

CMAA Advisor

The Official Publication of the Construction Management Association of America



New Agreement Cements Bond Between CMAA, Corps of Engineers

The long-growing relationship between CMAA and the US Army Corps of Engineers reached a new level with the signing, at the CMAA National Conference & Trade Show in San Francisco, of a new Partnership Agreement.

Among the most important elements of this agreement is a shared commitment to promote the Certified Construction Manager (CCM®) credential, both as an appropriate professional certification for Corps personnel and as a preferred qualification in proposals of contractors seeking to do business with the Corps.

In addition, CMAA and USACE jointly agreed to:

- Enhance the image of Construction Management professionals as problem solvers and leaders.
- Promote qualification based procurement of CM services.
- Improve the knowledge of private industry CM professionals concerning USACE processes and systems.
- Improve CM practices through research, development, technology transfer, communication and teamwork.
- Collaborate in the development of project delivery systems compliant with the Federal Acquisition Regulations (FAR), so as to meet USACE customer needs.

- Promote CM as a profession to students, encouraging them to view CM as a rewarding career field, important to the nation's economy and security.

CMAA President Bruce D'Agostino and James C. Dalton, PE, chief of Engineering and Construction in the Directorate of Civil Works, are shown in the photo signing the agreement on October 14, as part of the annual Industry Awards Luncheon at the National Conference.

The Conference also coincided with an initiative CMAA has just completed to design a membership structure expressly to meet the needs of large owner organizations like the Corps. As part of this initiative, CMAA has created a new membership category in which USACE is the first member.

The new category enables USACE to designate 120 positions in its organization as membership positions for CMAA. Thus, CMAA membership attaches to job titles within USACE, not individual names. This enables CMAA to accommodate the frequent changes of assignment possible at USACE.

In addition, all 30,000-plus members of the Corps, military and civilian, become eligible for CMAA membership discounts on purchases, event registrations, and other services. **CM**

Contents

- 2 Chairman's Report
- 3 CMAA News
- 10 Certification
- 12 CMAA Foundation
- 13 Professional Practice Corner
- 16 Member News
- 18 Chapter News
- 19 President's Report
- 20 Professional Development Calendar

Chairman's Report

Chairman of the Board

Thomas W. Bishop, PE
URS Corporation

President and Chief Executive Officer

Bruce D'Agostino, CAE, FCMAA

Editor

John McKeon

Contributing Writers

Sarah Black

Martha Montague

CMAA is a construction industry association of 5,300 firms and professionals who provide management services to owners who are planning, designing and constructing capital facilities and infrastructure projects.

Our Mission is to Promote and Enhance Leadership, Professionalism and Excellence in Managing the Development and Construction of Projects and Programs.

CM Advisor, published bi-monthly by the Construction Management Association of America, reports on and follows the industry as a service to its members. Submission of articles, ideas and suggestions is appreciated and encouraged.



7926 Jones Branch Drive, Suite 800
McLean, Virginia 22102-3303 USA
Phone: 703.356.2622
Fax: 703.356.6388
Email: info@cmaanet.org
Web: www.cmaanet.org

CMAA ©Copyright 2008,
ISSN 1084-75327

Reproduction or redistribution in any form is forbidden without written permission of the publisher.

CMAA members receive this newsletter as a member benefit. Others are invited to subscribe and receive six bi-monthly issues for \$49.95 (domestic) or \$59.95 (international). Advertising opportunities are available for each issue. For subscription or advertising information, please contact John McKeon at jmckeon@cmaanet.org.

Four Key Priorities

*By Thomas W. Bishop, PE
URS Corporation*

I am deeply honored to serve as your Chairman and thank you for this opportunity.

As we heard at last month's annual conference, our industry is at a crossroads. Given the effects of the economic downturn and the unprecedented turmoil in the financial markets, our clients are demanding more from their Construction and Program Managers. In short, they want us to perform at higher levels and improve our overall productivity.

Today's Construction Management assignments are becoming increasingly larger and complex, and in order for us to continue delivering the best service for our clients, our profession must adapt to the changing environment. That is why my focus over the next year will be on the following areas:

1. Ongoing upgrading of standards and development of our professionals;
2. Embracing new project delivery models;
3. Capturing and incorporating advances in technology; and
4. Attracting and retaining professional talent.

First, we must ensure that our professionals have the necessary qualifications and skills to serve the critical needs of our clients. The industry is evolving and while we have one of the most robust standards program in the industry, times, expectations, and construction execution techniques have changed. Our Standards of Practice must continue to be upgraded to reflect the most current, proven, standards for the good of our industry. Based on these standards, we need to instill a "culture of certification" whereby our construction professionals have the demonstrated capability to perform to these rigorous standards.

Second, we need to recognize that project delivery and financing models are changing. In today's challenging economic environment, clients are turning to single source providers,

integrated project delivery, and alternative funding sources such as public-private partnerships to get the work done. CMAA will play a vital role in making sure our professionals understand these new dynamics and new requirements and are prepared to work with new partners. For example, we need to supplement our protocols to reflect the requirement of private investors and integrate their needs into the project delivery process.

Third, we have to take full advantage of the emerging technologies that allow us to manage projects more efficiently and effectively. For example, CMAA needs to incorporate the Building Information Management (BIM) tool into our toolbox. BIM reduces iterations of planning, design and change management by providing real-time integration of scope-time-and-cost and is a valuable tool for project delivery.

Finally, CMAA must look for innovative solutions to attract more talented people to our profession. Despite the current economic conditions, the US is expected to spend more than \$1 trillion on construction projects next year and that figure is likely to increase as the country looks to upgrade and replace its aging infrastructure. Significant portions of these projects are executed by CMAA member organizations. While we are justifiably proud of our 5,300 members, if we are going to effectively support this \$1 trillion effort, we will need to significantly increase our ranks. We must continue to identify innovative solutions to address our talent needs, including partnering with other organizations to develop industry-wide solutions.

This is truly an exciting time for the Construction Management industry. We have a lot to do in the coming years, but I am confident that if we work together and leverage our resources we can achieve our goals.

I look forward to updating you on our progress in the coming months. **CM**



National Conference Draws a Record 922!

Despite a challenging national economic environment, the 2008 CMAA National Conference & Trade Show in San Francisco set a new participation record, exceeding last year's then-record attendance by more than 100.

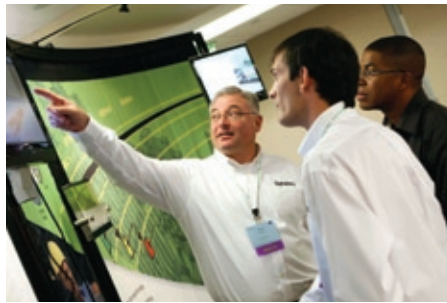
Total registration for the Conference was 922, compared to about 770 in Chicago in 2007. The 2008 Exhibit Hall was also sold out, with 60 booths filled, compared to 42 a year ago.

Attendees heard from keynote speakers Gary Heil, a noted author and business futurist, and Norbert Young, FAIA, president of McGraw-Hill Construction. Nearly 40 Professional Development breakout sessions, two offsite technical tours, the CMAA Foundation Golf Tournament, and a variety of networking and social events, culminating in the Industry Recognition Banquet, rounded out the program.

CMAA's annual election process concluded at the Conference, resulting in the new leadership slate printed to the right.

Opening keynoter **Gary Heil** shared his insights on managing organizational change in a humorous breakfast presentation. "All change begins with the personal change of the organization's leaders," he said. "If we push people to change, we just create more resistance. No one leader, in the absence of a different environment, is going to make a fundamental change."

Heil also stressed the importance of people having a personal stake in what they do. "If I go to work, is it a cause or just a job?" he asked. "People want to know, where are we going? Why? What's in it for me?"



At the awards luncheon, McGraw-Hill Construction President **Norbert Young** discussed a variety of major demographic and business trends that will shape the future marketplace, and highlighted some other "trends that answer the challenges." These trends include urbanization, sustainability, and digital design and construction. "The more collaborative the environment, the greater the likelihood of success."

Young reviewed a variety of current economic indicators and concluded that despite the current turmoil in the national economy, there is "good news" for construction. "We are huge, and we are a necessary industry. We are an industry of personal opportunity for advancement," he said. **CM**

CMAA Board of Directors 2008 – 2009

Officers

Chair: Thomas W. Bishop, PE, URS Corporation

Chair-Elect: Gary J. Cardamone, PE, Port of Long Beach

Treasurer/Secretary: David Conover, CCM, HDR, Inc.

