

Agency Construction Management

C.A.S.H. Spring

Conference

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Presented By:

Dana LeSher, Harris & Associates

Tony Lief, FL Construction Management

Factors Influencing Delivery Systems

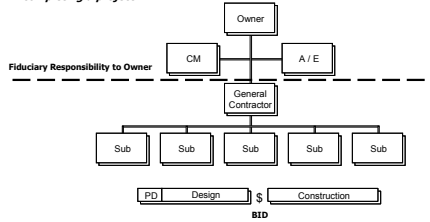
- Type of project
 - * Level of complexity and uniqueness of the project
 - * Level of control
 - * Likelihood of changes
- Size of project
 - * Type of contractors
- Material selection/standards/project intent
 - * Traditional controls versus design build
- Budget constraints
- Political environment
- Design expertise
- District's capabilities

Factors Influencing Delivery Systems

- Time considerations
 - * Compressed timeline versus increased risk
- Contractual Relationship / Fiduciary Responsibility
 - * Who is at risk?

Agency / CM

The Agency / CM project delivery method is the traditional means of completing a project



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 Alternative Project Delivery Methods
 5/11/04

Agency / CM

PROS:

- Fewer management resources needed
- Roles are clear, and widely accepted
- The process is well established and universally understood
- The process offers the District significant control
- The District has a defined requirement and a fixed price
- Fixed-price contract based on complete documents with little room for change orders
- The fiduciary responsibility for the CM is with the District
- Typically, there are one or two general contractors to coordinate with

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 Alternative Project Delivery Methods
 5/11/04

Agency / CM

PROS:

- Affords design and construction expertise to the District without conflict of interest or increase in profit
- Start of construction after completion of designs allows for thorough B/C Review

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 Alternative Project Delivery Methods
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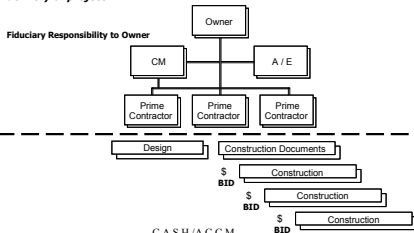
Agency / CM

CONS:

- Low bid regardless of past performance
- Construction starts after design is complete and approved by DSA
- Design may suffer from a lack of input from contractor(s) and sub(s)
- The A/E fees under a percentage of construction fee contract increases as change orders increase
- Changes in the scope i.e. design, unforeseen conditions, timeframe, etc., will generate change orders
- Potential for adversarial relationships:
 - * Contractor – A/E
 - * Contractor – Owner
 - * A/E – Owner

CM Multi-Prime / Trade Contracting

The CM Multi-Prime / Trade Contracting project delivery method is popular means of completing a project because it permits more participation by local trade contractors and begins to reduce time for delivery of project



CM Multi-Prime / Trade Contracting

PROS:

- The process allows for a greater participation by local trade contractors
- Roles are clear after responsibility matrix is developed
- The process is universally understood
- The District has a defined requirement and a fixed price
- Clients have a professional construction manager on their side
- The multiple trade construction contracts are fixed-price based on complete documents with little room for change orders
- The fiduciary responsibility for the CM is with the District and they have no interest to make the project costs increase
- The CM responsibility is to protect the District's interest exclusively, not the A/E or the trade contractors

CM Multi-Prime/Trade Contracting

CONS:

- Construction can't start until design is complete
- Multiple contracts may create administrative difficulty
- Multiple contracts may cause 3rd Party liability
- Lack of a single, guaranteed, bonded price for the total project may cause certain clients some concern
- The A/E, under a percentage of construction fee contract income, increases as change orders increase
- Bond requirements may limit small business participation
- Final price is not known until project is completed

Important Factors

Four Important Factors in Agency CM and/or Multi-Prime CM Selection:

- Represent District's interest exclusively
- No incentive for increased CM fee
- Flexible management staff resources
- Recognized and proven project delivery methods

Three Important factors in CM Selection

- School experience
- Delivery method experience
- References
