



News

Winter 2004

Gov. Schwarzenegger Gives California's Budget a Workout

Following are excerpts from the California Budget Project's summary of Governor Arnold Schwarzenegger's Proposed 2004-05 Budget released January 9, 2004. The complete article can be found at <http://www.cbp.org/2004/040109govbudgetfinal.pdf> and budget documents are available on the Department of Finance's website at <http://www.dof.ca.gov>.

How the Budget is Balanced

In order to bring the budget into balance, the budget includes "solutions" totaling \$754 million in 2002-03, \$2.6 billion in 2003-04, and \$14.4 billion in 2004-05, including:

- \$5.9 billion in spending reductions;
- \$1.1 billion in fund shifts;
- \$947 million in savings from suspending Proposition 42, which allocates certain sales tax revenues to transportation;
- \$2.9 billion in savings from "re-basing" growth in the Proposition 98 school spending guarantee;
- Using \$3.0 billion of the proceeds of the Deficit Recovery Bonds to offset 2004-05 operating expenses;
- \$1.3 billion in savings for debt service on the Deficit Recovery Bonds;
- \$1.2 billion in transfers and other revenues, including fee increases;
- \$249 million in loans and borrowing; and
- \$950 million in savings from a proposed "pension reform package," which includes the issuance of pension obligation bonds.

The budget would reimburse local governments for \$4.1 billion in revenues lost as a result of the Governor's rescission of the Vehicle License Fee (VLF) increase in 2004-05. The budget assumes that local governments would receive \$2.5 billion in reimbursements for VLF revenues lost in 2003-04. An additional \$1.3 billion would be treated as a loan and repaid in 2006-07. The budget proposes, however, to shift \$1.3 billion in property tax revenues from local governments to schools. This would reduce the state's school funding obligation by an equal amount.

The Proposed 2004-05 Budget spends \$79.1 billion from the state's General Fund and assumes revenues of \$76.4 billion. For accounting purposes, the Budget shows \$3.0 billion of the \$79.1 billion in 2004-05 spending as occurring in 2003-04 out of the proceeds of the Deficit Recovery Bonds. This method of accounting for the use of bond proceeds allows the budget to show an operating surplus in 2004-05. In fact, budgeted expenditures exceed anticipated revenues by \$2.7 billion.

The budget assumes the sale of Deficit Recovery Bonds resulting in net proceeds of \$12.3 billion. Bond funds would be used to pay for the \$9.242 billion 2002-03 shortfall and \$1.881 billion in employee retirement contributions in lieu of issuing the pension obligation bonds

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On the Web...

For the latest news and events visit CMAA's website at <http://www.cmaanet.org>.

While you're there, visit the Southern California Chapter's website at <http://www.cmaanet.org/sca>.

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The CMAA S. Ca. Chapter: A Soaring Success

Happy New Year to all! Hopefully everyone has made their resolutions and is ready to go! The main idea, of course, is movement and momentum. As Oliver W. Holmes once said, "I find the great thing in this world is not so much where we stand, as in what direction we are moving." CMAA, through collaborative efforts and hard work, is moving forward with our goals and objectives in a direction of success.

It is true that **Success** breeds more success! The CMAA Southern California Chapter is **PROUD** to announce that our membership has grown to 396 and we continue to be the largest CMAA chapter in the nation! Great Job Southern California!

The CMAA S. Ca. Chapter hosted a record 23 programs in 2003 with a total attendance of 1,867.

The Student Chapters' goals have also exceeded all expectations. They have increased their student membership by 100%, held numerous campus visits (which were well attended and well received), and have obtained commitments for internship opportunities from several construction management firms. The chapter has also increased the scholarship amounts given to each awardee, and, on a regular basis, student members are attending the various educational and dinner programs sponsored by CMAA. The students are finding great value in participating in our organization. As you can see, our focus is on our future.

Our progress in spreading the word regarding CM and the CCM certification has been truly amazing. Our clients now realize the importance of having a certified construction manager running their projects and several government agencies are now giving special preference to firms that submit project/construction managers with the CCM certification. With that, construction managers from companies such as Vanir, Parsons, DMJM, Jacobs, Pinnacle One, and others, have been aggressively studying and sitting for the CCM certification exam. The CCM certification will certainly be in greater demand in the proposal/bidding process in the future and companies employing certified construction managers will have the competitive edge over companies that do not. For those of you who have yet to obtain your certification, you need not wait -- call the CCM certification office now at (703) 356-2622 for more information.

