

Policy Briefing Summary

City Council



Regarding:	Resolution to Approve Construction Management at Risk Procedures (CMAR)
Staff Contact(s):	Bruce White, Capital Development Manager
Presenter:	Bruce White, Capital Development Manager
Date of Proposed Action:	October 19, 2026

Issue

Resolution Approving CMAR Procedures

Background / Rule

Construction Manager at Risk ("CMAR") is a construction delivery model alternative to the traditional public procurement model known as Design, Bid, and Build ("DBB"). When utilized on appropriate projects, CMAR provides better cost control, reduces the risk of change orders, and reduces unanticipated impacts during construction when compared to traditional DBB projects. CMAR is particularly well-suited to complex projects, because it integrates the experience and construction perspective of a contractor into the design development process.

The Virginia Public Procurement Act ("VPPA") permits the use of CMAR by a public body in certain instances and with certain prerequisites, including the adoption of written procedures for the selection, evaluation, and award of CMAR contracts. The attached Resolution adopts written procedures which are consistent with those developed by the Virginia Department of General Services ("DGS") and comply with the VPPA requirements for use of CMAR.

CMAR contracts have several features which increase the potential for project success. First, is the utilization of a rigorous competitive negotiation process for selection of the contractor. This allows the City of Charlottesville, Virginia ("City"), to select a contractor based upon a measured evaluation of the contractor's qualifications, in addition to anticipated cost. The second key factor is that the contractor is integrated into the project team during the schematic design phase of the project.

The contractor imparts a crucial constructability perspective during the development phase and becomes a critical partner in the project team – fostering accountability and ownership of the resultant project. Through contractor engagement at an early stage in the design process, ambiguities, errors, or omissions in the plans and specifications are resolved before the price for construction is established. Potential impact on timely completion and project cost is thereby minimized.

The contractor can negotiate subcontracts during the pre-construction phase, thus allowing the contractor to present a Guaranteed Maximum Price ("GMP") based in part on agreed subcontract pricing, rather than estimated costs. Moreover, a more cooperative spirit is developed for the construction phase as the contractor gains a sense of "ownership" in the design by having actively contributed to it and by sharing responsibility for any errors or omissions. Achieving timely completion with reduced potential for change orders is therefore much more likely than under the traditional Competitive Sealed Bidding approach.

Analysis

Prior to embarking on CMAR delivery on a specific project, City stakeholders must first apply rigorous analysis to justify its use. CMAR delivery is appropriate for “Complex Projects” as defined by Virginia Code § 2.2-4379. There is a multifactor test. Stakeholders must carefully document and justify their findings and recommendations for CMAR delivery to the City’s Purchasing Agent for approval.

Once the City’s Purchasing Agent approves CMAR use on an individual project, a two (2) step procurement process is used. Step 1 is pre-qualification using a Request for Qualifications (“RFQ”). Step 2 involves a Request for Proposals (“RFP”) to identify the single construction manager who will complete the project.

Once the City chooses a contractor, CMAR contracts are also established in two (2) distinct phases: (1) pre-construction services; and (2) construction. The pre-construction phase is normally performed for a lump sum price, and includes value engineering, cost estimating, design validation, and constructibility reviews. In the construction phase, the contractor assumes the role of general contractor, purchasing material and equipment, assembling and paying subcontractors, and managing the construction for a GMP, which is negotiated between the City and the contractor.

The attached CMAR Procedures were modeled after DGS procedures contained in the Construction and Professional Services Manual (“CPSM”), 2026 Edition, of July 31, 2026. These CPSM Procedures provide excellent guidance for City to follow and include detailed provisions and forms related to an RFQ and a subsequent RFP.

Once these Procedures are adopted by City Council, CMAR delivery may be considered for suitable future CIP projects. At present, two (2) City projects — (1) the JMRL Main Library Rehabilitation; and (2) the new CAT Maintenance Facility — are considered excellent candidates for CMAR delivery.

Financial Impact

None.

Recommendation

City Staff recommends City Council adopt the attached Resolution approving the City of Charlottesville, Virginia, Construction Management at Risk Procedures.

Recommended Motion (if Applicable)

“I move to adopt the Resolution approving the City of Charlottesville, Virginia, Construction Management at Risk Procedures.”

Attachments

1. CMAR Agenda Summary 9.15.2026
2. CMAR Procedures 9.10.2026
3. CMAR Resolution 9.10.2026