Agenda

- A Little History
- Integrated Design Build—What Is It?
- Business Equity
- Lessons Learned
A Little History

- A Legacy of GC/CM
- New Leadership
- A Different Attitude about Scope, Cost, and Risk
- How We're Using Integrated DB Now
- Moving the Industry
Integrated Design Build

- **Belief that Together Everyone Achieves More.**

- **University desires an active role in project definition, design and construction decisions.**

- **Positively impact cost, schedule, building performance and quality, and maximize value by incorporating value added incentive items to the base program.**

- **Increase predictability and manage**
Design Build Contract

Initial Contract - Project Definition Phase

Compensation: Chargeable Cost

- Target Program
- Base Target Cost
- Value Added Incentive Items
- Task Matrix
- Milestones
- Incentive Distribution
Amendment #1 – Design/Preconstruction Phase

Compensation: chargeable costs, NTE an agreed amount, and provisionally earned incentive.

- Implementation Documents
- Final Target Cost
- Updated:
  - Value Added Incentive Items
  - Task Matrix
  - Milestones
  - Incentive Distribution Spreadsheet
TRENDING BUDGET

Includes:
- Arch Hall loading dock improvements & ADA ramp
- ADA improvements @ Arch Hall N Entry
- Steven’s Way crossing & MoE entry re-paving to meet ADA
- Gender Neutral restrooms & showers
- Allowance for fitout plan changes post 8/17 permit set

Includes:
- Gender neutral restrooms & showers
- Cellular DAS
- Electronic room reservation system

Includes:
- $68 / GSF : Trending
- $68 / GSF : Target
- $71 / GSF : Trending
- $71 / GSF : Target
- $79 / GSF : Target
- $86 / GSF : Trending
- $93 / GSF : Trending
- $96 / GSF : Target
- $38 / GSF : Target
- $39 / GSF : Trending
- $67 / SF
- $6.6 / SF : Trending
- $7.5 / SF : Target
- $15 / SF
- $16 / SF
- $4 / SF
- $21 /SF
- $2.9 /SF
- $37 /SF
- $68 /SF
- $1 /SF
- $2 /SF
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- $6 /SF
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- $138 /SF
- $140 /SF

UNIVERSITY of WASHINGTON
Design Build Contract

Amendment #2 - Construction Phase
Compensation: chargeable costs, NTE Final Target Cost, and possible earned incentive.

- Construct the Project
Design Build Contract

Risk and reward shared by the parties, including risk/reward trade and consultant partners.

- **Chargeable Costs**: actual costs, including overhead, incurred by the Design-Builder and Risk-Reward Team Members in the performance of the Work, subject to the Final Target Cost.

- **Incentive Compensation**: an amount that is based on Project outcome and may be provisionally earned upon timely achievement of a Milestone and/or incorporation of an Added Value Incentive Item. IC may be provisionally earned but will not be due until Final Completion.
Design Build Contract

**Incentive Compensation (IC)**

- If Final Actual Cost is less than Final Target Cost, IC increased by 10% of the difference (Savings)
- If Final Actual Cost exceeds Final Target Cost, IC is reduced dollar for dollar by the amount of the difference until IC has been eliminated.

Any remaining excess Chargeable Costs are split between Owner and Design Builder until Maximum Contract Amount (MCA) is spent

If MCA is exceeded, Design Builder and Owner share responsibility for all other Chargeable Costs at 80/20
Business Equity

Business Equity Participation by Business Equity Enterprise design and construction firms commensurate with their availability to do the work.

The UW Approach:
- **"Inclusive" Inclusion**
- Capture Utilization at all tiers
- Project-specific, collaborative aspirational goal-setting
- UW-Approved Inclusion Plan a condition of award
- Monitoring and reporting on progress of Inclusion Plan
- Incentive Distribution

Expectations
- Shared Values
- Commitments to success
- Collaborative effort
Lessons Learned

- **Unintended consequences for team selections**
- **Team Selection: a new approach**
  - Builder First, then Architect
  - How to do the "Chemistry Test"?
Lessons Learned

- **Project Definition is Hard**
- **Attitude and Communication are (almost) everything**
- **Work the Target Values start to finish**
- **What to incentivize, and how much?**
- **Tracking Value Add Items is not so easy**
- **Renovations- wrong job for the tool?**
- **Contingency Management is critical**
- **Magic happens- sometimes**
Questions?