

Construction Management (CM) at Risk /Guaranteed Maximum Price

The CM at Risk / guaranteed maximum price delivery system would undoubtedly not pass muster under Iowa's competitive bidding laws.²⁸ Under this form of project delivery, the CM guarantees to the owner that the cost of the project will not exceed a certain price. Under this form of Construction Management, the CM usually contracts directly with the trade contractors. In this respect, the CM at Risk form of project delivery closely resembles the design / bid / build model. The agency form of construction management is permissible as a professional service, as discussed in Section 2 of this Resource Guide.

²⁸ Although the Iowa Supreme Court has not yet specifically addressed this issue, it is likely to follow the lead of other states which have done so. See *Attlin Constr., Inc. v. Muncie Cmty. Schs.*, 413 N.E.2d 281 (Ind. Ct. App. 1980); *D-1 Constructors, Ltd. v. Unified Sch. Dist. No. 229*, 788 P.2d 289 (Kan. Ct. App. 1990); *McMaster Construction, Inc. v. Bd. of Regents of Okla. Colls.*, 934 P.2d 335, 339 n.21 (Okla. 1997); *Malloy v. Boyertown Area Sch. Bd.*, 657 A.2d 915 (Pa. 1995).