

# CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CMGC) PROCESS

## GUIDING PRINCIPLES

A process has been developed which is consistent with the principles below:

- Caltrans has authority to enter into CMGC contracts under Public Contract Code 6700 et seq.
- These statutes are generally consistent with other statutes across the country.
- All proposers must be treated equally and fairly under the process.
- The procurement and evaluation processes are designed to ensure that Caltrans selects the most qualified Contractor.
- The procurement process requires assurance of confidentiality of the proposals as proposers do not want their creativity, costs, and approach to price made known to other proposers.
- The assurance of confidentiality serves the important public interest of maximizing competition to get Caltrans the most qualified Contractor.
- Proposals are evaluated by experienced teams of Caltrans staff, and as may be supplemented by representatives of local public agencies (subject to execution of appropriate confidentiality agreements).
- The award of preconstruction services and construction contracts to the selected contractor is made publicly by Caltrans.
- The process summarized below is consistent with the above principles.

## PROPOSED PROCESS

### Project Delivery Selection Process

A review and approval process will be used to determine which projects will move forward for CMGC delivery. Project selection will follow a three-step process that includes Project Nomination by the districts, Project Evaluation by the Office of Special Projects, and Caltrans Innovative Contracting Steering Committee approval.

Many issues must be considered in determining whether a CMGC process adds value to a project, including but not limited to those below. Projects which are best suited for CMGC Delivery are generally ones which have some or all of the following characteristics:

- Benefit from accelerated completion
- Complex construction
- Can benefit from contractor innovation or creativity
- Are well into the NEPA process (ideal if completed)
- Are still in the early stages of design so that constructability review may be beneficial to the project
- Benefit from earlier cost certainty (through GMP)

The Department has developed a tool for the selection of the preferred project delivery methods appropriate for candidate projects. This tool has been used in selecting projects for the design-sequencing and design-build programs.

An initial call for projects will be made in early 2013. Additional calls will be made until all six projects slots authorized by statute are filled.

## **Begin Solicitation Process**

Numerous activities must be accomplished to procure a CMCG contract. These include:

- Preparation of RFQ's for the CMCG firm and for designers (if Caltrans requires consultant design support)
- Selection of members of the Evaluation Panel
- Development of the evaluation criteria and evaluation plan for the RFQ
- Development of a Preconstruction Services Contract

## **Issue Request for Qualifications (RFQ)**

An RFQ, including the criteria by which qualifications will be evaluated, will be prepared and posted for interested Proposers. Caltrans may also issue a Request for Letters of Interest to solicit interest in the RFQ.

## **Evaluation and Determination of Ranking**

An Evaluation Panel, composed of Caltrans staff and local public agency representatives (if appropriate) will evaluate, score, and rank Statements of Qualifications consistent with the criteria included in the RFQ. This Evaluation Panel will include individuals with design and construction experience.

A Process Oversight Committee composed of representatives of the Caltrans CMGC Program, Division of Procurements and Contracts and Legal Division will oversee the evaluation process to ensure compliance and consistency.

Following ranking of Proposers and the approval of a ranked list of Proposers by the Caltrans CMGC Program, Proposers will be notified. All Proposers will be notified of the Caltrans intent to commence negotiations for a preconstruction services contract with the highest ranked Proposer.

## **Negotiate Preconstruction Services Contract**

Following the notification above, Caltrans will commence negotiation with the selected Proposer for a contract to provide preconstruction services. Should Caltrans be unsuccessful in negotiating a preconstruction services contract with the selected Proposer, Caltrans will cease negotiations with that Proposer and commence negotiations with the next highest ranked Proposer from the evaluation process above (and so on continuing through all ranked Proposers) until a) an agreement is reached for preconstruction services, b) Caltrans is unsuccessful in reaching agreement with any Proposer, or c) the Caltrans Director elects to cease negotiations. Once a Construction Manager is selected and an agreement is negotiated, Caltrans will seek FHWA's concurrence.

## **Pre-construction Services Agreement Approval**

Caltrans will negotiate all final details of the preconstruction services contract prior to its approval. Caltrans will present the results and scores from the RFQ evaluation process and a negotiated contract for preconstruction services to the Chief Engineer for review and approval.

## **Final Design, or Portion Thereof**

During the development of the final design, the awarded Construction Manager participates in all design discussions, makes suggestions as to product options, provides comparative estimates, researches performance and availability of materials, and advises as to the time impacts of various construction methods. The Construction Manager prepares periodic cost estimates that include breakdowns of each project element to ensure that the project is within the project's budget and to establish a GMP. The Construction Manager develops the phasing of the bid packages and the work sequence, and ultimately develops a GMP for Caltrans review and negotiation.

There can be multiple construction contracts on a CMGC project as distinct phases or events are identified (such as early acquisition of long lead items). For example, a large roadway project may have an earthwork and drainage construction phase concurrent with the design phase, and a second construction phase once the remainder of the design is completed.

## **Negotiate GMP**

Caltrans, using the Engineer's Estimate and an Independent Cost Estimate (if applicable), will negotiate the GMP for each construction contract with the Construction Manager. If a negotiated GMP is not achieved, Caltrans may advertise the project using a different delivery method. Each construction or procurement package will be required to consist of complete Plans, Specifications, and Estimates such that each package could be advertised separately by a different delivery method if a GMP is not accepted.

## **FHWA Approval**

Once a negotiated GMP is reached, Caltrans will seek FHWA's written concurrence on a construction contract prior to its approval by the Chief Engineer.

## **Chief Engineer Review and Approval**

The Department will present each negotiated GMP to the Chief Engineer for consideration of award. This presentation will include a discussion of the status of the project and any phasing considerations, a summary of the negotiations with the Construction Manager, and a recommendation to award a construction contract on all or a portion of the project.

Should the Chief Engineer approve the contract, the contract will be executed and construction will commence. Should the Chief Engineer reject the recommendation to award, Caltrans may advertise the work via a different delivery method (i.e., Design-Build or Design-Bid-Build).

## **Construction, or Portion Thereof**

Following the Chief Engineer's approval and execution of the construction contract, Caltrans will oversee and administer construction of the CMCG project pursuant to the contract. Should the contract stipulate construction of only a portion of the project, Caltrans will continue to advance the design and GMP negotiations for other portions of the project and will present each negotiated contract for the Chief Engineer's consideration of award. This process will continue until all construction work required for the project is under contract, unless Caltrans is unable to successfully negotiate contracts for future construction work.

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