



Performance
Services

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4495

State of Michigan House Reform Committee
House Office Building
124 North Capitol Avenue
Lansing, MI 48933

Honorable Chair Webber, and distinguished members of the House regulatory committee;

My name is Michael Livendale, and I am a Design Builder, a member of the Design Build Institute of America (DBIA) and on the board of the DBIA Great Lakes Region.

DBIA is a national association made up of architects, engineers, and construction industry leaders. Our national Board has industry leaders from some of the largest construction, architect and engineering companies in America. Our National board is comprised of a who's who in the industry, such as Beck Group, Mortenson, Whiting-Turner and Clark Civil part of Clark Construction and Burns & McDonnell Engineering Company Inc. Burns & McDonnell is a... "full-service engineering, architecture, construction, environmental and consulting solutions firm. With a staff of 7,000 includes engineers, architects, construction professionals, planners, estimators, economists, technicians and scientists, representing virtually all design disciplines."

In the DBIA Midwest Region we have over 200 members including Barton Mallow, Hunt construction and Walsh.

When DBIA was founded in 1993, only three states allowed the use of design-build for public projects. Today, there are only three states with little to no design-build authority. Design-build is the fastest growing delivery process in the nation, but we still have work to do.

Design-build is specifically a method of construction project delivery in which one entity – the design-build team – works under a single contract with the project owner to provide (Architectural / Engineering) design and construction services. One entity, one contract, one unified flow of work from initial concept through completion – thereby re-integrating the roles of designer and constructor. Design Build is price guaranteed with no cost overruns or change orders. A single point of contact with a single point of responsibility.

Design Build is considered to be a "new" construction method, but was used to build the pyramids. Design Build is widely utilized and constitutes more that 44% the construction market today.

There are numerous examples of public agencies in Michigan undertaking projects via the Design-Build. The New Gordie Howe International Bridge with Canada is being built as a Design Build. Many Local units of government in Michigan have utilized Design Build and some schools, but many schools feel they cannot utilize Design Build because it is not specified in the school construction code.

Design-build provides an efficient and streamlined method of procurement and contracting that would compete with the various Design/Bid/Build process created in the 1920's currently utilized in the K12 market in Michigan. The state of Michigan is one of only a few states that do not have specific design build legislation for public schools. We are asking you today to allow for competition in the Michigan school construction market.

HB 4495 will clarify what a qualified design builder is, define procurement methods and ensures licensed State of Michigan architects are utilized.

Performance Services Inc.



Design Build is the next progression in construction to allow more collaboration in design. With a design build contractor accepting responsibility for design errors and omissions. In short guaranteeing the price of a project and the execution.

The American Institute of Architects is a key member and ally of the DBIA and the industry.

Let me give you a few quotes from their leaders.

Architects On Design Build Advantages:

Jim L. Whitaker, AIA, DBIA, NCARB Advisory Board of the American Institute of Architects (AIA) Project Delivery Knowledge Community. At the 2016 DBIA Industry Leaders Discuss State of the Union discussing architects and their fear of design build Jim lead with,..."*let's get over that. We don't have to be the leaders of everything. We have to come to grips that the owner, contractor, engineer may have a better idea.*"

<http://www.prolibraries.com/dbia/?select=speaker&speakerID=59333>

Tom Vandever, AIA, senior vice president for global architecture firm HDR, says the traditional design-bid-build model makes up fewer than half of his firm's projects. "*Today, I've never seen more variation in exploring different ways of delivery,*"

http://www.architectmagazine.com/practice/best-practices/engaging-in-architect-led-design-build_o

Dennis Bolazina, AIA, a member of the AIA Documents Committee since 2002, National Construction Dispute Resolution Committee of the American Arbitration Association as the AIA representative. For the last ten years, the architectural portion of the business is limited to consulting with Owners and Developers on typically \$100,000,000 Projects. When asked "How do you think design-build projects will evolve in the design and construction industry?": "*Design-Build delivery is gaining use in the industry. Design-Build Contractors market the single source responsibility of Design-Build delivery. When Owners establish proper and complete Criteria for the Project, they can maintain control over the design and the quality.*"

