

Central Services Team:

Al Ciarochi, Deputy Superintendent of Operations
Jonathan Scott, Chief Financial Officer
David Contreras, Executive Director, Capital and School Facilities
Debby Atwater, Executive Director, Technology
Charles Williams, Lead Project Manager, Capital Projects and Sustainability
Shelba Levins, Operations Project Manager, School Construction
Justin Kiser, Assistant Finance Officer

Technical Observers (non-voting):

Jessica Killian, Vice-President, Turner & Townsend Heery
Scott Mincy, Project Director, Turner & Townsend Heery
Kayla Cao, Project Analyst, Turner & Townsend Heery
Katherine Peele, Principal, Chief Practice Officer, LS3P Associates LTD
James Johnston, Senior Project Manager, Associate, LS3P Associates LTD

Design Vendors Submitted

Balfour Beatty Construction, LLC & Muter Construction, LLC
Frank L. Blum Construction Company
Bordeaux Construction Company, Inc.
The Christman Company
Clancy & Theys Construction Company
Consigli Construction Company, Inc. & D.A. Everett Construction Group, LLC
LeChase Construction Services, LLC
Monteith Construction Corporation
New Atlantic Contracting, Inc.
Samet Corporation
Swinerton Builders

Design Vendor Finalists

Balfour Beatty Construction, LLC & Muter Construction, LLC
Frank L. Blum Construction Company
Clancy & Theys Construction Company
Monteith Construction Corporation
Samet Corporation

RFQ Committee Recommendation to Board

Clancy & Theys Construction Company

Board of Education Award Date

February 19, 2026

Executive Summary: Selection of Construction Manager at Risk for the Carrboro Elementary School Replacement Project

The RFQ Committee narrowed down and interviewed five (5) of the eleven (11) submittals on December 16, 2025, to learn about their interest and experience with elementary school construction based on their ability to fully meet and exceed the Owner's criteria as advertised in the advertised RFQ, which included:

- Section 1 – Letter of Interest
- Section 2 – Current Organization and Structure of the Business
- Section 3 – Past Experience in K-12 and CMAR Work
- Section 4 – Pre-construction Expertise
- Section 5 – Construction Expertise

Section 6 – Workload and Capacity

Section 7 – Safety

Section 8 – Financial Data

Section 9 – Exhibit A

Based on subsequent interviews, the Committee determined that Clancy & Theys Construction Company is the best fit for the Construction Manager at Risk component of the Carrboro Elementary School Replacement Project. Their clear and comprehensive proposal, unmatched K-12 construction experience, strong project team, and proven track record give Chapel Hill-Carrboro City Schools full confidence in their ability to deliver this critical project successfully.

Overview of Selected Firm

Clancy & Theys Construction Company is a North Carolina-based construction firm with extensive experience delivering K-12 educational facilities across the state. The firm has a strong understanding of North Carolina public school construction requirements, including local government procurement processes, State Construction Office coordination when applicable, and compliance with North Carolina building codes and education-related regulations.

Clancy & Theys Construction Company has successfully delivered new schools, campus expansions, renovations, and phased construction projects throughout North Carolina, including work on occupied elementary campuses. The company is experienced in planning and executing construction around active school schedules, prioritizing student safety, staff access, and campus security while minimizing disruptions to instruction and school operations.

The firm offers delivery methods commonly used by North Carolina school districts, including Construction Manager at Risk (CMAR), design-build, and general contracting. Early collaboration with school administrators, architects, county partners, and design professionals allows Clancy & Theys Construction Company to manage budgets effectively, maintain schedule certainty, and support informed decision-making throughout design and construction. Particular emphasis is placed on aligning project outcomes with bond program goals and long-term facility maintenance considerations. Clancy & Theys Construction Company is committed to fiscal responsibility and transparency in the use of public funds. The firm provides detailed cost estimates, open-book budgeting, and clear reporting to support accountability to boards of education, county commissioners, and taxpayers. Its strong financial stability and experience managing multi-project bond programs provide additional confidence to public-sector owners.

With a rigorous safety program, experienced North Carolina-based project teams, and a collaborative approach tailored to public education environments, Clancy & Theys Construction Company consistently delivers high-quality learning facilities that support student achievement and meet the long-term needs of North Carolina communities.

Construction Manager at Risk (CMAR) Delivery Method

The Construction Manager at Risk (CMAR) delivery method is a project delivery approach in which a construction manager is selected early in the design phase to serve as both a consultant during design and the general contractor during construction. Unlike the traditional Design-Bid-Build model, CMAR integrates construction expertise into the planning process before final design completion, improving cost control, scheduling, and risk management.

Under CMAR, the construction manager provides pre-construction services, including cost estimating, value engineering, constructability reviews, and scheduling analysis. At a defined point in the design process, the construction manager commits to delivering the project at a Guaranteed Maximum Price (GMP). If actual costs exceed the GMP, the construction manager assumes the financial risk, except for

approved scope changes. This structure aligns the contractor's incentives with the owner's goals for budget and schedule performance.

Why North Carolina Public Schools Use CMAR

North Carolina public school districts frequently choose CMAR for capital projects, such as new schools, renovations, and major additions, because of several key advantages:

- 1. Enhanced Budget Certainty**

School districts operate under strict public funding constraints. The GMP provides financial predictability and reduces the risk of cost overruns, protecting taxpayer resources.

- 2. Early Cost Control and Value Engineering**

Bringing the construction manager into the project during design allows real-time cost feedback. This helps districts make informed decisions that align educational needs with available funding.

- 3. Improved Schedule Management**

CMAR supports phased construction and early procurement of long-lead materials, which can accelerate project timelines—particularly important when construction must align with academic calendars.

