



UNDERSTANDING THE MOST COMMON OPTIONS

A GUIDE TO CONSTRUCTION DELIVERY METHODS

2026

HOURIGAN

DELIVERING A SUCCESSFUL PROJECT

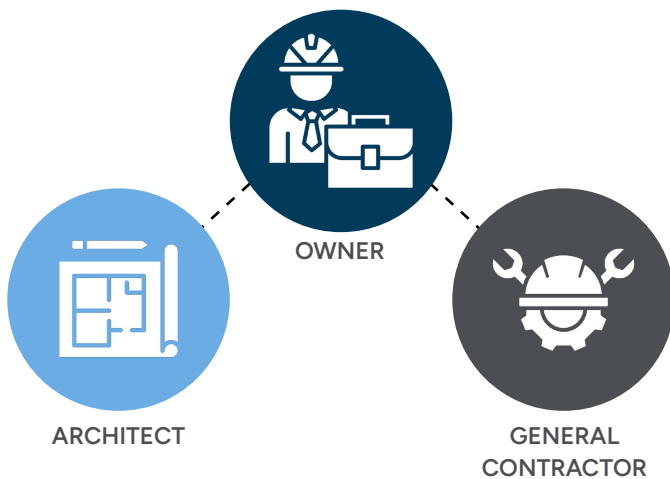
The design and construction industries are constantly evolving, striving to adopt new methods to streamline projects. As projects become more complex in nature, understanding potential delivery options is a key component to success on any construction project.

The project delivery method is exceptionally important to the success of your project. Choosing a construction management partner who is familiar with each of the processes is vital to ensure a smooth ride from the beginning of your project. All project owners typically desire the same three things for all projects:

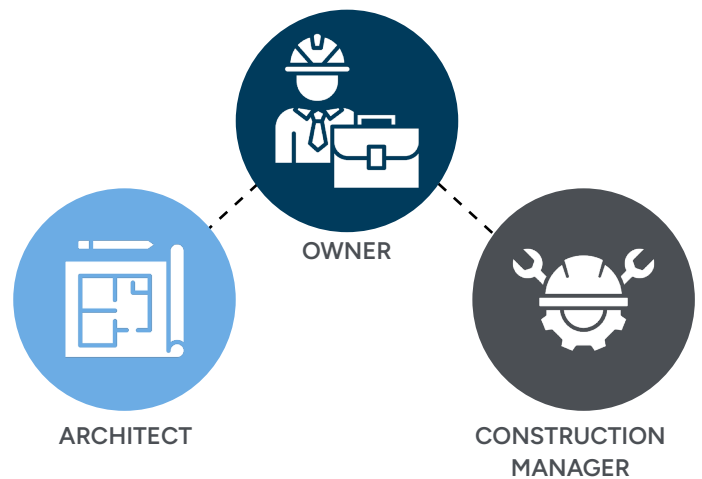
1. Construction at the best price,
2. with the highest quality, and
3. completed within the shortest period of time.

Although there are a wide variety of delivery methods available, these are the three most common:

