BROAD REACH CONSTRUCTION

The Commercial Design-Build Planning Guide

A practical guide for owners, developers, tenants, and property managers planning commercial construction, renovations, and expansions.

Make better decisions before construction begins

Understand the delivery model. Define your requirements. Connect design decisions to budget and schedule. Select a team with clear responsibilities.

Commercial Construction Resource Library
Broad Reach Construction
broadreachconstructionnc.com

October 2026 edition

Start with a clear project

Design-build can help owners coordinate design and construction earlier. Its value depends on a clear scope, an accountable team, and timely decisions. A single contract does not remove project risk or guarantee a lower cost.

Who this guide is for

Use this guide if you are considering a new commercial facility, a warehouse or industrial improvement, an office fit-out, a medical space, or a renovation or expansion. It is written primarily for private commercial owners. Public procurement and specialized facilities require additional project-specific guidance.

What you will learn

• How design-build differs from other delivery arrangements.

• What information to gather before requesting a proposal.

• How budgets, allowances, contingencies, and price commitments differ.

• Which approvals and purchasing decisions can affect the schedule.

• What to ask a prospective design-builder before signing.

How to use the guide

Read sections 2 through 8 before comparing proposals. Use the interview questions in section 9, complete the project brief in section 10, and use section 11 to plan the first conversation.

Inside this guide	Section
Delivery methods and team responsibilities	2-3
Project definition and budget planning	4-5
Schedule, procurement, and existing buildings	6-7
Contract readiness and team selection	8-9
Project brief and next steps	10-11

This is planning information, not a project-specific design, code determination, or contract recommendation. Use qualified design professionals and legal and insurance advisers for the decisions within their scope.

Choose the right delivery method

The delivery method establishes how design and construction are organized. Pricing is a separate decision: design-build does not automatically mean a fixed price or a guaranteed maximum price.

Method	Typical arrangement	Owner consideration
Design-build	One entity contracts with the owner for design and construction.	Confirm the design scope and how owner approvals work.
Design-bid-build	The owner typically holds separate design and construction contracts.	Coordinate responsibilities across those agreements.
Construction management	Services and contractual roles vary; agency CM and CM at risk differ.	Identify who holds trade contracts and construction risk.

When design-build may be useful

Consider it when design choices need continuous cost input, building systems require close coordination, or procurement needs attention before every design detail is complete. It can suit both new construction and existing-building work.

When to investigate further

If you already have an architect, completed drawings, landlord requirements, or lender conditions, review those commitments before changing delivery methods. Do not assume an existing design agreement can simply be transferred.

Your decision

Ask which structure best supports your priorities and how it will handle unresolved scope. Compare the actual team, scope, and agreement rather than selecting on the delivery-method label alone.

A design-builder may work with independent architects and engineers. A single owner agreement does not require every discipline to be employed in-house. Confirm the actual structure and the professionals responsible for design.

Establish responsibilities early

Clear accountability starts with understanding which decisions belong to the owner, which services belong to the design-builder, and which professional responsibilities remain with the design team.

The owner sets the requirements

Identify your intended use, operating needs, target investment, priorities, and decision-makers. Provide available property information and identify landlord, lender, insurer, and tenant obligations. Name a person authorized to approve decisions and changes.

The design-builder coordinates delivery

The design-builder manages the design and construction services included in its agreement. Ask who leads day-to-day coordination, how designers and trade partners are engaged, and what information you will receive at each stage.

Architects and engineers provide professional design

Identify the licensed professionals responsible for the required disciplines. Their professional duties and design responsibilities must be reflected in the project agreements. Design coordination should not be confused with personally providing every design service.

Keep the decision trail visible

- Maintain an owner decision log with due dates and responsible people.
- Record scope changes and their cost and schedule implications.
- Agree how meeting notes, design reviews, and approvals are documented.
- Establish who can authorize purchases and release work.

Ask before proceeding

Who resolves a design question? Who approves an alternate? Who communicates with the landlord and utility? Who submits permit documents? Who pays review fees? Assign these responsibilities explicitly; they should not depend on assumptions.

Define scope before seeking a price

A useful proposal begins with a useful project brief. More complete information makes it easier to compare offers and understand what remains uncertain.

Describe the operation

Explain what the facility must do: staffing, visitor access, equipment, storage, hours, loading, privacy, security, and future growth. Separate essential functions from preferences that can change if the budget requires it.

