NEWS
Fall 2005

CMAA Southern California Chapter

Constructability Review an Essential Element of Construction Management

One of the challenges for a successful construction management is change orders. Change orders almost always translate into extra costs for the project, extension of the completion date, and disagreement between the parties involved. The problem is especially the case in the traditional design-bid-build delivery method. With the cost of construction escalating and the project budgets increasingly becoming less than sufficient to cover all needs, reducing the number and costs of change orders has become critical in today's construction management environment.

Not all change orders are avoidable: Some are in response to the owner's wishes; others due to specific project conditions. Some change orders are inevitable as unforeseen conditions surface during construction phase. Nonetheless, many if not most of the times a significant percentage of change orders is the result of construction documents not reflecting accurately all of the existing conditions or not having been properly coordinated. Consequently, and most likely, requests for change orders will be initiated during construction, in turn resulting in additional costs or conflicts between the contractor, the architect and the owner. If due to discrepancies between construction documents and job site conditions bidders are not able to include the respective costs of the required work, or the work as identified in the plans and specifications can not be performed properly, the successful bidder, who is now the project contractor, would request additional time and money to address the conflicting situations. This usually creates problems with the project budget, duration of construction and timely occupancy of buildings, among others.

At times, requests for change orders by construction contractors on the job are rejected by the project architect and/or owners' representatives (which many times now are the construction managers) if they believe the cost of the required work should have been included in the bid amount.

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Inside. . .

President's Message

What a great time to be a member of the Southern California Chapter of CMAA! As we continue to grow, our chapter is able to provide greater benefits than ever to our members. As you will see on page ___, our achievements were recently recognized by the national CMAA board of directors when they awarded us the "2005 Chapter of the Year" at the national conference. Yet, I believe that we've only seen the beginning of all that this Chapter can do. With your help, we will continue in 2005-2006 to create new and better ways to make membership in our chapter the best value in our industry.

As we start the year, we are excited to welcome two new positions to our board of directors – the CCM Committee Chair and the Owners Committee Chair. The addition of these two new board positions reflects the Chapter's strong desire to enhance the value of CCM certification and to achieve greater involvement by owners in our organization. These two committees are a clear example of how we all benefit when a group of our peers with a common interest come together to advance issues of benefit to our members. Our success as a chapter is really that simple. Our past successes were built on this type of active member involvement and our future successes will be as well. So ask yourself, "What would I like to see improved in our chapter this year, and how could I get involved to help make it happen." It doesn't really take that much time, it is rewarding; you will get to meet people who care about the same things you do; you and the whole Chapter will benefit; and you will honor the service of those who went before you whose efforts gave us all the benefits that we enjoy today. There are opportunities for you to get involved on any of these committees: CCM, Owners, Communications, Government Affairs, Membership, Programs, and Student Outreach. If you don't see your interest in one of these committees tell us what it is. If it is in line with our Chapter Strategic Plan, we may create a new committee for it. We'll solicit members for you; we'll encourage you; and when you achieve your goals, we'll celebrate your success as we are celebrating with the CCM and Owners committees.

It's your chapter. I look forward to working with you to help us all to take it to the next level. My personal goal for this year is to lead this Chapter in a manner that leaves the organization better than I found it and able to capitalize on all the interests of its members. Please let me know how we're doing

Tim Holcomb

Chapter President

In many cases the disagreement with the contractor's request results in conflicts and tension in relationships between the opposing sides, many hours of valuable time wasted in trying to justify each side's position, and even claims filed and/or litigation pursued, requiring additional amounts to resolve the dispute. Even if it is proven that the contractor should have known about the existing conditions or the cost of the required work should have been included in the bid amount, the project cost will increase. Also, normally the cost of change orders during the construction phase is higher than if the work had originally been included in the bid package, as the competitive conditions would no longer exist. Usually, the contractor on the job is the sole bidder for the extra work which means prices will be higher than if others were to bid on the same work.

Another reality leading to change orders is the lack of proper coordination between documents as relates to different disciplines. Many times there are discrepancies between mechanical drawings vis-â-vis electrical drawings, or architectural drawings vs. structural. Even with notes and references in the plans and specifications, if such discrepancies are discovered during construction, change orders are requested and the cycle leading to extra project cost and extension of completion date entail.

An effective tool to reduce the problems causing change orders is the constructability review (CR) before the project is bid. If performed by professionals with in-depth knowledge of construction process, a quality CR can ensure that, to the maximum possible, the existing conditions are properly reflected in the plans and specifications and adequate coordination between various disciplines in the construction documents is achieved. A well-prepared CR could also make recommendations for modification or deletion from construction documents the details and work that are problematic or costly. It should be a tool for real value engineering as well.

Constructability review is most efficient when it is prepared during the design development phase and before construction documents are completed. Through working with the owner, design team, site visits, observation of existing conditions, and comprehensive review of the plans and specifications, the professionals performing the CR would have the opportunity to identify early on the problems with the constructability of the project documents, make recommendations for revisions and corrections, and prevent the circumstances which would result in disputes, additional costs and delays during the construction phase. A good and early CR could also assist in quicker and smoother agency approvals.

