DESIGN-BUILD – EFFECTIVE PROJECT CONTROLS AND DISPUTE AVOIDANCE
*From the Owner’s Perspective*

Presented by:
Brian Goodreau, PSP, ENV-SP
Andrew Morse, AC, PSP

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Health & Safety Moment
About Arcadis
About Arcadis

#13 Top 500 Design Firms
Top 20 by Sector
• #4 General Building
• #7 Water
• #2 Hazardous Waste

Engineering & Manufacturing
• #2 Pure Engineering
• Top 50% Overall

U.S. Stats
• 8,000 employees
• 200+ offices in U.S.
On-Call Claims Transportation Clients
About the Speakers
Brian Goodreau, PSP, ENV-SP

6 Years at Arcadis
• NYC Operations Leader – Contract Solutions
• Senior Claims Analyst

8 Years as a Subcontractor
• Concrete, Masonry, Sitework
• Estimating, Scheduling, Project Management

CMAA New England Chapter
• Founding Co-Chair Rising CM (Young Members)

Education / Accreditation
• Degree in Construction Management
• Planning & Scheduling Professional (AACEI)
• Institute for Sustainable Infrastructure (ENV-SP)
Andrew Morse, AC, PSP

4 years at Arcadis

13 years of industry experience
- Successfully managed complex construction schedules on projects ranging from $2 million to well over $1 billion

Planning and Scheduling Professional (PSP)
- Association for the Advancement of Cost Engineering International (AACEI)

Associate Constructor (AC)
- American Institute For Constructors (AIC)
Causes of Disputes

Number 1 Cause? Failure to Properly Administer Contract

(“Global Construction Disputes 2015 – The Higher the Stakes, The Bigger the Risk”, Arcadis)
Speaker Caution

The opinions expressed herein are the speakers.

More important, the opinions expressed in this seminar are general in nature and do not relate to any individual project or case. For this reason, these opinions may or may not be relevant or apply to any individual case.

Finally, the opinions merely reflect the experience of the speakers who both have extensive experience in their respective fields.
Learning Objectives

1. Understand why the use of effective project controls can help you avoid disputes on your projects.

2. Identify tricks, traps and ploys of the design build delivery system and ways to combat them.

3. List key features, both positive and negative, for the design build delivery method.

4. Apply techniques to avoid, mitigate, and resolve disputes on your design build projects.
The Problem Project
Are They Predictable?
YES!! (sort of):

- Contracts not matched to your needs
- Incomplete documents
- Unrealistic objectives and expectations
- Insufficient money
- Insufficient time
- Unrealistic bids
- Significant unknowns or changes
Are They Preventable?

YES!! (sort of):

- Contracts matched to your needs
- Complete documents
- Realistic objectives and expectations
- Sufficient money
- Sufficient time
- Realistic bids
- Few unknowns or changes
Problem Projects Are You at Risk?

Probably:

- Acceleration
- Changes
- Defective/deficient contract documents
- Delay/disruption
- Differing site conditions
- Maladministration
- Quantity Variations
- Suspensions
- Terminations
What is Design Build?
Design Build

- No longer a “new” concept, increased popularity
- Seen as a way to address limitations other methods
- Provides “one stop shopping” for owners
- Transfers risk to those best able to control it
- Many common disputes become internal within D/B team
- Widely misunderstood project delivery method

“Selecting the D/B delivery method alone will not prevent disputes”

Nearly all types of claims still exist in Design Build
Design Build

Advantages
• Faster project delivery
• Single point of accountability
• Cost efficiencies
• Transfer risk to the appropriate party
• Qualifications based selection

Disadvantages
• Less design control
• Owner must make quick decisions
• Limited checks and balances
• Complicates agency approval process
Tricks, Traps and Ploys

- Less competition among contractors
- Opportunity for favoritism
- Hidden exclusions in bid
- Quality assurance and quality control
- Due diligence for design
- Change orders must be reviewed carefully
Avoid, Mitigate, and Resolve Disputes
Avoid

Document management
Schedule development
Cost controls
Risk management
Value engineering

NTP

PC

Concept  Design  Construct  Closeout
Mitigate

✓ Update schedule
✓ Monitor cost
✓ Good decisions

Concept Design Construct Closeout

NTP PC
Resolve

- Document review
- Schedule / financial analysis
- Litigation preparation
Summary & Conclusions
Summary & Conclusions

• Problem projects can put owners at risk, despite the method chosen to deliver the project

• Design build has many advantages including faster project delivery and a single point of contact for the Owner

• There are many disadvantages too including less control of the design

• Effective project controls can minimize the risk of disputes on design build projects
Questions/Discussion

Brian J. Goodreau, PSP, ENV-SP
Operations Leader
Arcadis of New York, Inc.
212.682.9271
Brian.Goodreau@arcadis.com

Andrew Morse, AC, PSP
Claims Analyst / Scheduler
Arcadis
860.501.1500
Andrew.Morse@arcadis.com