

Construction Manager-General Contractor Delivery Method

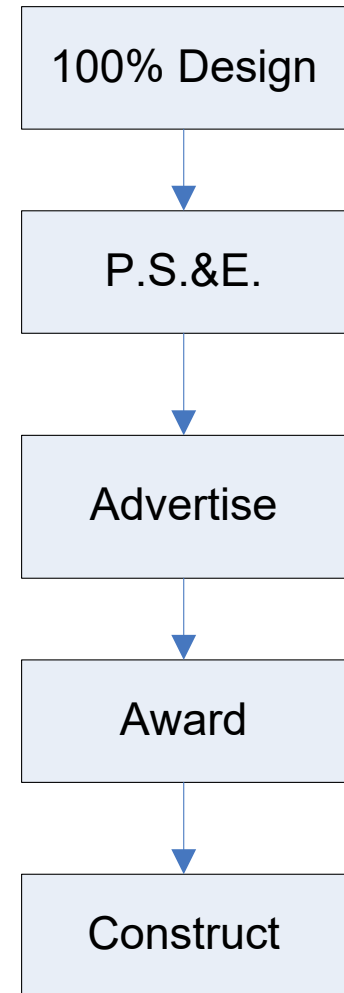


California Department of Transportation

Design-Bid-Build (DBB)

Traditional delivery method where design and construction are performed by two separate entities. Design can be performed “in-house” or can be contracted.

- Design must be complete
- Awarded to the lowest responsible bidder



Construction Manager / General Contractor (CMGC)

A delivery method that allows an owner to engage a construction manager to provide input during the design process. At an agreed upon point, the owner and construction manager negotiate a price for construction of the project and the construction manager becomes the general contractor.

What is CMGC?

Two-Phase Contract

◦ **PRE-CONSTRUCTION**

Construction
Manager

Pre-Construction Services

- *Cost Estimating*
- *Subcontracting Plan*
- *Scheduling*
- *Material Procurement*
- *Utility Coordination*
- *Construction Phasing*
- *Constructability Review*
- *Risk Analysis*
- *Quantity Verification*
- *Third Party Negotiation*

◦ **CONSTRUCTION**

General
Contractor

Construction Services

◆ Price Agreement

CMGC Authority

Assembly Bill 2498 (Gordon)

- Signed September 2012
- Added Section 6700 et seq. to Public Contract Code
- Authorized 6 project pilot program

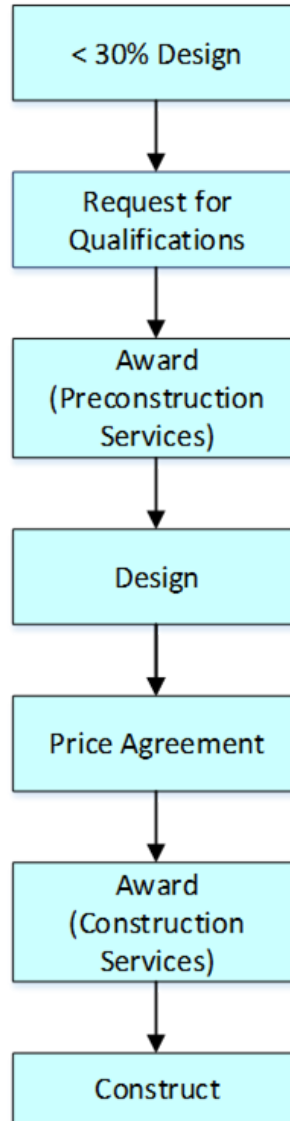
Senate Bill 1262 (Beall)

- Signed September 2018
- Granted unlimited authority
- Projects must be greater than \$10 million