The CR can he a specific requirement of the project architect's professional services and thus performed by the design professionals, or it can be contracted for and prepared by CR specialists separately. It should be up to the owner and its consultants to decide if they wish the CR to be preformed as part of the architectural services or as a separate professional service by others. However, the reality in today's architectural practice is that many construction documents, even if reviewed in-house by the design team for quality control, may still require a third party's careful and detailed review. In such a case, construction managers are potentially the best candidate for performing the task. Accordingly the CR can be included in the scope of the construction management firm's professional services. Should this be the case, the owner would benefit from the collaboration of the design and construction teams and have a high >> *Continued on Page 4*

CMAA Southern California Chapter Board of Directors 2005-2006

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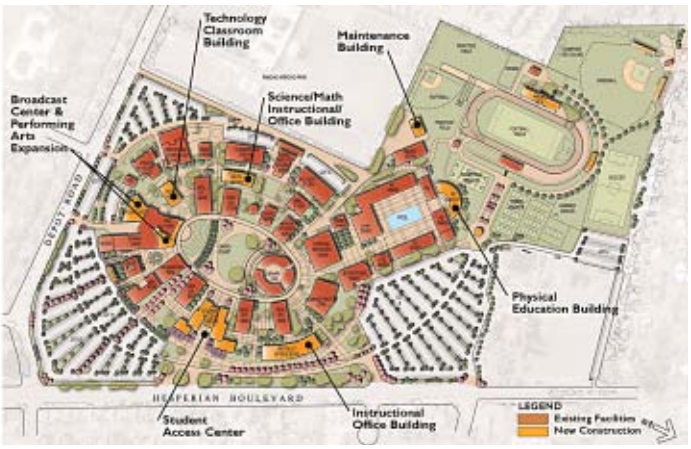
Feature Article (continued)

quality CR prepared by the professionals in both groups who specialize and have in-house expertise in this particular field.

In summary, a good quality constructability review should be considered for any major construction project. Benefits of a well-prepared CR are many including, but not limited to: clearly identifying the existing conditions, addressing the conflicts between the construction documents and existing conditions, correcting the problems in construction documents prior to start of the bidding process, conducting a true value engineering, assisting bidders by properly defining the project requirements and their associated costs, lowering the bid amounts as a result of fewer unknowns and less guess work by bidders, limited change orders during construction, and overall, reduction in construction cost, work delays and potential conflict between various parties involved in the construction process.

Ali A. Kiafar Ph.D. is Senior Executive Director of Education at URS Corporation



Chabot College Facilities Master Plan, curtesy of Chabot-Las Positas Community College District.

Cost Escalation and the Chabot-Las Positas Community College District Measure "B" Bond Program in Today's Construction Market

Using the seemingly everyday increases in gasoline prices as an example, it probably won't take much to convince the readers that the costs for construction projects are also on the rise. But unlike the effects of the rising cost of gasoline on your monthly budget, how much will the rising cost of construction affect you, the readers? Well, in the case of your $498 Million Measure "B" Bond Program, the answer might be, "More than you think!"

With the globally expanding demand for materials because of developing countries, like China, construction raw materials costs have been on the rise since mid-2003. Some costs, like steel prices, have doubled during that time. While steel prices have stabilized some since the start of 2005, others, like cement, plywood and gypsum wallboard, are on the upswing. A check of the 29 construction-related producer price indexes shows more than half had double-digit price gains in 2004. Of course, labor and energy, significant parts of all construction projects, have increased too.

The escalation discussion can even be pushed deeper by examining the effects of competition on construction pricing. In today's bid climate, this is how the $2.8 Billion SF Bay Bridge has become the $6 SF Billion Bay Bridge. It is a very logical argument that states, "The more competition, in the form of more bidders, a project has, the more likely the low bid will approach the true value of the project". There are multiple issues that can effect the "valuation" of a project by a contractor, like; risk premium, purchasing aggressiveness, technological advantages, opportunity cost and profit margin. Collectively, these factors can affect a bid price (project value) in excess of 30%. Competition, or the lack of it, in the bidding process is a major factor in how the "value issues" are addressed in the preparation of the contractor's final bid.

So, how big of an impact will these inflationary trends have on our Bond Program? Well, it is a little early to tell, because we are not in the construction phase yet, but we can view examples of how it is impacting other community college programs around the state now. At the Glendale CCD, two finished projects wound up costing $14 Million more than originally budgeted, seriously jeopardizing plans for three other projects anticipated in their program. Los Angeles CCD is rethinking their original plans, trying to contemplate which projects to delay, or jettison altogether, to stay within their $2.2 Billion budget. That district is grappling with how to deal with costs that have risen at least 30% over original estimates since their bond program passed in 2001. The Santa Clarita CCD is dealing with similar problems; total costs zooming 30% to 40% more than anticipated because every single project has come in over the original estimate. And finally, Los Angeles Harbor College (part of LACCD) has had to redo their $127 Million construction budget three times in the past two years because higher costs were exceeding earlier expectations. All over the state, projects that provide more classrooms are getting priority over other projects such as art museums, child development centers, gymnasiums, student unions, parking structures and even libraries.

So, what is Chabot-Las Positas Community College District's (CLPCCD) Program Management Team (PMT) doing to mitigate this current trend of ultimately getting less than what was envisioned by the voters, and the ultimate end-users – the campuses, when the Bond Measure was passed? Again, the answer might be, "More than you think!"

Over the last year, the PMT has been in an estimating and budgeting cycle, attempting to make all the pieces of a program with more than 65 projects fit together within our $498 Million budget. We have just concluded the Master Programming effort for both campuses and are now beginning the design phase of the first eight projects. As these projects move out of programming and into the design process, the PMT is interviewing potential A/E design firms, requiring answers to probing questions, such as, "What is your corporate approach to designing to a budget?"; and, "What internal procedures are in place to keep a project on budget?"; and, "What is your overall philosophy to cost control for the design process?". A design firm will have to have positive responses to all our probing interview questions before they will be considered a candidate to work on the CLPCCD Program. As each project moves through the design process, the PMT will conduct Value Engineering sessions with each project's A/E team that will identify ways of maintaining, or increasing, the functional benefits of the project while decreasing its overall construction cost. Further into the design phase, the PMT will conduct constructability and bid-ability reviews on every project's design in an effort to identify and correct coordination and design errors and omissions that could result in changes (and ultimately change orders) to the project, before the projects go out to bid. The PMT will also direct the design teams to assemble appropriate Bid Alternates (both additive and deductive) on every project, so that we will have a greater chance of mitigating escalating construction costs when the bids come in. Finally, every project budget has design and construction contingencies in place to further customize the project and insulate it from these inflationary times we live in today.

