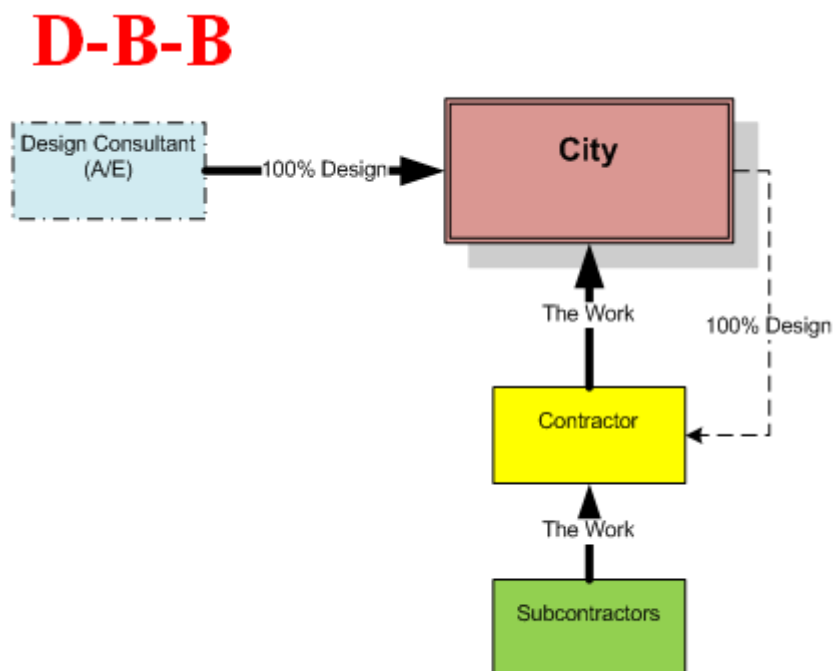


Construction Contract Types

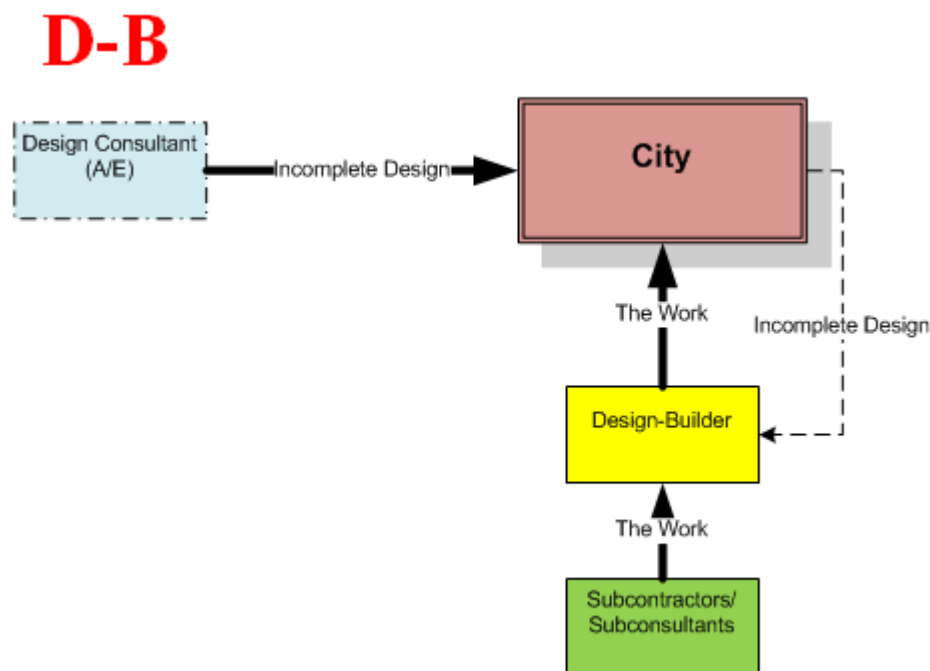
The City uses different delivery methods for the execution of CIP projects. The “low-bid” Design-Bid-Build method is historically the most commonly used system. While this system is used for both large and small projects, there are situations when other methods like Design-Build will be more advantageous. Comparisons of all these methods are sometimes best described by identifying how they differ from the well known Design-Bid-Build process.

- 1) **“Low-Bid” Design-Bid-Build:** With this method, the plans are designed by an independent engineering professional (Consultant) or in-house staff, and construction only is awarded to the lowest responsible bidder. In other words, the design is accomplished by in-house staff or a consultant with no ties to the construction contractor. The City manages the construction contract to ensure that the project is built in accordance with the plans and specifications.