Past Chair: William Van Wagenen, Jr., CCM, CH2M HILL

Vice Chairs: Raoul D. Ilaw, PE, Parsons
Steven A. Routon, PE, HNTB Corporation
Ronald C. Kerins, Jr., CCM, GREYHAWK
Raymond J. Brady, CCM

President & CEO: Bruce D'Agostino, CAE, FCMAA

General Counsel: Hugh K. Webster, Esq., Webster, Chamberlain & Bean

CMAA Board of Directors

Robert Bennett, RABCO Associates, Inc.

Pedro L. Capestany II, PE, P.L.C.

Jeffrey S. Dailey, PE, North Texas Tollway Authority

Jerry Gallagher, Gallagher Construction Services

Michael V. Griffin, PE Hill International, Inc.

Rob Harris, CCM, PE, PBS&J

William E. Heitz, CCM, Heery International, Inc.

Judith Kunoff, CCM, MTA New York City Transit Authority

Charles Levergood, PE, Jacobs

D. J. Mason, III, PE, Keville Enterprises, Inc.

J. Michael Potter, CCM, PE, RK&K

Ron Price, CCM, Parsons Brinckerhoff

Melissa Robins-Cesar, CCM, Tishman Construction Corporation of DC

Mani Subramanian, CCM, Vanir Construction Management, Inc.

Director Emeritus: Joseph L. Seibold, PE, FCMAA, PinnacleOne

Ex-Officio: Joseph A. Barra, Esq., Seyfarth Shaw LLP

Charles G. Hardy, CCM, US General Services Administration

George O. Lea, Jr., CCM, US Army Corps of Engineers

Look Who's Joined CMAA Lately!

A list of companies and individuals who have joined CMAA recently can be found online at www.cmaanet.org/newmembers

PD Session Highlights

“A Focus on Trust” in Integrated Project Delivery



The CMAA College of Fellows presented an interactive discussion of Integrated Project Delivery in San Francisco, outlining the contents of its nearly-complete new white paper on IPD and identifying both obstacles and opportunities for IPD.

“This is the best opportunity we have had to really improve the products we turn out and the things we do for our clients,” said Don Russell, FCMAA, introducing the session. His co-presenter, Chuck Thomsen, FAIA, FCMAA listed seven common themes that characterize IPD:

- A legal relationship among the parties
- A management committee to guide collaboration
- A shared incentive pool
- A “no-blame” working relationship
- Design assistance involving subcontractors and vendors
- Lean practice
- Collaborative software, and
- A “contractual focus on trust,” in which risk is assigned to the team members best able to mitigate it.

Panelist Kevin Delorey of Quarles & Brady noted that IPD “is not going to be right for every project. One thing that has to be right is the owner,” in order for IPD to work, he added. Panelist Will Lichtig of McDonough, Holland and Allen agreed, adding that “the team has to be enabled to behave as a collective enterprise.”

(An excerpt from the White Paper is published this month in the Professional Practice Corner.)

The Finance Industry’s Impact on the Future of CM

Lenders are the key players in Public Private Partnerships, and they bring to projects a set of viewpoints and expectations that other participants need to understand.

That was one of the main messages of a high level panel chaired by Tom Bishop of URS Corporation. The panel included lenders, government officials, and CM/PM practitioners.

“This structure is driven by financing from the beginning,” said Peter Winder of Balfour Beatty Capital, noting that “the value of the project is as a going concern. It has no intrinsic value itself.” For instance, lenders who might finance a highway project are motivated by the prospect of cash flows from tolls.

Peter Luchetti, founder of Table Rock Capital, offered similar views, noting that his firm expects a return on investment “in the 13 to 20 percent range. Don’t involve the private sector unless you can achieve 15 to 30 percent life cycle cost savings,” he added.

Gary Groat of Fluor warned that “you can’t cherry-pick projects. You have to solve a total transportation problem.” On the other hand, he noted, PPPs are “a great market to get into because there are many more opportunities than competitors and resources.”

Is your CM earning its Fee?

Owners agree they want value from their CMs, but that value isn’t always easy to measure. As a new evaluation tool, Chris Payne, CCM, PE, of McDonough Bolyard Peck introduced an Evaluation Spreadsheet that helps owners analyze the value of their CMs by rating specific contributions. For instance, one category asks whether the CM takes initiative when problems arise. The owner is prompted to respond on a scale from “Never” to “Always,” and answers are weighted.

Payne suggested that this evaluation be conducted periodically during the CM’s involvement in the project.

Owners on the panel stressed the importance of their CM’s leadership. “When I hire a CM, I want his or her recommendation. That’s what we’re paying for. Sometimes the owner has to make the final decision, but I always want a recommendation. That’s part of leadership,” said Richard Stephenson of the General Services Administration. “I need a CM to tell me what I need to hear, not what I want to hear,” he noted.

Owners also emphasized the importance of a CM’s effort to bring every individual working on a project together. “In today’s environment, we are looking for collaborative teams,” said Stephenson. CMs discussed their need to be heard. “If the owner isn’t listening to you, you aren’t adding value,” said Blake Peck, CCM, FCMAA, of McDonough Bolyard Peck. CMs also want owners to be as specific as possible when identifying the scope of the project in order to avoid misunderstandings and error.

The Evaluation Spreadsheet allows for CMs to gain feedback from their owners as they work toward a positive project outcome.

Cost Estimating and BIM – Project Examples

The development of new technologies in the construction industry often moves faster than individuals can react to them. “One thing is for sure, the design process is going to change” said Michael Dell’Isola, PE, of Faithful+Gould. “BIM (Building Information Models) pushes for more collaboration,” he added, “it gives us the opportunity to work together.” BIM’s interoperability will decrease the calendar time it takes to produce an estimate; Dell’Isola said, “Efforts should overlap more rather than being sequential.”

George Aucamp of Faithful+Gould illustrated some of the advantages BIM provides by doing a virtual “walk through” of a large airport project. He pointed to details such as color scheme and ceiling height that could be easily

altered should the client change his or her mind after seeing the realistic image BIM portrays. BIM, by requiring significantly less time, effort, and money to carry out minor design changes, makes modeling more efficient.

Both Dell’Isola and Aucamp stressed the fact that industry standards will need substantial expansion and improvement in order to reap all the benefits BIM can provide to the modeling process.

From Tough as Nails to Painted Nails: A tribute to Women in Construction

Entering the Construction Management industry as a woman proved a challenge for several panel members and members of the audience alike as recounted at this year’s educational session devoted to women. Panel member Ann Marie Sweet-Abshire, CCM, recalled being denied admittance into a mechanical drawing course as a high school student, and told “you’ll be the only girl in the class.”

Melissa Robins-Cesar, CCM of Tishman Construction Corporation and Tommy Thomas, FCMAA, CCM of Turner Construction Company performed a skit designed to illustrate the struggles women faced at job interviews 20-40 years ago. “You’d sure be great in sales,” said Thomas, despite Robins-Cesar’s obvious aspirations and qualifications to work as a construction manager.

The perseverance of women who refused to take “no” for an answer have paved the way for women today. “I am seeing more and more females in the industry,” said Robins-Cesar. The session went on to highlight progress made as well as draw attention to areas that could be improved. For instance, only about 10 percent of CCMs are women, a number that while relatively significant, could stand to rise a great deal. “We are making strides,” said Thomas.

Young women are now more likely than in the past to pursue degrees in civil engineering and Construction Management. Robins-Cesar emphasized

the importance of women “coming together and moving forward” to foster the continued advancement of women in the industry.

Building Community Support Through Project Site Tours

It is not uncommon for a community that has experienced several years of consecutive construction projects to develop some ill will.

Negative impacts, such as blasting, 24-hour work, and increased truck traffic take a toll, especially when the community is uninformed about the project, its purpose, and its progress.

Jessica Berlin of Katz & Associates is part of a public outreach team that gains community support for construction projects through site tours. Berlin pointed to one example of a California suburb that experienced seven years of consecutive construction; in this case, people needed to understand the project and why it was necessary.

Allowing community residents to tour the site safely gives them a chance to meet the project team face to face, “It puts a human face on an otherwise large and intimidating project,” said Berlin. These in-person meetings are also a chance for the project team to address residents’ concerns, which, in turn, builds support.

Planning these tours requires coordination with the project team to ensure that residents are viewing the site in a safe and secure manner, and that they are not “in the way” of the project. Though the logistics of the tour planning process can be complex, the result is a more “on-board” public. “When you have a public behind you, your project goes more smoothly,” said Berlin.

Collaborative Relationships: What’s Working Internationally

In order to penetrate the international market, CMs face a pressing need to eliminate barriers in the construction industry.



Alan Crane, CBA, of Crane Construction Consulting Services and a trustee on the CIOB Board said that attention should first be paid to identifying the basic industry and understanding its underlying culture. He emphasized the importance of taking a look at the business in terms of the need for it, and its function. Once those distinctions have been made, he pointed to collaboration as the next large step. “The key is to get the people with the right information involved at the right time,” Crane said.

