

Design-Build

Design-build is an alternate method for procuring both the design and construction services for the delivery of public works facilities from a single entity. For example, instead of a local agency going out to separately hire an architect to design a project, and then issuing another contract for the construction of that project, the agency would competitively bid the contract to a private design-build entity. These entities are usually partnerships composed of an architectural firm and a contracting firm, formed to jointly design and build the facility for a fixed maximum price. Thus, the state only has to go out to bid once, and the largest component of the design-build contract, the construction component, does not have to be separately bid. Design-build is being used in at least 18 other states and was recently adopted as an approved method of project delivery by the federal government.

State law was recently enacted on January 13, 2006, authorizing the Los Angeles Metropolitan Transportation Authority to use the design-build process for a project to widen a segment of Interstate 405, between Routes 10 and 101 in Los Angeles County (SB 1026 (Kuehl), Chapter 1, Statutes of 2006). The project would add a high-occupancy-vehicle lane in the northbound direction of the Interstate 405 freeway.

Further, state law currently allows selected state agencies and local governments to use the design-build method. The University of California and the California State University may use the design-build method and school districts can use design-build contracting for school construction and modernization when spending the \$9.2 billion in bonds from Proposition 1A (SB 50 (Greene), Chapter 407, Statutes of 1998). The State Department of General Services is authorized to use the design-build method for at least five projects, valued at over \$10 million (SB 776 (Johannessen), Chapter 252, Statutes of 1998). AB 1130 (Scott), Chapter 196, Statutes of 2004, authorizes the use of design-build by transit operators until January 1, 2007. Lastly, upon the approval by the appropriate boards of supervisors, the counties of Alameda, Butte, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Los Angeles, Madera, Mariposa, Mendocino, Merced, Monterey, Napa, Orange, Placer, Sacramento, San Diego, San Joaquin, San Luis Obispo, Santa Clara, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Tulare, Yolo, and Yuba are authorized to use the design-build alternative procedure on bidding on building construction projects in excess of \$2.5 million. The counties may award the projects using either the lowest responsible bidder or by best value. The counties are specifically prohibited from using the procurement process for the delivery of transportation projects (Section 20133.5, Public Contract Code).

A possible drawback of design-build is its potential impact on smaller design and construction firms which lack expertise or capabilities in one of the design-build components and which firms are limited in their ability or are unable to partner with other firms or join consortia to obtain such expertise and compete for the broader and larger design-build contracts. In regard to Caltrans projects, design-build has been controversial

due to its potential to reduce employment opportunities for state-employed design engineers.

The potential advantages to the design-build model are anticipated cost savings from accelerated delivery schedules due to improved coordination between the architect and the builder during and after the pre-design and actual design phases.