



# Capital Contracting Office

**CIP Partners Academy: Construction Manager-At-Risk (CMR)**  
**April 14, 2021**



# CMR General Information



# What is Construction Manager At-Risk?

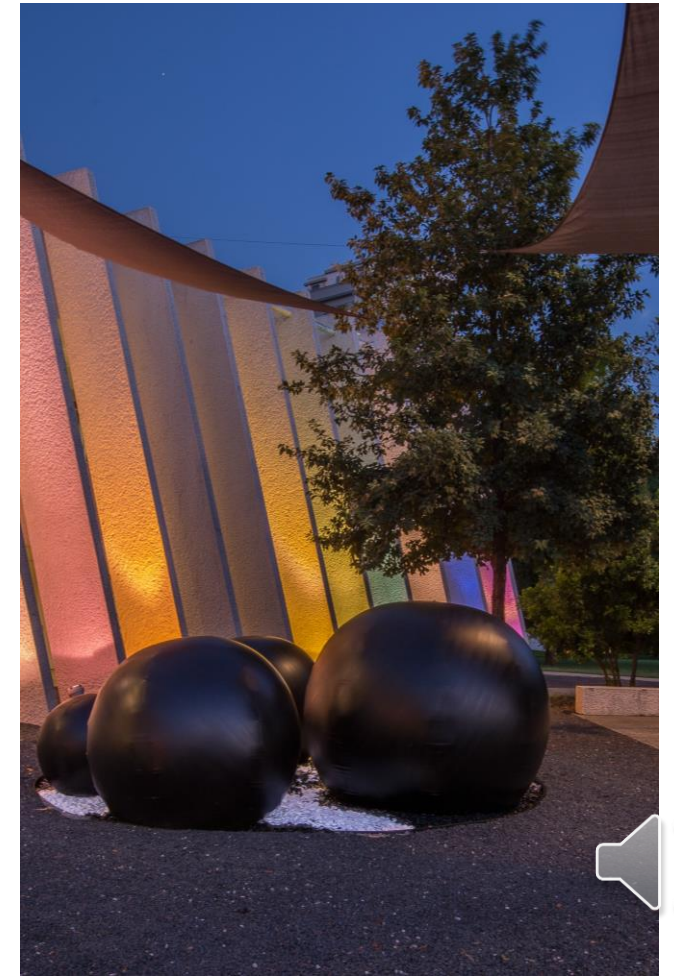
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A qualifications-based procurement where the best value contractor commits to delivering a project within a Guaranteed Maximum Price within a specified schedule.



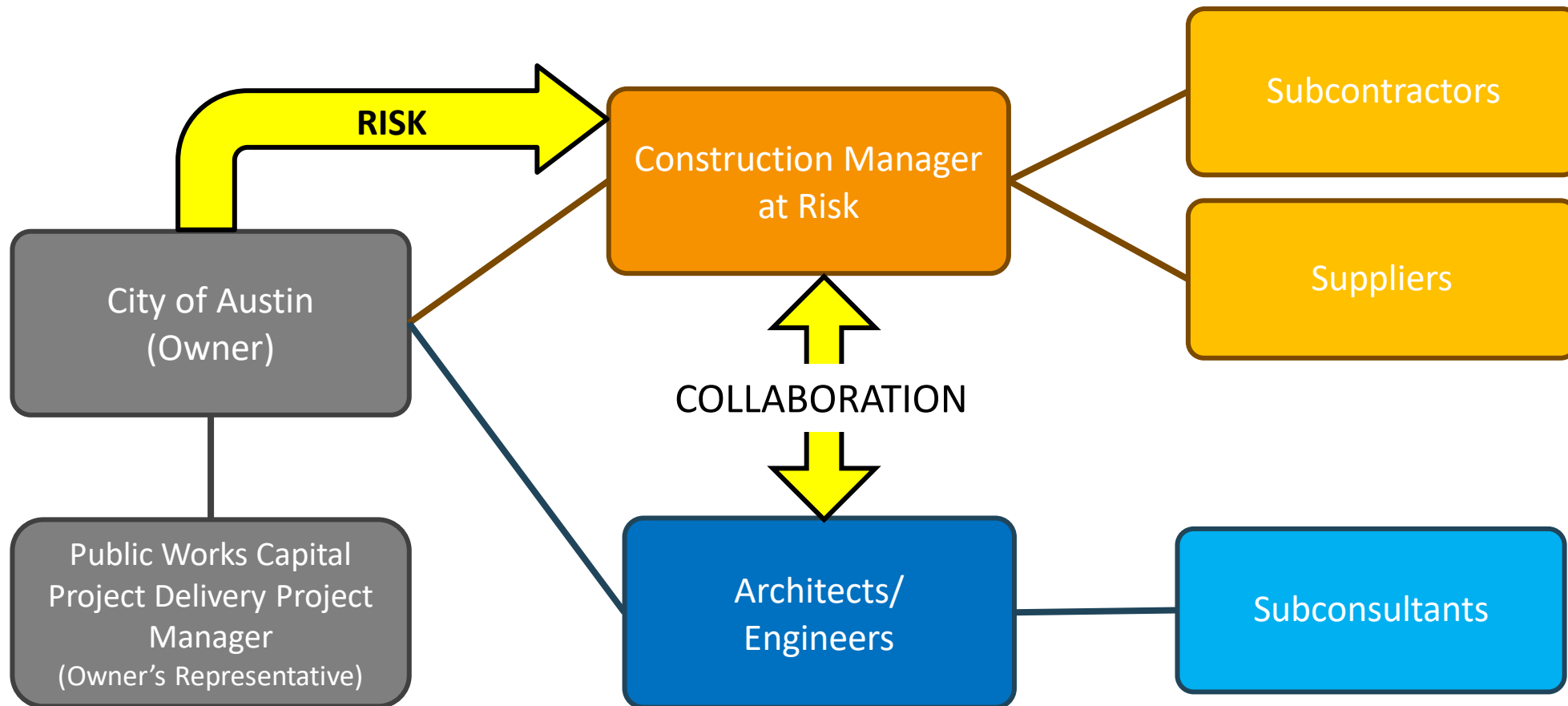
The CMR provides services as a professional consultant to the City in the development, design, and construction phases.

