

Synopsis of Progressive design-build methodology change:

Design-build is a procurement methodology allowed by the Public Contract Code (PCC) sections 22160-22169. It allows a local agency to pre-qualify a short list of bidders for a project and then accept guaranteed maximum price bids on the project from the qualified short list. The winner is selected from those bids by using a best value to the agency approach, not necessarily the lowest bid as required by the design-bid-build standard procurement method.

Progressive design-build (PDB) allows the selection of the design-builder even earlier in the process. The design-builder is selected by the local agency primarily based on qualifications and then they work with the local agency in designing the process. Some California agencies are specifically allowed to use progressive design build, for instance in PCC section 20928.1, for certain projects but that specific allowance is not extended to all local agencies that I am aware of.

In addition, the code sections that define the procurement method do not have an allowance for selection of a design-build entity on the basis of qualifications alone as it would need to be to use PDB approach.

Background on design-build and progressive design-build:

The conventional method of design-build has quickly become a popular delivery method for projects of all types. The most commonly used design-build method is called "Best Value Selection" (BVS).

Using this method, local agencies manage only one single source design-build entity contract as opposed to the multiple contracts used in traditional design-bid-build project delivery. Design-build entities are selected based on a procurement process that asks them to develop a design and cost proposal with performance guarantees with either a fixed price or a Guaranteed Maximum Price (GMP).

In the BVS method, a design package is developed based on parameters from the local agency, but typically without including the agencies input in the final design process beyond what is in the bridging documents. The method can be successful when it's guaranteed a project won't change after the design-build entity is selected, but it can also be inefficient and more costly if the project scope changes.

To remedy some of these inadequacies, some agencies, like the California State University system and San Francisco Airport, are turning to a project delivery approach known as progressive design-build (PDB). Using this method, agencies select a team based on the qualifications of the design-builder as opposed to developing a design package, allowing the agency to be more invested in the project right away by being a part of the design process. There is still one contract, like in the traditional design-build approach, but the agency has input in the whole design/pre-construction phase and the ability to control crucial decisions of scope, schedule and cost. Progressive design-build encourages heightened levels of collaboration between the agency, designer and builder as the design is developed in a step-by-step progression collaboratively.

Designer and builder are selected by owner early in the process before any design development. Selection is made on qualifications without a final cost and schedule commitment.

The first phase of the project includes design development, preconstruction services and negotiation of a price for the second phase. Decisions are made collaboratively with the agency and design-builder and based on cost, schedule, operations and more.

The second phase consists of final design and construction. A final price and schedule are agreed upon and the construction is completed. It is quite common to provide a GMP with multiple sub-trade packages bid out or a fixed price construction cost.

The most commonly-voiced concern with PDB is that price is not a major factor for the selection of the design-build team. While it is true that the fixed price for the entire project is not a factor for selection in a PDB project, other pricing factors such as design fees, the design-builder fee, general conditions for the project or other pricing elements can be used as evaluation tools. Due to the absolute transparency of the open-book process utilized in PDB, agencies gain the assurance that they have received the best market-driven pricing for all of the construction work and a fixed price and markup for the design phase.