As you can see, we have been very busy but it does not stop there. On March 11, 2004, CMAA will hold its annual Scholarship & Project Awards Dinner which includes a silent auction. This event is CMAA's major fund-raiser with proceeds going to the scholarships that are

CONTINUED ON PAGE 8

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New: The CMAA S. Ca. Chapter's Legal & Legislative E-Newsletter

The CMAA S. Ca. Chapter's Legal Committee is working hard to keep our members up-to-date regarding the latest construction law trends and issues as they relate to the CM industry, and we are proud to announce the debut of the *CMAA S. Ca. Chapter's Legal & Legislative E-Newsletter*. Titles in the first issue include:

- Contractor Gets Stuck w/ Subcontractor Claim
- What was TBO Thinking? A CM's Perspective . . .
- California's Construction Legislation for 2003
- The Facts about California Licensing of Construction Managers
- SB 1953 & the Alquist Hospital Facility Seismic Safety Act
- The Latest Construction Industry Court Decisions

All CMAA S. Ca. Chapter members will be emailed a free copy of the newsletter -- if you do not receive your copy, please send an email to <mailto:SCCMAA@pavenet.net> or view it on our website at <http://www.cmaanet.org/scal>.

Seasons Greetings from your CMAA staff!

The National Board has just blessed our 2004 Business Plan and Budget which we believe will bring members in California and across the nation more value-added programs. We're able to expand our programs and services because of the phenomenal membership growth that we are achieving, especially in Southern California. Our current membership stands at a record 2,428!

CM Certification and Professional Development opportunities continue to be the major draw in attracting new members, especially owner practitioners. We now have 382 certified construction managers with 279 professionals in the application stage. This program has really caught on this year as more owners are recognizing that CM Certification is an excellent prequalification tool. Our goal for next year is to achieve ANSI accreditation which will assure participants and owners of our program's quality and the test's validity. If you have questions regarding certification, please contact Mandy Wolfe at our National Office.

Our Professional Development Director Jim Tolliver has done an amazing job in building a CM curriculum based on our Standards of Practice and Body of Knowledge. I encourage you to explore what Jim has produced in the professional development section of our website: <http://www.cmaanet.org>. In 2004 Jim will be expanding our CMs Talk Live offerings, web courses, and increasing the educational value of our Spring and National Conferences. We are also working with industry partners to produce programs geared to the healthcare industry.

Locally, CMAA membership grew by more than 35% in 2003 -- the S. Ca. Chapter now includes nearly 400 members.

Services, Wickwire and Driscoll's book on scheduling, and the CMAA Fellows' release on the history of CMAA.

Our new Government Affairs Committee under Chairman Steve Routon of HNTB has been very active recently as CMAA supports the passage of TEA LU, the \$375 billion transportation funding bill. I know that California could certainly use some of these dollars for

CMAA National Update:

- **Membership approaching 2,500**
- **More than 380 certified CMs**
- **More than 275 in the CM Certification application process**

Sales of our publications have been very strong this year as we added to the number of offerings in our online bookstore. New offerings to be released next year include an update of Chuck Thomsen's *CM: Developing, Marketing & Delivering Construction Management*

their transit and road building needs, and I know that CMAA members would love to provide CM services for these programs.

The CM At-Risk (CMAR) delivery method continues to grow in popularity among many public owners. I saw a clipping recently about its introduction in San Diego. Although CMAA is project delivery system neutral, we feel it is important that CMAR is delivered properly, that owners get the up-front services promised and that the construction phase is open book. One of our efforts in 2004 is to craft CMAR language that will be accepted into the Federal Acquisition Regulations, as many local public entities look to the federal sector for project delivery guidance.

Research on the value of CM is another priority for CMAA in 2004 as CMAA and its Foundation look to fund research programs at three major educational institutions. CMAA hopes this research will provide members with valuable metrics on the value of CM services to owners.

Staff is working with the Ethics Committee and FMI on a January launch of an industry survey of ethical practices. Our owner survey continues to receive industry attention in the press and most recently in a presentation by Bob Hixon, CCM, and FMI's Dennis Doran at the Construction Users Roundtable in Florida.

We have remained active in building alliances with industry leaders, organizations and owner groups this fall by attending Federal Facilities Council Meetings, State Department presentations, AGC functions including their Global Construction Conference, ENR's Owner's Summit, Change of Command Ceremonies at NAVFAC, meetings with Jan Tuchman (editor of ENR), ASCE's CERF Dinner, a meeting with Al Sunseri of ASHE, the CURT Conference (also participated as exhibitor), discussions with General Flowers/Don Basham/Dwight Beranek of the Corps of Engineers; a meeting with Colette Nelson of ASA; a meeting with BOMA's Henry Chamberlain; and meetings with PMI's College of Scheduling.

Your National President Christine Keville represented CMAA at a regional Army Corps of Engineers meeting in New England, the U.S. Conference of Mayors meeting on infrastructure in NY, and the Army Corps' Conference on rebuilding Iraq in DC (25 contracts worth \$18 billion).

