

A photograph of a modern building facade featuring large windows and glass panels. A yellow banner is overlaid on the upper portion of the image, containing the title text.

DESIGN-BUILD BUYER'S GUIDE:

PROCUREMENT, CONTRACTS AND PROJECT EXECUTION



KORTE

build smart.™



Design-Build is a construction delivery method that provides owners a single point of contact for design and construction services. One entity holds single-source responsibility and contractual risk for pre-construction, design and construction stages of the project. This entity manages all contracts, including those with subcontractors, equipment vendors and materials providers.

There are three phases of Design-Build projects:

- 1** Procuring Design-Build services
- 2** Contracting for Design-Build services
- 3** Design-Build project execution

This guide covers the benefits of Design-Build, shows what Design-Build project execution looks like in practice and provides guidelines for procuring Design-Build services and contracting with Design-Build entities.



1. PROCURING DESIGN-BUILD SERVICES

When approaching a major construction project, you face many decisions directly tied to the project's critical path. These include design, construction, contract formats, selecting a construction solutions provider and more. You don't just want a builder, you want a problem solver — a partner — who delivers innovative construction solutions and provides the best value through each decision. After all, this construction project may be one of the biggest investments your company ever makes. This section covers the crucial aspects of procuring Design-Build services and selecting a Design-Build partner.

BENEFITS AND ATTRIBUTES OF DESIGN-BUILD

Design-Build affords many advantages over construction management at risk (CMR) and design-bid-build (DBB). Design-Build is the fastest, most cost-effective method, and it offers the best quality.



**THE KORTE COMPANY HAS DELIVERED
NEARLY 55,000,000 SQUARE FEET OF
DESIGN-BUILD PROJECTS.**



MOST CONSTRUCTION IS DESIGN-BUILD

44%

By 2021, Design-Build will represent 44% of all construction projects in the U.S.

18%

The number of Design-Build projects is expected to increase 18% by 2021.

16%

16% of Design-Build projects are for manufacturing facilities.



OVER THE PERIOD 2018 – 2021, OWNERS WILL HAVE SPENT \$1.2 TRILLION ON DESIGN-BUILD CONSTRUCTION PROJECTS.

THE HIGHEST-RATED DELIVERY METHOD

The Design-Build delivery method is the most highly rated across key planning and construction categories, according to surveyed owners.

	Design-Build	CMR	DBB
More opportunities to innovate			
Ability to fast-track project			
Highest quality			
More collaborative process for the owner			
Final cost closest to budget			
Early knowledge of cost			
Shorter procurement period			
Fewer disputes			



WHAT MAKES DESIGN-BUILD DIFFERENT?

SINGLE-SOURCE RESPONSIBILITY

One entity controls design and construction. This eliminates contractual disputes and provides flexibility for the Design-Builder to form the best team with partners.

CREATIVE SOLUTIONS WITHIN THE DESIGN PHASE

Early involvement of the construction team enhances constructibility and maximizes team cohesion.

DESIGN ALTERNATIVES DRIVE PROJECT VALUE

Close collaboration allows ownership and design teams to assess and select design alternatives that maximize project value while reflecting owners' unique needs.

COSTS ARE REDUCED WITH DESIGN-BUILD

Design-Build as a lower unit cost:

0.3%

Lower unit cost
than DBB

1.9%

Lower unit cost
than CMR

Design-Build costs grow slower:

3.8%

Less cost growth
than DBB

2.4%

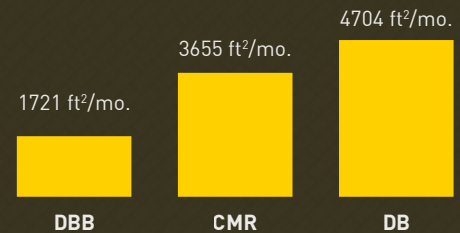
Less cost growth
than CMR

A DELIVERY METHOD ACCEPTED BY FEDERAL, STATE AND LOCAL AGENCIES

Established the Best-Value, Two-Phase Source Selection Process.

DESIGN-BUILD IS FASTER AND MORE EFFICIENT

AVERAGE DELIVERY SPEED



Design-Build is significantly faster:

36%

Faster than DBB

13%

Faster than CMR

LESS SCHEDULE GROWTH

Design-Build projects resulted in 1.7% less schedule growth compared to DBB and 3.9% less compared to CMR.



DESIGN-BUILD PROCUREMENT

Owners can select either of two principal procurement methods to ensure a Design-Build partner is suited to complete a construction project that addresses their immediate and long-term needs.

QUALIFICATIONS-BASED SELECTION

- Establishes qualitative and quantitative criteria to be evaluated.
- Relative importance of evaluation criteria is clearly defined.
- Focuses heavily on qualifications of Design-Builders and key team members.
- Has teams demonstrate history of successful Design-Build project delivery.
- Requires early participation of core trade contractors.

