

Project Management and Delivery

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Read Jones Christoffersen Ltd.
Creative Thinking **Practical Results**

The image features the lowercase letters 'rjc' in a large, white, sans-serif font. The letters are positioned on the right side of the slide, with the 'r' and 'j' overlapping. The 'r' has a thick vertical stem and a curved top. The 'j' has a thick vertical stem and a small square dot above it. The 'c' is a simple, rounded shape. The background is a solid, vibrant blue.

Learning Objectives

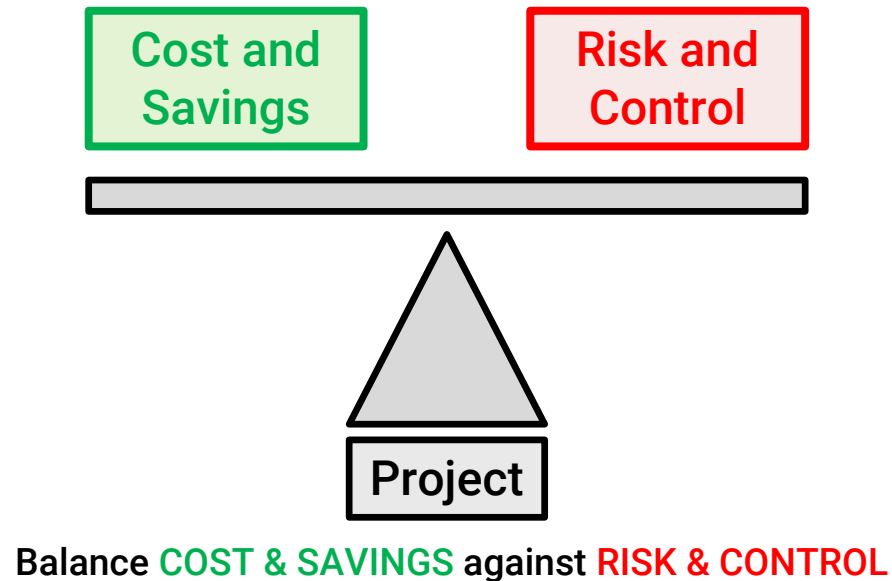
Through this presentation you will learn about:

- Factors affecting the cost of common Strata projects and how costs might be best controlled
- The most common Project Management and Delivery approaches utilized or considered by Stratas
- The benefits, risks, pros and cons of the different Project Management and Delivery approaches

Project Delivery flow charts based on *Alternative Construction Delivery Methods* by Jody Becker & Tim Murphy

Why are we here today?

Strategies to control costs of Strata projects



- Determine and focus the project scope
- Decide how much control the Strata wants and how much risk is it willing to accept
- Determine the method of project delivery that best matches the Strata's control/risk tolerance
- Decide on the form of contract that best suits the project delivery approach

Dramatis Personae



Owner



Consultant

Subconsultant

Construction Manager



Contractor

Subcontractor

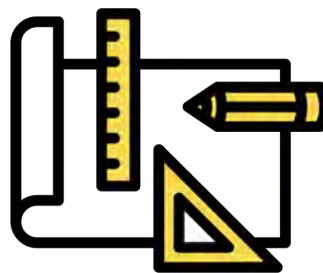
Roles - Defined



Build



Inform



Decide



Things that Govern

This Act is current to October 3, 2018

See the [Tables of Legislative Changes](#) for this Act's legislative history, including any changes not in force.

STRATA PROPERTY ACT

[SBC 1998] CHAPTER 43

http://www.bclaws.ca/civix/document/id/complete/statreg/98043_01

This consolidation is current to October 9, 2018.
See the [Cumulative B.C. Regulations Bulletin 2018](#)
for amendments effective after October 9, 2018.

[Link to consolidated regulation \(PDF\)](#)

[Link to Point in Time](#)

Strata Property Act

STRATA PROPERTY REGULATION

http://www.bclaws.ca/Recon/document/ID/freeside/12_43_2000

And... your own
Strata's Bylaws



Project and Procurement Requirements

Many possible questions before you even start...

- What projects can a Strata do “on its own”?
- What projects require professional assistance?
- How does a Strata select service providers?
- How many quotes/proposals/bids are enough?
- Why did I buy a condo?



Your Property Manager is your best first resource to answer these questions

Factors Affecting Costs of Construction

Vancouver Island Construction Boom

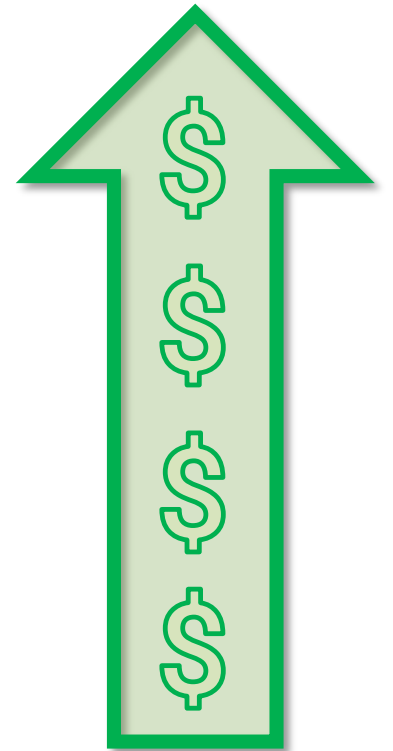
- Unprecedented levels of construction
- Contractor and trade shortages
- Overall tight labour market (low unemployment)
- Existing building work includes “unknowns”
- **Form of project management and/or delivery**



Added Construction Costs for Stratas

Stratas are generally existing buildings (and occupied!)

- As-built records can be inconsistent / non-existent
- Conditions often hidden or unknown
- Unknown conditions result in risks
- Risks will add costs for contractors who then pass it on
- ... and new construction is just 'easier' for contractors



