

ANDOVER WEST ELEMENTARY SCHOOL

SCHOOL BUILDING COMMITTEE MEETING
OPM UPDATES



PMA Consultants

September 22, 2020

OVERVIEW OF DELIVERY METHODS

	Design Bid Build	Construction Management at Risk
Owner Participation	Involved in all phases of project	Involved in all phases of project
Contractor Scope of Work	Construction phase	Engaged as early in the project as possible to guide and assist the owner through all phases of project delivery; potential for early bid packages
Cost Approach	Lump Sum Pricing	Commonly GMP but lump sum can also be applied

ADVANTAGES & DISADVANTAGES - DBB

Advantages:

- Easy implementation, well understood, and has clearly defined roles for the parties involved
- Simpler process to manage
- Owner controls overall design
- Lower bid, maximum competition
- Known project cost before construction

Disadvantages

- Owner at risk to contractor for design errors – generally higher risk of change orders and claims
- Typically longer schedules
- No contractor input in design, planning or value engineering (VE)
- Can promote adversarial relationships

ADVANTAGES & DISADVANTAGES – CM @ RISK

Advantages:

- Opportunity of transfer of responsibility and some risk from owner to CM
- Owner gains benefit of having the opportunity to incorporate a contractor's perspective and input to planning and design decisions
- Ability to "fast-track" early components of construction prior to completion of design
- Opportunity for owner to participate in subcontractor selection

Disadvantages:

- Can have a tendency for higher costs due to focus on quality and potential for CM to leverage pricing advantage
- During construction phase less assistance given as CM is at risk during construction phase, i.e. revert back to GC tendencies
- Difficult for owner to evaluate the GMP or whether the best price has been achieved for the work
- Requires a high level of communication between owner and the CMAR



MAIN FACTORS TO CONSIDER

1. Project size and complexity
2. Occupied Site/Complicated Phasing
3. Legislative/regulatory requirements
4. Risk tolerance
5. Schedule sensitivity
6. Local market knowledge
7. Desired level of owner influence and control
8. Owner's resources and capabilities

