



CALIFORNIA'S
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C.A.S.H. WORKSHOP
“Choosing a Project Delivery Method”

Monday, October 8, 2007

12:00 p.m. to 4:00 p.m.

Westin South Coast Plaza

686 Anton Blvd.

Costa Mesa, California

CM MULTI-PRIME/TRADE CONTRACTING

Mark Mardock

McCarthy Building Companies



Choosing a Project Delivery Method

CM Multi-Prime/Trade Contracting

CASH Fall Workshop
Monday, October 8, 2007

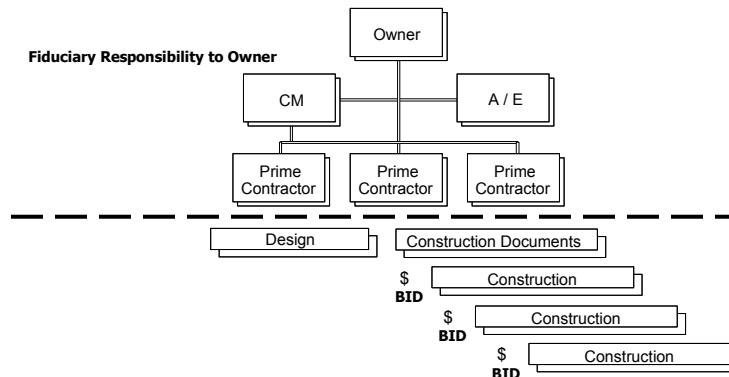
Mark Mardock
McCarthy Building
Companies



Choosing a Project Delivery Method

- CM Multi-Prime/Trade Contracting

The CM Multi-Prime / Trade Contracting project delivery method is popular means of completing a project because it permits a greater level of controlling selection of subcontractors and may reduce time for delivery of project





Choosing a Project Delivery Method

- CM Multi-Prime/Trade Contracting *PROS*
 - The process allows for a greater participation by local trade contractors
 - Eliminates the General Contractor premium costs
 - Roles are clear after responsibility matrix is developed
 - The District has a defined requirement and a fixed price
 - Clients have a professional construction manager on their side
 - The multiple trade construction contracts are fixed-price based on complete documents with little room for change orders



Choosing a Project Delivery Method

- CM Multi-Prime/Trade Contracting *PROS* (cont'd)
 - The fiduciary responsibility for the CM is with the District and they have no interest to make the project costs increase
 - The CM responsibility is to protect the District's interest, not the A/E or the trade contractors
 - The CM brings a fair and equitable perspective to the relationship
 - The CM replaces the GC and the GC's overhead and profit/expenses are reduced
 - Time for project delivery may be reduced





Choosing a Project Delivery Method

- CM Multi-Prime/Trade Contracting *CONS*
 - Construction can't start until design is complete
 - Multiple contracts may create administrative difficulty
 - Multiple contracts may cause 3rd Party liability
 - Lack of a single, guaranteed, bonded price for the total project may cause certain clients some concern
 - Payment processing and change order processing load channels through District staff
 - Bond requirements may limit small business participation
 - Potential conflict of interest if CM also performs GC with these same subcontractors on other projects



Choosing a Project Delivery Method

- Important Factors
 - Four Important Factors in Agency CM and/or Multi-Prime CM Selection:**
 - Represent District's interest exclusively
 - No incentive for increased CM fee
 - Flexible management staff resources
 - Recognized and proven project delivery methods
 - Four Important Factors in CM Selection**
 - School experience
 - The individuals and their experience as Builders
 - Delivery method experience
 - References





Choosing a Project Delivery Method

- CM Multi-Prime/Trade Contracting *Legal Considerations – Potential Nightmare*
 - Scopes of work are not well-defined
 - May substantially increase direct exposure to contractor claims
 - Delay, disruption, acceleration, loss of productivity and failure to coordinate
 - Recourse by Owner against single entity is unlikely
 - Increased difficulty resolving disputes

