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Project Delivery Method Options – Workforce Housing

Alum Rock Union School District

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Potential Options

Design-Build (Traditional or Alternative)

Design-Bid-Build

Lease-Leaseback

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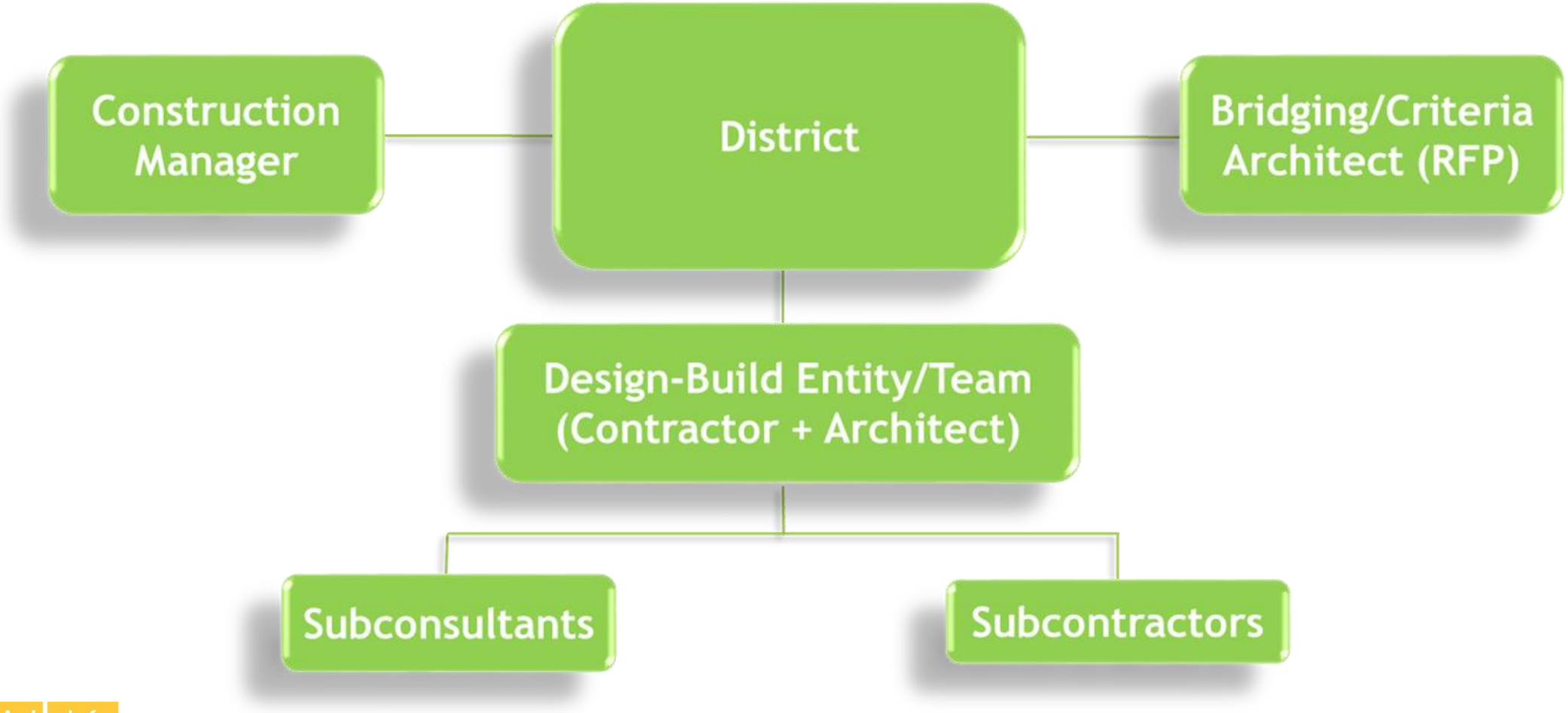
DESIGN-BUILD

(Traditional - Education Code, § 17250.10 et seq. or Alternative - § 17250.60 et seq.)



