BECKER MORGAN GROUP

ARCHITECTURE ENGINEERING

PLANNING OUR CLIENTS' SUCCESS

Construction Delivery

Design-Bid-Build (a.k.a. hard bid)

Over the past 4 decades we have successfully completed (translating into on time, on or under budget, with minimal change orders and or omissions) on hundreds of projects under the "hard bid" delivery method including new construction, complicated renovation and additions for K-12 projects and a multitude of adaptive re-use projects. When providing services for a 'complicated" renovation/renovation and additions, our experience has shown us that "low bids", through the "hard bid' delivery method will result in multiple change orders due to "unforeseen conditions and general contractors and their subs "looking for conditions" to challenge the contract documents with the intent to "make up" for having to submit through a low bid process. Thus, the need to maintain higher contingencies. To avoid and or minimize this possibility, the AE team and owner must undertake initiatives to do mild forms of destructive testing, IR Testing, and other methods to locate and determine possible hidden conditions that can be priced as base bid or alternates.

It has been our experience that the design-bid-build (DBB) delivery has several built-in negatives:

1. It is the perception that DBB provides the lowest cost. The reality is that it typically provides the lowest initial PRICE but a higher final COST.
2. DBB requires design to be completed with the HOPE (Intent) that the project will be within budget. You don't know actual costs until the bids are opened. Over budget projects can require redesign costs, extensive VE, and/or delayed construction start.
3. There is no "real time" market cost evaluations during the design process which does not allow the Owner to make value decisions (where they want to spend money) during the design process.

Construction Manager at Risk (CMAR)

CMAR offers the Owner and Design the opportunity to work directly with the CM from the project onset. What we have found is on complicated renovations as well as new construction, although the fees may initially be higher for the CM (Contractor), the number of Change Orders significantly diminishes be case the GC is working in tandem with the AE Team and Owner through all the potential conditions that can be identified as to design detail and methods and means (the responsibility of how to build it). Under CMAR, the GMP (Guaranteed Maximum Price) is provided by the GC, with the intent of no change orders unless owner mandated give the GC has signed off on the design and detailing of the project given, they were an integral part of the process. CMAR is qualification based not low bid based. As the project goes through the design process the "contingencies' are reduced.

All the above are addressed through CMAR. Other benefits include:

1. The Owner, Design Team, and CMAR work together to make cost related construction decisions. Typically, when the drawings are 50% complete, 75% of the construction budget is spent (decided).
2. Using the CMAR process, the team has the opportunity to work together to pre-qualify and select trade partners that best meet the project requirements.
3. If the CMAR's preconstruction process is successful, the only change orders should be Owner driven or Unforeseen Conditions.
4. Provides a guaranteed maximum price.

BECKER MORGAN GROUP, INC.

615 SOUTH COLLEGE STREET, SUITE 8-158
CHARLOTTE, NORTH CAROLINA 28202
980.270.9100

3333 JAECKLE DRIVE, SUITE 120
WILMINGTON, NORTH CAROLINA 28403
910.341.7600

PORT EXCHANGE
312 WEST MAIN STREET, SUITE 300
SALISBURY, MARYLAND 21801
410.546.9100

309 SOUTH GOVERNORS AVENUE
DOVER, DELAWARE 19904
302.734.7950

THE TOWER AT STAR CAMPUS
100 DISCOVERY BOULEVARD, SUITE 102
NEWARK, DELAWARE 19713
302.369.3700

www.beckermorgan.com

BECKER MORGAN GROUP

ARCHITECTURE ENGINEERING

5. Reduces the probability of change orders thereby reducing the amount of contingency funds being spent therefore can be allocated for other project needs.
6. Enables the contractor given supply chain, price increases to equipment and labor, the opportunity to get a place on the supply chain immediately or after a specific design phase when a component has been sized and specified.
7. Provides the ability to develop “early’ packages such as site work, demolition (if required), and as stated, supply chain “reservations for long lead items (electrical panels, HVAC equipment).

Design Build (DB)

Having completed multiple design build K-12 projects as well a medical office building, office building and industrial projects, the most important benefit is there literally will not be change orders to the project given the GMP the Contractor is providing. The drawback can be the architect works “for the General Contractor” and unless the district carefully delineates the design process requiring direct contact and approval of the design, it can lead to “grey areas” and potential issues in project delivery. Under DB, the two schools designed under that scenario, yield no change orders and only one substitution by the GC that the district ultimately accepted.

Public Private Partnerships (P3)

Under P3, the owner is engaging a “private developer” to deliver the project through the developer’s design and construction team. In NC there have been mixed reviews given the owner is removed from direct contact with the AE Team and the Contractor given the direct Owner relationship is with the Developer. We have worked under that Delivery Method for Student Housing, Medical office Buildings, office buildings and Industrial projects but we have not experienced that method for K-12 Project.

Integrated Project Delivery. (IPD)

Integrated project delivery (IPD) is a collaborative alliance of people, systems, business structures and practices into a process that target harnessing the talents and insights of all participants to optimize project results, increase value to the owner, reduce waste, and maximize efficiency through all phases of design, fabrication, and construction. In many ways it is in-fact CMAR and Design Build based on a series of integrated workshops with all project participants, with through experience with military projects, is precisely what the designated AE Team, Contractor and his subs and Owners must ensure a successful project.