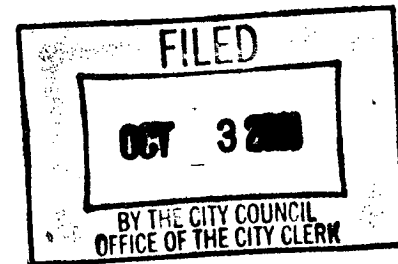


4.2

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

October 2, 2001



City Council
Sacramento, California

Honorable Members in Session

SUBJECT: MEADOWVIEW PRESENTATION

LOCATION AND COUNCIL DISTRICT: Council District 8

CONTACT PERSONS: Kristan Otto, Economic Development 264-7948
Micah Runner, Economic Development 264-5448

FOR THE COUNCIL MEETING OF: October 2, 2001

SUMMARY:

Meadowview has seen positive economic growth through a recent surge in private and public investment into the Meadowview corridor, which has helped to promote the economic vitality. Attachment 1 is a map of the Meadowview area.

BACKGROUND INFORMATION:

The Economic Development Department will be presenting periodic profiles of the neighborhood commercial corridors in Sacramento. This report is to highlight the recent commercial investment into the Meadowview corridor and to emphasize the importance of continuing to market Meadowview Road.

Private Investment

Home Depot: With the grand opening in November of 2000 the Home Depot store was the first step in bringing private investment into the Meadowview corridor. Home Depot is the developer of the Meadowview Plaza shopping center and secured some well-known retail stores.

Building on Our History ~ Creating The Place to Be.

1030 FIFTEENTH STREET, 2ND FLOOR, SACRAMENTO, CA 95814-4009
TEL 916.264.7223, FAX 916.264.8161, WWW.CITYOF SACRAMENTO.ORG

Staples: Locating within Meadowview Plaza and next to Home Depot the new Staples store has finished the entitlement process and plans to begin construction in early 2002.

IHOP: International House of Pancakes will be excellent addition to the Meadowview retail mix. This first sit-down restaurant to open in the Meadowview area in recent years will be located in front of the Home Depot in Meadowview Plaza. IHOP has completed the entitlement review process and plans to begin construction March 2002.

Wendy's: Wendy's is locating on one of the two pads in front of Home Depot in Meadowview Plaza. The project is currently in the entitlement process and expects to be open in Winter 2002

Commercial Center (Meadowview and Amherst): A recent application has been filed for a retail development on the corner of Meadowview and Amherst. The retail mix includes an A&W, KFC joint facility and two retail buildings. As a result of the Meadowview Plaza site the application is currently in the entitlement review process and hopes to begin construction by March 2002.

New Apartment Construction: New apartments were constructed at the intersection of 24th Street and Meadowview bringing quality multi family housing on to the corridor.

Antioch Church: The Antioch Church is building a new facility just South of Meadowview Road. The Church plans to be open in the Fall 2001.

Public Investment

Samuel Pannell Meadowview Community Center: The Community Center first opened its doors to the public in June 1995 and added a swimming pool with water spray features, in April of 2001. The Community Center offers a multi-purpose room, meeting rooms, a conference room, kitchen and more. The Pannell Center has brought needed park and community center space to the Meadowview corridor for the use of its constituents.

Solid Waste Facility: The new solid waste facility on Meadowview Road was completed in October of 2000. The city facility is a 60,000 square foot office complex and houses 200 jobs. The public investment on Meadowview Road demonstrates the City's commitment to an area and encourages private investment to follow.

Meadowview Light Rail Station: The Meadowview station is part of the South line light rail extension. Regional Transit is preparing a land-use study for the Meadowview station that will be focusing on the area within ¼ mile of the station. Regional Transit will be focusing on mixed-use development that allows for joint development to occur on or near the Meadowview Station. The South line is scheduled to be operational in September 2003.

Programmatic Investment

SHRA Commercial Rebate Program: Sacramento Housing and Redevelopment Agency (SHRA) offers a commercial exterior rebate program for the Meadowview area. United Gas and Food located in front of the Home Depot has been approved for the rebate program. Meadowview Market located on the corner of 24th and Meadowview has also taken advantage of the program and is currently approved for the façade improvements.

Economic Growth

Private investment Interest: The interest in the development of retail along Meadowview Road is a positive sign for future growth. The Home Depot is an excellent catalyst as is evidenced by the development of the corner of Amherst and Meadowview adjacent to Meadowview Plaza. There has been a considerable amount of interest in other locations along Meadowview for other retail sites and City staff hopes to take advantage of private development to continue the development of Meadowview Road, including as the area just south of the McDonald's and Shell service station near the intersection of Pocket Road and Interstate 5.

Economic Development Marketing: The Economic Development Department has taken information on sites surrounding the Home Depot to trade shows to market the sites for future development.

Major Employers:

- City of Sacramento Solid Waste Facility
- Home Depot
- Sacramento Job Corps
- United States National Guard
- Office of Emergency Services
- Department of Food and Agriculture

Development Issues

Image: goal is to keep the developers and neighborhoods as informed as possible of all the positive events happening in the Meadowview corridor. Meadowview is potentially the recipient of funds for some Urban Design improvements.

