

## Project Delivery Options: Pros and Cons

### Traditional Design-Bid-Build

Pros	Cons
<ul style="list-style-type: none"> <li>▶ Design-bid-build's linear process is easy for owners to manage and understand</li> <li>▶ Owners can actively participate in the design process</li> <li>▶ Scheduling is straightforward since design and construction phases are sequential, not overlapping</li> <li>▶ Design-bid-build process benefits from the architect's professional responsibility to design a quality building and act on behalf of the owner</li> <li>▶ Once the contractor makes a cost commitment, it is usually reliable because it is based on nearly completed design documents</li> <li>▶ Design and construction roles are separate and well-understood, making both responsibility and liability relatively clear</li> <li>▶ Owners have the opportunity to review competitive bids for construction costs</li> <li>▶ Contractors are familiar with process and work well under this approach</li> <li>▶ Architects are more active in construction administration than in other project delivery methods so design intentions are carried through construction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Construction costs are not firmly established until design stage is completed</li> <li>▶ If bids run over budget, redesign, value engineering, and rebidding processes can lead to project delays and additional design costs</li> <li>▶ Architect does not typically receive benefit of the contractor's advice on constructability and costs during the design phase</li> <li>▶ Knowledge of some advanced construction technology offered by specialty subcontractors and general contractors is not as readily available in this approach</li> <li>▶ Since most contractors compete on the basis of the lowest bid, any gaps or alterations in the design documents may lead to opportunities for contractors to delay construction and/or request change orders</li> <li>▶ This approach's relatively long process may be unacceptable for owners</li> <li>▶ Since process is linear, any delay in one of the phases usually sets back the entire schedule</li> <li>▶ Construction delays may result in added costs to owner and architect</li> <li>▶ Adversarial relationships and potential for litigation can develop between architect and contractor, due to their separate contracts with the owner</li> </ul>

**Legal Disclaimer:**

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## Project Delivery Options: Pros and Cons

### Design-Build

Pros	Cons
<ul style="list-style-type: none"> <li>▶ Provides a single point of responsibility for design and construction, minimizing owner risk and responsibility</li> <li>▶ Interactions between GC and architect are better coordinated, which saves time. The owner provides input at an early stage, and once the design-builder is hired, owner involvement is limited</li> <li>▶ Related to the above, time-consuming meetings and paperwork may be reduced, since the architect and contractor are on the same team</li> <li>▶ Early cost estimates in this approach can be advantageous in terms of project budgeting and financing</li> <li>▶ Time delays due to scheduling problems and change orders may be reduced since the architect and contractor closely coordinate activities</li> <li>▶ Potential for conflicts between architect and contractor are eliminated</li> </ul>	<ul style="list-style-type: none"> <li>▶ Not as well understood and can be more complex (as compared to traditional design-bid-build)</li> <li>▶ Design, scheduling, and construction are interwoven, making it difficult for the owner to participate in decision-making</li> <li>▶ Owner may not have the time or expertise to prepare adequate bid selection materials, thus decreasing the advantages of design-build</li> <li>▶ Architect does not directly serve as the owner's agent, but is contracted (or employed) by the design-build firm, shifting the architect's allegiance away from owner to the design-builder</li> <li>▶ Design-builder's cost commitment may not be based on full design and documentations since the designer and builder are working together. Disagreements with the owner may arise over what was implied in the documents, and design changes required by the owner can add costs</li> <li>▶ Deliberations about cost-savings strategies take place with the design-build team, which may lead to reductions in building quality without input from, or knowledge of, the owner</li> </ul>

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### Construction Management

	Pros	Cons
<b>Construction Management Advisor</b>	<ul style="list-style-type: none"> <li>▶ Less experienced owners without in-house construction capability benefit from CM expertise</li> <li>▶ Given decision-making authority and management responsibility, a CM advisor may speed up the process</li> <li>▶ Architect is accountable to owner and protects owner's interest; architect benefits from CM advisor's input at design stage</li> <li>▶ A CM advisor provides second-level review of construction documents, reduces errors and omissions, reduces costs related to change orders and other delays</li> <li>▶ Clearly delineated responsibilities between all parties lessen potential for ethical dilemmas or conflicts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Added levels of coordination and overlapping areas of authority can confuse the traditional roles and complicate the traditional processes of design and construction</li> <li>▶ A CM advisor represents an added cost</li> <li>▶ A CM advisor may suppress direct communication between owner, architect, and contractor</li> <li>▶ Confusion in decision-making process may contribute to design and/or construction delays</li> <li>▶ Since each of the three prime parties holds a separate contract with the owner, there is the potential for adversarial relationships, increasing the likelihood of disputes</li> </ul>

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<p><b>Construction Management Agent</b></p>	<ul style="list-style-type: none"> <li>▶ Less experienced owners without in-house construction capability benefit from CM expertise</li> <li>▶ A CM agent’s ability to make fiscal decisions can speed up process and reduce duplication</li> <li>▶ Additional construction expertise at the design phase can be positive for the project (e.g., cost estimating during design phase allows monitoring of construction costs at early stage)</li> <li>▶ A CM agent provides second-level review of construction documents, reduces errors and omissions, reduces costs related to change orders and other delays</li> <li>▶ No link between CM agent and the contractors; thus, contractors can be selected based on competitive bidding</li> </ul>	<ul style="list-style-type: none"> <li>▶ Added levels of coordination and overlapping areas of authority can confuse the traditional roles and complicate the traditional processes of design and construction</li> <li>▶ A CM agent represents an added cost</li> <li>▶ A CM agent may suppress direct communication between owner, architect, and contractor</li> <li>▶ Confusion in decision-making process may contribute to design and/or construction delays</li> <li>▶ Since each of the three prime parties holds a separate contract with the owner, there is the potential for adversarial relationships, increasing the likelihood of disputes</li> </ul>
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<p><b>Construction Management Contractor</b></p>	<ul style="list-style-type: none"> <li>▶ Since the CM contractor makes a cost commitment early in the project, the owner has a degree of security about costs</li> <li>▶ Since CM contractor commits to deliver the project for a specified price, it is in their interest to complete the construction on time</li> <li>▶ Owners with limited construction experience can benefit from CM contractor's expertise</li> <li>▶ Like other approaches, independence of architect and contractor makes responsibility and liability relatively clear</li> <li>▶ Scheduling is straightforward because design and construction phases are usually sequential</li> </ul>	<ul style="list-style-type: none"> <li>▶ Time required to select an additional professional extends the overall time required for the project</li> <li>▶ A CM contractor represents an added cost</li> <li>▶ Since the owner does not contract directly with prime or trade contractors, owner may be unable to control quality during construction process</li> <li>▶ Since each of the three prime parties holds a separate contract with the owner, there is the potential for adversarial relationships, increasing the likelihood of disputes</li> <li>▶ When CM contractor is selected by low bid, change orders and delays are likely, which increases costs</li> <li>▶ Linear process of this approach makes it relatively lengthy</li> </ul>
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