

CONSTRUCTION MANAGEMENT AT RISK



WHAT IS CMAR?

It is a process that allows a client to select a Construction Manager (CM) based on qualifications; making the CM a member of a collaborative project team; centralize responsibility for construction under a single contract; obtain a bonded Guaranteed Maximum Price (GMP); produce a more manageable, predictable project; save time and money; and reduce risk for the client, architect and the CM.

CM at Risk, a more professional approach to construction, is taking the place of more than 80% of the traditional design-build and design-bid-build delivery methods. Notably, Lexington District One, Lexington District Two, Richland District Two, USC, and Clemson are utilizing this procurement method on the majority of their projects.

OWNER BENEFITS

This delivery method has several unique benefits to the Owner, including:

- A higher level of cost control from the start. During the design process, the CMAR provides cost estimates at contractually established points. If these cost estimates are in line with the established budget, the architect then moves on to the next phase of design. If not, the CMAR, Owner and Architect assess the cost estimate and make design changes to bring the design back into budget alignment. This process ensures budget success.
- The CMAR is an Owner advocate and manages the project with the Owner's best interest in mind at all times.
- The CMAR takes the burden off the Owner in managing and coordinating the project.
- Constructability and value to the Owner are afforded by the Value Engineering expertise brought to the process by the CMAR.
- Since the CMAR is at risk and gives the GMP, he does not necessarily have to select the low bid, if it is not in the best interest of the project. A thorough prequalification process minimizes the number of low bidders that get disqualified and generally leads to lower long term costs, higher quality, and fewer claims because only pre-qualified contractors are performing work.
- CMAR services are professional services like architectural, engineering, surveying, etc. Providing owners with progressive, talented firms to guide the procurement and construction.
- The CMAR's main purpose is to manage the construction process, not to just build a building.



COMMUNITY BENEFITS

- This delivery method has several benefits to the Community, including:
- The CMAR manages the cost to maximize the value in every stakeholder's dollar.
- The CMAR also manages the schedule to ensure the project is completed on time.
- Through the prequalification & outreach process the CMAR can maximize the participation of qualified subcontractors & vendors from the surrounding communities.
- During the design & construction phases the CMAR establishes and maintains positive relationships with stakeholders adjacent to the project and the community at large.
- The CMAR returns 100% of the unused project contingency and job cost savings to the owner/stakeholders.

SUCCESS IN SUMMARY

The CM @ Risk process has many characteristics attractive to clients, AEs and CMs.

1. The client makes selection based on qualifications. Because they are selected for their qualifications, CMs are inclined to maximize their services and their allegiance to the client in order to obtain repeat work and a good reference.
2. All parties collaborate. CMs provide advice on construction cost and technology during design to keep the project within budget and reduce design errors; AEs are more involved in the construction process and make recommendations that are helpful to the project's success.
3. Cost and fees are out in the open, helping eliminate adversarial relationships among the CM, client and architect.
4. The CM minimizes risk by taking trade bids prior to the GMP. Minimizing risk means maximizing value to the client.