Crane suggested that integration should begin with education, and that teamwork should be valued over individualism. “Get people with compatible organizations together,” he said, “Then, and only then, write the contract.” He reported that all major organizations in the UK are attempting this integration process. In doing so, they are creating strategic alliances that are better prepared to enter the international market.

Quoting Gary Heil, a keynoter of this year’s conference, Crane said that “belief is essential.” He explained that once industry professionals start believing in the power of this large scale integration, it can become a reality. **CM**

Lea Honored as Person of the Year



George O. Lea, Jr., CCM, of the US Army Corps of Engineers, was named “Person of the Year” at the Construction Management

Association of America’s National Conference & Trade Show.

CMAA’s Person of the Year Award recognizes an industry leader who has made significant contributions on behalf of the Construction Management industry. This industry advocate possesses unparalleled leadership skills, high quality workmanship, and has an outstanding track record in delivering successful programs.

George Lea has been one of the prime shapers of the relationship between CMAA and the Corps of Engineers, a relationship that will enhance innovation and progress in the Construction Management industry. Lea has advocated emerging technologies and progressive approaches to professional recruitment and training.

As a member of the Board of Governors of the Construction Manager Certification Institute (CMCI) and chair of the Institute’s Ethics Committee, he has sought to enhance CM professionalism throughout the federal government and to promote Construction Manager Certification as a key tool for better project and program outcomes.

“I am deeply honored to have been recognized by my colleagues and friends at CMAA. I see tremendous opportunity for growth in our business. I have become passionate about professional development and certification; I believe they are the path we need to take to sustain and improve our practice. I am thankful for the opportunity to have made a contribution to such a great cause,” said Lea. [CM](#)

CMAA Honors Distinguished Service and Inducts New Fellows

CMAA presented its Distinguished Service Award at the National Conference and inducted five new members in the College of Fellows.

The Distinguished Service Award recognizes a CMAA member for outstanding long-term contributions to the profession and the Association. This year, it was awarded to Mark Berry, Esq., of the law firm of Peckar and Abramson.

As an active member of the association, Berry has delivered Professional Development programs on Risk Management and Claim Scheduling. Furthermore, as chair of CMAA’s Legal Counsel Committee, Berry has provided exemplary legal guidance to members of the CMAA staff. Earlier this year, Berry received the Chairman’s Award; his continued contributions earned him CMAA’s Distinguished Service Award.

CMAA’s College of Fellows welcomed four new members at the awards banquet:

Edward A. Bond, Jr., CCM, of Bond Brothers, Inc. has been an active CMAA member for 13 years. Since 2003, he has served on the Construction Manager Certification Institute (CMCI) Board of Governors. Bond has served as a leader of the New England chapter, earning him the New England chapter’s Person of the Year award. In addition, CMAA has bestowed upon him both a Chairman’s Award and a Distinguished Service Award.

Robert Fraga, AIA, of the Smithsonian Institution has contributed to a number of CMAA initiatives including the Standards of Practice Committee and the Membership Committee. Fraga’s efforts have led to increasing recognition of

the CCM’s professional credentials as the “gold standard” for Construction Management, particularly in the public sector. Moreover, Fraga has held several positions on the national Board of Directors, including serving as CMAA president in 2005-2006.

Joe Seibold, PE, of PinnacleOne has served two terms on CMAA’s Board of Directors, serving as chair in 2004 and 2005. Seibold’s contributions to the promotion of the CM profession to students and young professionals have been invaluable. He has played a pivotal role in molding the Southern California chapter into its present thriving state. Furthermore, he’s served as a role model to others in the profession, demonstrating his notable passion for developing industry understanding and cooperation.

J. T. “Tommy” Thomas, CCM, of Turner Construction Company has contributed valuable wisdom to CMAA, as he has more than four decades of experience in the construction industry. Thomas has received both CMAA’s Chairman’s Award and Distinguished Service Award; he’s been a strong advocate for certification and has served as a resource for many individuals as they work to earn their CCM. Thomas has also shared his experience with others in the industry by teaching CMAA’s Standards of Practice Courses, and by helping CMAA establish its online education offerings.

In addition, CMAA’s president, Bruce D’Agostino, was inducted into the College of Fellows in a special presentation at the banquet. [CM](#)

2008 CMAA Project Achievement Awards

Sixteen projects, ranging in cost from less than \$10 million to more than \$100 million, received "Project Achievement Awards" at this year's National Conference.

The awards were presented during CMAA's Industry Recognition Dinner at the conclusion of the conference. Both winning CMs and project owners were present to receive the awards. A panel of more than 20 judges selected the winners from among more than 100 entries. The judges panel was chaired by Mark Ballard of AECOM and Bill Heitz, CCM of Heery International.

The Project Achievement Award winners, by category, are:



Buildings, New Construction Project with Constructed Value Less than \$10 Million
Connecticut College Asset Reinvestment 2007

Owner: Connecticut College
CM: Konover Construction Corporation

Buildings, New Construction Project with Constructed Value Less than \$30 Million

Goldfarb School of Nursing at Barnes-Jewish Hospital

Owner: BJC Healthcare and Barnes-Jewish Hospital
CM: S.M. Wilson & Company

Buildings, New Construction Project with Constructed Value Less than \$50 Million

Johns Hopkins University – Applied Physics Laboratory – Systems Integration Buildings Program

Owner: Johns Hopkins University
CM: Jacobs



Buildings, New Construction Project with Constructed Value Less than \$100 Million

Virginia Commonwealth University, Snead Hall, School of Business and East Hall, School of Engineering

Owner: Virginia Commonwealth University
CM: Gilbane Building Company



Buildings, New Project with Constructed Value Greater than \$100 Million
Huntington Memorial Hospital West Tower Replacement Project

Owner: Jacobs Field Services North America Inc.
CM: Jacobs



Buildings, Renovation/Modernization Project with Constructed Value Less than \$20 Million
TRO Jung/Brannen

Owner: TRO Jung/Brannen
CM: Structure Tone, Inc.



Buildings, Renovation/Modernization Project with Constructed Value Greater than \$20 Million
State of Utah Capitol Seismic Retrofit and Restoration

Owner: Utah State Capitol Preservation Board
CM: Parsons (PM) Jacobson Hunt Joint Venture (CM At-Risk)



Infrastructure Project with Constructed Value Less than \$10 Million

Hibbs Bridge Restoration

Owner: Virginia Department of Transportation/Loudoun County
CM: McDonough Bolyard Peck, Inc.

Infrastructure Project with Constructed Value Less than \$50 Million

Corona Del Mar Water Treatment Phase 2 Upgrades & Modifications Design-Build Project

Owner: Goleta Water District
CM: MWH Constructors, Inc.

Infrastructure Project with Constructed Value Less than \$100 Million

US Capitol Power Plant West Refrigeration Plant Expansion

Owner: Office of the Architect of the Capitol/US Capitol Power Plant
CM: Hill International

Infrastructure Project with Constructed Value Greater than \$100 Million

Lower Northwest Interceptor Pump Stations

Owner: Sacramento Regional County Sanitation District
CM: PSOMAS

Buildings, Program Management/Program Phase

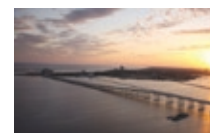
Greenville Country Public Schools Capital Construction Program

Owner: Greenville County Schools
CM: Institutional Resources LLC (JV Faithful+Gould, Hughes Development, Shouse Development, Global Performance)

Infrastructure, Program Management/Program Phase Infrastructure

Walter E. Peele-Dixie Water Treatment Plant Membrane Expansion

Owner: City of Fort Lauderdale
CM: CH2M HILL



Infrastructure, Program Management/Program Phase Infrastructure

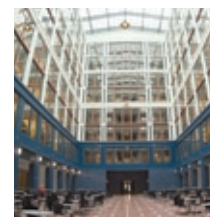
St. Louis Bay and Biloxi Bay Bridges

Owner: Mississippi Department of Transportation
CM: URS Corporation

International Project/Program/Program Phase

Bundamba Advance Water Treatment Plant

Owner: Western Corridor Recycled Water Pty Ltd.
CM: Black & Veatch/Thiess Alliance



Chairs' Special Recognition Award

US Department of Transportation Headquarters

Owner: GSA National Capital Region
CM: Jacobs

(Complete details on the merits of these projects can be found on the website.)

CMAA/FMI Owners Survey Assesses Risk

The Ninth Annual Owners Survey conducted by CMAA and FMI, whose initial results were presented at the National Conference, addresses risk management. The survey sought to understand which risks owners regard as the most serious and what steps they take to mitigate or manage those risks.