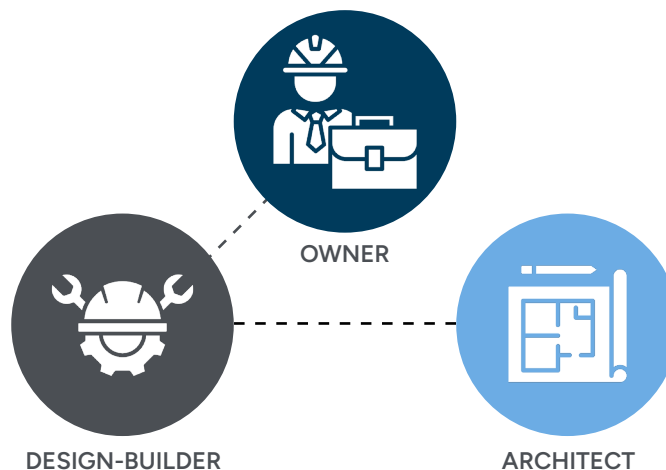
DESIGN-BID-BUILD



CONSTRUCTION MANAGER-AT-RISK



DESIGN-BUILD



Comparison of Construction Delivery Methods

Collaborative Delivery

CRITERIA	DESIGN-BID-BUILD (DBB)	CONSTRUCTION MANAGER-AT-RISK (CMAR)	DESIGN-BUILD (DB)
CONTRACT STRUCTURE	Owner contracts separately with architect and contractor	Owner contracts separately with architect and construction manager	Owner contracts with a single design-builder
WHEN CONTRACTOR IS ENGAGED	After design is fully complete	During design (early preconstruction involvement)	At project outset
ABILITY TO SECURE TRADE PARTNERS EARLY	Limited	High	Very High
DESIGN & CONSTRUCTION RELATIONSHIP	Sequential	Overlapping	Fully integrated
COST ESTABLISHMENT	Fixed at bid award	Guaranteed Maximum Price (GMP) established before construction	Budget established early and refined collaboratively
RISK ALLOCATION	Higher owner risk	Shared risk; contractor assumes cost risk beyond GMP	Majority of risk transferred to design-builder
SCHEDULE FLEXIBILITY	Lowest	Moderate to high	Highest (fastest delivery method)
COLLABORATION LEVEL	Limited	High	Very high
CONSTRUCTABILITY INPUT DURING DESIGN	Minimal	Extensive	Continuous
CHANGE ORDER LIKELIHOOD	Higher	Lower	Lowest
OWNER INVOLVEMENT REQUIRED	Moderate to high	High during design	High early, streamlined later
PROCUREMENT BASIS	Competitive low bid	Qualifications + cost	Qualifications-based
BEST SUITED FOR	Projects with well-defined scope or regulatory bidding requirements	Complex projects requiring cost certainty and collaboration	Projects prioritizing speed, accountability, and integrated delivery

DESIGN-BID-BUILD

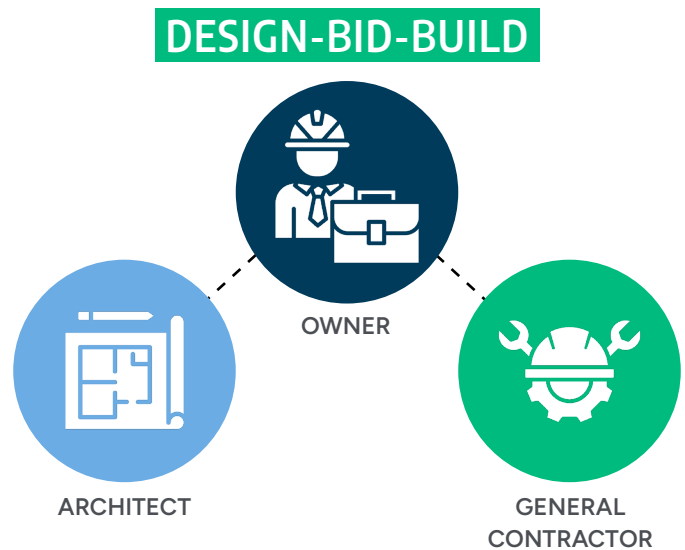
Design-Bid-Build is the most traditional delivery method. This approach separates the design responsibility from the building process, putting the owner at the center of the model. First, the owner hires an architect and a team of consultants to complete the project design and specifications, as well as a construction plan. Afterward, the owner solicits construction managers through a bid process, which is typically awarded to the lowest responsive bid.

ADVANTAGES

- A simplistic method where the owner contracts with separate entities for design and construction.
- The bidding process can help achieve competitive pricing for construction contracts.
- Low bid cost for both the contractor and design team, driving maximum competition.
- Clarity of scope is identified before construction begins.
- Construction cost is fixed at contract award.
- The design team produces a single set of bid documents versus a phased bid package arrangement.

CONSIDERATIONS

- Construction costs, including local market input are unknown until design completion.
- There is no contractor input throughout the design, planning, or value management phases, which can cause communication challenges.
- The design process must be complete before construction begins, which can result in longer timelines.
- The owner is exposed to potential change orders if the scope is not complete.
- The duration of the project is increased compared to construction manager-at-risk and design-build.
- Potential schedule delays are possible if the project comes in over budget, requiring a redesign, resubmission of bids, and potential resubmission for permits.
- This method requires significant owner expertise and resources with shared responsibility for project delivery.
- Can have limited opportunity for innovation and higher risk profile for the project owner.