It has been a busy fall for all of us at CMAA and it will certainly be a busy year for us in 2004. I hope that all of our California CMAA members are equally as busy.

Happy New Year!

Bruce

CMAA National's efforts for 2004 include developing CM At-Risk language for the Federal Acquisition Regulations in support of local public entities looking to the federal sector for project delivery guidance.

- Bruce D'Agostino, Executive Director, CMAA

Transportation Federal Funding Update

Federal transportation funding: a welcome boost for California's economy

The Transportation Equity Act for the 21st Century (TEA-21), which authorized \$218 billion for surface transportation systems over six years, expired September 30, 2003. That same month congress passed a five-month extension bill (Public Law 108-88) to give lawmakers more time to negotiate the next six-year bill known as TEA-LU, the Transportation Equity Act: A Legacy for Users.

TEA-LU

Traditionally one of the nation's more popular spending programs, current proposals to renew the nation's highway and transit construction program funding include:

- President Bush's proposal totaling \$257 billion;
- The Senate's plan totaling \$311.5 billion; and,
- The \$375 billion program developed by leaders of the House Transportation Committee.

Representing the top figure in the debate and with backing from the Associated General Contractors of America, the Operating Engineers Union and the American Public Transit Association, the House Transportation Committee's bill includes:

- \$298 billion for highway projects (up from \$195 billion in the current program);
- \$7.5 billion for safety improvements at railroad-highway crossings; and
- \$69 billion (up from \$45 billion) for transit projects.

The key question is how to pay for the increased program, which is funded mainly from the 18.3 cents-a-gallon federal gas tax. The White House remains steadfastly opposed to a tax increase, especially amid a re-election campaign for Bush, but House advocates of the ambitious \$375 billion proposal say more money is needed to rebuild the country's infrastructure.

Multi-billion-dollar implications for California

The funds are particularly important for California since Gov. Arnold Schwarzenegger has proposed slashing state transportation spending by \$530 million in the current fiscal year — a cut that may be followed by more reductions in future years as the

state government struggles to regain its financial balance.

Receiving about \$21 billion over six years under the expiring program, California could receive as much as \$30 billion under the plan proposed by the House. These funds could represent a critical boost for California's hard-pressed economy, and could be leveraged to create hundreds of thousands jobs, relieve traffic congestion and get more people to ride mass transit.

Senate Highway Bill Reauthorization

In the Senate, the Environment and Public Works Committee has approved a \$255 billion bill for highway spending only, and, with jurisdiction over the transit portion, the Senate Science, Commerce and Transportation Committee is expected to approve a \$56.5 billion plan. Sen. Barbara Boxer, D-Calif., says the Senate highway portion alone would bring California \$5.9 billion more over the coming six years than under the old program, and she estimates that would create 87,000 jobs in the state.

For more information on TEA-21 reauthorization, visit <http://www.fhwa.dot.gov/reauthorization/> and visit CMAA's Government Affairs page weekly to see what CMAA is doing on your behalf!

2004 Annual Scholarship & Project Awards Dinner - A BIG Event!

The CMAA Southern California Chapter is growing by leaps and bounds. Anyone that has been affiliated with the chapter over the last few years knows this. One of the measures of our growth includes the level of opportunities the Chapter can offer its members.

To illustrate, our upcoming **Scholarship & Project Awards Dinner on March 11, 2004**, promises to be one of the biggest and best ever. With the addition of our own regional project achievement awards, we have definitely stepped it up a notch. There is interest out there in this new program — enough so that in the years to come, we see our regional project awards program becoming a coveted mark of achievement of Southern California construction managers. Add to that, the additional credibility gained at the national level when winners are then sponsored on to the National Awards program.

Our honoree for the event is another notable sign of our significance in the industry. Jim Ritchie, Deputy Executive Director of Long Range Planning & Environmental Management for the Los Angeles World Airports, who also represents the region's commitment to growth and development, brings promise of exciting times ahead for our industry. We are very pleased to be able to acknowledge Jim's past achievements and future commitment.

Yet another sign of our own growth is the amount of donations and revenue raised for our scholarship fund. We are able to offer 25% more to our applicants over last year. Not bad, considering the depressed economy of the state over the past year.

Bottom line, our chapter is doing well and that is thanks to you, our members. Now take advantage of what we offer while supporting our programs. You can do your part by planning on participating in the March Scholarship & Project Awards Dinner. Come and enjoy a great evening with more than 300 of your closest colleagues, clients and competitors. This will be one of the best regional networking opportunities you can get. And while you are there, bid on the numerous items we'll have available during the silent auction or, better still, ask your company to give back to the industry by donating a suitable item to the auction.

On behalf of the board, your fellow members and the scholarship candidates, thank you all for your steady support to CMAA. See you in March.