The study combined a detailed questionnaire with extensive personal follow-up interviews, and gathered data from more than 200 owners. Based on interim study results available in early October, owners identified the following five risks as the most frequently observed:

- Commodity demand
- Price focus in procurement
- Energy costs
- Construction service demand
- Internal customer integration

In addition to measuring the frequency with which owners encounter specific risks, the CMAA/FMI study asks owners to assess the significance of risks in these distinct categories:

- Financial risk
- Schedule risk
- Risk to public perception and internal reputation
- Risk to quality of project
- Safety risk

Based on this data, the study appraised the impact of each of 37 different risks in each of these five areas. It found, for instance, that risks arising from government regulations were likely to have a much greater impact on schedule than on project quality, safety, or other factors. In contrast, the risk of hiring the wrong general contractor posed the greatest danger to project quality and schedule, compared with the other factors. The most frequently observed risk, related to demand for commodities, has the greatest implications for project schedule, but also impacts quality. Of

course, many of the identified risks become more acute, or more difficult to manage, in an environment of accelerated project delivery.

The CMAA/FMI study identified four basic strategies owners can apply to risks:

- Accept and manage risks
- Accept risk and transfer it
- Avoid risk entirely
- Recognize a risk and ignore it – mainly because its perceived impact is small.

When the rates of usage of these strategies were classified into three types, the survey found that 61% of the time, owners are accepting and managing risks, 22% of the time owners are accepting and transferring risks, and the balance of time, they avoid risks.

Among the other highlights of this new survey:

- Owners elect to either “accept and manage” or “accept and transfer” the 28 risks included in the survey 61% and 22% of the time, respectively.
- 33% of the time firms request a budget increase to address risks included in the survey.
- 75% of the time firms use program level purchasing power to address risks included in the survey.
- 25% of the time, owners use the same strategy, tactic or process to address both of the different challenges of frequency and impact.
- 43% of 28 risks included in the survey were observed with both low frequency and impact by owners.
- There were *virtually no risks* perceived as being low frequency and high impact by owners.

The complete study can be found on the website. [CM](#)

PD Pursuing International Initiatives

CMAA’s Professional Development department and International Committee will continue in 2009 to develop two key international initiatives:

Tree of Life (TOL)

CMAA will partner with Tree of Life Professional Development, a tax exempt charitable corporation that seeks to develop the engineering and construction capabilities of local populations in post-conflict regions. A group of Iraqi professionals in construction, engineering and related fields will be provided with extensive training in the CMAA SOPs and Core Competencies. The group will then relocate to the US for additional training and workplace experience with CMAA member companies.

CMAA will deliver the new 24-hour “Foundation Course,” eight SOP Certificate eLearning programs, webinars, and the opportunity to participate in the Construction Manager in Training (CMIT) program. Iraqi participants will also be trained in “train the trainer” programs designed to enable them to teach the skills they’ve learned to others upon their return to Iraq.

Chartered Institute of Building (CIOB)

CMAA’s “Cooperation Agreement” with the CIOB, signed in May 2008, encourages the sharing of research and expertise overseas in order to create a stronger global environment for CMs. The agreement also allows CMs from other nations to benefit from CMAA’s professional development and certification practices. Implementing this agreement will be a priority for Professional Development in 2009. [CM](#)

CMAA Adopts Safety Policy

The Board of Directors has approved a new Policy Statement on Safety, emphasizing promotion of a “safety culture” on all projects, allocation of risks to the parties most able to manage them, and appropriate liability protection for parties monitoring construction activities on behalf of the owner.

CMAA’s policy statement notes that “the Construction Manager’s obligation to provide services related to safety varies substantially from project to project and should be clearly specified in the contract between the owner and the CM.”

In general, the Board of Directors agreed, “The CM should counsel the owner in creating contracts and processes so that:

- Responsibility and liability for specific risks are assigned to the party most able to control and mitigate those risks.
- A safety culture on the project makes it clear that all participants are expected to report known hazards to the appropriate individual or entity responsible for the involved work, as well as perform their own work in full compliance with applicable laws and regulations.
- Appropriate liability protection is provided to those parties responsible for monitoring construction activities on behalf of the Owner.”

Safety has long been a paramount concern of professional Construction Managers, along with other participants in the construction industry, and this concern has been heightened in recent months by several well-publicized construction site accidents. As part of its broader commitment to a “Safety Culture,” the CMAA Board also stated that CMAA:

- Advocates that members maintain a strong and unwavering commitment to their personal safety and health, and emphasize this safety culture within their work force.
- Is dedicated to providing education and information to its members in the areas of safety and health legal compliance and occupational injury and illness prevention.
- Maintains that laws and regulations governing Construction Management practices should be based on sound principles to create workplace solutions to safety and health problems and not undue liability exposure.
- Urges members to establish and enforce safety and health programs within their companies that will help employees recognize and avoid inherent hazards of the construction work environment.
- Believes that the industry should work actively to eliminate substance abuse in the workplace through establishment and enforcement of strong anti-drug policies. [CM](#)

CMAA eLearning

CMAA’s Professional Development department is in the process of creating a “Foundation Course,” an interactive blended solution that augments the former “Capstone.” The audience for this course is college level students through seventh year professionals in the industry.

The cohort design allows between twelve and fifteen registrants to participate in the course, creating a personal, interactive learning atmosphere. It includes weekly two-hour meetings with an instructor that are designed to reinforce knowledge from each section. The “Foundation Course” is scheduled to become available in June 2009.

CMAA is also planning a full slate of other programs for the coming year, including:

- BIM Workshop (January 13, 2009)
- Sustainability Workshop (January 23, 2009)
- Leadership Forum, Scottsdale, AZ (May 17 – 19, 2009)
- National Conference & Trade Show, Orlando, FL (October 25 – 27, 2009)
- Water Summit, Las Vegas (July 19 – 20, 2009)
- Webinars (2 Per Month for 2009)
- WPL Scheduling Webinars (December 3 and December 10, 2009) [CM](#)

CMAA Staff News

Warren J. Corson, a veteran specialist in online training and “train-the-trainer” programs, has joined CMAA as Manager of E-Learning.

Corson comes to CMAA from Online Resources, a Chantilly, VA based firm providing technology services for financial institutions, credit card companies and other clients. As principal training specialist, he helped develop a variety of in-house training and blended learning programs.

Corson will help guide the transition of CMAA’s extensive Professional Development programs into online, self-paced, and mobile formats, as well as helping to create new programming in response to member interests and needs.

Sarah Black, a recent Virginia Tech grad, has joined the staff as Communications Associate. Her responsibilities will include news releases, website maintenance, *CM Advisor* and other publications. [CM](#)

Certification

OPM: Feds Can Pay for Certification

Federal agencies may pay the cost of professional certification programs for their employees, reimburse employees for their expenses in pursuing certification, use certification as a quality ranking and job selection factor, and offer these benefits as a recruitment tool in attracting applicants for hard-to-fill positions.

Those are the key points in a recent “Fact Sheet on Certification and Certificate Programs” issued by the US Office of Personnel Management. OPM issued the memo in August in response to “numerous inquiries...regarding the development and implementation of certification programs.”

OPM’s memo states that agency heads have “the flexibility to pay for credentials, including certifications that relate to the mission, goals and objectives of that agency.”

In addition, agencies may “use this authority for performance or developmental purposes, for recruitment or retention, or to reimburse those who have already paid for licenses or certifications.”

In filling key positions, the OPM memo notes that “certification is appropriate for use as a selective factor...certification becomes part of the minimum qualifications for the position, and individuals who do not possess those qualifications are ineligible for further consideration.”

This new guidance from OPM’s director clarifies and restates a government policy that should be of interest to all federal employees with Construction Management responsibilities. [CM](#)

CMCI Provides Support for Applicants

CMCI has launched “a comprehensive attempt to help people from their first contact with us,” notes Lou Couture, Chair of the Board of Governors Application Committee. The effort responds to a concern that many people outside the CCM community remain unaware of the resources the Institute has created to aid in certifying professional construction managers.

“CMCI Staff will provide a CCM mentor who can answer questions about the application and the process,” explains Couture. “Of course, office staff are ready to field questions.”

Carl Sciple, PE, CCM, Chair of the Board of Governors, adds that “The Institute also holds frequent free webinars; prospects and other interested parties can ask questions in real time.... Staff provides most of the answers immediately.”

Prospects need only register online to obtain a call in number and conference code. They may need to create a free customer account in order to access the registration site. “These two supports along with a revised application packet provide clear and definitive information for those seeking certification,” Couture concludes. “We continue to strive to make our application process as transparent as possible,” Sciple says. “Our mission is to certify qualified construction managers, and we are making every effort to reach this objective.”

For more information, please visit www.cmcertification.org or call the office at 703.356.2622. [CM](#)

Congratulations, New CCMs!

