The Power of Design-Build

Phil Sheridan, P.E., DBIA
Lisa Washington, CAE
Today’s Topics

• From 1993 to Today – What has Changed for DBIA?
• Design-Build Market Share
• Design-Build Cost and Schedule Performance
• Trends/Opportunities
• The Power of Design-Build
• Reinforcing Our Brand
What has Changed Since 1993?

• Mission of DBIA
  ➢ From design-build advocacy generally . . . .
  ➢ . . . to promulgator and advocacy for best practices

• Old question: “Why should we consider using design-build?”

• New question: “How do we do design-build right?”
2019 Performance Indicators

- 2,400 trained (YTD) - a 25% increase over 2018.
- In-house training up 33%
- 58% of in-house training has been for Owners
- 25% increase in attendance at Certification Workshops
- 4,422 DBIA certified professionals
- 6,275 members strong
DBIA Membership Trend Data

2013: 4,286
2014: 4,561
2015: 4,886
2016: 5,150
2017: 5,294
Today (Nov. 2019): 6,275

Total # of Members
Design-Build Variations

Procurement
- Best Value
- Progressive
- Sole Source

Organizational Structures
- Fully Integrated Firm
- Contractor-Led
- Designer-Led
- Joint Venture
- Developer-Led

Contract
- Lump Sum
- Cost-Plus
- GMP
- Target Price
- Unit Price

Other Services
- DBO
- DBFO
- DBOM
- DBFOM
- DBOOM
Design-Build
Market Share Research
A Better Way to Build

Design-build isn’t “alternative” anymore.
A Better Way to Build

- Design-Build: 44%
- CMR/CMGC: 35%
- DBB: 19%

Source: FMI
Design-build Utilization Continues to Expand to Smaller Projects

Likelihood of projects utilizing design-build by project size:

- Small projects <$25MM
  - 10%-30%

- Medium projects $25MM-$100MM
  - 30%-50%

- Large projects $100MM-$250MM
  - 50%-70%

- Very large projects >$250MM
  - 60%-80%
Impressive Growth

18% increase in design-build spending 2018–2021
Impressive Growth

Anticipated total spending 2018–2021:

$1,200,000,000,000,000

($1.2 trillion)
Growth in Every Sector

SPENDING DISTRIBUTION 2018–2021

- Healthcare: 7.1% growth
- Highway/Street: 7%
- Manufacturing: 6.6%
- Educational: 5.8%
Growth in Every Region

- Pacific: 6.3%
- Mountain: 6.1%
- West North Central: 5.1%
- East North Central: 5.5%
- West South Central: 5.5%
- East South Central: 5.6%
- New England: 4.8%
- Middle Atlantic: 5.0%
- South Atlantic: 6.2%
Highest Satisfaction

76% very good excellent

Top Benefits:
- Opportunities to innovate
- Ability to fast-track
Cost and Schedule Performance
Design-Build Success Drives Growth

102% faster than design-bid-build

61% faster than construction manager at risk (CMR)

3.8% less cost growth than design-bid-build

Source: CII/Pankow
Research Takeaways

Improve the likelihood of project success by:

1. Assembling the project team early
2. Developing a relational project culture
3. Communicating expectations
4. Engaging in succession planning

ALL ARE KEY TENETS OF DESIGN-BUILD DONE RIGHT®
New in 2019

Expanded Owner Resources

New Position
Director of Owner Support and Resources

The Hub
Owner Only Collaboration Platform
Progressive Design-Build (PDB)

PDB uses a qualifications-based or best value selection, followed by a process whereby the Owner then “progresses” towards a design and contract price with the team (thus, the term “progressive”).
PDB Key Characteristics

• Design-builder retained by Owner early in project’s life
  ✓ Design and price are progressively developed after design-builder is under contract
  ✓ Final project cost and schedule commitment is not established as part of the selection process

• Design-builder selected primarily, if not exclusively, on qualifications
Common Characteristics
Best Value and PDB