Zoning: There are currently some vacant sites adjacent to Meadowview Plaza. The Economic Development Department is currently looking into the suitability of the zoning on vacant parcels along Meadowview.


Conclusion:

The Meadowview Corridor has seen the positive effects of public and private investment into Meadowview Road. The public investment of the Pannell Center has given the community a public facility they can be proud of and the Solid Waste facility has brought new well paying jobs into the neighborhood. The SHRA commercial rebate program for façade improvements gives existing businesses the ability to improve the look of older exteriors. The Private investment of Meadowview Plaza has helped encourage the development community to see all the positives of putting new retail and employment centers on the corridor. The continued success of Meadowview Road is dependent on the effort to keep the spotlight on the positives, to effectively market the available sites, running effective programs to rehab older buildings; and making new development as easy as possible.

Respectfully submitted,

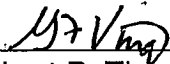
Approved:


for _____
Kristan Otto, Manager
Economic Development Department



Andrew J. Plescia, Director
Economic Development Department

RECOMMENDATION APPROVED


for _____
Robert P. Thomas
City Manager

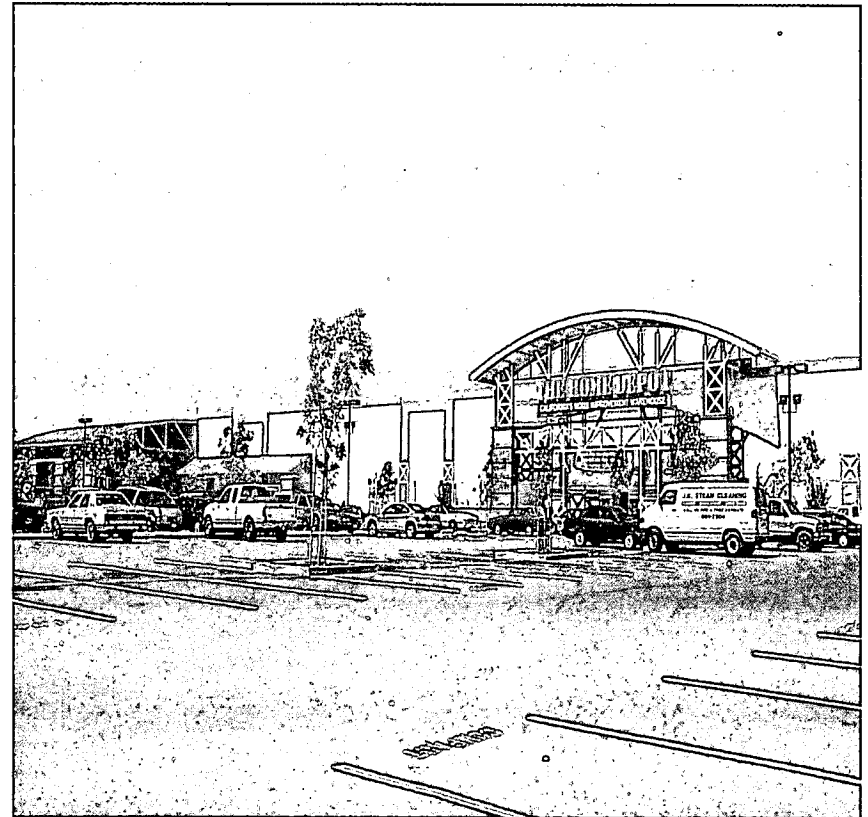
Meadowview Presentation



Economic
Development
Department

Private Investment

- Home Depot
- Staples
- IHOP
- Wendy's
- North Shores
- Meadowview & Amherst
(A & W, KFC)
- Antioch Church



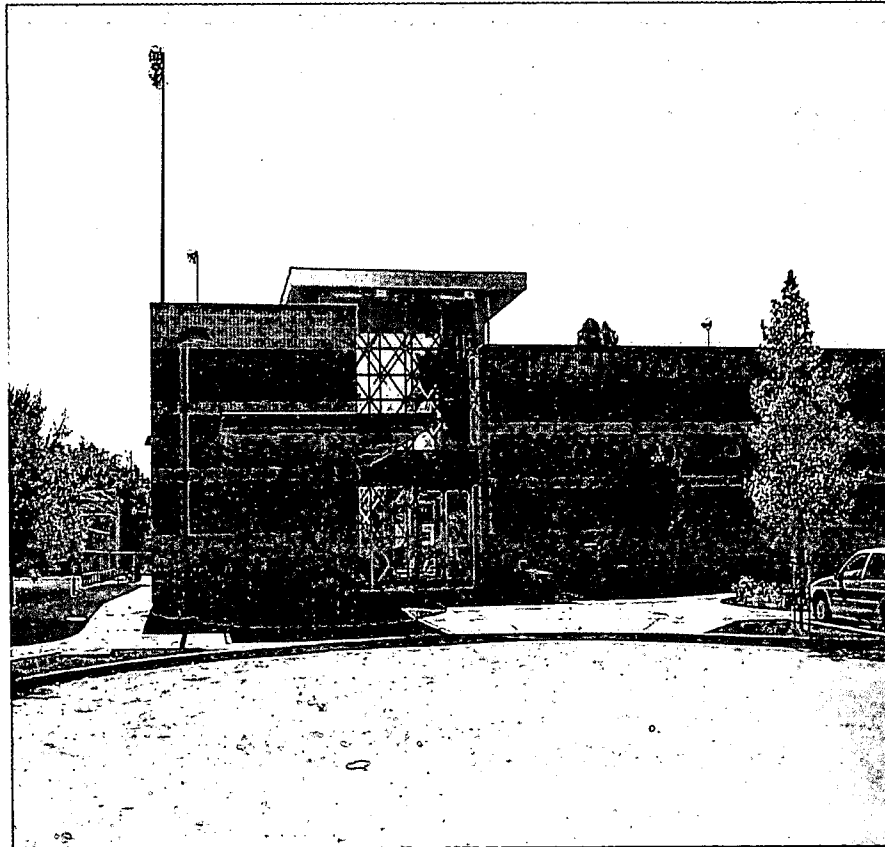
Public Investment & Public/Private Partnership



