



PROGRESSIVE DESIGN-BUILD DONE RIGHT®

Progressive Design-Build
Best Practices

APPLICABLE TO PDB PROJECTS

- any project type
- any sector
- any size



Progressive Design-Build Done Right®

This document builds on DBIA's [Design-Build Done Right® Universal Best Practices](#) which were developed as a universally applicable framework for all variations of design-build delivery, regardless of procurement structure. Since its publication in 2023, Progressive Design-Build (PDB) has experienced significant growth. While grounded in the same core principles, PDB introduces unique procurement, contracting and execution dynamics that are not fully addressed in a universally framed document.

The PDB Best Practices outlined in this primer respond to this evolution by providing targeted, method-specific guidance while remaining fully aligned with the Design-Build Done Right® philosophy. They explicitly reference and build upon the [Design-Build Done Right® Universal Best Practices](#), but expand in areas where PDB requires greater specificity and clarity such as:

- Owner decision-making and readiness during progressive development of scope, schedule and cost.
- Procurement approaches that prioritize qualifications, collaboration and transparency over early price certainty.
- Contract structures that accommodate phased commitments, validation and early work authorization.

By clearly distinguishing PDB guidance from the broader design-build framework, this document reduces confusion about how best practices should be applied in a PDB environment.

Like the [Design-Build Done Right® Universal Best Practices](#), the practices identified in this document have two basic characteristics:

1 | They are written to be universal in applicability, spanning any type of PDB project:

- public, private or public-private partnerships
- vertical or horizontal
- large or small
- simple or complex

2 | They are important enough to directly affect project performance.

Stated differently, implementing these practices on any type of PDB project increases the probability of a successful project that meets the expectations of all stakeholders.

Conversely, if these practices are not implemented, there is an increased probability that the project's performance will be compromised, the program, schedule, budget or quality goals may not be met, and that the stakeholders will be disappointed.

For ease of reference, this document is organized into three primary sections:

I. Procuring Progressive Design-Build Services

II. Contracting for Progressive Design-Build Services

III. Executing Progressive Design-Build Projects

Each section contains overarching principles that represent the "Best Practice." Each Best Practice is supplemented by several techniques that provide guidance on specific ways to implement the best practice — essentially "mini best practices." The combination of Best Practices and Implementing Techniques are the basis for "Progressive Design-Build Done Right®"

Guiding Principles

The practices identified in this document are anchored by these guiding principles:

Universal Ethical Conduct

Everyone involved in a PDB project should conduct themselves with high standards of honesty, transparency and integrity in compliance with the [DBIA Code of Professional Conduct](#) and other applicable ethical obligations.

Demonstrated Competence

Several Best Practices and Implementing Techniques in this document emphasize the importance of training and experience in PDB project delivery. Wherever possible, training and competence of those involved should be demonstrated by attaining appropriate professional certifications (e.g., DBIA Certification, DBIA's Collaborative Delivery Leadership Academy, professional licensure, LEED certification, etc.).

Sustainable Professional Development

When undertaking a PDB project, Owners and practitioners should proactively engage emerging professionals in a meaningful way to help plan and execute Best Practices and Implementing Techniques. This practice will encourage each member of the team to grow professionally and play a more significant role on the team and within the industry on each successive project.

Supporting Underutilized Business Enterprise Firms

When undertaking a PDB project, Owners and practitioners should intentionally create opportunities to involve and engage historically under-represented companies and individuals, prioritizing fair treatment without any racism or bias.

These guiding principles are driven by the core belief that PDB projects are best executed within the context of an integrated collaborative team grounded in an atmosphere of mutual trust, transparency, respect and open, candid communications.

The sum of all of us is greater than the contribution of any team member. The best projects unleash the power of a “high-performing team,” and everybody should have the opportunity to grow professionally and contribute to the success of the project.

DBIA recognizes that there are real-world differences among PDB market sectors (e.g., water/wastewater, transportation, commercial development, federal projects, etc.), and flexibility in how PDB projects are procured, contracted and executed.

Consequently, specific implementation techniques might differ slightly from one market sector to another or between design-build variations. DBIA recognizes that Owners and practitioners may want further explanation to fully appreciate the thought behind the principles in this document. DBIA expects that many users of PDB would benefit from having detailed guidance on how to put these best practices and implementing techniques to use for their unique project.

Given this, DBIA continually updates its portfolio of publications, tools and other resources — including DBIA's [Deeper Dive on Progressive Design-Build](#) — so that design-build stakeholders will have access to leading-edge information that defines Design-Build Done Right® in accordance with the concepts expressed in this document.

Understanding “Trade Partners”: Collaboration vs. Legal Status

The term “Trade Partners” or “Specialty Trade Partners” as used in this document, as well as other DBIA training and resources, refers to contractors specializing in a specific trade, who are also commonly referred to as a “Specialty Contractor”. There are a variety of contracting methods to include a “Trade Partner” or “Specialty Contractor” in a design-build project. This terminology is intended to reflect the collaborative nature of design-build delivery and encourage involvement and expertise from those who will be fabricating and installing the required work early in the design process regardless of the nuances of potential contractual relationships and should not be interpreted to create a legal partnership, joint venture or other formal legal relationship among project participants.

I. PROCURING PROGRESSIVE DESIGN-BUILD SERVICES

An Owner’s strategic choices of a project delivery system and procurement approach strongly influence project results.

These choices are among the first decisions an Owner makes on a project and they form the foundation for how the project will be developed, procured and executed. They determine how the key project stakeholders communicate and relate to each other.

It is critical for an Owner to carefully consider the goals, objectives, opportunities and constraints particular to the project.

This includes a thorough analysis of the procurement and delivery options available to the Owner.

Should PDB prove to be the best delivery method for the project, the Owner should proactively plan how to take full advantage of the many benefits that are inherent in the PDB process.

