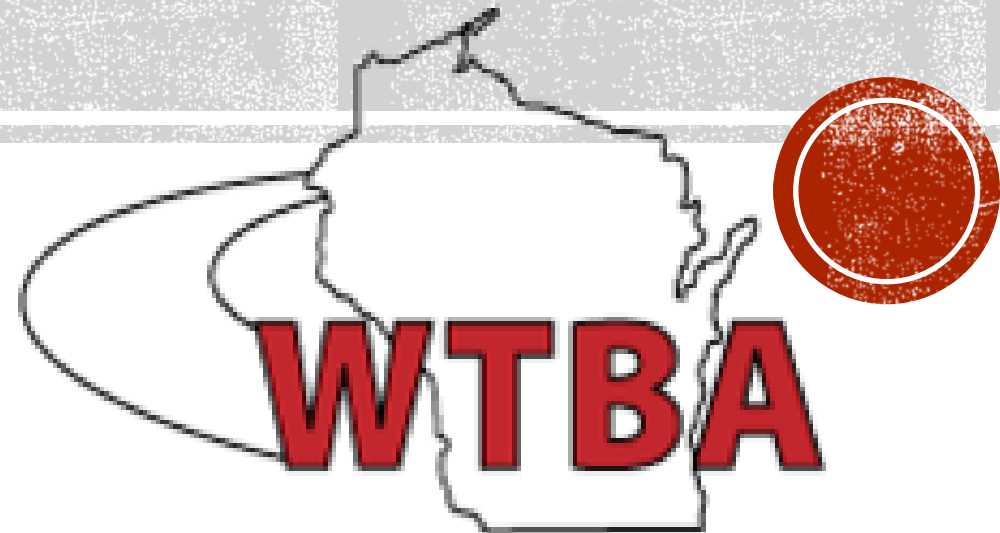


DESIGN BUILD IN FLORIDA

2022 Annual WTBA Convention
The Resort at Longboat Key Club
February 15, 2022
0800 - 0900



WISCONSIN TRANSPORTATION BUILDERS ASSOCIATION

WHAT IS DESIGN BUILD?

Traditional Project Delivery

- The Owner must manage two separate contracts which all-too-often creates an adversarial relationship between the designer and the contractor. If something goes wrong or an unforeseen circumstance requires changes, the designer and contractor blame one another for the cost overruns or schedule changes, often leading to litigation and delays which add to the project cost.
- [Credit: https://dbia.org/what-is-design-build/](https://dbia.org/what-is-design-build/)

