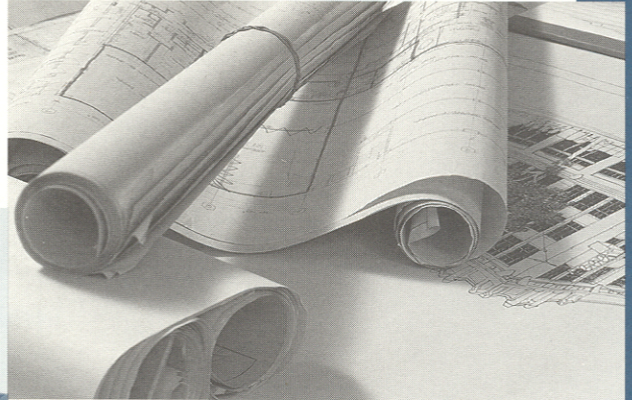




Design/Build

Teaming Checklist



Endorsed by:

American
Institute
of Constructors

American Society
of Landscape
Architects

Associated
Builders
and Contractors

Construction
Management
Association
of America

Design-Build Institute
of America

Engineers Joint
Contract Documents
Committee

Mechanical
Contractors
Association
of America, Inc.

Sheet Metal
and Air
Conditioning
Contractors' National
Association Inc.

Surety
Association
of America



Provided by The Joint Committee of

The American Institute of Architects

The Associated General Contractors of America

Design/Build Teaming Checklist

Provided by
The Joint Committee of the
AIA and AGC



In conjunction with:

American Institute of Constructors

American Society of Landscape
Architects

Associated Builders and
Contractors, Inc.

Construction Management
Association of America

Design-Build Institute of America

Mechanical Contractors Association
of America, Inc.

Sheet Metal and Air Conditioning
Contractors' National Association
Inc.

Surety Association of America

**Engineers Joint Contract
Documents Committee (EJCDC)**

American Consulting Engineers
Council

American Society of Civil Engineers

National Society of Professional
Engineers

June 1999

As design/build and other single-source project delivery teams become more prevalent, the Joint Committee of the The American Institute of Architects (AIA) and Associated General Contractors (AGC), with comments by the Design/Build Teaming Agreement Industrywide Coalition, have produced a checklist to promote valuable and timely discussion of key points of departure between the design and construction partners within a single-source team, regardless of leadership structure. Although this is not a comprehensive checklist for every team in every configuration, it is the hope of the AIA, AGC, and the Coalition that this will be a "jumping off" point for teams looking into a partnering arrangement.

This document can be a valuable team-building tool for all single-source project delivery team contract scenarios. Although design/build is the term that most often is used describing single-source project delivery it should be understood that this document can be helpful in many other delivery methods such as construction management (CM), CM agent, CM/GC, or project management approaches.

Much of the value of this tool is in the process itself. The inherent respect and understanding gained by the team members for each other's process and expertise can be the most valuable by-product of the process. The cohesiveness of the team will surely be tested at some time during the project, and this exercise tends to strengthen the team's group problem-solving skills while addressing issues that will reduce the probability of the problems arising in the first place.

This document is intended to be used as a primer checklist for team building and negotiation, however, it is not an all-encompassing document. Each individual project and different teaming configuration will produce unique variations and issues.

Numerous issues regarding the ability for the team to compete and successfully obtain the project must be explored. Prior to the competition process, many items such as the following need to be discussed and resolved.

- Team selection and corporate cultural values
- Legal considerations
- Getting the job
- Risk management
- Value engineering
- Financial considerations
- Definition of roles
- Owner's considerations.

The AIA and AGC express their deep appreciation to members who devoted their time and expertise to developing these guidelines. Of special note are Brad Buchanan, AIA, and Ed Haselden, AGC.

Legal-Jurisdictions and Corporate Structures

The first determination regarding legal relationships or corporate structures is to determine if the team will be a joint venture or that of a prime contract/subcontract relationship. Either structure can accomplish the same results. It is imperative that a mutually acceptable, unilateral contract be established between the designer and constructor. Many standard industry contracts exist, including those published by the AIA, AGC, and EJCDC. Many companies have further developed their own custom contracts to meet their specific needs.

