



Somerville High School

Somerville HS Project SBC Meeting



July 21, 2016



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Tonight's Agenda:

- General Updates
- Construction Manager at Risk Presentation
- Master Schedule Review
- Upcoming Meetings
- Public Comment
- New Business

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 Start
07/21/2016

Project Completion
12/02/2016

CMAR Procurement Timeline

SBC Approves
CMAR (c.149a)
7/21

PMA Develop OIG Application

7/21 7 7/29

OIG Review CMAR Application

8/1 45 10/3

09/30/2016 (Fri)

Somerville Purchasing/Legal
Provide Contract Form

8/1 5 8/5

Somerville Purchasing/Legal
Finalize Contract Form

8/22 10 9/2

Somerville Purchasing/Legal
Final Review

9/19 5 9/23

RFQ Response Period

10/5 10 10/18

PMA / SMMA
Review & Edits

8/8 10 8/19

PMA Draft / Assemble RFQ

9/6 9 9/16

CM SOQ's
Reviewed

10/19 5 10/25

CM RFP Period

11/2 10 11/15

RFP Reviews

11/16 6 11/23

CM Interviews

11/25 5 12/1

Award Contract

12/1

CM RFQ
Advertisement

9/28 5 10/4

Post Qualified Firms
Invitation to Bid

10/26 5 11/1

Why CMAR at Somerville HS?

- ✓ Complex project phasing & site logistics
- ✓ “Fast-track” design approach helps compress schedule
- ✓ Pre-construction efforts provide early CM “buy-in”
- ✓ CM input often helps to identify and mitigate otherwise unforeseen conditions
- ✓ Open book accounting can limit premium on additional changes associated with this urban, historically significant, renovation project
- ✓ Construction managers utilize a collaborative approach to problem solving, which can limit exposure to costly schedule or cost claims

Examples of CMAR Drawbacks

Statistics show that CMAR projects are more expensive initially

- CMAR is a qualification based selection process – value can be selected over low bid
- CMAR usually reserved for more complex projects, resulting in higher upfront costs
- Most CMs signatory to union carpenters and laborers
- CMs may work to “pad” their negotiated GMP contract to mitigate CM risk
- CMs will solicit competitive pricing proposals from their preferred vendors
- Open book accounting can encourage pass-through costs

Collaborative approach during pre-con may dissolve once GMP executed

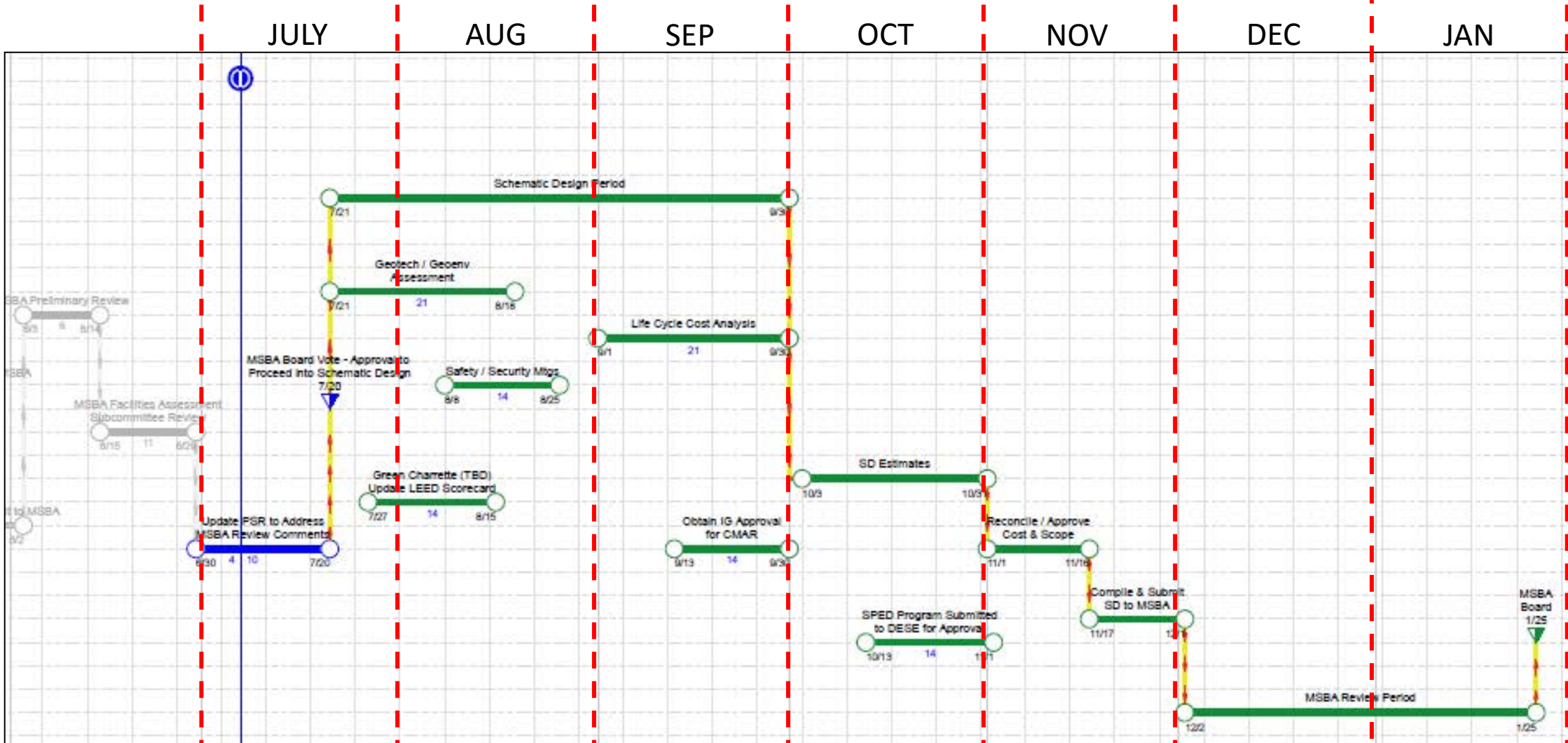
Approach to Mitigate CM Drawbacks @ SHS

- ❑ Competitive pricing proposals to streamline GMP negotiation
 - ❑ General Conditions as a monthly lump sum
 - ❑ General Requirements as a monthly lump sum
 - ❑ CM fee markups as a % of total
 - ❑ Bond, subguard, insurance, builder's risk, etc as a % of total
 - ❑ CM contingency as a % of total
- ❑ Clearly define appropriate use of GMP funds
 - ❑ GMP “holds”
 - ❑ GMP “allowances”
 - ❑ GMP “CM contingency”

Feasibility/Schematic Timeline

2016

2017





Thank you!