-Scott Harrel, Jacobs

Feature Article

Feature Article: Gov. Schwarzenegger's Proposed CA Budget (cont. from Page 1)

included as part of the 2003-04 budget package. The budget also proposes to use a portion of the bond proceeds to pay for 2003-04 and 2004-05 operating expenses, including:

- \$188 million to repay loans from special funds to the state's General Fund;
- \$325 million to make up for the 2004-05 revenue loss attributable to the expansion of net operating loss deductions authorized as part of the 2002-03 budget package;
- \$100 million in 2004-05 general obligation debt service costs;
- \$209 million in 2004-05 employee compensation costs; and
- \$300 million in contributions to the state's reserve in 2004-05.

As proposed, the budget includes a \$635 million reserve in 2004-05.

Tax and Revenue Proposals

The budget does not propose any increases in state taxes. It does include \$240 million in fee increases in 2003-04 and 2004-05, including higher fees for state parks, students enrolled in higher education, and families participating in state-supported child care programs. The budget assumes a \$500 million increase in state revenues from tribal gaming activities.

The budget assumes that revenues will be \$1.9 billion above the levels forecast in November by the Legislative Analyst's Office (LAO) in 2002-03, 2003-04, and 2004-05 combined. Nearly all (\$1.8 billion) of the difference is attributable to the Administration's assumption of higher revenues from sources other than the state's three major taxes, the personal income, sales, and corporation taxes.

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The California Budget Project serves as a resource to the media, policymakers, and state and local constituency groups seeking accurate information and analysis of a range of state policy issues. Through independent fiscal and policy analysis, public education, and collaboration with other organizations, CBP works to improve public policies affecting the economic and social well-being of low- and middle-income Californians.

Below are a selection of key provisions identified by the California Budget Project that may impact California's future construction market.

K-12 Education - The Governor's Budget:

- Establishes a total 2004-05 Proposition 98 funding level of \$46.7 billion for K-14 education programs, which represents a 1.7 percent increase over the 2003-04 level of \$45.9 billion. The state General Fund share of 2004-05 Proposition 98 funding is \$29.7 billion, 1.4 percent less than the 2003-04 General Fund share of \$30.2 billion. The proposed 2004-05 Proposition 98 funding level is \$2 billion below the current estimate of the Proposition 98 guarantee for 2004-05. The Administration intends to seek legislation that would add this amount to the maintenance factor that is owed to schools in future years.
- Fully funds the State Deferred Maintenance Program, for a total cost of \$250.3 million.

California Community Colleges - The Governor's Budget:

- Provides \$4.7 billion in 2004-05 Proposition 98 spending for the California Community Colleges. This funding level

represents a 7.3 percent increase from the 2003-04 Proposition 98 funding level of \$4.4 billion.

Higher Education - The Governor's Budget:

- Proposes total funding in 2004-05 of \$4.5 billion (\$2.7 billion General Fund) for the UC system, a 0.3 percent decrease from the 2003-04 total funding level and a 6.9 percent decrease in General Fund support.
- Proposes total funding in 2004-05 of \$3.6 billion (\$2.4 billion General Fund) for the CSU system, a 2.4 percent decrease from the 2003-04 total funding level and an 8.1 percent decrease in General Fund support.

Transportation - The Governor:

- Proposes to suspend the \$1.1 billion Proposition 42 transfer from the General Fund to the Traffic Congestion Relief Program (TCRP). Proposition 42, approved by voters in March 2002, provides for annual transfers of sales and use taxes on gasoline from the General Fund to the TCRP in order to fund state

and local transportation projects. The Proposition 42 transfer was partially suspended in 2003-04.

Public Safety - The Governor's Proposed Budget:

- Allocates \$5.7 billion in General Fund dollars to the Youth and Adult Correctional Agency (YACA), an 8 percent increase compared to 2003-04 spending levels.
- Decreases the total budget of the Department of Corrections (DOC) by 7.8 percent compared to estimated 2003-04 spending levels.

Resources - the Governor proposes to:

- Increase state park fees by \$18 million. The increase in revenues would be divided among the General Fund (\$15 million), deferred maintenance (\$2 million), and park operations (\$1 million).

Environmental Protection - The Proposed Budget:

- Reduces General Fund support for water quality programs by \$10 million.

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New Members

Who's new in the Zoo?