Considerations	Remarks
<input type="checkbox"/> Changes of law	<hr/>
<input type="checkbox"/> Political risk and governmental interferences	<hr/>
<input type="checkbox"/> Patent infringements and royalties	<hr/>
<input type="checkbox"/> Consideration for price	<hr/>
<input type="checkbox"/> The claims process	<hr/>
<input type="checkbox"/> Dispute resolution	<hr/>
<input type="checkbox"/> Licensing issues and procurement laws	<hr/>
<input type="checkbox"/> Confidentiality issues	<hr/>
<input type="checkbox"/> Alternative venues for dispute resolution such as arbitration or mediation	<hr/>
<input type="checkbox"/> Termination provisions of the agreements	<hr/>
<input type="checkbox"/> Discussion of what final contract format will be used	<hr/>
<input type="checkbox"/> Additional Notes	<hr/>

Risk Management

Discussions regarding risk within the design/build concept probably is the most evasive issue that exists within the industry. Many firms form a design/build relationship without giving proper thought to all of the risks associated. The purpose here is not to define how to deal with the risks but merely to list possible risks that must be studied and considered.

Considerations	Remarks
<input type="checkbox"/> Insurance issues	<hr/>
<input type="checkbox"/> Bonding and surety	<hr/>
<input type="checkbox"/> Workers compensation insurance	<hr/>
<input type="checkbox"/> Errors and omissions insurance	<hr/>
<input type="checkbox"/> General liability insurance	<hr/>
<input type="checkbox"/> Design errors and omissions revealed during construction	<hr/>
<input type="checkbox"/> Revisions to the drawings if the project is over budget	<hr/>
<input type="checkbox"/> Construction defects	<hr/>
<input type="checkbox"/> Third-party litigation	<hr/>
<input type="checkbox"/> Catastrophes	<hr/>
<input type="checkbox"/> Price increases due to inflation	<hr/>
<input type="checkbox"/> The designer's limits of liability and the constructor's ability, or inability, as the case may be	<hr/>
<input type="checkbox"/> Differing site conditions discovered during the course of construction	<hr/>
<input type="checkbox"/> Indemnity clauses	<hr/>
<input type="checkbox"/> Pollution coverage	<hr/>
<input type="checkbox"/> Errors and omissions of the design entity	<hr/>
<input type="checkbox"/> Liabilities of the construction entity	<hr/>
<input type="checkbox"/> Definition of standard of care	<hr/>
<input type="checkbox"/> Environmental/pre-existing conditions	<hr/>
<input type="checkbox"/> Responsibilities for liquidated damages to the constructor and/or to the designer	<hr/>
<input type="checkbox"/> Responsibilities for health and safety issues on the project	<hr/>

(continued)

Risk Management *(continued)*

Considerations

- What happens when a team member fails to fulfill its obligations?
- Who covers deductibles, if they occur?
- Automobile and inland marine coverage
- Additional Notes

Remarks

Value Engineering

The process of value engineering a design to better conform successfully to the team's agreed objectives can be one filled with opportunity and challenge. The successful team knows how to use the tools available while keeping the project goals in mind.

Considerations	Remarks
<input type="checkbox"/> Constructibility of the design	<hr/>
<input type="checkbox"/> Applicability to the specific builder's skills and labor force	<hr/>
<input type="checkbox"/> Relationship to budget and schedule	<hr/>
<input type="checkbox"/> Cost issues with respect to document revisions	<hr/>
<input type="checkbox"/> Criteria for evaluating a "value engineered" item	<hr/>
<input type="checkbox"/> Who are the stakeholders in the project, including all internal and external customers?	<hr/>
<input type="checkbox"/> Do we understand the root causes of this project?	<hr/>
<input type="checkbox"/> Have we identified where the project program requirements are versus large tolerance?	<hr/>
<input type="checkbox"/> Do we understand the elements that contribute to costs and why?	<hr/>
<input type="checkbox"/> What do we know as fact? What are we assuming? Who are the best sources of information?	<hr/>
<input type="checkbox"/> Do we have a good definition of what it means to achieve best value for this project?	<hr/>
<input type="checkbox"/> Do we understand how to apply risk-management principles to the design elements?	<hr/>
<input type="checkbox"/> Have we established realistic longevity goals? Do we have the means to evaluate the life-cycle costs of the solution?	<hr/>
<input type="checkbox"/> Will we allow time and resources to adequately test alternatives that may produce better value? What is the threshold for acceptable return on these resources?	<hr/>
<input type="checkbox"/> Will we contact a certified value specialist for assistance early enough?	<hr/>
<input type="checkbox"/> Pre-award value engineering	<hr/>
<input type="checkbox"/> Post-award value engineering	<hr/>
<input type="checkbox"/> Additional Notes	<hr/>

Financial Considerations

The risks and rewards are many in any design/build relationship.

