CMc Meeting Minutes
March 7, 2019
8909 Purdue Road, suite 130; Indianapolis, IN 46268
Meeting from 2:30-4pm

CMC Feedback Session Notes

Prepared by: Chris Price

Tom Ringham (Eskenazi):

- Tom Ringham did one project. Then was told not to do this
- Current language does not explicitly allow for public healthcare institutions
- They would like to have CMc for public bidding
- Have had success with Hagerman
- Would like to have more options than Design Bid Build and Design Build

Ralph Power (Applied Engineering)

- Worked on a handful of projects with Purdue
- Wasn’t sure about how the method would work in the beginning
- Getting real time input from CM on constructability and options for design is advantageous
- This is a positive thing for the design team

Pete Rimsans (Building Trades)

- They are wondering if Indiana’s CMc statute is ready for prime time
- The sunset was meant to evaluate this for universities and then consideration for smaller public owners
- Consumers love the GMP
- He sees some problems with the statute
• Code 5-32-3-3 and 4 should be more robust for the selection of the CMc
• Fear that political ties could garner politics influencing contractor selection
• Indiana Code 5-32-5-2, which requires that first tier subcontracts must be bid out to per applicable public works requirements, is problematic
  o As CMc doesn’t know the subs up front, they have to price for risk
  o Believe it more fitting to choose the subs on the front end
  o This provision also conflicts with the subcontracting clause provision of many collective bargaining agreements, which requires the use of union signatory subcontractors.

Michelle Boyd (Indiana Building Contractors Alliance and AGC of Indiana)

• They support CMc and lifting the sunset
• They do recognize the issue of the subcontractor clause outlined by the Indiana State Building Trades.

Dewey Pearman (Construction Advancement Foundation)

• Previously his contractors were concerned with CMc for lifting the lowest and best standard
• There was a concern with the level playing field
• That concern has been diminished
• Contractors are generally supportive of CMc
• Universities are sophisticated buyers
• Concern that these decisions will be made by less sophisticated owners
• Has personally witnessed an owner selecting a contractor first, and then negotiating a price. That process is not right and not in the best interest of the taxpayers
• They think the sunset should be lifted

Dave Roepnick (Airport Authority)

• Currently actively engaged in a CMc project
• They like the delivery timeframe with CMc
• Having an extra set of eyes (the contractor) on the front end is helpful to delivering the best project for the owner
• Likes the ability to add qualifications for contractors
• They are supportive of this method
Kelly Knable (Ball State)

- Has experience with all delivery methods
- Is an advocate for CMc
- Likes the shared risk and ability to select a team
- Helpful with creating collaboration
- They have been challenged finding a design team that is well versed with this delivery method
- On the contracting side, it is helpful to have extra set of eyes on the design
- Ball State has worked through projects successfully and plan to work through more in the future
- This will help with budget costs in the long term
- Keeps everyone engaged

Steve Osborn (CE Solutions)

- Has favorable experience with CMa and CMc delivery methods as a structural engineering firm on both public and private projects
- Has worked with all delivery methods including Indiana public-law design build
- Excited to have the CMc delivery method available for public agencies
- Am a strong advocate for having a construction professional at the table throughout design and construction
- Important to have the CMc on-board at project kickoff to achieve maximum value
- Collaboration with the construction professional during design is great for phasing / bid packaging, constructability reviews, workforce knowledge, budget control and schedule
- A challenge is with owners attempting to arrive at a GMP too early in the process
- The more the design is allowed to develop, the more reliable the GMP will be, resulting in fewer change orders
- Wants the sunset provision lifted. Doesn’t want this (CMc) delivery method for public agencies to die
Karen Loftus (Loftus Engineering)

- Has been involved in several projects
- Is in favor of collaborating with the CM early in the process
- Wants to keep the bar high for the contractors
- Helps them to develop documents better by collaborating with CM early on
- Have seen high quality, high performance designs
- Challenges with early cost estimating of MEP systems
- Desire transparency with sharing costs. Sometimes this is too vague.
- Consideration must be made for when the GMP should happen. There are differing opinions on this.

Colleen Merkel (ACEC)

- ACEC is supportive of maintaining CMc in the vertical space. Doesn’t believe that horizontal construction is ready for CMc

Greg Silcox

- Owners get better budget control with CMc
- Has positive experience

Tony Hahn (Purdue)

- Has been actively using CMc for 16 projects
- CMc is the preferred delivery method for Purdue
- Has 5 more projects planned
- Faster completion is the biggest advantage of CMc
- Being able to pick the right team is another great advantage
- Helps with XBE numbers
- Works well with engaging Indiana businesses
- Has worked well for big and small projects
Terry Greene (Hagerman)

- Has been great for the public sector
- Sunset should be lifted
- As a CM this gives them greater control
- There are challenges with GMP and “no change orders”
  - If there is a change in scope, there is a change order
  - This is a disconnect between CM’s and owners and is a function of the timing of GMP
- If there is a low bidder who is merit shop, the CM who is signatory to that trade is not able to work with this merit shop sub-contractor
  - This is a challenge for signatory CM’s
- CMc delivery is a construction issue, why are our construction trade groups not taking a more active role in influencing legislative actions on this?