In an effort to combat the (lack of) competition issues, when a project is ready to go to out bid, the PMT will survey the contractor's bid calendars (competing projects that are out to bid that have local contractor's attention) to try to position our bid periods at times of little competition for the area contractor's limited resources. At this time the PMT also increases contact with the "exceptional" contractors in the area (yes, we know who they are!), thereby trying to lessen the instance of getting only the less desirable contractors bidding our projects. When the projects get close to bid time, the PMT will rigorously telemarket (as opposed to just print advertisement) our projects with the contractor's estimating departments so that they know our projects are on the horizon. This will ensure that each of our projects gains the attention of the entire bidding environment of the region.

Las Positas College Facilities Master Plan, curtesy of Chabot-Las Positas Community College District.

The PMT is also constantly reviewing detailed, in-house design and construction "what if?" schedules in order to determine the right combination of projects in design, out to bid and in construction, in an effort to decrease program "soft" costs by determining if the program is really a 14-year duration, as projected, or a 12 year, or even 10 year duration program. All these efforts are what we are doing in the Program Management Team to try to ensure that all the projects for both campuses get completed, and more importantly, that the last projects of this program will be designed and constructed with the same attention, care and appropriateness as the first projects of the Measure "B" Bond Program.

David Kendall
DMJM Management

Project Spotlight

13 New Schools Open September 6, 2005

Bus Tour Celebrates Opening of New LAUSD Schools

Los Angeles Unified School District (LAUSD) Superintendent of Schools Roy Romer, Board President Marlene Canter, Los Angeles Mayor Antonio Villaraigosa, California Superintendent of Public Instruction Jack O'Connell and other elected officials boarded a yellow school bus on September 6, 2005 and visited four of the thirteen new schools that opened in the LAUSD for the start of the traditional school year.

This day marked the first time in LAUSD history that 13 new schools opened for students on a single day. LAUSD is opening a total of 32 new schools in 2005-06, part of the District's ten-year, $9.2 billion construction program to relieve campus overcrowding. The 32 new schools will serve approximately 17,000 Kindergarten-12th grade students. LAUSD total enrollment in 2005-06 is expected to top 737,000 students.

Twenty-two schools will return to traditional calendars and 85,000 students who were on the shortened 163-day calendar last year are now getting the full 180-day calendar. This is one of the District's instructional goals, being fulfilled by the construction program.

The new schools are the result of the largest construction program in LAUSD history, and certainly one of the largest public works projects in the nation. The District embarked on this school construction and improvement program in 2000.

Since then, 29 new schools, 40 expansions, 17 early education centers and 1 renovation project have been completed. Another 91 projects (totaling approximately $1.3 billion) are currently under construction.

The following new schools were part of the bus tour and were visited throughout the day:

South East High School

This is the first high school built in South Gate since 1932. The new school has 100 classrooms and offers a college-oriented curriculum and a full athletic program. With the addition of this new school, South Gate High School will return to traditional calendar for the first time since 1980 (South Gate was among the first schools to switch to a year round calendar) and more than 140 students will be off buses and back into their neighborhood schools.

Jefferson New Elementary School #1

This new K-5 elementary school in South L.A. has 37 classrooms, and includes a joint-use park that will be open for public use after school hours. This is one of many joint use opportunities that the District is exploring with the city of Los Angeles, in addition to the dozens of joint use agreements already in place for things like play fields, pools, and auditoriums.

John Mack Elementary School

This new K-5 elementary school is of contemporary design and includes 32 new classrooms, an underground parking garage and a generous student playground and playing field.

kingsley elementary school This new K-5 elementary school was designed for an urban site with careful consideration to the natural elements of trees and open space. The new school includes 26 classrooms, a multipurpose room, a library and a covered lunch area.

Guelsy Gomez, Faccilities Service Division
Los Angeles Unified School District

CM of a Korean Noodle Factory?

Yes, Nong Shim Foods, a Korean manufacturer of Shin Ramyun style noodles has just opened its first plant in North America. In fact, this is the first plant in the western hemisphere. Nong Shim operates plants in Korea and China. Due

to the growing popularity of the Korean ramyun style bowl noodles in the United States, Nong Shim sought to build their first plant here to satisfy the appetite of their customers and save on shipping costs.

Nong Shim's plant consists of 3 noodle lines that produce tens of thousands of cases per day. That's a lot of noodles. In order to bring this project to fruition in the time frame needed, Austin AECOM, formerly McClier was selected as the project manager. The base building structure was designed by HPA Architects of Irvine, California The challenge of this project was not only to build the 286,000 square foot building but to integrate the 82 shipping containers of Korean made equipment into the facility and begin production within 1 year This included the (MEPR) Mechanical, Electrical, Process and Rigging design, installation of all equipment, start up and testing of the production lines

In order to take a green field site to a fully operational production facility was quite a challenge. Austin AECOM was retained as the "At risk" construction manager. The project became all the more difficult with the worst rainy season to hit Southern California in 121 years. In fact, the combination of rain high winds and some structural changes delayed the project two months

To complicate matters further, the price of structural steel, metal framing and drywall materials were escalating on a weekly and sometime daily basis. During the bidding phase for the structural steel subcontract, the steel suppliers would not guarantee their pnce for more than 3 days So how do you manage a project on an already tight schedule along with continuing maternal pnce escalations9

Austin AECOM began with the maternal suppliers They approached each critical supplier and offered an up front one hundred percent payment for the materials in exchange for no further price increases during the course of the project. All critical suppliers accepted this offer. Nong Shim was apprised of the situation and agreed to fund these advanced payments.