Project Management and Delivery Options

Different approaches with differing levels of control and risk for Stratas

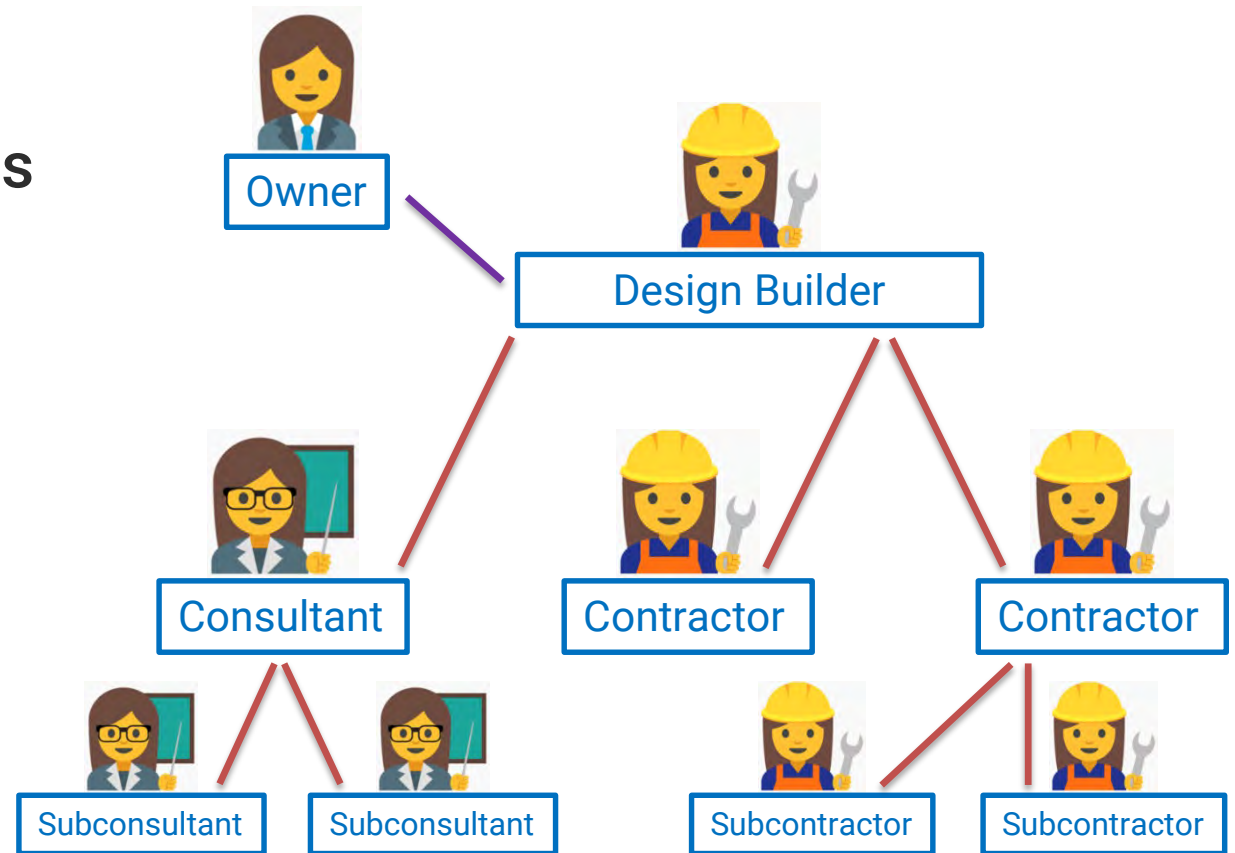
- Design-Build
- Design Bid Build
- Construction Management

In all circumstances and scenarios → controlling risk assists in controlling price

Design-Build: Lower Risk/Control

A Strata option for smaller projects

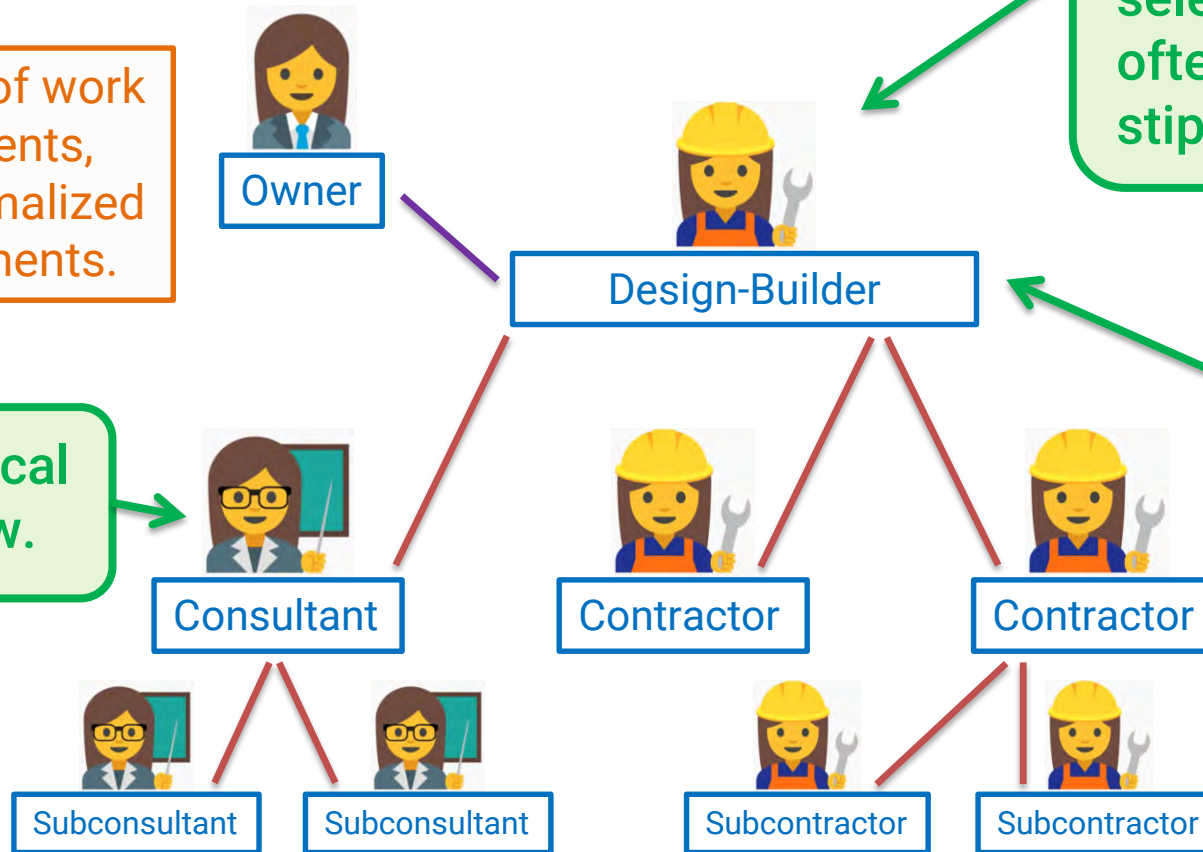
- Owner hires Design-Builder (is usually a Contractor / CM)
- Design-Builder's Consultant prepares design (as required)
- Design-Builder utilizes own forces or engages Contractors to complete work



Design-Build (Details)

Dependent upon scope of work and regulatory requirements, design might not be formalized with construction documents.