- Samuel Pannell Meadowview Community Center
- Solid Waste Facility
- Meadowview Light Rail Station

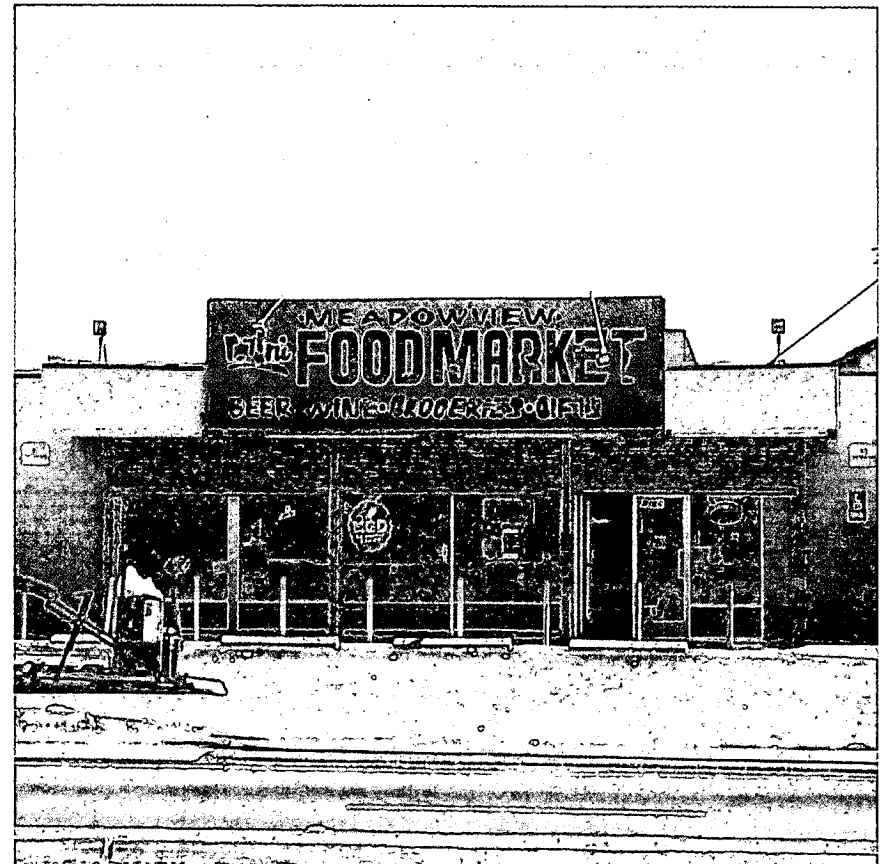
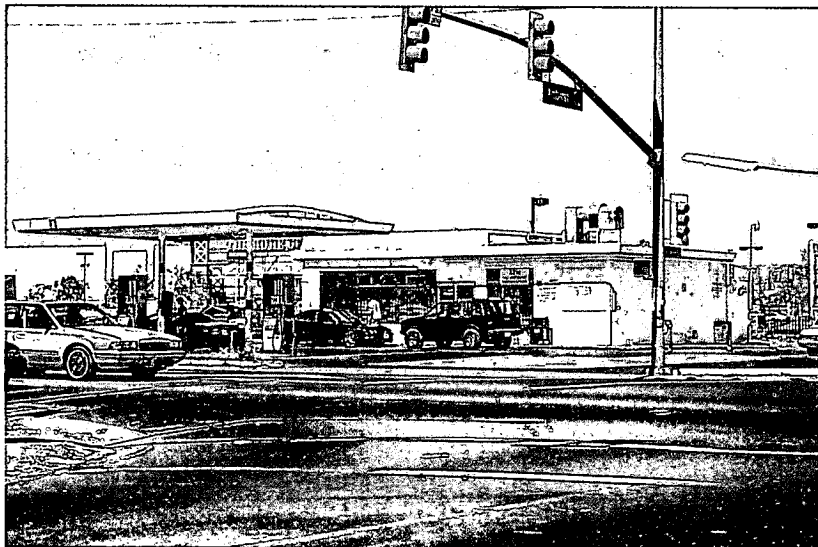


