CMAA

Pacific Northwest Chapter

2017 Spring Seminar

GC/CM PROJECT DELIVERY
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General Contractor/ Construction Manager
GC/CM Overview
Overview of GC/CM Contracting
Legal Framework
RFP Process and Selection
Lessons Learned
GC/CM OVERVIEW
GC/CM HIGHLIGHTS

- Contractor selection at 30% design
- Partnership: owner, designer and contractor
- Selection based on: proposal, interview, price
- Cost is negotiated
- Preconstruction services included
- Competitive low bid subcontracts
What is GC/CM?

- GC/CM = General Contractor/Construction Manager
  - aka CM/GC, CMAR
- Selected primarily on qualifications
- Preconstruction services
- Contractor provides guarantee late in design
- Most trade work is publicly bid

Diagram:
- Owner
- GC/CM
- Design
- Preconstruction
- Construction
- Designer-of-Record
- Design Subs
- Trade Subs
- GMP
GC/CM USE BY SCHOOL DISTRICTS

- Over 30 school districts
- Southwest Washington: Evergreen, Washougal, Ridgefield
- Other: Seattle, Lake Washington, Issaquah, Edmonds, Central Kitsap, Bainbridge, Auburn, Clover Park, Mount Vernon, Lake Stevens, Arlington, Spokane, Tacoma
LEGAL FRAMEWORK
WASHINGTON’S CURRENT GC/CM AUTHORITY

- Initially passed in early 1990’s
- GC/CM vs CM/GC
- Alternative Public Works Statute (RCW 39.10)
  - Capital Projects Advisory Review Board
    - Project Review Committee
  - Authorities include DB, GC/CM, JOC
  - Subject to periodic reauthorization; latest extension was 2013 for ~8 years

~1994
GC/CM
Authorized;
self-perform
max = 0%

Reauthorizations every 3-5 years
Self-perform authorized if competitive low bid, increased to 10%, then 20%, later 30%
Subcontracting provisions added

2007
GC/CM
reauthorized; PRC
established

2014
Heavy Civil GC/CM
authorized
• Created in 2007
• Review and approves:
  - projects and project teams proposing to use GC/CM and Design Building contracting methods on projects
  - Certifies public bodies for three years to use these procedures for projects with a total project costs of $10 million
• 30 Members from public and private entities with significant expertise and experience – senior practitioners
  - Eight selected for each project panel, supermajority (usually six) must vote to approve
• Project Application
  - Project eligibility and demonstrated management expertise/resources
  - 6 meetings/yr – apply 4 weeks prior to meeting
  - Application is public document

• PRC review
  - Written and oral questions
  - Public comment at meeting
  - Voting at conclusion of session
  - Must be approved by supermajority (e.g., 6 of 8)
  - Can resubmit after corrections and/or appeal to CPARB
PROJECT APPROVAL CRITERIA

- Project eligibility
- Demonstrate management expertise and resources
- Public benefit
Project must meet at least **one** of five criteria:

1. Complex scheduling, phasing or coordination
2. Construction of an occupied facility
3. Involvement of GC/CM during design is critical to the success of project
4. Complex or technical work environment; or
5. Specialized work with historic significance
GC/CM SELECTION

- Select early in the project (generally no later than 30% or end of Schematic design)
- Competitive process
  - Proposal/SOQ
  - Interview (optional)
  - Price – fee and general conditions
- Public solicitation of proposals
GC/CM PHILOSOPHY

Partnership
• Cooperative venture
• Chemistry is important

Mindset
• Negotiation skills needed
• Partnership while protecting the public
• Owner must still manage the project
RFP PROCESS AND SELECTION
GC/CM - 3 STEP SELECTION PROCESS

**Owner/Agency:**
- Assemble team
- Develop Process/Criteria
- Assemble evaluation team

1. **RFQ/P advertised**
   - Pre-proposal meeting
   - Individual scoring
   - Team review

   **Most Qualified Proposers (shortlist #1)**

2. **Interviews**
   - Individual scoring
   - Team Review

   **Most Qualified Proposers (shortlist #2)**

3. **Request For Final Proposal**
   - Public opening
   - Scoring
   - Final selection
COMMON GC/CM TERMS

• **MACC** - Maximum Allowable Construction Cost
• **SGC** - Specified General Conditions
• **NSS** - Negotiated Support Services
• **Fee** – On total cost, also on self-performed work
• **TCC** - Total Cost of Construction
BUCKETS OF FUNDS

Total Contract Cost
- Specified General Conditions
- MACC
- Fee on MACC

MACC
- Construction cost
- Bid package buy out
- Negotiated support services
- Buy out savings
- Contingency
- Approved change order

Managed uncommitted funds during construction
LESSONS LEARNED SO FAR
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