Role limited to technical instruction and review.



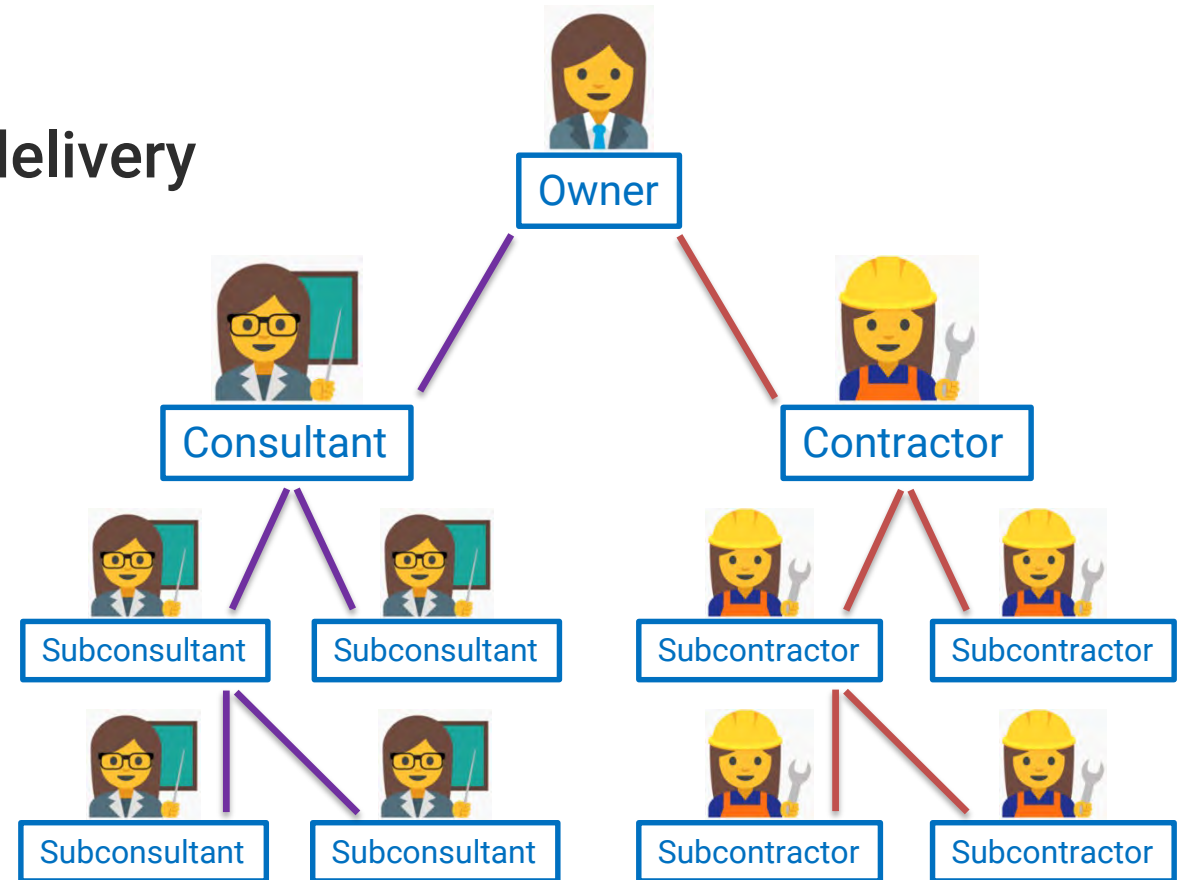
Engaged by Owner, selection criteria often budget or stipulated price.

Responsible for build including subcontractor performance pre- and post-construction (warranties)

Design Bid Build: More Risk/Control

The “traditional” method of project delivery

- Owner hires Consultant
- Consultant prepares documents used to obtain bids
- Owner hires Contractor following bids to complete work



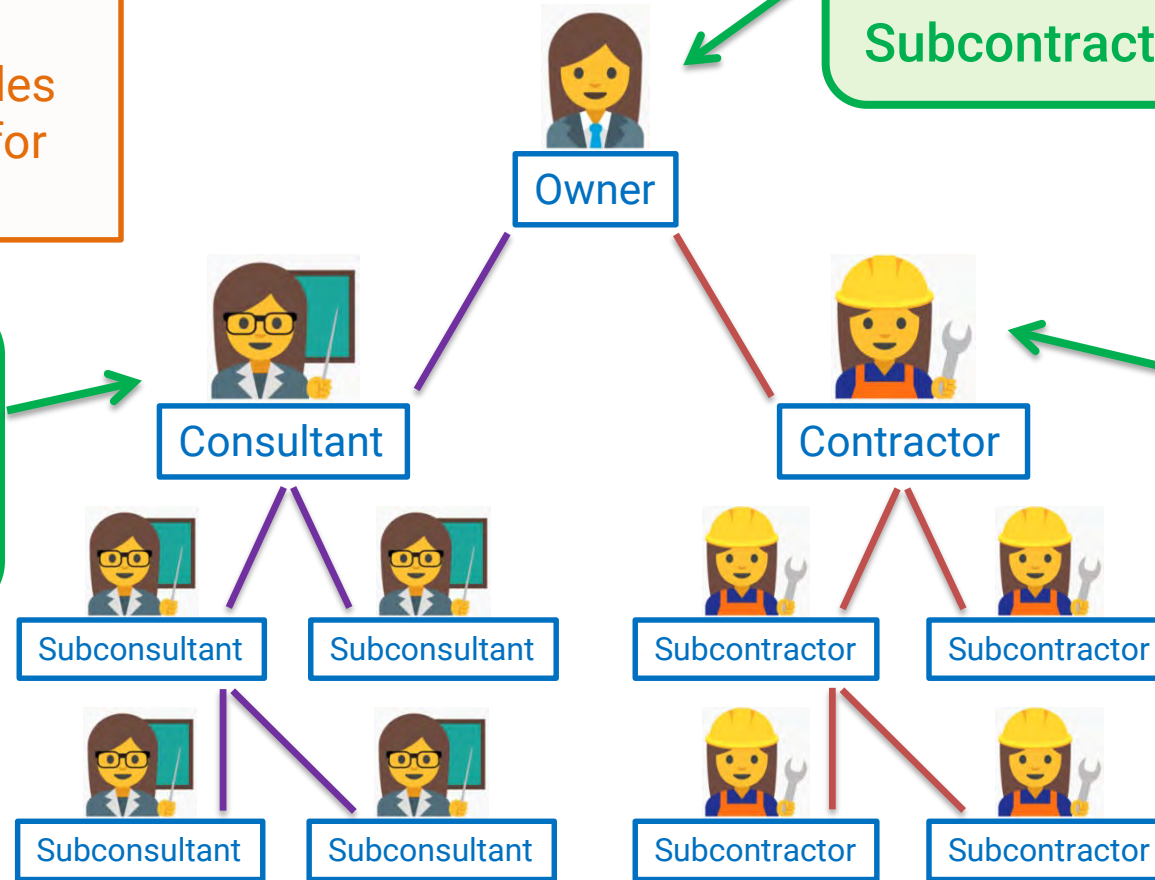
Design Bid Build (Details)

Documents completed prior to bidding. Provides more pricing certainty for Owner.

