



# The Flexibility of Design-Build

## Background

An Owner’s choices of project delivery method, procurement method and contracting approach strongly influence project results. The project delivery method drives how team members are organized, with the most common project delivery methods being design-build, construction manager at-risk (or CM/GC) and design-bid-build. The procurement method selected influences how team members are selected; and the contracting approach guides how team members are paid and how risk is allocated. These choices are among the first decisions an Owner makes on a project, and they form the foundation for how the project will be executed and how the key project stakeholders communicate and relate to each other.

Design-build project delivery has grown in popularity, accounting for nearly half of all design and construction in the United States. This growth can be attributed, in part, to the flexibility of design-build, including an Owner’s option to choose from among key variations: two-phase best-value design-build (hereinafter referred to as best-value) and progressive design-build.

## Design-Build Project Delivery Variations

The principles of Design-Build Done Right® apply to both best-value design-build and progressive design-build. The key distinguishing factors between the two include how the team is selected, how design concepts are developed and how the price is established as outlined below.

	(TWO-PHASE) BEST-VALUE DESIGN-BUILD	PROGRESSIVE DESIGN-BUILD
<b>TEAM SELECTION</b>	Qualifications are the sole evaluation factor in phase one of the two-phase best-value process with past performance being the single most important factor. In phase two design and price are evaluated for the short-listed firms.	The design-build team is selected, in most cases, based solely on qualifications and in some instances on qualifications plus best-value of design & pre-construction fees/costs only (not the direct cost of construction).

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<b>DESIGN</b>	The Owner focuses on describing the project goals, criteria, challenges and constraints, allowing the competing design-build teams to present design concepts during the pre-award proprietary meetings, and during the post-award design management phase of the project.	The Owner progresses towards a design concept and contract price (see below) with the design-build team — thus the term “progressive.”
<b>PRICE</b>	Provides the Owner with a firm-fixed-price (lump sum) or GMP at time of contract award, with the price and scope being established through a competitive procurement process.	The design-builder does not commit to a price at contract award. Rather, the price commitment comes after the design has progressed and the parties have agreed upon scope, schedule and other commercial terms. The design-builder’s price or GMP for performing the work is negotiated subsequent to contract award.

Even with these distinguishing characteristics, Best-Value and Progressive Design-Build have numerous common attributes including:

- Team selection based primarily on qualifications, with past performance being the single most important factor
- Evaluation of problem-solving, innovation and creativity, with both approaches harnessing the power of innovation and creativity, albeit in very different ways
- Early integration of the design-build team, including key trade partners

Owners choosing design-build project delivery must make a strategic decision as to how their circumstances will allow them to take full advantage of the many benefits that are inherent in the design-build process — whether it be best-value or progressive design-build. In making the decision about the most appropriate design-build project delivery variation, it is critical for an Owner to consider the circumstances of each project, as well as the following procurement methods and contracting approaches available including:

PROCUREMENT METHODS	CONTRACTING APPROACHES
<ul style="list-style-type: none"> <li>• Best-Value Selection</li> <li>• Qualifications-Based Selection</li> <li>• Sole Source</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed Price (or Lump Sum)</li> <li>• Cost/Fee w/ a Guaranteed Maximum Price</li> </ul>

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## DBIA Position

Research continually shows that in addition to outperforming design-bid-build and construction manager at-risk in cost and schedule performance, design-build project delivery enhances teamwork and innovation and leads to better project outcomes when performed in accordance with the principles of DBIA's Design-Build Done Right®. Design-Build Done Right® refers to both best-value and progressive design-build, and all applicable combinations of the procurement and contracting approaches performed in accordance with best practices.

DBIA does not endorse one methodology over the other. DBIA endorses both variations of design-build project delivery when done according to best practices and not on a low-bid basis (e.g., lowest price technically acceptable). Consistent with Design-Build Done Right® principles, the Owner needs to make an informed decision based on, among other things, goals, internal capacity, resources, statutory authority and comfort level.

Regardless of which variation of design-build is used, experience shows that project success is predicated on the parties using the principles expressed in DBIA's Design-Build Done Right® best practices such as:

- Selecting the most qualified team
- Letting the design-builder use its ingenuity and experience to develop design solutions
- Using an evaluation process that weights non-price factors significantly higher than price
- Seeking best-value solutions, such as energy efficiency, durability, sustainability and ease of maintenance

It is also critical to remember that design-build success is predicated on Design-Build Done Right® teaming philosophies of integration and collaboration, as well as relationships based on trust and flexibility — characterized by integrity and honest communication and mutual respect for and appreciation of diverse perspectives and ideas.

## Additional Resources

- [Design-Build Done Right® Universally Applicable Best Practices](#)
- [Progressive Design-Build: A Design-Build Done Right® Primer](#)
- [DBIA Position Statement: Qualifications-Based Selection](#)
- [DBIA Position Statement: Best-Value Selection](#)
- [DBIA Position Statement: Lowest Price Technically Acceptable \(LPTA\) Procurement](#)

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