

School Construction Delivery Methods

	Design-Bid-Build	Design-Build	Lease Leaseback	CM At Risk	Multi-Prime
<u>Brief Description</u>	Traditional project delivery method which separates construction in three phases: i) design; ii) bid; and iii) construction	Single contract entered into with one entity for both design and construction of the project	Third party (i.e. the Contractor) leases the project site from the district, constructs and finances the facility and then leases it back to the district	Construction Manager ("CM") is selected to manage the project and guarantee the project's total cost	Construction Manager ("CM") is selected; however subcontractors enter into contracts with district or CM as opposed to a General Contractor
<u>Statute(s)</u>	Public Contract Code §§ 20110 <i>et seq.</i> ; Government Code §§ 4529.10 <i>et seq.</i>	Education Code §§ 17250 <i>et seq.</i> [Note: Certain findings must be made by governing board (Ed Code § 17250.20)]	Education Code §§ 17406 <i>et seq.</i> [Note: Typical documents are a site lease, facilities lease and construction provisions)	Government Code §§ 4525 <i>et seq.</i> [Note: CM can be selected based on qualifications as opposed to lowest bid]	Government Code §§ 4525 <i>et seq.</i> [Note: CM can be selected based on qualifications as opposed to lowest bid]
<u>Public Bidding Requirements</u>	Must comply with Government Code in selection of Architect; must comply with Public Contract Code in selection of Contractor	Typical procurement involves pre-qualification and bidding phase; selection of final entity does not have to be on price alone	Does not require the use of any bidding process [Note: We recommend use of RFQ even though not required]	CM manages competitive bidding process and design stage of project	CM puts out bid packages for trade contractors (i.e. plumbers, electrical, painting) in accordance with Public Contract Code
<u>Advantages</u>	Most familiar and established way of delivering a project Subject to lowest competitive bidding, which can be advantageous if no litigation, which is unfortunately rare as noted below	Design risk shifted to design-build entity Only one bidding process to go through; only one contract to negotiate Entity can be selected on best value as opposed to traditional lowest bid	Ability for cost control by setting "Guaranteed Maximum Price" Provides most progress payment / financing flexibility District can participate in selection of trade contractors as well	CM provides construction expertise to assist in the entire planning, permitting, design and construction process [Note: This can only be best achieved if CM brought in early]	CM provides construction expertise to assist in the entire planning, permitting, design and construction process More control over construction phase schedule and selection of subcontractors
<u>Disadvantages</u>	Loss of flexibility due to rigid competitive bidding required under Public Contract Code District takes risk for any design deficiencies that lead to construction defects Lack of cost predictability due to change orders and high risk of litigation	Potential less control by district of design and design details (i.e. District no longer has architect to turn to for advice) Although design change orders likely eliminated, possibility for construction change orders still exists	District still bears risk of any design deficiencies Not having to bid a project can lead to selection of bad contractor, hence why RFQ process can be beneficial	Increased fees due to assumption of risk by CM Giving up control of construction project to entity bearing all the risk may not bring most efficient result	Can be a logistical challenge managing multiple contracts, which can lead to increased administrative costs charged by CM Total price cannot be predicted until all bids are in Each bid / contract package subject to litigation