WHEN TO USE

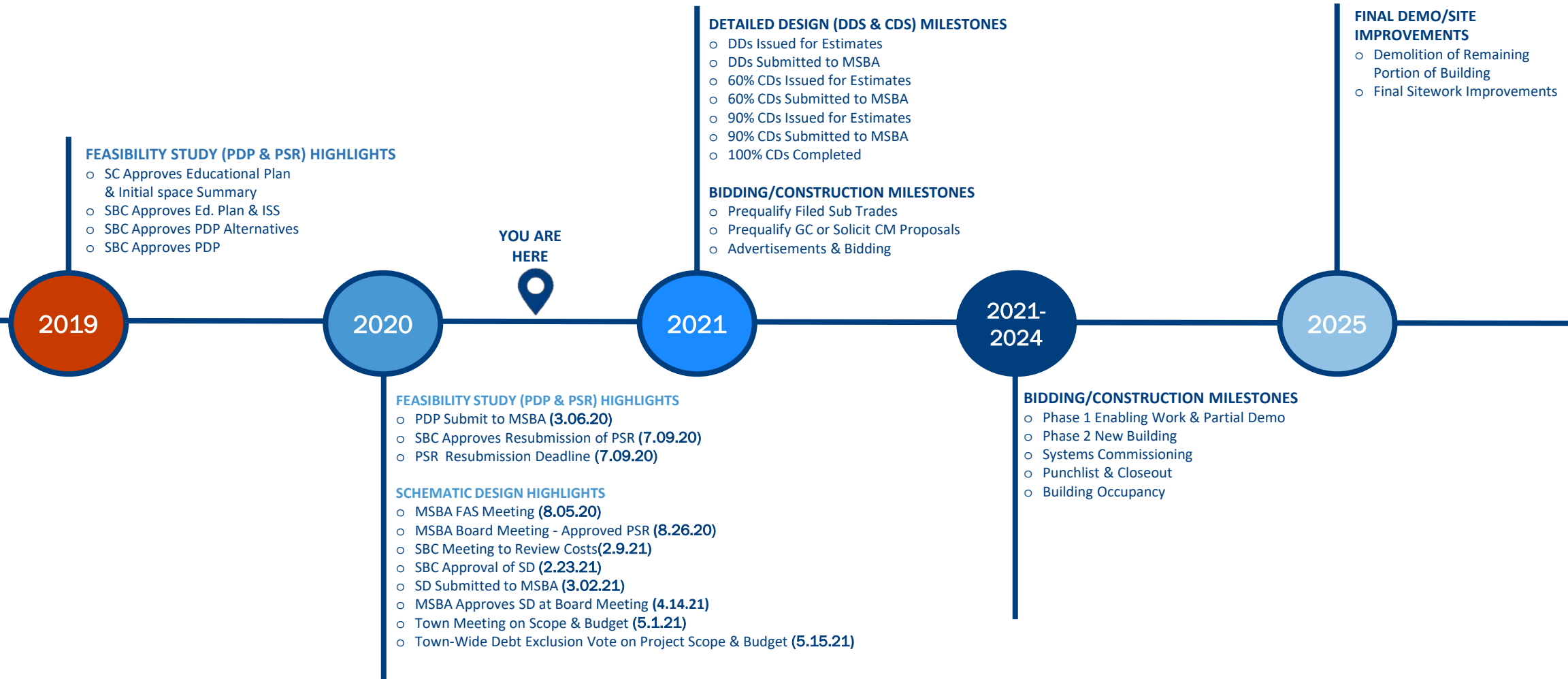
	Design – Bid – Build	CM – at – Risk
1. Project Size & Complexity	<ul style="list-style-type: none"> • Ordinary projects • Low complexity/uncertainty 	<ul style="list-style-type: none"> • High complexity/uncertainty • Larger projects
2. Legislative/Regulatory	<ul style="list-style-type: none"> • Typically the required method 	<ul style="list-style-type: none"> • Sometimes permitted
3. Risk Tolerance	<ul style="list-style-type: none"> • Moderate tolerance • Late cost guarantee 	<ul style="list-style-type: none"> • High tolerance • Early to late cost guarantee
4. Schedule Sensitivity	<ul style="list-style-type: none"> • Not schedule sensitive • Cost more important 	<ul style="list-style-type: none"> • Schedule and quality more important
5. Local Market Knowledge	<ul style="list-style-type: none"> • Low bid • Transactional relationships 	<ul style="list-style-type: none"> • Negotiated • Relationship-based
6. Owner Influence/Control	<ul style="list-style-type: none"> • High 	<ul style="list-style-type: none"> • Moderate to high
7. Owner's Resources & Capabilities	<ul style="list-style-type: none"> • Less experienced 	<ul style="list-style-type: none"> • More experienced

OIG CMAR APPLICATION TO PROCEED REQUIREMENTS

Under M.G.L. c. 149A, §4, the OIG will issue a Notice to Proceed when the public agency has demonstrated that:

- The public agency has authorization from its governing body to enter into a contract with a construction management at risk firm. **The authorization shall include the results of any public vote** if applicable.
- ✓ The public agency has the capacity, a plan and procedures in place and approved of by the governing body, where appropriate, to effectively procure and manage construction management at-risk services for the specific project and has **retained the services of a qualified owner's project manager.**
- The public agency has in place **procedures to ensure fairness in competition, evaluation and reporting of results** at every stage in the procurement process.
- ✓ The building project has an **estimated construction value of \$5,000,000 or more.**
- The public agency has determined that the use of construction management at risk services is **appropriate for the building project and states in writing the reasons for the determination.**

PROJECT SCHEDULE/TIMELINE





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Questions?

Thank you!

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