

Save These Dates . . .

October 25, 2001
 State-of-the-State:
 Connecticut's Public
 Construction
 Marketplace

December 5, 2001*
 From AOL to Z:
 Getting Connected
 from Dial Up to
 Broadband

December 7, 2001
 Annual Owner's
 Forum: Strategies
 and Actions for
 Achieving High
 quality Construction
 Documents

January 30, 2002*
 "Look Ma, No Wires":
 Wireless Networking
 Technology

January 31, 2002
 Central Region
 Outlook

February 27, 2002
 Western Region
 Outlook

*(please see Save These
 Dates on page 2)*

For more information
 on upcoming and previous
 programs, visit
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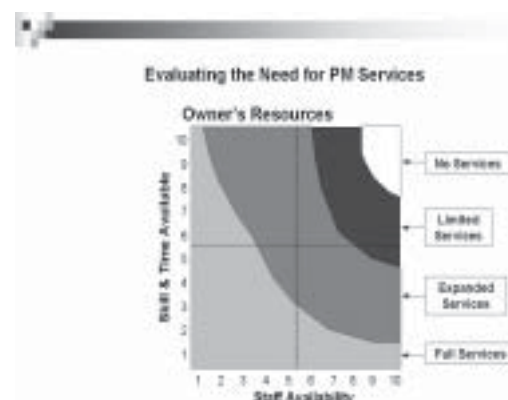
Owner Representation An Extension of Staff

Delays and cost overruns! These two pariahs of the construction industry are a constant threat to all capital projects. What does it take to avoid these pitfalls and deliver a successful project? At the core of every successful project is a well structured project team. The essential project team is made up of three players forming a triad; an architect/engineer that takes the lead role to design the project, the construction manager/general contractor that takes on the responsibility of building, and the owner who is ultimately relied upon to provide direction. If the triad is incomplete or unbalanced there is no harmony. Conflicts may arise when the architect or the construction manager preside over decisions that will have an effect on their own performance.

Who then protects the owner if not the owner himself? Many factors, such as the project's goals and objectives, scheduling flexibility, and internal construction and financial management abilities, should be evaluated prior to assembling the project team. These issues have given rise to an ever growing industry of independent owner representatives performing project management oversight (PMO). PMO originated in the private sector and has gained prominence over the past 10-12 years after the real estate debacle of the late '80s. In the '80s, developers and municipal Owners alike had their own technical staff to manage and oversee everything from the budgets, design and construction, providing direction and giving timely responses to a high frequency of inquiries. The collapse of the real estate markets later in the decade led to the downsizing of unnecessary staff due to the lack of building projects.

PMO took on a life of its own as an independent entity when construction made a comeback in the '90s and Owners were reluctant to bring staffing back to levels they once were.

PMO is a resource for owners that don't have the appropriate in-house technical capability or that need an extension of staff when timeframes restrict the use of their internal staff.



Based on Owner's In-house Facilities Staff

Lack of PMO is the biggest cause of delays, costs overruns and a general failure to meet project objectives. An owner's rep, when given appropriate responsibility and effective leadership, will ensure the success of the project through well-disciplined and regimented project controls.

(please see Owner on page 3)

Bill Trail is general manager and Rich Sitnik is senior project manager of PinnacleOne in Middletown, CT. They can be reached at 860-704-6100.

Welcome New Members

A. M. Rizzo Electrical Contractors, Inc.
 Connecticut Innovations
 Darter Press
 F. W. Dodge/McGraw-Hill
 ORM, Inc.
 S E A Consultants
 TRITEC Building Co., Inc.
 VSA Consulting Group, Inc.

Save These Dates . . .

(continued from page 1)

March 13, 2002*

Computing Outside the Box: Connecting Multiple Offices, Computers, and Computing Philosophies

March 28, 2002

Fifth Annual Construction and Facilities Management Conference and Exposition

March 28, 2002*

The Final Frontier: What Have We Learned

April 24, 2002

Eastern Region Outlook

May 30, 2002

Special Topic to be announced

June 20, 2002

Annual Membership Program

*Technology Breakfast Seminar Series

Owner's Representative in Truest Sense

Most companies have internal facility management personnel responsible for managing the day-to-day operations of their organization. But in today's lean-and-mean economy, these individuals may not have the time to handle a short-term workload increase or the experience required to plan a large corporate renovation or relocation project. An owner's representative (owner's rep) delivery method is one solution. An owner's rep provides experienced, professional project managers on an as-needed basis without the additional payroll and administrative costs of full time employees.