This proved to be a significant cost saving measure, as the cost of structural steel went up 5 cents a pound from when the order was placed to actual delivery. That may not seem like a lot, but with over 2 million pounds of steel, it saved over $100,000. Additionally, a similar agreements were made with the metal framing and drywall suppliers which amounted to an additional $105,000 being saved.

However these cost savings were needed to bring the project back on schedule. In early February the revised completion date was pushed to June 30, 2005 due to the unseasonably rains, high winds and structural changes. Although two weeks of the eight weeks lost were recovered earlier by accelerating the structural steel welding crews.

None the less, Nong Shim directed Austin AECOM to accelerate the project to recover the lost time. Austin AECOM and its selected subcontractors began to work 2 and in some cases 3 shifts 7 days a week to recover as much lost time as possible.

In the end, the project team was able to recover 4 of the 6 weeks lost by accelerating the project for two and half months. The ground breaking of this green field site occurred on May 20, 2004 and the Launching Ceremony occurred on June 3, 2005. This was an extremely challenging and complicated project that highlighted the benefits of what a construction manager can bring to a project. It is these types of projects where satisfied owners recognize the value of a construction manager and what they offer in the development and execution to their projects.

Greg Hess
DMJM Management

The JCM Group Receives 2005 CMAA Project Achievement Award

Few construction projects are more complex than medical facilities. Few honors are greater than those bestowed by one's peers. Which is why the JCM Group is honored to be the recipient of CMAA's Project Achievement Award for its work on Phase 2 (Northeast Building Project) of a three-phase project at Providence Saint Joseph Medical Center (PSJMC) in Burbank, California.

These included:

- **General conditions and fixed fee,**
- **Early site package**

>> *Continued on Page 8*

Project Spotlight

- Structural steel
- Shell—major trades
- Finishes

All of this allowed JCM to maintain firm control of bid results, further safeguarding the owner's budget.

PSJMC was damaged in the 1994 Northridge earthquake. In late 1997, JCM was hired to provide counsel regarding FEMA procedures and verify the budget for an already established Facilities Master Plan. JCM discovered the plan exceeded Providence's available budget by $100 million. Bringing the project back within budget was the firm's first goal. This required careful, calculated reprogramming efforts. A new facility strategy was put in place with the help of PSJMC's leadership and The Smith Group, the project's architects. Stakeholder buy-in and full cooperation of the AE team led to a complete reworking of departmental programs and revised Master Plan that conformed to original cost constraints.

With the budget under control, JCM assumed the role of Project and Construction Manager for the hospital replacement program—three closely coordinated, complex phases to be executed during ongoing operations on a densely massed campus, many of whose structures were physically connected.

The first phase consisted primarily of renovations. New kitchen, cafeteria and auditorium facilities were installed, leaving existing ones in full operation. The emergency department was also remodeled and upgraded in eight separate phases, each of which required separate OSHPD approval. This was accomplished without disruption to around-the-clock operations.

The second phase—new construction of the 200,000 SF inpatient tower to replace the west building—is the portion for which JCM was honored with the CMAA award. Intensive value engineering exercises during the design and site work phases not only helped adhere to the stated scope, but also resulted in 1 .3 million dollars in budget savings. A "best-value" procurement strategy culminated in a "General Contractor/GMAX" contract—an especially innovative move given that the project was 90% funded by FEMA.

An aggressive selection process followed. The General Contractor/GMAX was selected based on highly structured, quantifiable evaluation criteria. The contract itself was implemented in a series of phased buyouts—each with its own GMAX.

One thing that JCM recognizes is that challenges often create opportunities. Given the fact that this was a hospital project, JCM knew it would need to meet California's Office of Statewide Health Planning and Development's (OSHPD) design review requirements. During OSHPD's six month review of construction documents, JCM developed an early site package allowing its team to manage demolition, utilities relocation, excavation, and shoring, saving 180 days of what would otherwise have been down time.

This advance work proved invaluable when the owner responded to changes in medical technology, demographics and treatment cost/reimbursement models mid-way through the thirty-six month construction period by undertaking a total redesign of the Diagnostic & Treatment Facilities, at a cost of $ 3.1 million. Despite these changes, the project finished on budget, and seventy-one days ahead of schedule. Working with the contractor on alternate sequencing mitigated the cost and time impact by effectively rescheduling build out of the redesigned area until later in the project. Overall change order costs were exceptionally low for a medical project—6.1 % excluding the 4.3% owner initiated changes discussed above. Begun with a base construction budget of $ 71.4 million, the final construction costs were $78.8 million.

Construction Detailing Activity (CDA) also played a crucial role in maintaining the schedule and mitigating change orders. JCM developed this seven-step process in 1988 to coordinate shop drawings and make the installation of systems easier and more cost effective. CDA bridges the gap between the architects, engineers and trade subcontractors, reducing the need for costly changes once construction has begun.

During the CDA process, the normal RFI process is replaced by the resolution of questions during pre-scheduled CDA sessions. The suspension of the RFI process in favor of CDA sessions greatly reduces the entire team's administrative burden and streamlines the design team/contractor interchange. On this project, CDA continued over seven months, averaging two on-site meetings per week. While this may seem a heavy burden, it eliminated far more costly delays during construction, resulting in a win/win situation for all team members.

Without question, replacing a facility on its same site poses significant challenges. PSJMC had significant site constraints. It was also charged with maintaining operations with full patient census and extensive utility relocation and tunneling (due to unforeseen site conditions). As the project manager, our task was to provide innovation and creativity to help the facility achieve its goals. Certainly, the success of this project is not ours alone. The project could not have been successful without the collaborative efforts of the owner, architect, contractor, subcontractors, etc. That suc-

cess was realized in the form of a project completed on budget, ahead of time and with no claims

Article privided by
The JCM Group

Joint-Use In LAUSD Schools

Hooper PC

District Committed to Utilizing Schools as Centers of Community

Did you know that over 8,400 community-based meetings are held at schools every month across the Los Angeles Unified School District?