<http://www.aia.org/contractdocs/AIAB104039>

"Striving For Excellence In Everything We Do"



Union City Community Schools
430 St. Joseph Street
Union City, MI 49094
Ph: 517-741-3302
Fax: 517-741-5205
E-mail: pkreger@unioncityschools.org

Patrick J. Kreger
Superintendent

May 13, 2019

State of Michigan House Reform Committee
Rep Rebekah Warren S-989
House Office Building
100 N Capitol Ave
Lansing, MI 48933

Dear Representative Warren and the House Reform Committee members:

Over the last 24 years I have been a school administrator in the State of Michigan. During that time I have been involved in no less than 12 construction projects of varying sizes and scopes. I am writing you today to express my strong support for House Bill No. 4495. This bill would allow additional competition and flexibility in construction projects by allowing Design-Build as a construction option in the State of Michigan.

During my years of experience, I have encountered a variety of challenges that could be addressed simply by the use of a Design-Build process. Some of my most serious issues have been with communication between our architects/engineers and our construction management teams. Design-Build allows for a more streamlined approach to construction by moving communication under one "roof". Additional benefits of this process include;

- Improved Efficiency
- Lower Construction Costs
- No Change Orders
- Performance Guarantees
- Coordinated Focus On Exceptional Learning Environments
- Improved Collaboration

This is an exciting opportunity for additional options for construction in the educational community. Our taxpayers expect us to get the utmost quality for each and every dollar that they give us. I believe allowing Design-Build will significantly enhance our ability to make the most of our resources. As you know, competition ultimately drives improved quality at lower costs. Our students deserve the most "bang for their buck" in the environments that they learn in each day.

In conclusion, I strongly support the Committee's serious consideration of House Bill No. 4495. This will be good for the all school districts within this state and specifically your constituent districts. Thank you for your time and dedication to our school communities.

Sincerely, yours in education,

Patrick J. Kreger

7203 EAST U.S. HIGHWAY 36
AVON, IN 46123
PHONE: (317) 544-6000
FAX: (317) 544-6001
www.avon-schools.org



AVON
COMMUNITY
SCHOOL
CORPORATION

May 10, 2019

State of Michigan House Reform Committee
Rep Rebekah Warren
S-989 House Office Building
100 N Capitol Ave
Lansing MI, 48933

Dear Rep Warren and House Reform Committee members:

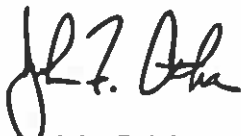
I am writing you to advocate for the design-build procurement process in the K-12 educational arena. I have been an educational administrator for 20 years and have been responsible for more than \$200,000,000 in school construction in Indiana with almost half done through the design-build delivery process since 2009. Since the legislation to allow design-build was enacted in Indiana, I have experienced firsthand the many benefits of design build, which make it our preferred delivery method for school construction. The obvious benefits are:

- Lower overall project costs
- No change orders
- Guaranteed performance
- Quick development and better delivery speed
- Better quality results/outcomes
- Better project control through single point of contact and responsibility
- Focus on optimal learning environments

However, the most compelling reason that we prefer design-build is it mirrors our organizational priorities of shifting from a top down silo approach to a collaborative teamwork approach that is focused on creativity and innovation, while delivering the best value for our community and taxpayers. In our district, we embrace collaboration as an accelerator for achieving our goals and increasing efficiency. It has become the key to engaging our stakeholders and harnessing their collective talents to create the best version of ourselves. We have made a conscience effort to implement this approach in all aspects of our business, so it is only natural that we would use design build in our school construction projects to be consistent with our values.

In closing, I would encourage you and the Committee to give strong consideration to adopting design build legislation that allows your school districts and public entities to take full advantage of this wonderful process. Thank you for your consideration and for your service.

Sincerely,



Dr. John F. Atha
Associate Superintendent

Board of School Trustees

Pamela J. DeWeese
Anne L. Engelhardt
John K. McDavid
Cynthia L. Simmons
Kimberly L. Woodward

Administration

Superintendent
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Associate Superintendent
John F. Atha, Ed.D.
Assistant Superintendent
Maryanne B. McMahon, Ph.D.
Director of Finance &
Operations
Scott M. Wyndham, Ed.D.