Considerations	Remarks
<input type="checkbox"/> Cash flow of the D/B entity	<hr/>
<input type="checkbox"/> Project financing	<hr/>
<input type="checkbox"/> Team financing	<hr/>
<input type="checkbox"/> Sources of capital	<hr/>
<input type="checkbox"/> Accounting responsibilities	<hr/>
<input type="checkbox"/> Payment of taxes	<hr/>
<input type="checkbox"/> Phantom income to the D/B entity; tax burdens may exist prior to actual profits being distributed	<hr/>
<input type="checkbox"/> Retainage and related effects	<hr/>
<input type="checkbox"/> Risk vs. reward	<hr/>
<input type="checkbox"/> Performance incentives	<hr/>
<input type="checkbox"/> Shared savings scenarios to owner and design/builder	<hr/>
<input type="checkbox"/> Shared savings scenarios to designer/constructor	<hr/>
<input type="checkbox"/> Additional Notes	<hr/>

Definition of Roles

The integration of the design and construction process provides tremendous opportunities for greater value and best solutions; however, this very integration can cause confusion in defining the roles of the team members. Extensive discussion regarding these potential scenarios will benefit the entire team.

Considerations	Remarks
<input type="checkbox"/> Marketing	_____
<input type="checkbox"/> Site analysis	_____
<input type="checkbox"/> Soft cost management	_____
<input type="checkbox"/> Schematic design	_____
<input type="checkbox"/> Design development	_____
<input type="checkbox"/> Construction documentation	_____
<input type="checkbox"/> Construction administration	_____
<input type="checkbox"/> Bidding and negotiation	_____
<input type="checkbox"/> Interiors	_____
<input type="checkbox"/> Fixture, furniture, and equipment specification	_____
<input type="checkbox"/> Contingency management	_____
<input type="checkbox"/> Pricing package definition	_____
<input type="checkbox"/> Bid package definition	_____
<input type="checkbox"/> Design-phase cost control	_____
<input type="checkbox"/> Permitting	_____
<input type="checkbox"/> Construction-phase cost control	_____
<input type="checkbox"/> Information management	_____
<input type="checkbox"/> Project scheduling	_____
<input type="checkbox"/> Owner communication	_____
<input type="checkbox"/> Planning, zoning, and regulatory agency processes	_____
<input type="checkbox"/> Quality assurance and quality control	_____
<input type="checkbox"/> Correction of work responsibilities for both design and construction	_____

(continued)

Definition of Roles (continued)

Considerations	Remarks
<input type="checkbox"/> Level of documentation and specification	<hr/>
<input type="checkbox"/> Level of flexibility within the documents and specifications	<hr/>
<input type="checkbox"/> Definition of the project budget	<hr/>
<input type="checkbox"/> Change orders; who originates and how? And who pays?	<hr/>
<input type="checkbox"/> Definition of additional architectural, engineering, and other design professional services	<hr/>
<input type="checkbox"/> Schedule definition:	<hr/>
• <i>Notice to proceed</i>	<hr/>
• <i>Milestone dates</i>	<hr/>
• <i>Date of substantial completion</i>	<hr/>
<input type="checkbox"/> Force majeure, including delay claims and costs	<hr/>
<input type="checkbox"/> Payment processes; draw requests and associated timelines	<hr/>
<input type="checkbox"/> Tests and inspections	<hr/>
<input type="checkbox"/> Intellectual property issues; ownership of documents	<hr/>
<input type="checkbox"/> Press releases and press communications	<hr/>
<input type="checkbox"/> Claims and litigation	<hr/>
<input type="checkbox"/> Safety	<hr/>
<input type="checkbox"/> Constructibility review	<hr/>
<input type="checkbox"/> Additional Notes	<hr/>

Owner's Considerations

In a design/build relationship coordinated communication is a must within the project team. Communicating and working with the owner needs to be managed congruently by the entire team by resolving the following contingencies:

Considerations	Remarks
<input type="checkbox"/> Coordinating the owner's required insurance:	<hr/>
• <i>Builder's risk</i>	<hr/>
• <i>Loss of use and consequential damages</i>	<hr/>
<input type="checkbox"/> Clarification of owner's roles and responsibilities	<hr/>
<input type="checkbox"/> Processes for formal approval and acceptance of design and major milestones	<hr/>
<input type="checkbox"/> Assurances of owner's financial ability	<hr/>
<input type="checkbox"/> Definition of allowances	<hr/>
<input type="checkbox"/> Definition and management of the owner's contingency fund	<hr/>
<input type="checkbox"/> Definition of budget and schedule guarantees, if any	<hr/>
<input type="checkbox"/> Award fee	<hr/>
<input type="checkbox"/> Definition of roles with respect to who communicates to the owner	<hr/>
<input type="checkbox"/> Definition of the point of contact with the owner	<hr/>
<input type="checkbox"/> Owner contractual flow down to prime/sub	<hr/>
<input type="checkbox"/> Additional Notes	<hr/>

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In Conjunction With:



DBIA



DESIGN-BUILD
INSTITUTE OF AMERICA



Engineers Joint Contract Documents Committee (EJCDC)