William Payne (Fanning Howey)

- Selection process is similar to CMa
- GMP should be set after bidding takes place
- Having the CM on board early is helpful to the budgeting process
- They are still seeking the lowest and most responsive bids under this method
- Has had very positive experience and this has been a great tool for them
- Would like to eliminate the sunset and open this up to municipal and K-12 owners

Kevin Turner (Wurster)

- Early involvement of a CM is important to the process
- Supportive of providing the owners with more of an opportunity to qualify contractors
  - It provides the owner with options to select on more than just price
- Reduces change orders and contentions later in the project
Brent Crum (MSKTD)

- Wanted to attend to hear everyone’s perspective
- As an AE firm, they have been involved in 8 projects and will be involved in more
- Has been successful for their firm
- Great tool, but everyone must be knowledgeable on how to use the tool
- Advantage of speed and constructability
- Getting everyone to the table earlier is critical to the success
- If people aren’t engaged early on, the delivery system may be falsely blamed
- Institutions have embraced this and shown success

Amanda Wilson (Ivy Tech)

- Has traditionally been utilizing design bid build
- Doing two projects now and the experience has been positive
- Different owners use CMc differently
- They like the ability to pre-qualify subs
- Likes that it challenges owners to think differently
- Important to educate all partners on the delivery method

Kevin Hunt (Shiel Sexton)

- Has been involved in hundreds of CMc projects and several public projects with universities
- They support lifting the sunset on CMc
- CMc increased the bid activity from subcontractors
- Better pre-qualified subs with CMc
- Sub-contractors are following scope better
- Seeing much better XBE participation on CMc Projects
- Don’t see over budget projects with CMc
- Supports engaging CM early
- Shiel is using DB, CMc, Design Bid Build, etc..
  - Having this tool in the toolbox is great, and should be considered for certain projects
- Hasn’t used CMc in K-12 but would like to
• On these projects, the participation of union and merit shop contractors is about the same.
  Approximately 70% union subs with CMc

Tim Jeffers (CSO)

• Was disappointed that the sunset was there in the first place
• Sunset should be lifted
• This has already worked for higher Ed, but needs to be allowed for all other public owners
• Universities are using slightly differently, though it’s working
• CSO believes this is a good tool and has been successful for clients

Open Discussion: Is there anything that we recommend?

• Statute says that you must share evaluations and scoring for proposals
• Owners like the ability to set selection criteria
• It is challenging for an owner to throw out a bid based on criterion
• Pete is wondering should there be more criterion for the selection process
• Dewey would not like to see the CMc process become as complicated as Design Build, but that it should be more transparent
• Some projects are best suited for CMc? Which projects are best for this and which aren’t?
  o Complex and phased projects are great opportunities for CMc
  o Renovations are also good for this
  o With the bidding environment as it is now, CMc is a great way to bringing a project to fruition
• It is ironic to make the selection process more structured
  o Design Build was so difficult to use. CMc is not as challenging to use which makes it appealing
  o Criteria for design build is too challenging and we need to avoid this with CMc
• If the town of “Hickory” is doing a CMc job, there is concern with how a less sophisticated owner is selecting their CM
  o However, it seems as though the architect / engineer is helpful to smaller owners with this delivery method
• Our university owners are available as a resource to smaller public owners who are considering this method as well
• There are plenty of owner rep groups who are also able to educate less sophisticated public owners
• CMc is focused on value. Design Build still seems to be focused on price
• It is hard to find an architect to partner with on Design Build projects because it is too expensive on the design teams. They spend too much money on the front end and the investment is not worth it.

**How is CMc increasing the XBE participation?**

• The CM knows the goals up front. If it is important to the owner, the CM makes it a priority and the participation increases
• In lump sum, you can meet or exceed your goals, but the incentives aren’t as strong with design bid build
• The propensity to promote XBE’s is stronger with CMc. XBE participation is one of the criteria
• Under CMc, XBE is more of a requirement as opposed to a suggestion
• This also allows owners to select CM’s who have a proven record of selecting XBE’s
• CMc is helping to facilitate a greater number of XBE partners
• XBE partners have stronger access to other XBE’s
• Purdue has also seen increased XBE participation
• Confused as to why House Democrats voted against the lifting of the sunset
  o Pete thought that the democrats were opposed because the lifting of the sunset was done without stakeholder feedback
  o Therefore, we are getting this stakeholder group back together for feedback
• Pete would like to have the sunset in place so they can tweak the legislation and the selection process
  o Shouldn’t hold municipalities and K-12 owners hostage in order to fine tune the criterion
• CMc was not originally driven by the contracting community
• There are no examples of failed CMc projects, and our industry is not tracking the successes and best practices
• Construction is a complicated process. If you want a good project, hire a qualified CM
• The GC’s are overall supportive of lifting the sunset
• For owners who don’t understand how to use CMc, they won’t be effective. If there is a way to educate
1. I see more state agencies and communities using the CMc process which is fine.

2. Each of the agencies, universities and communities interpret the law very different in terms of:
   a. RFP structure
   b. RFP development
   c. Interview requirements within the RFP
   d. Information required to respond to the RFP
   e. Overall grading system
   f. Use of an Owner’s Rep that may or may not have a connection to the CMc candidates
   g. Use of a Designer that may or may not have a connection to the CMc candidates
   h. Definition of self-perform work – does that include material costs, fees, etc. or is it just labor?
   i. Structure of the contract – what are the terms, etc.?
   j. Bid events – how are bids received? Is the owner included in the bid process?

3. Generally, the agencies, universities or communities tell me that they will interpret the CMc law their own way until the court system tells them different.