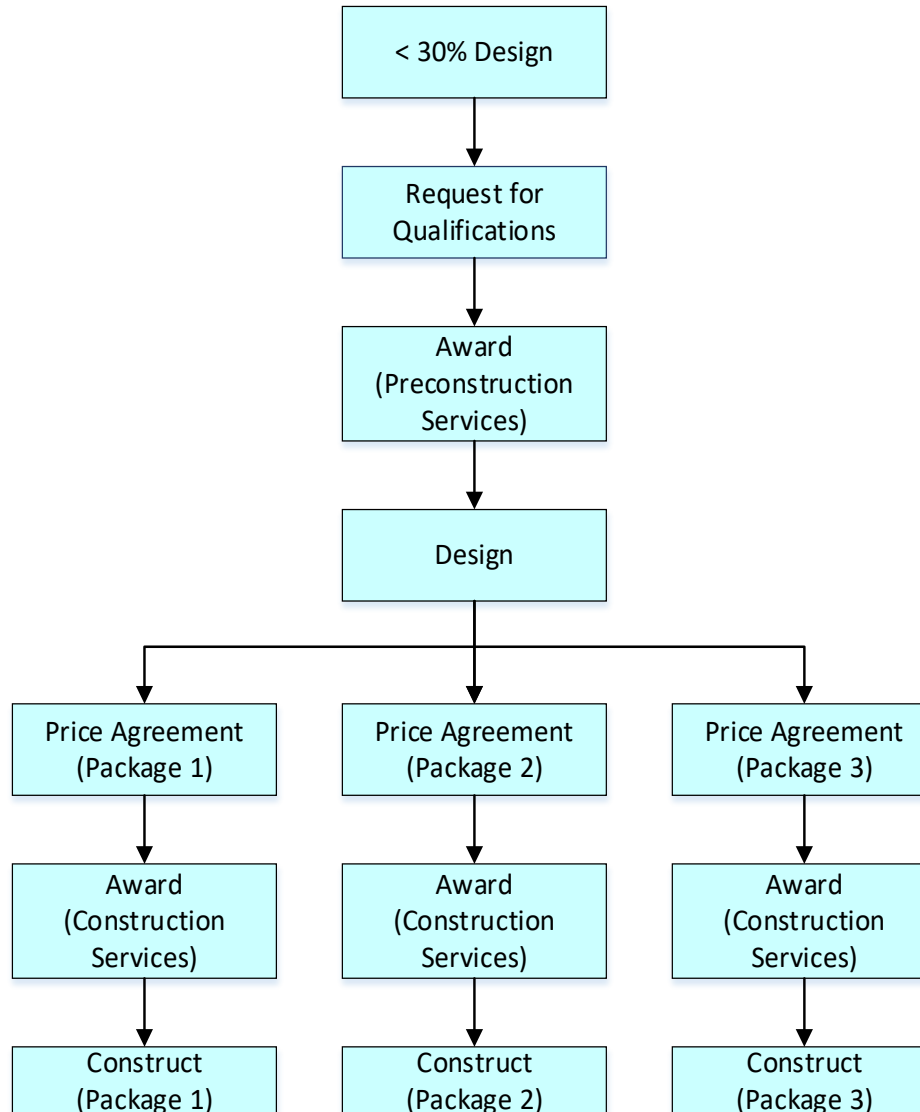
Why Use CMGC?

- Faster Delivery
- Cost Certainty
- Constructability
- Risk Mitigation
- Innovation