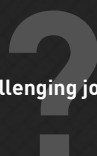
BEST VALUE SELECTION

- Specific criteria are defined to obtain price and technical proposals.
- Establishes a clear evaluation and selection process; ensures the process is fair, open and transparent.
- Values both technical concepts and price within the selection process.
- Encourages open and candid exchange of concepts, concerns and ideas.
- Conducts confidential meetings with shortlisted proposers prior to the submission of technical and price proposals.
- Protects proprietary information of the proposers and provides opportunity for debriefing session.

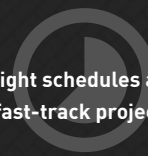
DESIGN-BUILD IS A STRONG SOLUTION FOR COMPLEX PROJECTS LIKE:



Large builds



Challenging job sites



Tight schedules and
fast-track projects



Construction phasing



2. CONTRACTING FOR DESIGN-BUILD SERVICES

The use of fair and clear contracts is key to any delivery process. It's important to note key differences between Design-Build contracts and those for other delivery systems. One should fully understand contract language and its practical application. It's equally important to understand Design-Build principles and incorporate them into the contracts of the entire Design-Build team.

DESIGN-BUILD CONTRACTS SHOULD BE FAIR, BALANCED AND CLEAR

They should identify significant project-specific risks and reasonably allocate them to the party best capable of addressing and mitigating that risk. They should encourage communication between stakeholders.



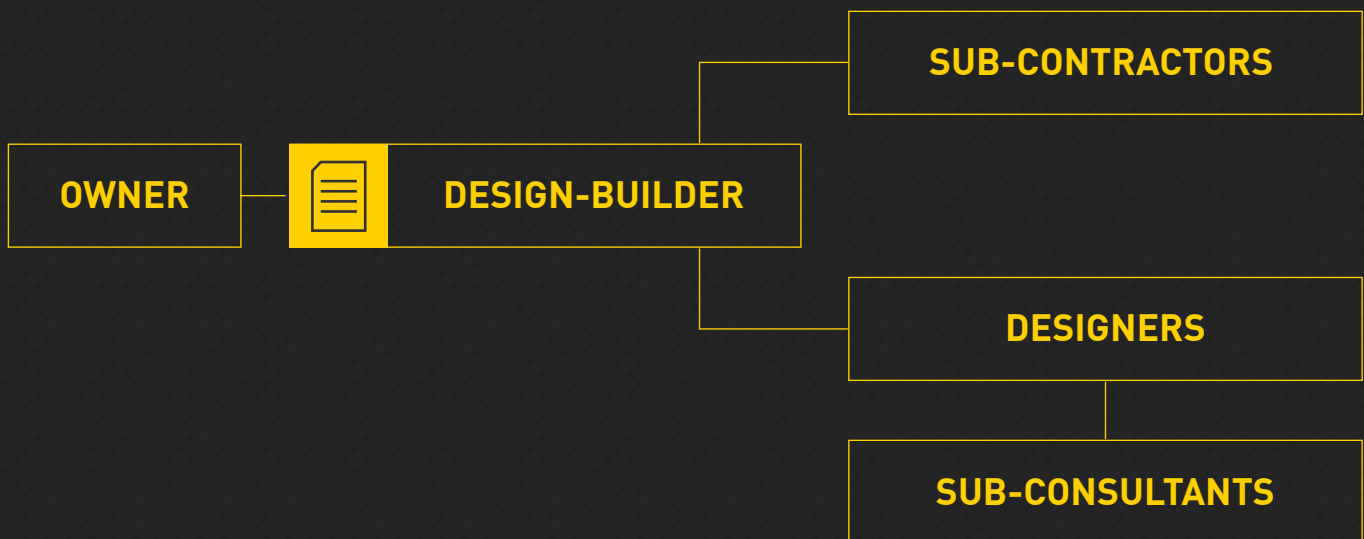
MORE THAN 90% OF OUR BUSINESS IS DESIGN-BUILD.



