

PREFACE

Version 4.0

This is the fourth publication of this document with many revisions and additions since the first revision. The Champion Program Management Plan is intended to be a “living document” and will continue to have revisions made and additional material incorporated as necessary to keep the document relevant and to incorporate ongoing experiences.

All Champion Development Team members, *that is to say, all Partners in Communication*, are encouraged to study and embrace the Champion Guidance Document. This document provides the key philosophies and principles which define Champion and its approach to the development process.

The other sections of the Champion Program Management Plan provide general guidelines, instructions and forms to be used by the Champion Development Team throughout the development process. In most cases, Architects, Design Professionals, and General Contractors have proprietary or processes and procedures in place which can be used in place of the processes and forms included in this plan. *Champion requires that each of the matters discussed in these guideline documents are addressed professionally, on time, and on a regular ongoing basis.* In the event proprietary or other processes, procedures and forms are to be used in lieu of those described in this manual, it is Champion’s requirement that they, at a minimum, meet or exceed the intent and content of those contained in this manual.

In no case is the content of this manual to supersede or take precedence over the terms of any formal contract executed between Champion and a Design Professional or General Contractor. All parties which are contracted to Champion are encouraged to thoroughly review, understand, and comply with the specific and general conditions of their contracts with Champion.

FORWARD
TO CHAMPION GUIDANCE DOCUMENT™
October 1, 2009

**Construction Management @ Risk – Design Assist –
as a Negotiated Select Team**

This Forward is to be incorporated into version 4.0 of the Guidance Document.

The materials in this Forward have been taken and adapted from the *Handbook on Project Delivery* published by the AIA California Council ©1996.

INTRODUCTION

Champion will choose a negotiated select team by first choosing a negotiated Contractor, and then together, Champion and the Contractor will pick the entire Design Team, being the Architects, the Architect's major consultants (MP&E, structural, landscape, and the like) as well as civil (Design Team). Civil will be contracted through the Architect. Champion will enter into one contract with the Contractor for payment and one contract with the Architect for payment of all consultants and civil. Communication responsibilities, however, will be through the Contractor (with the Design Team) from the entire Design Team to the Owner. Other materials are presented to further explain the relationship and should be reviewed.

The Architect (and all of the other noted consultants) and the Contractor will be selected and contracted separately, affording the advantages of clarity, familiarity and flexibility for Champion. With this negotiated select team, the team has the needed expertise to work together effectively. The Contractor and then the Architect, Civil Engineer and Structural Engineer all are brought onto the project at an early stage so that design and construction issues are interwoven along with cost estimating, phasing and scheduling. This highly flexible delivery system allows project phases to be collapsed for fast tracking, construction managers or other experts can be added to the team, and subcontract work can be bid. Champion will take advantage of reliable, traditional working relationships among the key parties.

This method differs from construction management delivery options because there is no separate management role. It is similar to all the design-build approaches, except that with a negotiated select team, the Owner holds separate contracts with the Architect and Contractor.

1. CHARACTERISTICS

1.1 Definition and General Information

This project delivery method is characterized by its flexibility and by the informal, negotiated selection of Architect and Contractor, each contracting independently with the Owner. There are three principal players: Owner, Architect and Contractor. However, it is critical that the Civil Engineer and Structural Engineer very early in the process settle upon the most efficient major building systems.

Phases. There are three phases in a typical project. Each phase is to be woven into Champion's Design Guidance™ Documents.

- First, after the Owner informally selects the project Contractor to build together, they will select (by RFI at times) the Architect, the Civil Engineer, the Structural Engineer and the rest of the consultant team under separate contract between the Owner and Architect. The Contractor's role in this phase includes cost estimating, value engineering, systems evaluation and scope, default scope, budget, scheduling phasing, and early purchasing. The Architect's role is in developing the building example solution with Champion and the detailed design scope.
- Second, when design is sufficiently complete, the final construction cost will be negotiated, with most subcontract work informally bid. A guaranteed maximum price (GMP) will be put in place as early in the process as the Owner wishes, but never later than at the completion of construction documents for first submittal.
- Third, the Contractor completes the construction of the project.

1.2 Contract Relationships

The principal parties in this process are the Owner, Architect and Contractor. The Architect must contract directly with all Engineers, and sub consultants.

- The Owner holds separate contracts with the Architect and with the Contractor.
- There is no contractual relationship between the Architect and the Contractor, but communication to the Owner is through the Contractor with Architects and consultants.

2. RESPONSIBILITIES

Phasing

	<i>Design</i>		<i>Negotiate</i>		<i>Build</i>	
	Pre-design	Design	\$	Construction	Post-Construction	
Owner						
Design Team						
Builder						
	= primary involvement		= secondary involvement		\$ contract award	

2.1 Basic Responsibilities

Ownership. The Owner is responsible for:

- Determining the goals and the requirements for the project;
- Acquiring a usable site for the intended purposes;
- Financing the project;
- Evaluating the qualifications of Architect and Contractor and negotiating their contracts;
- Directing both Architect and Contractor;
- Resolving issues between the Architect and the Contractor.

Construction Management @ Risk. Since there is no separate management entity, the Contractor is responsible for overall project management functions. The Contractor is responsible for managing the design and construction processes.