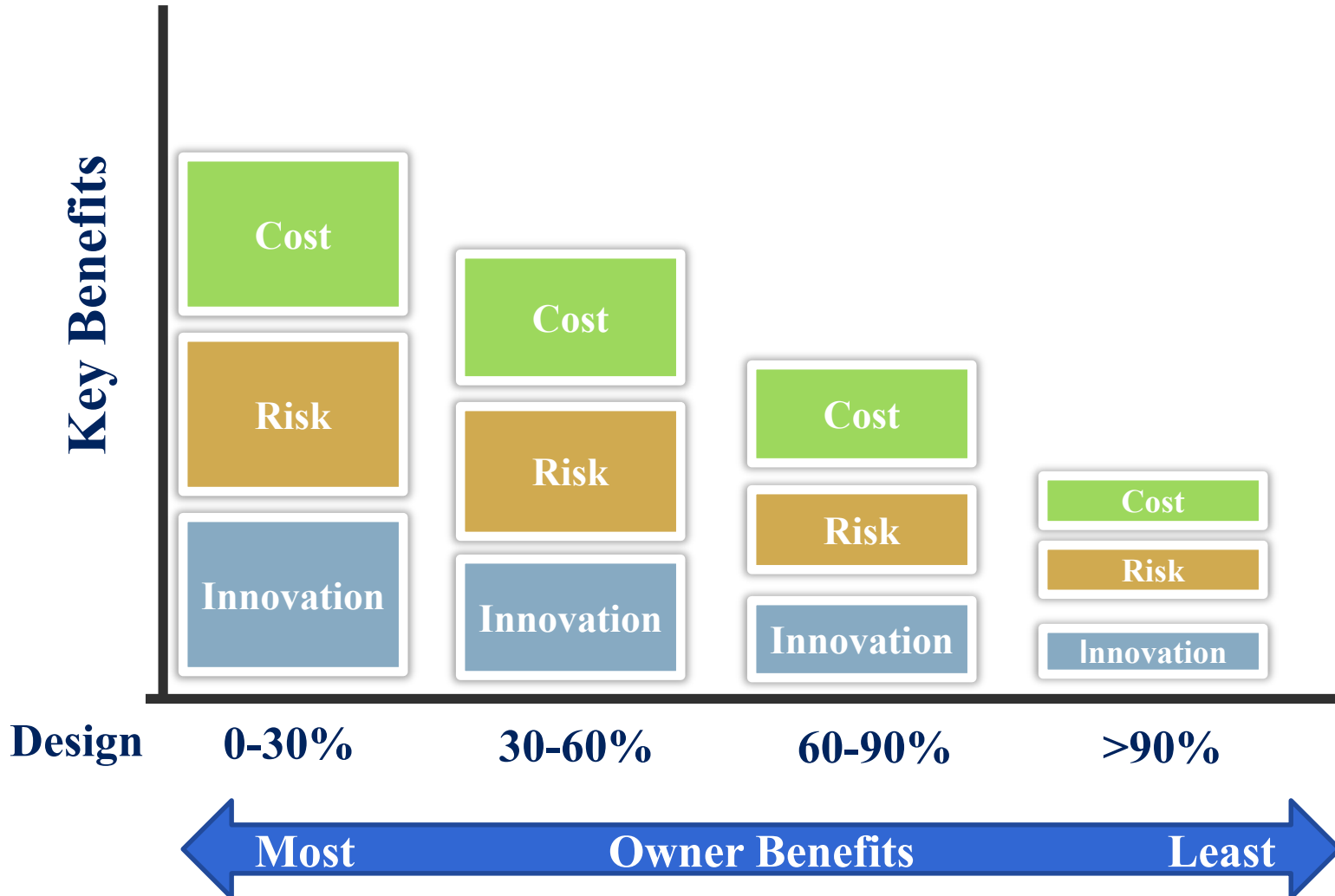
CMGC Process



CMGC Process (Packages)



