

Preferred Project Delivery Method

District's Citizens Oversight Committee

BuildLACCD

February 22, 2019



JACOBS[®]

www.jacobs.com | worldwide

SUMMARY

California Education Code > \$2.5 Million

Since 2003, Design-Build has been the preferred project delivery method at LACCD

- Best Value Selection
- Design Integration from Sub Trades
- Better Schedule Control
- Better Cost Control
 - Transfers Risks for Errors & Omissions
 - Fewer Change Orders
- Reduced Claims
- Reduced Staff Levels to Manage Projects



HISTORICAL PROJECT DELIVERY METHODS

LACCD Bond Program has used:

- 2002 Design-Bid-Build (Low Bid)
- 2003 Design-Build (Over \$2.5M)
- 2013 Lease-Lease-Back (Fresno Case in 2014 Prohibited this as a delivery method)
- 2019 Job Order Contracts

Future is focused on Best Value Selection



BEST VALUE SELECTION

1. Benefits

- Repeat Business / Reputation
- Fewer Delays / Claims

2. Delivery Methods with Best Value Selection

- Design-Build YES
- Design-Bid-Build No



INTEGRATION WITH BUILDERS & SUB TRADES

1. Design-Build is One (1) Contract

- Design & Construction
 - General Contractor & Sub Trades Design Involvement

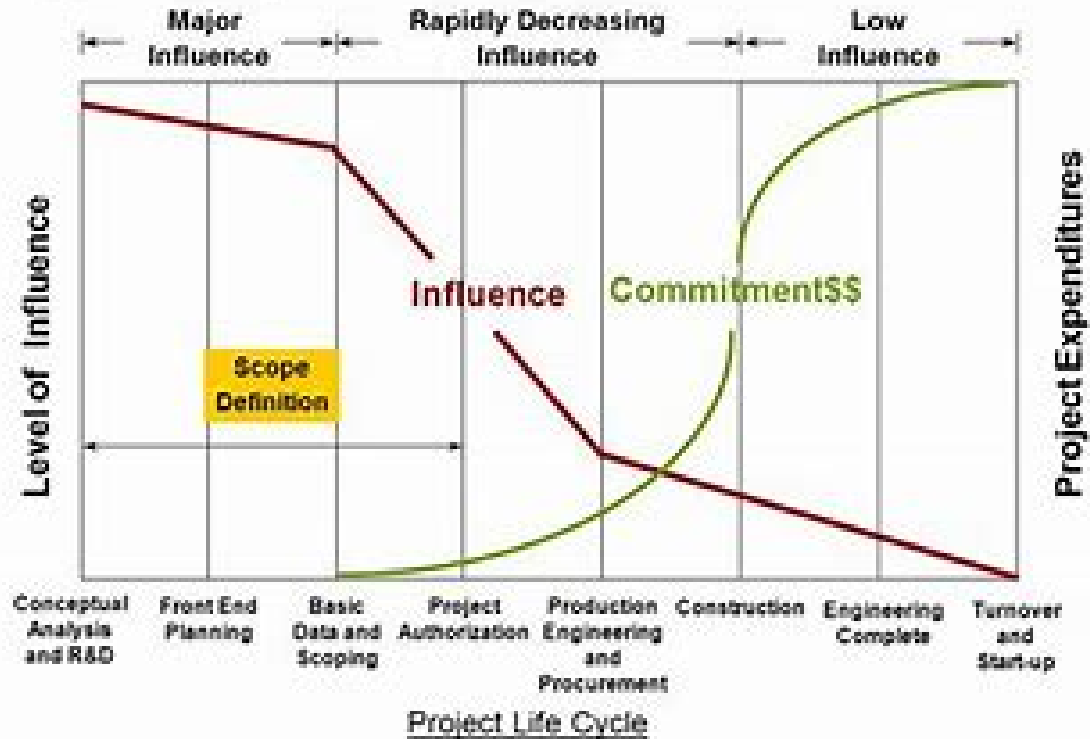
2. Design-Bid-Build is Two (2) Contracts