The CMR serves as a construction manager and the equivalent of the general contractor during the construction phase.





# CMR Structure





# CMR Regulations

**Texas Government Code (TGC) 2269, Subchapter F governs CMR Methodology**

## **Definition:**

“A delivery method by which a governmental entity contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor and to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.”

## **Use of Architect or Engineer:**

- Procured separately from the CMR contract
- Must be selected/designated on or before the selection of the CMR

## **Minimum Criteria to Consider:**

- Price\*
- Experience and reputation
- Quality of goods or services
- Ability to comply with MBE/WBE Program rules
- Safety record
- Proposed personnel
- Financial capacity
- Other factors listed in the request for proposal

## **Other Requirements:**

(Prior to construction phase services)

- Must publicly advertise for bids/proposals from trade contractors/subcontracts
- May self perform work if they submit a proposal per the advertisement and selected by the City
- May self perform work of a subcontractor if the subcontractor defaults in performance or fails to execute a subcontract\*

## **Government Code / City of Austin Charter:**

- Provides the best value to the City (through a combination of qualifications and price components)
- City Council must approve request for CMR methodology before a solicitation can be issued
- One-step RFP selection process.





# CMR Distinctions

## Differences from Design-Bid-Build

- A single CCO rep will handle the project from solicitation thru closeout (including both the PSA and CMR).
- Contractor and Consultant work collaboratively during design phase for constructability and cost control.
- The GMP proposal for construction cost of work is typically developed at 60% completion of Construction Documents rather than 100% Construction Documents (but may be negotiated).
- Performance and Payment Bonds are required for each GMP.
- MBE/WBE Compliance Plans are developed for Preconstruction Services and for each GMP.
- The Contractor must publicly solicit subcontracting opportunities for each GMP to satisfy compliance plan requirements.
- The Public Works Capital Project Delivery Project Manager is typically the owner's representative and point of contact for managing the project from preliminary phase through construction and warranty.



# Expectations of a “Successful” CMR Contractor



## Personnel/Staff

- Experience
- Communication and collaboration
- Deliver high quality work in a timely manner
- Manage a large number of subcontractors
- Responsive with a “can do” attitude



## Subcontractor Engagement

- Total support of the MBE/WBE program
- Good Faith Effort to meet/exceed MBE/WBE goals
- Conduct outreach with subcontractor community
- Advertisement of work package
- Provide subcontracting opportunities



## Partnering

- Collaboration with the Owner and design consultant during design and construction phases
- Routine open communications throughout the project
- Non-adversarial approach to constructability reviews, cost estimate reviews, and negotiations
- Cooperative environment to find the best solutions for a successful project



## Transparency

- Open Book Method
- Third-party validation through collaborating with consultant
- Accurate, complete realistic, and fair cost development
- Quantitative assessment of risks/opportunities



# CMR General Advantages & Disadvantages

Owners Perspective

## Advantages

- Reduction of Owner's risk
- Cost control/cost certainty
- Schedule control
- Collaboration between design consultant, contractor, and Owner
- Constructability review/use of BIM
- Value engineering
- Alternative analysis
- CMR prepares and solicits bid packages for subcontractors
- CMR advocates for Owner during management of project
- Faster transition from design to construction