DESIGN-BID-BUILD TIP

In an effort to drive more quality and schedule certainty into this delivery method, consider the use of a two-phased selection process. This will ensure the organizations pursuing the project are on a level playing field when considering cost, quality, and the overall experience. This promotes a competitive bid environment, while injecting flexibility into the decision making strategy.



FEATURED CASE STUDY

NORFOLK AIRPORT AUTHORITY PARKING GARAGE D

Project overview

New construction of a 1,100,000-SF parking garage consisted of ground parking level plus 8 elevated parking levels providing approximately 3,200 parking spaces. The cast-in-place posttensioned concrete structure was founded on auger-cast concrete piles. The project had limited laydown and staging space available between the west face of the parking garage and the existing roadway; surrounded by existing structures to the north, south, and east. An efficient phasing strategy was critical for this project in order to protect the existing structures, keep the facilities operational and to maintain a safe egress from the surrounding facilities. The new parking garage connects to the existing stair/elevator tower. The project also included modifications to the existing roadway and entry canopies.

Client goals

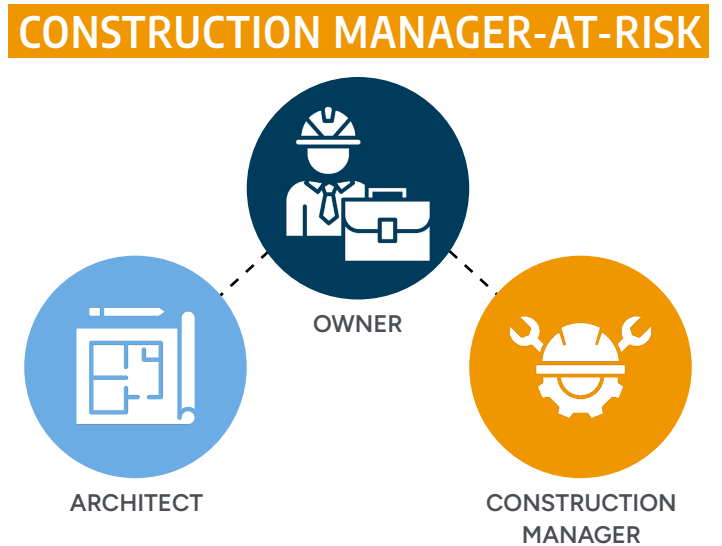
Design-Bid-Build delivery method was required for a government agency focused on partnering with the team that was the most qualified and brought the highest values to the table.

CONSTRUCTION MANAGER-AT-RISK

The Construction Manager-at-Risk delivery method supports the owner not only during construction, but also during pre-development, fostering collaboration throughout the preconstruction phase. This method requires partnering with a construction manager that brings the technical capabilities appropriate for the project. By integrating the construction team and engaging the designers and contractor early on, the project benefits from better constructability insights and more effective decision-making. This process reduces the overall schedule and cost of a project compared to the traditional design-bid-build delivery method.

ADVANTAGES

- Cost and schedule are determined early in the process and guaranteed before start of construction.
- Cost estimating is accurate with existing market conditions during the early stages of the project.
- A collaborative environment is made in which the contractor, design team, and owner all work together.
- Contingencies are carried for budget protection.
- The majority of the contract value is competitively bid to the trade partner and supplier market, and the owner can participate in trade partner selections.
- There is contractor involvement and support through the authority having jurisdiction (AHJ) review, approval, and inspection process.
- Able to fast-track early components of construction prior to design completion.
- Can result in a higher quality outcome as the selection process evaluates qualifications and experience prior to price.
- Open book transparency can cause potential cost savings.
- Once the design is complete, the construction manager provides a GMP based on competitive bids. A GMP (Guaranteed Maximum Price) is the highest amount a client would pay for a project.



CONSIDERATIONS

- Construction begins before final bids with trade partners are complete, often resulting in multiple bid packages from the design team.
- Trust must be high with the firm selected to ensure transparency.
- The project's success is highly dependent on the construction manager.
- Requires more engagement from the owner during the design phase than a DBB approach.