Single contract relationship with Contractor. No relationship with Subcontractors.

Prepares design docs (with subconsultants) and administers Owner-Contractor agreement

Responsible for build including Subcontractor performance pre- and post-construction (warranties)



Construction Management: Most Risk/Control

Alternative to traditional Design Bid Build – More risk assumed by Owner



- Owner hires Consultant
- Owner hires Construction Manager
- Consultant prepares documents

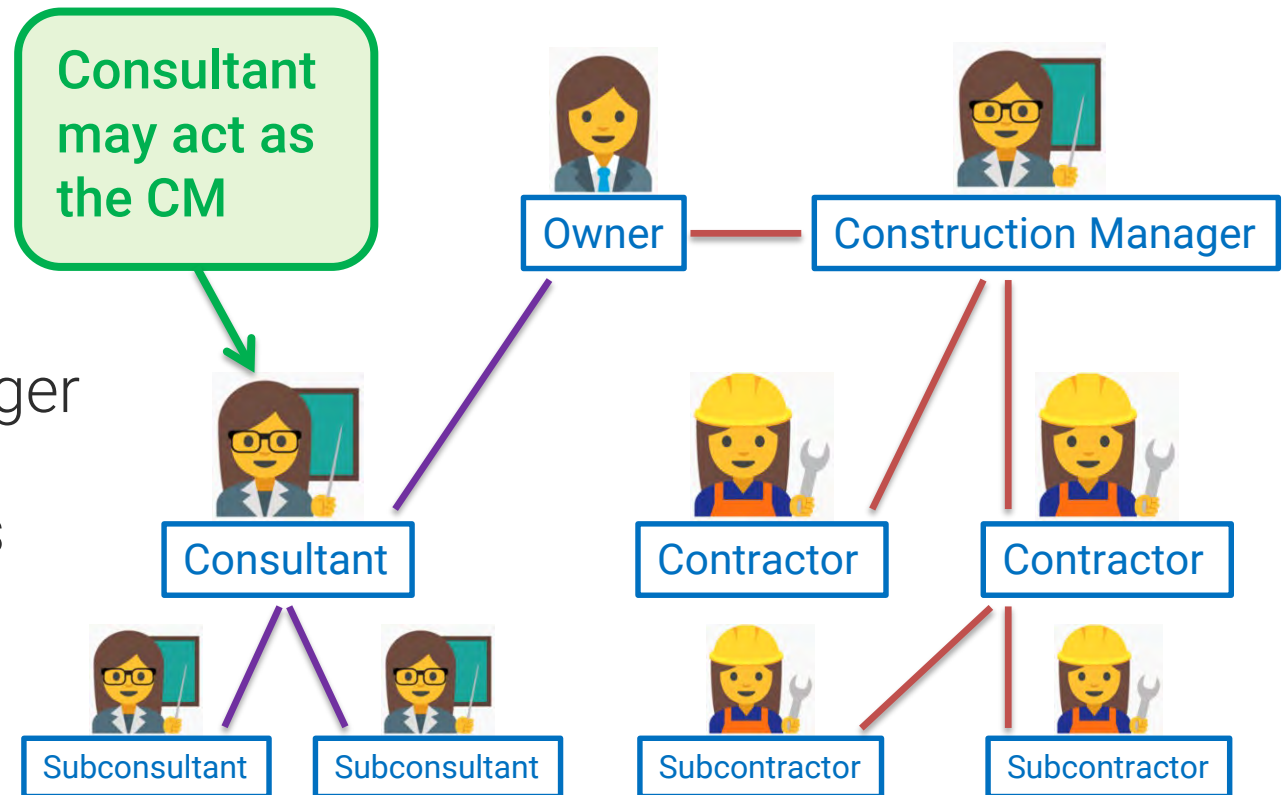


- Construction Manager hires Contractors/Subcontractors (CM at Risk)
- or**
- Owner hires Contractors/Subcontractors (CM Not at Risk)