## Disadvantages

- Not a best fit for small projects
- Requires management of two contracts
- Ambiguity of scope due to early development of GMP
- Owner maintains liability for exclusions/inconsistency in the contract documents and changes in scope

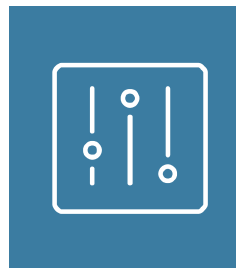


# Programs Applicable to CMR



## MBE/WBE Procurement Program

- initial solicitation/agreement goals based on trade summary for Preconstruction Services
- subsequent goals based on trade summary for Guaranteed Maximum Price package(s)



## Wage Compliance Program

- Prevailing wages determined based on rates current at time of GMP
- City of Austin Minimum Wage rate based on current approved rate at time of GMP

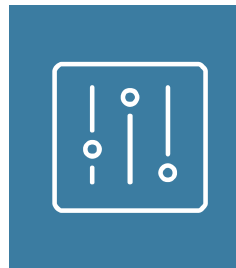


# Programs Applicable to CMR Continued



## Construction Training Program (CTP)

- For contracts over \$10 million, a 15% trainee requirement will be determined based on the size of workforce
- Training plan(s) due prior to GMP NTP(s)



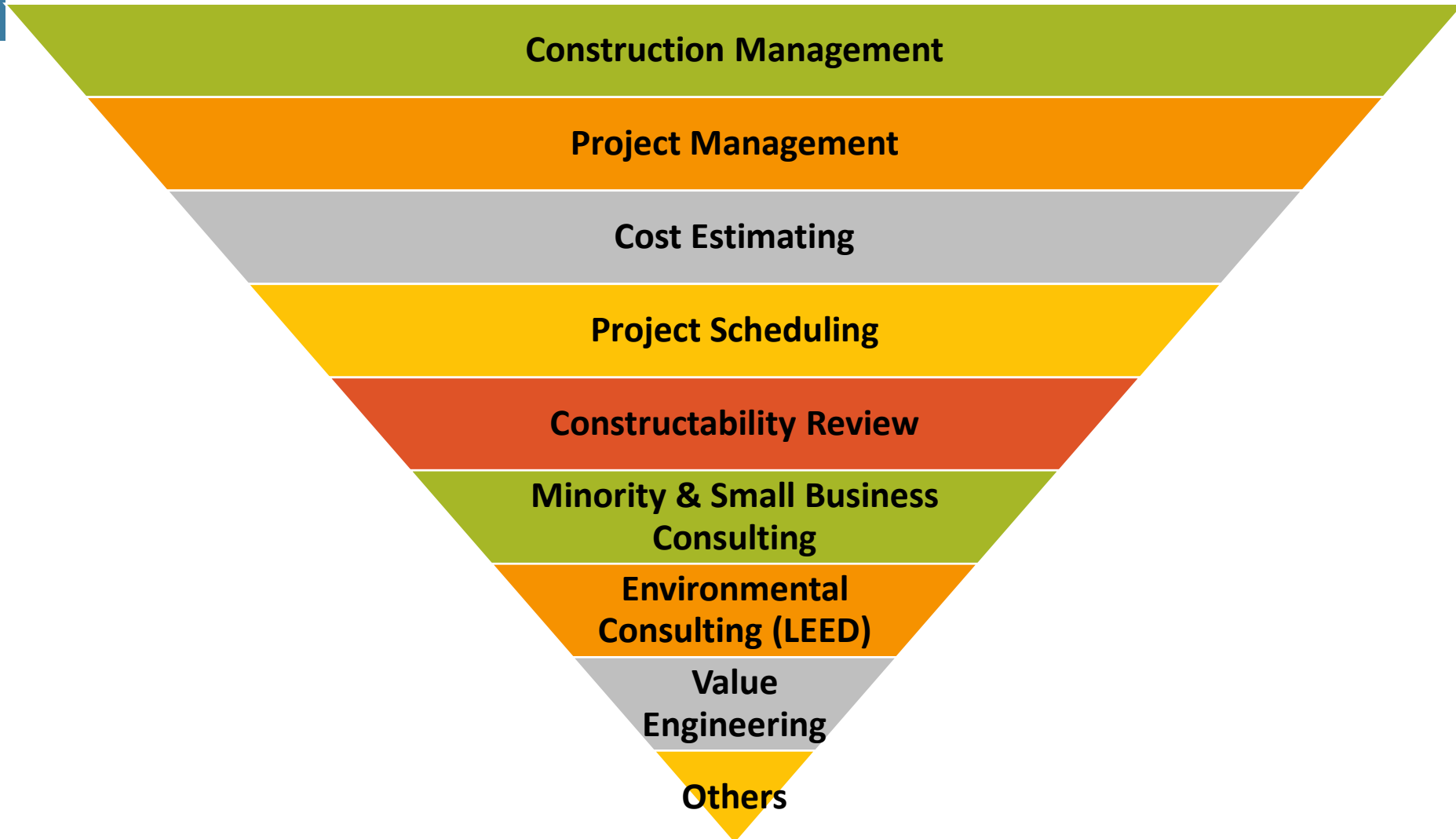
## Financial Enhancement Programs

- Quick Pay Program: allows for City-Certified MBE/WBE subcontractors to be paid within 10 days of work acceptance by the City
- Mobilization Prompt Payment Program: allows for twice per month pay applications during critical mobilization phases





