BUILD WHAT YOU DESIGN
A New/Old Approach to Architecture & Construction

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The “Flip Side of the Coin”

- Owner
- General Contractor
- Architect
- Owner
- Architect
- General Contractor
Create the Architect’s Design-Build Company

- Professional Design Firm
- Non-Professional Design-Build Company

Architect
Designer-Led Design-Build
The Single Contract Approach

Owner

Architect’s Design-Build Company

Architect

Consultant
Consultant

General Contractor

Sub
Sub
“Sequential” Design-Build Structure of the Relationship (Private Sector)
Step 1 —
The “Teaming” Agreement

Teaming Agreement
• Preconstruction services
• Agreement to subcontract

Architect’s Design-Build Company

General Contractor
(100% Subcontractor)
Step 2 — A/E’s Contract

Owner

Standard Design Contract
- E.g., AIA B141 form
- Guarantee form is exhibit

Architect

Standard Consulting Agreement
- Assumption: trade contractors to finalize design

Consultant

Consultant
Step 3 — The Design-Build Proposal: “Price/Schedule Guarantee”

- Architect’s Design-Build Company’s guarantees contingent on building project
- Architect’s Design-Build Company supplants Architect during construction phase
- Various safeguards/protections
- Construction Contract eventually supersedes Proposal
Step 4 — “Construction Agreements”

**Construction Contract**
- Architect’s functions during construction project provided by Architect’s Design-Build Company

**Subcontract for Particular Project**
- “Purchase Order” from Teaming Agreement
- Attaches construction contract and subcontracts 100% of it
Pro’s and Con’s of a 100% Subcontractor

Pro’s
- Construction risks virtually eliminated
- Contractor’s presence may assist marketing or sales
- Contractor likely to refer projects back to Architect
- Architect not perceived as competing with contractors
- Contractor may be source of financial security for owner
- Contractor may be additional source of management expertise
- Contractor may negotiate better deals with subcontractors

Con’s
- Reduces available profits
- May be harder to justify to owner
Advantages to the Owner of Designer-Led Design-Build

- Architect is best trained to balance design quality vs. cost.
- Owner can delay the design-build decision
- Owner and Architect often have pre-existing relationship
- Architect has less conflict of interest than when contractor leads team
- Common complaint of Architect lacking cost discipline disappears when Architect is responsible for cost
- Contractor as 100% sub can still be source of financial capitalization
Advantages to the Architect of Designer-Led Design-Build

• Additional profits
  – Mark-up on the construction cost
  – Savings accrue to designer
  – Reduced labor costs in production

• Marketing advantages
  – Guarantee of price and schedule
  – Owner can delay design build decision
  – Contractor becomes source of work

• Control over construction
  – Avoid unwise design changes
  – Allow necessary or advisable changes – quietly

• Reduced liability
  – Construction accidents insured by contractor
  – No claims from obvious design omissions
  – Cooperative resolution of design problems
Source of the Architect’s Construction Fee \( (i.e., \) Contractor’s Savings) 

- Larger profit margin in negotiated vs. competitively bid contracts
- No marketing overhead for project
- Cost analysis certain to result in project or compensation
- No contingency for bidding errors/oversights
- No contingency for adversarial administration
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