Construction Management – CM at Risk

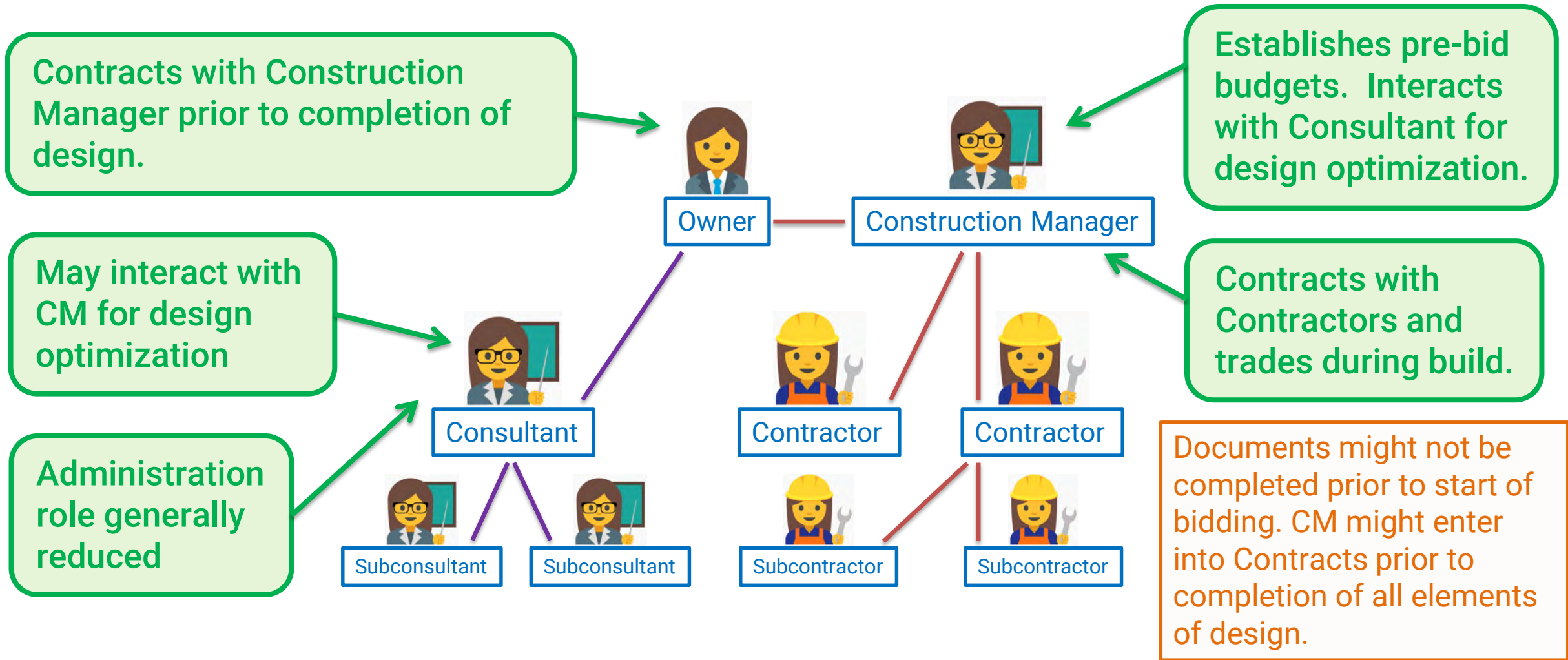
CM at Risk

- Owner hires Consultant
- Owner hires Construction Manager
- Consultant prepares documents
- **Construction Manager engages Contractors**