Construction. The Contractor is responsible for:

- All construction Management @ Risk responsibilities;
- Value engineering on a continuous basis;

- Providing technical information during design;
- Providing constructability input to the Architect;
- Estimating and negotiating the cost of construction;
- Carrying out materials and systems analyses during design
- Coordinating early purchase of long-lead items;
- Obtaining entitlements related to construction, such as building and encroachment permits;
- Preparing shop drawings and other documents necessary to accomplish the work;
- Providing the methods and means of construction;
- Job-site safety;
- coordinating the bids and work of subcontractors and prime or trades contractors;
- establishing and maintaining the construction schedule;
- fulfilling the requirements of the construction documents;
- guaranteeing the quality of construction;
- correcting deficiencies covered by the guarantee.

Design. The Architect as leader of the Design Team and the Design Team as a whole, is responsible for:

- Providing predesign services;
- Assisting the Owner to determine goals and requirements;
- Developing the project's design;
- Managing all consultants, including civil consultants;
- Insisting in processing entitlements related to design responsibilities, such as planning approvals and zoning variances;

- Processing building permits;
- Ensuring regulatory and code compliance;
- Preparing construction documents, including drawings and specifications;
- Working with the Contractor on constructability reviews and cost estimates;
- Assisting in the negotiations of construction costs;
- Providing submittal review and approval;
- Administering the contract for construction.

3. QUALITY

The functional, technical and aesthetic quality of a building project is influenced by the project delivery method. The negotiated select team, based on close working relationships operating from the project's outset, yields advantages to the project's quality.

3.1 Owner's Perspective

The Owner directly controls selection of the project delivery team, based on their individual qualifications. This leads to the creation of a tailored, collaborative team that can function with great effectiveness. The close working partnerships, often established through long-standing relationships, create a smoothly functioning Design Team capable of delivering a project that meets the Owner's needs, avoids disputes, and is high in quality.

- The Owner has the flexibility to handpick the Architect, Contractor and consultant, mix and match delivery methodologies, and keep separate contracts.
- The team functions collaboratively and with mutual trust from design through construction, with the Owner communicating directly with team members, through the Contractor so no seams are created. This contributes to the quality of the expected outcome.
- The project's quality is improved by discussions of constructability between the Contractor and Design Team during design, as well as the Contractor's scheduling and phasing contributions.
- The Owner can be actively involved in the delivery process, communicating directly. The Owner may see the design fully completed before construction begins so that the level of quality is clearly defined and understood.

3.2 Architect's Perspective

Architects maintain that this method ensures the highest level of quality for the following reasons:

- The Architect is responsible directly to the client and represents the client's interests without undue influence from others, but generally communicates through the Contractor.
- The project delivery benefits from the early input of the Contractor, while maintaining the traditional checks and balances between Architect and Contractor during construction.

3.3 Contractor's Perspective

Contractors have the following point of view on negotiated select team:

- The Contractor shall participate in the selection of the Architect, their Design Team and civil and structural engineers.
- Because documents are complete before construction begins, the Contractor has a clear sense of the level of quality expected for the project. The documents and the final building are of higher quality because construction issues are raised from the beginning and the Contractor has review responsibility of the documents.
- Quality receives greater emphasis because criteria other than low bid are utilized.
- The Contractor benefits from working with a known team, perhaps with a previous working relationship. This usually improves communication as well as overall expectations of quality.

4. SCHEDULE AND COST.

4.1 Schedule

In comparison with other delivery options, the negotiated select team can substantially compress the overall calendar time, from start of a project's design to completion of construction.

Factors to Shorten Project Schedule

- The motivation to move quickly on the project rests with all members of the team because of the team relationship and the desire to work together on future projects.
- The ongoing working relationship between project team members contributes to a positive environment for communication and coordination, which accelerates the project schedule.
- The Owner does not have to undertake as many management controls as in other delivery systems, which can save the Owner time.
- The Architect and Contractor can consult directly to make rapid design decisions that are not subject to later reworking.
- The Contractor monitors the overall schedule.
- During the design phase, the Contractor can initiate phases of the construction such as investigative demolition, documentation for site work, shells and tenant improvement permits.
- Given the negotiated contract, design stage input and the ongoing team relationship, the Contractor can work with a consistent group of major subcontractors. This allows early pricing, pre-purchasing and early preparation of submittals.

4.2 Cost

Compared to design-bid-build, the control of project costs is improved through detailed estimates of anticipated construction costs by the Contractor as the design is developed. The Contractor prepares an estimate of probable construction costs and monitors costs throughout the project. The Contractor may commit to the cost of construction at any point in the design phase, often giving the Owner a guaranteed maximum price. Negotiated select team is often the most effective at meeting a predetermined budget because of the close working relationship between the Architect and Contractor.

Ownership

- The potential for change orders during construction is substantially reduced, with significant cost savings, because the Contractor has conducted constructability reviews during design. Still, the Owner must maintain a reasonable contingency allowance for the costs associated with construction and change orders.

- Since a high percentage of the project is competitively bid by the subcontractors and change orders are substantially reduced, owners believe this delivery method to be highly cost effective.

5. CAPABILITIES REQUIRED

This method relies on traditional skills associated with each primary party, and does not require greater capabilities other than methods or the special skills that other methods may entail.

5.1 Owner

- The Owner must define the project requirements and determine the desired level of quality.
- The Owner must have the staff and time to consult with the project professionals, make decisions in a timely manner and communicate the decisions effectively.
- The Owner needs in-house staff familiar with managing a negotiated select team.

5.2 Architect

The Architect needs to have those capabilities required by the standard scope of services provided. The Architect must be able to work effectively with the Contractor; an ongoing relationship with other members of the team is desirable.

5.3 Contractor

The Contractor needs those capabilities normal to the construction industry and the requirements of the particular project. The Contractor must be able to work effectively with the Architect. An ongoing relationship with other members of the team is desirable.