

County of Monterey

Establishment of a Construction Manager At-Risk Project Delivery Program for the County of Monterey



Board of Supervisors | December 10, 2025

Presenter:

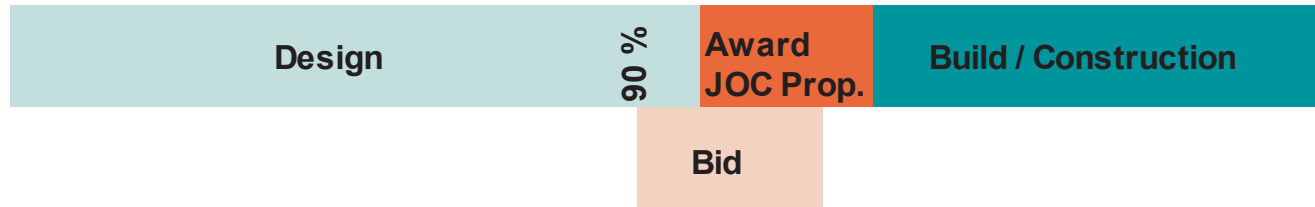
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Agenda

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County Project Delivery Systems

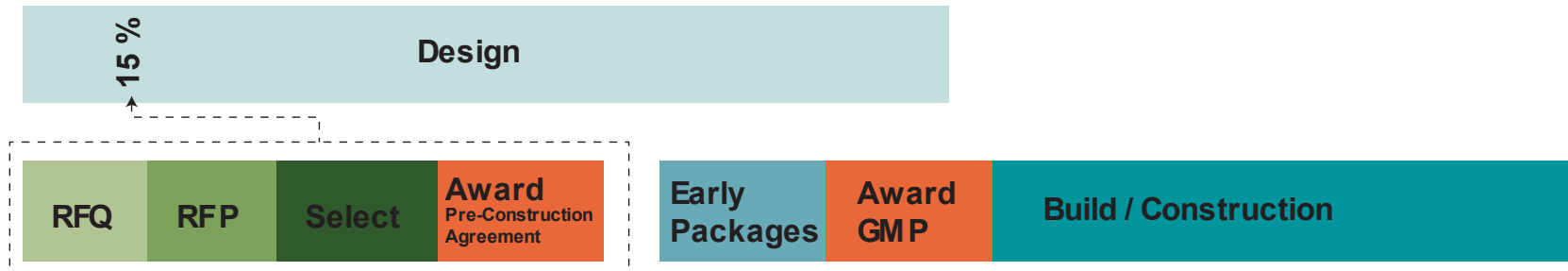
Job Order Contracting (JOC) – In Use



Design – Bid – Build (DBB) – In Use



Construction Manager at Risk (CMAR)- New Delivery System



County Project Delivery Systems

Method	Best Use For
Design-Bid-Build (CBB)	Rehab / Renovation / New Construction Projects
Job Order Contracting (JOC)	Rehab / Renovation Projects Only
Construction Manager at Risk (CMAR)	Rehab / Renovation / New Construction Projects Over \$1 Million

What Problem is CMAR Solving?

The focus on the lowest bid through Design-Bid-Build does not guarantee an experienced contractor, quality project, or guaranteed maximum price:

- Inexperienced Contractors On Specialty Projects
- Excessive Change Orders
- Extended Timelines and Project Claims
- Miscommunication between Designer and Contractor
- Quality Control Issues

Background

Law

- Senate Bill No. 328.
- Public Contract Code Section 20146
- 12 years in existence

Counties Utilizing CMAR

- San Luis Obispo (General Law County)
- San Diego (Charter County)
- Orange (Charter County)
- San Mateo (Charter County)

Best Value Method

- Experience and Qualifications
- Price
- Project Plan
- Safety Record and Safety Plan
- Financial Strength

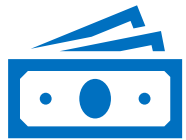


Background (continued)

Public Contract Code – Section 20146



A county, with approval of the board of supervisors, or a public entity, with approval of its governing body, may utilize construction manager at-risk construction **contracts for the erection, construction, alteration, repair, or improvement of any infrastructure, excluding roads, and including, but not limited to, buildings, utility improvements associated with buildings,** flood control and underground utility improvements, and bridges, owned or leased by the county.



A construction manager at-risk construction contract **may be used only for projects in the county in excess of one million dollars (\$1,000,000)** and may be awarded using either the lowest responsible bidder or best value method to a construction manager at-risk entity that possesses or that **obtains sufficient bonding to cover the contract amount for construction services** and risk and liability insurance as may be required by the county or public entity.



Any payment or **performance bond** written for the purposes of this section shall be written using a bond form developed by the county or public entity.