CONSTRUCTION MANAGER-AT-RISK BENEFIT

Construction manager-at-risk offers the opportunity to fast-track and pre-purchase materials and equipment by utilizing phased design and bid packaging system. This is a tangible benefit of collaboration and early engagement of the construction manager.



FEATURED CASE STUDY

STIHL HEADQUARTERS ADMINISTRATIVE FACILITY

Project overview

The new three-story, 87,300-SF, state-of-the-art administration building combines the Sales & Marketing, Finance & Controlling, Legal and Customer & Technical Service teams under one roof. The facility also houses a brand and customer welcome center. This two-phase project includes demolition of the existing facility and preservation of the trees surrounding the site of the new Administration Facility. Construction of the new facility was commenced without interruption to ongoing campus operations including the vibration-sensitive machinery in the neighboring manufacturing facility.

Client goals

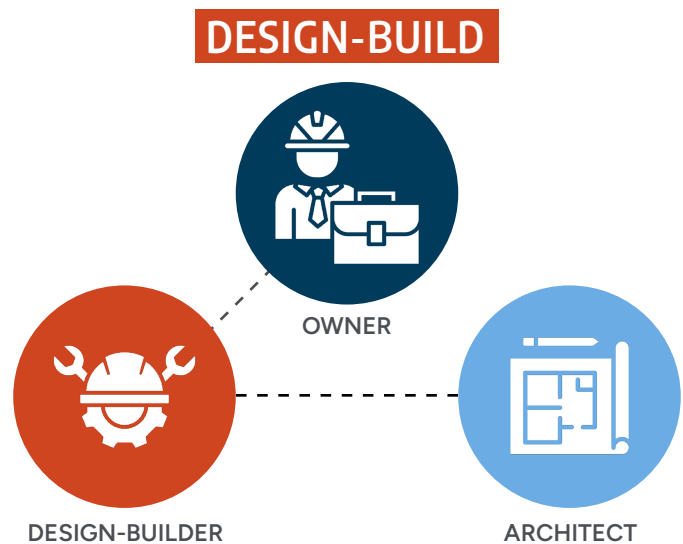
Construction Manager-at-Risk was used to deliver the project quickly with the ability to select a qualified Construction Manager based on experience working within a tight schedule and site, while keeping the client's environmental needs in mind.

DESIGN-BUILD

Design-build is one of the fastest growing and evolving delivery methods, constituting 44% of America's construction dollars. Design-build procurement simplifies the process for the owner by sourcing a contract with a single point of responsibility, the design-builder. While the schedule and budget are determined during the pre-development phases, increased collaboration amongst the design and construction team members results in saved time and money. According to the Design Build Institute of America (DBIA), design-build is 102% faster than traditional design-bid-build projects and owners report higher satisfaction rates than all other delivery methods.

ADVANTAGES

- ▣ The team is selected on qualifications and prior experience, versus lowest cost. Preconstruction efforts ensure maximizing the program within the budget.
- ▣ A streamlined decision-making process results in cost efficiencies and reduced conflicts.
- ▣ Increased collaboration results in fewer change orders, better coordination, and innovative, quality builds.
- ▣ Construction and design overlap, making design-build the fastest delivery method.
- ▣ There is single-source responsibility for design, construction, and the warranty period.
- ▣ The project's quality is typically better as there is constructability input throughout the design process.
- ▣ There is reduced owner risk.



CONSIDERATIONS

- The owner is required to provide internal programming resources and design feedback early in the process.
- The owner must be highly responsive to ensure fast-track delivery is met.
- There are fewer qualified team selections during the solicitation process.

COMMON DESIGN-BUILD MYTHS

Owner Eliminates Control

The owner determines their level of engagement. Design-build fosters a transparent process, and active owner participation is a key factor to overall project success.

More Expensive

With a more collaborative team environment, this process is more cost-effective. Early constructability insight produces a more efficient build, saving time and money.

Reduced Quality

Design-build's fast-track schedule does not compromise quality. The project team's ability to engage and produce early site and construction packages allows construction to begin ahead of design completion, resulting in shorter timelines.