2003 was a record-setting year for the S. Ca. Chapter of CMAA. We sponsored 23 programs in 2003 with a total attendance of 1,867; 12 of our members received their CCM certification; and 145 new members (including 11 owner members (**bolded**) and 12 student members) joined the Chapter making it the nation's largest CMAA chapter. Please join us in welcoming the following new CMAA S. Ca. Chapter members:

Danny Kaye, 3D/International
Joseph Scarano, 3D/International
David Wollenberg, 3D/International
Dara Kodera, ABACUS Project Management
Peter Innerhofer, ABS Consulting/EQE P&CM Group
Paul Trepte, Alexander O. Trepte
Thomas Berg, P.E., Berg & Associates
Jack A. Hall, CCM, Bernards Bros. Constr. Mgmt.
Jonathon Turner, Boyle Engineering Corporation
Arthur Uata, Cal Poly Pomona
Jeffrey William Messana, Cal Poly San Luis Obispo
Kevin Love, Carollo Engineers
Dale McPherson, Carollo Engineers
Robert Whedon, P.E., Carter & Burgess
Raul Cuellar-Rodriguez, CH2M Hill
Saeed T. Hefazi, CH2M Hill
David B. Talcott, CH2M Hill
Larry Freeberg, Chambers Group
Kathy Kondor, Chambers Group
Monique Cayle, CM Construction Services
Gary L. Sutherlin, Community Regional Med. Ctr.
Charlene Franck, Construction Controls Group
Troy J. Brownlee, CSU Long Beach
Luis Cervantes, CSU Long Beach
Mark Horton, CSU Long Beach
John Klabau, CSU Long Beach
Ken Li, CSU Long Beach
Ross MacMaster, CSU Long Beach
David Pettigrew, CSU Long Beach
Cheryl Lee Brown, D.D.I. Management
Pattie Marie, Dean Ryan Consultants & Designers
Wanda M. Martinez, Dean Ryan Cons. & Des.
Virginia Campos, Del Terra Construction Group
Ronald Teigen, Delta Consulting Group
Patricia A. Watkins, DMJM+Harris
Michael McAlpine, CCM, DMJM Management
Greg Jacobson, CCM, DMJM&N
Tom Calhoun, DMJM+H+N
Mark Graves, DMJM+H+N
Jeffrey Heller, DMJM+H+N
Kelly L. Olson, DMJM+H+N
Ty Schlender, DMJM+H+N
John Sohn, DMJM+H+N
Aman Vaish, DMJM+H+N
Hector A. Castillo, ECM Group
Ximena Zambrano, ECM Group
Craig Studer, Fire Protection Management
Mike Lewicki, Gafcon
David Shuter, Gannett Fleming

Armando Garcia, Jr., Gateway Science & Engineering
Charles Merrick, GKK Works
Jeff Trueman, GKK Works
William B. Hutchison, Guardian Group
David Hahn, Hahn Partners
Randall, Duncan, Harris & Associates
Frederic Samelian, Hill International
Dave Anderson, HNTB Corporation
Mary R. Enchul, P.E., Huit-Zollars
Preston W. Kelley, P.E., Jacobs
King So, Jacobs Associates
Michael Feroz, Jacobs Civil
Raymond Crane, Jacobs Civil
Hassan Hallak, Jacobs Facilities
Alan Murphy, John Wayne Airport
Jim Bond, Keller CMS
Richard Holme, Keller CMS
Robert Lyons, Keller CMS
Ronald Merritt, Keller CMS
Tony Talamante, Keller CMS
Sammi Reeves, Kennard Development Group
John Wickersham, Kennard Development Group
Edgar Childress, Klassen Corporation
Nicholas Toghia, Klassen Corporation
Paul Lee, L. H. Engineering & Consultants
Roger F. Dames, Los Angeles County MTA
Joseph Mehula, Los Angeles Unified School Dist.
Jim Ritchie, Los Angeles World Airports
Cesar Cantuba, Macro-Z Technology
Fahim Boulos, P.E., MARRS Services
Mary McCormick, MBI Media
Tobin Tellers, Metropolitan Water District of S. Ca.
Mehmet Karacay, MWH Americas
David Mosher, P.E., MWH Americas
Peter Borowski, Noble House Hotels & Resorts
Stanley Phernambucq, OCTA
Richard Burdette, Parsons
Darrell Fernandez, Parsons
Evan Scott, Parsons
Zephaniah Varley, Parsons Brinckerhoff
Amy L. Ford, Parsons Brinckerhoff Constr. Services
Luke E. Mahier, Parsons Brinckerhoff Constr. Services
William I. Wilkerson, Parsons Brinckerhoff
Lisa Richardson, Parsons Brinckerhoff
John N. Rever, Parsons Brinckerhoff Constr. Services
Michael McGaughey, PBS&J
Erica Schulz, PBS&J
Kevin Jones, Peck/Jones International
Hector Arias, PinnacleOne