What’s unique about PDB? DBIA considers the following as three (3) best practices for PDB project initiation and procurement:

1 | Strategic Project Delivery Planning

BEST PRACTICE: An Owner should conduct a proactive and objective assessment of the unique characteristics of its program/project and its organization before deciding to use design-build. An Owner should assess the appropriateness of PDB and prepare its staff and decision makers to implement best practices.

IMPLEMENTING TECHNIQUES:

- a. **Owner Self-Assessment.** Owners should understand the potential benefits, limitations and attributes of PDB and make an informed decision as to whether the use
- b. **Supportive Organization.** Owners should create an organizational culture that supports the successful procurement and execution of a PDB project, with key

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personnel (including consultants serving as Owner Advisor) willing and able to collaborate and extend trust. The Ownership Team must be experienced in PDB best practices and educated, trained in and understand among other things:

1. The procurement, contracting and execution of PDB projects;
 2. The importance of alignment with project needs, setting expectations and fostering an integrative and collaborative relationship among everyone involved in the project;
 3. Inclusion of a strong cost estimator or someone that can verify or concur with estimates who understands collaborative contracting on the Owner/Owner Advisor team; and
 4. The potential impact of procurement and execution decisions on the Owner, Design-Builder and stakeholders; including attainment of project goals and critical success factors, as well as appropriate allocation of risk.
- c. **Stakeholder Engagement.** Owners should identify and involve key project stakeholders at the early stages of project planning. Stakeholder goals, expectations, challenges, constraints and priorities should guide all project planning, procurement, implementation and operations/maintenance. Stakeholder engagement should include:
1. Training in the PDB process and unique project nuances including selection process and process of progressively establishing the scope, schedule and cost;
 2. Determination and implementation of design excellence, sustainability, financial viability and any other project-specific goals;
3. Stakeholder education and implementation of Owner decision-making process during the project with limitations on authority, as applicable;
4. Definition of project lifecycle and durability expectations; and
5. Uses of physical and digital project documentation throughout the functional life of the project.
- d. **Senior Leadership Team.** Owners should establish a senior leadership team that demonstrates a commitment to the success of the PDB process, as this practice will foster a healthy and trusting relationship among the entire project team.
- e. **Market Research.** Owners should carefully research and assess current market conditions as they plan their PDB programs, as this will identify potential risks and opportunities. Among the issues to be researched and assessed include:
1. Alignment of scope, budget and schedule for current market conditions;
 2. Procurement actions that could limit or expand competition, including advance notice to industry;
 3. Projected labor, material and equipment availability;
 4. Available pool of experienced and qualified Progressive Design-Builders and trade partners interested in pursuing the project; and
 5. Lessons learned from similar projects.
- f. **Project Parameters.** Owners should establish project parameters during the procurement sufficient to be able to select the most qualified PDB team, including but not limited to:
1. Project goals
 2. Preliminary budget

3. Preliminary scope
 4. Project parameters
 5. Schedule limitations
 6. Major project risks
- g. **Risk and Opportunity Assessment.** Owners should implement a rigorous and equitably balanced project risk and opportunity assessment early in the procurement process and update/refine the risk and opportunity assessment as the project proceeds from procurement through project execution. Owner's risk and opportunity assessments should include:
1. Identification of issues that have potential to negatively and positively impact project success;
 2. Assessment of probability of occurrence and impact of each risk and opportunity factor(s) identified;
 3. Alignment of risk and opportunity analysis with Progressive Design-Build selection evaluation factors; and
 4. Alignment of contract provisions as well as incentives and/or award fees with risk analysis.
- h. **Procurement Constraints.** Owners should understand all procurement constraints imposed or flexibilities afforded by their legislative, regulatory or internal requirements (e.g., governing board, senior level approvals), including but not limited to the following:
1. Public Owners must have the authority or understand how to use the authority they have to perform PDB;
 2. Regulatory authority that limits the Design-Builder's ability to subcontract or that requires a final design prior to selection of the design-build team may not be appropriate for PDB.
- i. **Conflict-of-Interest Policy.** Owners should make an early determination of their programmatic position on conflicts-of-interest policy for design-build procurements and promptly disclose this policy to the marketplace that will likely pursue these PDB procurements.
- j. **Start-up | Commissioning Clarity.** Owners should make an early determination about their expectations for the Progressive Design-Builder's role in the start-up, commissioning, turnover and operations/maintenance of the completed project and reflect those expectations in their procurement approach.



An Owner should assess the appropriateness of progressive design-build and prepare its staff and decision makers to implement best practices.

2 | Progressive Design-Build Oriented Procurement Plan

BEST PRACTICE: An Owner should implement a procurement plan that enhances collaboration/ integration and other benefits of PDB that is in harmony with the reasons the Owner chose PDB. The procurement should focus primarily on the proposer's qualifications to perform the work and management plan specific to the project.

IMPLEMENTING TECHNIQUES:

- a. **Qualifications Focused Selection.** Owners should use a procurement process that primarily focuses on the qualifications, management plan, key individuals, team dynamics and successful past performance of the competing proposers to select the PDB team that:
 1. Will work well and collaboratively and in an integrated fashion with the Owner's team;
 2. Will provide fully transparent pricing throughout the development of the scope, schedule and contract price;
 3. Offers an approach that has the best likelihood to meet the Owner's project goals and required outcomes;
 4. The Owner believes is trustworthy, fair and highly qualified; and
 5. Demonstrates a plan to provide the greatest "value" to the Owner, with the Owner describing in the procurement what "value" means to them (i.e., cost, schedule, performance, design excellence, etc.).
- b. **Management Plans.** During the procurement, Owners should request project specific management and project approach plans from the design-builder that are scaled to the size and complexity of the project to help with detailed understanding of the proposing Progressive Design-Builder's qualifications and project approach. Examples of project specific management plans include:
 1. Validation Period Plan
 2. Permitting and Entitlement Plan
 3. GMP Development Plan
 4. Design Management Plan
 5. Stakeholder Engagement, Governance and Decision-Making Plan
 6. Collaboration Plan
 7. Pre-Construction Staffing Plan
 8. Other project specific plans such as:
 - a) Preliminary investigation plan
 - b) Preliminary risk mitigation plan
 - c) Preliminary site logistics plan
- c. **Disclose Form of Agreement.** Owners should provide proposers with a draft PDB contract at the RFQ phase of procurement which:
 1. Informs potential proposers of contract terms and conditions as they contemplate whether to pursue the opportunity;
 2. Informs potential proposers of conditions (e.g., contract incentives, partnering, commissioning, LEED Certification, etc.) that could affect how they structure to deliver their services;
 3. Provides proposers with an opportunity to suggest modifications during the proposal process; and
 4. Enables proposers to base their proposals on what will become the final version of the contract.