FEATURED CASE STUDY

DOMINION ENERGY 600 CANAL PLACE

Project overview

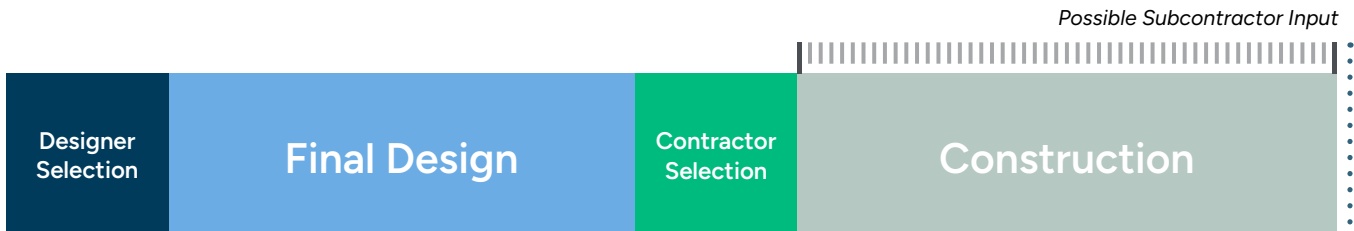
This design-build project consists of the demolition of the six-story Richmond Plaza building in downtown Richmond to make way for a new LEED Gold Certified office tower. The 20-story, 600,000-SF tower is clad with a curtain wall system boasting pristine views of the city. Client-specific tenant improvements were completed throughout the facility—which features a 15,000-SF Wellness Center with fitness center, lockers, activity rooms, and a 10,000-SF dining center for all tenants. A green roof allows tenants to walk the terrace topping the 400,000-SF cast-in-place, 7-level parking garage—which features 866 spaces beginning 4 levels belowgrade.

Client goals

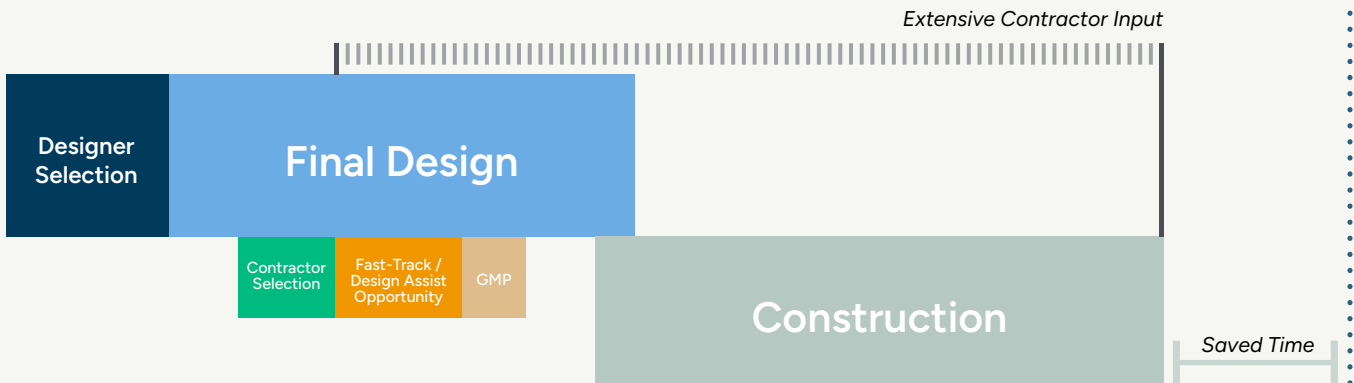
In an effort to produce an exemplary facility on a tight schedule, design-build was selected to procure a highperforming and cohesive team throughout the design and construction to reduce gaps in communication and quality

