



Canton Crossing Tower

Baltimore, Maryland

Tyler Swartzwelder
Construction Management Option

Project Delivery System

The construction of the Canton Crossing tower is being delivered as a Construction Management at Risk with a Guaranteed Maximum Price contract with the owner. The CM at Risk delivery method was chosen to help alleviate some of the duties, such as managing the subcontractors, from the Hale Properties staff team. The GMP contract is typical for Gilbane and was what their team proposed.

The contract between Hale Properties and Gilbane was a GMP of nearly \$52 million and schedule duration of 18 months. The lump sum contracts that Gilbane holds with the subcontractors specify all of the following; list of contract documents, scope of work (inclusions and exclusions), bid breakdown, unit rates, construction milestones, termination conditions, change order process, bonds and insurance, paid when paid conditions, etc.

The Owner-CM contract was based on a prior relationship between Gilbane's Regional Manager and Hale Properties Owner Mr. Hale. Gilbane did not bid the project with the other GC's; instead they negotiated with the owner through the design phases (SD, DD, & CD) by providing estimates and value engineering ideas. At the completion of the Construction Documents, Gilbane then submitted a GMP to be reviewed and approved by the owner. The subcontractor's were selected through a process that reviewed several of the low bids. The process consisted of scope review meetings and review of bond qualifications. Through all of these parameters a subcontractor was chosen, meaning the low bidder was not always chosen.



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The owner held the builder's risk insurance for the project, which almost immediately was put into effect. After a barge of precast piles tipped over, the insurance teams were called into action, specifically the builder's risk. The cost of the materials was paid in full by the insurance group. Gilbane carried general liability, automobile, comprehensive, and worker's compensation insurance, but was not required to be bonded. Instead the executives, through a solid relationship with the owner, guaranteed the work on the job. Gilbane requires each subcontractor to have a performance and payment bond, and on this project those bonds accounted for the majority of the contract. This allowed Mr. Hale to save some expenses and not require Gilbane to be bonded. Each subcontractor also had to provide general liability insurance, excess liability insurance, automobile insurance, and worker's compensation insurance. The subcontractors also held Hale Properties and Gilbane as additional insurers in their umbrella.

The CM at Risk delivery method used for the tower was appropriate because Gilbane needed control over the subcontractors to complete the intense 18 month schedule. However, since Gilbane was involved in the design phase, there is a possibility that a Design-Build delivery could have been beneficial to them. Typically design-build gives the owner less control of the design issues, which Hale Properties was not interested in. Also, a Design-Build-Finance approach was mentioned during negotiation but decided against by the team. Overall, the CM at Risk with a GMP contract seemed to be successful.



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Canton Crossing Tower Organizational Chart