- d. **Subconsultants and Subcontractors.** Owners should use a procurement process that right sizes the extent of the proposer teams for the project and include in the procurement only those key subconsultants and subcontractors that are necessary for the Owner to select the best team. If the Owner does not allow inclusion of the entire subconsultant and subcontractor team, the procurement process should explore whether the design-builder encourages the early participation of key trade contractors, subconsultants and suppliers.
- e. **Achievable Budgets.** Owners should develop realistic project budgets and provide clarity in their procurement documents about their budgets, including, as applicable:
 - 1. Identifying “hard” and “soft” contract cost/budget ceilings;
 - 2. Stating whether target budgets can be exceeded if proposed solutions enhance overall value; and
 - 3. Clearly identifying the status and constraints of funding for the project.
- f. **Limit Deliverables.** Owners should consider the level of effort required by proposers to develop responsive proposals as well as the time and effort the Owner needs to evaluate the proposals. Owners should limit the deliverables sought from proposers to only those in line with the scored elements needed to differentiate between proposers during the selection process.
- g. **Confidential Meetings.** Owners should conduct confidential meetings with each shortlisted proposer prior to the submission of proposals, as this encourages the open and candid exchange of dialog including expectations for budget, schedule and scope in addition to concerns and ideas developed by the proposers. Owners get a sense of how the proposers interact and collaborate within their team, as well as with the Owner’s team. (In some instances, this is also referred to as Proprietary Meetings.) Confidential meetings also provide the PDB team an opportunity to gather important information to facilitate preparation of a better and more focused proposal. This process represents a strong benefit to both Owner and proposer in consideration of assembling the best team for the project.
- h. **Protect Intellectual Property.** Owners should protect the proprietary business information and intellectual property of all proposers and should not disclose such information at any time, except as required by law.
- i. **Technical Submittals.** Owners who require project-specific technical submittals for evaluating and selecting the Design-Builder should:
 - 1. Use a two-phase procurement process; and
 - 2. Limit the requirement for such submittals to the second phase, where the list of proposers has been reduced.
- j. **Delayed Price Commitment.** The Owner does not seek, nor does the Progressive Design-Builder commit, to contract price at the time of selection of the Progressive Design-Builder. Rather, the price commitment comes after the parties have agreed upon scope, schedule, design and other commercial terms. If a cost element is required in the selection criteria, it should not be fixed and should be:
 - 1. Based on a clear definition and understanding of the cost element as well as limited to aspects that are not dependent on further defining the scope or

- schedule of the project, such as the profit and home office overhead (not project General Conditions) of the Progressive Design-Builder;
- 2. Weighted significantly less than the qualifications and approach of the PDB team; and
- 3. Requested only from short listed proposer(s) after the PDB teams are evaluated and ranked.
- k. **Owner's Evaluation Team.** Owners should establish a structured process for selection of the Progressive Design-Builders and ensure that their evaluation team members are trained, experienced and committed to execute the process.
 - 1. The evaluation team must be:
 - a) Trained in PDB best practices and the particulars of the procurement process;
 - b) Unbiased;
 - c) Available to participate in the entire evaluation process;
 - d) Maintain confidentiality and are free from outside influence or conflict of interest; and
 - e) Undertake their reviews and evaluations in a manner consistent with the philosophy and methodology prescribed in the procurement documents.
 - 2. The Structured evaluation process should:
 - a) Use a predetermined and methodical scoring method where a group of evaluators discuss and agree together on the score/ rating for each factor, resulting in a well-documented and defensible selection summary;
 - b) Employ a strong facilitator.
- l. **Off-Ramp.** The procurement should clearly identify the process for the Owner to exercise the "off-ramp" provision of the PDB process if the Owner and Progressive Design-Builder are unable to agree on design, schedule, commercial terms and/or contract price. Off-ramp provisions of the procurement should clearly define:
 - 1. Circumstances under which the parties may cease contract negotiations and exercise the off-ramp provisions of the procurement, including the notification and procedural processes for doing so;
 - 2. Payment due the Design-Builder for the earned value of design-build services;
 - 3. Rights of the Owner to use the work product of the Progressive Design-Builder for subsequent procurements associated with the project; and
 - 4. Rights of the Owner to take assignment of subcontracts and material purchase orders.
- m. **Debriefing.** Owners should provide all proposers with an opportunity to participate in an informative debriefing session once procurement is completed.

3 | Proposing on Progressive Design-Build Procurements

BEST PRACTICE: A Design-Builder seeking to respond to an Owner's procurement solicitation should:

- Form a highly qualified team capable of delivering exceptional PDB services;
- Develop effective, integrated team dynamics to ensure a cohesive organization;
- Strategically analyze the Owner's project and PDB procurement documents; and
- Respond to the Owner's solicitation demonstrating competence to perform the work.

