



► ISSUE: ADOPTION OF ALTERNATIVE PROJECT DELIVERY METHODS

On a national level, the utilization of alternative project delivery methods (APDM) for public infrastructure projects is accelerating, shifting away from traditional Design-Bid-Build (DBB) toward approaches that offer higher cost certainty, faster delivery, and improved risk management. Design-Build (DB) is set to account for as much as 47% of nonresidential, highway, and water infrastructure construction spending by 2025.

KEY TRENDS IN APDM UTILIZATION FOR 2024-2026 INCLUDE:

1. Dominant and Emerging Delivery methods

- **Design-Build (DB):** Continues to be the most prevalent alternative, favored for its ability to reduce construction duration and provide a single point of responsibility.
- **Construction Manager at Risk (CMAR/CMGC):** Growing rapidly in popularity for public projects, even those traditionally using low bid, due to early contractor involvement, which enhances collaboration and helps identify risks early.
- **Progressive Design-Build (PDB):** Gaining significant traction as a preferred method for complex projects, offering higher owner control over scope, cost, and schedule compared to traditional DB.
- **Public-Private Partnerships (P3s):** Increasingly used, particularly for large-scale transportation and digital infrastructure, to bridge the estimated \$2.6 trillion investment gap.
- **Indefinite Delivery/Indefinite Quantity (ID/IQ):** Proving effective for smaller, recurring, or maintenance-based projects.

2. Primary Drivers of Adoption

- **Federal Funding Mandates:** The Infrastructure Investment and Jobs Act (IIJA) has provided a strong, long-term pipeline of projects that demand efficient delivery methods.
- **Risk Allocation:** Public owners are pushing risk to parties best suited to manage it, making APDM preferable to the high-risk exposure of DBB.
- **Cost and Schedule Certainty:** In an era of high inflation and price volatility, APDM methods (especially CMAR with guaranteed maximum prices) offer better financial control.
- **Legislative Changes:** States are passing broader enabling legislation, moving away from restrictive regulations that formerly mandated low bid, to allow more flexible procurement options.

3. Key Trends in 2026

- **Integrated Digital Delivery:** Digital tools are no longer optional, with Building Information Modeling (BIM) serving as a mandatory, baseline expectation for over 65% of projects.
- **Modular and Offsite Construction:** High labor costs and skilled shortages are driving a shift toward building components off-site, with a projected 300 billion USD market by 2035.
- **Focus on Sustainability:** Alternative delivery methods are increasingly used to meet ESG requirements, with a greater focus on lowering embedded carbon in materials.



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4. Regional and Sector Variability

- **Transportation:** State Departments of Transportation (DOTs) are leading in the adoption of PDB and CMAR to manage complex, multi-year projects.
- **Water/Wastewater:** Strong adoption of design-build to address aging infrastructure quickly.
- **Data Centers/Power:** Massive investment in data center and renewable energy infrastructure is setting a high standard for quick, integrated delivery in the private-public sphere.

Despite the growth of APDM, the industry continues to struggle with a skilled labor shortage and the need for training public personnel to manage these complex, non-traditional contracts effectively.



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