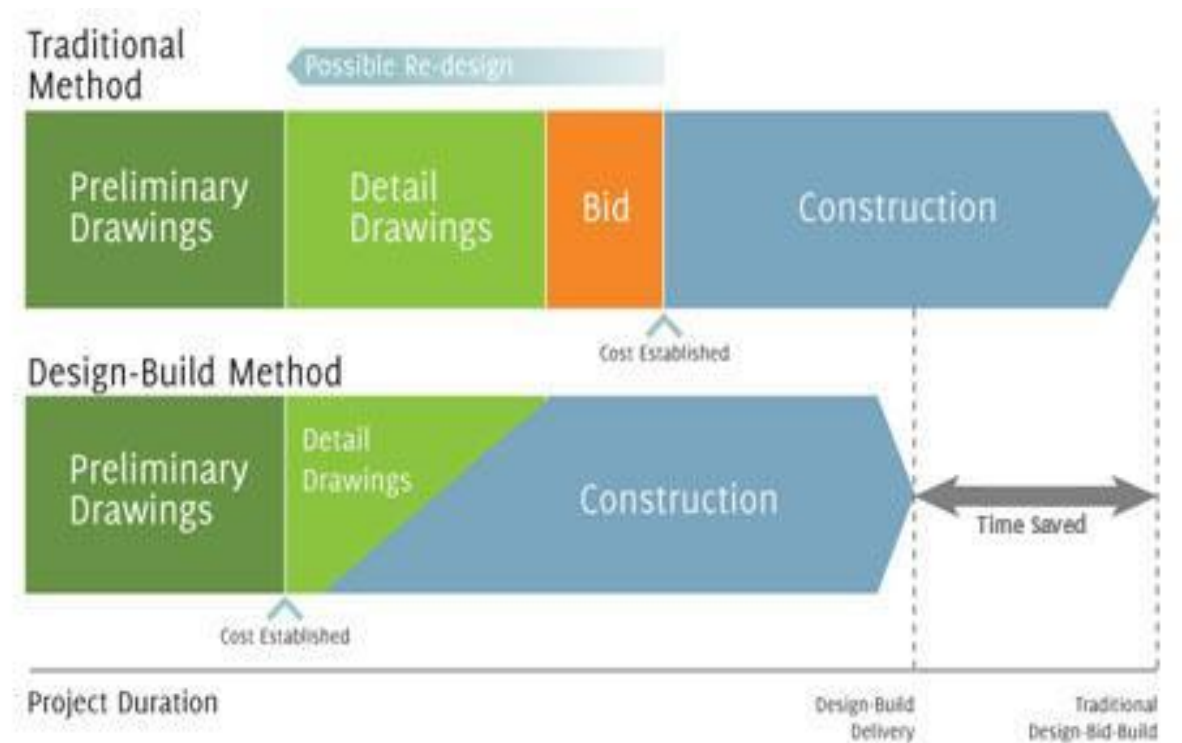
Design-Build Project Delivery

- The Owner manages only one contract with a single point of responsibility. The designer and contractor work together from the beginning, as a team, providing unified project recommendations to fit the Owner's schedule and budget. Any changes are addressed by the entire team, leading to collaborative problem-solving and innovation, not excuses or blame-shifting.
- While single-source contracting is the fundamental difference between design-build and the old ways, equally important is the culture of collaboration inherent in design-build.



WHY DESIGN BUILD?

- As documented by DBIA, national results show Design Build has resulted in:
 - Lower Unit Costs
 - Faster Construction
 - Less Cost Growth
 - Less Schedule Growth
 - Overall Faster Delivery Speed
- Credit: <https://dbia.org/what-is-design-build/> & <https://www.custombuilderonline.com/designbuild-primer>



AJAX PAVING INDUSTRIES OF FLORIDA, LLC

- Founded 1951 Madison Heights, Michigan (Herb Jacob & Family)
- Started Florida 1981
- 8 Asphalt Plants (1.8M Tons Yearly)
- 480 Employees
- 4 Area Offices
- \$366 M Revenues (2021)
- Family Owned (Mike Horan & Family)



AJAX – FLORIDA DESIGN BUILD EXPERIENCE

- Since 2002...
- 19 Design Build Contracts
- 187 Design Build Projects
- > \$800 M Contract Value
- Largest Contract: \$458,000,000
 - I-75 Widening DB Finance
- Smallest Contract: \$371,000
 - ARRA Mill & Resurface Project