IMPLEMENTING TECHNIQUES:

- a. **Build Relationships.** In advance of project pursuit, the Progressive Design-Builder should intentionally develop professional relationships with potential team members and key individuals with shared values and compatible cultures.
- b. **Be Prepared.** The Progressive Design-Builder should proactively build the entire team's training, experience and knowledge base in PDB project delivery and pertinent subject matter expertise:
 1. Coordinate PDB training for all potential team members; and
 2. Identify potential team members with successful experience in PDB projects with similar size, scope and complexity.
- c. **Get Organized.** The Progressive Design-Builder and its team members should mutually agree upon the tools and techniques that will cultivate an integrated and cohesive project team, including:
 1. Clarification of roles, responsibilities and communications protocols;
 2. Commitment to Project Information Management plans, shared software platforms and decision-making structures; and
 3. Building team trust, transparency and shared understanding of team vision, values and goals.
- d. **Teaming Agreements.** During procurement, the Progressive Design-Builder should use written teaming agreements with key team members to develop and capture an understanding of their relationship and its key commercial aspects, including:
 1. The organizational structure of the team;
 2. Responsibility to maintain confidentiality of proposal-related information;
 3. The teaming party's compensation, if any, during the proposal period;
 4. The teaming party's role in reviewing/approving the proposal;
 5. The teaming party's role in collaborating with estimators in establishing and updating project cost estimates/conceptual cost models;
 6. The teaming party's ability to rely on the accuracy of the team's cost estimates in a design-to-budget process;
 7. The form of the subsequent agreement, including the contractual liability of the teaming party for problems, including delays, issues during execution; and
 8. The teaming party's ability to use project contingency.

- e. **Builder | Designer Interaction.** The builder and designer(s) should agree on the extent of proposal deliverables, appropriate for the proposal and the reliability of information prepared during the procurement.
- f. **Strategic Response Analysis.** Upon receipt of the Owner's procurement solicitation, the Progressive Design-Builder should conduct a thoughtful analysis of the project to strategically determine whether and how to respond, including:
 - 1. Carefully read all the procurement documents and discuss them among the entire team in order to achieve a shared understanding of the project and what is required to submit a winning response;
 - 2. Evaluate the Owner's implementation of PDB best practices, conduct an internal risk analysis and allocation process, and confirm whether the Progressive Design-Builder's team would be a "good fit" for this project;
 - 3. Mine the combined insight of the entire Progressive Design-Builder's team concerning the Owner, its goals, vision and objectives, their ability to execute and support the process, including the Owner's use of an Owner Advisor, the project requirements and the expected deliverables for a response to the solicitation;
 - 4. Agree on critical tasks, schedule milestones and internal PDB team's proposal budget for preparation of a response; and
 - 5. Make a formal "go/no-go" decision concerning a response.
- g. **Effective Response.** To effectively and persuasively implement the strategic, project specific plan to respond to an Owner's solicitation, all PDB team members should:
 - 1. Devote the time, resources and energy needed to effectively respond to the Owner's solicitation;
 - 2. Embrace opportunities to engage with the Owner during procurement, (e.g., Owner briefings, pre-proposal breakout meetings and Request for Information [RFI] processes) and demonstrate the team's integration and cohesion during those interactions;
 - 3. Avoid "boilerplate" responses and instead develop a laser-focus on directly, clearly and succinctly providing the information the Owner requests in its solicitation documents;
 - 4. Think beyond the solicitation documents to develop unique, insightful responses that add value beyond Owner's expectations that distinguish the Progressive Design-Builder's team;
 - 5. Execute quality-assurance/quality-control program for all procurement deliverables, including ensuring strict compliance with all solicitation instructions, prior to submitting them to the Owner;
 - 6. Demonstrate the ability and willingness to provide transparency and to work collaboratively; and
 - 7. Prepare and rehearse for any presentations/interviews that are part of the Owner's procurement process.

II. CONTRACTING FOR PROGRESSIVE DESIGN-BUILD SERVICES

The use of fair and clear contracts is fundamental to any delivery process. The PDB contract is structurally different from other types of design-build contracts. The

Owner should understand and incorporate these differences into the form of contract.

DBIA considers the following as three (3) Best Practices in PDB contracting:

1 | Design-Build Contracts

BEST PRACTICE: Contracts used on PDB projects should be fair, balanced and clear, and should promote the collaborative aspects inherent in the PDB process.

IMPLEMENTING TECHNIQUES:

- a. **Joint Risk Assessment.** Contracting parties should proactively and cooperatively identify significant project-specific risks and clearly identify in the contract how such risks will be handled.
- b. **Risk Allocation.** Contracts should reasonably allocate risks to the party that is best capable of addressing and mitigating the risk.
- c. **Understandable.** Contracts should use language that is understandable to those personnel who are administering the contract and the people who are performing the work.
- d. **Communication Protocols.** Contracts should encourage, rather than hinder, communications among project stakeholders as well as describe processes and protocols for governance and decision making.
- e. **Expedient Change Process.** Contracts should contain a fair process that facilitates and expedites the review and resolution of potential changes to the contract and adjustments in the contract price and time.
- f. **Proactive Dispute Resolution.** Contracts should contain a dispute resolution process that promotes the prompt identification and resolution of disputes at the lowest possible level of hierarchy within the parties' organizations.
- g. **Contract Structure.** The contract should address the structured project periods and define how the parties will develop the project's final commercial terms, including final project scope, final contract price and final project schedule.
 1. The contract should be separated into two contract phases. Phase 1 includes the Validation Period and the Design and Preconstruction Period. Phase 2 begins when the Owner and Design-Builder agree on the final project scope, final contract price and final project schedule and includes the Final Design and Construction Period.
 2. The contract formalizes the joint effort of advancing the design to a point of mutual commitment to scope, quality, schedule and commercial terms. As such, the contract should clearly identify the following:
 - a) The scope of the Design-Builder's

