

Construction Manager at Risk CMaR Lessons Learned



May 14, 2025



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Introductions

- Larry Cormicle, P.E., Consultant to MBI
- Licensed Professional Construction Engineer, Iowa, 42 years
- Construction Manager and General Contractor, 16 years
- Owner's Representative, 9½ years
- Construction Educator, 33 years
- Emeritus Teaching Professor, Construction Engineering, Iowa State University, 17 yrs.



Cormicle Consulting Services, L.L.C.

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Questions

- Have you ever wanted to prequalify the general contractor and construction manager?
- Have you ever experienced the pain of an underperforming contractor?
- Have you ever experienced the pain of underperforming subcontractors?
- What could you recommend to your public building and facilities clients to improve the success of their projects?
- Will you recommend the use of CM at Risk?
- Why should you use CM at Risk?

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AGENDA

- Project Delivery Methods
- Survey
- Law Overview & Process
- Prohibited Types of Projects
- Should You Use CM at Risk?
- Impact on Contract Administration Services
- Trends in the Use of CM at Risk
- Additional Resources
- Question and Answers

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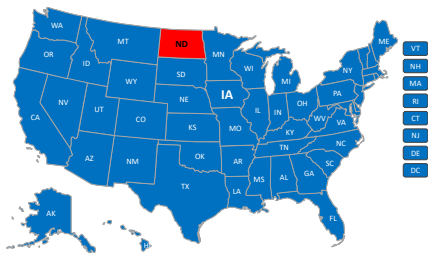
Legislative Updates

- State of Iowa legislation, Senate File 183, Effective July 1, 2022
- Allows CMaR project delivery for public building and facilities projects and traditional Design-Bid-Build.
- Design/Build delivery was removed as a project delivery method for public projects.
- Before July 2022, Iowa was one of only two states that did not allow an alternative to traditional project delivery based on the lowest bidder.

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Public Projects – Construction Manager at Risk



July 2022

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Survey

- Who has read the legislation?
- Who is considering using this alternative delivery in the next 12 months?
- Who is already engaged in using CM at Risk?

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Law Overview + Process

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CM at Risk Law Overview (Chapter 26A)

Chapter 26A-Guaranteed Maximum Price Contracts (GMP)

Public Owner Process:

1. Owner selects the design professionals (architects, engineers, landscape architect, and others) based on qualifications only, **NO change from current practice.**
2. Owner issues Notice of Intent to use GMP / CM at Risk
3. Owner & Engineer prepare a Request for Qualifications (RFQ).
4. Owner evaluates RFQ responses and selects qualified contractors, producing a "short list."
5. Owner & Engineer prepare a Request for Proposals (RFP).
6. Owner evaluates RFP responses and selects one contractor.

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Prohibited Types of Projects

26A.4 Prohibited contracts.

- Design-build
- Guaranteed maximum price contract for public improvements relating to highway, bridge, or culvert construction.

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Considerations

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Should You Recommend CM at Risk?

CM at Risk

- Large complex projects
- Multi phase projects
- Need for preconstruction services during design phase
- Examples:
 - Des Moines Airport new Terminal building
 - New hospital, medical clinic
 - New school
 - Major addition to hospital, medical clinic, schools
 - Accelerated project schedules

Design – Bid - Build

- Small straight forward design
- Cost under \$1,000,000
- Short duration projects
- Examples:
 - Interior remodeling
 - Repairs and upgrades of mechanical, electrical systems
- Highway, bridge and culvert construction

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What Is Your Role as the Engineer?

- Similar to the engineer's role in traditional **"Design – Bid – Build"**
- Assist Public Owner with scoring of CM at Risk RFQ & RFP responses.
- May offer to assist the Public Owner with tabulating the Subcontractor RFQ responses and RFP bids. This may be beyond your normal scope of services for Contract Administration. **Typically performed by CM at Risk, not the Engineer.**
- With the CM at Risk under a GMP contract, all subcontractor invoices will be submitted to the **Owner for review as part of the monthly payment application process. As the designer, will you include your services to review every subcontractor's monthly invoices? Or will you only review the CM at Risk invoice?**

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What Is Your Role as the Engineer?