“Work - That which is proposed to be constructed or done under the Contract or permit, including the furnishing of all labor, materials, equipment, and services.”
GREENBOOK

2) Design-Build: The Design-Build contracts are allowed by the City Charter §94.2. Specific guidelines for the award, use, and evaluation of D-B contractors, are governed by the San Diego Municipal Code (SDMC) §22.3301 - §22.3309. The D-B method differs significantly from the D-B-B method in that the City enters into a contract with a single entity for providing both design and construction services. Typically, the City prepares “bridging documents,” which are generally developed to a schematic design level sufficient enough to facilitate the community review and environmental processes. Upon approval, these concepts are used along with performance specifications, cost proposal and a pre-qualification process to select the D-B contractor. Following a 2-step process and the selection of the Design-Builder, the design, permitting, and construction responsibilities are shifted to the D-B Contractor.



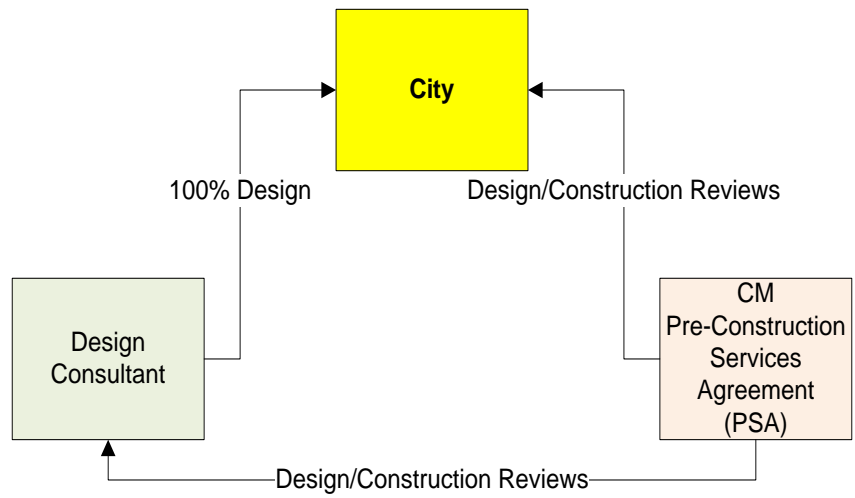
3) Job Order Contract (JOC): The JOC project delivery method is used for projects that, rely mostly on single trades, may be of urgent or emergency needs, and for minor new construction projects. JOC contracts are governed by the San Diego Municipal Code §22.3103 and §22.3104 and Administrative Regulations 25.65. JOC contracts have a fixed term, typically 2 years, and up to \$10 Million. Under the JOC system, projects are accomplished by individual Task Orders. The JOC system is based on set unit price books. These unit price books reflect the current value of

construction and repair projects in Southern California. The most significant difference from D-B-B is that plans need not be as fully developed for a JOC project because the Contractor will provide “shop drawings” and “working drawings” detailing many of the specifics of the project. JOC contracts are awarded to the lowest responsible Contractor bidding a “modifier” to the unit price book. The modifier is expressed as a decimal value and is applied to all the unit prices in the book for the duration of the Contract. The Contractor with the lowest modifier is typically awarded the Contract.

- 4) Minor Construction Program:** The City also manages a Minor Construction Program (i.e., smaller than \$500K in value) that is focused on assisting small and emerging businesses. Through an application and approval process, the City establishes a list of exclusive contractors that are allowed to bid CIP Projects of \$250,000 or under.
- 5) MACC:** A MACC (Multiple Award Construction Contracts) is a contract awarded as a result of a single solicitation, which resulted in award to multiple Contractors. Each Contract is based on an Indefinite Delivery Indefinite Quantity (IDIQ) contract with no pre-established fixed contract prices. The actual amount of work which includes both design and construction to be performed and the time of such performance will be determined by the City’s properly authorized representative, who will issue written design-build Task Orders to the Contractor. Award of Task Orders will be on a Firm-Fixed Price basis. Design at various stages of completion will be provided by the City for completion by the Contractor.
- 6) Construction Manager At Risk (CMAR):** In the CMAR method, the City contracts with both an architect/engineer and a construction manager simultaneously. In most cases, CMAR is a delivery method which entails a commitment by the construction manager to deliver the project within a Guaranteed Maximum Price (GMP). The construction manager acts as consultant to the City in the development and design phases (Stage I - Pre-construction Services) and as the equivalent of a general contractor during the construction phase (Stage II - Construction Services). Once the GMP is established, this process typically offers less flexibility for changes.

CMAR

Stage I



Stage II