Public Investment & Public/Private Partnership



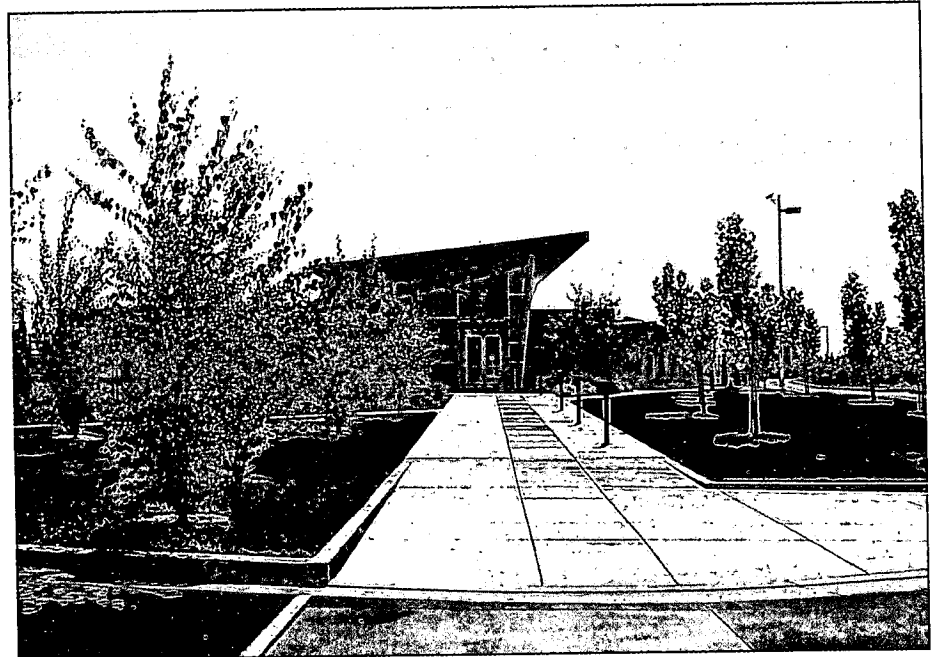
Programmatic Investment

- SHRA Commercial Rebate Program
 - United Gas & Food
 - Meadowview Market

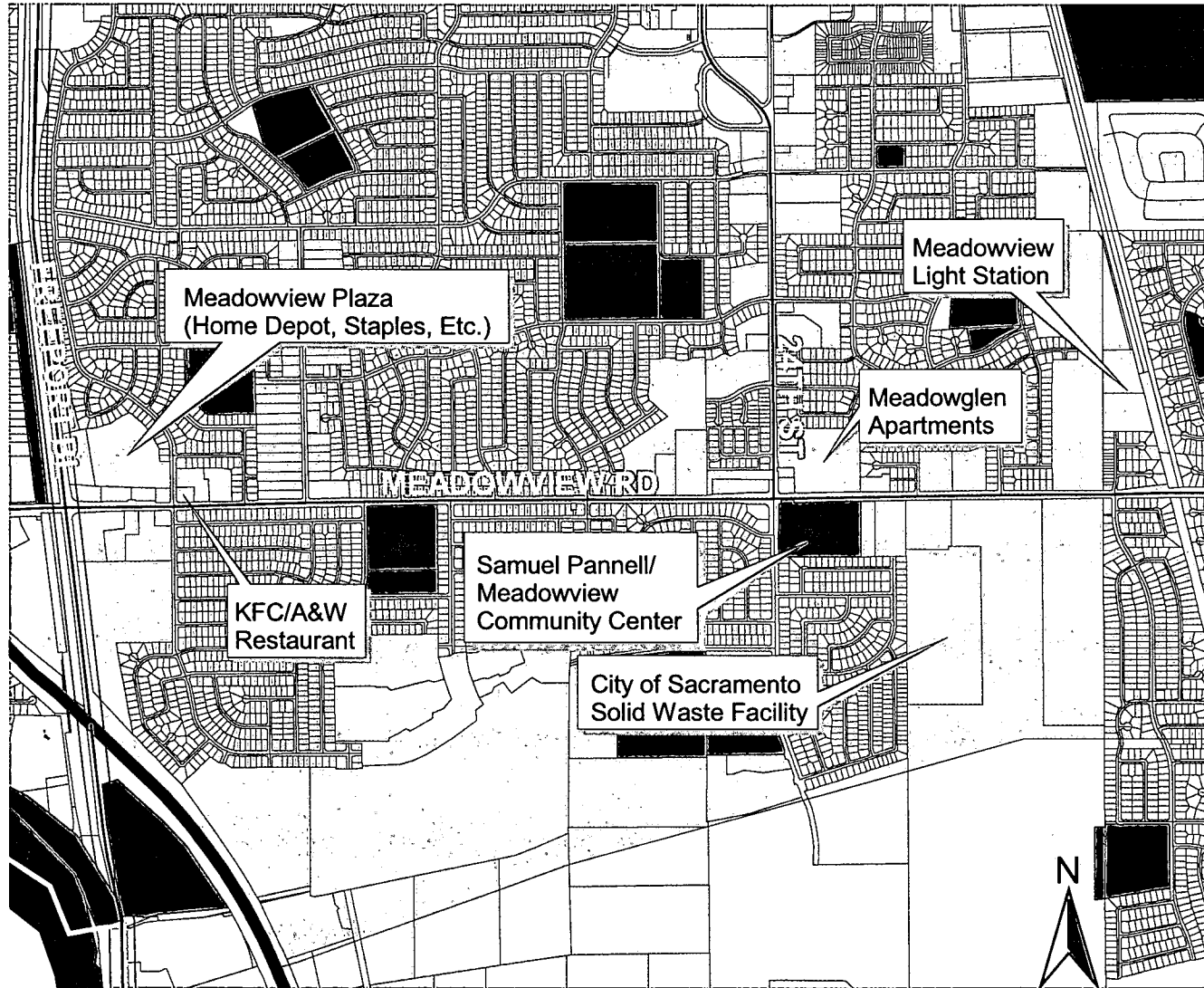


Economic Growth & Development Constraints

- Economic Growth
 - Private Investment Interest
 - Economic Development Marketing
- Major Employers
 - City of Sacramento
 - OES
 - Job Corps
 - National Guard
 - Home Depot
- Development Constraints
 - Image
 - Zoning



Meadowview Area



Highways & Streets

- Interstates
- Major Roads
- Residential Streets
- Ramps
- Alleys
- City Boundary

- Rivers
- City Parks
- Parcels
- Targeted Commercial Corridor

Council District

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8



ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO



4.3

DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

PROJECT DELIVERY DIVISION

95814-2700, STE. 100
SACRAMENTO, CA
95814-2700

PH. (916) 264-8300
FAX (916) 264-8281

September 25, 2001

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: REPORT BACK ON BUILDING PROJECT DELIVERY PROCESS

LOCATION AND COUNCIL DISTRICT: All Districts

RECOMMENDATION:

This report recommends implementation of improved controls to future design-assist, design-build, and developer-team design / construction processes.

CONTACT PERSON: Bob Williamson, Supervising Architect, 264-8430

FOR COUNCIL MEETING OF: October 2, 2001

SUMMARY:

This is a report back to City Council on the alternative building project delivery processes that have been utilized by city staff on some public works construction projects to improve the quality of construction, to shorten the time required to complete design and construction, and to reduce the potential for claims. The process has worked well on several large, complex projects. Recently, however, two projects, Parking Lot C and the Public Safety Facility, have had large cost increases during the construction phase which resulted from construction fast-tracking, changes in market conditions, unforeseen site conditions, and significant scope additions. This report recommends certain controls be utilized to provide earlier notification of potential cost increases and provide an opportunity to rework a project before construction starts if the costs significantly exceed the budget.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

Recent History

The standard method for completing City construction projects is the Design-Bid-Build process. In this process, the construction project is designed, put out to bid, and awarded to the lowest responsible bidder. This process is required by the City Charter and City Code for projects of \$100,000 or more, unless competitive bidding is suspended for a specific project as discussed below.

- Three large City projects were constructed in the early 1990s using the Design-Bid-Build process, the Waterfall Parking Garage, the Convention Center Expansion, and the Cavanaugh Golf Clubhouse. All of these projects experienced significant completion delays and claims submitted by the general and sub-contractors at the conclusion of the project. The claims resulted from disagreements over what the plans and specifications required in quality, time of completion, and materials, and a desire by the General Contractor to cover perceived increases in administration and overhead expenses not covered by the low bid process. Extensive staff and attorney time and expense resulted and these claims were eventually resolved through mediation at added contract and legal costs.
