

MEETING DATE: March 11, 2018

SUBJECT: Securing a General Contractor for the Building Project

PROPOSED ACTION: Adopt the Contractor at Risk, Construction Management approach to the selection of a General Contractor, and authorize the Building Committee to interview General Contractors and propose one for consideration by Council

BACKGROUND: There are four main ways to secure a general contractor for a construction project. 1-Contractor at Risk, 2- Bid, Design, Build, 3- Construction Management Advisor, 4-Design Build. After reviewing the four options, the Building Committee recommends *Contractor at Risk*. Architect Randy Milbrath of RDG works exclusively with churches. Randy has stated that 90% of his church projects adopt the *Contractor at Risk* model for securing a general contractor. What follows are the components of the Contractor at Risk model for Construction Management. This analysis has been provided by RDG.

**Contractor at Risk, Construction Management**

**a) Contractual Relationship**

- i) Owner Architect Agreement (AIA B101)
- ii) Owner Contractor Agreement (AIA A133)
- iii) The architect and general contractor work directly for the “owner”/contracting agency.
- iv) General Contractor generally holds all subcontractor contracts.

**b) Contractor Selection**

- i) Contractor is generally selected early in the design process so as to add value analysis during the design process.
- ii) Selection based upon qualifications, fee bid and estimate of general conditions costs.
- iii) Generally selected through the request for proposal process.
- iv) Option to select a contractor without the RFP process.

**c) Contractor Involvement in the Design Process.**

- i) Contractor provides value assessment of systems and materials during the design process.
- ii) Contractor provides project cost estimate and periodic updates during the design process.

**d) Guaranteed Maximum Price (GMP) may be established prior to actually bidding the construction documents.**

**e) Allows for “fast track” construction.** After establishing the GMP, construction packages such as site development, foundations or equipment may be bid to either expedite the construction process or to take advantage of favorable bidding climates.

**f) Observations**

- i) All contracts and subcontracts have the option to be competitively bid, even self-performed work.
- ii) Due to blend of qualification and fee based selection, the owner may select the most qualified price competitive contractor.
- iii) Potential to minimize change orders, as contractor participates in the design and bidding process and has the opportunity to better understand the design intent as well as influence design decisions.
- iv) Team oriented approach to design, minimizing the potential of adversarial relationships.
- v) Architect and contractor have independent relationships with the owner, providing a systematic checks and balances.
- vi) Owner has the option to establish a GMP early in the design process.

COST: (See b ii, and d above)

SPONSOR: The Executive Committee, on behalf of the Building Committee