Congratulations to these CM professionals who have earned their Certified Construction Manager distinction:

Scott Battles

General Services Administration, Washington, DC

Jack D’Andrea

STV Construction, Inc., Charlotte, NC

Scott Engum

Shaw Energy & Chemicals Group, Houston, TX

Michael Flaherty

STV Construction, Inc., New York, NY

Toby Fritz

Dick Corporation, Cleveland, OH

R. Michael Godfrey

Godfrey Engineering, LLC, Blue River, OR

Ernesto Jarvis

McKissack and McKissack, New York, NY

Darrell Ray Jenkins

M.B. Kahn Construction Co., Inc., Columbia, SC

Jeffrey King

Jacobs Engineering Group, Inc., Orlando, FL

Darrin Lambrigger

PB Americas, Inc., Orange, CA

Phil Moffitt

Nabholz Construction Corporation, Little Rock, AR

Steven Niskanen

Spaw Maxwell Company, LP, Houston, TX

Tony Ramirez

Harris & Associates, San Diego, CA

Anthony Rivas

W. G. Mills, Inc., Clearwater, FL

Douglas Stovall

Metcalfe & Eddy, Inc., San Francisco, CA

James Thompson

Harris & Associates, Concord, CA

Coy Veach

Freese & Nichols, Inc., Fort Worth, TX

Scott Wardle

Michael Baker Jr., Inc., Linthicum, MD

Robert A. Wright

Heery International, Inc., Washington, DC

Ronald Zwerdling

Jacobs, New York, NY

Board of Governors Expands

The Construction Manager Certification Institute Board of Governors has expanded to help the governors keep up with the growing workload associated with the certification program.

After approval of the expansion by the CMAA Board of Directors, the CMCI Board elected several new members.

The current Board of Governors consists of:

Chair: Carl Sciple, PE, CCM, Keville Corporation

Vice Chair: Roy Beeson, CCM, McDonough Bolyard Peck

Secretary: Lou Couture, CCM, URS Corporation

CMAA Board Liaison: Ray Brady, CCM

Claude "Skip" Berry, CCM, Wehr Constructors, Inc.

Edward A. Bond Jr., CCM, Bond Brothers Inc.

Steven V. DiBartolo, CCM, Hill International, Inc.

Tom Haid, CCM, Parsons

Mehdi Heydari, PE, CCM, Vanir Construction Management

Sid Hymes, CCM

William Ingles, PE, CCM, CH2M Hill

Joe Lawton, CCM, AECOM

Linda Phillips, CCM, General Services Administration

Larry J. Smith, CCM, US Army Corps of Engineers

Brian Stover, CCM, Urban Engineers

Ken Vogel, CCM, Metropolitan Washington Airports Authority



Leading program and construction management firm with proven project controls based on the innovative MOCABuild™ technology.

Program Management
 Construction Management
 Cost & Schedule Control
 Green Building (LEED)
New: BIM Constructability
 Proven Technology



www.mocasystems.com

Boston

San Antonio

Honolulu



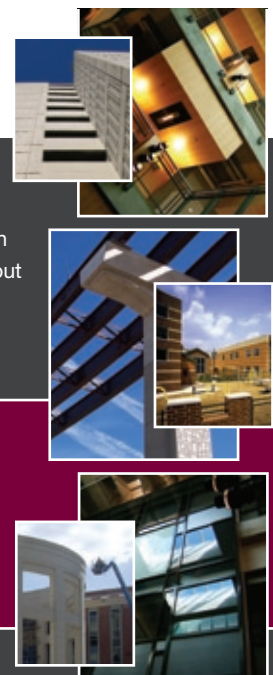
Construction Engineering Services:

- Construction Management
- Program Management
- Risk Management
- Constructibility Review
- CPM Scheduling/Analysis
- Cost Estimating
- Commissioning
- Construction Inspection
- Contract Admin/Closeout
- Dispute Resolution
- Training

McDonough Bolyard Peck, Inc. (MBP) is a multi-disciplined consulting engineering firm experienced in assisting clients in managing the construction process from initial budget, through design & construction, to successful project closeout.

Engineering News Record ranks MBP one of the top 100 construction management firms in the country.

www.mbpce.com | 800-898-9088



CMAA Foundation

Three New Videos Promote CM Careers

"I really like my job. I love coming to work every day. I think about it as soon as I get in the car," says Jemehl Lillie-Holland of the B. F. Saul Company.

"I especially like being able to build projects that have a positive impact on so many people," says Taryn Doherty of Keville Enterprises.

Walter Fedrowitz of American Infrastructure says, "When you work on a project, you actually get hooked. I love this job."

Three young, early-career CM professionals share the excitement and rewards of their jobs in a series of short, dynamic video clips that made their debuts during the National Conference.

The videos are intended for many uses. They can, for instance, be mounted on company websites or embedded in slide presentations. They will also see wide circulation through social media sites. To obtain copies of the videos, contact the Foundation. [CM](#)



It's Easier than Ever to Make a Difference!

Now you can contribute to the CMAA Foundation quickly and easily – online!

If each of our 5,000-plus members gave just \$50, or pledged \$10 per year for five years, we'd exceed our goal of \$500,000 and make the Foundation a real force in our industry.

We have implemented an online contributions module at the CMAA website, which you can access at www.cmaanet.org/how-contribute. Just a few clicks, and it's done. Your contribution is quick, easy and most appreciated.

CMAA extends a very big "Thank You" to those of you who have generously contributed to the Foundation, and we want to invite all other CMAA members to join our Capital Campaign crusade by contributing now.

Our Capital Campaign, "CONSTRUCTION MANAGERS BUILDING FOR THE FUTURE," will create an Endowment Fund, which will provide the financial resources necessary to: Continue our annual national scholarship program; provide meaningful research and development; and produce a number of meaningful CM recruitment tools tailored to students which describe the importance of CM/PM and the rewarding career paths offered by our industry. The Foundation Board is very passionate about recruiting the next generation leaders to our industry.

I'm sure you will concur that we had a most exciting record breaking National Conference. We are very proud of the

progress we have made this year in awarding five annual national scholarships and creating three videos in which actual early-career CM practitioners describe in their own words what excites them about their jobs and why other young people should consider careers in CM.

These videos are a first of many that will be embedded into slide presentations for CM practitioners to bring into local schools; mounted on websites, and circulated on social media sites. We see these videos getting a wide variety of uses and this significant project is a key step in carrying out one of the Foundation's central missions, to get young people excited about careers in CM.

Corporations small and large, CMAA Regional Chapters, and CMAA Members have all stepped up to the plate and joined our capital campaign crusade. CMAA Fellow Chuck Thompson generously donated all the proceeds from his book on Program Management to the Foundation. We are elated that we have exceeded \$300,000 in pledges but we need "YOUR" help to reach our goal. We are striving for 100% CMAA member participation.

"If you can imagine it, have passion for it, you can achieve it." Won't you help us achieve our goal?

Check out our new career videos on our website, and visit the Foundation at www.cmaanet.org/how-contribute today to make your pledge or donation! [CM](#)

Wine Tasting Event Raises \$7K+

Taking advantage of a location adjoining one of the world's great wine producing regions, the Foundation staged a first-ever "Taste of California" wine and cheese tasting party at the National Conference.

The event was co-sponsored by the Northern California and Southern California chapters of CMAA and wines were selected from the

Blackburn Winery in Paso Robles, CA. More than 115 people attended, and the event netted more than \$7,000.

Among the reception's features was a continuous showing of the three new career promotion videos the Foundation has recently created, demonstrating the tangible results flowing from contributions to the Foundation. [CM](#)

Professional Practice Corner

Integrated Project Delivery

A White Paper from the CMAA College of Fellows

(This is an excerpt from a paper being developed by the College of Fellows. The entire draft is available in the Fellows section of the CMAA Website.)

Goals and Incentive Compensation

The IPD concept seeks to align a project team with the owner's goals—by stipulating them, defining the metrics for measuring them and providing incentives for achieving them. Incentive rewards (or penalties) are typically shared by the IPD Team proportionate to their participation in the project.

IPD is a good idea. It works because it causes the owner to focus on a clear statement of goals and sends strong, clear messages. Attaching money to the message makes it infinitely more convincing. Incentive compensation amplifies the message.

However, it is crucial for managers of IPD Teams to realize that these incentives have the potential to create conflict as well as alignment. Every action has a reaction; every goal that affects incentive compensation is a potential source of disagreement. If goals are set or managed ineptly, they have the potential of driving a wedge of discord between the owner and the IPD Team—the reverse of what is intended.

For instance, if there are goals of cost and schedule, and if there is a change in scope during the project, the IPD Team and the owner must negotiate a change order that may cause traditional unspoken feelings of adversarial relationship to surface. An incentive to save money may create a perception of self-interest and distrust when the IPD Team suggests an economy. The owner may feel that the IPD Team is being rewarded to cheapen the project—again weakening the collaborative trust that is fundamental to IPD.

