

Staff Report

CONSTRUCTION DELIVERY METHODS

June 16, 2026

BACKGROUND:

The *Iowa Code* prescribes the manner in which cities may approach the construction of vertical infrastructure projects. In recent years, alternative construction delivery methods have emerged that can be used by cities to approach such projects. Over the years, the staff has utilized a variety of these methods for our major capital improvement projects, with varying degrees of success.

Staff has summarized these approaches into four categories, which are described in more detail below. In order to better inform the City Council about these alternative approaches, staff has asked contractors to attend this meeting and present information regarding the different construction approaches.

ALTERNATIVE PROJECT APPROACHES:

Design/Bid/Build

This is the traditional method for construction delivery and was the primary method used by the City of Ames until the construction of the Fitch Family Indoor Aquatic Center. This method, also known as the General Contractor delivery method (single prime), is a linear approach in which one phase is completed before the next begins. For this method, the City first contracts with an Architect or Engineer who designs and prepares the documents for construction bids. Next, the project would be competitively bid for construction. A single construction contract would be awarded to the lowest responsive, responsible bidder.

For projects that require a variety of trades to be involved, the general contractor will typically rely on subcontractors to perform parts of the work, such as electrical, mechanical, plumbing, masonry, roofing, etc. The general contractor and subcontractors provide all the labor and materials for the project.

It is important to note that only the prime contractor is required to hold a bond for the project to ensure its completion. The subcontractors performing work do not submit a bond to the City. This may increase the pool of available subcontractors to perform work, since some subcontractors may be unwilling or unable to obtain a bond.

In the event that a subcontractor fails to perform work to the satisfaction of the general contractor, the general contractor is obligated to see that the work is completed, even if that

means retaining an alternative subcontractor to perform the work.

The general contractor provides certain facilities that are used by all of the construction crews working on the project, such as a job trailer, site utilities, fencing, portable toilets, etc. The general contractor also schedules the workflow of the work crews and subcontractors, ensuring that the sequence of work is completed in a logical and timely manner.

The architect or engineer is the agent of the City for design services and contract administration during the construction, and typically maintains a routine presence on-site during the construction. **Ultimately, decisions regarding the acceptability of the work are the responsibility of the architect/engineer.** The City would have regular progress meetings with both the design team and the general contractor during the construction process, but City staff would not typically engage directly with any of the subcontractors under this method.

Examples of City of Ames projects that have utilized this approach include the construction of the Water Treatment Plant, Parks Maintenance Shop Expansion, and Steven L. Schinker Plaza.

Construction Manager as Advisor (CMA)

This method involves utilizing a Request For Proposals (RFP) to select a CMA during the design phase. The CMA may work individually or in a team, and typically has experience as a contractor. Once selected, the CMA provides insight into cost estimating and scheduling.

A critical function of the CMA during the design process is to provide constructability reviews, helping the design team consider alternative designs that may be less complex, specialized, or costly. The CMA assists with development of the project phasing, and collaborates with the City and design team in dividing the work into separate bid packages that will be attractive for prospective contractors. The CMA uses its networking to raise awareness among contractors about the project prior to bidding.

As evidenced during the recent Resource Recovery & Recycling Campus project, the CMA may also assist in negotiating changes with bidders if value engineering is necessary to align the project with the budget.

The CMA approach uses multiple bid packages rather than a single general contractor. The City directly holds the contracts for each of the bid packages. Therefore, each individual contractor must provide its own bonds for its portion of the work.

The CMA's scope of work includes furnishing several items and services that would normally be included in a general contractor's scope, such as dumpsters, portable toilets, safety fencing, etc., as part of the "general conditions" portion of its costs. These costs are charged based on actual expenses incurred.

It is important to note that the CMA does not perform any of the work during the construction phase, nor does the CMA have the authority to accept or reject work. The CMA may make recommendations about the acceptability of work, but the authority to reject work remains with the architect/engineer.

The CMA is responsible for the overall logistics, contractor scheduling, worksite

coordination, and general oversight of the project. During the course of construction, the CMA will typically remain continuously present on-site and perform construction observation. In turn, the design team's physical presence on site is reduced to intermittent site visits. The CMA facilitates regular meetings between the CMA, owner, and design team. During these meetings, reports are made regarding matters the design team needs to address, the status of the workflow, and decisions that need to be made by the owner.