- services for each period within a project phase;
 - b) The required submittals for each period; and
 - c). The processes for advancing from Phase 1 to Phase 2.
- h. **Final Contract Price.** The Owner and the Design-Builder agree on the Final Contract Price prior to commencing Phase 2.
 - 1. The Final Contract Price may be developed during Phase 1 and agreed to prior to commencing Phase 2 or fixed at the beginning of the project. If the price is fixed at the beginning, the project must have a flexible scope of work. It is also possible that early work may be identified and approved prior to the establishment of the Final Contract Price.
 - 2. It is common for PDB contracts to utilize the cost plus with a Guaranteed Maximum Price ("GMP") format, which is a cost reimbursable contract that provides full transparency into the Design-Builder's costs.
 - a) In GMP Contracts, the contract should determine how to address cost savings.
 - b) The contingencies in the contract should be managed by the Design-Builder, and the contingencies should allow for appropriate compensation to the Design-Builder for project unknowns and risks.
 - 3. The Final Contract Price established prior to Phase 2 can be expressed as a lump sum if the Owner and Design-Builder agree. This approach may be appropriate if Owner and the Design-Builder wish to ease the administrative and auditing challenges associated with a GMP form of contract. The timing of when the lump sum Final Contract Price is to be established should be decided by both parties. Once a lump sum is agreed to, there is no further transparency to the Design-Builder's costs. The parties should identify, document and reasonably allocate the risks known as of the time of the establishment of the Final Contract Price.
 - 4. The timing, submission and form of the GMP proposal can be established at the outset of the project or at the conclusion of the Validation Phase.
- i. **Transparency.** The contract should require full cost and schedule transparency between all parties, including the Owner Team and the Design-Build Team.
 - 1. Parties should establish an agreed upon cost model during the Validation Phase. The Owner and Design-Builder must understand that transparent pricing requires disclosure of all costs for the project including the assumptions made to establish the cost.
 - 2. Transparent scheduling requires collaboration of all parties, disclosure of all schedule restrictions and timely decision making.
 - 3. The [Design-Build Done Right® Universal Best Practices](#) apply and should be followed for PDB contracts.
- j. **Bonding.** The contract must address the process of obtaining bonds from the Design-Builder, which is highly dependent on governing law. For Owners that require bonding at the inception of the project for the entire contract amount, the amount of the initial bond is typically the original not to exceed amount agreed by the parties and then increased as each progress not to exceed amount or GMP is agreed by the parties.

2 | Owner | Design-Builder Agreement

BEST PRACTICE: The contract between the Owner and Design-Builder should address the unique issues in the PDB process.

IMPLEMENTING TECHNIQUES:

- a. **Cost Incentives and Award Fees.** Owners should, consistent with their overall procurement strategy, evaluate and use appropriate contractual cost and schedule incentives and/or award fees that facilitate the alignment of the performance of their design-build teams with the Owner's project goals.
- b. **Performance Guarantees/Requirements.** If the Design-Builder is expected to meet performance guarantees or requirements, the contract should clearly identify such guarantees/requirements and should be included as a part of the Basis of Design. All guarantees should be capable of being measured and reasonably achievable by a Design-Builder performing its work in a commercially reasonable fashion.
- c. **Owner's Role.** The contract should clearly specify the Owner's role during project execution, particularly relative to:
 1. The process for the Design-Builder reporting to and communicating/meeting with the Owner;
 2. The Owner's role in acting upon design decisions and other required submittals including reliable timeframes;
 - a) The Owner should have a clear design review and approval process that is consistent with the overall project schedule. The process should be adequately staffed and include stakeholder review.
 - b) Owner should adequately staff construction submittal review and associated project decisions during construction. The Owner's ability to provide timely review and reliable decision making is critical to the success of the project.
3. The Owner's role, if any, in quality assurance and quality control (QA/QC); and
4. The role of a third-party Owner Advisor in fulfilling or supporting the role of the Owner.
- d. **Design Professional(s)-of-Record.** The contract should clearly define the role(s) of the Design Professional(s)-of-Record and how each will communicate with the Owner.
- e. **Roles and Responsibilities.** The contract should clearly define the roles and responsibilities of each party for processes requiring specific actions and documentation, such as:
 1. Design phase approvals
 2. Commissioning
 3. Project Closeout
 4. Sustainability Certification (e.g., LEED, Energy Star, Well Building)
 5. Facility Accreditation (e.g., ISO, ACA, ASCLD, JCI, ACHC, HFAP, HACCP)
 6. Operations and Maintenance during Construction
- f. **Defined Milestones.** The contract should clearly define requirements for achieving project milestones, inclusive of design commitment phases, Substantial Completion, Final Completion and final payment.

- g. **Standard of Care.** The contract should clearly define expected Standards of Care for all professional services. Such definition should be in line with normal industry standards for each profession.
- h. **One Contract vs. Two Contracts Approach.** Unless two contracts are required by applicable law or regulation, Owner and Design-Builder should enter into a single contract that is executed at the start of the project and covers both Phase 1 and Phase 2. This one contract approach makes it easier to execute early works packages and will not cause any delays at the end of contract Phase 1 (Validation and Design and Preconstruction Phases) when the parties are ready to commence contract Phase 2 (Final Design and Construction Phase).
- i. **Reliance on Owner-Furnished Information.** The Owner and the Design-Builder should collaboratively determine the extent to which the Design-Builder can rely on the Owner-supplied information and the contract should reflect that approach.
- j. **Subcontracting.** The contract should address how the work will be subcontracted out and performed.
 - 1. Phase 1 and Phase 2. The procurement of subconsultants and subcontractors for contract Phase 1 and Phase 2 should be addressed.
 - 2. Early Work Packages. The contract should implement a process for developing and approving early work packages, including procurement of subcontractors, evaluating self-performance of the Design-Builder, and determining how to proceed if Owner exercises the “off-ramp” option.
 - 3. Self-Performance. The contract should specify whether Design-Builder self-performance is permitted and any governing parameters, including how self-performance relates to subcontractor procurement requirements.
- k. **Termination.** In the event the Owner terminates the contract prior to completion, the contract should address the ownership and use of any intellectual property, as well as assignment of design subcontracts and any early work packages or equipment contracts that may have been executed.



