



ONE OF THE BEST KEPT **SECRETS** IN GOVERNMENT CONSTRUCTION CONTRACTING

BY **CORINNE CHEAIRS AND DONNA SQUIRES**



OWNER'S REPRESENTATIVE SERVICES CAN GREATLY HELP WITH THE OVERWHELMING TASKS THAT FACE YOU AND YOUR ORGANIZATION, AND CAN ALSO HELP SAVE TIME AND MONEY IN THE DEVELOPMENT, DESIGN, AND CONSTRUCTION PROCESS.

Hypothetically, you have been asked to manage the development, design, and construction of a new facility. What a daunting process!

Especially when you consider a few of the things you'll need to accomplish:

- Developing a budget and schedule that is realistic;
- Securing a loan;
- Selecting a piece of land;
- Managing brokers, civil engineers, geotechnical engineers, construction

testing agencies, structural engineers, code reviewers, and architects, among others;

- Attending all design and construction meetings;
- Selecting the team, reviewing all team members' proposals, reviewing the contract and subsequent invoicing, and status reports of each team member;
- Working with government officials in regard to permitting, inspections, and occupancy issues; and
- Reviewing schedule and pay applications and change order requests with back up.

You will spend hours figuring out what to put in the request for proposal (RFP) to select the design team and contractor, and you may believe that both the architect that designed the facility and the construction

general contractor have a good handle on your budget and timeline. However, both the architect and the general contractor have their own interests, profits, and margins to protect, which can sometimes conflict with your goals and delay progress on the project.

Let's say that delays do occur and halfway into the project you are months behind and thousands of dollars over budget. How could you have avoided this? The answer is simple—by hiring an owner's representative. The savings the owner's representative can provide will more than pay for their fees by freeing up your schedule and by knowledgeably and proactively managing the process. The headaches that are prevented can be life-savers.

An owner's representative is contracted to handle all aspects of one or more capital projects, providing the client access to the tools, industry knowledge, and experience of capital projects without the ongoing

State of Maine Statute | Title V: Chapter 153: Section 1753 Employment of an Owner's Representative

The responsibilities of the owner's representative are, without limitation, to:

- A** Prepare for and attend meetings with the owner or a committee representing the owner, prepare minutes of those meetings, maintain a noncommercial history of the building project, submit comments on the budget for the project, and maintain project files;
- B** Provide guidance to the owner in the selection of an architect or an engineer in accordance with the architect and engineering services procurement process as administered by the Bureau of General Services;
- C** Attend a pre-planning orientation with the owner, architect, and engineer;
- D** Attend and participate in meetings with the owner, architect, and engineer concerning space requirements, design considerations, cost-containment strategies, energy efficiency considerations, any special requirements, and also, the review of schematic designs and preliminary and final plans;
- E** Assist the owner in securing the necessary governmental permits or approvals;
- F** Assist the owner in reviewing bid responses;
- G** Assist the owner in contract negotiations; and
- H** Meet with the owner regularly to review and discuss project progress [source].

burden of supporting these needs from within. Viewed as an extension of the owner, the hands-on management of the owner's representative effectively coordinates the team, solves problems, and offers creative options.

An owner's representative firm has the sole mission of professionally and independently managing commercial building development, design, and construction, while ensuring that the owner's best interests are served with every decision made. A key word to note is "independently." When this service is offered as part of either the design professional's or general contractor's scope of work, the owner's best interest is not completely protected.

According to James Murray, a professional owner's rep., "Not having an owner's representative handle your project, and letting the architect and builder do it, could be risky."¹ For a contract manager on a project, this service is ideal and provides a single point of contact in a very complex environment.

Owner's representatives are typically architects and engineers that have seen the need for this service repeatedly from the other side of the table. They can speak the language of developers, designers, builders, vendors, and government officials, and are able to communicate with the owner in a manner that is concise and easily understood, presenting those items that require complicated decisions with viable options. This enables the owner to make sound economical decisions during every phase of the project.

The owner's representative will set up an integrated team; hold regular meetings with all stakeholders to ensure that the owner's objectives are understood and properly executed; maintain meeting records, punch lists, and change-order requests; and will follow up as required. Often on site, the owner's representative is readily available to give direction, monitor and track contractor performance, resolve conflicts, and remain aware of the status of every aspect of the project at all times.

What does this mean in terms of dollars saved? The *Journal of Construction Engineering and Management* reported that a poorly-managed project has cost overruns of a minimum of 11 percent. This means that on a \$1 million project, \$110,000 is lost. "This is where an owner's rep. can help...In fact, an owner's representative can more than pay for their fees with the savings generated, while leaving the owner with excess savings instead of cost overruns."²

In addition, the owner's representative will work with the owner and the owner's staff to transition the project to the client's organization once the project is completed. Often, this very critical step in the process can sometimes be neglected without the central focus that an owner's rep. provides.

RFPs for owner's representative services are not uncommon in the public domain. The U.S. Department of Energy has outlined the specific role and responsibility of an effective owner's representative.³



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When Lewiston, Maine required owner's representative services, the state of Maine used the following statement to open its RFP for these services: "The owner's representative will provide advice to the municipal owners through the superintendent of schools and building committee which are charged with the responsibility of planning and overseeing the construction of the project."⁴

The State of Maine has articulated the responsibilities that should be present in an RFP for owner's representative services. (See the figure on page 48.)

The added benefit to you as a contract manager is that the owner's representative truly makes your job easier by providing routine progress reports and by effectively and proactively managing the issues that would otherwise have to be personally handled by you or your organization's executives.

According to Murray, "In conclusion on commercial construction projects, owner's representatives have always been integral members of the design and construction teams. It would be a big mistake for a new construction project not to have an owner's representative on location."⁵

So, the next time you are faced with the daunting task of managing the development, design, and construction of a facility,

or managing a tenant fit-out for a new or existing space, do yourself and your entire organization a favor, and hire an owner's representative. **CM**

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**~James Murray,
owner's representative**

management courses at Frederick Community College in Maryland.

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Send comments about this article to cm@ncmahq.org.

ENDNOTES

1. James Murray, owner's representative, "Construction for Large Buildings," *ArriveNet Editorials*, April 17, 2007.
2. William Johnson, "Does an Owner's Representative Really Add Another Layer of Cost?" *Colorado Real Estate Journal*, May 2-May 15, 2007.
3. Appendix D: "Progress in Improving Project Management at the Department of Energy," 2002 Assessment. Retrieved from www.nap.edu/openbook/0309089093/html/93.html.
4. Lewiston School Department, Central Office, Dingley Building, 36 Oak Street, Lewiston, ME 04240.
5. See *supra* endnote 1.

ABOUT THE AUTHORS

CORINNE CHEAIRS is a principal and founder of Attune Development Consultants based in Myersville, Maryland. As president, she assumes primary responsibility for the commercial base building development, design, and construction services division. Her commitment to developing a quality product and delivering superior service is paramount to Attune's mission. Cheairs is certified by the U.S. Green Building Council as a Leadership in Energy and Environmental Design accredited professional. She also teaches college-level engineering and construction