# Preconstruction Services



# CMR Methodology Approval



# Overall Process



**Public Works/Sponsor  
Department Submits Request**



**CCO Approves CMR  
Methodology Justification**



**City Council Authorizes  
CMR Methodology**



**Professional Services  
Solicitation**



**CMR Solicitation**

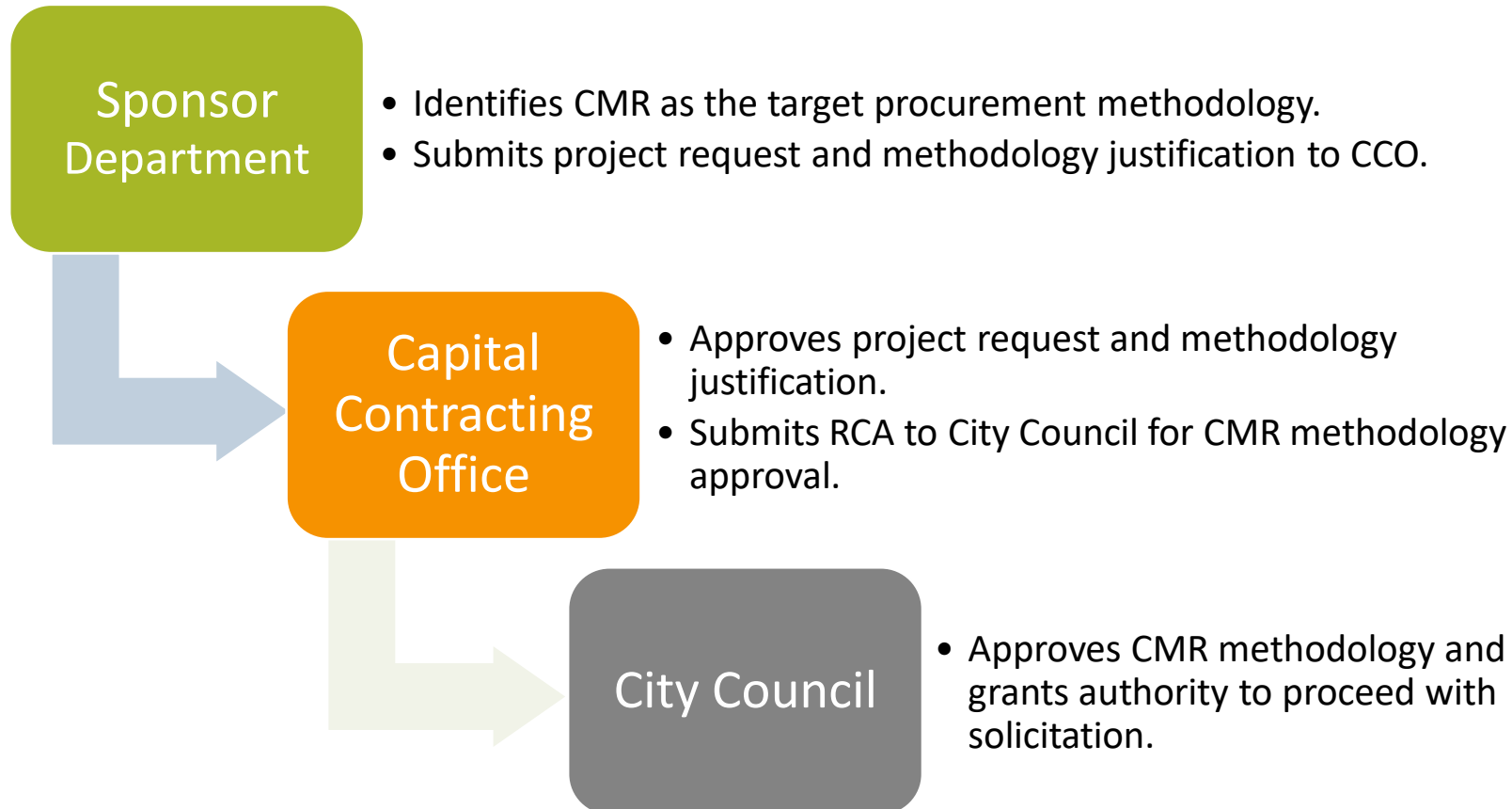


**City Council Authorizes  
Awards of PSA & CMR**

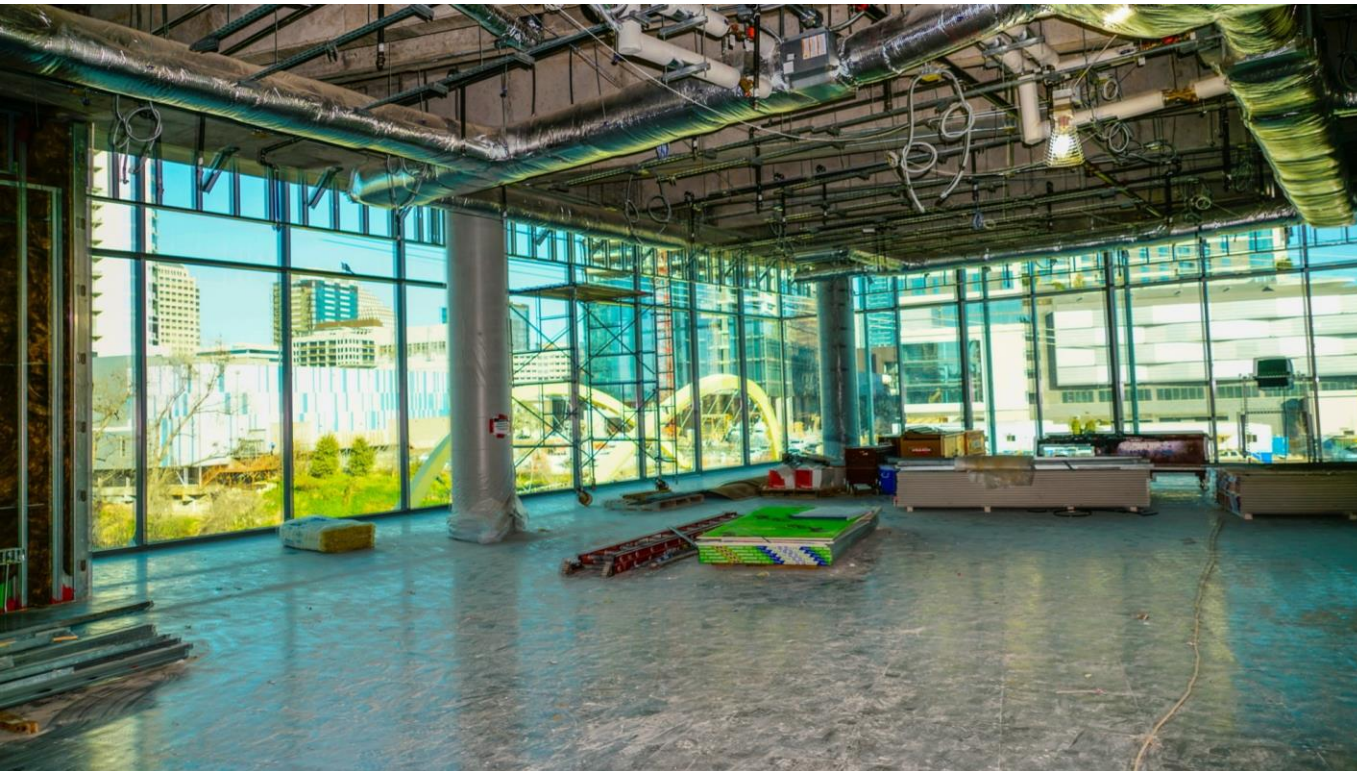




# CMR Methodology Approval Process



# Considerations for CMR Methodology



- Project Complexity
- Uniqueness of Scope
- Scale of Project
- Constructability Concerns
- Value Engineering
- Alternative Means and Methods
- Project Risks
- Existing Conditions
- Integration with Existing Facilities
- Budget Constraints
- Schedule Constraints
- Community and Stakeholder Engagement
- Collaboration between Design Consultant and Contractor



# CMR Procurement



# City of Austin

## CMR Procurement

### Methodology

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#### Number of Weeks from Solicitation thru Contract Execution:

- PSA: 27-32 weeks
- CMR: 39-47 weeks

#### Pros:

- Contractor collaborates with consultant for constructability reviews and cost estimates during design process
- Construction can start before all design is complete
- Project risk to the City is reduced

#### Cons:

- Additional coordination between contractor and consultant
- Requires two solicitation processes (PSA and CMR)
- Requires increased Project Manager involvement



# Procurement Timelines

## PSA (27-32 weeks):

- RFQ Development: 2-3 weeks
- Solicitation: 4-5 weeks
- Responsiveness & Compliance Review: 1 week
- Evaluation Period: 3-4 weeks
- Interview Period: 3 weeks
- Award Authorization: 6-7 weeks
- Contract Development & Execution: 8-10 weeks