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Procurement

- Design professional may prepare performance specifications and may include plans
- DBE selected using 2-step process:
  - Request for Qualifications based on standardized questionnaire to prequalify, or develop a short-list of, the design-build entities whose proposals shall be evaluated for final selection
    - Designer, MEP subconsultants, builder and MEP subcontractors
    - Skilled and Trained Workforce Requirement
  - Request for Proposals based on a number of factors including qualifications and price (Best Value)

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Procurement (cont.)

- Open to contract negotiation
- Compensation can be Stipulated Sum (Low Bid) for traditional design-build or “Not-to-Exceed” to cost-plus/Guaranteed Maximum Price for alternative (progressive) design-build
- Different architect finishes plans and submits to DSA with input of prefabricated building designer and builder
  - DBE is responsible for design and construction

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Phasing of Project & When Cost Is Determined

- Turn-key: District gives more control to DBE to return a completed project on budget and on time
  - DBE can be creative with respect to phasing
- Phasing
  - Design
    - DSA approval of plans required
    - Early builder input before DSA approves plans
    - If redesign due to cost is necessary, then not at District's risk
  - Construction
    - Construction cannot commence until CEQA is completed

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Phasing of Project & When Cost Is Determined (cont.)

- District does not have to wait until DSA plans are completed to set a Price (Traditional) or Cost-Plus (Alternative)
  - May still have change orders but intent is that increased teamwork would reduce overall number of change orders
- If the project is submitted to DSA in increments, and the subcontractors are not listed in the original proposal, then the subcontracts must be bid
  - Phases of cost is subject to market at the time of bid but is also subject to “not-to-exceed” provision
  - Same builder would be used for each phase

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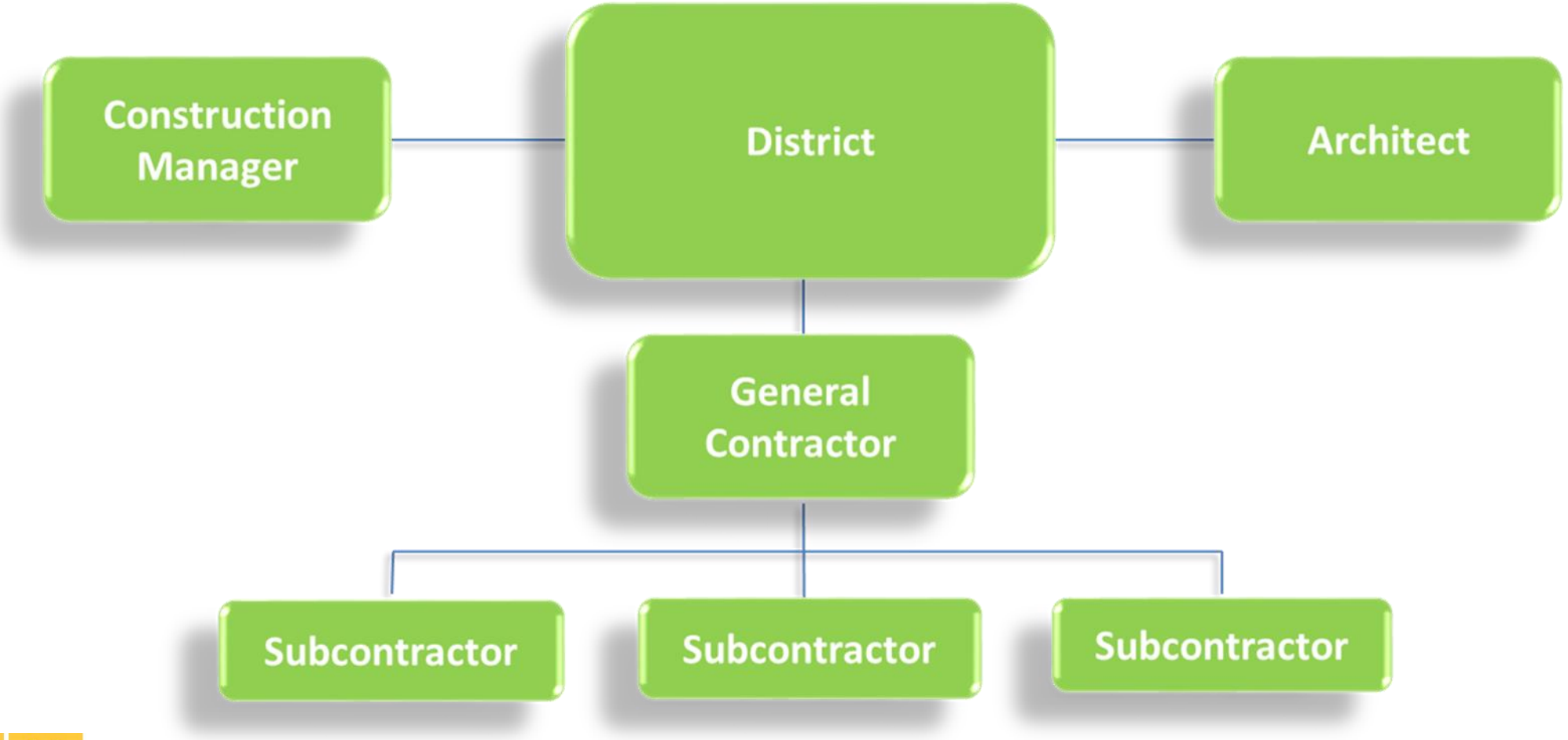
DESIGN-BID-BUILD

