

## 2016 Washington State University Design-Build Forum

### Heat map identifying frequency of topic discussion

Over 10 Topic Points

Between 5 & 10 Topic Points

Under 5 Topic Points

#### Prompted Questions:

What was being said

#### Cost to Compete

What is being done and what can be done by Owner's, Design-Builders and A/E's to affect change?

#### Deliverables

Creating renderings from the model can be a costly part of the proposal.

Reducing Deliverables creates a gap in the information needed to inform the owner about the proposal and to meet the other requirements of the proposal.

Owner should only ask for deliverables that the selection will be based on so effort and costs are not spend on unnecessary items.. Is it renderings, cost, energy, materials, creativity, etc.?

Limit the qualification content of the submittal, or at least say exactly what you want and do not expect anything other than that. Consider additional content in a negative light.

Taylor criteria to the scale of project, i.e. higher value - higher criteria, lower value - lower criteria.

Limiting deliverables doesn't help construction side, A/E needs to do enough design to allow for accurate pricing.

Energy design – how are you achieving it seems more important to clarify in proprietary meetings vs. detail requirements given in the RFP (most people don't look at the required details = wasted time and \$)

Ask only for the information that the Owner is making the decision on.

Approximately 80% of the cost is associated in the design analysis and 20% is the drafting to create the proposal deliverables. By having good proscriptive information up front the analysis can be reduces potentially saving time and money.

From the A/E Perspective "you are either in or you are out" Peddle to metal and want to generate as much material and knowledge as possible to get the job.

A/E's have to answer questions with either information/data or money.

Define max deliverables (match with shortened duration and with an appropriate stipend)

Inefficiencies - requiring detailed specifications

Inefficiencies - ambiguous pre-design/site planning program.

#### Time

Limit the time frames, they should be reasonable, but not too long, the longer they are, the more they spend.

Owner should utilize Design Build community to help structure the appropriate time needed in the RFP.

Provide considerable advance notice 4-6 months before the RFQ.

Ensure that the proprietary meetings have been scheduled with the appropriate amount of time in between each session.

Typical range for all (3) meetings should be 6-10 weeks. Need to standardize proprietary meeting format (quantity, timing, people invited, etc.) so that teams can plan accordingly.

If A/E does not invest the time like they need to then the design suffers. They want to deliver a high level of service.

The time frame to answer the design questions are a big factor in how they address the questions.

## 2016 Washington State University Design-Build Forum

Shorten durations (but match with max deliverables and with an appropriate stipend)

### Cost to Compete Continued

#### Reduce Risk

Teams review the project and will adjust the Fee for the project based on the risk associated with the project and the proposal.

Risk is mitigated through additional effort in the RFP which equates to cost incurred during the RFP and also by increasing project cost to deal with the potential risks that cannot be mitigated prior to proposal.

Costs to compete was directly related to mitigating the risk when it came to committing to a GMP during proposal development. Risk is either mitigated thru the development of better information (more time, more costs) or more contingency (higher GMP). So if you want to reduce the cost to compete, then reduce the risk. Progressive is normally cheaper to compete due to sharing of risk.

Costs are driven by 1. What is required to answer the question (time) 2. How to manage the risk (develop information (time/\$\$) or contingency (\$\$) and 3. When you have to have it.

Maybe create a general construction/design contingency pool that team decides how to use to take some of the risk from the DB Team.

Need to find a way to differentiate between deliverables and work product. Are the GC's asking too much for pricing?

#### Competition

Utilize available technology in the deliverable process.

The nature of competition creates extra effort trying to figure out what the other teams are thinking.

One table member stated that they wont typically compete on traditional DB for less projects valued at less than \$10M as there is less opportunity to make up their development costs.

Need improvements particularly in RFQ/RFP process

DB team needs to design more than is required for cost certainty

Pencils down from RFP to Interview.

D/B Teams need to find a way to control themselves

How to A/E Primes continue to miss out on projects and survive throwing that? They have to invest \$ into design completion.

#### Quality Information

Would like more very specific feedback at beginning of proprietary meetings.

Better written RFQ/Ps

More transparency/communication during process.

#### Pre-RFP Meeting

Bring sort listed teams together to discuss deliverables at start of RFP. - This is being done at WSU currently with the Pre-proprietary meeting.

Meet with teams to define what the deliverables should be.

One suggestion was to hold one large proprietary meeting at the beginning with all teams invited. Then the owner can relay information only once and streamline the delivery.

Proprietary meeting - provide 2 weeks between each.

## 2016 Washington State University Design-Build Forum

### Cost to Compete Continued

#### Team Qualifications

When considering the qualifications of the teams, if you want a DB, one type or the other, then focus on the DB Teams that have members identified that have that experience. If their qualifications are full of GCCM or JOC, they may be really good at that, but the mindset is not good for DB.

