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FOR IMMEDIATE RELEASE:

DESIGN-BID-BUILD OR DESIGN-BUILD?

5 QUESTIONS TO HELP ASSESS THE RIGHT PRODUCT DELIVERY SYSTEM FOR YOUR PROJECT FROM CONSTRUCTION MANAGEMENT THOUGHT LEADERS

(PHILADELPHIA) Construction contracts have been undergoing a transformation, with alternative project delivery (APD) systems that streamline the flow of work and decision-making gaining in popularity. Owners and contractors need to also be aware of how these changes can impact their coverage and contracts.

“APD systems are helping to streamline construction communication, but can also leave participants open to risks based on expectations versus performance,” explains Jim Gallagher, Principal at Resolution Management Consultants, Inc. “If the project is to be built to criteria, whose criteria? If something goes wrong, who’s responsible? These issues require further clarification before proceeding with work.”

Traditionally, construction projects have utilized design-bid-build delivery, which involves multiple contracted leads and a prolonged process of bidding for both the design and construction elements of a project, and often lower prices through competitive bidding. On the other hand, APD systems, such as design-build, have become more popular due to a more efficient timeline

which relied on a single lead to coordinate both the design and construction processes.

Gallagher recommends these 5 questions to help determine which project delivery system will allow your project to run most efficiently and successfully:

1. **What is the project's timeline?** Unlike a design-bid-build process which separates design and construction, design-bid involves only one bidding process, streamlining the steps to begin work by allowing for design and construction to potentially overlap.
2. **How flexible is the project's proposed budget?** With bidding required to determine leads for two separate phases of design and construction, design-bid-build delivery allows for more competitive bidding but also opens the door to unexpected or increased costs arising after the design process has been completed.
3. **Who will have the final decision on design and construction matters?** Property owners in a design-bid system can coordinate both design and construction through a lead position, which requires a great deal of trust in that party's ability to bring subcontractors together on both sides, whereas design-bid-build involves separate decisions makers for design and construction, and numerous subcontractors.
4. **What and who is included in the insurance coverage for the project?** The delineation between design and construction in a design-bid-build delivery is a traditional approach and thus a familiar factor in many insurance policies. When beginning an APD project, property owners will need to confirm that coverage reflects the change in the chain of command and the oversight of work.

5. Who bears responsibility for defects, delays, and diminished value? Much like with insurance coverage, standard contract language may not adequately define responsibility in design-bid projects to help determine whether issues arose during or as a result of design or construction. When a single lead oversees both, the answer is not always as clear.

Notes Gallagher, “these questions are just a beginning to get owners and contractors thinking about whether traditional or alternative delivery is better in each circumstance. There are benefits and drawbacks to both, there isn’t one answer to apply across the industry.”

About Resolution Management Consultants, Inc.

Resolution Management Consultants, Inc. (RMC) is a nationally recognized consulting firm headquartered in Marlton, NJ. There are two sides to the business: the construction planning and management aspect – helping clients build more successful projects – and the litigation aspect – should matters go to court, providing analysis and testimony as expert witnesses. Founded in 1993 by veterans in the construction, contracting and engineering professions, RMC has assisted numerous private owners, public agencies and contractors in either achieving project goals or resolving cost and time disputes between the contracting parties.

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