- During the last decade, changes within the Building Industry have resulted in alternative project delivery methods being considered and proposed by owners and contractors.
- Also during the last decade, contracting in utilities, streets, and parks projects has moved in a different direction from that of buildings. In streets contracting, for instance, several companies may each control their own gravel, transportation trucks, and the road making equipment necessary to construct projects. Building projects are different. Quite literally, few buildings are reproduced. The building industry has organized into a multiple-subcontract method so that a general contractor provides a service that brings to each project just the specialists needed for that work without maintaining employees that may or may not match a particular project. This means that:
 1. Competitive bidding of most building projects actually occurs at the subcontractor level.
 2. General contractors provide coordination, organization and site supervision services.
- Since 1994, in part due to the problems experienced with the 3 large projects listed above, City Public Works staff has researched the changing construction market place conditions and has worked with design and construction professionals to develop alternative project delivery methods that reflect current industry practices for certain types of projects. (Exhibit A provides a summary of these evolving practices).
- Three alternative processes have been developed, known as the Design-Build, Design-Assist and Developer-Team approaches. When City staff has determined that the use of one of

City Council
Report Back on Building Project Delivery Process
September 25, 2001

- these alternative methods for a specific project was in the best interests of the City, City staff recommended that the City Council suspend competitive bidding by a 2/3 vote (as allowed by the City Charter and City Code), to allow the project to be completed without using the standard Design-Bid-Build process.
- Recently, two projects for which this was done, Parking Lot C and the Public Safety Facility, came back to the City Council to request large augmentation of their contracts. This happened during the construction phase when the City's commitment to the project had already been discussed and set. One of the reasons that this happened was because these projects were fast-tracked. The reason that these projects were fast-tracked was so that each building could be placed into use as soon as possible. Fast tracking a project involves risks that might impact the project. At the time of award the extent of this risk was not clearly understood. Impacts to both projects and the difficulty of constructing, permitting, re-designing, and costing these impacts further delayed reporting this information to the City Council.