The Truest Sense of the Word

In order for the owner to receive the most benefit of this delivery system, the owner's rep firm should be a separate, disinterested third party, i.e., the owner's rep should not provide property management, brokerage, general contracting or architectural services, nor sell furniture, telephone systems or other related products. All vendor contracts should be entered into directly with the client. This eliminates any potential conflict of interest and enables the owner's rep to focus on their clients' objectives.

Benefits to the Owner

Since most owner's rep staff members have previously worked in the corporate or manufacturing facilities environments, they bring an understanding of the client's business and the knowledge of how to identify and head-off potential roadblocks to a successful project.

New construction, renovation or relocation is the perfect project to be outsourced because it requires specialized experience, but is a finite task requiring short-term peak staffing. For example, our firm assumed the responsibility for the consolidation of six regional offices for The American

Cancer Society (see photo) into one central location in Meriden CT. No inside expertise existed within the client organization, and the project was a short, five-month duration. The client benefited from having

one firm handle all aspects of the construction administration, project management, including the relocation of approximately 65 employees.

The use of owner's rep services for long-term assignments is also becoming quite common. Facilities managers are faced with having to meet long-term corporate commitments in terms of consolidations or expansions, while at the same time unable to secure approvals for additional staff. For example, when Pratt and Whitney went through a recent restructuring of its manufacturing units, the use of outside owner's rep firms facilitated the process without adding to Pratt & Whitney's staff. These project assignments lasted in excess of 18 months.

(please see *Truest Sense* on page 4)

Chuck Pinckney is president of Diversified Project Management-Connecticut (DPMCT) and Secretary of the Construction Institute's Executive Committee. He can be reached at 860-523-9696.



Owner Representation

(continued from page 1)

For example, the Connecticut State Department of Education has approved over \$1.2 billion in school related construction projects. Where does the direction come from on this enormous building program? Local school districts and the municipal governments that approve spending on these projects typically assign building committees to oversee these initiatives. Building committees by their very definition are public servants and volunteers. They are charged with overseeing a complex process, but without the appropriate time to devote to it. Rarely is it the case that these committees have the time or the resources to marshal the forces and achieve the desired results. If internal resources can't be committed to achieving success, one solution could be to employ the services of an owner's representative professional.

In summary, the focus of an owner's representative should be procurement of the *best* team; financial management in terms of funding and distribution; schedule management; risk management in terms of contracts and constructability reviews; public relations and communications; and information management including web-based management and user accessibility. ▲

F O C U S

Construction Institute Annual Golf Tournament



LtoR: Donald Cassin, DuBose Associates, Inc. Architects; David Jettinghoff, retired CI Membership Committee Coordinator with his wife Roz; William Cianci, Ph.D., CI's Executive Director; and Golf Tournament Committee members, Tommy Thompson, Advanced Software Concepts; Al DiVincentis, Cummings & Lockwood; Peter Shmigelsky, Committee Chair and City of New Haven; Jeffrey Krason, Payne Environmental, LLC; Sandor Diaz, Haggett, Longobardi and Co., LLC, and event guest.



Contestants for the Hole-in-One competition, hopeful to win a new Mercedes-Benz sports coup.

In honor and memory of those who perished in the September 11 tragedy, the Construction Institute is donating \$1000 from the proceeds of the golf tournament to the New York relief effort.

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Owner's Representative in Truest Sense

(continued from page 2)

In addition, many of state's insurance companies utilize these services for both home and field office projects on a regular, as-needed basis. The amount of time required of the owner's rep can be adjusted to meet the workload requirements and does not always necessitate a full time involvement. The costs for an owner's rep firm on capital projects can often be amortized over the life of the lease or project life.

Choosing a Qualified Owner's Rep

When choosing an owner's representative, consider the firm's experience with projects similar to the proposed project in terms of scope and type, the level of time

commitment and availability of the owner's rep staff member, the adequacy and track record of the firm's scheduling and budget systems, and independence of the owner's rep from offering other products or services which may create a conflict of interest, among other criteria.

An owner's rep firm should be committed to quality and excellence. Successful firms are diligent about representing the owner in a fair and objective manner, while earning the respect of vendors and maintaining the highest level of ethics, customer service and attention to detail that their clients expect. ▲

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