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Kristin Parisi, PW Construction
Dan Silverman, PW Construction
Mike Williams, PW Construction
Sagar R. Pandey, S2 Engineering
James Martin, Safework
Tae Dixon, Snyder-Langston Real Estate & Construction
Jeremiah Harris, Snyder-Langston Real Estate/Constr.
Gary Foster, Sole Proprietor
Lori Sayles, Staples Construction Company
Ronald F. Magyar, student member
Carlos Orellana, Summit Consulting International
Patrick Burke, Swinerton Management & Consulting
Megann McPhee, Swinerton Management & Consulting
Douglas Reed, Swinerton Management & Consulting
David Tsao, Swinerton Management & Consulting
Kenneth R. Wipff, Swinerton Management & Consulting
Steven M. Murow, The Moote Group
Waleed Azar, Tishman Construction
John Wong, Tishman Construction
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Chris Lavache, URS Corporation
Sy Nguyen, URS Corporation
Leroy Saage, URS Corporation
Malcolm Smith, URS Corporation
Francesco Spinoso, Vanir Construction Management
Larry Campbell, CCM, Vanir Construction Management
David R. Anderson, Vanir Construction Management
Kathryn Mary Moroz, Vanir Construction Management
Vera Rangel, Vanir Construction Management
Edward Kavin, Vanir Construction Management
Gary Plunkett, Washington Group International
Jeff Werner, Watt, Tieder, Hoffer & Fitzgerald, LLP

Green Building Construction Management

Local Solutions to Global Issues

In the last five years, we have seen explosive growth in the acceptance of Green Building Standards by government agencies, institutions and private developers. Since the introduction of the LEED (Leadership in Energy & Environmental Design) rating system, the U.S. Green Building Council (USGBC) has seen its membership increase by more than fifteen times, and it is now estimated that more than 7% of all new commercial construction projects in the U.S. will be considered for LEED certification. Maintaining a current understanding of the requirements and challenges of green building construction is critical for construction managers striving to remain competitive in this evolving market.

To understand how the interest in green buildings originated, construction managers must understand the profound impact that buildings have on our environment and well being. On an annual basis, buildings in the U.S. consume more than 36% of all the energy produced, produce 30% of total greenhouse gas emissions, create 136 million tons of construction/demolition waste, and use 40% of all raw materials extracted from the earth. The impacts caused by these demands on our environment range from air and water pollution to climate change (global warming), and include the destruction of natural environments, the depletion of natural resources, and more. While it is difficult to immediately eliminate all these impacts entirely from the building process, it is actually quite simple to reduce them, and begin to benefit from a better way of designing and constructing buildings.

The benefits can be realized in three main ways: Environmental, Economic, and Health/Safety. Although the **environmental** benefits are easy to see, it is sometimes hard for people to really appreciate them unless they are directly impacted or have experienced the destruction on a first hand basis. Think about the last time you saw a polluted stream, walked by a junk yard or dump, or were shocked by the ugly sight of a mining pit or a clear cut forest. To realize the **economic** benefit, it is important to consider the

Local Green Building Project Seeks National Recognition

The Natural Resource Defense Council (NRDC) recently completed construction on a new headquarters facility in Santa Monica which is currently being considered for the highest certification available for green building design: a Platinum rating from the U.S. Green Building Council's Leadership in Energy and Environmental Design program. At the

forefront of green building design in the United States, the NRDC facility is actually a redesigned, existing 1920s-era structure located in Santa Monica's pedestrian center. By redesigning an existing structure, the NRDC eliminated the need to build on undeveloped land and maximized the use of existing services such as local transit. The redesign included water and energy conservation components, and the structure showcases environmentally sound materials. With an environmental learning center located on the ground floor, the NRDC building is not only sustainable, but highly economical, educational and livable as well.

savings derived from not being wasteful with building materials and conserving energy in future buildings' operations. The **health/safety** benefit is the most difficult one to measure. It has been proven by many studies that due to the amount of

time people spend in buildings, improvements made by greater use of natural lighting, using materials which do not emit harmful gases, and better ventilation systems all amount to better health for building occupants. Not surprisingly, these health benefits result in higher productivity, lower absenteeism and higher profits for everyone.

To encourage and establish guidelines for green buildings, the USGBC has developed the LEED rating system which is broken down into five main areas of concern: Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources and Indoor Air Quality. Each of these areas is further broken down into specific LEED prerequisites and credits used to rate a given project.

To be considered for LEED certification, projects must be registered with the USGBC and, to qualify as a LEED certified building, they must meet the minimum requirements identified by the prerequisites. To qualify for a higher level of certification, points are given for credits awarded which represent desirable green building attributes encouraged by the USGBC. The total number of points determines the project's specific level of green building achievement. With a maximum point value of 69, the levels include:

- LEED certified for projects with 26-32 points;
- Silver Level for projects with 33-38 points;
- Gold Level for projects with 39-51 points; and
- Platinum Level for projects with more than 52 points.

