

## **Project Delivery Methods:**

### *Answering the "How" of Building Projects*

### **Verse for Today (vft)**

*"I am still confident of this: I will see the goodness of the LORD in the land of the living. Wait for the LORD; be strong and take heart and wait for the LORD" (Psalm 27:13-14—NIV 84).*

You're finally ready! Having worked through countless meetings and discussions, all agree that it is time for a building project. Now what?!

The first key decision is "How will you navigate your project." So what is your Project Deliver Method?

Understanding the issues about the Project Delivery Method will set your project's trajectory—which is vital for success. However, this also tends to be the topic of greatest confusion and misunderstanding for church leaders. And once you begin one method, it is very difficult to change course mid-project.

This overview will summarize three basic Project Deliver Methods. Options at each end of the spectrum are Design-Bid-Build and Design-Build. Between the two ends is a hybrid method that can take numerous forms depending on contractual and organizational relationships. For this overview I'll refer to that third method as God-Centered Construction.

#### **1. Design-Bid-Build**

**Description:** An architectural firm and necessary engineers complete the **Design**. This includes preparation of the construction documents which requires a significant financial commitment from the church. Next, those construction documents are sent out to general contractors, who will submit a **Bid** to complete the project. Finally, the contractor is selected (usually it is the lowest bidder) and the project is **Built**.

**Strength:** It is commonly thought that this method will yield the lowest cost. That is possible if the architect & engineer have perfectly estimated the probable costs and that the project is fully funded. However, both of those items rarely occur and almost never do they both occur at the same time.

**Weakness:** In the Design-Bid-Build model, general contractors win projects when they are the lowest bidder. However, if they are too low, too often, they cannot stay in business. Therefore, with the Design-Bid-Build method, the contractor bids the project exactly as it is drawn—even if there are oversights or items that do not conform to local codes & requirements. Then, those items are corrected with change orders, which are legitimate increases to that "lowest bid."

Most projects following a Design-Bid-Build method result in bids that are over budget. Often that is coupled with a church falling a little short in fundraising goals. The architect has to redraw plans incorporating extensive Value Engineering—so the architect and engineer have change orders for additional drawings. By the time the project is rebid, inflation costs may cause additional increases from the initial attempt. Many times churches have to halt a project because there is too great a difference between project cost and funds available. I have seen millions of dollars of drawings that were never built because of the problems of the Design-Bid-Build method.

These issues often lead to architect and builder in an adversarial relationship—in which case the real loser is the church.

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**Even before they ordered their lattes, Larry sensed that Pastor Jim might have an agenda.**

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Potential Minefield: The Design-Bid-Build method often results in change order bedlam and a gap between the actual project cost and the actual funds available. Depending on the size of that gap, the project may cease or the church may have a long-term setback related to debt or other project decisions. This in turn impacts church staffing and ministry initiatives on multiple levels.

## 2. Design-Build

Description: The entire process is performed by one firm that will provide design and construction services.

Strength: Since there is only one provider leading the entire process, there is only one firm to deal with concerning any issues.

Weakness: After the initial project programming and planning, you will experience a gradual reduction in control of the project. There may be initial success while developing a concept plan for the improved facility. However, according to the United States Copyright Law, the architectural firm owns the copyright on those plans. Yes, the church may be paying them, but the plans remain the intellectual property of the architect (unless it is spelled out otherwise in the contract). That means if you want to use that plan, you are subject to their decisions about the bidding process and actual costs. And it means you're subject to their cost for the construction—you cannot bid it out to any others without their expressed permission.

Architect and builder are not adversaries (which is good), but they are too closely aligned, so they make decisions based on the needs of the company rather than the church. The common metaphor for this method is, "the fox guarding the hen house." Architecture and construction are related, but very different, disciplines. A project's success often depends on each entity's ability to carry out their role for the benefit of the client. Even if the firm offers an open-book process, you are subject to the items they choose to reveal—and they may be hiding their actual upcharges elsewhere.

Potential Minefield: The Design-Build method often results in loss of control by the church and an uncertainty about the real costs of the project. In addition, you give away the healthy tension when architect and builder are separate entities. With Design-Build, you can never be sure if you received the best project at the best price.

## 3. God-Centered Construction

Description: The architectural firm and builder are separate entities, but both chosen by the church near the beginning of the project and have a strategic partnership through the process. That strategic partnership is possible when all three entities—church, architect, and contractor—all agree that God is at the center of the process. After construction documents are completed, the plans are bid out to acquire the lowest possible cost. However, the builder also provides open-book documentation of the bids. This open-book process includes the architect, maintaining the healthy tension.

Strength: As the initial plans are being developed, the builder provides input regarding potential costs and offers Value Engineering input **before** construction documents are completed. Since the church has a more realistic picture of potential costs, leaders have a better concept of any gap between costs and funds. In addition the open-book accounting provides the easiest framework for quantifying volunteer contributions and contractor buy-out savings.

Weakness: Weaknesses are minimized because a healthy tension remains between designer and builder. And the church is the real winner.

Potential Minefield: Any building project will present challenges through the process. However, this project delivery method offers the greatest likelihood for avoiding minefields.

Conclusion: Because God is ultimately in control and provides for His people, successful building projects come in all forms. However, correctly addressing the project delivery method can provide a solid foundation and a trajectory towards success. Select an architect and builder you can **TRUST**, and glean the benefits of a strategic partnership.

\* Cartoon: <https://www.christianitytoday.com/pastors/2013/winter/meeting-agenda.html>