



# MAIN STREET BUILDING GROUP

## Introduction to Construction Management

What is the best approach to the creation of an architecturally designed custom home? What strategies lead to the greatest likelihood of satisfying the highest expectations of a homeowner contemplating the design and construction of a new home? Our answer is a partnering approach, one that creates a team of owner, architect and construction manager, before pencil ever touches paper. Our team approach is called Construction Management; it is a proven project delivery method that we adopted as our business model. Years ago, this approach was seen as a radical departure from the traditional delivery method – design, bid, build - but today it is embraced by design and construction professionals alike, as the best, if not the only truly effective way, for owners, architects and builders to work together toward a common goal. When that goal involves the aesthetics, quality, cost effectiveness and construction schedule of your new home, why take chances?

The professional practice of Construction Management arose as an alternative to the traditional design, bid, build delivery model because of wide recognition within the industry that the basic tenets of that model create adversarial rather than cooperative project relationships. In their 1982 book, *Handbook of Modern Construction Law*, Jeremiah D. Lambert and Lawrence White start their introduction with this sentence: "Compared with other sectors of the American economy, the construction industry is an extraordinary anachronism." Their book is a treatise on the prevention of construction disputes and on the basis of their experience, they recommend a team approach as an essential means to preventing the many potentials for dispute that are inherent to the traditional approach. Main Street Building Group LLC knows from experience that "partnering" leads to successful projects.

In 2007, the American Institutes of Architects (AIA) introduced *Integrated Project Delivery: A Guide*. In this publication, they adopt many of the concepts and much of the language descriptive of Construction Management. As the professional association that has historically set the procedural standards of the industry, we are excited to see this very significant endorsement of the core concepts of Construction Management by the architectural profession and the emergence of those concepts in a mainstream project delivery method.

The AIA's comparative language in the Guide uses words and phrases such as "fragmented," "segregated," and "silos of knowledge and expertise" to describe the "classical" method whereas it uses "collaborative," "open," and "team entity" to describe Integrated Project Delivery. Though Integrated Project Delivery and Construction Management are not an exact match, the AIA's introduction of a new system of project delivery in response to a changing industry and economy reinforces what we've known for quite some time, that in many areas of construction and especially in the design and construction of architecturally designed custom homes, the traditional - design, bid, build - system is typically dysfunctional and prone to creation of dispute.

So, what is it that distinguishes Construction Management from the conventional - design, bid, build - delivery method and what are the benefits to the owner? Primarily, Construction Management is a professional practice, based on standardized procedures, for managing the cost, quality and schedule of construction projects. It is a team approach that fosters a collaborative sense of purpose between owners, architects and builders. The architect and the construction manager are engaged at the very beginning of the project; this brings collaborative, professional structure to the process and most

importantly it brings builder knowledge, experience and perspective to the design phase of the project. It provides support to architects, thereby relieving them of much of the burden of dealing with the “business” of the project, allowing them to focus on what they are trained to do, design. This assistance, in many cases, allows architects to reduce their fees as a result of the decreased work load.

Within the construction realm, architecturally designed custom home construction is a distinct and very demanding specialty and we are specialists. These homes are unique; they are designed to be built one time, to suit the personal needs and appropriately high expectations of individual owners. Their design and construction tends to be quite challenging and their cost is typically a significant investment for the owner. By their nature, they are very highly detailed and the design typically continues to evolve throughout the construction of the home. The process involved requires high levels of professional experience, communication, cooperation, trust and close, effective working relationships. Construction Management evolved in response to the demands of complex projects and in recognition of an important reality; in today’s world no one profession possesses all the knowledge, skills and experience resources necessary to successfully undertake and complete these complex projects.

Competitive bidding is almost synonymous with the construction industry. It is the industry’s hallmark and has traditionally been regarded as one of its great strengths; it is also one of its most potentially contentious characteristics. Under the traditional design – bid – build delivery approach, the project is designed by an architect who works in isolation to produce a set of construction documents. These plans and specifications are then given to a number of builders, each of whom prepares an independent bid for the work. The builder is then chosen from this group of bidders, where the deciding factor is typically based on who has submitted the lowest priced bid.

Competitive bidding is part of a process intended to produce best value for owners. It, per se, is not a problem; it is where it is placed in the structure of the traditional delivery method and the impact that it has had upon shaping that structure that often results in problems. When the AIA describes the process as “fragmented” and “segregated” in their Integrated Project Delivery guide, they are referring to the structure of the traditional delivery system. The traditional design, bid, build model of project delivery tends to create win-lose relationships of varying degree between all those involved in a construction project.

Construction Management, alternatively, removes these structural impediments by creating a team at the very beginning of the project, a project team that will work together from start to finish, with one common, professionally managed goal, the creation of your new home. This approach is entirely different than the traditional one; it is open, inclusive, collaborative and fosters communication and effective working relationships. Where does this leave competitive pricing in the scheme of things? It remains an important element in the creation of value for the owner, it simply takes place at a different level; it happens at the supplier / subcontractor level, where it is professionally managed by the construction manager, based on his knowledge of those markets and his existing relationships with the business resources needed to undertake the project.