The introduction of the LEED rating system provides a standardized method for evaluating and ranking projects, and gives the building industry a measuring stick with a worthwhile goal to pursue. The resulting friendly competition between governmental agencies, institutions, developers, architects, engineers and builders has made green building a central consideration rather than a peripheral one. LEED will continue to be refined to further challenge the industry (for example, the current LEED 2.1 for New Construction is expected to be upgraded to LEED 3.0 by 2005), and to address specific types of projects such as specialized versions for Existing Buildings, Commercial Interiors, Core and Shell, Homes and Multiple Buildings.

Personally, I can't wait for these improvements to manifest and continue to make a difference in our lives. I encourage all CMAA members to visit <http://www.USGBC.org>, get LEED certified and to find ways to make their projects greener.

- **John L. Wong, PE, LEED Certified Professional, Senior Vice President, Tishman Construction Corporation**

On an annual basis, U.S. buildings:

- Consume more than 36% of all the energy produced
- Produce 30% of the total greenhouse gas emissions
- Create 136 million tons of construction/demolition waste
- Use 40% of all raw materials extracted from the earth

Wear your CCM pin with pride -- you are the leaders of the CM Industry!

The importance of obtaining the CCM designation continues to grow as many owners have begun requesting CM certification in RFPs and encouraging their employees to become certified -- 75 of our CCMs are *owner* practitioners. In total, 382 construction managers have earned their CM certification and, last year alone, we certified 135 CMs. With more than 279 candidates currently in the program, it won't be long before we reach the 500 CCM mark!

American National Standards Institute (ANSI) Accreditation:

Obtaining ANSI accreditation by the end of the year is a top priority for 2004. Operating in accordance with internationally recognized guidelines, the ANSI accreditation program confirms the credibility of certifying organizations which will protect the value of the CCM designation and bring additional recognition to those who have earned it. We'll keep you updated as we continue through the accreditation process.

Exam Writing: If you are looking for a way to receive recertification points, authoring items for the CCM exam is a great way to start. CCMs will receive two recertification points *per item submitted* by submitting at least 10 items from one area of expertise (cost, time, quality, etc.). Please call me for more information and assistance through the process.

CCM Renewal Fee: Effective January 1, 2004, CMCI implemented a new CCM renewal policy requiring participants to pay the \$60 renewal fee within 30 days of the renewal date (the month of your certification) and adding a \$40 late fee for payment received after 90 days. This will total \$100 to maintain your CCM status, so make sure we receive your renewal fee on time.

CMCI Board of Governors: To meet the demands of our growing program, the CMCI Board expanded to 12 members in October 2002. We have worked hard at smoothing the transition for incoming applicants; meeting the needs of the candidates and CCMs; and at amending policy. Please see the 2003-2004 CMCI board roster at <http://www.cmaanet.org/cmci/board.php> where you will also find updates to the application and reference letter requirements.

The GSA Encourages CM Certification

CMAA's Standards of Practice and CMCI's CM Certification Program recently received noteworthy attention in an RFP for CM services by the U.S. General Services Administration:

"GSA intends to use the "Construction Management Standards of Practice" issued by the Construction Management Association of America (CMAA) in developing task order scopes of work. GSA also intends to use CMAA publications titled "Contract Administration Procedures", "Time Management Procedures", "Cost Management Procedures", and "Quality Management Guidelines" that supplement the "Construction Management Standards of Practice" in developing the task order scopes of work. These CMAA documents establish industry standards of service to define the full range of construction management services without limiting the methods and procedures by which those services will be provided for a particular project or program . . . CM firms are encouraged to provide staff certified as construction managers by the Construction Manager Certification Institute sponsored by the CMAA."

New Webpage: Additions to our new webpage at <http://www.cmcertification.org> include the recertification guidelines and updated information. Please browse through and see all the progress CMCI has made!

CCM Registry: Please make sure your CCM Registry information is included and correct on the CMCI webpage. To make corrections, complete the form and email or fax back to me.

Did you know? Organizations that support or endorse CM Certification include:

- American Subcontractors Association (ASA)
- Associated Owners and Developers (AOD)
- Construction Financial Management Association (CFMA)
- National Society of Professional Engineers (NSPE)
- Northwest Council for Construction Consumers (NWCCC)
- Society for Marketing Professional Services (SMPS)
- Western Council for Construction Consumers (WCCC)

For more information on any of these topics, please email or call the certification office at <mailto:certification@cmaanet.org> or (703) 356-2622. Thanks for all of your support and best wishes for 2004!

- Amanda Wolfe, Director of Certification, Construction Manager Certification Institute, <http://www.cmcertification.org>

President's Message: A Soaring Success *(continued from page 2)*

awarded to the students and for our Student Chapters' growth. In order for this to be a huge success we need your help and support! Please join us for a great night of networking and fun -- your attendance will help support the college scholarship receipts and our future!

