

cm services



## kindred's standard service package

### *project budgeting*

- conceptual estimates
- elemental estimates
- detailed trade-based estimates
- pro-forma reviews
- life-cycle analysis
- value engineering
- cash flow analysis & projections

### *project scheduling*

- milestone scheduling
- pre-construction planning
- critical path & precedence planning

### *constructability reviews*

- document analysis
- scope of work definition
- labour & material availability
- construction market surveys
- design efficiency review
- promote project to trades & suppliers

### *contract tendering, negotiations & administration*

- pre-tender & pre-construction conferences
- contractor pre-qualification process
- tender analysis & recommendations
- trade contract administration
- material procurement

### *field supervision & coordination*

- construction site organization
- cost reporting & control
- schedule monitoring & control
- change order management & administration
- coordination & progress meetings
- daily site reports & monthly progress reports
- document control

### *project accounting*

- semi-monthly progress billing
- holdback accounts administration
- WorkSafe BC requirements compliance
- liability insurance requirements compliance
- contractor and supplier payment administration

### *project quality control*

- testing & inspection coordination
- deficiency reviews
- liaison with approval agencies

### *post construction services*

- contingency management
- dispute resolution services
- warranty enforcement
- project close-out binders
- operations & maintenance manuals

## the construction management approach to project delivery

Undertaking a construction project these days is no small task. Building codes and by-laws are becoming increasingly complex, particularly in light of recent “green” initiatives influencing construction materials and methods. The costs associated with materials and labour are on the rise, and there are the ever-present risks of budget and schedule overruns.

In light of all these obstacles, how can an owner maximize his or her project’s potential for success? At Kindred Construction, we believe that the Construction Management approach to project delivery offers a complete set of construction services set within a flexible and adaptable management framework unmatched by other project delivery methods.

For decades, the design/bid/build—or general contractor (GC)—approach to project delivery has been the most common approach to managing construction projects. This approach is fairly straightforward: once the construction documents are complete, a general contractor will review them and provide the owner with a lump sum fixed price to build the entire project. However, as appealing as the GC model may seem, it has several drawbacks. The most notable of these limitations are the GC’s lack of connection to the design process, a fixed price contract format that requires the substantial completion of project drawings and specifications prior to the start of construction, and a closed-book management system that limits the owner’s involvement during construction. Construction Management is a response to these limitations.

### *the design assist methodology*

Construction Managers (CM) typically get involved in projects well before construction starts, sometimes as early as the preliminary design phase. Although CMs

do not provide architectural design services, they will often provide constructability and design feasibility reviews that can influence the design process. This early involvement is the foundation of what is known as the Design Assist Methodology. Design Assist provides the owner an opportunity to leverage the CM’s construction expertise to inform the final design, and to minimize the potential for costly changes in work during construction that might result from flawed or inadequately coordinated design documents.

Moreover, Design Assist enables the CM to begin building preliminary construction cost estimates during the design phase of the project, giving the owner advanced insight into what the final design will cost to build. Should these initial estimates indicate a project budget in excess of that expected by the owner, the CM can provide Value Engineering (VE) services. VE services are only effective in a construction management scenario, where there is an opportunity for the builder to work closely with the design team—prior to the start of construction—to explore alternative materials and processes capable of bringing the budget more in line with owner expectations, while maintaining the integrity of the design vision.

### *a fast-track approach to construction*

If a GC is to provide a lump sum fixed price to an owner, the construction documents must be substantially complete before he is willing to take this risk and hire a number of subcontractors. As a result, no construction will start until such time that the GC is willing to set a fixed price. A GC could be pressured into providing a fixed price with incomplete documents, but this price would definitely be escalated to cover undefined scopes of work and the added risk associated with this arrangement.

The CM—in contrast—does not offer a lump sum fixed price, but rather works with an approved budget and a fixed fee. Since the risk associated with a lump sum price is removed, the CM is willing to start construction prior to the completion of the final design. This can also have the added benefit of accelerating the schedule, thereby offering the possibility of completing the project in advance of an owner's stated move-in date.

In addition, the CM is released from the need to delay the start of work until the final scope of work can be tendered at once. Instead, the CM can sequentially tender the work—for example, the trades needed to construct the foundation of a building can be retained and put to work before the project is fully designed. This also allows VE tasks to continue until such time as all of the trades have been engaged, which means more time to explore cost-saving opportunities—and that means bringing more value to the owner.

### *an open-book inclusive process*

Construction Management is an agency arrangement, whereby the CM acts as an agent for the owner, overseeing the project as a whole, rather than being restricted solely to managing the physical construction. The CM is responsible for project management, asset management, material and trade management, project finance management and quality control.

In addition to an enhanced management role, CMs typically work on a fixed fee basis plus the cost of the work, unlike the typical lump sum GC contract. In a true Construction Management arrangement, the trade contractors work directly for the owner, instead of working as subcontractors to the builder. This arrangement reduces the builder's risk and results in creating a collaborative open-book relationship between the builder and the owner.

There are a number of benefits to using the Construction

Management approach for project delivery:

- the agency relationship reduces the CM's risk, which means lower fees than those offered by GCs;
- the CM's fee is fixed (and is only subject to adjustment when the project schedule is extended by design changes or owner-driven changes);
- since the trade contractors work for the owner, their pricing is not subject to a mark-up by the CM;
- the owner has unobstructed access to all aspects of the project (tenders, trade invoices, progress reports, budget reports, etc.) as part of an inclusive management process; and
- the owner plays an active role in the project, rather than being a spectator (GC process).

Traditional approaches to construction have typically created a high-risk profile for builders. The result of this risk is an overriding need on the part of the builder to protect his bottom line. This leads to a need to marginalize the owner's involvement in the project, and to implement a closed-book management process. Simply put, the risk/reward profile of Construction Management offers greater benefits to the owner than a GC approach.

### *we bring value to your project*

We bring value to our clients regardless of the size, value and nature of their projects. We ignore cookie-cutter approaches to managing projects, and tailor our package of management services to suit your project's specific needs.

The flexibility and the unique features offered by the Construction Management process make this possible. We believe in the Construction Management process because we believe in bringing the greatest possible value, flexibility and involvement to our clients.