(Public Contract Code, §§ 20111(b); 22000-22045)



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Procurement

- Architect submits to DSA but without builder input
  - District can retain a consultant providing construction management services to prepare a constructability review of plans to mitigate change orders
- After DSA approves plans, District hard bids based on lowest price only
  - District can require Prequalification of builder (and subcontractors)
  - Lump sum price
  - No contract negotiation

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Phasing of Project & When Cost Is Determined

- District has to wait until DSA plans are completed to bid
  - If bids are too high, then District reject all bids and redesign project for costs and bid again
- Actual Cost may be increased by change order/claims at end of construction
  - Because the Builder does not have input before design is completed, there is the possibility for increased change orders and claims

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Phasing of Project & When Cost Is Determined (cont.)

- If the project is submitted to DSA in increments, then the project would need to be bid as the project plans are approved
  - District would be responsible for any costs related to design/preparation of separate bid packages
  - Phases of cost is subject to market at the time of bid
    - If bids are too high, then District reject all bids and redesign project for costs and bid again
  - Possible that the project has different builders for each phase
    - Potential coordination problems

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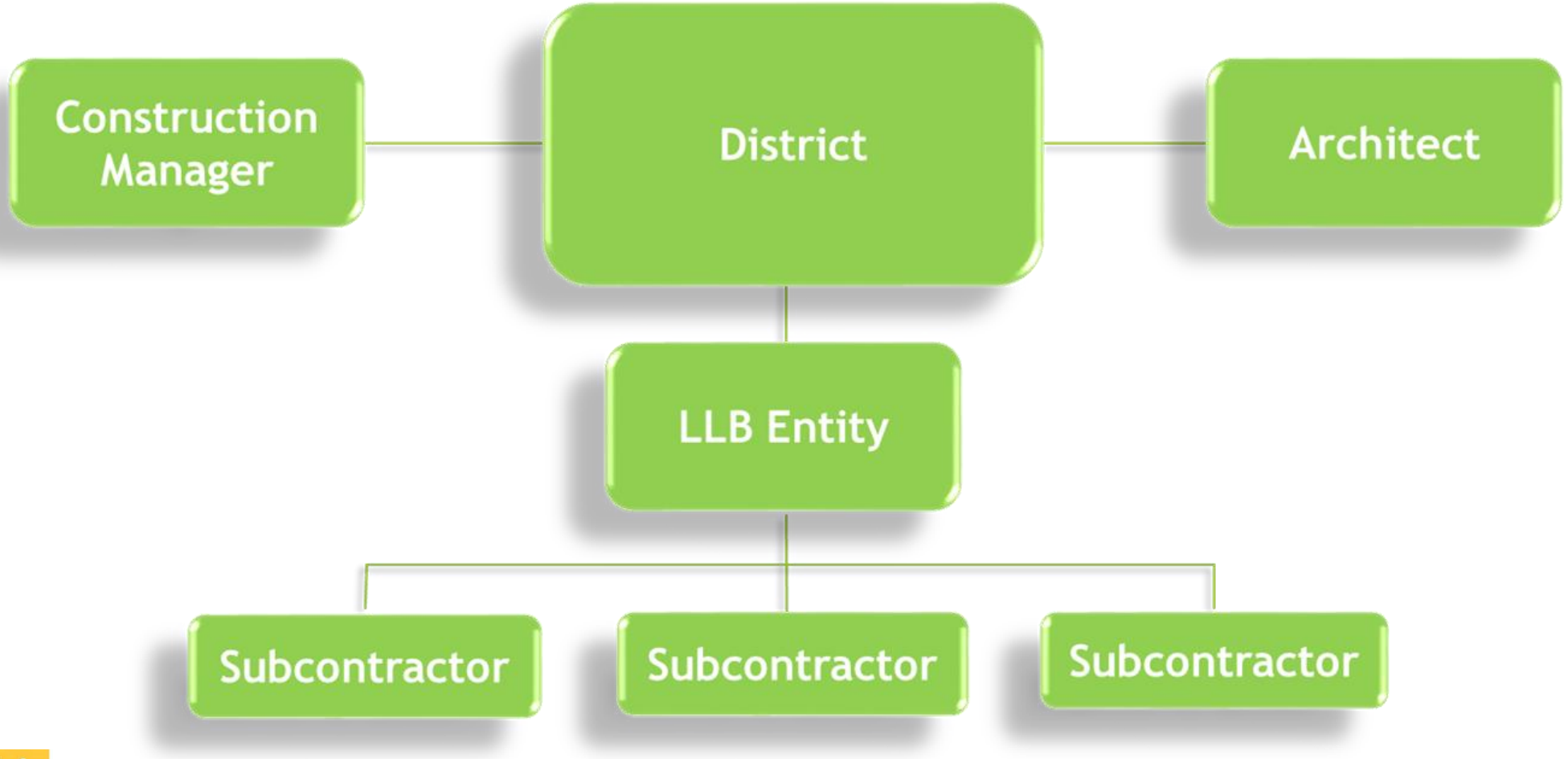
LEASE-LEASEBACK
(Education Code, §§ 17406 and 17407.5)



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Procurement

- Builder selected using Request for Proposals based on a number of factors including qualifications and price (Best Value)