The contract between the Owner and Design-Builder should address the unique issues in the PDB process.

3 | Design-Builder | Team Member Subcontracts

BEST PRACTICE: The subcontracts between the Design-Builder and its team members should address the unique aspects of the PDB process.

IMPLEMENTING TECHNIQUES:

- a. **Clear Roles and Responsibilities.** The subcontract should establish the roles and primary responsibilities of each entity on the Design-Builder's team during each phase of the project, including:
 1. The regular and active involvement of the Design Professional(s)-of-Record throughout the project's execution;
 2. Primary design responsibilities, by system or project element;
 3. Design-assist | design review support (e.g., constructability, scheduling, peer-review, pricing, procurement, safety and logistics planning, etc.);
 4. Quality Assurance and Quality Control (e.g., document review, mock-ups, design advancement review, design commitment, submittal review, field interpretations, RFI support, punchlist and closeout); and
 5. Construction, Construction Phase Services and Closeout requirements.
- b. **Team Communications.** The subcontract should define how the team members will communicate, including regularity and whether in-person or virtual, with each other and with the Owner, including:
 1. Meeting attendance;
 2. Decision-making and issue resolution;
 3. Communication protocols and response times;
 4. Participation in common software platforms (e.g., project websites, document editing software, etc.);
 5. Expectations for physical co-location;
 6. VDC/BIM execution plan determination and compliance;
 7. Deliverables; and
 8. Reviews.
- c. **Flow-Down Provisions.** Team member subcontracts should have a clear and appropriate "flow down" of obligations from the prime design-build contract.
- d. **Structure of the Contract.** The team member subcontract should mirror the prime contract structure (one contract or two contracts), and it should have a clear and appropriate "flow down" of obligations from the prime design-build contract.
- e. **Project Phases and Deliverables.** The team member subcontracts should address the role of the subcontractor during the Validation Phase and the Design and Preconstruction Services Phase of the project, and their involvement, if any, during the Final Design and Construction Phase. The subcontract should clearly list any required deliverables.
- f. **Underutilized Business Enterprise (UBE) Involvement.** Team member subcontracts can be an effective tool in increasing the use of UBEs.
 1. Because the Design-Builder is selected early in the process, UBE subconsultants and subcontractors can be engaged much earlier, allowing them to better plan their roles in the project.
 2. Because PDB is a phased approach, the Design-Builder and its team can adjust their scopes of work and requirements to involve UBEs as the design evolves.

III. EXECUTING PROGRESSIVE DESIGN-BUILD PROJECTS

DBIA recognizes that the Best Practices associated with the execution of a PDB project can be similar to a project delivered under other project delivery methods. It is not the intent of this document to focus on identifying general best practices associated with design, construction or project management. Rather, this document's Best Practices for project execution focus on unique features of the design-build process, where successful execution is based on

relationships built upon trust, transparency and team collaboration/integration.

Individuals should be competent in their specific areas of responsibility. They should understand the design-build process and recognize that success is directly dependent upon the ability of the entire team to work together collaboratively.

DBIA considers the following as six (6) best practices for executing design-build projects:

1 | The Right People

BEST PRACTICE: Every team member involved in a design-build project should be educated and trained in the design-build process. They should be knowledgeable about the differences between design-build and other project delivery methods.

IMPLEMENTING TECHNIQUES:

- a. **Trust and Collaboration.** Each individual participating in a design-build project must understand that the project's success is dependent on the ability of the team members to work collaboratively, display empathy and to trust that each member is committed to working in the best interests of the project.
- b. **Design-Build Mental Shift.** Projects should be staffed with individuals who are well educated and experienced in the implementation of design-build best practices, and whose personalities and mindset are well suited to the collaborative/integrated nature of the design-build process.
- c. **Project Champions.** All project teams should have senior leadership committed to the success of their projects and actively
- d. **Trade Partners.** The Design-Builder should recognize the benefit of including experienced specialty trade partners on its team early in the design process and procurement phase (whether design-build or design-assist is up to the project team, market conditions and project complexity).
- e. **People Alignment.** Best practices are shared and followed to foster early and robust collaboration between the parties throughout the entire project. This includes processes to align project priorities and to make key decisions and resolve challenges collaboratively. Affirmative efforts should be made to continue the collaboration and PDB partnership among the team for the life of the project.

2 | The Right Tools

BEST PRACTICE: The project team should establish logistics and infrastructure to support integrated project delivery.

IMPLEMENTING TECHNIQUES:

- a. **Co-Location.** Owners and the Design-Builder's design and construction team members should physically co-locate when justified by project characteristics, and generally adopt practices that support immediate and transparent communications (e.g., "Big Room" project headquarters, electronic meeting platforms, project websites, etc.)
- b. **Effective Administration.** Owners and Design-Builders should collaboratively establish administrative processes for project execution that are appropriate, well-understood and expeditious.
- c. **Time Allocation.** The allocation of time for project stakeholders is critical to project success. Owners should ensure they have stakeholders and reviewers with the time needed to provide timely feedback.
- d. **Reliable Decision Making.** Systems and tools should be used to document decision making. In addition to timely decision making, reliable decision making well documented for future reference will help facilitate a successful process.

3 | Exemplary Communications

BEST PRACTICE: The project team, at the outset of the project, should establish processes to facilitate timely and effective communication, collaboration and resolution of any challenges that arise.