• Single point of responsibility contract
• Faster
• More cost effective
• Integrated process with overlapped design & construction
• Fosters collaborative environment
• Team selected primarily on qualifications
<table>
<thead>
<tr>
<th>Best Value</th>
<th>Progressive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides Owner <strong>firm fixed price</strong> (lump sum) or GMP at time of contract award.</td>
<td>Final cost is not finalized until GMP is set, allowing Owner and design-builder to <strong>co-create and agree upon the final scope, cost and schedule</strong>.</td>
</tr>
</tbody>
</table>
The Beauty is in the Flexibility

- DBIA endorses all variations of design-build when done according to best practices.
- The contracting approach selected depends on the goals/needs of the Owner.
- The principles of Design-Build Done Right™ apply to both contracting approaches with each being another “tool in the toolbox” for Owners.
- The Owner needs to make an informed decision as to which approach is most appropriate for its needs.
Owner Advisor Defined

A design and/or construction individual or firm(s) that is employed or engaged by an Owner to assist in various services (for collaborative delivery projects).
## Evolution of the Owner Advisor

### Design-Bid-Build

- Owner’s desire to “feel” more represented within the established norms
- Role filled by CM, PM or designers
- Advisor often placed in an “adversarial” role. Collaboration difficult based on inherent characteristics of DBB

### Design-Build

- Owners (new to design-build or experienced) often “need” more representation
- Requires a broader skillset
- Advisor must and can serve in a “facilitative” and “collaborative” role
The Power of Design-Build
Shaping the future, one inspired outcome at a time.
Design-Build and Triple Bottom Line Success

• Beyond Cost and Schedule Performance
• Resiliency
• Life cycle costs
• Betterments/value added
• Community Impact
Yerba Buena High School Student Union
San Jose, California
Southwestern Parkway CSO Basin
Louisville, Kentucky
Sharp Chula Vista
Chula Vista, California
International Software Developer
Redmond, Washington
DBIA’s Brand Essence

COLLABORATION-DRIVEN SUCCESS
Brand Pillar #1 - Delivering Expertise

As the only true authority on Design-Build Done Right®, we’re an organization where excellence is built, taught, and shared. By offering industry certification, education, and access to recognized experts across a multi-disciplined membership, we become the mentors of every member’s success.
Brand Pillar #2 – Ensuring Access

We make access to our resources simple and share trends so you can stay on top of emerging opportunities in the field. We personalize the experience you have with us, while keeping education options flexible so members can learn, collaborate, and translate design and construction best practices and connections into career and business opportunities.
Brand Pillar #3 – Fostering Collaboration

As the only association representing the entire spectrum of design and construction professionals, we foster collaboration that powers industry transformation. By convening multiple disciplines and stakeholders to bring together disparate perspectives for real-world application, we power thousands of success stories.
Brand Pillar #4 – Inspiring Innovation

We bridge today with tomorrow. We push the boundaries of possibility for project design and construction, providing advocacy and support to further the cause. By attracting professionals who harness change, we inspire innovative design-build thinking and create long-lasting industry impact.
Brand Positioning

Shaping the future, one inspired outcome at a time.
DBIA Priorities

Shaping the future, one successful collaboration at a time.
2019–2021 DBIA Strategic Goals

Stimulate  Educate  Evolve

SEE the DBIA difference
2019–2021 DBIA Strategic Goals

**Stimulate**

- Extol the critical role of the entire team
- Drive consistent messaging
- Expand markets served
2019–2021 DBIA Strategic Goals

Educate

• Emphasize the impact of Design-Build Done Right®
• Distinguish design-build approaches
• Deepen professional development
2019–2021 DBIA Strategic Goals

Evolve

• Reinforce the brand
• Transform membership value
• Grow Owner engagement
The DBIA Difference
So Much More than an Association

Most industry groups represent the interests of one profession.

DBIA is different.

As the only authority on Design-Build Done Right®, we practice what we preach – integration powers innovation.
So Much More than an Association

• Diverse membership profile
• Focused on success for all players – Owners and practitioners
• Driving successful project outcomes
• Beyond cost and schedule: triple bottom line impact
  • Financial
  • Social
  • Environmental