Increase quantitative qualification requirements rather than qualitative requirements.

A/Es need the General contractor to give them constant feedback on design/cost.

#### Honorarium

Some consultants have been on teams where the contractor was willing to pay for their services (at cost). This softens the risk on the consultants and motivates them to provide the best design possible. It also allows the team to hit the ground running after award and perhaps meet very demanding schedules. Most contractors would probably not take this approach.

The question came up...how can it be proved that higher honorarium amounts will lead to better pre-con designs and better projects? Perhaps compare the following items for projects with high and low honorariums:

- i. Did the project finish on time?
- ii. Did the project finish on budget?
- iii. # of change orders
- iv. Did we get the full scope?

Typical teams spend \$300k to \$500k on pursuit and typical honorarium amounts are in the \$50k to \$100k range. (not verified)

Develop Stipend... then double it! (If we can make a profit we will chase more even if we lose)

### Types of Contracting

#### Progressive V. Traditional DB

#### Progressive

Allows for better interaction with building users and design build team.

Good choice for complex projects.

For progressive DB, it the owner values how a team will work together, ask for deliverables that demonstrate that

If the "DB Team" is important, ask to see how the relationships are defined in management plans and team agreements

Architects. Their magic really happens when they fully understand the needs of the users, which can only be really accomplished by performing the programming investigation themselves. The tradition design build approach severs their ability to do that.

Progressive is preferred.

Progressive needs more time up front.

Sub consultants are busy right now, which makes Progressive much better. They don't have to spend as much time up front before there is a contract in place.

Bridging is basically GCCM. Progressive is also very similar to GCCM, except that you commit to a cost earlier.

With progressive it is harder to let new teams into the mix.

Bridging allows smaller firms to participate in the follow on Design-Build.

## 2016 Washington State University Design-Build Forum

### Types of Contracting Continued

Progressive Design-Build is not for beginners. Owner needs to be experienced, Build and Architect need to be experienced (conceptual estimating and decision making are hard to do without experience.)

Teaming Agreements need to be signed before the RFQ. Owners should ask for teaming agreement to get a feel for how the builder plans to treat the Architect, consultant, sub consultants, etc.

Believe that A/E gets a better connection to Owner's needs when design A/E is also the Programming A/E. Can be case dependent.

When Owner wants to participate in initial design: information from Owner \*Best Value.

Progressive - Best Team. GCCM - Best Contractors and Best Architects

### Traditional

Competition allows for more design solutions and can potentially bring out better solutions.

Concern about the sustainability of the process.

Traditional limits collaboration due to the focus on GMP but limits risks to the owner (so less of a voice and less of a risk)

If the design is the most important aspect of the project, go "traditional" or GCCM

Might make sense with tight schedule, simple project, and no changing criteria

Depends on complexity and timing and funding

Traditional is useful if the client group is difficult to work with.

Is competing Design-Builder's sustainable.

Cost surety, complex projects, experienced owner.

Validation phase – Teams need to go beyond SD/DD to verify costs and design issues.

Validation phase - move structure identification.

Not very healthy or sustainable because of cost to compete, don't recoup costs if you're the losing team

### General Comments

General discussion about the entire team (owner, Designer, & Contractor) having the proper mind set and working as a team will produce a good result no matter the contracting method.

Teaming agreement should always be used by designer and contractor and owner should ask about this in the selection process.

Funding source and timing may dictate the project delivery method.

Risks involved both ways.

Depends on how much the Owner knows what they want. Less complexity - traditional. More complex - Progressive.

Target Value Design (start with control budgets by systems / materials)

GC/CM Owner input and cost surety. Sometimes weak GCCM performance in Pre-Con.

Design-Bid-Build Cost Flexibility, simple construction

Decision flow chart.

The table agreed that the owner needs to be skilled in these project delivery methods in order to maximize the benefits....otherwise it can be a train wreck!

## 2016 Washington State University Design-Build Forum

### Heat map identifying frequency of individual comments

Over 10 Similar Comments
Between 5 & 10 Similar Comments
Under 5 Similar Comments

### Lump Sum v. Cost GMP

#### A/E 's Relationship to Owner

Use a "Teaming Document", which is developed during the kick off meeting. How do the separate groups work together? What are the expectations? Teaming Docs are sometimes just between the architect and contractor – WSU should see these and sign off on them.
WSU should develop a written expectation for the Team from the very beginning. Part of the RFP? Present the expectations early on.
In a perfect world it shouldn't matter. The designer ethically is required to design to the Owner's wants and needs.
It is critical for the Designer to be present at all construction progress meetings so they can answer design-related questions, so it's not all about what the contractor wants.
It is important to spell out roles from the very beginning – when will the design team be present? What questions should they answer?
Define how communication is supposed to work between the Owner/Designer/Contractor. Use an MOU or a Responsibility matrix.
How can the owner continue to get involvement from the design team when the report directly to the contractor?
i. Add language into the contract to require that the owner can talk/work directly with the consultants. Identify this requirement in the RFQ/RFP.
ii. Require that the DB team have a "teaming agreement" before submitting for RFP and require that they share it with the owner. This is another reason to give more time in the RFQ/RFP process.
If A/E and Primes are always aligned then budget and design should work well together.
A/E Owner access is very import to achieve the right solution. Progressive is better because it get the design engineer in sooner.
Subcontractor procurement should introduce competition and price verification. Sole source has it's pros and it's cons.