Note: Stratas prefer this method

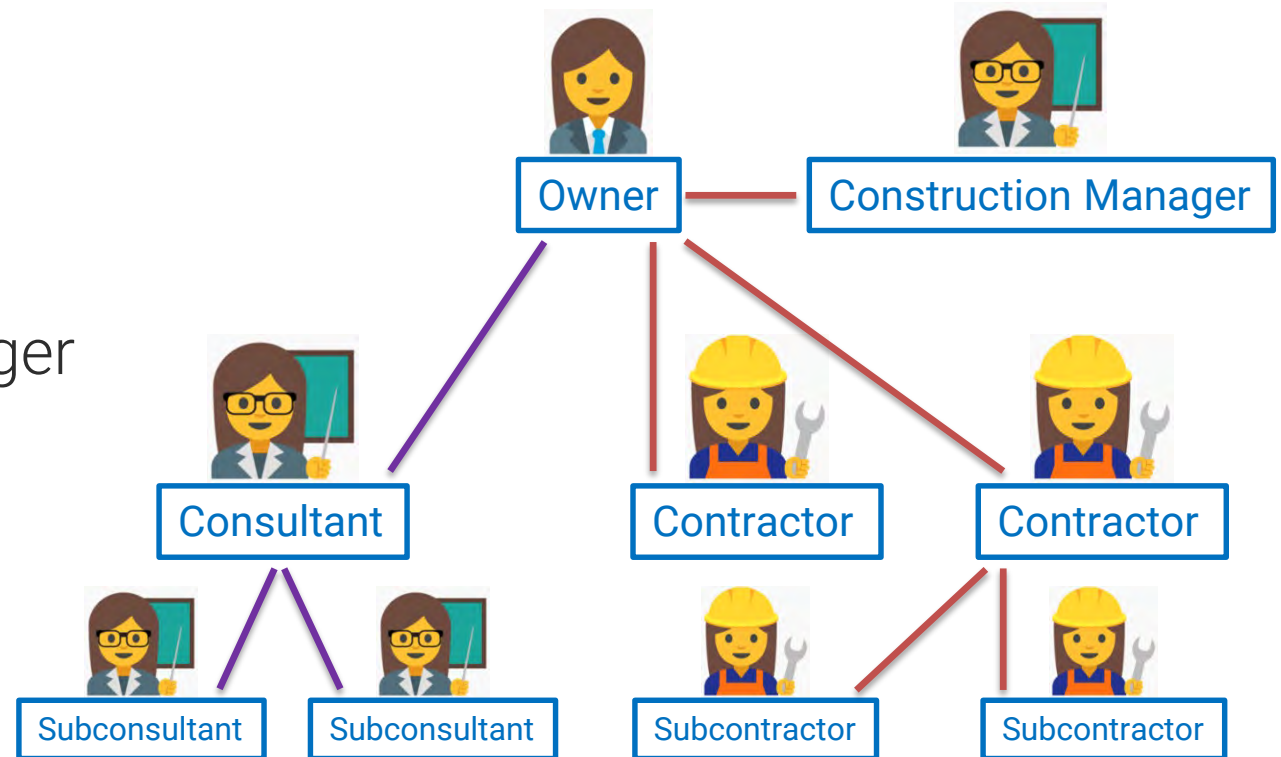
Construction Management – CM at Risk



Construction Management – CM Not at Risk

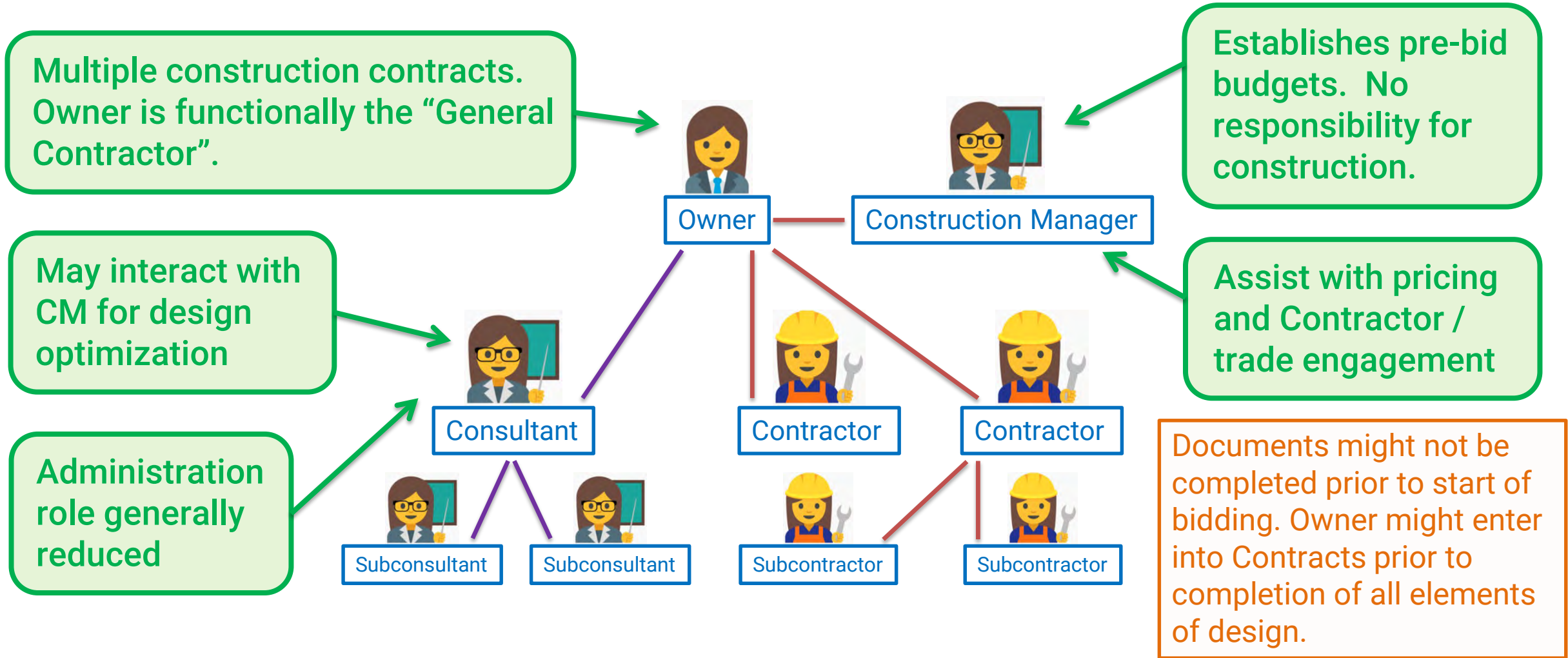
CM Not at Risk

- Owner hires Consultant
- Owner hires Construction Manager
- Consultant prepares documents
- **Owner hires Contractors**

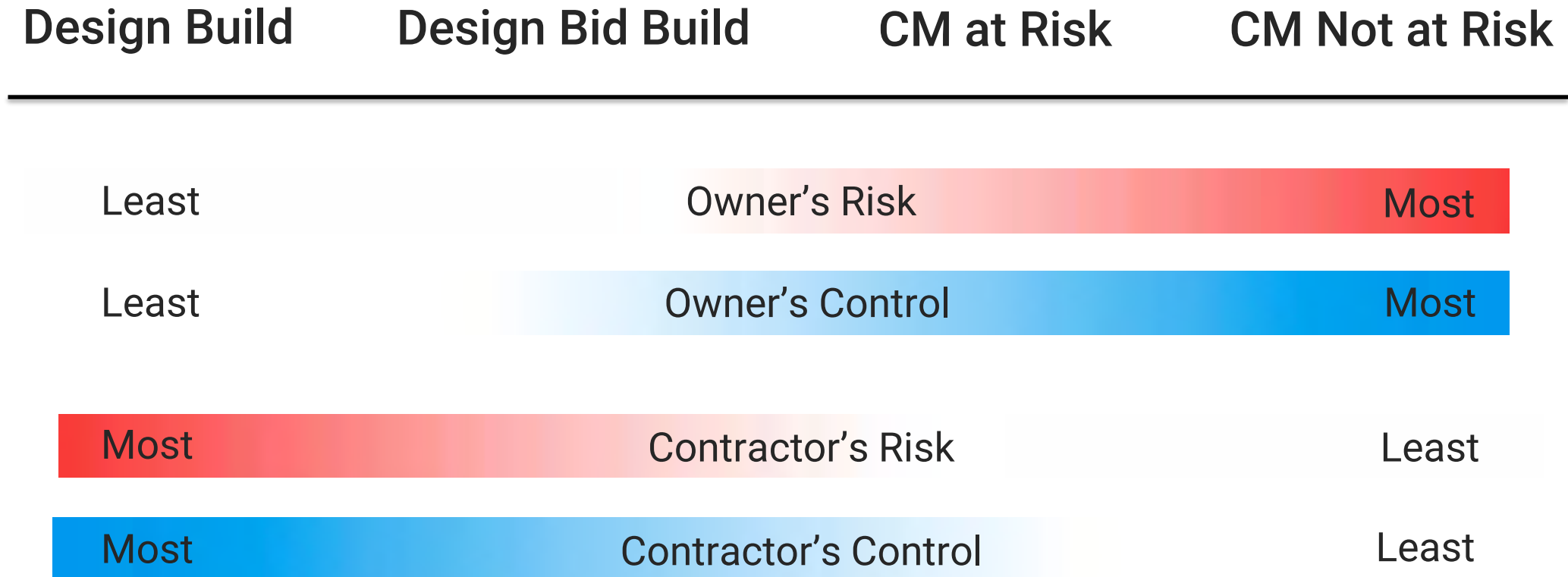


Note: Not a common Strata approach

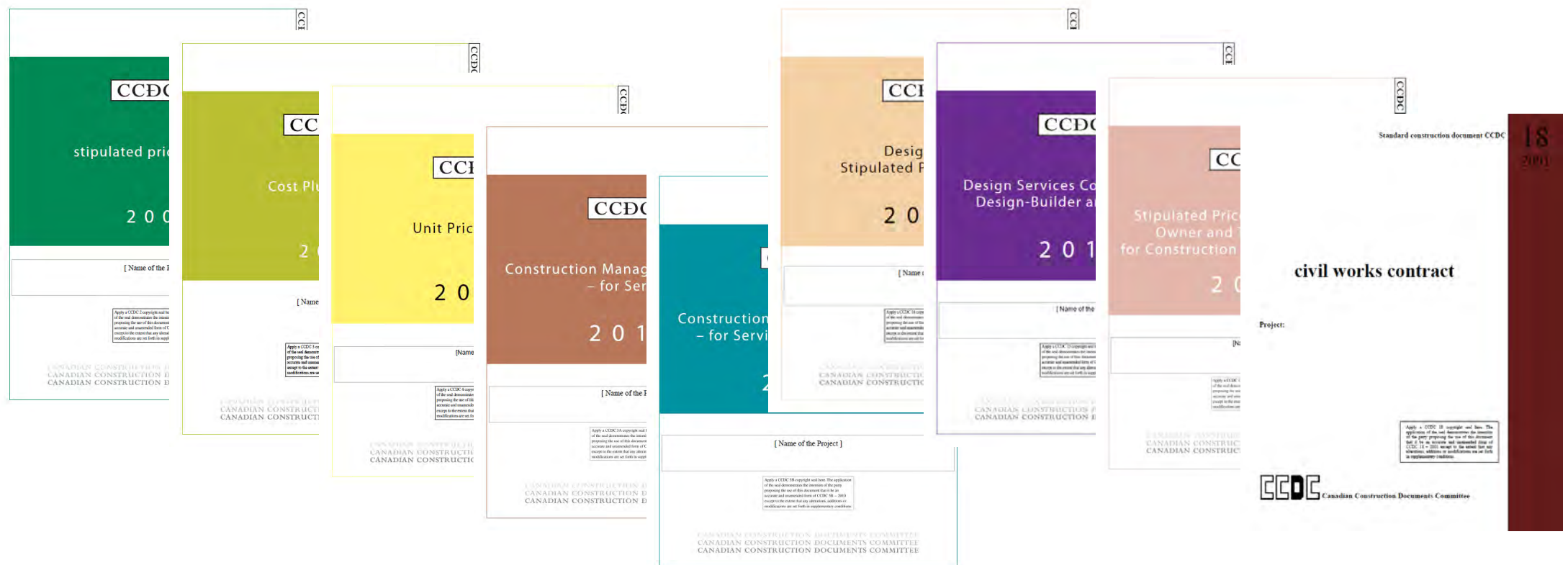
Construction Management – CM Not at Risk