Staff was asked to review what went wrong and to see what changes were needed to preclude these large types of cost increases. This report looks at the processes used for design and construction and recommends some changes.

Project Phases

All projects go through several phases where scope is defined, refined and documented and cost are estimated, evaluated, and tentatively confirmed. Normally this means that there are two or three points where the scope of the project and cost of the project are reviewed by City Council prior to construction commencing (See Exhibit B).

- The Concept CIP Phase is the first opportunity for review of the Project. At this stage, a limited amount of project specifics are known and the estimates are often reflective of past projects and national standards. Initial funding occurs (See Exhibit C).
- The Design Phase of a project allows for the full development of the information related to that project. To meet workload demands, architecture and engineering consultants are often engaged to develop the project design. In the standard Design-Bid-Build process, they work directly for the City. When alternative methods are used (Design-Build and Developer Team), they work as part of a team that includes designer and contractor. In all cases, the design is reviewed and if scope increases are approved, the total project cost increases. Design Funding Confirmation occurs (See Exhibit C).
- The Bidding and Construction Phase of a project is the time when documents are complete enough for subcontractors to submit bids and for the general contractor to commit to either a low bid or a guaranteed maximum cost. The standard Design-Bid-Build process assumes that the construction documents are complete, whereas the Guaranteed Maximum Cost approach assumes that certain elements will be further developed and that contractor and subcontractor establish certain written agreements, contingencies and allowances. Construction Funding

Confirmation occurs (See Exhibit C). Note that Design-Bid-Build is a linear process with each phase following in sequence. The three alternative processes all have phases happening concurrently.

Lessons Learned

There are a number of lessons learned in using the four processes over the last seven years:

- Design-Bid-Build (required unless the City Council authorizes the suspension of competitive bidding) is the preferred process if time is not critical, the project is not too complex, and price is the most important variable.
- Design-Build (may be used if competitive bidding is suspended) works the best if there is a firm understanding of what is to be included in the project (repeat projects are good candidates), if there is potential for concurrent design and construction, and if there is a need for clear understanding between the designer and the contractor.
- Design-Assist and Developer-Team (may be used if competitive bidding is suspended) have some clear advantages on complex projects where there is a potential for concurrent design and construction and there is a need to consider qualifications as well as price to produce a quality project. Awarding the contract in two pieces (pre-construction and construction) helps quantify risks associated with contracts based only on estimated costs.
- All four processes offer different advantages based on the type of project, the complexity, the cost (size) and the industry specialization. The City's Public Works Department is currently using all four methods (See Exhibit D). Water and sewer projects constructed by the City's Utilities Department continue to use the Design-Bid-Build process almost exclusively.

Changes in project scope during design and changes in market conditions are handled differently between the standard Design-Bid-Build and the alternative Design-Build, Design-Assist, and Developer-Team processes. In the standard process, the Council revises the budget before design agreements are changed or construction contracts are awarded. In the alternative processes, the Council is asked to change both the budget and design and construction contracts in concurrent actions. Budget revisions are normally acted upon by the council at the beginning or midpoint of a fiscal year and are a review of priorities for use of limited resources.

Asking for an out-of-cycle budget increase with the pressure of a construction contract that is underway and the potential for delay charges if decisions are not made quickly has been a problem. Actions at the construction stage like those for Lot C and Public Safety buildings need to be avoided by proper controls and/or by clear statements of potential risks.

Decreasing the Change Order Risk in all Processes

Change orders are a part of the construction process because of the constantly changing nature of construction unknowns, supplies and materials, and clarifications needed to documents that

will always have some flaws and require interpretation. However, changes brought on by inaccurate estimates, changes in subcontractor bids, and availability of labor should be controlled.

- The standard Design-Bid-Build process transfers most of the risk to the contractor by requiring a full bid of completed documents. Contractors might still be selected by qualifications, but their ability to alter a completed design to meet budget issues will be very limited. In short, if the project is designed over-budget, it would likely require a major re-design with associated delays.
- When one of the alternative processes is authorized by the City Council, it requires that the City share the risk and reward as the project is developed. This faster process works well when the construction market is not overheated such as with the Cal/EPA Building. While Lot C Garage and Public Safety Building clearly demonstrated what can happen in a labor short marketplace, in a more normal market, the team constantly fine tunes design and costs so that the project remains on budget and is finished on time. Decreasing risk for cost increases can be accomplished by controlling authorizations to proceed into construction.
- All project awards should have some assessment of the risks involved as well as an appropriate construction contingency. Remodel and refurbishment projects usually need larger contingencies due to the difficulties associated with the undiscovered issues.

Recommended Controls and Improvements

Conceptual CIP Phase: Develop detailed information to describe and estimate conceptual CIPs to better evaluate the expected project cost and include appropriate contingencies. On complex projects, develop a detailed program prior to starting design. The 911 project program is an example of this improvement.

Developer Team and Design-Assist Contracts: Divide contracts for complex teams so that the pre-construction and construction activities require separate approvals. This means that the team earns fees during design while it encourages information sharing when it can be most useful to controlling construction cost – during the design phase. This method has been used with the City Hall project and several others where the developer/manager work with architects, engineers, reviewing boards, public input, tenants and the cost conscious contractor to develop a design that meets the budget and other goals. The authorization to proceed with construction is a second authorization that follows the design activities and should be based on subcontractor bids/proposals and full disclosure of risks.