Within  
45-60  
days

## CMR (39-47 weeks):

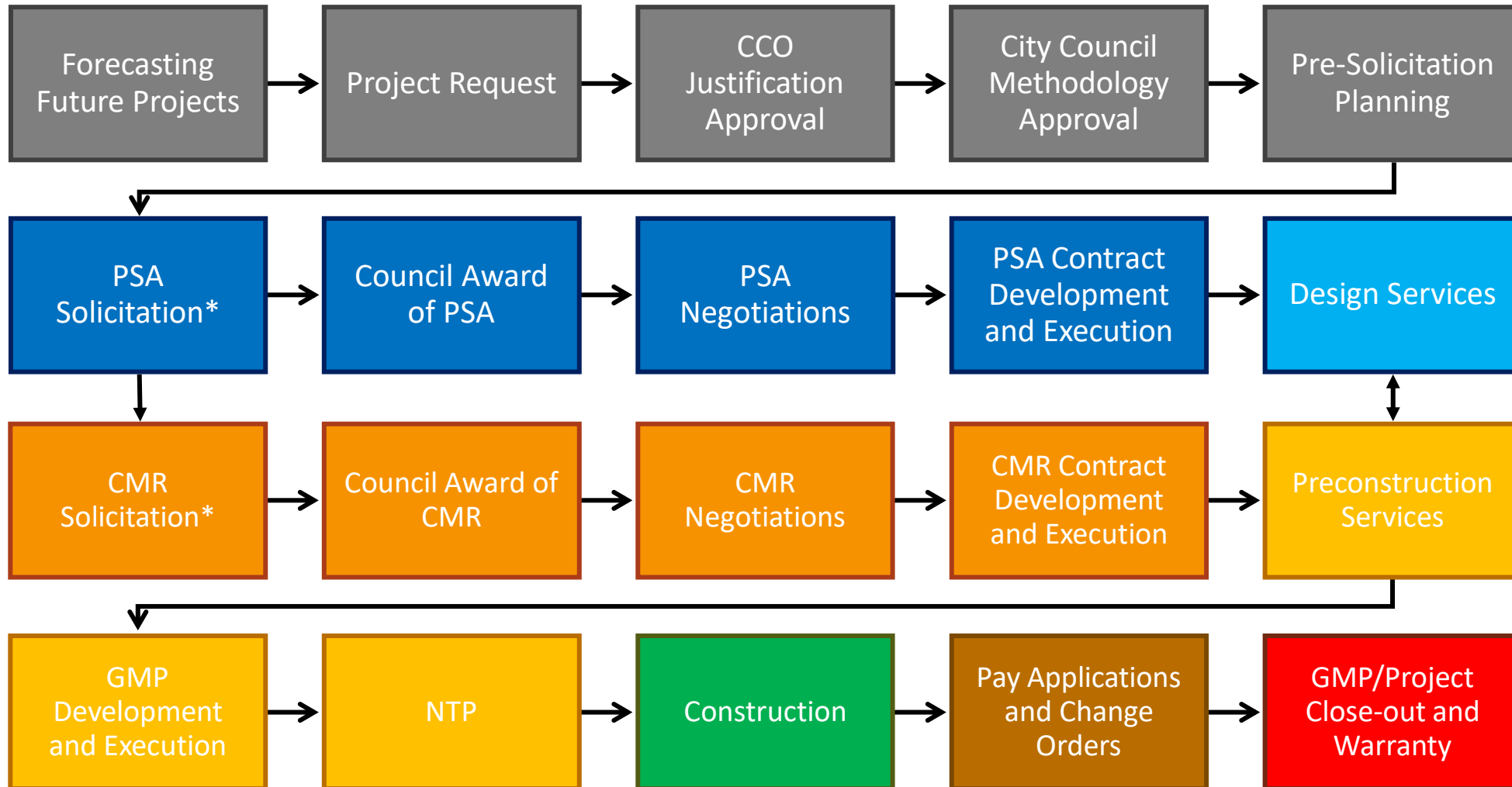
- Approval & Assignment: 2-3 weeks
- Pre-Solicitation Planning: 8 weeks
- Solicitation Phase: 6 weeks
- Evaluation Period: 5-6 week
- Award Authorization: 6-7 Weeks
- Negotiation: 8-12 weeks
- Contract Development & Execution: 4-5 weeks





# CMR Process

For the City of Austin CMR Program



# Project Postings and Announcements



## Upcoming Project Report

- A list of future CIP projects to be solicited.
- CCO's page on the City Website:  
<http://austintexas.gov/departments/upcoming-projects>



## Austin Finance Online

- A list of open solicitations with all solicitation documents and response requirements.
- [https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitations.cfm](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitations.cfm)



## Email Announcements

- Automated email announcements from Vendor Connection for newly posted solicitations based on vendor registration and commodity code information.



