

Engaging a design and construction team

How you get there is as important as where you are going.

By Angela Stephens and Matt DeVries



In April, *Medical News* focused on various elements of health IT from the good, the bad and even the confusing. Whether you are dealing with new construction or renovations of existing healthcare facilities, technology and innovation continue to improve the landscape of healthcare construction. In the end, you want a facility that optimizes energy efficiency, while

at the same time has the right equipment that seamlessly integrates your IT department, medical providers and end-users. In the construction industry, the project delivery system you choose is just as important to the process as the design and construction criteria you choose.

Types of Project Delivery

The generic term “*project delivery system*” describes how the participants are organized to interact, transforming the owner’s project goals and objectives into a finished facility. The delivery method you select can have a significant impact on the costs and schedule of your project. Therefore, before you hire an architect you need to consider which delivery method will best suit your needs. Some of the primary methods include:

- **Design-Bid-Build** Under this traditional construction delivery method, you will hire an architect to develop a complete set of plans, and once they are complete, the architect will assist the owner in hiring a contractor. The benefit of this method is that your contractor should be able to give you a lump-sum price for the work contained in the plans. However, there are disadvantages to this method. Those include the concern that the design documents may not be complete or may contain errors



The CMAR method was recently used on the construction of the KFC Yum! Center in Louisville, Ky., which came in under budget and on schedule.

which will result in change orders during the project. Additionally, the overall construction process is lengthened because the contractor is not brought on board until the design is complete.

- **Construction Management At Risk (CMAR)** This delivery method has been around as long as design-bid-build, but it is just starting to become more commonly used. Under the CMAR delivery method, the contractor is brought on board at or near the same time as the architect. The contractor reviews

the plans as they are being developed, provides input on how the design will impact the budget, suggests ways to reduce costs, and begins planning for the construction phase. The early involvement of the contractor can help save construction costs and reduce the overall schedule of the project. As an example, this method was recently used on the construction of the KFC Yum! Center in Louisville, Ky., which came in under budget and on schedule (with a schedule that already had a decreased overall schedule).

Construction Contracts

There are two main forms of standard construction contracts: American Institute of Architects (AIA) contract documents; and the ConsensusDOCS, created by a coalition of designers, owners, contractors and suppliers. Both AIA and ConsensusDOCS have what are called families of documents for each delivery method. For example, the AIA design-bid-build family of documents contains an owner-architect agreement, an owner-contractor agreement, a set of standard terms and conditions which will apply to all parties on the project, and a contract between the contractor and subcontractor. This family of documents is coordinated and is meant to be used together.

Three contract clauses owners should watch for:

- 1) Waivers of consequential damages
- 2) Liquidated damages
- 3) Retainage

MEDICAL NEWS

The business of healthcare

Do you want to stay up
to date on the latest news
in the business of healthcare?



Sign up for the
Medical News eNewsletter
at www.MedicalNews.md