Benefits Over Time

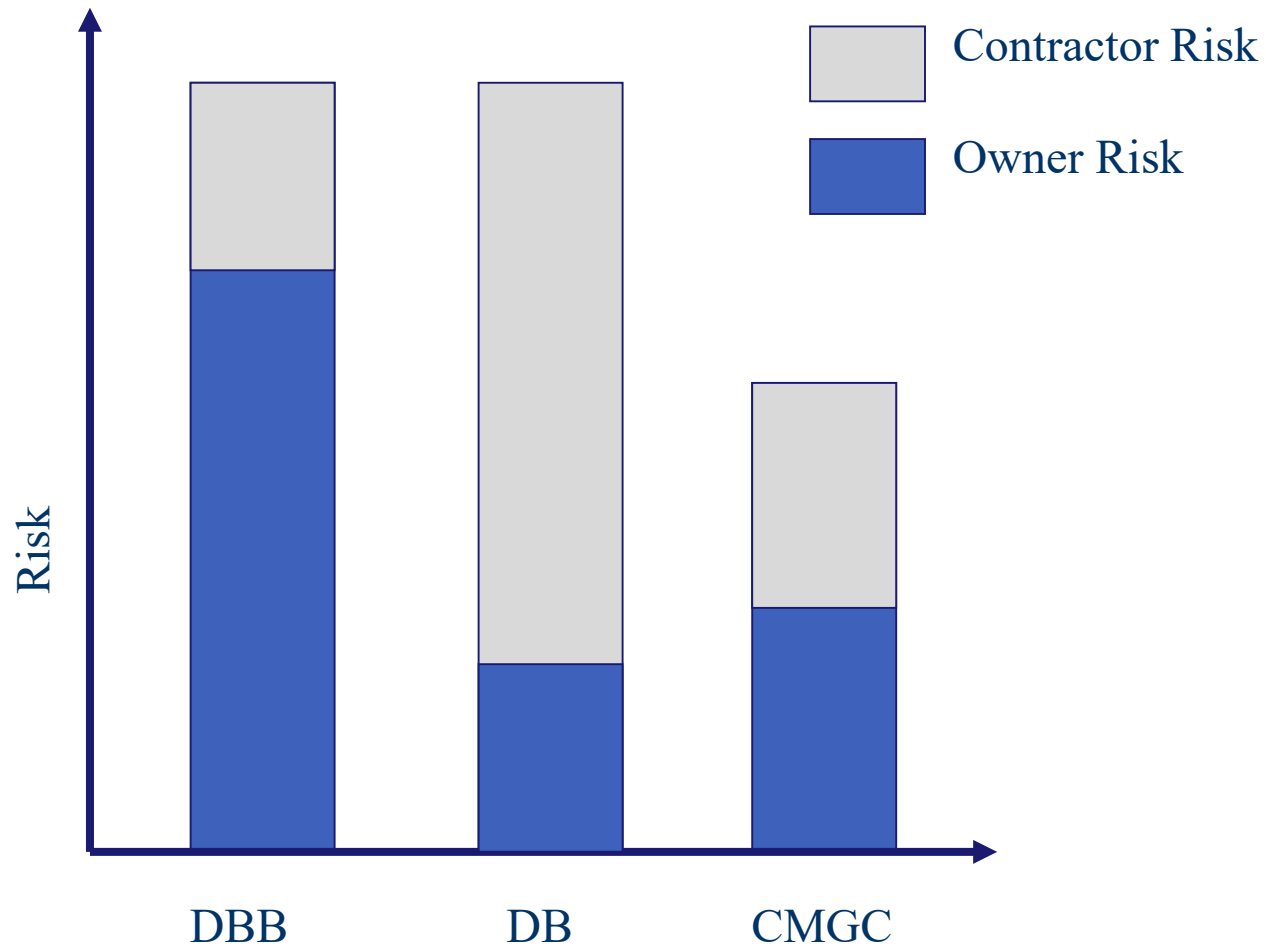


Request for Qualifications

Proposers are evaluated based on:

- Past Performance
- Key Personnel Requirements
- Project Understanding and Approach

Risk Management



Independent Cost Estimator (ICE)

Qualifications of ICE

- Experienced contractor estimator
- No conflict of interest
- Qualifications based selection

Role of ICE

- Participate during the design
- Provide project cost estimates
- Assist in negotiations
- Validate fair price

CMGC “Bid” Process

When design of project or portion (package) is complete:

Three Estimates:

1. Engineer’s Estimate
2. Construction Manager’s Cost Estimate
3. Independent Cost Estimate (ICE)

Two Possible Outcomes:

1. Caltrans gets fair price – Proceed with build
2. Caltrans doesn’t get fair price – Proceed to bid

Benefits/Challenges of CMGC

Benefits

- Improved constructability
- Innovation
- Caltrans maintains control over design
- Project can be delivered in packages
- Contractor selected based on qualifications
- Earlier cost certainty
- Less cost growth during construction
- Improved risk allocation/mitigation
- Assist with permits/3rd party approvals

Challenges

- Higher support costs (contractor and ICE)
- Redesign to implement contractor suggestions
- Estimate reconciliation (bid-based vs. cost-based estimates)
- Keeping bid option open
- Delivering project under procedures developed for design-bid-build

Questions?