## Print Advertisements

- Open solicitation announcements printed in local newspapers and plan rooms.



## CCO Facebook Posts

- Posts with open solicitation announcements.
- <https://www.facebook.com/CapitalContractingOffice/>





# Evaluation Criteria

Standard Breakdown: 179.50 Maximum Possible Points (including presentation/interview)

Item #	Title	Gate Keeper
1	MBE/WBE Goals Procurement Program	Yes / No
2	Safety Record	Yes / No
3	Offeror's Financial Capacity	Yes / No
4	Required Documentation	Yes / No
		Max Points
5	Experience of Construction Manager at Risk (CMR)	25
6	Experience of Proposed CMR Team Members ( <i>e.g. Project Manager, Pre-Construction Manager, Superintendent, Cost Estimator, Safety Manager</i> )	30
7	Experience of Proposed Major Subcontractors	10
8	CMR Team Structure	10
9	Work Approach and Delivery Schedule	15
10	CMR Reputation, Quality of Goods and Services, and Business Practices	15
11	CMR Team Experience with Austin-Area Issues	10
12	Local Business Presence ( <i>for non-federally funded projects</i> )	5
13	Service-Disabled Veteran Business Enterprise (SDVBE) ( <i>3% of 175 total maximum points</i> )	4.5
14	Proposed Fees ( <i>CMR Percentage Fee &amp; General Conditions Estimated Sum</i> )	30
15	Presentation/Interview ( <i>optional or as needed per procedures</i> )	25



# CMR Fees





# CMR Fees and Costs

## CMR Percentage Fee

- A percentage multiplier to cover the CMR's General & Administrative Expenses, Overhead, Profit, subcontract default insurance, and any form of subcontractor bonding.
- Applied to the construction cost of work identified in the Guaranteed Maximum Price proposal(s).

## General Conditions Stipulated Sum

- An estimated fee based on all of the known and reasonably anticipated project requirements
- Includes an itemization of project management staff, bonds and insurance, temporary amenities, field offices, and construction supplies.

## Preconstruction Phase Services

- An estimated fee for the performance of preconstruction phase services as outlined in the 00500CMR, including meetings, public hearings, permits and fees, constructability reviews, value engineering, cost estimating, scheduling, and procurement planning.
- Includes an itemization of preconstruction staff, preconstruction supplies, and other preconstruction costs.

## Guaranteed Maximum Price Fee

- A cost proposal for the construction of the project (or an approved package of work) drafted at 60% design.\*
- Includes the related portion of general condition fees, the cost of work for construction, authorized allowances and contingencies, and the CMR percentage fee.





# CMR Percentage Fee Components

## General and Administrative Expenses

- Represents expenses to manage the business, that portion of indirect cost that is applied to the whole operation.
- Includes expenses such as offices, executives' salaries, legal fees, communications, utilities, insurance, office supplies, etc.

## Overhead

- Represents expenses managed by a specific portion of a company's operations.
- Includes expenses such as labor overhead, material handling, subcontract management, etc.

## Profit

- Represents the financial benefit that will be realized for the duration of the project.
- This will be used separately from the CMR's fee when preparing Hourly Wage Rates for CMR's staff during preconstruction services and within general conditions.



# GMP Components





## Tab 1

**Executive Summary.** A brief general description of the proposal.



## Tab 2

**Drawings and Specification.** A list of drawings, specifications, and other contract documents related to the bids.



## Tab 3

**Description of Variations and Substitutions.**

- Specification listing – detailed listing of Specifications (by division and section) describing exclusions, substitutions, or modifications.
- Assumptions and Clarifications – a summary of all qualifications and assumptions used in the proposal development.
- Exclusions – a summary of all exclusions used in the proposal development.
- Value Engineering – list of value engineering recommendations (if applicable).
- Allowance Schedule – listing of special conditions with a proposed allowance value.





## Tab 4

### Cost of Work Proposal.

- Proposal Summary – a table broken down into the Cost of Work, proposed contingencies/allowances, general conditions fees, the CMR fee, and the total GMP value.
- Schedule of Values – an estimate of the Cost of Work broken down by the 16 standard CSI Divisions with lump sums for each division supported with subcontractor information and pricing.



## Tab 5

**Progress Schedule.** A progress schedule to support the GMP proposal to include detailed logic-driven activities and milestones with all paths leading to Substantial Completion.



## Tab 6

**MBE/WBE Compliance Plan.** An approved compliance plan outlining all subcontractors supported by subcontractor letters of intent and/or subcontracts.