- Design - Bid & Award - Construction



EARLY INVOLVEMENT CURVE

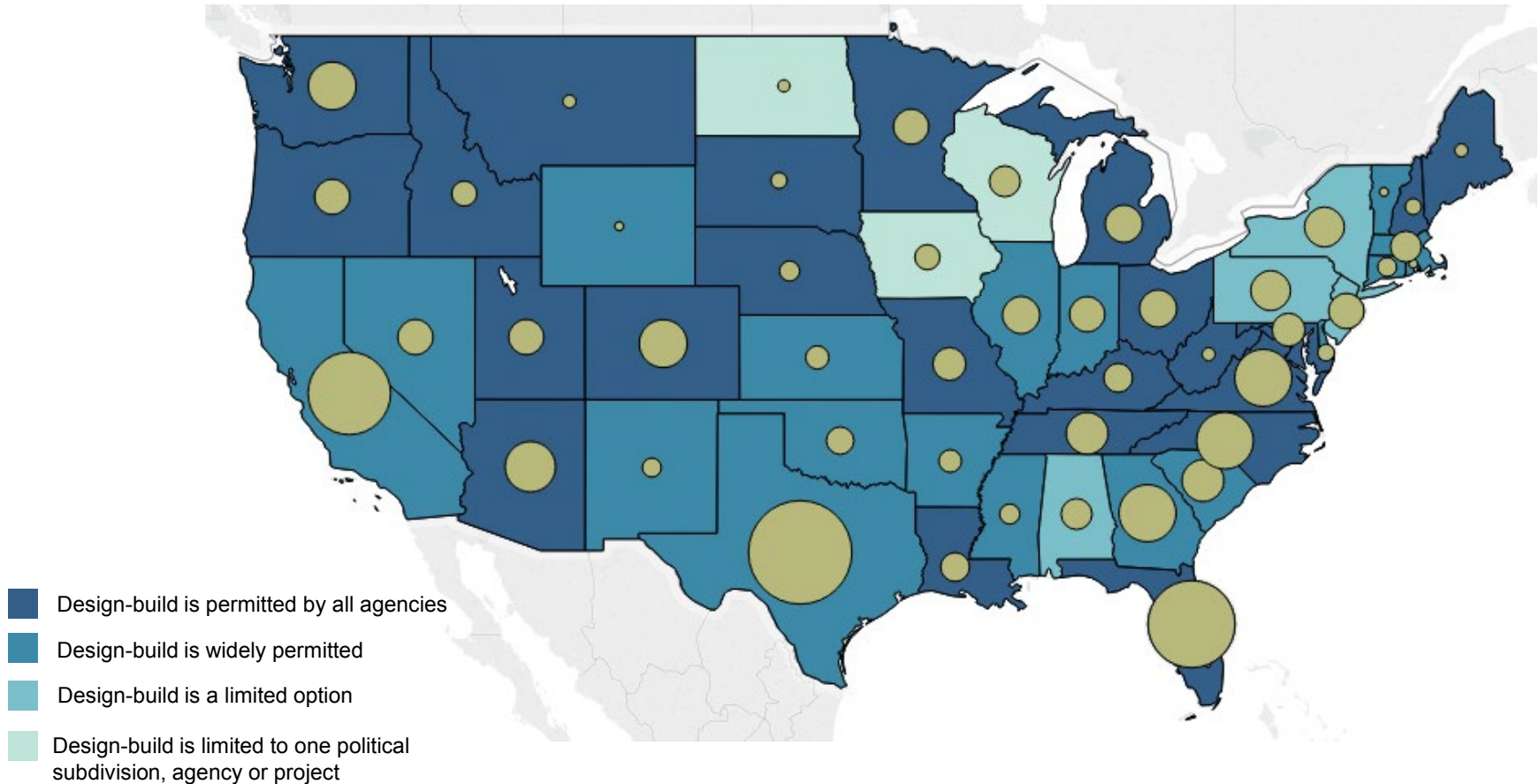
Opportunity for Influence



DESIGN-BUILD NOW COMMON PLACE

43 states have full or widely permitted authorization to utilize Design-Build for public agencies.

Design-Build authorization & construction spending by state.