Describe the property

Gather available surveys, drawings, lease exhibits, inspection reports, utility information, and known restrictions. Identify which records are current and which conditions still need verification. Existing drawings may not reflect what is actually installed.

Set measurable priorities

Replace broad requests such as "high quality" or "fast completion" with decisions the team can evaluate. Identify required opening dates, durable finishes, operating temperatures, equipment clearances, or access needs as appropriate. Design professionals should develop and verify technical criteria.

Separate the scope boundaries

- Building work versus owner equipment, furniture, IT, and signage.
- Landlord improvements versus tenant responsibilities.
- Base scope versus optional upgrades or future phases.
- Known work versus investigations and unresolved conditions.

A practical readiness check

Before requesting a committed price, ask what the team needs to investigate and which assumptions could materially change the scope. Paying for focused early investigation can be more useful than comparing prices built on different guesses.

Build a complete project budget

Construction cost is only part of the owner investment. Keep a total project budget that includes work and expenses outside the construction agreement.

Budget category	Items to evaluate
Design and investigation	Architectural and engineering services, surveys, testing, and existing-condition investigation.
Construction	Site and building work, building systems, finishes, and the defined contractor scope.
Owner and approval costs	Applicable fees, utility charges, equipment, furniture, IT, moving, and financing costs.
Risk reserves	Clearly defined contingencies and funds for owner changes or unresolved conditions.

Know what each number means

A preliminary estimate reflects the information available at that time. An allowance carries an amount for an item not fully selected or defined. A contingency addresses defined uncertainty. None should be treated as an unlimited fund for unrelated additions.

A lump-sum price or guaranteed maximum price depends on the agreement, its scope, exclusions, allowances, and change provisions. Ask what could alter the amount and what information supports the commitment.

Review the assumptions

• What is included, excluded, or supplied by the owner?

• Which quantities, selections, and existing conditions remain unverified?

• Who controls contingency use and receives any unused balance?

• How are escalation, substitutions, and owner changes handled?

Do not apply a generic contingency percentage without considering project conditions. Review the reserve with your project team and document its purpose and approval process.

Connect the schedule to decisions

A realistic schedule includes design, owner approvals, permits, utilities, procurement, construction, inspections, and turnover. A desired opening date becomes useful when its prerequisites are visible.

Work backward from occupancy

Identify what must be complete before staff, customers, equipment, or inventory can move in. Include commissioning or testing where required, owner training, life-safety acceptance, and applicable occupancy approvals. Allow time for move-in activities outside the builder scope.

Identify long-lead decisions

Electrical distribution equipment, HVAC equipment, specialty systems, and other project-specific items may need early attention. Verify current availability with suppliers. Ask for a procurement log showing required selection dates, approvals, release dates, and expected delivery.

Understand early-release packages

Some projects can sequence authorized design, procurement, and construction packages. Early work must have adequate design information and the required permits and approvals. Ask how later design changes could affect items purchased early, including storage, cancellation, and warranty implications.

Agree on schedule communication

• Identify milestone dates and the assumptions behind them.

• Assign due dates to owner selections and approvals.

• Track constraints and changes in a shared record.

• Ask for recovery options when a critical activity slips.

An integrated team may reduce avoidable handoff delays. It cannot promise that review agencies, utilities, suppliers, or unforeseen conditions will follow an assumed timetable. Evaluate how the team identifies and manages these dependencies.

Plan for existing buildings and active operations

Renovations often involve incomplete records and conditions concealed behind walls, ceilings, or floors. Site investigation and a clear response process are essential.

Investigate before committing

Review the proposed use, available capacity, access, existing systems, and prior alterations with qualified professionals. Identify the need for testing or specialist investigation, including potential hazardous materials where relevant. Determine which areas can be inspected before pricing and which cannot.

Coordinate the operating environment

Occupied facilities require agreements about work zones, deliveries, noise, dust, temporary services, security, and communication. Determine which operations can continue safely and which require shutdowns or relocation. Maintaining every activity throughout construction may not be feasible.

Treat specialized work as specialized

Healthcare spaces, laboratories, industrial processes, and EV infrastructure may have additional operational and technical requirements. Engage the relevant designers, equipment suppliers, facility representatives, and specialists early. Do not use a general commercial checklist as a substitute for facility-specific planning.

Confirm these items

• Written shutdown and access approval procedures.

• Responsibilities for protecting occupants and existing property.

• Temporary arrangements and emergency contacts.

• How concealed conditions are documented and evaluated.