PROJECT SEQUENCE SUMMARY

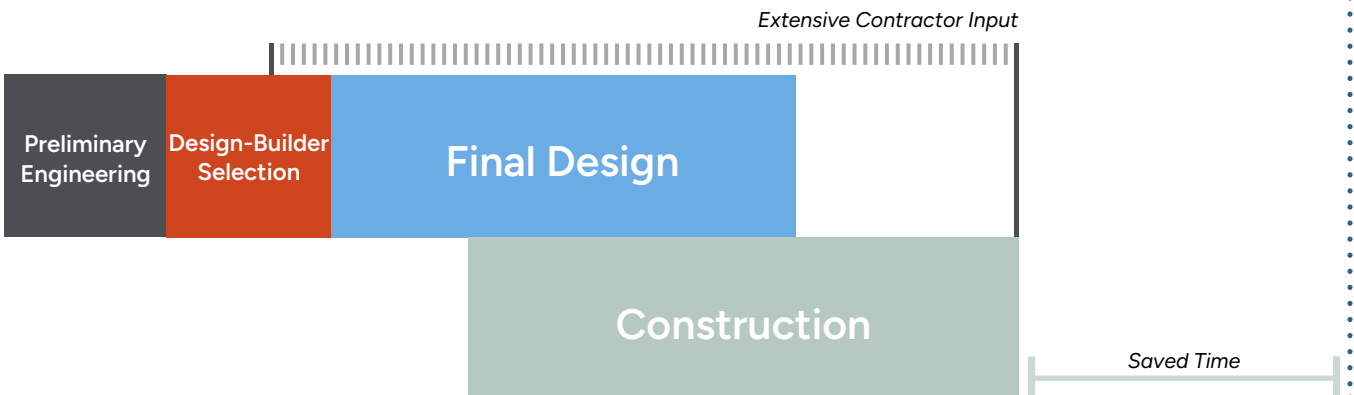
DESIGN-BID-BUILD



CONSTRUCTION MANAGER-AT-RISK



DESIGN-BUILD



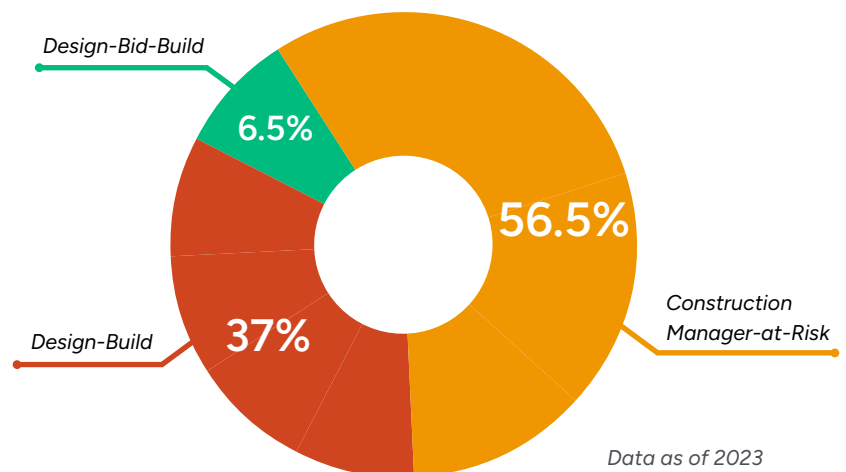
KEY TAKEAWAYS

Projects today are more complex, bringing unique details and challenges to the table. Project teams ensure success by understanding prospective delivery methods. Deciding which project delivery method to implement depends on the owner’s expertise, type of project, desired control, timeline, and budget. More often, teams choose collaborative methods such as construction management-at-risk and design-build, as they save time and money without sacrificing quality and a positive customer experience.

METHOD	STRUCTURE	BENEFITS
Design-Bid-Build	Client hires an architect to create the design and then sends out bids to contract a construction manager	<ul style="list-style-type: none"> ❑ Simplistic method ❑ Low construction cost ❑ Single set of bid documents ❑ Clear project scope ❑ Construction cost is fixed at contract award
Construction Manager-at-Risk	Starts with two contracts -one between the owner and designer, and one between the owner and the contractor	<ul style="list-style-type: none"> ❑ Cost and schedule are determined early ❑ Collaboration between the contractor, design team, and owner ❑ Transparency ❑ Fast-track process
Design-Build	Owner sources a single point of responsibility with a design-builder	<ul style="list-style-type: none"> ❑ Team is selected on qualifications ❑ Streamlined decision-making process and fastest delivery method ❑ Increased collaboration due to contractor input through construction and design overlap ❑ Higher quality project

HOURIGAN DISTRIBUTION OF DELIVERY METHOD UTILIZATION

With over 93% of our projects being delivered using design-build and construction manager-at-risk, we have significant experience delivering projects using highly collaborative methods. At Hourigan, we are passionate about helping our clients build the best project using a method that works for them. We know that collaborative environments are beneficial because they save time, money, and foster better communication.



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