Examples of City of Ames projects that have utilized this approach include the construction of the Fitch Family Indoor Aquatic Center and the Resource Recovery & Recycling Campus (currently underway).

Construction Manager at Risk (CMaR)

In 2022, the Iowa Legislature added the Construction Manager at Risk (CMaR) approach to the options for public construction projects. To secure a CMaR, the City would issue a Request for Qualifications (RFQu) that considers past projects of similar scope and size, past performance, safety records, proposed personnel and proposed methodology. The RFQu does not include any pricing from the contractor.

Once the RFQu has been considered and scored, the contractors that are deemed qualified are issued a Request for Proposal (RFP). The RFP would request the Construction Manager At Risk's proposed fees, but the award would be based on the best value to the City.

After the contractor is selected, it will prepare a subsequent RFQu and issue it to potential subcontractors. If subcontractors meet the prequalification criteria, they will be allowed to provide a bid for the project. **Unlike the CMA, a CMaR holds the contracts with subcontractors and is responsible to assure their work is completed in accordance with the approved specifications.**

There are some scenarios where the CMaR could self-perform work. For example, if the City solicits bids for a portion of the work, the CMaR can submit a bid, which could be awarded to the CMaR if it is determined to be in the best interest of the project. All other bids are awarded to the lowest responsive, responsible bidder.

The "At-Risk" aspect of the CMaR process comes from the fact that the CMaR establishes a Guaranteed Maximum Price (GMP) for the completion of the project. It should be noted, however that the CMaR process is significantly longer than the other delivery approaches to complete, due to the legislatively described timing for the additional steps of the process.

The City of Ames has not utilized the CMaR approach for any project. However, staff is pursuing the use of this approach for the construction of the Ames Municipal Energy Center.

One aspect of the CMaR approach that is appealing for the Electric Services project is that the CMaR approach's longer contracting process will provide more time for the CMaR to thoroughly understand the complexities of this unique project. A general contractor approach would require bidders to review the considerable plans for the project and submit a bid in a time period that may not be sufficient to fully understand it, leading to the potential for inflated bids to cover the unknowns or a lack of bidders willing to invest the time in

responding.

Construction Advisor (Owner's Representative)

While not a separately defined construction delivery method, the City has the option to retain a Construction Advisor for any of the delivery methods shown above. **The Construction Advisor is hired by the City to function as an extension of City staff. This person or firm would be trained and experienced in construction, providing insight to the City staff during any or all phases of the particular construction project.**

A Construction Advisor can provide advice during the preconstruction phase, including cost estimating, constructability, and scheduling. During the construction phase, they would be coordinating with contractors, reviewing work, reviewing change orders and pay applications, and attending any scheduled meetings. **As with a CMA approach, the Construction Advisor is not empowered to accept or reject work; that authority remains with the design professional.**

This approach was used on the Ames Public Library remodel and expansion project. Staff will be presenting the City Council with a request to award a contract for a Construction Advisor for the new Fire Station #2 in the near future.

STAFF COMMENTS:

There are a variety of alternative approaches to the delivery of City construction projects. Staff has direct experience with some, but not all of the available methods. **The purpose of the workshop is to hear from representatives of the construction industry as they describe the advantages and disadvantages of each approach approach.** No Council action is expected to take place.

Staff should emphasize that each of these approaches have trade-offs, and there are examples from each approach that staff could categorize as successes and failures. In staff's view, the success of any project is highly dependent on their commitment to the project, accountability for their role in the project, and dedication to the quality of the work on the part of the contractors, design team, and advisors retained (if any).

The City engages in many unique types of construction projects. Because of this, and as a complement to City staff's values of Creativity, Innovation, and Continuous Improvement, staff believes it is important that the City Council maintain the freedom to utilize any approach to construction delivery that is authorized by law, rather than identifying a singular approach to these projects.

At the June 16th meeting, staff has invited the following companies to provide an overview of the alternative delivery approaches to the General Contractor approach.

Construction Manager As Advisor - Story Construction
Construction Manager At Risk - Woodruff Construction
Construction Advisor - Denovo Construction Solutions

ATTACHMENT(S):