IMPLEMENTING TECHNIQUES:

- a. **Partnering.** The Owner and Design-Builder should develop and use a structured partnering process, scaled appropriately to reflect the project's size and complexity.
 - 1. The Owner and Design-Builder should establish and maintain a supportive team environment, where challenges are identified and resolved quickly and collaboratively without blame and successes are celebrated.
 - 2. The Owner and Design-Builder should develop a Project Charter that confirms a commitment of all parties to a collaborative environment and establishes Project Goals that guide decision making throughout the project.
- b. **Project Management Team.** The Owner and Design-Builder project managers, including the design project manager, should form a day-to-day management team, facilitate effective communication throughout the broader team and plan and lead the project forward in a timely manner. These project managers should be empowered to make most project decisions.
- c. **Executive Leadership Team.** The Owner and Design-Builder should create an executive leadership group, including individuals from key members of the Design-Builder's team (e.g., Design Professional(s)-of-

Record and key trade partners) to meet regularly, monitor the project's execution, make critical and timely decisions that require executive input, and facilitate the understanding, support and achievement of the parties' mutual goals.

- d. **Stakeholder Interfaces.** The Owner and Design-Builder should develop processes and meeting cadence that enable key stakeholders (e.g., end users, facilities staff, building operators, local community groups and government agencies) to interface directly with the Design-Builder and its design professionals throughout the design and construction process.
- e. **Integrated Design & Construction.** The Owner and Design-Builder should, at the outset of the project, endorse and liberally use techniques that effectively integrate design and construction activities and take steps to continue these processes throughout the duration of the project. Trade partners should be engaged during design to offer expertise during the development of design. Waste reduction and efficient delivery should be a consistent pursuit of the project team. Design milestones should be formed based on facilitating the overall project schedule; for example, design information required for further procurement, approval and permitting needs and not traditional SD, DD and CD milestones.
- f. **Owner Engagement.** The Owner should be fully engaged and prepared to make the timely decisions necessary to facilitate the Design-Builder's performance. The Owner should be represented by staff with the authority to make timely decisions and perform all project functions.
- g. **Complete Transparency.** The Design-Builder should clearly, thoroughly and expeditiously advise the Owner about any issues that might impact the contract price, schedule or material matters affecting the project, so that the Owner can make timely and informed decisions on how to address such issues.
- h. **Project First Mentality.** All project team members should be encouraged to act in the best interests of the project, using the established project goals as a guide.

4 | Design Management

BEST PRACTICE: The project team should ensure that the team is aligned on how to execute design management.

IMPLEMENTING TECHNIQUES:

- a. **Design Management**
 - 1. The process for design management should be established at the outset and include the following:
 - a) Pull planning sessions to establish project milestones dates
 - b) The level of detail included in design documents and design deliverables
 - c) Opportunities to integrate manufacturer and/or trade partner shop drawings into design documents
 - d) Integrating cost estimating and constructability reviews into the design process
 - 2. The project budget should be collaboratively established and universally understood before design

- commences. Design Management guides a design-to-target process while working to meet design intent. The Design-Builder should avoid submitting a design that is not reasonably achievable within the project budget.
3. The design should incorporate early constructability and materials procurement information from both the prime and specialty contractors.
 4. The design schedule and design deliverables should be clearly planned, illustrated and mutually agreed among project team.
 5. The level of detail of contract documents should be discussed and agreed upon and particularly the level of effort of documenting deferred scope (sometimes called buyback, enhancements and/or betterments).
- b. **Design Development.** The Owner and Design-Builder should acknowledge the significant level of effort required to integrate stakeholder input with associated governance and decision making as required, development and review of the design and, consequently:
1. Dedicate sufficient resources to foster a collaborative environment for this work;
 2. Many Owner stakeholders have a day job, ensure time allocation is included to support the project needs;
 3. Mutually develop a realistic design development plan that efficiently engages the Owner and key members of the Design-Builder's team (e.g., Design Professional(s)-of-Record and key trade partners) in purposeful meetings;
 4. Maintain a clear understanding of the "guardrails" for decision making and keeping the project within the intended Target Values, per Project Charter;
5. Commit to the review and comment resolution process;
 6. Involve key stakeholders, including end-users, early in the design process;
 7. Have a clear process for design acceptance; and
 8. Conduct pre-development meetings with Authorities Having Jurisdiction (AHJ) to confirm permitting standards and cadence.
- c. **Design Commitment.** The Design-Builder should ensure that iterative design advancement and formal design commitment processes are clearly, thoroughly and contemporaneously documented. There must be a clear and mutual understanding as to how and when the Owner is integrated into the decision-making process for incremental design commitment, such that:
1. The Design Professional(s)-of-Record confirms that the Contract Documents conform with the Owner's project goals and standards and the design meets applicable codes;
 2. The design-build team collectively confirms the design is within budget and attainable on schedule, within the standard of care; and
 3. The Owner is then engaged for review of Design Submissions and Construction Documents or commitment to other review and approval processes such as "over the shoulder reviews" to compliance.
- d. **Submittal Review.** The Owner and Design-Builder should agree upon clear, realistic and expeditious submittal and review/approval processes that are in harmony with the parties' schedule and other project-specific

goals. Technical submittal review processes should recognize the Design-Builder's primary responsibility for both quality assurance and quality control (QA/QC) and the Owner's responsibility for timely reviews.

e. **Trend Management.** The Design-Builder and their team should establish a formal system from the outset of the design-build process to:

1. Identify, track, evaluate, document and manage the evolution of the advancement of the design in accordance with the targets established in validation;
2. Clearly, thoroughly, transparently and contemporaneously communicate to the Owner the information derived from the system; and
3. Maintain the system for the entire duration of the project.

f. **Timely Updates.** The Design-Builder should establish a process to provide timely and

easily understandable information to the Owner regarding the project, including processes to:

1. Critical decisions the Owner will need to make.
2. Update and manage the risk registry until completion of the project.
3. Update the project schedule through baseline comparison so that recent trends are easily understood and illustrated.
4. Illustrate and update cash flow projections for timing Owner and specialty trade partner payments.
5. Cost forecasting in relation to any GMP savings and timely repurposing funds to deferred scope (enhancements, buybacks and/or betterments).
6. Project costs projections, contingency drawdowns with respect to buy back scope.