A project will have many goals. In addition to the classic trio of schedule, quality and scope, goals might include safety, sustainability, HUB participation, local business participation, minority hiring. Some goals will be particularly hard to measure, such as consideration of users, community relations and management response to unpredictable events.

Incentivizing some of these goals may cause the IPD Team to neglect others. Think of the classic child's toy that is a small plank on legs with pegs that protrude vertically. There is a little hammer that a child can use to beat a peg down into the plank. But as one peg goes down, others go up. Rewarding goals on a project has the same characteristic. You can't reward one goal without affecting others.

The Cost Goal

Probably the most common goal focuses on meeting the budget. It is also the one with the greatest potential of serious unintended consequences. An IPD contract is likely to be cost-reimbursable with a target price or a guaranteed maximum price (GMP). An incentive clause may stipulate that the IPD Team will share in the savings (the difference between the final cost and the target price or GMP). It may also stipulate that the IPD Team must pay a part or all of any overrun. (If the contract is a GMP contract, the IPD Team must pay *the entire* overrun.)

In a lump-sum contract with a GC who has bid a fixed price on a complete set of plans and specs, a Shared Savings clause makes sense. It is an agreement to compensate the GC for initiative in finding something that doesn't meet the current plans and specs but would be acceptable to the AE and the owner and would save money.

A Shared Savings clause holds the seeds of conflict. If the budget is set before design, it is a clear incentive to cheapen the design and reduce scope.

But a Shared Savings clause with a cost-reimbursable target price or GMP contract may have undesirable results. Here's what can happen:

The owner typically selects the IPD Team based on qualifications and fee before the project is designed. The owner agrees to reimburse the IPD Team for design, management, General Conditions cost, subcontractor costs and in some cases self-performed construction. The IPD Team controls the cost and the scope of these items.

The IPD Team may bid some of the subcontracts, estimate the cost of the un-bid contracts, estimate the General Conditions and add a contingency. They must manage the whole to come within the target price or the GMP – and produce an incentive reward. Construction company estimators will not intentionally jeopardize their firm if there is a GMP and will certainly be aware of the incentive if there is a target price. Knowing that prices always have an unpredictable element,

Professional Practice Corner

the estimate of the un-bid contracts and the General Conditions will be conservative—there will be a pad. So in most cases the “savings” are likely to come from the contingency, from the conservative pad built into the estimate for the un-bid subcontracts and from the conservative estimate of General Conditions construction. So the larger the pad, the greater the incentive reward to the IPD Team. That is hardly in the owner’s interest.

So a Shared Savings clause holds the seeds of conflict. If the budget is set before design, it is a clear incentive to cheapen the design and reduce scope. During design, the IPD Team will be motivated to estimate subcontracts and the General Conditions conservatively. That might cause the owner to reduce the project scope—perhaps needlessly. Then the project may eventually be delivered well under the budget. The IPD Team receives the reward and the owner receives less scope. Of course, scope can be one of the goals too. But then the IPD Team may put pressure on the owner to reduce the quality of systems and materials.

Absolute Goals

Some goals may be a matter of degree. Safety targets, minority hiring or sustainability may be measured in degrees. An owner may want a building “as soon as possible and as economically as possible.”

Attaching money to a goal makes it serious and not just cheap talk. The money is the message.

But the same goals could be absolute. There may be a date certain for occupancy, such as the opening of a school semester. Or there may be a fixed appropriation for cost so the project can’t exceed the budget, but the owner would like to use all of the money that’s been appropriated for the project.

If that is the case, those goals must be contractually absolute. If the owner has a fixed budget and a date certain, the IPD Team must have a contractual obligation to meet them. These hard things always have undesirable consequences, but when they are part of an owner’s reality they must be part of the IPD Team’s reality as well.

The Contingency

There must be a contingency to cover unpredictable events. Some IPD projects have a contingency fund that if unused is shared by the owner and the IPD Team. The convincing thought behind that arrangement is that the IPD Team will treat the project budget as its own money—as indeed it is.

However, it is an asymmetrical alignment. The owner has two opposing incentives to balance—the desire to save money and the desire to have a quality project. If there is only a cost goal, the IPD Team is incentivized for only one.

On a cost-reimbursable project the contingency should also be available to pay for mistakes made by the IPD Team. Inexperienced owners will do a double take on this point: “Why should I pay for mistakes?” But if an AE negotiates a lump sum contract for services or if a GC bids a lump sum on a design-bid-build project, they will include a contingency within the lump-sum for mistakes they know will occur. So in a cost-reimbursable contract, such a clause is common because mistakes are common.

The contingency may be outside of the incentive compensation pool. If the IPD Team gets to keep part of the unused contingency, an owner is reluctant to let it be very large. Yet a small contingency creates risk for the IPD Team—particularly if the contract carries a GMP. If there is risk, candor is driven underground—project transparency is clouded. Team members are driven to their corners.

One good approach is to give the IPD Team time to take bids on most of the work, provide an adequate contingency and require that the entire unused contingency be returned to the owner and that it be set outside of incentive formulas.

Satisfaction Fees

So the incentive compensation should be for meeting broad project goals and may have a bonus for exceptional performance.

The best approach is for the owner to establish a broad, prioritized list of goals. They may then be periodically reviewed (and may be modified) with the IPD Core Team. Then the owner reviews the IPD Core Team’s performance in reaching the goals.

Too often owners fail to review performance with the project team during the project. They realize they must get along with the team members so they don’t want to alienate them by criticizing them. Likewise, the project team doesn’t want to criticize their client. So embedded, reoccurring problems don’t get fixed. But reviews happen if they’re contractual and if money is attached. This is not always true. Lee Evey used a significant incentive fee in motivating the program manager and the design-build contractor to finish the reconstruction of the Pentagon after 9/11. The team earned 100% of the fee.

The review should be reciprocal. The IPD Team should be asked to review the owner’s performance. Mutual criticism should be expected and solicited.

When? Although it may be argued that it's not clear that the goals are met until the end of the job, it doesn't make sense to wait until then to review performance. Holding periodic reviews during the project is important. It's smart to have feedback when the team can respond. Nobody can change the past. The meetings should include the project managers from the owner and the IPD Team, along with the principal executive management of each organization. Developing a brass-to-brass relationship is crucial.

The incentive fee should be parceled out and awarded to the IPD Team periodically, perhaps quarterly, based on the owner's review of goals. The owner grades the IPD Team and distributes the fee for that period. A good approach is to parcel out a portion of the fee as the project progresses and indicate what portion will be earned at the end of the project if the project finishes with current performance.

For instance, the distribution of the award fee might be as follows:

- 10% at the start of construction
- 10% at topping out
- 10% at completion of building envelope
- 60% at substantial completion
- 10% at punch list completion

A project team might be only slightly ahead of schedule and earn only part of the award for a given period (say 5% instead of 10%). However, if they pick up the schedule and meet the criteria for exceptional performance at the next milestone, they may recover the lost 10% and get 25%. Conceivably, they could fall short throughout the program but finish in a blaze of performance and collect the entire fee.

How Much? Normally, the incentive fee should not be large. Large amounts, particularly in a large owner bureaucracy, will attract attention from multiple sources, draw significant pressures to justify paying it and force the owner's management team to justify some subjective decisions.

A small amount will have a good effect. The people working on the project are now conscious that there is a report card. If they earn the bonus, there is clear evidence of their good performance within their organizations. They can tell their top management that the client clearly likes their performance.

Some of the most important aspects of performance can't be measured. An owner who sets an incentive fee for meeting goals must stipulate that there is a subjective element in the evaluation and that the owner's decision is final.

The Biggest Incentive

Cost incentives – indeed all of the incentivized goals – often work well despite the negative, unintended motivations to cheapen work, pad estimates, negotiate change orders unfairly, or whatever. Of course, professionals will object stridently to these “unintended consequences.” They will claim that they are professional and will not interpret a Shared Savings clause as a “bribe to cheapen the building,” etc., and that they will do the right thing. Indeed they are right: most CMs and AEs are staffed with good people who make responsible decisions in the owner's interest. But then the question arises: “If everybody will do the right thing, why have incentives in the first place?”

It's a good question. The clearest answer is that it causes the owner and the IPD Team to clarify the goals and discuss them. That causes integration.

The answer is that defining incentives defines goals and defining the goals produces good results. Attaching money to a goal makes it serious and not just cheap talk. The money is the message.

The other reason it works is that good people have been selected on the basis of qualifications. Good people want repeat work and will work to build or uphold their reputation. The most important issue for any organization is survival. Since the IPD Team is selected on qualifications, they know they can be selected again if they do a good job or that a reputation for collaborative response to a client will be enhanced by their good performance. Their primary motivation will be future work. Good references and an opportunity for repeat work are far more valuable than a killing on incentive compensation.

