

DESIGN-BID-BUILD

Project Delivery Methods “The Classic”

CAUTION

The project delivery descriptions in this documents are very basic. They are included in the QM Handbook to give the user a **general idea** of the recognized project delivery methods.

NOTE

Each project has its particular variations that may alter the model description.

DESIGN-BID-BUILD

This is the “traditional” method: The architect designs the building, the contractor is selected, the contractor builds the building.

The following are the most common variations of the Design-Bid-Build model:

BIDDING PROCESS: The contractor selected is the one who submits the lower bid. The bidding process can be:

- Open Bid, with the invitation to bid published to the public with restrictions placed on who can bid. This method is traditionally followed in public work by law, although there are some exceptions to this.
- Bid by Invitation, where the bidders are pre-selected and invited to bid by the owner.

NEGOTIATED SELECTED TEAM: This is probably the most common project delivery method in RMW projects. In this method, the contractor is selected before or early in the process of design and the Contractor’s overhead and profit are determined prior to completion the contract documents.

- Subcontractors are selected and the contractor’s team is assembled when the contract documents are complete. In this stage, the “Cost of the Work” is calculated using the components in the final design and the previously negotiated overhead and profit percentages.
- When the project includes components that are complicated (have long lead times, and such), these components may be facilitated or accelerated by using this project delivery model.

COST-PLUS-FIXED FEE: This method is used when the scope of work is not known when the design and the contract documents are prepared, for example, the project’s existing conditions are not fully known until the work begins.. In these contracts, the contractor is paid labor and material costs plus overhead and profit, so if there is a change in the scope, the contractor is compensated accordingly by a pre-negotiated method.

In the DESIGN-BID-BUILD types of contract, additional compensation may be offered if the project is completed earlier.

The AIA documents include the design-bid-build contracting documents in the “Conventional Family of AIA Documents.”