Background (continued)

Project Labor Agreement requirement



1. The county or public entity has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce, and the construction manager at-risk entity agrees to be bound by that project labor agreement.
2. The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the county or public entity before January 1, 2018.
3. **The construction manager at-risk entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.**

CMAR Delivery System - Factors

Cost Control

- High
- Guarantee Maximum Price and Construction Management input during design phase
- Less change orders



Speed

- 25% Faster than Design Bid Built
- Constructability review in the early stages of the design helps on the back-end of the project



Best Used For

- Complex and specialty projects
- large-scale projects needing collaboration



Owner Involvement

- High
- Best deployed during pre-construction phase (Design and Development)

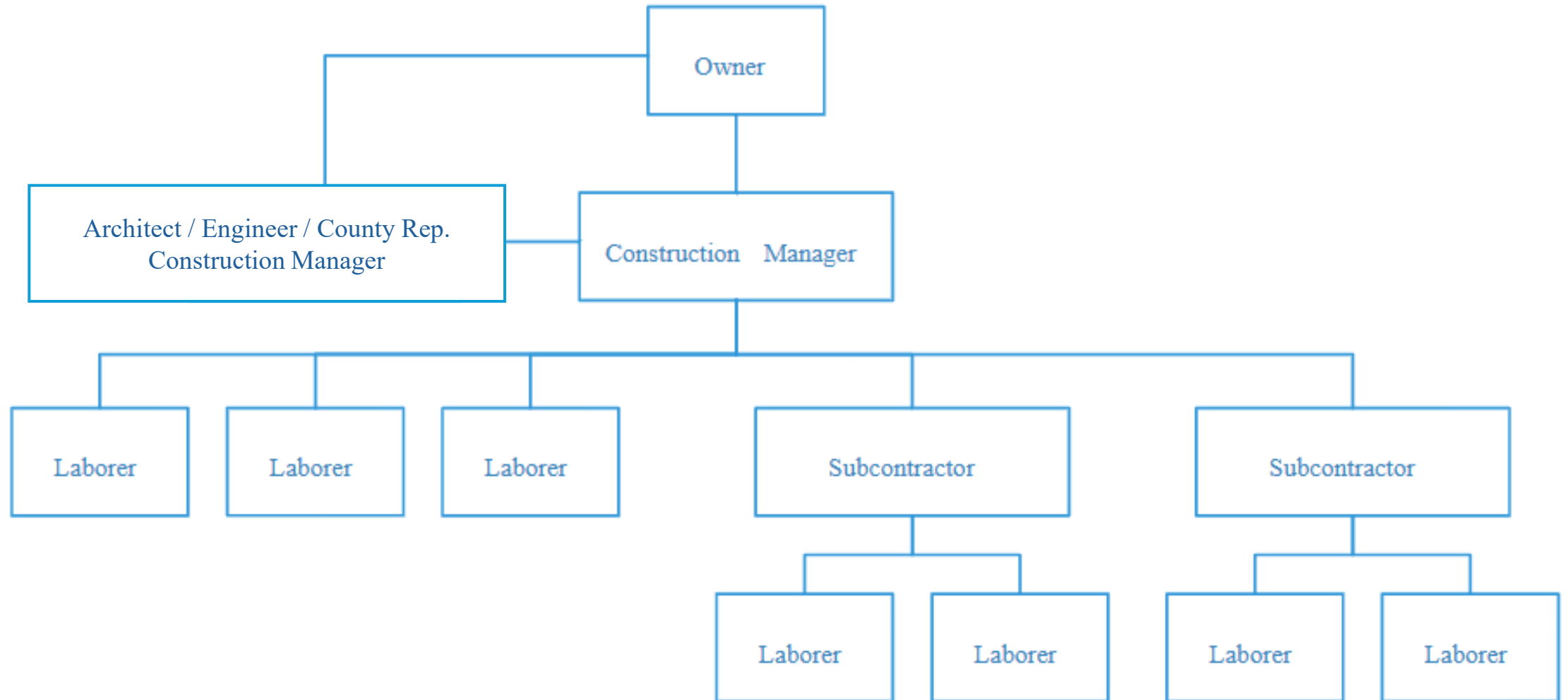


Risk Distribution

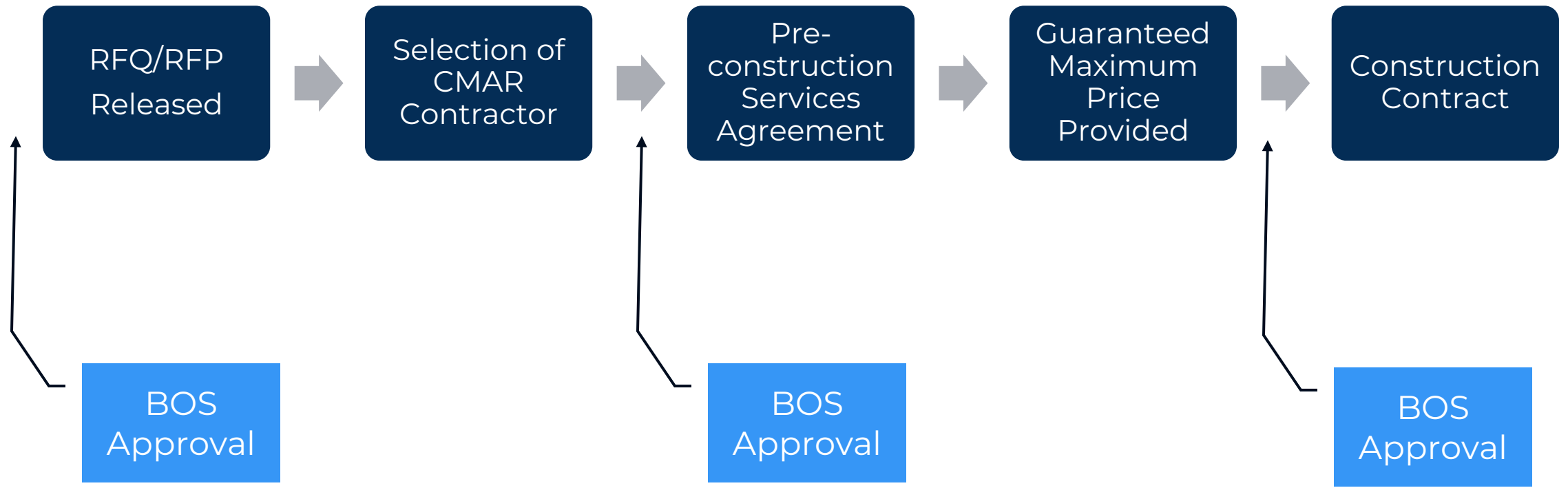
- Shared risk during design phase.
- Construction Manager assumes cost and schedule risk during construction phase