FLORIDA DEPARTMENT OF TRANSPORTATION

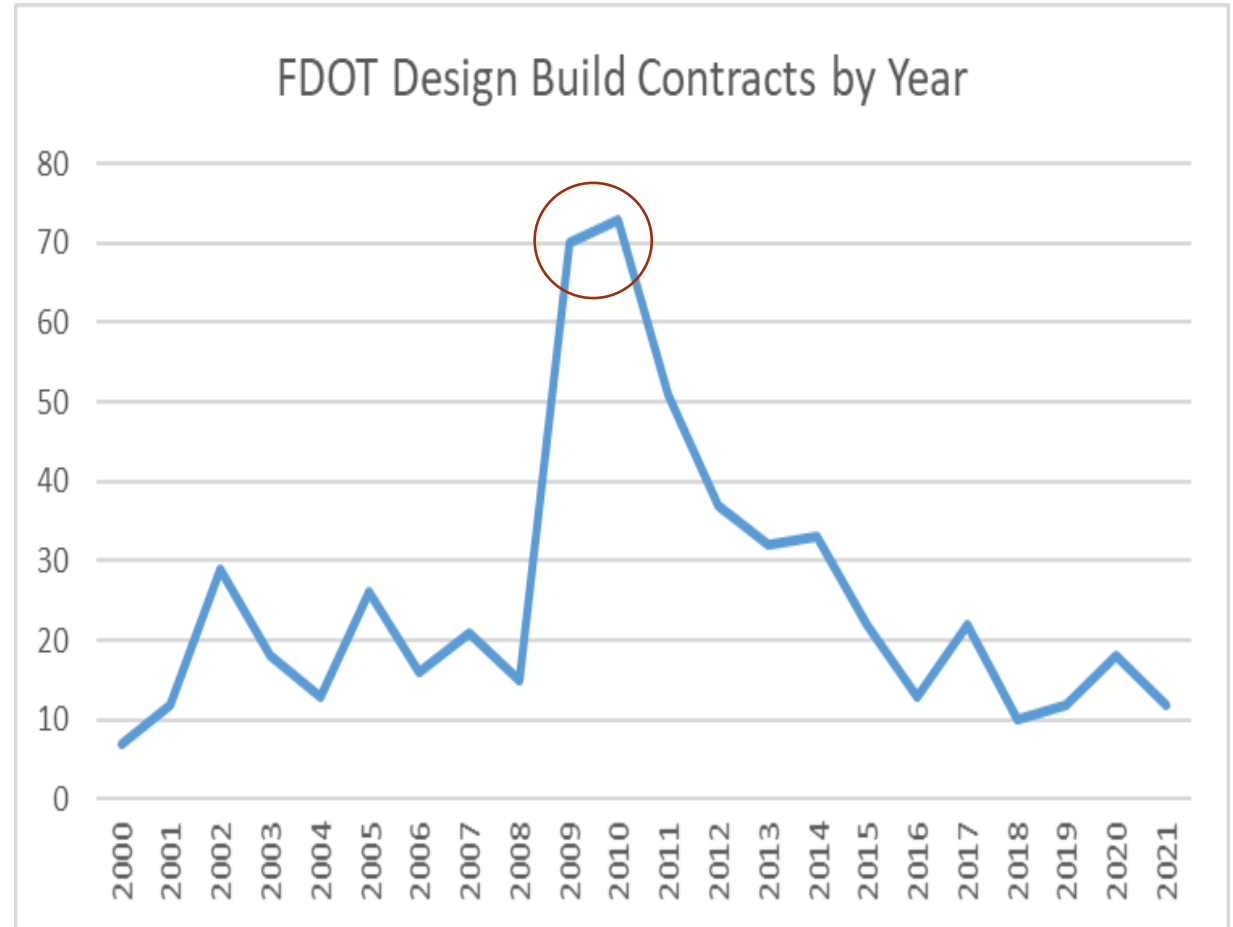


- <https://www.fdot.gov/construction/designbuild/design-build.shtm>
- First Design Build Contract, April 2000.
 - \$5.6M Florida/ Alabama Welcome Center in Jackson County, FL
- Since 562 Design Build Contracts, \$19.1 Billion in Contracts (w/o P3)
 - (\$34M/ Project Average)
- Projects range in scope and complexity
- Two Main Types: Low Bid Design Build & Adjusted Score Design Build
- Push Button Design Build
- Exploring Progressive Design Build
- Local Municipalities also utilizing Transportation Design Build



FDOT D/B CONTRACTS BY YEAR/ DOLLARS

Year	Number	Value (Rounded \$M)	Average
2000	7	\$ 218,000,000.00	\$ 31,142,857.14
2001	12	\$ 137,000,000.00	\$ 11,416,666.67
2002	29	\$ 483,000,000.00	\$ 16,655,172.41
2003	18	\$ 179,000,000.00	\$ 9,944,444.44
2004	13	\$ 208,000,000.00	\$ 16,000,000.00
2005	26	\$ 580,000,000.00	\$ 22,307,692.31
2006	16	\$ 414,000,000.00	\$ 25,875,000.00
2007	21	\$ 3,442,000,000.00	\$ 163,904,761.90
2008	15	\$ 321,000,000.00	\$ 21,400,000.00
2009	70	\$ 1,189,000,000.00	\$ 16,985,714.29
2010	73	\$ 498,000,000.00	\$ 6,821,917.81
2011	51	\$ 559,000,000.00	\$ 10,960,784.31
2012	37	\$ 1,225,000,000.00	\$ 33,108,108.11
2013	32	\$ 1,308,000,000.00	\$ 40,875,000.00
2014	33	\$ 1,386,000,000.00	\$ 42,000,000.00
2015	22	\$ 1,124,000,000.00	\$ 51,090,909.09
2016	13	\$ 1,004,000,000.00	\$ 77,230,769.23
2017	22	\$ 1,690,000,000.00	\$ 76,818,181.82
2018	10	\$ 855,000,000.00	\$ 85,500,000.00
2019	12	\$ 1,283,000,000.00	\$ 106,916,666.67
2020	18	\$ 597,000,000.00	\$ 33,166,666.67
2021	12	\$ 403,000,000.00	\$ 33,583,333.33



DESIGN BUILD CRITERIA



Good Design Build Indicators

- Projects over \$100M
- Complex Maintenance of Traffic
- Ripe for Innovation
- Cutting Edge Technology
- Fast Track Schedules
- Bonus Projects
- Long Duration Projects
- Emergency Situation



Bad Design Build Indicators

- Outstanding Right of Way Acquisition
- Poor Geotechnical Conditions
- Controversial Permitting
- Major 3rd Party Utility Coordination
- Complex Railroad Coordination
- Owner Specific Aesthetics



DESIGN BUILD TOPICS

- 1. Contractor Mindset Change**
 - Contractor/ Subconsultant are in the same Boat
 - One Contract; One Design Build Team
- 2. Risk Transfer Myth**
 - D/B does transfer risk, however not all the risk.
- 3. Transactional Relationship**
 - Lumpsum Contracts based on incomplete plans can lead to transactional discussions.



DESIGN BUILD TOPICS CONTINUED...

4. Premarketing & Team Building

- Teams begin to form months to years in advance

5. Cost & Time to Pursue Projects

- D/B projects can be costly to pursue.
- D/B projects require lots of meetings

6. Pricing Risk

- Contingency Estimating
- Higher Margins

7. What can WTBA do?

- Create Owner/Industry Design Build Task Teams
 - Stipends/ Honorarium Amounts
 - Specifications
 - Selection Criteria
- Construction & Consultant Industry Collaboration
- Owner Education
 - Grading Proposals
 - Valuing Added Value



QUESTIONS

- Presenters
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