

# Program Gives Contractors Larger Role

Reviews Positive on Trial Construction Process Intended to Reduce Costs, Delays

An alternative contracting method for Caltrans to bring construction projects in on time and within budget is continuing to show promise, according to the Department's annual report on the Construction Manager/General Contractor (CMGC) Pilot Program.

The update was submitted to the Legislature, which approved expanding the trial program in 2016 and 2017 to include more projects. Caltrans can now embark on 22 CMGC projects in total, including at least 10 with construction costs of \$10 million or higher.

The CMGC method of project delivery, used on a trial basis by Caltrans since 2013, brings a contractor into the process much earlier than the traditional design-bid-build method for developing highway improvement projects, where the contractor is hired after the design plans and specifications have been finalized by Caltrans.

Through the CMGC Pilot Program, Caltrans hires a construction manager/general contractor to provide input during the project's design process. The construction manager provides input on the design, scheduling, and other project-specific details as a way to lower costs and head off potential construction problems and delays.

At an agreed-on point in the process (typically 90 percent design completion), Caltrans and the

construction manager negotiate a price for the construction of the project or a portion as specified. A contract is executed for construction services, and the construction manager then becomes the project's licensed prime contractor, and assumes much of the risk for the accuracy and constructability of the project. An independent estimator participates in the negotiation to help ensure that the agreed price is fair and reasonable.

To date, almost all the authorized projects have been assigned and are in various stages of design/planning/construction. Other planned projects are being identified by Caltrans as suitable for the CMGC process.

Two of the initial construction contracts have been completed, with positive results. On the first stage of the Fresno Highway 99 Realignment project and the Highway 140 Ferguson Slide Restoration (just outside Yosemite National Park), each was completed on time and below budget allocations.

Caltrans project teams are assigned to each project to assess the CMGC method, and input is also being sought from industry on the practice.

*Source: Annual Progress Report, Construction Manager/General Contractor Pilot Program Report*

*Underwater demolition of the old San Francisco-Oakland Bay Bridge foundations was accomplished using the Construction Manager/General Contractor (CMGC) mode of project delivery, where a contractor is brought into the process earlier than the traditional design-bid-build method.*