CMAR Delivery System - Structure



CMAR Delivery System - Flowchart



CMAR Delivery System - Pros



CMAR Contractor is hired early and guarantees project cost and project delivery



Can be used for rehab, renovation, and new construction projects



Advises early in the design process, provides constructability reviews and cost estimates



Better cost control & less change orders during construction



Responsible for covering the gaps between trades and more opportunities for participation of local trade contractors.



Collaborative problem-solving and owner has more control and flexibility over the schedule, phase, and bid of the project.



Faster project delivery, 25% faster than DBB

CMAR Delivery System - Cons



Typically, more expensive than DBB (Larger, more vertically integrated contractor firms)



Given bonding and insurance requirements on bigger, complex, specialty projects, this may reduce competitive bidding on subcontractors



More Administration and oversight required between CMAR Contractor and Architect / Engineer / County Rep. Construction Manager coordination is essential



Delivery method can only be used for projects over \$1 million

CIC - October 17, 2025

Comments / Questions

- a) *How CMAR has worked for other counties that have deployed this program.*
- b) *PLAs can be complicated, and sometimes local general contractors don't like them.*
 - ***PWFP staff explained Public Contract Code Section 20146 provides 3 options to accomplish the PLA requirement.***
- c) *CIC also inquired about alternative project delivery methods such as Design-Build and Integrated Project Delivery.*
 - ***PWFP staff next delivery system to be explored: Design-Build***

Lessons Learned from Other Counties



Experience with specialty project should be weighted heavily when choosing CMAR Contractor, following best value strategy



Chose a CMAR Contractor with a strong financial backing



Owner should have their own Construction Manager Representative to safeguard the interest of the County



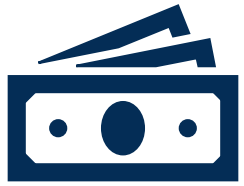
Heavy owner and administration involvement is required (Architect and design team understanding the CMAR Process)



Front end specifications need to be very specific, clear, coordinated, and vetted



Owner should avoid changes to the design and product standard once the GMP has been agreed to. Collaborating with all project stakeholder groups in the design phase is essential to avoid change orders.



Financing

- No impact on County's General Fund
- New tool for PWFP project managers



Board of Supervisors Strategic Plan Goals

- Sustainable Infrastructure for the Present and Future

BOS Recommendation

It is recommended that the Board of Supervisors:

- a. Find that the proposed action is not a project as defined by the California Code of Regulations (CCR) California Environmental Quality Act (CEQA) Guidelines Section 15378 because it consists of an organizational or administrative activity that will not result in direct or indirect physical changes in the environment and said action does not have a direct physical change on the environment nor a reasonably foreseeable indirect physical change on the environment.
- b. Approve the creation of a Construction Manager At-Risk (CMAR) Project Delivery Program for the County of Monterey (County) allowed under California Public Contract Code - PCC § 20146.
- c. Approve the CMAR Project Delivery Program Policy Guidelines developed in accordance with Section 20146 of the Public Contract Code.
- d. Authorize utilization of CMAR Contracts for the erection, construction, alteration, repair, or improvement of any infrastructure, excluding roads, and including, but not limited to, buildings, utility improvements associated with buildings, flood control and underground utility improvements, and bridges, owned or leased by the County.

BOS Recommendation

It is recommended that the Board of Supervisors:

- e. Authorize utilization of CMAR Contracts for projects in the County in excess of one million dollars (\$1,000,000).
- f. Approve the award of CMAR Contracts using the best value method to a construction manager at-risk entity that possesses or that obtains sufficient bonding to cover the contract amount for construction services and risk and liability insurance as may be required by the County of Monterey.
- g. Authorize the Director of Public Works Facilities and Parks (PWFP) or Director's designee to administer and utilize the CMAR Project Delivery Program for Capital Improvement Projects in accordance with Section 20146 of the Public Contract Code.



Thank you!

Questions and Answers