• How cost and schedule changes receive authorization.

For Charlotte-area properties, the applicable zoning, building review, fire review, utilities, and inspection authorities depend on the site and work. Have the project team verify jurisdiction and current requirements for the specific address.

Review the agreement before work starts

The proposal and agreement should describe what the team will deliver, how decisions are made, and what happens when the project changes. Use project-specific legal and insurance review.

Scope and professional services

Identify the design disciplines, investigations, construction scope, permit responsibilities, owner-supplied work, exclusions, and deliverables. Establish how design progress is reviewed and how compliance with owner requirements is evaluated.

Price and payment

Document the pricing structure, allowances, contingency rules, payment schedule, supporting records, and any audit rights. Identify when pricing becomes binding and how the work proceeds if the parties do not agree on a final construction price.

Changes and schedule

Establish who may authorize a change and how it is priced and recorded. Review notice requirements, schedule assumptions, delay provisions, and any conditions attached to a completion commitment. Do not rely on a verbal assurance that a price or date is guaranteed.

Protection and closeout

Review insurance, bonding where applicable, warranty obligations, dispute procedures, termination rights, design-document use, and closeout requirements with your advisers. Confirm when warranty periods begin and how service requests are submitted.

Before giving authorization

- Confirm the signed scope matches the proposal you evaluated.
- List unresolved items and how each will be addressed.
- Record required approvals before procurement or field work.
- Retain a complete executed agreement and its attachments.

Interview the team and compare proposals

Select the people and process that fit the project. A low initial number is difficult to evaluate if it excludes work another proposal includes.

Questions for a prospective design-builder

• Who will lead our project, and how much time can that person commit?

• Who provides architectural and engineering services?

• What similar project challenges has the proposed team handled?

• How will design options be evaluated against our budget?

• What assumptions could most affect your preliminary price?

• How do you track long-lead procurement and owner decisions?

• How are site questions, changes, and quality concerns documented?

• What reporting and closeout information will we receive?

Compare the same scope

Create a comparison covering design services, investigations, construction inclusions, owner work, allowances, exclusions, schedule assumptions, insurance, and closeout. Ask each team to explain material differences before deciding.

Evaluate experience without demanding confidential material

Ask for information the firm is authorized to share: relevant staff backgrounds, permitted references, sample reporting formats, or an explanation of how it would manage a comparable challenge. Illustrative samples should be labeled and should not be mistaken for actual project records.

Warning signs to resolve

Unexplained exclusions, unnamed design responsibility, unrealistic promises, and reluctance to document changes warrant further discussion. Ask for clarification and record the answer in the final scope rather than relying on a sales conversation.

Complete your project brief

Bring this worksheet to your first planning meeting. Unknown answers are useful: they identify the investigations and decisions still required.

Project and location

Address or search area, ownership or lease status, and primary contact

---

Intended use

Business activities, users, approximate area, and equipment needs

---

Existing information

Drawings, surveys, reports, lease exhibits, and known restrictions

---

Scope priorities

Essential work, preferred improvements, and possible future phases

---

Budget

Target total investment, available funding, and known owner costs

---

Schedule

Desired occupancy, lease dates, move-in needs, and shutdown limits

---

Team and approvals

Existing architect, advisers, landlord, lender, and decision-maker

---

Prepare for the first conversation

The first meeting should establish whether the project and delivery approach fit, what information is available, and what the next planning step will accomplish.

Leave with a defined next step

• A shared understanding of the project goals and major constraints.

• A list of missing information and who will obtain it.

• A proposed scope for the next planning or design phase.

• An explanation of any fees and expected deliverables.

• A decision date and the information needed to reach it.

Talk with Broad Reach Construction

Broad Reach Construction helps commercial owners and developers coordinate planning and construction. To discuss whether design-build suits your project, share your location, intended use, budget expectations, and target dates. Project services and commitments are established in the executed agreement.

Call 984-332-3927
Explore Charlotte design-build services
Explore North Carolina design-build services

Further reading

Continue with Broad Reach's Warehouse Development Planning Guide, Commercial Office Build-Out Planning Guide, or Medical Facilities Construction Guide when your project requires more detailed facility planning.

Industry references

DBIA - What Is Design-Build

DBIA - Design-Build Best Practices

AIA - A primer on project delivery terms

AIA - Managing the contingency allowance

References checked October 2026. This independently prepared guide does not imply endorsement by DBIA or AIA. No confidential client information or project imagery is included.