  - Mandatory Prequalification of builder and MEP subcontractors
  - Skilled and Trained Workforce Requirement
  - Open to contract negotiation
  - Contract awarded before Cost is determined
    - Cost determined after preconstruction is completed (2-step process)

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Procurement (cont.)

- Same architect can finish plans and submit to DSA with prefabricated building designer as subconsultant but with builder input
- No construction can be started without DSA approved plans
- After DSA approves plans, Builder gets subcontractor bids and prepares Guaranteed Maximum Price
  - Open book
  - If cost is too high, may need to redesign and resubmit to DSA (risk on District)
- Contract awarded with Preconstruction Services cost only. After negotiation, Facilities Lease amended to add Guaranteed Maximum Price after plans submitted to DSA for approval

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Phasing of Project & When Cost Is Determined

- Preconstruction Period
  - Prefabricated Building design incorporated into plans
  - Constructability Review
  - Value Engineering
- Guaranteed Maximum Price is prepared after DSA plans are completed and subcontractor bids are obtained
  - Second contract negotiation
  - May still have change order/claims but intent of early Builder input before design is completed is to reduce overall number of change orders and claims

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Phasing of Project & When Cost Is Determined (cont.)

- If the project is submitted to DSA in increments, then the project would need to be bid as the project plans are approved
  - Additional contract negotiations
  - Phases of cost is subject to market at the time of bid
  - Same builder would be used for each phase

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