DESIGN-BUILD CONTRACTUAL RELATIONSHIP

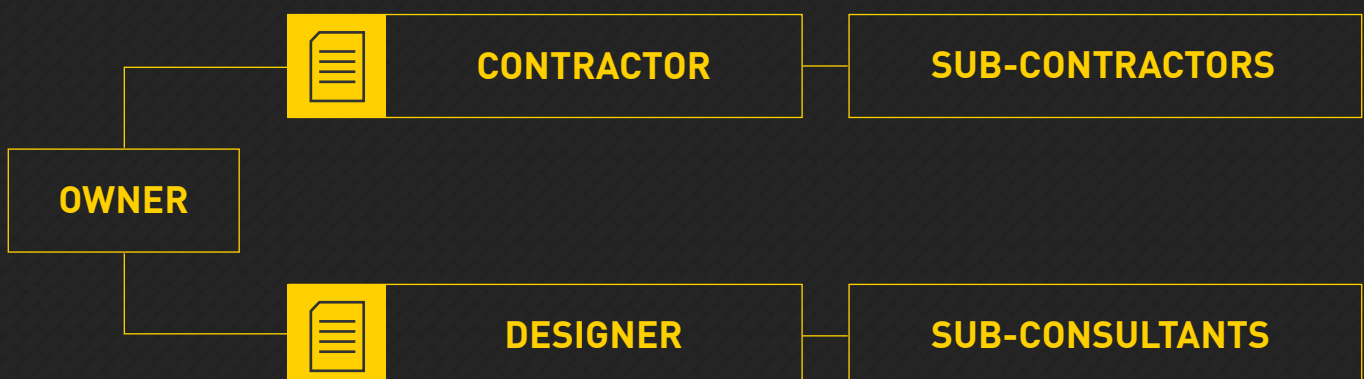
DESIGN-BUILD PROJECT DELIVERY

Owner manages only **one** contract with a single point of responsibility; designer and contractor are on the same team, providing unified recommendations, not excuses.



TRADITIONAL PROJECT DELIVERY

Owner must manage **two** separate contracts; owner becomes middleman, settling disputes between the designer and the contractor. Designer and contractor can easily blame one another for cost overruns and other problems.





3. DESIGN-BUILD PROJECT EXECUTION

To deliver a project of the highest caliber, it's essential to create direct and real-time communication between the owner and the Design-Build team. The process is called Interactive Collaboration and has been proven to produce successful facilities for some of the most innovative companies throughout the U.S.

INTERACTIVE COLLABORATION BENEFITS OWNERS

AGGRESSIVE SCHEDULES ARE POSSIBLE

- Projects can be fast-tracked.
- An early start is achievable.
 - Design-Build teams “nest” multiple project phases, purposely starting elements of construction early (during design).
 - Results in expediting design and construction for faster delivery.
 - Similar to just-in-time (JIT) inventory in manufacturing.



SUBCONTRACTORS PARTICIPATE FROM THE ONSET OF A PROJECT

- Interactive Collaboration fosters honest, open communication.
- Unique, added value — team members with different areas of expertise and skill sets suggest innovative solutions.

DESIGN-BUILD TEAMS COMPRISED OF DESIGN-BUILD SUBCONTRACTORS AND PARTNERS

- Projects are a collaborative effort among a unified team.
- Partners have often worked together on other projects.
- Most specialty contractors have specific Design-Build experience.

OPEN COMMUNICATION BETWEEN KEY TEAM MEMBERS

- Communication is the most powerful tool in collecting ideas and constructing ideas with real value.
- Direct and real-time communication facilitates efficient and real-time solutions.
- Knowledgeable, innovative decisions are made by those who are most capable.





A CORPORATE VISION IS REALIZED

- Vision is represented through tangible design and construction elements.
- Represents long-standing value and transforms the attributes of the corporate vision into a physical entity.
- A result of the Design-Build approach.

THE DESIGN-BUILD PROJECT TEAM ENSURES CONSTRUCTION SCHEDULES ARE MET

- Owners receive clear, realistic and expeditious submittal and review processes.
- Design-Builder facilitates and monitors significant elements of the project.
- Key stakeholders interface directly with Design-Build team to review and manage progress.
- Decisions that impact project goals, including schedule, are evaluated and executed in a collaborative environment.
- Transparency supports the owner's ability to make informed decisions throughout the Design-Build process.



COMPARISON OF PROJECT DELIVERY METHODS ACROSS VARIED PROJECT TYPES AND SECTORS

METRIC	DB VS. CMR	CMR VS. DBB	DB VS. DBB
Unit cost	1.9% less	1.6% more	0.3% less
Cost growth	2.4% less	1.4% less	3.8% less
Schedule growth	3.9% less	2.2% more	1.7% less
Construction speed	13% faster	20% faster	36% faster

PROJECT OWNERSHIP

- Owner defines and directs most cost-effective use of funds.
- Directly influences how and where to invest in the project.
- Opportunities can be assessed and acted upon.
- Results in a product that best reflects owner's needs and corporate vision.



In 1958, The Korte Company was founded on the principle that the Job is the Boss. Our teams are custom-built for each project, composed of an all-star cast selected specifically for the task at hand. With an integrated Design-Build approach, our teams are free to do what's right for the job. Project challenges become opportunities — to think, to find innovative solutions, to build smart. Our approach has made us one of the nation's largest and most successful Design-Build contractors. It's how we get the job done. On-budget. On-time. Every time.

[Let's talk.](#)



KORTE
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