Did you know that over 800,000 LAUSD students take part in at least one after-school activity?

With figures like these, the building of schools as the Centers of Communities couldn't be any more vital. At LAUSD New Construction, our mission is not only to provide every child a neighborhood school, but to provide community members a place to call their own. New schools opening this September 6, 2005 were designed with community-use in mind. Public access to play fields, gymnasiums, multi-purposes and auditoriums will provide community members an opportunity to use school facilities that have never been available before. Jefferson Elementary School #1 is a proud result of joint-use with the city of Los Angeles. The school includes a park on its grounds that will offer green and open space to the local community after-school hours.

Beyond community-use, the opportunity for joint-use of facilities presents an opportunity for the District and other public and private entities to pool their resources together to create a greater benefit to students and community members. The Board of Education set aside $30 million in Measure K and R to foster joint-use projects; with over 40 joint-use agreements already in place across the District and 7 new joint-use projects in Phase I of construction, the potential for greater community access to school facilities is limitless. The District remains committed to joint-use and is seeking new partners from the public, nonprofit and private fields.

The New Construction program has also developed a joint planning and development process whereby District staff work side-by-side with staff from various municipal and state agencies, nonprofit organizations, and the community-at-large to plan, site and design new schools. These collaborations are vital to the success of the new school building program, and these partnerships ensure that the planning process is comprehensive, taking all concerns into account.

If you are interested in hearing more about the LAUSD New Construction Joint-Use program, please contact Paul Escala, LAUSD Joint-Use Program Manager at (213) 633-3962. Let's work together to make LA schools the most valuable community asset they can be.

Guelsy Gomez, Faccilities Service Division
Los Angeles Unified School District

Glassell Park Joint-Use Venture Underway

Wilson Elementary School

LAUSD Plans Include Early Childhood Education Center and Affordable Housing

As the Los Angeles Unified School District celebrates the completion of new schools this September, the Real Estate department of the Districtís New Construction group is concentrating on developing future schools, including an exciting new project in Glassell Park.

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Chapter and Committee News

LAUSD Encourages CCM

Willie Paiz, CCM and Mehdi Heydari, PE, CCM, presented the CCM program to Los Angels Unified School District and their construction managers/project mangers.

Approximately 70 people were in attendance to learn more about the CCM designation, especially: eligibility, the application process, eligibility, qualification, study aids, how/when/where testing can take place and certification renewal requirements.

The presentation was organized and arranged by Raju Kaval, CCM, LAUSD's New Construction Manager, Guy Mehula, LAUSD's New Construction Director (our Chapter's new Owner Committee Chair) and Kenneth Hargreaves, LAUSD's New Construction Director of Operations. Ken emphasized the importance and value of CCM and added that LAUSD has already started the inclusion of "CCM preferred " in their CM/PM RFPs.

Member Benefits

Many of our members are not aware of some of the member benefits available to them, such as access to the CMAA national website www.cmaanet.org <http://www.cmaanet.org> containing a wealth of information. One benefit is the “members only” access to project leads, posted by our CMAA owner members.

The site has numerous project leads across the nation, but you have to search for them on the site. Follow me through one example where the Port of Long Beach recently posted a current project lead.

First, you must sign in as a member using your member number and password. You might have to contact the national office if you are not already set up to do so. Once you are in the members only area, you will see an orange tab on the left labeled “My CMAA.” Placing the cursor over this tab will open a window with a long list of options. Fourth down on the list is “Project Leads.” Click it.

You then open a window that allows you to enter search criteria. I typically use the broadest search criteria to unearth the most opportunities. So, for our example with the Port of Long Beach, use “Last Month” for date posted, “Long Beach” and “California” for the city and state, and leave the rest of the fields blank. Hit the search button and you a new window will appear with the search results. For our example, you will find a listing for the Port of Long Beach. Click on this and you will see valuable project lead details.

Look for information in future chapter newsletters about CMAA resources and opportunities available to our membership.

CMAA honors a dozen projects for excellence in construction management

From a new museum on a World War II vintage aircraft carrier, to man-made island resort in the Arabian Gulf, to America's largest public school construction and renovation initiative, a dozen projects of all sizes and types were honored recently for excellence in construction management.

The Construction Management Association of America (CMAA) bestowed its 2005 Project Achievement Awards during its National Conference in Huntington Beach, CA in September.

More than 670 people attended the gathering.

The Project Achievement Award winners were selected from more than 70 entries.

Our Chapter's winners were:

Excellence in Program Management with Constructed Value Greater than $100 Million – Ongoing Program

Los Angeles Unified School District for its New School Construction and Modernization and Repair program. Construction management by LAUSD Facilities Services Division.

This is the largest public school construction and repair program in America's history. Spending more than $15 billion on 16,500 repair projects, 160 brand new schools, and 80 school additions, LAUSD is transforming the city's schools and adding nearly 200,000 new classroom seats.

The impact of this initiative on the city's future cannot be calculated.

Among the innovations driving this project, the district created a special Small Business program and achieved an agreement with all of its building trade unions to ensure the quantity and quality of labor available to contractors. The district even created a program providing local residents with an opportunity to enroll in comprehensive 10-week pre-apprenticeship training programs leading to possible jobs on the schools project.

Private Project with Constructed Value Less than $100 Million

Providence St. Joseph Hospital, Burbank, CA, construction

management by The JCM Group.