## Tab 7+

### Additional Items.

- Approved Rate Sheets – copy of the current City of Austin approved rate sheet for the loaded hourly rates of the project management staff identified in the proposal.
- Form 1295 – a current signed form 1295 when contract is greater than \$1 million. (required for amendments of \$1 million or aggregate)
- Certificate of Insurance – a current certificate of insurance with appropriate coverages/endorsements.
- Payment and Performance Bonds – executed bonds to support the cost of the GMP (once GMP value is agreed upon/accepted).
- Non-Use of Asbestos Affidavit (Prior to Construction) – a signed copy of the Non-Use of Asbestos Affidavit.
- Construction Training Program Plan – a copy of the Construction Training Program Plan submission (must be approved prior to NTP).
- ROCIP Insurance Certificate – a current certificate of ROCIP insurance with appropriate coverages/endorsements (if applicable).



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# Wrap-up

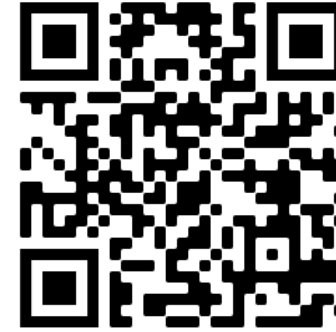


# Solicitation Links

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## Upcoming Project Report



<http://austintexas.gov/department/upcoming-projects>

## Austin Finance Online



[https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitations.cfm](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitations.cfm)

## CCO Facebook



<https://www.facebook.com/CapitalContractingOffice/>



# Key Contacts

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## Public Works Department



**Janice White**

City Architect

Architectural Project Management Division

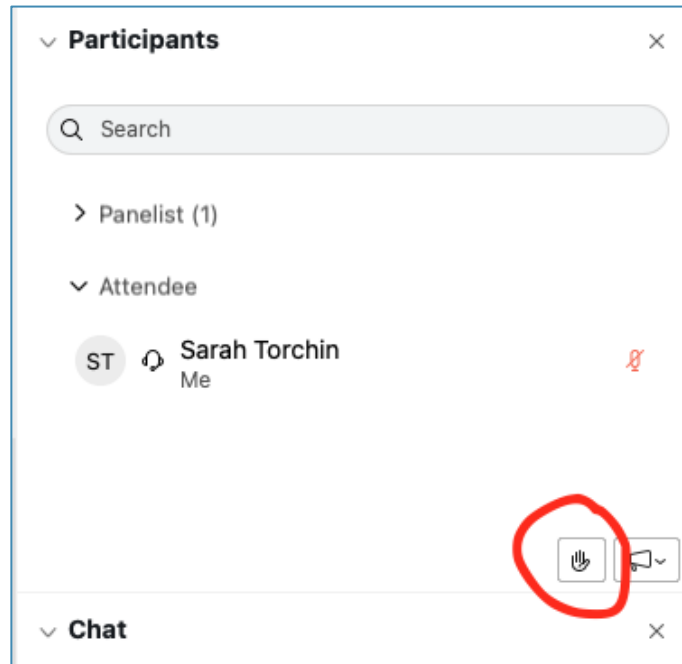
[Janice.White@austintexas.gov](mailto:Janice.White@austintexas.gov)

(512) 974-7997

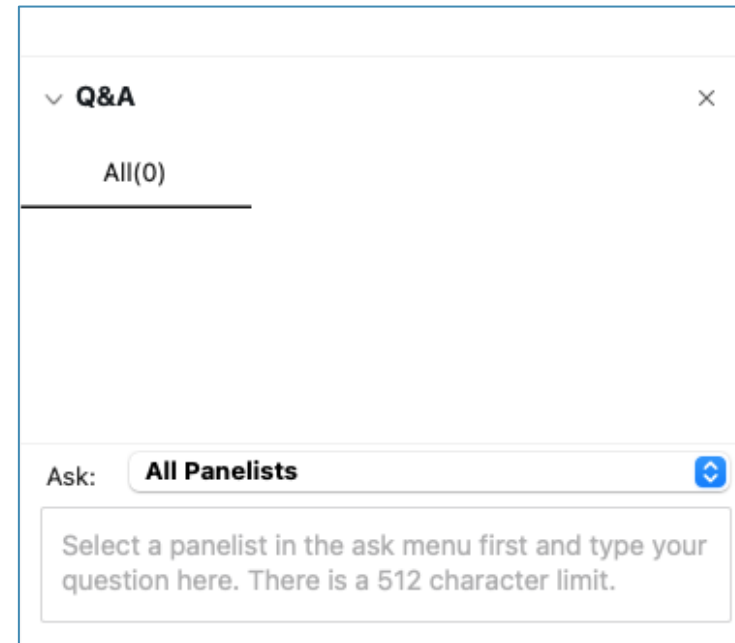


# Questions?

Raise your Hand



Or put it in the chat



# Thank You