5 | Progressive Design-Build Process

BEST PRACTICE: The parties should establish a formal process with a multi-step agreement that collaboratively “progresses” toward consensus among all parties on project design, scope, schedule and contract price, including a minimum of three distinct “periods”: 1) Validation, 2) Design and Preconstruction and 3) Final Design and Construction.

IMPLEMENTING TECHNIQUES:

a. **Partnering.** Kicking off a PDB project effectively is a key ingredient in project success. Following selection of the Design-Builder, the team should engage in a robust collaborative process to build the team and align the project goals and key parameters. The Validation Period should only be considered complete when the Owner, builders and designers have agreed on “Target Values, Fees, Overall

Budget, milestone schedule, identified risks, base scope, any initial future betterments or enhancements and roles and responsibilities.” Validation activities should occur before any design begins and include the following:

1. Building and Aligning the Team
 - a) A collaborative process with the Project Team to establish and discuss the project goals. These goals become the roadmap for

- decision making in future phases.
- b) Establishing clear Project Governance and Decision Making to clarify processes for timely decision making while supporting robust Stakeholder engagement.
- c) Determining the approach for use of technology including BIM and project management tools.
- 2. Target Budget
 - a) Alignment on reasonable Target Price (backed by historical data at an appropriate system level to establish benchmarks), with an understanding of the ranges of uncertainty in any of these key parameters.
 - b) Investigation and verification of major project risks and development of a mitigation plan, including site conditions, regulatory requirements and permits.
 - c) Establishing appropriate contingencies to address project risk profile.
- 3. Target Scope
 - a) Establish and describe a base program and scope that aligns with the Target Budget.
 - b) May include major design decisions such as key project metrics, massings and categories of materials. It may also include minimal design sufficient to arrive at a reasonable target price and scope while leaving flexibility for the design to evolve within the target budget. However, it does not include detailed design or possibly even basic drawings.
- 4. Target Schedule (design, construction and turnover)
 - a) Pull plan a high-level schedule accounting for required approvals, turn-overs and identifying major milestones for achievement that the team can plan around and execute against.
 - b) The schedule should be robust for the design phase including durations and activities for budget reconciliation, constructability, permitting, entitlements, and AHJ review and approvals in addition to bigger design milestones.
 - c) Developing a procurement plan to guide the timing and methods for on-boarding the balance of the project team. Consider what is appropriate for the needs of the project and how to leverage the benefits and early expertise they can lend to the design process and establishing reliable target values and ownership of those values for the project. Significant efforts should be made to on-board expertise as early in the process as possible, procuring key design consultants and trade partners in a timely and proactive manner.
 - d) Consideration of funding availability and timing of available funds that could affect schedule or the scope of the project.
 - e) Construction durations and specificity can be less defined and more flexible as it will be further developed in conjunction with the design.
- b. **Design and Preconstruction Period.**

Once the parties have achieved alignment through Validation, the Design-Build Team works

collaboratively with the Owner to develop a design and other commercial terms that results in a Proposal that includes the final scope and schedule on which the final price is based. During this Period, the parties should maintain and enhance team collaboration while onboarding the broader design-build team.

1. The Proposal should have the following elements:

- a) Sufficient information describing the project scope quality, schedule and budget to determine whether the Design-Builder is entitled to a change order in the Final Design and Construction Period;
- b) The final pricing structure for the project including, if appropriate, sufficient contingency for the Design-Builder to manage its risk;
- c) The final project schedule;
- d) The Basis of Design Documents, which contain the project performance and sustainability requirements and metrics;
- e) An updated risk register;
- f) A quality management plan;
- g) A report that documents the site conditions;
- h) A construction safety plan; and
- i) Commissioning and transition to operations requirements.

2. The parties should consider whether the project will benefit from the Design-Build team performing early construction work or procure materials

during this period. In performing early construction work or procuring materials early, the parties should consider the following:

- a) All early construction work must comply with permitting requirements.
- b) The parties must enter into a written contract amendment to authorize early construction work or early procurement, and the contract amendment must include all information required to establish all relevant commercial terms for the work.

c. ***Final Design and Construction Period.***

Provided the parties enter into the contract mechanism to authorize the completion of the project, the parties should continue the collaboration, communication and stakeholder engagement process that they established in the previous periods as the project moves into construction, commissioning and closeout.

- 1. The Final Design and Construction Period is governed by terms in the contract amendment/second contract.
- 2. The parties should maintain the Design-Build Team's single source of responsibility and accountability.
- 3. The parties should implement the clear completion, commissioning and closeout process established in the final contract amendment.

6 | Commissioning and Turnover

BEST PRACTICE: The Owner and Design-Builder, from the outset of the project, should establish a collaborative/integrated plan for commissioning, completion and turnover of the project.

IMPLEMENTING TECHNIQUES:

- a. **Roles and Responsibilities.** Identify each party's roles and responsibilities, including third-party commissioning agents where appropriate. An effective Commissioning and Turnover Plan should:
 1. Maintain Design-Build team's single source of responsibility.
 2. Maintain Design-Build team ownership of quality and performance.
 3. Shepherd acceptance of the project based on original agreed-upon level of quality balanced with Owner's original concurrence of target cost.
- b. **Engaging Stakeholders.** Engage end users and other stakeholders in identifying:
 1. Operational parameters that will drive programming of project systems (e.g., temperature controls, safety, security, traffic management, continuous quality monitoring, etc.) during commissioning; and
 2. Need for Owner-Operator training, attic stock, spare parts, O&M manuals, record documents, Building Information Models, etc.
- c. **Testing and Substantiation.** Schedule testing and substantiation of installed systems, particularly where performance guarantees are part of the contract.
- d. **Conditions of Acceptance.** Clearly define conditions for acceptance of completed work.
- e. **Completion and Turnover.** Establish processes for Substantial Completion and Final Completion of the project including transition of all project insurance programs from Design-Builder to Owner.



The Owner and Design-Builder, from the outset of the project, should establish a collaborative/integrated plan for commissioning, completion and turnover of the project.

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