



British
Columbia
Construction
Association

Construction File: The Construction Management Project Delivery Method

CCA has introduced the new CCA 26 A Guide to the Construction Management (CM) Project Delivery Method (2016). Along with the Guide these are some other considerations which are very important in insuring a successful delivery of a project using Construction Management.

What is the CCA 26 Guide?

CCA 26 explains what Construction Management (CM) is and the two fundamentally different forms of Construction Management contracts:

- For Services where the Construction Manager acts as an agent for the Owner who contracts separately with multiple Trade Contractors to perform the work.
- For Services and Construction (aka Construction Management at Risk) where the CM contracts with the Trade Contractors to perform the work and is responsible for the construction as a whole.

CCDC has guides #44 and #45 which help a user with implementing the standard forms of contract (CCDC 17, 5A and 5B). However the CM 26 Guide is different in that it is intended to guide an Owner in:

- Evaluating whether CM is the appropriate choice for delivering a project.
- Preparing a solicitation for procuring CM services in a fair, open and transparent manner.

How is Construction Management implemented to meet Trade Agreements?

In the public sector, under the Trade Agreements, there are two fundamental protocols that are required to be met when soliciting Construction Management services:

1. The threshold for consideration in the need for a public process for solicitation of CM services is the total value of the Construction Project, not the value of the CM Services.
2. In both methods (CM with Services and CM with Services & Construction) of delivering a project the CM is usually the agent of the Owner when soliciting Trade Contractor bids. Hence, as long as the agency relationship exists the Trade Agreement thresholds apply for each Trade bid being solicited on behalf of the Owner.

What are the Advantages of using the Schedules in CCDC 5A and 5B in RFP solicitations for CM Services?

All of the guideline documents for CM (CCA 26, CCDC 44 and 45) recommend using the Schedules, which are part of the CCDC 5A and 5B contractors because they:

1. Assist an Owner in making sure that all the services they need provided by the CM are being met.
2. Reduce the Owners risk by providing hourly rates, fixed price costs and fees for work which may at some time need to be performed by the CM.
3. Provide a fair, open and transparent method for evaluation of the RFP responses as all proponents are clearly providing the same information. Where hourly rates are required for work these (whether a trade or management personnel) they should be identified by the Owner on the schedule.

We cannot emphasize enough the importance of using the Schedules to ensure transparency in evaluation of the RFP responses.

How does and Owner Accommodate Use of a Construction Managers Own Forces?

There may be a conflict of interest that needs to be managed when the CM performs work with own forces:

1. To ensure fairness and transparency in the RFP Solicitation an Owner must identify where this own forces work can be performed and articulated as to the Owner's need for using such expertise. The CCA 26, Part 6.0 has some guidance on how to achieve this transparency.
2. Where a CM intends to bid on the Trade Contractors work (such as concrete work) on the open market they must declare this in advance and remove themselves from the evaluation process. As well they cannot after the Trade Contractor bids close offer to perform the work at a lower rate (this is possibly bid shopping). The CCA 26, Part 6.0 provides some guidance on safeguarding transparency in this process.

For copies of CCA 26, please contact your local construction association. For more information, please visit the CCA website cca-acc.com.