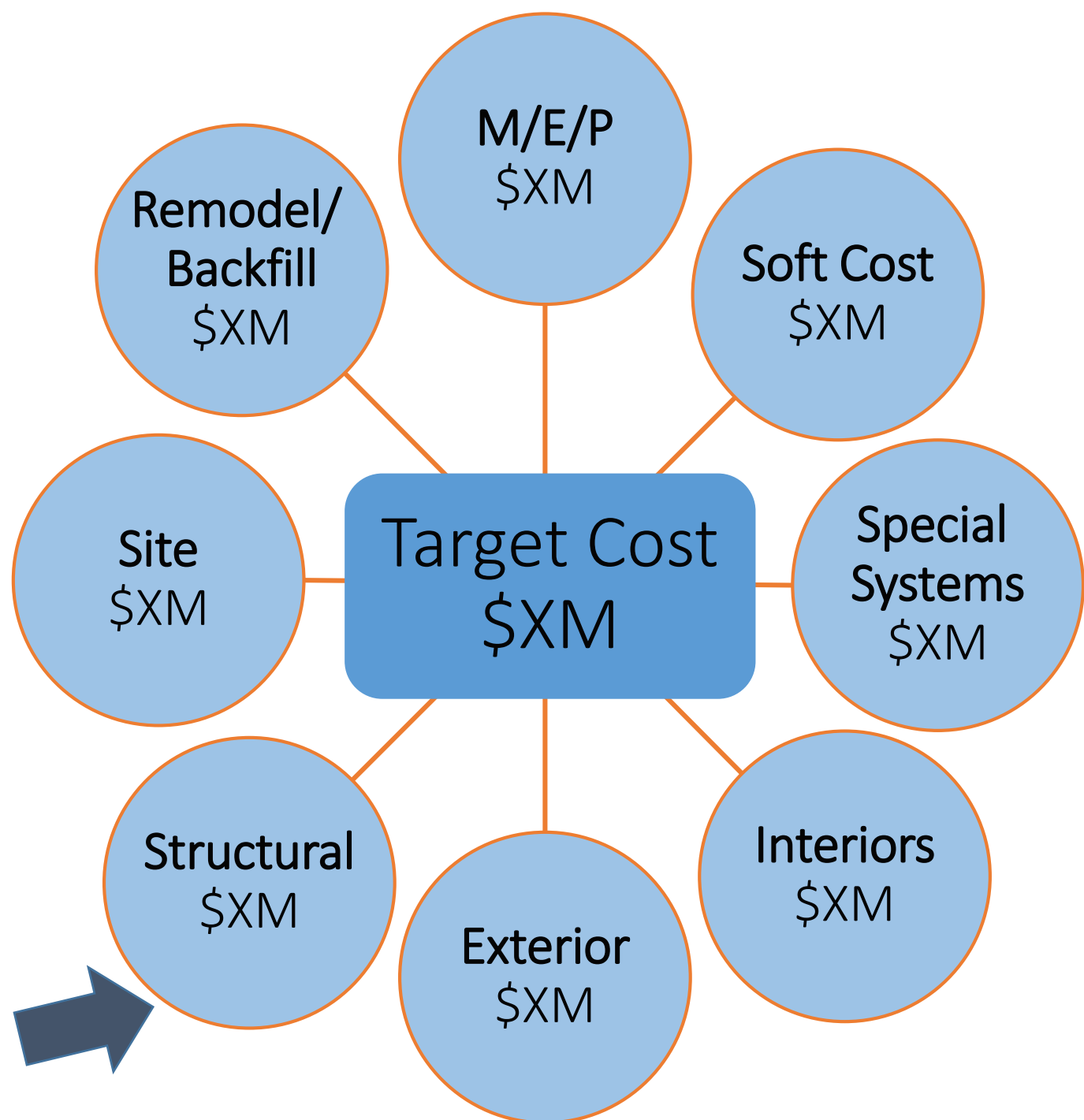
Design Builder Compensation

- Phases 1 & 2: Stipulated Sum for Allowable Costs of work completed
  - Allowable Costs are defined upfront, in the UC General Conditions.
  - Design Builder is not reimbursed for Non-Allowable Costs

- Phase 3: Cost of Construction work + Fee = Cost Plus.
  - Fee is established by bid
  - Cost Plus payment applications are very detailed. The Owner must allocate sufficient resources to review

- Incentives (if used) are only earned if defined cost savings benchmarks are achieved.
  - Owner also benefits from cost savings and can invest their portion of the savings in the project.

Payment

Phase 1: Stipulated Sum 1

Phase 2: Stipulated Sum 2

Phase 3: Cost Plus 3
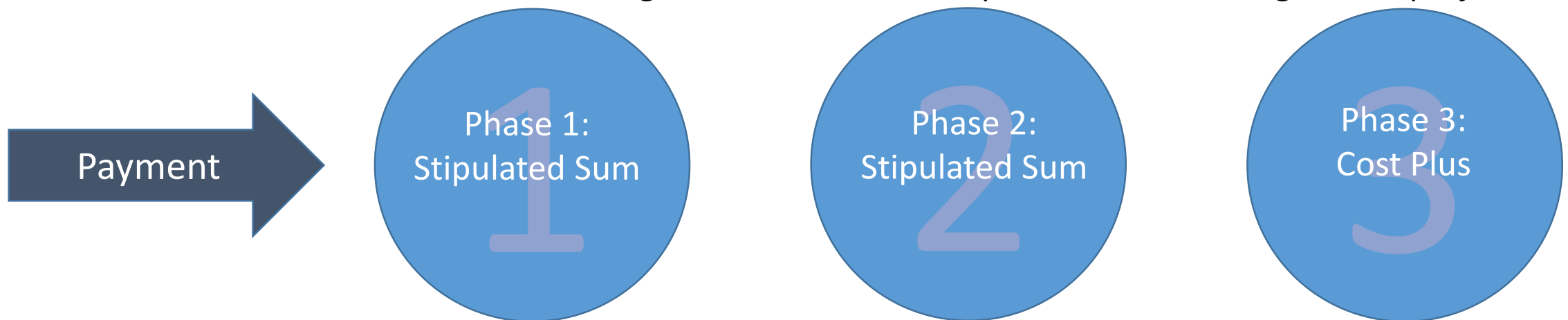
GMP

- Establish the GMP by setting target costs for each scope of work.

- The Target Cost is total of all scopes' target costs, and is lower than the GMP

- The difference between the Target and the GMP is used for Project Improvements and/or Incentives.

A separate work group is assembled for each construction scope aka "Cluster Groups"

Target Cost $XM

M/E/P $XM

Remodel/ Backfill $XM

Soft Cost $XM

Site $XM

Special Systems $XM

Structural $XM

Exterior $XM

Interiors $XM

PMI Process

Innovation (from Clusters)

PSG - Preliminary review (**before it's a PMI**)

PMI Development (input from Clusters including Budget & Schedule)

PSG - Final Review

Incorporate into Cluster Target Value (**if approved**)

PMI = Project Modifications or Innovations
PSG = Project Solutions Group

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Questions?

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