



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

CMA 2025 #283
IN CITY COUNCIL
December 8, 2025

To the Honorable, the City Council:

I am writing to ask for your approval to seek authorization from the Massachusetts Office of the Inspector General (the “IG”) for the City to use the Construction Manager at Risk (“CMaR”) procurement and construction method (the “CMaR Method”) in connection with the DPW Salt Shed Replacement Project (“Project”). By way of background, in 2004 the Massachusetts Legislature passed construction reform legislation that allowed Massachusetts public agencies and municipalities to use the CMaR Method for the first time. The CMaR Method has been commonly used by the private sector for some time and is an alternative to the design-bid-build approach used under M.G.L. c. 149. Since the legislation was enacted, many public entities have successfully applied for, and are using the CMaR Method.

The Office of the Inspector General has promulgated a set of procedures for using the CMaR Method. Once a public agency or municipality’s (hereafter “Municipality”) governing body authorizes the use of the CMaR Method, the Municipality submits an application to the IG, from whom the Municipality’s awarding authority must obtain a notice to proceed in order to use the CMaR Method. The application requires that the Municipality demonstrate the following:

- a. The Municipality has authorization from its governing body to enter into a contract with a CMaR firm.
- b. The Municipality has the capacity and a plan and procedure that is in place and approved of by the governing body, where appropriate, to effectively procure and manage CMaR services for the specific project and has retained the services of a qualified owner’s project manager.
- c. The Municipality has procedures in place to ensure fairness in competition, evaluation and reporting of results at every stage in the procurement process.
- d. The building project has an estimated construction value of \$5,000,000.00 or more.
- e. The Municipality has determined that the use of the CMaR Method is appropriate for the building project and states the reasons in writing for the determination.

This memorandum is intended to summarize the definition, advantages, and process governing the use of the CMaR Method in support of my seeking City Council approval to utilize this construction method for the Project. My submission to you of this memorandum is the first step in satisfying the above referenced requirements for seeking approval to use the CMaR Method for the DPW Salt Shed Replacement project and will answer the following questions:

- What is CMaR?
- What procurement and construction methods has the City used for vertical construction projects in the past?
- What are some of the benefits and risks of using the CMaR Method?
- What is the timeline for the CMaR Method?



What is Construction Management at Risk (CMaR)?

The CMaR is selected through competitive procurement based on qualifications and price. The City will procure the CMaR via a two-step Request For Qualifications (“RFQ”) and Request For Proposal (“RFP”) process.

The type of contract the City will enter into with the CMaR is a cost-plus fixed fee amount with a Guaranteed Maximum Price (“GMP”). The GMP is the sum of the CMaR fee, and the costs associated with the CMaR’s general conditions for construction, all of the filed sub bid trade contractors, the CMaR estimates for any un-bid subcontractors at the time of the establishment of the GMP and includes the CMaR’s contingency. The CMaR agrees to pay for costs that exceed the GMP that are not the result of changes in the contract documents. This is one of the reasons a CMaR is selected prior to the plans and specifications being completed. The CMaR works with the owner and the architect to develop the scope delineated in the contract documents as part of the team.

The fixed fee is a percentage of the cost of the work and is submitted by the CMaR during the selection process based upon an estimated cost of construction. The CMaR’s contingency belongs to the CMaR if it is needed but is turned over to the City if not used. The contingency is a line item within the GMP and is used to incorporate missing items undefined at the time the GMP is established that arise during the project.

By law, the GMP cannot be established until the drawings and specifications are at a minimum of 60% complete. The closer the documents are to being 100% complete, the less the CMaR’s contingency line item is. The Owner’s contingency is for owner-directed changes or unforeseen conditions unknown at the time the GMP is established. The CMaR’s contingency is included in the GMP; the owner’s contingency is outside of the GMP.

The City Manager’s project management staff will work closely with the City’s Architect, consultants and CMaR to determine the appropriate contingencies.

What procurement and construction methods has the City used for vertical construction projects in the past?

The City has used M.G.L. c. 149 and the M.G.L. c. 149A delivery process in the past for bidding vertical construction. This process, also defined as “design-bid-build”, requires all of the construction bid packages to be available only after 100% completion of the design documents. Under this traditional approach, the lowest responsible and eligible bidder is awarded the project.

The City of Cambridge has previously received approval from the Office of the Inspector General to utilize the Construction Manager at Risk (CMaR) delivery method on several major projects, including 158 Spring Street (AKA Kennedy Longfellow School), Tobin Montessori and Vassal Lane Upper Schools, Fire Department Headquarters, Dr. Martin Luther King Jr. School on Putnam Avenue, King Open and Cambridge Street Upper School and Community Complex, Foundry redevelopment, and the Multi-Department Relocation Plan.

What are some of the pros and cons of using the CMaR method?*Pros:*

- The selection of the CMaR through an RFQ process allows the City to better define the specific requirements the City is looking for in a CMaR firm. The submission of defined company qualifications the presentation of these qualifications by the CMaR team to a selection committee

allows for a better interaction of questions and answers to best determine the most qualified CMaR for the project.

- The selection is based upon qualifications and experience relative to specific City requirements, not the lowest price. The CMaR is selected, rather than awarded due to the lowest bid. The working relationship between the CMaR, the Owner and the architect is enhanced due to a working relationship that is developed during the process leading up to the establishment of the GMP.
- The CMaR is directly involved with the selection and management of the scope of work for the filed sub-bid trades. Because the CMaR takes the lead in defining the peripheral scope of work for staging, lifts, temporary lighting, miscellaneous patching, fire stopping, etc., scope of work disputes (a cost to the owner if they have merit) are minimized and this coordination places responsibility directly with the CMaR as the responsible party for defining each sub-bidders' drawings and specifications.
- The CMaR provides pre-construction services, which aids the City's project team with scheduling, budgeting, value engineering, phasing strategies, and constructability reviews.
- With the CMaR Method, early bid packages for demolition and abatement of hazardous materials can run concurrently while the project design is being finalized.
- The potential for change orders that occur as the result of gaps in the scopes of work as defined by the Architect is reduced because the CMaR is participating in the delineation of the scope of work during the pre-construction services.
- If the City and the selected CMaR do not come to an agreement as to the GMP, then the City has the option of bidding the project.

Cons:

- The CMaR Method reduces conflict risk between the City and the CMaR firm but that risk is minimized with an overall increased cost at the time the GMP is established.

What is the timeline for the CMaR Method?

The first step is the CMaR Method is submission of an application to the IG. The IG's response for approval or denial of the application is due in 60 days.

Submitting in December 2025 would position the Inspector General's approval in January 2026, which would align with the Schematic Design phase by the design and engineering consultant Weston & Sampson. Completion of the design phase and Construction Documents is scheduled for September 2026.

Bringing the CMaR under contract will help provide critical insights regarding site logistics, design constructability, and potential alternative methods.

I look forward to answering any questions you may have about the application and the CMAR Method that we propose to use for this Project.

A handwritten signature in black ink, appearing to read 'Yi-An Huang'.

Yi-An Huang
City Manager