

Agency Construction Management

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Presented By:
Paula de Sousa
Best Best & Krieger, LLP

C.A.S.H./A.C.C.M.
Alternative Project Delivery Methods
5/11/04

Agency Construction Management Legal Framework

Agency procures Construction Manager (CM)

Procured pursuant to the provisions of Government Code
§ 4525, et seq.

- demonstrated competence
- and on the professional qualifications necessary for satisfactory performance of the services required
- "Request for Proposals" ("RFP")

This process is very different from the competitive bidding process where price is the driving factor

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Agency Construction Management Legal Framework

- Appropriate Role for a CM Firm
 - The CM Firm may assist in:
 - Separating the work on the project into contracts for various categories of work (keeping in mind the prohibition of Public Contract Code section 20116)
 - Developing contractor interest in the project, facilitating the District's prebid conferences and/or job walks
 - Preparing and advertising bids as well as reviewing and evaluating contracts and change order requests
 - Making recommendations to the governing board regarding the approval of such requests
 - Essentially, a CM Firm serves as an extension of District staff

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- CM Duties
 - Preconstruction Phase
 - Preliminary evaluation of project and budget requirements
 - Assist with cost estimates
 - Prepare a construction management plan
 - Prepare a master project schedule
 - Review project designs

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- CM Duties
 - Preconstruction Phase (continued)
 - Coordinate and package bid documents
 - Recommendations as to safety programs, separation of project work, and purchase of materials and equipment
 - Analyzing of labor requirements
 - Other appropriate functions

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- CM Duties
 - Construction Phase
 - Prepare invitation of bids
 - Develop bidder interest
 - Assist with preparation, packaging, and execution of contracts
 - Submit project documents to reviewing agencies
 - Attend public meetings
 - Administer contracts

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- CM Duties
 - Construction Phase (continued)
 - Hold prebid meetings
 - Facilitate work coordination
 - Hold preconstruction and construction conferences
 - Supervise performance of contractors
 - Review contractor safety programs
 - Review construction costs and facilitate certification for payment
 - Obtain necessary permits

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- CM Duties
 - Construction Phase (continued)
 - Procure consultants
 - Process change orders and other approvals for District approval
 - Monitor payroll records
 - Review and process payments
 - Determine completion of work
 - Coordinate final inspection of work
 - Other appropriate functions

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- Fee Arrangements
 - CM may be compensated pursuant to a sliding percentage based on the bids received from each of the trade contractors awarded (measured at the time of award)
 - CM may be compensated pursuant to a flat percentage based on the bids received from each of the trade contractors awarded (measured at the time of award)
 - CM may be compensated based on a negotiated price
 - CM may negotiate additional compensation based on change orders

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- Possible Disadvantages
 - Multiple Bids
 - High number of contracts
 - Weak bids
 - Surety issues