Increases in project scope require separate authorizations: In the development of the design, a variety of forces are assembled to provide input. Sometimes it becomes obvious that the project scope should be increased to include an element that will be advantageous at some future date. This increase in project scope must be discussed and authorized along with appropriate budget increases. Project contingencies should not be used for scope changes.

Define the Risk prior to starting construction: Describe the risks for cost increases by clearly identifying if the authorization to begin construction is based on 100% bid amounts, 75%, 50%, etc. Generally if the major project elements are designed and bid and 65-70% of the construction budget is based on bids and proposals, then the risk level is low (See Exhibits E and F).

Select the best method for each Project: As noted above, an alternative to the standard Design-Bid-Build process can only be used in cases where the City Council determines on a 2/3 vote that use of the alternative process is in the City's best interests. This is more likely for projects where certain quality issues and criteria is fully developed and understood. The design-build contract for 8 wading pools on 8 sites has worked successfully because the design-build request for proposal used a prototype set of drawings and specifications as the standard that the proposed pools must meet. This allowed the design-build teams to fully understand design expectations while also allowing flexibility for individual site adaptations (See Exhibits E and F).

Budget appropriate Contingencies: Each project budget must include a construction budget, a construction contingency, and a project contingency. The construction contingency will be reserved for unforeseen conditions, design clarifications, unusual market conditions, etc. that occur during the construction phase.

This report recommends that a variety of processes be used, consistent with City Charter and City Code requirements, along with added project management controls and improvements.

FINANCIAL CONSIDERATIONS:

This is an information report. Financial considerations are considered individually for each project.

ENVIRONMENTAL CONSIDERATIONS:

This is an information Report. Environmental considerations are considered individually for each project.

POLICY CONSIDERATIONS:

Article XIV of the City Charter, and City Code Chapter 3.60 require that construction projects of \$100,000 or more be competitively bid with award to the lowest responsive and responsible bidder (General Contractor), unless the City Council determines, on a 2/3 vote, that it is in the City's best interests to suspend competitive bidding.

The building construction industry has moved to multiple contracting formats. When it believes utilizing an alternative bidding format for a specific project would be in the City's best interests, City staff requests suspension of competitive bidding to use the alternate process; however, this only means that the General Contractor is selected based on qualification and the price is determined by competitive bidding conducted by the General Contractor at the subcontractor level.

In addition to the variety of processes described above, this report recommends added project management controls and improvements.

ESBD CONSIDERATIONS:

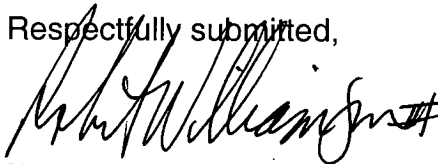
All of the project selection and award processes require that the City's ESBD goals be met.

The larger and more complex projects usually require more experienced Developer or General Contractor leadership that are generally not ESBD firms. They meet and often greatly exceed the goals by dividing the work among ESBD and non-ESBD subcontractors. There are many more ESBD subcontractor opportunities and this is the training area for the future General Contractors.

The small to medium projects offer more opportunities for ESBD General Contractors. When using a qualifications based method of selection, significant efforts are made to attract ESBD and local based firms for inclusion in the selection process.

Using the various contracting methods the Public Works Department has awarded 21.2% of the construction budgets to Small businesses and 5.93% to Emerging businesses since the ESBD program began.

Respectfully submitted,


for Francesca Lee Halbakken
Project Delivery Manager

RECOMMENDATION APPROVED:

Approved:


ROBERT P. THOMAS
City Manager
P/Active/0000Misc Council & LL Reports/Report Back on Bldg Proj Delivery Processes

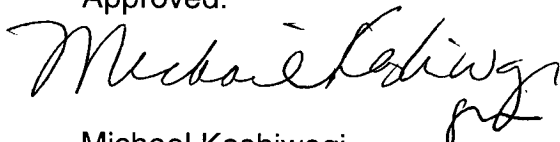

Michael Kashiwagi
Director of Public Works

Exhibit A

Staff has been involved and aware of changes in the building construction industry:

- In 1994 staff began experimenting with different contracting methods and utilized an elementary design-assist method on Sam Pannell's Community Center Phase 1 and Kinney Police Substation (after the City Council suspended competitive bidding for these projects). Both were completed on time and under-budget. From 1994 to 1996 staff attended industry sponsored discussions about alternative methods for project delivery.
- In 1995 the American Institute of Architects (AIA) and the Associated General Contractors of America (AGC) published "Recommended Guidelines for Procurement of Design-Build Projects in the Public Sector." These guidelines were endorsed by the Design Build Institute of America, Mechanical Contractors of America, and Sheet Metal & Air Conditioning Contractors National Association (See Exhibit A-1).
- In 1995 the City of Lodi shared with the American Public Works Association (APWA) their General Contractor Pre-qualification Criteria intended to aid in selecting General Contractors that provide top quality service (See Exhibit A-2).
- In 1996 the AIA published the "Handbook on Project Delivery" that discussed the pros and cons of Eight (8) different methods to design and construct a project (See Exhibit A-3).
- In 1996 staff met with local contractors and architecture/engineering firms to develop alternative processes for design and construction, for use on appropriate projects. Bringing the general contractors into the project team early to assist in the final project development and to assist in controlling costs by reviewing document development has worked effectively in most cases where this has been done. The use of Design-Build, Design-Assist and Developer-Team process (after the City Council suspended competitive bidding for these projects) resulted in contracts being awarded to general contractors or developers on a professional fee basis. This fee encourages cooperation, proactive problem solving and on-time completion.
- In 1997 the City awarded the Cal/EPA design-build project to Thomas Development Partners and Turner Construction Company. This project was completed early and considerably under the budget.
- In 1998 Proposition F was approved and the City of San Diego altered their Administrative Code to provide for design build project delivery as a normal procurement method (See Exhibit A-4).
- In 1999 the AIA and AGC published the Design/Build Teaming Checklist to aid in these alternate project delivery processes (See Exhibit A-5).

