

Industry Term	Lump-Sum Bid GC (traditional)	CM Agency	CM At Risk	Design/Build
Description	<ul style="list-style-type: none"> Owner engages Architect/Engineer to develop design No builder input during design Completed design bid competitively to open or select list of General Contractors GC contract obligation to price, schedule and design documents Non-fiduciary relationship 	<ul style="list-style-type: none"> CM functions in an "agency" role, providing administration and management services The CM, Agent provides preconstruction services (cost, schedule, constructability), but holds no subcontracts nor provides project bonding for the construction The Owner holds trade contracts (typically multiple), and the CM acts as the Owner's Agent in the management and direction of the work The CM is normally selected at the same time as the Architect/Engineer or shortly before or after The Owner can speed construction by awarding elements of the work prior to the completion of design ("Fast-track" or "Phased") 	<ul style="list-style-type: none"> Construction Manager at Risk serves as the General Contractor, assuming the risk for construction Provides preconstruction services (costs, schedule, implications of alternative designs, systems and materials) The CM at Risk contracts directly with multiple subcontractors and has single point of responsibility for the delivery of the project The CM at Risk is normally selected at the same time, or shortly before or after, the A/E ("Three-legged stool") Guaranteed Maximum Price (GMP) option Phased or Fast-track schedule option 	<ul style="list-style-type: none"> Single entity is contracted to provide both design and construction Designer/Builder is either in-house single firm or a team of builder, architect and engineer Design/Builder contracts directly with the subcontractors and is responsible for delivery of the project Early selection of D/B firm or team. Sometimes includes concept design and pricing; Alternatively qualifications- based with subsequent GMP.
Pros	<ul style="list-style-type: none"> Simple, traditional approach Defined project scope Suitable for small and/or straight forward projects Clarity of fiduciary A/E and non-fiduciary GC roles 	<ul style="list-style-type: none"> Builder selection flexibility Preconstruction services Faster schedule delivery Early budget input/control Change flexibility Controlled purchasing saves money Optimal trade contractor selection with competitive bidding Effective M/WBE procurement Non-adversarial relationship with CM: advocacy 	<ul style="list-style-type: none"> Preconstruction services Single point of responsibility for construction Team concept; check & balance Faster schedule delivery Change flexibility Controlled purchasing; open book Effective Quality Control Balances advocacy with risk assumption 	<ul style="list-style-type: none"> Single point of responsibility for design and construction Fastest schedule delivery Early identification of guaranteed cost
Cons	<ul style="list-style-type: none"> No builder input in design Price uncertain until bids Slowest project delivery No control over subcontractor selection Adversarial relationship Prone to cost growth via changes and claims High incidence of litigation 	<ul style="list-style-type: none"> Owner assumes contractual cost/schedule risk No single point of contract accountability; Owner must manage more contracts No guaranteed price Potential additional design costs Potential for claims 	<ul style="list-style-type: none"> GMP contingency vs. risk tradeoff Potential for increased adversarial relationship with A/E GMP protection may compromise CM advocacy 	<ul style="list-style-type: none"> Loss of Owner control and/or quality Loss of check and balance Potential adversarial relationship between Owner and Design/Builder Contractor profits maybe excessive Competitive-bid D/B selection with GMP is problematic
Best Suited	<ul style="list-style-type: none"> Straight forward, simple or repetitive projects Not time-sensitive Able to secure clean, complete design documents prior to bidding Owner comfortable with an adversarial relationship 	<ul style="list-style-type: none"> Larger new or renovation projects Schedule sensitive, difficult to define, or subject to change Preconstruction budget assurance needed, but not a guarantee 	<ul style="list-style-type: none"> Larger new or defined-renovation projects Schedule sensitive, difficult to define, or subject to change Owner needs financial cost guarantee 	<ul style="list-style-type: none"> New or renovation projects that are highly schedule driven Prototypical and repetitive projects
Least Suited	<ul style="list-style-type: none"> Challenging, complex and/or large projects Schedule-sensitive; need to accelerate Owner scope or design is prone to change Early budget assurance needed 	<ul style="list-style-type: none"> Smaller projects Simple, well-defined projects 	<ul style="list-style-type: none"> Smaller projects Highly change-oriented projects (GMP) 	<ul style="list-style-type: none"> Projects that have difficult-to-define scope Projects where potential for design change is high Projects less schedule sensitive Projects where owners desire strong involvement and/or design/quality focus