Risk and Control Profiles (the Pros and Cons)

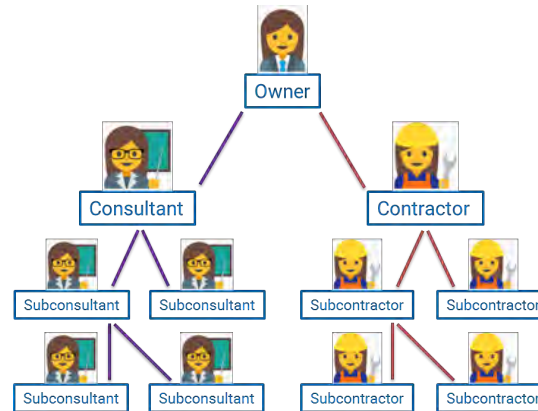


Delivery – Contract Types

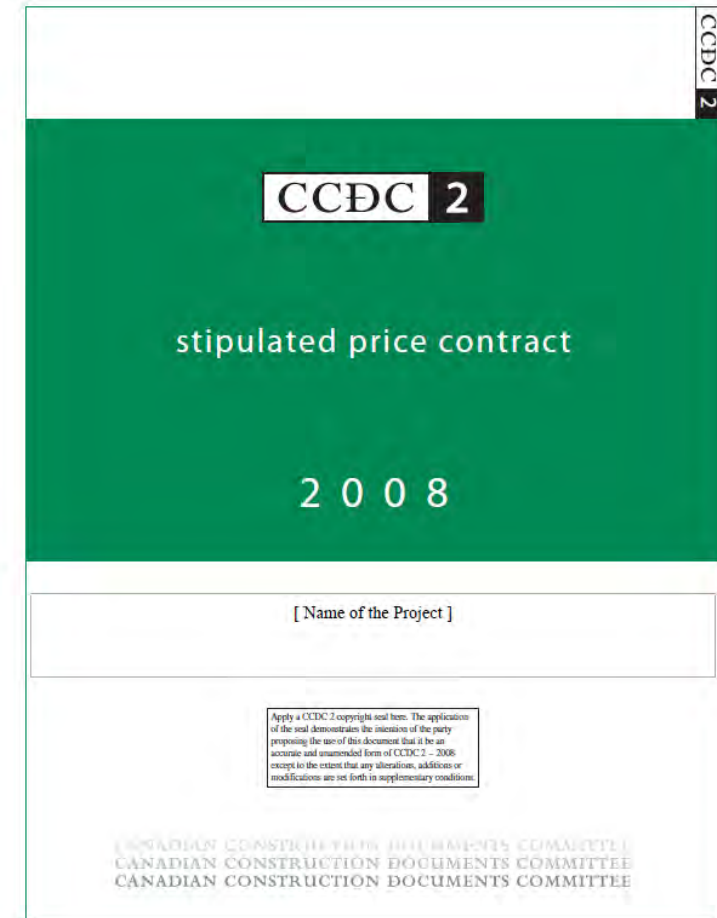


Delivery – Contract Types – Stipulated Price

- Stipulated Price
- Historically the most common agreement for Strata projects

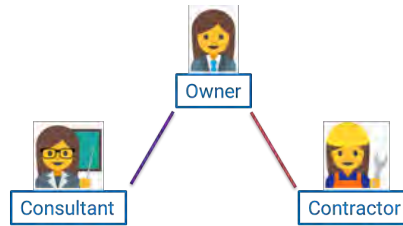


Design Build	Design Bid Build	CM at Risk	CM Not at Risk
Least		Owner's Risk	Most
Least		Owner's Control	Most
Most		Contractor's Risk	Least
Most		Contractor's Control	Least



Delivery – Contract Types – Unit Price

- Unit Price
- Not a commonly used agreement for Strata projects

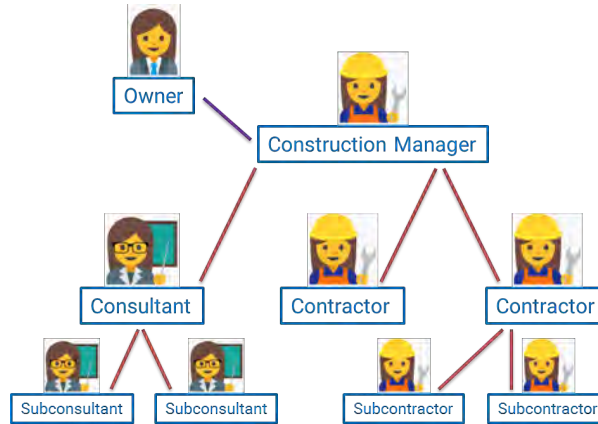


Design Build	Design Bid Build	CM at Risk	CM Not at Risk
Least	Owners Risk	Most	
Least	Owner's Control	Most	
Most	Contractor's Risk	Least	
Most	Contractor's Control	Least	