5. AIA/AGC RECOMMENDED GUIDELINES FOR PROCUREMENT OF DESIGN-BUILD PROJECTS IN THE PUBLIC SECTOR

Published by The American Institute of Architects and the Associated General Contractors of America, January 1995; endorsed by the Design-Build Institute of America, Mechanical Contractors Association of America, and Sheet Metal & Air Conditioning Contractors National Association.

A. DESIGN-BUILD: GENERAL AUTHORIZING CONSIDERATIONS FOR ALL DESIGN-BUILD PROJECTS

1. Criteria for Using Design-Build

Public agencies should adopt general criteria to be used to determine what projects will be delivered using the design-build method. The criteria should also address when to use the traditional design-bid-build and other project delivery methods, listing the comparative advantages and disadvantages of each project delivery method. Criteria that might be considered for determining when to use design-build include (1) time constraints for delivery of the project; (2) the capability and experience of potential teams with the design-build process; (3) the suitability of the project for use of the design-build process; and (4) the capability of the public owner to manage the project, including personnel to oversee the project who are familiar with the design-build process.

The introduction of each public design-build solicitation should contain an explanation of how the specific project fits the criteria for use of the design-build method.

2. Design-Build Procedures

Public agencies should formally adopt general procedures for selecting design-build entities and for managing design-build projects. Formal adoption will permit the public and the design and construction communities to comment on the procedures and will assure that fair, uniform, and effective procedures are followed.

The following specific project considerations can be adopted to satisfy this purpose. Of course, local laws and regulations, which in some jurisdictions limit the use of design-build, should be reviewed prior to requiring these specific recommendations.

B. SPECIFIC PROJECT CONSIDERATIONS FOR ALL DESIGN-BUILD PROJECTS

A solicitation for a design-build project should clearly spell out the procedures to be followed in conducting the design-build selection and subsequent management of the project, including the project program and scope of work, criteria for selection, requirements for presentations, timetable for the selection process, the composition of the jury (or selection panel), and all other issues described below. It is important that these procedures be described in full at the onset to avoid misunderstandings and selection protests later. Clear procedures will also enable the process to produce a quality project, on time, and within budget.

1. Rationale For Selecting Design-Build and Description of Process

At the outset, the solicitation should explain how the design-build method of procurement meets the criteria in law or regulation for use of the design-build method. It should then describe the selection process, including detailed submission requirements and selection procedures, the composition of the selection panel, and a timetable for the entire procurement process. Finally, it should provide credible assurance that the project is fully funded. Failure to comply with this last requirement may detract from attracting quality firms.

2. Scope of Work

The statement of project requirements should set forth an owner's needs with sufficient clarity to assure there is comprehensive understanding of program requirements, project scope, and business requirements. Scope of work documents should include, at a minimum: (1) program statements for the facility that describe space needs, design goals, and objectives; (2) equipment requirements; (3) other pertinent criteria, such as energy use or accommodation for future expansion or adaptation; (4) site information, including a site survey and soil boring report describing subsurface conditions; (5) any minority business enterprise (MBE), women business enterprise (WBE), or disadvantaged business enterprise (DBE) requirements; (6) an outline of specifications; (7) budget parameters; and (8) project schedule.

The role of the owner's representative in the selection process is very important and should be identified in the solicitation. During the solicitation, the owner should also provide a copy of the contract that the winning competitor is expected to sign in order to avoid problems and disputes at the end of the competition.

In order to translate the needs of the users into a set of criteria that teams can bid on with some certainty, the scope of work should be prepared by an architect and other appropriate design professionals. The scope of work should be as flexible as possible, for several reasons:

First, a flexible scope of work will elicit creative responses from competitors that may reduce the cost of the project in the short term and improve life cycle costs in the long term. A generally stated set of program requirements will allow competing teams to suggest imaginative ways to meet the requirements by combining or reorganizing functional areas or by applying innovative design ideas, construction methods, materials, or systems.

Second, procedures for discussions between the owner and the competitors should be designed to facilitate scheduled communication to avoid possible misunderstandings of the program requirements. Nonetheless, it can be expected that, following the selection, the give-and-take between owner and the selected design-build team will result in changes to the building program and/or the design. When selections are based on flexible rather than very detailed programs, unsuccessful competitors will have little grounds to protest the selection. Thus, delays can be minimized.