- 4. Reduced Change Orders and Claims**

Early collaboration between the architect and construction manager improves coordination, minimizes design conflicts, and reduces costly change orders during construction.

- 5. Risk Transfer**

With a GMP and defined scope, a significant portion of construction cost risk shifts from the school district to the construction manager.

- 6. Greater Transparency and Public Accountability**

CMAR typically involves open-book pricing and competitive bidding of subcontractors, providing transparency that supports public oversight requirements.

The CMAR delivery method offers public school districts a balanced approach that combines early collaboration, financial safeguards, schedule efficiency, and risk management. For education projects where budget certainty, stakeholder accountability, and minimal disruption to students are critical, CMAR provides a structured yet flexible framework that supports successful project delivery.

Construction Manager at Risk (CMAR) Delivery Method and the Role of the Guaranteed Maximum Price (GMP)

The Construction Manager at Risk (CMAR) delivery method is a collaborative project delivery approach in which a construction manager is engaged during the design phase to provide preconstruction services and later serves as the general contractor. This model integrates cost, schedule, and constructability expertise early in the process and culminates in the establishment of a Guaranteed Maximum Price (GMP).

A Guaranteed Maximum Price (GMP) is a contractual cost ceiling established between the owner (e.g., a public school district) and the Construction Manager. It represents the maximum total amount the owner is obligated to pay for the defined scope of work.

The GMP typically includes:

1. Estimated Cost of the Work

- Trade contractor bids
- Labor and materials
- Equipment
- General conditions

2. Construction Manager's Fee

- Overhead and profit

3. Contingencies

- Construction contingency (managed by the CM for minor scope gaps or coordination issues)
- Owner contingency (held by the owner for scope changes)

Once established, the GMP becomes part of the construction contract. If the actual cost of the work exceeds the GMP, absent approved scope changes, the Construction Manager is responsible for covering those costs. If the final cost is less than the GMP, the savings are typically returned to the owner or shared in accordance with the contract terms.

How the GMP Is Developed and Used

1. Progressive Cost Estimating During Design

Throughout schematic design and design development, the Construction Manager provides detailed cost estimates and value engineering recommendations. This allows the owner to align the project scope with available funding before finalizing the construction documents.

2. Establishment of the GMP

When design documents reach an agreed level of completion (often 60–90%), subcontractor bids are competitively solicited. Based on these bids and updated cost estimates, the Construction Manager proposes a GMP. The owner reviews and negotiates this proposal before accepting it.

3. Financial Control During Construction

After execution of the GMP amendment:

- The GMP acts as a not-to-exceed budget cap.
- Monthly payment applications track actual costs against the GMP.
- Any scope changes must be formally approved through change orders, which may adjust the GMP accordingly.
- Contingency funds are monitored and reported for transparency.

4. Risk Allocation

The GMP shifts a significant portion of the construction cost risk to the Construction Manager. The CM assumes responsibility for:

- Bid coverage gaps
- Quantity takeoff errors
- Subcontractor performance issues (within contract limits)

The owner retains risk only for:

- Owner-directed scope changes
- Unforeseen conditions defined by contract (e.g., latent site conditions)

Why the GMP Is Important for Public Schools - For public school districts, the GMP provides:

Budget Certainty – School capital projects are often funded through bonds or restricted capital allocations. The GMP ensures the total construction cost will not exceed approved funding without formal board action.

Transparency and Accountability – CMAR contracts commonly require open-book accounting, allowing the district to review subcontractor bids, contingencies, and actual expenditures.

Reduced Financial Exposure – By contractually capping costs, districts protect taxpayer resources from unexpected overruns.

Improved Scope Management – The GMP process aligns educational program needs with financial realities before construction begins.

Stronger Financial Planning – With a defined maximum cost, districts can better coordinate cash flow, bond proceeds, and multi-year capital improvement plans.

The Guaranteed Maximum Price is the central financial control mechanism within the CMAR delivery method. It establishes a contractual cost ceiling, transfers significant financial risk to the Construction Manager, and provides public school districts with predictability, transparency, and protection of public funds. By combining early collaboration with cost certainty, CMAR with a GMP structure is particularly well-suited for complex, publicly funded school construction projects.

FINANCIAL IMPACT:

Capital funding for design services associated with a Construction Manager at Risk contract has been identified in the BoCC-approved 2025-26 Capital Investment Plan, as part of the 2024 Orange County Bond Program.

The total 2024 Bond project budget for the replacement of Carrboro Elementary School is \$53,000,000. The award of this contract includes initial pre-construction services, in the amount of \$252,000 (0.6%), and the overall framework for all additional negotiated fees attributed to the construction manager at risk (CM@R) to include:

- Construction management fee - (3.7%),
- Construction contingency fee - (1.0%),
- Bonds/insurance - (1.9%),
- SDI/subguard - (1.25%)
- Liquidated Damages - Substantial - \$2,000/day
- Liquidated Damages - Final - \$500/day

The total contract value will be determined at a later date after the Guaranteed Maximum Price (GMP) is established, as outlined in the contract terms. Once the GMP is established, Board Counsel and the Contractor will initiate a change order for Board of Education review and approval.

PERSONNEL IMPACT:

None.

SUGGESTED ACTION: Seeking CHCCS Board of Education Approval of a Construction Manager at Risk Contract for the Replacement of Carrboro Elementary School - 2024 Bond Project.

RESOLUTION: Be it, therefore, resolved that the Board of Education approves a contract, in the amount of \$252,020, to Clancy & Theys Construction Company, for Construction Manager at Risk design and pre-construction services. Upon approval, the Board of Education also authorizes the Board Chair to execute a finalized contract pending final review and approval by Board Counsel.