I would like to give a big "Thank You " and a round of applause to our board, the various committees and to Kelly Asper for all of

the hard work, dedication and commitment they devote to the CMAA organization. As stated in my previous President's Message, "The sky is the limit" with this board! It is all very exciting! Our goals and objectives are starting to become realities. With this success, you, the members, will benefit immensely. And for those who have yet to become members, we welcome you to join our success!

- Lisa Campbell, CMAA S. Ca. Chapter President, Regional Business Development Mgr., Kleinfelder, Inc. (<mailto:lcampbell@kleinfelder.com>)



People in the News

Lee Willoughby recently accepted a new position as **Assistant Director, Design and Construction for the Office of Construction & Management of the Administrative Office of the Courts, Judicial Council of California**. Formerly serving as the Capital Outlay Program Manager for the Real Estate Services Division of the Project Management Branch for the State of California, Mr. Willoughby's newly created position was authorized by the Trial Court Facilities Act of 2002 (Senate Bill 1732) and consists of a shift in governance of more than 450 court facilities from the counties to the state.

More information on this estimated \$5 billion program can be found at <http://www.courtinfo.ca.gov/reference/documents/ar2003.pdf>.

Become a CMAA National Board Member

CMAA is seeking ideal candidates for its 2004-2005 Board of Directors. If you have the qualifications and interest in serving CMAA, or know someone who does, please call (703) 356-2622 for the Recommendation Package requirements. To be considered, all recommendations and the required supporting documents must be submitted no later than **March 29, 2004**.

CMAA's goal is to elect quality leadership to help fulfill the association's mission. Items considered in the evaluation of each candidate include educational credentials, previous CMAA experience and/or other professional associations, and other noteworthy accomplishments. Candidates must also demonstrate a commitment to dedicating the time, effort, and resources required to function as a Director, and should obtain a similar commitment from their employer. (Associate Members are the only membership category not allowed to serve as Directors.)

CMAA Southern California News Winter 2004

CMAA Southern California News is published for the members of the Southern California Chapter of the Construction Management Association of America for the purpose of informing the members of local and national news, chapter events and industry trends.

Articles published in CMAA Southern California News contain the opinions of the authors and do not necessarily represent the position of the CMAA Southern California Chapter.

Inquiries regarding the newsletter can be directed by email (<mailto:sccmaa@pavenet.net>), fax (562/856-5813) or mail to:

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CMAA S. Ca. Chapter Events

DATE	TIME	EVENT	TOPIC	LOCATION
January 16	8:00 – 10:30 am	Seminar	Storm Water Regs./Erosion Control Techs.	The Grand, Long Beach
January 22	8:00 – 10:30 am	Legal	CM's Role in Design/Build	The Grand, Long Beach
January 29	5:30 – 8:30 pm	Dinner	Owner Night	The Grand, Long Beach
February 19	8:00 – 10:30 am	Legal	Contract Documents Review	The Grand, Long Beach
February 26	8:00 – 10:30 am	Seminar	Improving Safety Performance	The Grand, Long Beach
March 11	5:30 – 8:30 pm	Spec. Event	Scholarship & Project Awards Dinner	Marriott, Downtown LA
March 18	8:00 – 11:00 am	Legal	Mechanic's Liens, Stop Notices & Bonds	The Grand, Long Beach
March 25	8:00 – 10:30 am	Seminar	Time Management	The Grand, Long Beach
\$55 Members			\$85 Non-Members	

Legal Seminars

Learn the fundamental principles of good contract management and understand the ever-changing world of construction law. Each workshop features industry leaders who will highlight recent changes in construction law, review case studies, and share their practical, hands-on experiences, expertise and knowledge.

CM Workshops

This workshop series is based on the four standard Construction Management Guidelines and Procedures: Contract Management, Cost Management, Quality Management and Time Management. Each workshop features industry leaders who will share their experiences, expertise and knowledge.

Dinner Programs

Each dinner program will highlight an owner's upcoming capital improvement program, and the resulting contracting and professional services opportunities.

For more information about CMAA events, please email <mailto:sccmaa@pavenet.net>. For event calendar updates and on-line registration go to <http://www.cmaanet.org/sca>

THINGS TO DO

- Recruit new members
- Check website www.cmaanet.org/sca
- Apply for CCM
- Check out CMAA newsletter
- Volunteer for a committee
- Send scholarship donation check
- Register for Programs:
 - 1/16 Storm Water Regs. & Erosion Control Techniques
 - 1/22 CM's Role in Design/Build
 - 1/29 Owner Night
 - 2/19 Contract Documents Review
 - 2/26 Improving Safety Performance
 - 3/11 Scholarship & Project Awards Dinner
 - 3/18 Mechanic's Liens, Stop Notices & Bonds
 - 3/25 Time Management

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