### RFQ/RFP - What should be provided?

Be specific on what are must haves, nice to haves, aspirational. Where do they have flexibility over the program, and where do they not have flexibility? Need a list of what's most important, and what is still up for debate.
Include information that reduces the unknowns; geological surveys, etc. • It is absolutely critical for WSU to provide good topo and geotech information to the Teams as early as possible. This is a big time/cost saver on projects. Bad information only results in changes and delays farther down the road.
Incentives would be good to use. Could that work for the RFP? Need to "punish" those who give more information than what is required in the RFP so there is a level playing field.
Clear direction on what is critical in the selection of the winning team.

## 2016 Washington State University Design-Build Forum

### RFQ/RFP - What should be provided? Continued

Everyone agreed that a good debriefing session is very important for all teams (including the winner), and needs to include accurate feedback.

Owner should provide the proposing teams everything that has been done previously on the project. These items should include an explanation as to their original intent and current level of relativity to the project. Teams should be asked to challenge all information provided to try and find the best solution.

Test fit layouts that are given to proposing teams can sometimes send teams down the wrong path. Designers still felt this was worth proving as long as they were told it was a test fix and not a preferred layout. They need to perform a test fit anyway and this information get them one step closer.

Provide information that allows teams to quantify their risk along with any item that is a preconceived solution.

Clearly identify the priorities in the RFP.

Define the performance scores. i.e. if reduced costs by innovative manufacturing is desired, clearly communicate.

Communicate pre-conceived creativity owner is willing to consider.

What is informative and what is prescriptive?

The stipend has been good for the last few projects. The Teams need to make sure that they agree beforehand how the amount will be split up

City of Pullman seems to prefer drawings that are at 100%. When design teams send in 50% drawings for review by the city, it seems like the city views those projects less favorably.

Technological skills are different between the designers on a Team, which can cause problems during the process.

Designers prefer limiting the requirements in the RFP (only 2 elevations, etc.). While they are going to design it one way or the other, it takes additional time to bring the sketch up to a finish that is appropriate for presentation.

Provide more information about Owner process, not just design/construction standards. How do we expect the Team to operate? How many design reviews? • WSU knows itself too well, we expect the Teams to read our minds. Designers who have worked for WSU in the past have an advantage in the selection over those who don't. It's very difficult for someone new to break through.

Balance is important between how much and when on the program documentation.

Mixed results: some would like to receive all of the data and pick/choose what that want to work with. Others think that the owner should sort through all of the old data and only submit the relevant information.

Sending more info tends to make the DB team feel like this is a prescriptive project and limits their creativity. However, the data still needs to be edited because if we wait until the proprietary meeting to point out issues then it is likely too late.

Sending less info encourages creativity and a blank slate.

If old design drawings are going to be included then Owner needs to specify what was bad.

One contractor said that the WSU design standards are a "pain in the ass" because they always seem to be changing.

Teaming agreements should be required in the RFQ.

A/Es question how much work went into the program, did they get it right? How can the proposing A/E establish a priority to the program requirements? Need to understand the relationship between the programmed spaces better. Need to really emphasize important aspects of space relationships. It is important that the programming team identified those relationships in the documents.

## 2016 Washington State University Design-Build Forum

### How can Owner continue to get benefit of design team within contractual constraints?

Buy in from all 3 players – team work important and communication

Should be mute who holds the contract, sympathetic to everyone's constraints and responsibilities – trust and communication important

How does contractor better communicate what was estimated so architect and owner understand what is in the budget?

Let design team define parameters – Basis of Design NARRATIVE may be more efficient

Know all information as soon as possible

Understand what the owner really cares about – maybe create a priority list – highlight priorities learned in pre-design

Clarify which categories carry the most weight

Owners should get feedback from industry prior to issuing RFQ/RFP regarding how much time is needed for proprietary meetings and deliverables

Limit deliverables and consequences for going beyond requirements

Stipend: provide an avenue for getting immediate payment of stipend before the contract

The DB team can offer the highest value during the pre-con phase, but that most owners are not willing to pay for it. At the same time, they felt that the owner will eventually pay for it with fees on the back end....but then it is often too late to motivate the DB team.