



Design Build Primer

Term	Meaning
design build	A construction project delivery method in which architectural design, construction and engineering services are managed by a single entity. Inherently a more efficient and effective practice, the design builder acts as the client's partner setting the project schedule, managing contractors and absorbing all risk. A guaranteed maximum price (GMP) is established prior to construction wherein any savings are returned to the client at project end. Conversely if a cost is unaccounted for and the project scope hasn't changed the design builder assumes the loss.
design builder	The single source entity that acts as the owner's partner managing the architectural design, construction and project schedule.
guaranteed maximum price (GMP)	An open book contract in which all costs are disclosed to the client by the design builder who is compensated with a fixed fee. Any cost savings are shared with the client. Cost overages are absorbed by the design builder.
feasibility study	A way to confirm the viability of a project at a minimal cost.
contingency	A special allowance covered in a risk estimates for unforeseen circumstances. Contingencies can help mitigate risks.
allowance	A cost identified for an item whose scope and quantity level are not yet calculated.
change orders	A change in the work scope that adds or subtracts from the scope, schedule or price.
risk management	A method managed by the design builder to expose and reduce risk. Elements analyzed can include risk factors such as occupational, financial, contractual, project, stakeholder or natural. Additionally risk management takes into consideration the techniques to avoid or mitigate risk.
efficiency	The optimization of talent, time, financial or intellectual resources to result in the best project outcome.
project planner	The individual responsible for the pre-construction aspects of a project. This entails developing the project definition, budget and schedules.
project manager	The individual responsible for the successful completion of a project. This entails managing the project definition, budget, scheduling and allocation of resources.
scope of work	A document outlining the plan of a project's goals, benchmarks, task and costs.
letter of intent (LOI)	A document committing to the execution of a contract at a future date.
warranty	An obligation to correct flaws in product and workmanship for a set period. A project may have multiple warranties in its contract.



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