- REMINDER: The Guaranteed Maximum Contract (GMP) is an **"Open-book, cost not to exceed"** type of contract. All subcontractor and supplier contracts and invoices are available to the public owner and their designers.
- **Will the engineer assist the owner with reviewing all subcontractor invoices/Applications for Payment?**
- Similar to CM at Risk on private building projects.
- CM manages the risk of all subcontractor and supplier performance.
- **You must clarify what Contract Administration services you will provide in your contracts with the Public Owners.**

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Trends in the Use of CM at Risk

- Owners are advertising for CM at Risk services using the RFQ process.
- Airports, schools, higher education, medical, office, fire and EMS, recreation centers, maintenance facilities, etc.
- Owners are shortlisting the contractors that will be allowed to respond to the RFP.
- Owners are developing score sheets when evaluating the RFQ and the RFP responses. Owners are communicating the weighting of each category in their score sheet as part of the RFQ and the RFP.
- Currently, over **120** public projects are using CM at Risk (May 2025)

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Trends in the Use of CM at Risk

- Owners include interviews of each contractor's proposed project staff and are scoring the interview as part of their final scoring.
- One owner said they would only invite the top three (3) scored contractors to respond to the RFP. The law does not allow this approach. A contractor is either qualified or disqualified.
- One municipality combined the RFQ and the RFP into one document as an RFP. Not allowed by law, must be separate processes.

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Trends in the Use of CM at Risk

Owners and their designers are using an interview of the Construction Manager's proposed project team as part of the evaluation of the contractor's response to the RFP.

Points are assigned on the evaluation matrix score sheet to the interview.

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Trends in the Use of CM at Risk

- Engineers develop a numerical scoring matrix with the owner's input to score the **RFQ** responses.

RFQ Evaluation Criterion	Possible Points	
General Business Information	5	A minimum numerical score is set for a contractor to be considered qualified. (Range of 80% to 85% typically) 80 to 85 points in this example
Experience and Qualifications	25	
Project Approach	25	
Project Management	25	
Schedule Management, Budgets	10	
Litigation History	10	
TOTAL	100	

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Trends in the Use of CM at Risk

- Engineers develop a numerical scoring matrix with the owner's input to score the **RFP** responses.

RFP Evaluation Criterion	Possible Points	
Project Personnel	15	A minimum numerical score is set for a contractor to be considered qualified. (Range of 80% to 85% typically) 140 to 149 points in this example
Project Experience	15	
Project Approach	15	
Schedule Management	15	
Budget Management	15	
Cost Proposal	50	
Interview of Project Team	50	
TOTAL	175	

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Trends in the Use of CM at Risk

Owners and their designers are holding a pre-submission meeting to answer any questions about the RFQ.

- If necessary, then issue an Addendum to the RFQ.

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- If necessary, then issue an Addendum to the RFP.

Construction Managers are holding a pre-submission meeting with interested subcontractors to answer any questions about the RFQ and the trade bid packages.

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Trends in the Use of CM at Risk

Types of Projects

Health Care	28
K-12 Schools	44
Higher Education	4
Municipal/County	44
State of Iowa, DOT	1
Airport	1
TOTAL PROJECTS	122

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Additional Resources

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How Can MBI Assist You as Designers?

- Set up an independent consultant to MBI
 - Larry Cormicle P.E., Cormicle Consulting Services, L.L.C.
 - Licensed Professional Engineer, Construction Engineering, Iowa, 42 yrs.
 - Emeritus Teaching Professor of Construction Engineering at Iowa State University
- Educating Public Owners across Iowa
- Seminars and forums
- Webinars
- Reach out to:
 - Design Partners
 - General Contractors
 - Subcontractors

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Available Resources

MBI website: mbi.build



<https://mbi.build/our-services/project-procurement/>

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Questions



- How can MBI assist you as you consider using CM at Risk on your upcoming public building and facilities projects?

Points of Contact

- Ben Hammes, Master Builders of Iowa (MBI)
- V.P. of Assoc. Affairs and Member Engagement, BHammes@MBI.build
- Larry W. Cormicle, P.E., Cormicle Consulting Services, L.L.C.
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