The Northridge, California earthquake of 1994 severely damaged the hospital, and The JCM Group has been centrally involved in helping to rebuild this important community resource.

JCM helped the hospital re-engineer its entire rebuilding effort to bring the project within budget and deliver a new facility that did not merely restore but actually improved what had been there before.

During construction, the owner decided to implement significant changes to the design to incorporate improved technology and other improvements.

JCM still brought the project in ahead of schedule and on budget, providing substantial savings and helping the hospital generate revenue by receiving patients earlier than expected.

Southern California Chapter Wins Its Third Chapter of the Year Award

Representatives of the Southern California Chapter accepting the award.

The Southern California Chapter shined this year as never before. What could be said about our chapter, larger and older associations would be envious of.

Many of you know, of course, that CMAA's national president, Joe Seibold, is a member of our chapter, as are two other national board members. And this year, CMAA's national conference and trade show was held in Huntington Beach, placing the event right in our own backyard. The weather was perfect and everyone that came was thrilled with the location and the event. We were the consummate hosts.

One of the many highlights of the conference for the chapter came at the awards luncheon on Tuesday, September 12th, when Tom Farrell, national board member and chapter liaison, announced that the Southern California Chapter had been selected as the 2005 CMAA Chapter of the Year. Mr. Farrell commenced by listing some of the accomplishments that weighed in on the selection process. Briefly, this is what he presented. In the area of programs, our chapter

- Held eleven chapter board meetings;
- Presented monthly dinner programs nearly every month;
- Conducted technical, educational and legal seminars;
- Published quarterly chapter newsletters; and
- Published three legal and legislative newsletters.

In the area of membership, our chapter

- Added 131 new members yielding a ten percent chapter growth;
- Retains 36 CCM's of which 17 achieved certification over the past year;
- Embodies 64 owners amongst the membership; and
- Embraces 22 Student Chapter Members.

In the area of financial management, our chapter

- Donated $2500 to the unrestricted CMAA Foundation fund;
- Transferred $25,000 to the restricted CMAA Foundation for Scholarships; and
- Funded memberships for 3\three local college professors.

And among other activities and events, our chapter was recognized for carrying out our very successful and well attended Scholarship and Project Achievements Awards Program that boasted

- 43 sponsors and over 350 attendees
- Award of $15,000 in Scholarships; and
- Presentation of five Project Achievement Awards.

The chapter was also acknowledged for developing strong relationships to affiliated professional and trade organizations such as the Women's Transportation Seminar.

Receiving the award was outgoing chapter president Scott Harral of Towill, Inc. Scott was able to have the chapter's board of directors present – the people who truly made it possible – to join him on stage to receive the plaque. Scott also acknowledged all Southern California Chapter members in the audience of which there were quite a few. The feeling of winning this award and to receive it at the national conference in Huntington Beach was exhilarating, something akin to winning the Super Bowl in your home stadium.

>> *Continued on Page 12*

Chapter and Committee News

Winning this year marks the chapter's third such achievement in CMAA's history of presenting the award. The chapter was last honored in 2002 and before that it was back in 1995. This year's award was presented to attendees of the September 28th dinner meeting during the installation of the new board for 2006.

Scott Harral, CCM
Past President, CMAA

Executive Director's Update

Thanks to all of CMAA's Southern California Chapter members who participated in our very successful National Conference. If you didn't attend, you really missed a special educational event and an opportunity to see your chapter leaders receive the Chapter of the Year Award. This is an award that all of you should be proud of, especially your Chapter Board and President Scott Harral, CCM.

The true cost of inefficiency

Anyone whose job description includes advocacy and persuasion must wonder, from time to time, if anyone out there is listening. To be sure, real change comes slowly in an industry as large, complex and tradition-minded as construction.

Yet recently we have seen some welcome, concrete evidence of fundamental change in our business. The latest FMI/CMAA Survey of Owners (released at National Conference) reveals some very interesting new developments.

In fact, it concludes that "owners are making changes that are revolutionizing the construction process."

Admittedly, the report notes this revolution is not of the barricade-storming variety. "Rather, it is a process revolution where roles and methods are changing the way capital projects are delivered," the report says.

What is driving this revolution is a realization of how much better things could be in the construction industry, as well as a growing recognition that there is a clear path to achieving these improvements.

Respondents to the survey now understand, more than ever before, that the real culprit in rising costs and budget pressures is not the cost of raw materials or even labor. It is the cost of inefficiency, the money and time that are wasted when jobs have to be redone, or are not done in a logical sequence, or have to be subjected to inappropriate and unnecessary "rush" treatment.

Owners are beginning to see how their own approaches to construction can actually foster inefficiency and raise costs or, in contrast, how the right strategy can create the kind of collaborative and open working environment in which jobs are done quickly and done right.

Consider the choice of project delivery methods. CMAA has long maintained that professional Construction Management can work beneficially with any of the currently popular delivery methods. But there are differences in how these methods themselves perform.

The survey found, for example, that 66% of respondents use the design-bid-build delivery method most often, but only 23% believe that this method offers the best value.

Why, one may ask, would any owner use a project delivery system that the owner perceives does not offer the best value? It's a powerful question, and one that has been asked only too rarely over the years.

Often, an owner's flexibility in choosing delivery methods is limited by law or regulation. But tradition and simple habit also play prominent roles in these choices. We now see a clear trend among government and quasi-public owners to break out of the design-bid-build pattern and

explore other options, judging these options on the basis of which best meets the needs of a specific project.

In the private sector, we have already seen more openness to different delivery methods, and a greater interest in creating truly collaborative project teams.

The key element in creating real collaboration, and in avoiding the costs of inefficiency, is building trust among all team members and working to give all team members a sense of ownership of the project.