Beech Grove City Schools

5334 Hornet Avenue
Beech Grove, IN 46107-2306
Phone (317) 788-4481
Fax (317) 782-4065
www.bgcs.k12.in.us



May 10, 2019

House Regulatory Reform Standing Committee :

It is with great pleasure that I write a letter of support for the Design Build process from my experience as a superintendent in the state of Indiana. I had five years of working with the traditional bid spec process as an assistant superintendent. I found this process to be challenging because we did not have control over the selection of the specific contractors on our projects and our projects were more expensive.

During my tenure at Beech Grove City Schools, we have utilized the Design Build process on two different occasions and are planning a 25 million dollar project in the Summer of 2019. We find that the Design Build process provides for lower overall project cost and there are no change orders utilizing this method! There are guaranteed performances and better delivery on the completion timeline of the projects. We had more efficient design time and had tremendous quality and outcomes on these projects.

Beech Grove City Schools was able to enhance the optimal learning environments in all five buildings which was efficient for everyone involved in our projects. A key component is that we have one point of contact during the entire project. There is no finger pointing taking place because the Performance Contractor that is selected is the single point of communication and accountability for the school district.

As an administrator and education for 38 years, I find the Design Build process to be successful and also saves the local taxpayer dollars that can be utilized in other areas of the school community.

Please feel free to contact me at (317) 445-6506 if I can provide further information to support this initiative for the state of Michigan.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Kaiser". The signature is written in a cursive style.

Paul A. Kaiser
Superintendent

"Building a Culture of Excellence"



May 14, 2019

House Bill 4495 – Design Build Changes

Regulatory Reform Committee
Representative Michael Webber, Chair
N-894 House Office Building
P.O. Box 30014
Lansing, MI 48909

Representative Webber;

The Michigan Society of Professional Engineer's (MSPE) does not support HB 4495. This is Representative Warren's Design Build legislation for school construction projects.

If passed, this bill would establish a much lower standard of oversight than is currently required under the Michigan Occupational Code. Under the proposed legislation, a design-builder would merely have to employ a licensed architect or engineer in order to provide design services on school projects. Current law requires 2/3rds of the principals in a firm offering design services to be licensed in the State of Michigan.

While the State of Michigan has established numerous codes over the years to protect the health, safety, and welfare of the public, Architects and Engineers are still vital to ensuring the ultimate safe environment for our fellow Michiganders. Licensed design professionals review the details of a project that go beyond building codes to ensure all the parts function as a safe, secure whole. Building inspectors typically check for code enforcement during the rough in and during final inspection, during those in between times, they rely heavily on the knowledge and expertise of Michigan's design professional to ensure a structure is being constructed properly.

HB 4495 also requires design builders to be certified by the Design Build Institute of America. DBIA lists over 2600 people nationwide, but only 3 are registered in Michigan. This requirement will drastically reduce the number of Michigan based firms eligible to perform Design Build school work, resulting in decreased local participation and increased costs for firms choosing this contract method.

The vast majority of school construction in Michigan is performed under construction manager agent contracts to ensure the appropriate oversight between trade contractors and owners. HB 4495 significantly reduces established measures ensuring the protections of health, safety, and welfare, and drastically changes the competitive pricing protections that exist under current rules.

Furthermore, Michigan schools are already procuring construction projects through the current design-build process without issue. HB4495 is an unnecessary and dangerous piece of legislation.

The Michigan Society of Professional Engineers has many respected professionals in the area of design-build and we would be happy to provide testimony or guidance to assist your committee in reviewing this proposed legislation. Please feel free to reach out to us as a resource. You can contact me directly at 616-791-6792 or sconners@walker.city.

Sincerely,



Scott Conners, P.E.

MSPE President 2018/2019

Cc: Regulatory Reform Committee – via sgordon@hours.mi.gov
Leanne Panduren, P.E., MSPE Legislative Affairs Committee – Chair
Tom Wheat, P.E., MSPE President Elect 2018/2019