So the most important incentive that an owner has is the promise of repeat work and their testimony to the IPD Team's good performance. But since repeat work and testimony are unlikely to be a matter of contract, there must be a strong perception that repeat work will follow good performance.

An owner's biggest form of incentive compensation is a carrot. **CM**

We welcome submissions for the Professional Practice Corner. Please send your ideas to John McKeon at jmckeon@cmaanet.org.

Member News

GREYHAWK CEO Gary Berman Elected To Ecc Board

Gary Berman, FCMAA, founder, president and CEO of GREYHAWK has been elected to the board of directors of the Engineering & Construction Contracting Association (ECC). GREYHAWK is an international Construction Management and consulting firm headquartered on Long Island, N.Y.

Berman is a licensed professional engineer with more than 30 years of experience in structural design, Construction Management, dispute resolution and EPC contracting. He serves as an expert witness, mediator and arbitrator in the construction industry. He is a past chairman of the Board of Governors of the Construction Manager Certification Institute (CMCI). Previously, he served on the CMAA Board of Directors for seven years and is a member of the College of Fellows.

Jacobs Receives Contract for San Francisco Public Utilities Commission's Bay Tunnel Project

Jacobs Engineering Group, Inc. has received a contract from the San Francisco Public Utilities Commission to provide Construction Management services for the Bay Tunnel Project. The project will construct approximately five miles of nine-foot-diameter soft ground tunnel below the San Francisco Bay, two vertical shafts in areas adjacent to the Bay, and a watertight final lining of welded steel pipe.

The total installed cost of the construction project is valued at approximately \$270 million with a CM contract value of \$18 million. In making the announcement, Jacobs Group Vice President Bob Clement stated, "We are very pleased to be awarded this major tunneling project in the San Francisco Bay Area. The tunnel is one of the most critical elements of the Water System Improvement Program to ensure the delivery of reliable, high quality, and affordable water to 2.4 million customers in the Bay Area."

Bossardt Corporation Announces Promotions, Addition



Mark Bosch, a thirteen year veteran of the Bossardt Corporation has been promoted to Senior Vice President. He will continue to lead Bossardt

Corporation's Pre-Construction Phase activities and serve as Project Executive on selected projects.



Dan Volbert, an eleven year veteran of the Bossardt Corporation has been promoted to Senior Project Superintendent. Volbert, currently finishing the \$13.2 million renovations to the Redwood Area Hospital, will be supervising the Victoria Field House expansion project.



Bossardt Corporation is also pleased to announce the appointment of Gregory Franzen as Director of Business Development. His addition to Bossardt

Corporation's management team was announced by John Bossardt, president and founder. Franzen previously held a similar position with a Minneapolis construction company where he was a member of the Construction Management group with primary responsibility for new business development. His prior experience includes project management and superintendent positions, as well as facilities management.

MBP Opens Pennsylvania Office

McDonough Bolyard Peck, Inc. (MBP), a construction consulting firm headquartered in Fairfax, Virginia, has opened its tenth office in Berwyn, Pennsylvania, just outside Philadelphia.

"Our increase in construction projects in Pennsylvania makes the state a perfect strategic location for MBP", states firm President and COO Blake V. Peck, PE, CCM. Senior Project Manager David Petrone will manage the branch's operations and can be reached at:

McDonough Bolyard Peck, Inc.
1055 Westlakes Drive, Suite 300
Berwyn, PA 193125
Tel: 610-727-4154
Fax: 610-727-4001

PBS&J's Larsen Receives Distinguished Construction Management Award

Randy L. Larson, PE, CCM, GC, has been honored by the Construction Institute (CI) of the American Society of Civil Engineers (ASCE) with its 2008 Construction Management Award. "Randy was chosen for this award for his outstanding leadership and innovative management of the construction of major infrastructure projects and his tireless commitment to the profession," said Patrick Natale, PE, ASCE Executive Director. "In selecting him for this award, the committee particularly noted his management skills that allowed major infrastructure projects to be completed ahead of schedule and under budget."

Larson received the award at ASCE's Annual Business Meeting in November.

Larson is an executive vice president of PBS&J and a long-time leader of CMAA, having served as the Association's chair in 2006-2007.

URS Unit Wins Yucca Mountain Management Contract

The Department of Energy has switched operators of the Yucca Mountain nuclear waste project, awarding a \$2.5 billion management contract recently to a team headed by a unit of URS Corp., a major construction and engineering design firm.

USA Repository Services, a wholly owned subsidiary of San Francisco-based URS, was given a five-year contract, with an additional five one-year options that could carry through March 31, 2019, the department said.

The company will manage the program through upcoming license hearings before the Nuclear Regulatory Commission, and into construction if a license is granted and if DOE can win sufficient funding from Congress and overcome other obstacles to build the storage site 100 miles northwest of Las Vegas.

“This contract will enable our national repository program to move forward by securing the necessary management and operations necessary as we begin the ... licensing proceedings,” Energy Secretary Samuel Bodman said in a statement.

Trauner Consulting Services to Publish Second Edition of *Construction Delays*

Trauner Consulting Services, Inc. is pleased to announce that it has an agreement with Butterworth-Heinemann to publish the Second Edition of Theodore J. Trauner’s book on *Construction Delays*.

The book, entitled *Construction Delays – Understanding Them Clearly – Analyzing Them Correctly*, will give owners and contractors knowledge of the basic types of delays, as well as how to evaluate delays and determine the associated costs. The aim of *Construction Delays* is to help owners and contractors prevent claims on construction projects, and if a delay occurs, provide an understanding of how best to resolve the questions of time and cost.

Primary Authors for *Construction Delays – Understanding Them Clearly – Analyzing Them Correctly* include Theodore J. Trauner, Jr., PE, PP, William Manginelli, J. Scott Lowe, PE, Mark Nagata, PSP, and Brian Furniss. The book will be available in print in late 2008 or early 2009.

Palace Construction Celebrates 45 Years

September marked the 45th Anniversary of Palace Construction Co., Inc. The company has provided General Contracting/Construction Management, Restoration, 24-Hour Emergency Service, Construction Defect Litigation Support and repair services throughout Colorado. To mark the celebration of their 45th Anniversary Palace Construction recently unveiled a new website at www.palaceconst.com.

“We are all thrilled to be celebrating our 45th year in business and are excited about our new website as well,” said Rick Carter, President and Chief Executive Officer of Palace Construction.

“Palace Construction was established as a small family owned insurance restoration company in 1963. In 2008, with more than 547 projects completed or in progress, and \$142,000,000 in contracts, we certainly have come a long way since 1963” said Carter.

MOCA Systems Expands Honolulu Office

MOCA Systems has expanded its office in Honolulu, Hawaii to provide additional support to clients managing military and commercial programs on the Hawaiian Islands and throughout the Pacific Region.

Over the past several years, MOCA has provided program and Construction Management support services from Honolulu to organizations such as the US Air Force Center for Engineering and the Environment (AFCEE), the US Naval Facilities Command (NAVFAC), Starwood Vacation Ownership, and General Growth Properties for programs.

MOCA’s Honolulu Office was recently awarded a contract to support the Parsons and AECOM joint venture of Pacific Program-Design Management Services (PPDMS) with cost and schedule management services in support of the Guam Defense Policy Review Initiative (PPRI) program managed by

NAVFAC Pacific. The DPRI program will provide necessary infrastructure to restructure US forces in the Pacific Rim including the relocation of 8,000 US Marines and 9,000 dependents from Okinawa, Japan to Guam.

SafeCon Consulting to Provide Risk Management and Safety Services for San Diego Community College District Projects

SafeCon Consulting has been selected to provide a range of risk management and safety services for the San Diego Community College District (SDCCD) construction projects that are funded under Proposition N (2002) and Proposition S (2006). The 23 planned projects at City College, Mesa College, Miramar College and the San Diego Community College Continuing Education campuses are valued at \$1.5 billion and will be constructed over the next six years.

Citizens of the State of California approved the SDCCD construction bond program, an investment in education that will prepare California’s children for the 21st century by reducing classroom sizes, providing access to appropriate learning tools and technologies and ensuring safe and secure learning environments. The bond initiative calls for construction of new classrooms, labs and facilities as well as repair of existing buildings and infrastructure across the San Diego Community College District system. [CM](#)

Want to share your firm’s or organization’s news with other CMAA members?

Send your member news and updates to Sarah Black, communications associate, at sblack@cmaanet.org. Please make your submission no longer than 200 words.