Frankly, this can be a big change for owners who have long thought that a certain adversarial quality, and a certain degree of friction, in their project teams was a good thing. For the owner accustomed to encouraging his team members to check and balance each other, it can be a big change to begin promoting more open communication, risk sharing, and collaboration.

But the benefits of this change are enormous and becoming clearer all the time.

The owners' survey found that between 40 and 50 percent of all construction projects are running behind schedule. This finding is consistent with previous years' surveys. What is only slowly gaining recognition, though, is the degree to which these delays and costs result from inefficiencies built into the way we do things.

Asked to identify the areas that need the most improvement, survey respondents overwhelmingly cited a need for timelier decision making. Decision delays were cited by nearly 80 percent of survey participants.

The other top areas calling for improvement were requiring good project definition, communicating clear work scope, providing leadership for project collaboration and communicating clear business goals to design and construction team.

These seem like self-evidently good things. Yet it is only when people begin to see the concrete cost of inefficiency that a real momentum for change begins to develop.

Bruce D'Agostino, CAE
Executive Director, CMAA

Congratulations to Our Newly Certified Members

Bitar Gus, CCM	**September 2005**
Heery International, Inc., Los Angeles	
Garawi Ghanem, CCM	**September 2005**
Vanir Construction Management, Inc., Los Angeles	
Haas Aaron, CCM	**September 2005**
Caruso Affiliated, Los Angeles	
Losak Jay, CCM	**September 2005**
Analytical Planning Services, Inc., Irvine	

>> *Glassell Park, Continued from Page 9*

State Street ES

The currently planned Central Region Glassell Park Early Childhood Education Center (ECEC) is being envisioned as a joint-use project that includes an affordable housing component complete with underground parking. Present plans are for the District to build the ECEC and the housing developer to build and operate the housing component.

Some early aid and cooperation with this project came from the Southern California Associate of Nonprofit Housing (SCANPH), a nonprofit housing advocacy organization. SCANPH received foundation money to conduct a feasibility analysis of a joint-use housing and ECEC project at the Glassell Park site. The findings of that analysis demonstrated that: (1) an ECEC and a housing development can fit on the site and (2) the District could benefit financially through revenue generated from rent collected under a long-term lease of the affordable housing component. Over the past year and a half, SCAN PH has cultivated support for this project in the community and among elected officials. To date, the District has received letters of support from Assemblymember Goldberg, Assembly- member Liu, Former Mayor Hahn, Councilmember Garcetti, Councilmember Reyes, and the Glassell Park Neighborhood Council.

The program for the joint-use project will consist of an early education center, multiunit housing and a parking garage. The ECEC will house seven classrooms with approximately 13,200 square feet of play area and approximately 18 spaces in the underground parking garage. The housing will be built over the parking garage and will consist of roughly 45 affordable units of one, two and three bedrooms, and a community room.

The housing is anticipated to be a mixed-income development, with 80 percent of the units renting for the market rate and 20 percent of the units renting at an ëaffordableî rate. In accordance with the stateís funding requirements, affordability is determined by taking 60-80 percent of the Area Median Income to determine the rents. This income threshold is consistent with civil servant wages.

The District will realize many benefits by completing this project. The project will allow for District access to state and local funds for joint-use that would otherwise not be available. Also, the project will create revenue as a result of lease payments generated from the housing development. Moreover, the Glassell Park Project will provide an opportunity to replace much needed affordable housing in the area.

With tremendous support from the local community, elected officials and the affordable housing development industry, the District looks forward to completing this model joint-use development and pursuing more of its kind in the future.

Guelsy Gomez, Faccilities Service Division
Los Angeles Unified School District

Who's Who & What's What

Meet CMAA Southern California Chapter's New Board Members

Owners Committee Chair

Guy Mehula

Deputy Chief Facilities Executive, New Construction - LAUSD

Guy Mehula is the Deputy Chief Facilities Executive, New Construction for the Los Angeles Unified School District (LAUSD).

Mehula has more than 25 years of experience in construction in the United States Navy. As a Captain in the Civil Engineer Corps, Mehula commanded the 30th Naval Construction Regiment responsible for the operation of Naval construction units throughout the Pacific, known as the Seabees.

Immediately prior to joining the District, Mehula served as the Chief Operating Officer for Network Designs, Inc. giving him an excellent insight to public sector contracting from a private sector viewpoint.

Mehula joined the District in August 2002 to head an aggressive, multi-year, new school construction project with the primary goal to provide a neighborhood school seat for every student in LAUSD on a traditional two-semester school calendar. Of the 246 projects currently planned, 89 new school projects have been completed, with an additional 79 new school and addition projects under construction.

Mehula is a native of Waukegan, Ill. and holds a Bachelors degree in Systems Engineering from the United States Naval Academy and a Masters degree in Civil Engineering from the University of Florida. He is a registered Professional Engineer.

CCM Committee Chair

Mehdi Heydari, PE, CCM

Vice President/Project Director – Vanir Construction Management

Mr. Heydari is a registered civil engineer, licensed general contractor, and certified construction manager with over 38 years of experience in engineering, contracting and construction management. He has broad exposure to a variety of projects with extensive experience on underground utilities, public works and school projects. His background spans the entire range of the construction process from pre-design to closeout. He has served as operations/program/project/construction manager for over $1.9 billion in construction projects. He has been with Vanir since 1985.

Mr. Heydari has developed a broad background in the construction industry that includes the full range of contracting, project and construction management services. Areas of expertise include strong strength in program development, design management, contract negotiation and administration, design and construction quality/budget/time controls, planning/procedures/training facilitations and client/government liaison. His recent experience includes overall management of a large multi-year, multi-project program involving both renovation and new construction with significant historical facilities and multiple funding sources including FEMA, State and Local Bond.

Mr. Heydari holds a Master of Science in Civil Engineering fro the University of Tehran.

