



TASK CONSTRUCTION MANAGEMENT

Excerpts from the Harvard Business Review “How to avoid construction headaches”

Please contact Task Management for a full copy of the Harvard Business Review document, or to discuss how Task's approach to construction management can help you save significant time and money on your next development project.

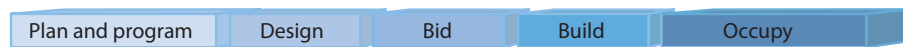
Construction Management saves significant time and money by:

- Bringing general contractor's knowledge to the architect early in the design phase
- Putting the system that controls men, money and materials to work directly for the owner's interests
- Breaking down the sequential nature of the traditional approach allowing design and construction to proceed concurrently

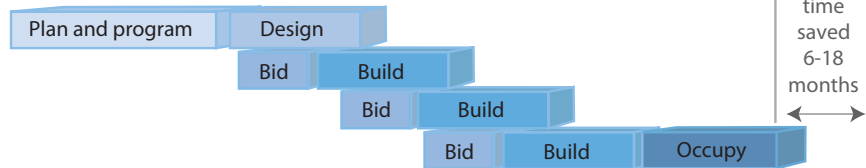
Construction Management is an alternative system of project delivery that employs a firm or individual on an agency basis who has direct responsibility to the owner. The construction manager (CM) provides a range of services to the owner ensuring maximum value for dollar, fast-track time scheduling efficiencies and overall price savings. These services include:

- Scheduling
- Value-analysis
- Tender document preparation and tender management
- Estimating
- Contractibility reviews

Traditional Approach



Construction Management Approach



The effect of overlapped phases in the building process

The Construction Industry:

Over the past three years, the construction cost index has increased on average 1% per month. Taking this into consideration, a \$10,000,000 construction project experiencing a six-month delay would cost an additional \$600,000. ¹

The authors of the Harvard Review “How to avoid construction headaches” state that construction management can offset these costs by delivering significant scheduling and budget benefits that often eliminate delays and bring bottom-line savings.

¹ Based on figures from 1973. Today's increases translate to higher costs.



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Understanding the traditional approach:

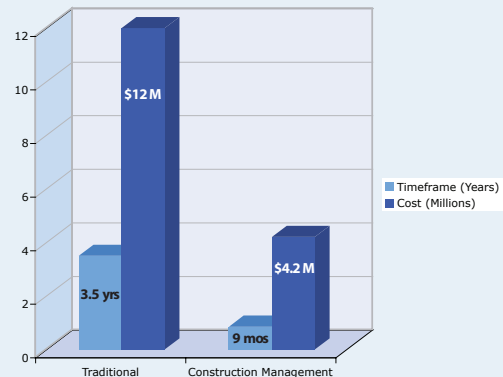
Traditional building processes consist of decision, design, big and construction phases, each of which occur one after the other (with little or no efficiency savings overlaps) and present the following disadvantages to the owner:

- Owner's exacting requirements cannot always be efficiently and effectively conveyed within standard documentation, as building designs have become more complex and processes and materials have proliferated.
- Architects sometimes do not have enough knowledge of and familiarity with building processes to control it as closely as the owner desires
- There are no incentives for the contractor to reduce the cost of building. Often the common practise of bidding low on jobs and charging up for changes/extras increase costs
- General Contractors' management control systems are in place to help make a profit for the contractor and not necessarily to provide info/control for the owner

New York State's Stonybrook Campus experienced a time-saving of 78% and a cost savings of \$7.8 million through the use of CM over traditional processes.

Of the savings - about \$4.25 million was saved through avoidance of construction cost escalation and the remaining \$3.55 million represented rental income gained by early completion of the project.

New York State's Stonybrook Campus



Why construction management delivers such significant benefits:

The Construction Management approach is actually a partnership between the construction manager and the owner, where the CM assists the owner in arranging the contractor and architects, while providing both construction know-how and management ability. In this capacity, the CM is also able to foresee cost-consequences of design decisions ensuring the owner is fully aware of aesthetic/cost trade-offs.

- Each segment of construction is contracted separately with the owner (therefore any single contractor can be replaced without radically affecting the whole job)
- The CM approach employs fast-track or phased construction methods which can result in major time savings. Portions of work that have already been designed and approved can be started independent from the design completion of the entire project.

Please contact Task Construction Management to learn how construction management can streamline your next development project