Source(s): FMI analysis of multiple sources

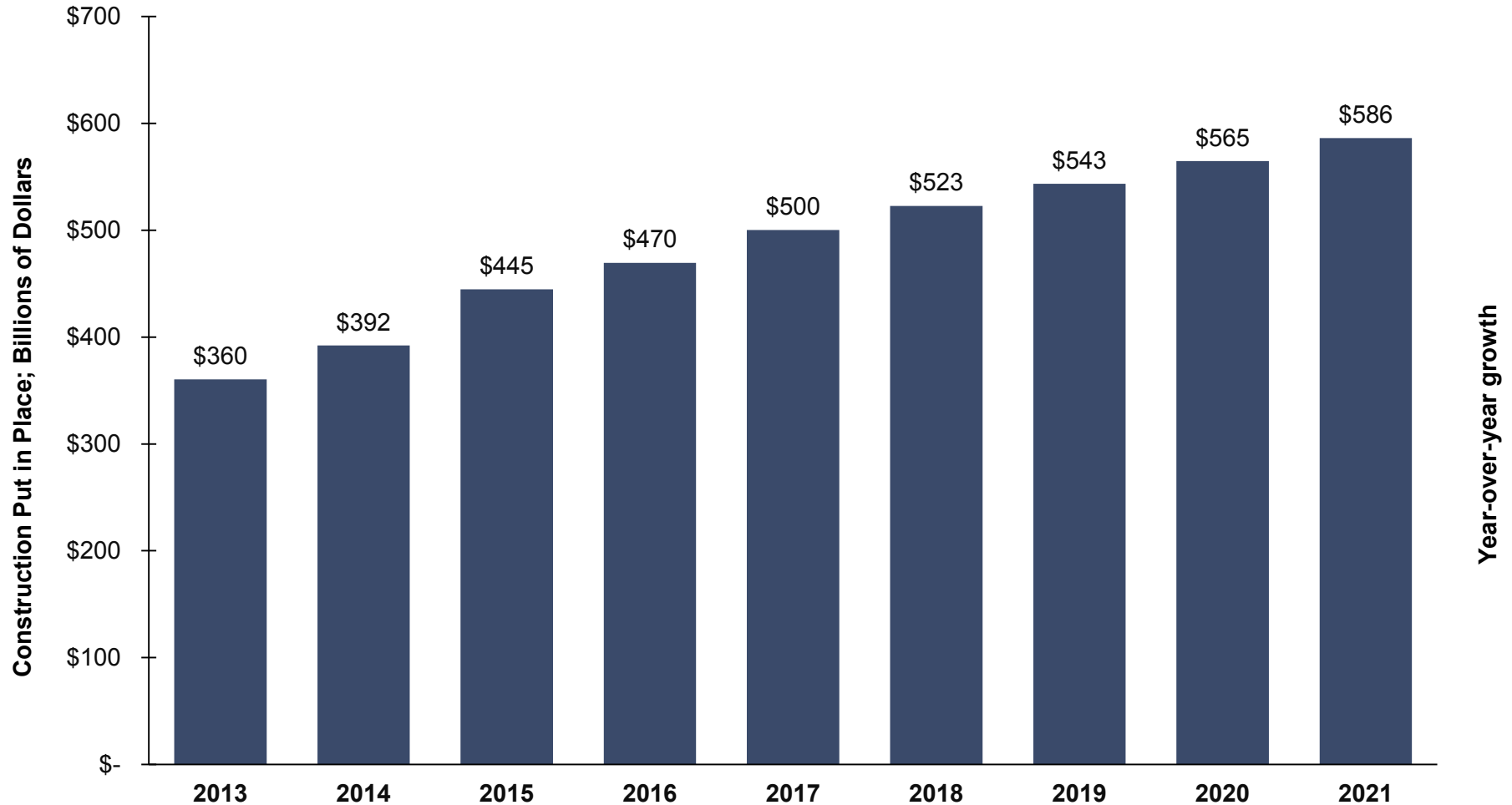


BuildLACCD

JACOBS

NON-RESIDENTIAL CONSTRUCTION SPENDING

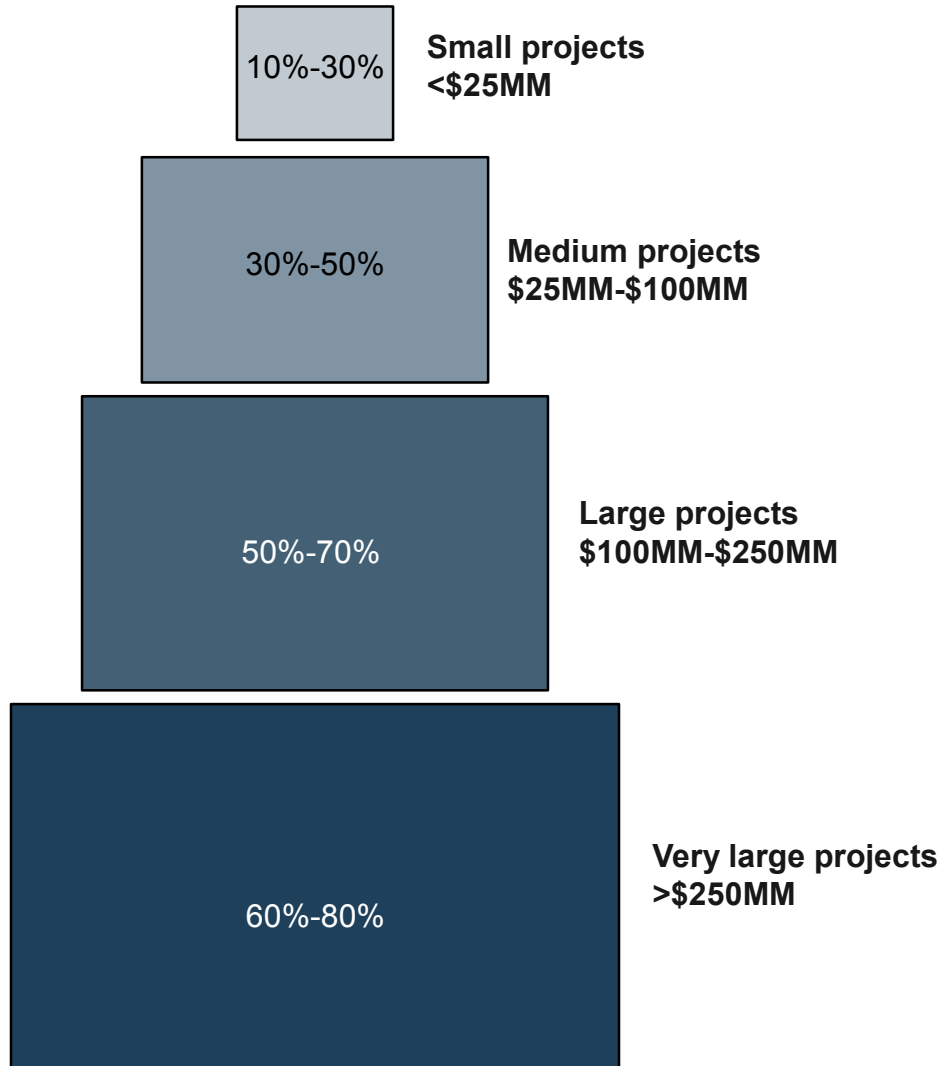
Total US Non-residential spending anticipated to reach over \$550 billion by 2020



Source(s): FMI



DESIGN-BUILD UTILIZATION PROJECT SIZE



Design-Build utilization continues to expand into project sizes <\$25 million as owners continue to gain exposure of its benefits.

Source(s): FMI analysis of multiple sources



PERFORMANCE STUDY DESIGN-BUILD

Delivery Method Performance Study

Construction Industry Institute

**After 20 years, Design-Build projects deliver
better schedule and cost performance**



BuildLACCD

JACOBS®

CONSTRUCTION INDUSTRY INSTITUTE

	1998	2018
Cost Growth (% lower is better)		
DBB	4.8%	5.7%
DB	2.2%	1.9%
Schedule Growth (% lower is better)		
DBB	4.4%	3.3%
DB	0%	1.6%
Delivery Speed (Square feet per month)		
DBB	3,250	2,550
DB	6,842	5,143



CONSTRUCTION INDUSTRY INSTITUTE, CONT.

Reduces Project Management Staffing Levels

Responding to Change Orders	
Design-Build	Design-Bid-Build
Owner Scope	Owner Scope
Unforeseens	Unforeseens
Not Applicable	Agency Required
Not Applicable	Errors & Omissions



TO RECAP

California Education Code > \$2.5 Million

Since 2003, Design-Build has been the preferred project delivery method

- Best Value Selection
- Design Integration from Sub Trades
- Better Schedule Control
- Better Cost Control
 - Transfers Risks for Errors & Omissions
 - Fewer Change Orders
- Reduced Claims
- Reduced Staff Levels to Manage Projects



QUESTIONS?



BuildLACCD

JACOBS®