Membership Committee Chair

Lisa Sachs, A.I.A., CCM

President / CEO, Construction Controls Group

Ms. Sachs has an extensive architectural, program/construction management background on institutional and private sector projects. She has been responsible for the selection and management of design consultants, analysis of design documents and recommendation of cost effective design solutions. She has prepared management plans and procedures, scope and budget definitions and detailed milestone schedules. She has also been retained as an expert for claims analysis work and performance audits. Management services include front end specification development, prequalification of contractors, bid packaging, phasing analysis, managing contractors, change order negotiations relating

to cost and time extensions, as well as the management of all project close-out activities. Ms. Sachs has achieved a track record of completing large building programs on time and within a 5% variance.

Ms. Sachs completed the Dale Carnegie Management Training Program in 1992 and received her Bachelor of Architecture from Rhode Island School of Design.

Student Outreach Committee Chair

Willie Paiz, CCM

Title, CH2M Hill

Mr. Paiz is a Construction Manager in the Santa Ana office of CH2M HILL's Construction Management Services Group. He has over 25 years of continued work experience within CH2M HILL that has included civil engineering design support, surveying, materials testing, cost

CMAA Southern California Chapter New Members

estimating, scheduling, quality control inspections, and construction management. His responsibilities and expertise as a Construction Manager have included all project phases.

Mr. Paiz received his B.S. from Del Webb School of Construction/Heavy Construction at Arizona State University in 1991.

Los Angeles' school district's Jim McConnell is CMAA's Person of the Year

Jim McConnell, as chief facilities executive at the Los Angeles Unified School District, is leading the largest public school construction and repair program in American history. McConnell was honored as "Person of the Year" by the Construction Management Association of America during its 2005 National Conference in September.

McConnell is directing a long term effort that will include more than 16,500 repair projects, 160 brand new schools, and 80 school additions.

"Jim is literally changing the world for school children and their families in Los Angeles," said outgoing CMAA President Joseph Seibold in presenting CMAA's highest individual honor. "He is supervising the largest public school construction and repair program in America's history, in which the district is spending more than $15 billion."

Seibold also stressed that McConnell had worked a transformation in how LAUSD does business and how it is perceived by the construction community in greater Los Angeles.

Welcome New CMAA Members

Sen Ashok
Analytical Planning Services, Inc.

Ashok Athalye
Athalye Consulting Engineers

Wanda Kilbourne
Berkemer Clayton

Kelly Engle
Brutoco Construction Management Group, Inc.

Joanne Schultz
Brutoco Engineering & Construction, Inc.

Ryan Wood
Cal Poly, San Luis Obispo

Jaime Escutia
California State University Long Beach

Enrique Robles
California State University Long Beach

Steven Earp, PE
Carollo Engineers

Bryan Payne
Carter & Burgess, Inc.

Eric Charlonne
City of Huntington Beach

Joseph Dale
City of Huntington Beach

Robert Martinez
City of Huntington Beach

David Verone
City of Huntington Beach

Duane Wentworth
City of Huntington Beach

Parvin Moghaddam
Consulting & Management Group, Inc.

Norman Ross, Jr.
Delon Hampton & Associates

Hyun Woo Lee
DMJMH+N

Churchill Mike
Financial Partners Credit Union

Anttila Karl, CCM
Fluor Daniel

Dean Geib
Geib Construction

Mike Joki
GKK Works

Randy Horn
GKK Works

Daniel Silva
Harris & Associates

Jim Faul
Huitt-Zollars, Inc.

Exter Sy
Jacobs Facilities, Inc.

P. Joie Koenders
JK Associates

S. Ernest Swickard
Judicial Council of California

Kenneth Hargreaves, Jr.
Los Angeles Unified School District

Erik Blum, PE
Los Angeles Unified School District

Dan Lee Holmquist
Lundgren Management

Refaat Mina
Minco Construction

O'Leary Kenneth
NFC Group

Walker Ethel
Paragon Engineering & Management, Inc.

Dragan Buha, PE
Parsons

Culligan Brian
Parsons Brinckerhoff Construction Services, Inc.

Mary Salamone
Peckar & Abramson P.C.

Patrick Dougherty
PinnacleOne

Douglas Sereno
Port of Long Beach

Shahrestani Shaun
Port of Long Beach

Darren Kettle
San Bernardino Associated Governments

Steve Welsh
St_ton Construction Group

Scott Kube
Swinerton Management & Consulting, Inc.

Rene Flores, Sr.
The Seville Group, Inc.

Annie Goto
Turner Construction Company

Gorman Richard
Ultra Systems Environmental, Inc.

Huseyin Istanbulluoglu
University of California Los Angeles

Peggy Hoge, PE, CCM
Vanir Construction Management, Inc.

Upcoming Events

Some exciting events to look forward to...

October 7, 2005	Contracts: The Good, The Bad and the Ugly	*Legal Seminar*	The Grand Conference Center, Long Beach
October 14, 2005	Storm Water Management and Your Responsibilities	*Seminar*	The Grand Conference Center, Long Beach
October 26, 2005	Capital Program Updates: Port of Long Beach Port of Los Angeles	*Dinner Program*	Marriott Downtown Los Angeles
October 31, 2005	Annual Golf Classic	*Golf Tournament*	Los Serranos Country Club

Get your personalized CMAA Southern California Chapter Name Tag for only $20!

Please clearly print your name as you want it engraved on tag:

Member since (date) – optional:_____

Company:_____

Address:_____

City, State & Zip:_____

Tel:_____

Email:_____

Payment information:

___ Check enclosed for $20

___ Please charge my credit card for $20

___ MasterCard ___Visa ___American Express

Name on card:_____

Expiration Date:_____

Signature:_____Date:_____

CMAA

Southern California News

Fall 2005

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