Chapter News

Two Regional Chapters Chartered

For the first time in several years, CMAA has granted charters to two new regional chapters: the Baltimore Chapter and the Central Virginia Chapter. Chartering these two chapters will have an effect on the National Capital Chapter as both new chapters are incorporating some of its original service territory.

The Baltimore Chapter, led by President G. Scott Lang, CCM, PE, of KCI Technologies, Inc., will include the Maryland counties of Baltimore, Carroll, Anne Arundel, Cecil, Harford, and Howard as well as the City of Baltimore. With a dynamic board of directors in place for this first year, the chapter is sure to get off to a great start.

In the lower part of Virginia, the Central Virginia Chapter will provide member service to the counties and cities south of Interstate 64 and east to the shore from Roanoke. Charter President David Covington, PE, of A. Morton Thomas & Associates, Inc., along with the chapter's excellent board of directors, will get the chapter on the right track for a successful first year.

Maintaining its territory in the District of Columbia, West Virginia, and the remaining areas of Maryland and Virginia, the National Capital Chapter will continue to be one of CMAA's largest chapters. For its efforts during the past year, the chapter received the Award of Excellence in Professional Development. With this year's leadership provided by President Melissa Robins-Cesar, CCM, and the board of directors, the chapter will certainly continue its record of outstanding service to its members and CMAA.

2007-2008 Chapter of the Year and Awards of Excellence Recipients

During the National Conference in San Francisco, CMAA's regional chapters were recognized for their excellence during the past year. Congratulations to the eight chapters for achieving this well-deserved recognition!

Chapter of the Year (Population Division III-Large Chapters):
San Diego Chapter

Chapter of the Year (Population Division II-Medium Chapter):
New England Chapter

Chapter of the Year (Population Division I-Small Chapters):
South Central Texas Chapter

Excellence in Student Focus:
Metropolitan New York/
New Jersey Chapter

Excellence in Membership Development:
North Carolina Chapter

Excellence in Owner Involvement:
Northern California Chapter

Excellence in CCM Development:
Southern California Chapter

Excellence in Professional Development:
National Capital Chapter

Mid Atlantic Chapter

In October, the chapter hosted a Higher Education Construction panel discussion with five of the top universities in the area, which was attended by more than 80 professionals and students representing a variety of design, construction, legal, and other key industry organizations.



Speaker Ann Papageorge, Vice President for Facilities and Real Estate Services at the University of Pennsylvania, with Chuck Romanoli of GREYHAWK.

The event, held at the Union League in Philadelphia, featured top facility executives from Drexel University, Rutgers University, University of Pennsylvania, Princeton University, and Rowan University. The panel, moderated by Chuck Romanoli, CCM, of GREYHAWK presented their construction and facility upgrade plans for the next several years with a cumulative price tag in excess of several billion dollars. The panel discussed procurement procedures, best practices, preferred delivery methods, services their professionals were doing well and some areas that needed improvement. LEED certification initiatives, sustainability commitments at the Universities, the value of 3-D, 4-D, and BIM modeling were among other topics discussed.

The chapter was fortunate to have five sponsors of the event including Envision Consultants, STV, Burns Group, NRI Reproduction, and Underwood Engineering, which helped tremendously to contribute to the chapter scholarship award fund.

The next CMAA Mid-Atlantic Chapter meeting will be an annual joint meeting with SAME and other organizations focusing on a "Toys for Tots" campaign. The next panel discussion in February will feature key presenters on the topics of Sustainability, LEED Certifications, Renewable Energy and the impact these will all have on the region's construction industry in the coming years.

Southern California Chapter

During October, the Fourth Annual Golf Classic took place along with a dinner program on the Los Angeles Community College District's \$3.5 billion bond measure that will help create the facilities that will be necessary to prepare workers for the new green jobs needed by the sustainable industries that will be key to revitalizing the economy of Southern California.

The chapter also held its annual function to honor those member firms that have provided exceptional support to the chapter based on their contributions including event sponsorship and other monetary contributions, attendance at chapter events, enrollment in continuing education classes and service on committees, at events and on the Board.

Continued on page 20

President's Report

A Big Success in a Difficult Time

Bruce D'Agostino, CAE, FCMAA

Our recently completed National Conference & Trade Show was remarkable in many ways, including its record attendance of 922. But among its most striking qualities were the ways in which it was affected – and *not* affected – by the ongoing economic turmoil.

During the weeks prior to the Conference, staff monitored the registration and hotel booking numbers daily, alert for any sign that large numbers of people were reconsidering their plans and canceling their participation. That would have been an easy trend to understand, given the economic uncertainty, the travel cost, and the general sense of hunkering down to get through a crisis.

We did not see a surge in cancellations, however. In percentage terms, we may even have had fewer dropouts than in an average year.

This certainly did not mean our members were unconcerned. Indeed, the chief topics of conversation throughout the Conference were expectations for 2009 and tactics for preserving and building business in the face of a severe credit crunch and the prospect of widespread project deferrals and cancellations.

What can we conclude from these facts?

I think two lessons stand out. First, when hard times arrive, our professionals want to connect and communicate with each other. The attendance at the CMAA National Conference represented, without a doubt, the richest and deepest well of collective CM/PM expertise to gather anywhere in America in 2008. The opportunity to swap experiences and ideas with peers was, I am certain, a tremendous factor in the success of this Conference.

I also believe that when the marketplace turns up the heat, smart professionals look for new knowledge and additional perspectives to improve their own performance. Our members clearly understand that two things, more than any other factors, will get them and their firms through this difficult time: Professionalism and innovation.

Professionalism means delivering value on every job that the owner simply can't duplicate from any other source.

Innovation means bringing *new* ideas and tools to the table, knowing how to use these new tools, and being prepared to justify their value on every project.

CMAA has tried to live by the same two principles in planning and presenting the Conference.

We strive for ever-higher professionalism in the organization and staging of the Conference, in every aspect from badge pick-up to food and beverage service. We want our sessions to look and sound good, as well as presenting top speakers and compelling topics. We have worked to control costs, reduce waste, present a "greener" Conference, and improve customer service at every stage.

And we know we need to innovate, by introducing such features as our Fellows session, which this year focused on Integrated Project Delivery. We have streamlined our general session agendas to pack more content and value into every program, while keeping them to a comfortable duration.

Our members clearly understand that two things, more than any other factors, will get them and their firms through this difficult time: Professionalism and innovation.

With each passing year, moreover, the volume of session proposals we receive enables us to be even more selective in assembling the very best presentations for our Professional Development program.

Our success in 2008, and in the years ahead, is based on our recognition that we are being challenged, just as our members are, to deliver value and to demonstrate that value in concrete terms.

We know that our Conference competes, every year, with many other events and with many ways of spending an organization's money. We know the value of our Conference is being weighed anew every year, and we understand that mere good will, no matter how long standing, will not keep us on members' calendars if the value is not there.

In this sense, we can interpret a turnout of more than 900, under adverse economic conditions, as a compliment to our Professional Development offerings, the quality of our general sessions and exhibit hall, the appeal of the Conference venue, and the overall excellence of the event.

Looking toward our two national gatherings in 2009 (in Arizona in May and Orlando in October), our job is to extend and build on the success we have achieved to date. **CM**



Professional Development Calendar

Scheduling Webinars

December 3, 2008

Scheduling Traps, Pitfalls and Swindles:
The Dark Side of Scheduling

December 10, 2008

Challenges and Lessons-Learned
with Primavera's Project
Management Software

BIM Workshop

January 13

Vienna, Virginia

Sustainability Workshop

January 23

Arlington, Virginia

Continued from page 18

The awards include Member Firm of the Year and Gold, Silver and Bronze Circle Member firms. The growth of the chapter and its programs are a direct result of these firms continued commitment and support. The Member Firm of the Year was Jacobs Carter Burgess.

In addition, the chapter recognized certain individuals for their leadership and contributions to the chapter during this past year. The Volunteer of the Year was Natasha DeBenon, Hill International, honored for her dedication and commitment to the membership's development and growth. The President's Special Service Award recipient was Joe Siebold, PE, FCMAA, PinnacleOne, for his guidance and sage advice. Atul Apte, CCM, APSI, was awarded CCM of the Year for his great support of the Chapter this past year.

In November, two seminars were scheduled: One on "CAL OSHA Regulatory Updates-Top Ten Things You Need to Know About OSHA's New Regulations" and the other on the McGraw-Hill Construction Forecast with guest speaker Cliff Brewis, Senior Director Editorial, McGraw-Hill Construction. A dinner program features an update on the Southern California Regional Rail Authority Metrolink Capital Program, one of the fastest growing, premier regional rail systems in the Nation, including commuter and other passenger services, linking communities to employment and activity centers. [CM](#)



Construction Management
Association of America

7926 Jones Branch Drive, Suite 800
McLean, Virginia 22102-3303 USA