

GSA's Altmeyer Building Modernization: Best Practices for Maximizing the Benefits of the CMc and GMP Delivery Method

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The Arthur J. Altmeyer Building

The U.S. General Services Administration (GSA) is modernizing the Arthur J. Altmeyer Building, the U.S. Social Security Administration's (SSA) headquarters in Woodlawn, MD. The \$150 million project, funded by the SSA, involves complete, comprehensive building renovations.

Aging, original building systems from 1959 and inefficient interior space utilization prompted the modernization, encompassing repairs and reinforcement of the structural framing, new glass- and metal-panel curtain wall façade, built-up roof replacement, blast-resistant hardening, energy-efficient building systems, upgraded stairways and elevators, and upgraded security and landscaping. Work also incorporates sustainable design principles, efficient space planning, innovative technologies, and contemporary interior design to transform the building into a modern workplace. The completed building will meet LEED Silver standards, Interagency Security Committee (ISC) Level IV security criteria, and increase building occupancy by approximately 50 percent.



New building systems commissioning



Upgraded stairways

CMc Delivery Method: Advantages and Challenges

The project, delivered via the Construction Manager as Constructor (CMc) delivery method, offers several advantages to the project team. For example, CMc involves hiring a contractor (also called a CMc) during the design phase. Contractor input at this early stage of the project adds value to the design, with an eye toward constructability, cost, and sequencing. This early partnership between the owner, customer, and consultants also promotes a harmonious, integrated team, which is key to optimizing the benefits of the CMc delivery method.

Close collaboration is important on CMc delivery projects



For the Altmeyer building, the CMc collaborated closely with GSA, SSA, the designer, and the construction manager as agent (CMa) from the earliest phases of the project, advising on estimated cost, schedule, risks, sequencing, and value engineering (VE) initiatives. This process helped the team define the right price for project components based on market conditions, customize phasing and construction sequences, and capture direct input from trade experts. While the design details were being refined, the team was able to commit to the overall delivery schedule by authorizing early release packages and procurement of long lead items.

While CMc has been advantageous for the Altmeyer project, there can be difficulties in executing this delivery method. First, an owner must identify a qualified contractor with the right mix of pre-construction and construction phase skills. Though CMc tends to promote more harmonious stakeholder relationships, the designer and CMc are not contractually obliged to one another, so conflicts over design intent and scope can still arise. Similarly, the CMc, not the owner, holds the subcontractors' contracts. This can make coordination and communication just as difficult as in traditional design-bid-build delivery methods. The owner may even feel they have given up more control over project decision making than expected. In addition, when the guaranteed maximum price (GMP) is initiated at the concept design stage, assessing accurate cost estimation

can be challenging because the project scope may lack specificity, forcing trade contractors to base pricing on their interpretation of narratives. As the design progresses from this stage, it is common for some scope changes to drive up the owner's financial obligation. Disagreements over change orders can lead to claims and disrupt the harmonious arrangement of stakeholders within a CMC framework.

Orchestrating the CMC Delivery Method

An experienced representative providing CMA services can help address the challenges but also optimize the benefits associated with CMC delivery. On the Altmeyer Building, the CMA's support included:

- Providing cost estimating services to support the development of the GMP.
- Reviewing the concept design to ensure scopes are clear with sufficient design specificity.
- Assisting GSA in identifying technically qualified firms with CMC experience.
- Coordinating among the trades and third-party testing firms.
- Conducting comprehensive risk analyses and management workshops.
- Validating the delivery schedule and identifying opportunities to improve schedule results.
- Integration of the commissioning process, third-party quality control testing, authority having jurisdiction (AHJ) acceptance tests, and SSA's furniture, security, and A/V systems.
- Implementing comprehensive quality assurance inspection and testing.
- Managing and conducting third-party commissioning agents.
- Independent auditing of actual costs through a third-party consultant.



SSA Memorial Wall at main lobby

Like any sizable project, Altmeyer experienced scope change throughout the design, threatening the GMP contract. After the GMP contract award, between concept and design development submissions, the CMc estimated cost growth approaching the entire GMP budget, leaving less than adequate budget contingencies for the remainder of the project. The CMA worked collaboratively with the CMc to prepare a design scope variance report, showing the detailed scope that was alleged new when compared to the previous design submissions. From there, the CMA assisted GSA with analyses determining whether to classify each variance as “design advancement,” a routine change that should have been part of the initial GMP; “design enhancement,” details that were increased in quality/quantity by the designer; or an owner initiated change that was documented in the design but may not have been approved by GSA.

GSA and SSA further classified “design enhancement” and owner initiated items as “needed” or “nice to have.” Working collaboratively, the project team then estimated rough order-of-magnitude costs to help decide whether to accept the changes, which resulted in the voiding of some potential scope creep. Throughout this process, the project team conducted VE workshops, where the team relied heavily on the CMc’s ideas. Finally, the CMA assisted GSA in negotiations with the CMc regarding scope the team believed should have been covered in the GMP or accounted for in the contingency. Ultimately, the team kept costs below the GMP budget and maintained adequate contingency for construction.



Finishing touches on the main lobby's security station

Risks and potential cost changes had to be carefully managed throughout construction. Relying on trustworthy partnerships established early, the team conducted advanced planning and workshops for known, forthcoming changes. This included organizing and actively managing architect change bulletins to fast track negotiations and keep construction progress aligned with the GMP delivery schedule. Through this approach, the CMc provided input on the best construction options and coordinated the work early

to minimize rework, resequencing, and schedule impacts. For other potential cost impacts due to known project risks, the team tracked actions and followed up during frequent risk workshops, attended by all stakeholders. These efforts were key to achieving a “no claims” project, and negotiations were concluded to both the owner’s and CMC’s satisfaction.



Office furniture delivery began in late in 2020

Beyond cost success, the project is also tracking to finish on schedule. Security and IT/AV systems are currently being installed, tested, and commissioned, with this phase expected to conclude in April 2021. Once furniture installation is completed in May 2021, SSA will resume full use of the building.

CMa Best Practices

The CMC delivery method contributed to the cost and schedule successes on the project. Other firms supporting clients through a CMC delivery can use the methods used on the Altmeyer Building Modernization to deliver their own projects successfully.



The modernized Arthur J. Altmeyer Building

Identifying the right CMc for the client's goals, carefully coordinating between stakeholders, conducting meticulous cost estimations, engaging team members in a collaborative way, and leveraging the benefits of CMc will improve project outcomes. Proactive assessment of risks and cost impacts throughout the design will help control changes. When changes to scope threaten cost security or project progress, the team should collaboratively implement a process for documenting scope changes, pricing impacts, and formalizing adjustments to the GMP. Cost analysis tools, such as design variance reports from the CMc, will help to determine what scope was added or enhanced between design submissions, and initiate the VE process. Identifying potential VE scopes after the design review process, assessing cost and schedule impacts, and facilitating decisions will also improve cost and schedule performance.

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