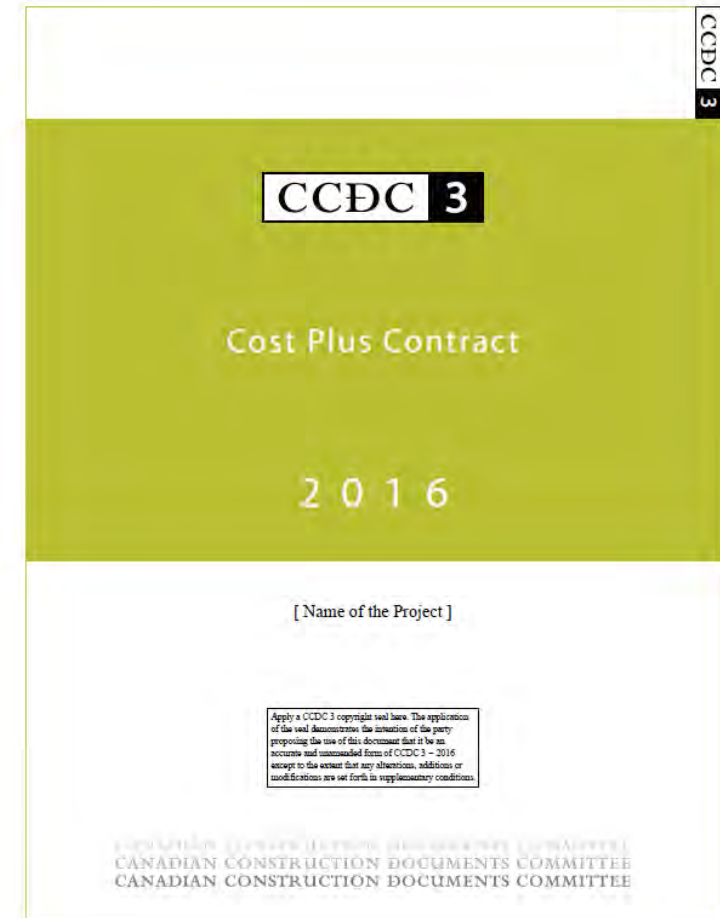


Delivery – Contract Types – Cost Plus

- Cost Plus
- Broad applicability but not used so much for Stratas

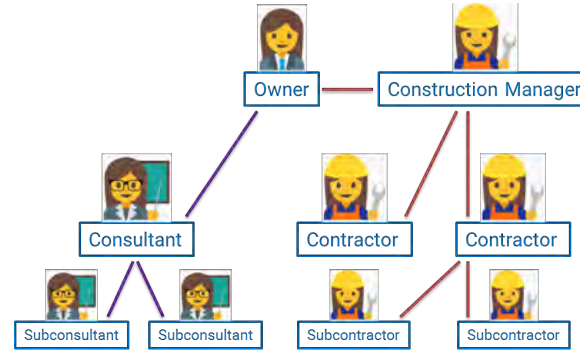


Design Build	Design Bid Build	CM at Risk	CM Not at Risk
Least		Owner's Risk	Most
Least		Owner's Control	Most
Most		Contractor's Risk	Least
Most		Contractor's Control	Least

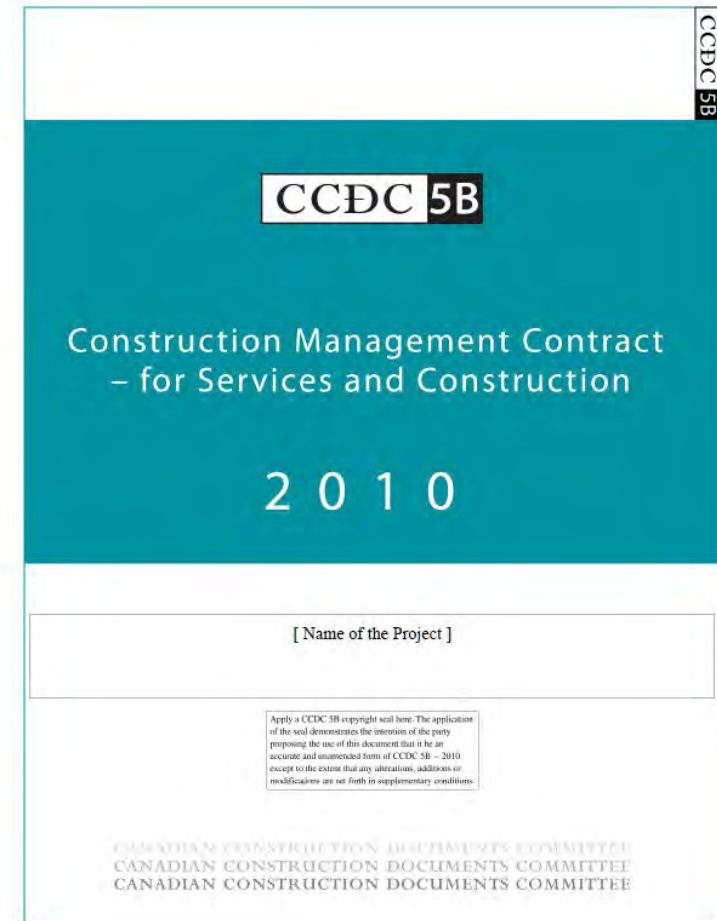


Delivery – Contract Types – CM at Risk

- Construction Management
- Construction Manager at Risk

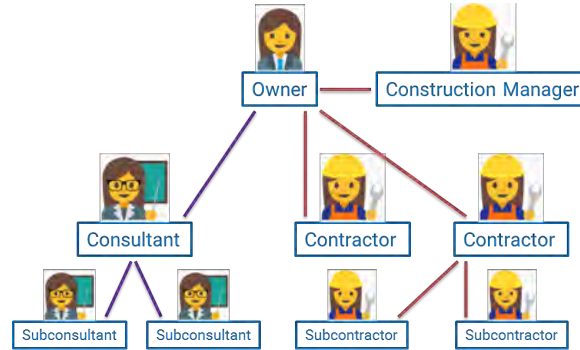


Design Build	Design Bid Build	CM at Risk	CM Not at Risk
Least	Owner's Risk	Most	Most
Least	Owner's Control	Most	Most
Most	Contractor's Risk	Least	Least
Most	Contractor's Control	Least	Least



Delivery – Contract Types – CM Not at Risk

- Construction Management
- Construction Manager Not at Risk



Design Build	Design Bid Build	CM at Risk	CM Not at Risk
Least	Owner's Risk	Most	Most
Least	Owner's Control	Most	Most
Most	Contractor's Risk	Least	Least
Most	Contractor's Control	Least	Least



Summary - Controlling Costs for Projects

- Determine and focus the scope → Know what you want to achieve
- Provide as much information as possible → Good construction documents
- Determine the most appropriate method of project delivery for control and risk tolerance
 - *Design-Build or Design Bid Build or Construction Management*
- Determine the most appropriate form of contract(s)
 - *Stipulated Price or Cost Plus*

Learning Objectives - Recap

Through this seminar you have learned about:

- Factors affecting the cost of common Strata projects and how costs might be best controlled
- The most common Project Management and Delivery approaches utilized or considered by Stratas
- The benefits, risks, pros and cons of the different Project Management and Delivery approaches



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