# THE ROLE AND VALUE OF THE OWNER'S PROJECT MANAGER (OPM)

Presented By:

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#### **OPM = OWNER'S PROJECT MANAGER**

#### **Basic OPM Function:**

- Protect the Owner's interests
- Manage the Designer and Contractor
- Independent, third party



- Minimize surprises (i.e. cost overruns, delays, poor quality control)
- Explain project status and changes to Town, City or Agency's management Board



# **ROLE AND VALUE**

- Applicable to:
  - All Wastewater Facility, Pump station projects
  - More Complex Utility/Pipeline projects
- Role & Value are tangible. Accountability & Transparency
- Role Watch the Owner's Back;
- Maintain Accountability of Designer and Contractor
- Value....Risk Management, Change Management



#### APPLICABILITY

#### • Applicable to:

- <u>All</u> Wastewater Facility projects
- <u>Most</u> Pump station projects, Building
- More Complex Utility/Pipeline projects
- VE, Constructability, MOPO, Change Management, Document Control









# **OUR APPROACH TO OPM**

What Really is OPM in its Simplest Terms?

- Protect the Owner's Interests
- Reduce your Management Burden
- Assist with Selection of Designer(s) and Contractor(s)
  - Delivery Method
  - Prepare the RFQ/P
  - Review responses/clarifications/rank/select
  - Smoke out inexperienced firms
- Cost, Schedule and Change Management
  - Reliable Cost Estimates = No Embarrassment at Bid Opening.
  - Minimize Change Orders

Transparent to Public Scrutiny and Comply with Law (e.g MGL c.149)





#### OUR APPROACH COORDINATION ACTIVITIES



#### **ROLE OF OPM**

- Establish Total Project Scope, Schedule and Budget
- Design Criteria
- Designer Selection
- Review Designer Contract(s) in Detail
- Understand the Communication Lines and Authority
- Develop and Implement a QA program
- Thorough Review of Design and Construction Documents (Plans and Specifications, AE Estimate)
- Independent Cost Estimate, and Reconcile Differences



#### **ROLE OF OPM (continued)**

- Cost, Schedule and Change Management
- Early Intervention
- Continuous Planning Ahead During Design and Construction Phases
- Plan for Transition to the Owner as Part of the Testing, Training and Start-up Phase
- Closeout



#### CLEARLY ESTABLISHING THE OWNER'S GOALS AND OBJECTIVES FOR THE PROJECT

- Won't the designer and contractor work together and resolve any problems?
- What should one consider as you approach an OPM-led project?
  - Budget pressures cut it down as early as possible
  - Funding sources and their schedules e.g. ARRA, Consent Orders
  - Communications
- Lessons learned
  - Fast track projects can get out of control quickly
  - Stay close to outside funding source managers



#### **AVOID FAILURE**



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## **AVOID FAILURE**

#### Most communities have insufficient staff resources to fulfill this role:

- Don't underestimate the programmatic demands
- Can you be involved with all of these elements?





## **OPM PERSPECTIVES**

- Cost and Schedule Control don't assume the designer or contractor feel Owner's pain.
- Value Engineering—critical to be done early
- Examine Alternatives, Save \$\$ w/o lowering quality
- Watch the Owner's back....the designer and contractor have separate agreements with you (the Owner). You need to be aware of what services are <u>NOT</u> included in their scopes.
- Independent construction estimate and schedule—reality check on Designer estimates.



### **BENEFIT OF EARLY INTERVENION**





#### **OWNER'S BASIC PROJECT CONSIDERATIONS**

#### **Key Questions for the Owner**

- Is the Project Scope defined?
- Schedule?
- Budget and Basis?
- Are they realistic?
- Current staff work load?
- How involved or distant to Owner staff want to be?
- Do we know what we are getting into?





# WHEN SHOULD I HIRE ONE?

- Augment the Owner's professional staff
- Someone needs to understand the design, bidding and construction elements.
- Formalized in Massachusetts....Chapter 193 of the Acts of 2004 – new provision of M.G.L. c.149, s.44A 1/2
- Risk Management
- Independent set of eyes



## SOME PUSH BACK

- Why do we need another team member?
- Not typically used...?
- More players/more cost?
- Is it really needed?
- Role and Value?



### **PROJECT DELIVERY METHOD?**

- Basic Question: Traditional: Design-Bid-Build
- DB, DBO, CM, CMaR
- Schedule and Cost Drivers





# **MGL CHAPTER 149 PROJECTS**

#### Massachusetts Law:

- Requires public awarding authorities to engage an OPM for all building projects estimated to cost \$1.5 Million or more
- Hire OPM before designer
- Meet minimal qualification standards
- Select through QBS process
- Owner's agent from design through completion
- Completely independent of designer, contractor, or subs



#### ESTABLISH THE OWNER'S GOALS AND OBJECTIVES FOR THE PROJECT

- Critical components---Must-have vs.
  Preferences
- Desired budget and schedule
- Selecting the Engineer/Architect
- Quality Assurance plans and specs
- Maximizing value for the public



# FUNDAMENTAL OPM FUNCTIONS

#### This is not a part-time assignment!

- Designer Selection write the Designer's scope of work and RFQ, and assist with selection.
- Permitting, Design, Bidding, Construction, Commissioning
- <u>Early input</u> is very valuable.
- <u>Independent s</u>et of eyes and ears- review preliminary design concepts, and subsequent plans and specs at 30/60/90%.
- Provide Value Engineering Services great benefit to owner when it is done early.
- Includes suggesting alternative materials and components
  - Save \$ and time.



# **OWNER'S ROLE**

- Often overlooked/under appreciated Owner items
- During Design
  - What equipment do I prefer?
  - Standardize on certain equipment Consistency, Serviceability, Spare Parts,
  - SCADA/Controls Simple or Complex? Custom or Open?
  - Design Criteria consensus
- During Construction
  - Phasing of Work
  - Live Work interferences---tie ins; shut downs; bypass pumping, temp electrical services
  - How long can a process be off-line for?
  - Identify early in design and include in plans/specs.



# **OWNER'S ROLE**

- Often overlooked/under appreciated Owner items
- End of Project
  - Construction Completion Inspections
  - Action Items/Punch list Development
  - Oversee Start-Up and Testing Plan
  - Confirm Operational Testing Completeness
  - Oversee Preparation of Operation and Maintenance Manual
  - Oversee Town Operations Staff Training
  - Assist with Contract Closeout
  - Record Drawings



# **VALUE ENGINEERING**

- Preserve Key Functions at a Lower Cost
- Early in Schedule; Before 25%, 50%
- Formal 2 day sessions or Informal
- Options and Costs
  - Site work
  - Process and Equipment
  - Instrumentation & Controls
  - Building HVAC & Electrical, Cogen
  - Generator
- Resolve with Owner & Design Team





#### **VALUE ENGINEERING**

#### • Resolve with Owner & Design Team





## VALUE ENGINEERING

- Pipeline: Route, Materials, Trenchless, Paving
- Pump Station: Wetwell, Pumps, VFDs, Building
- Wastewater treatment plant
  - Process: SBR or 5-Stage Bardenpho
  - Concrete Tankage & Equipment
  - SCADA/Instrumentation & Controls
  - Building HVAC & Electrical, Cogen? L
  - Generator
- Resolve with Owner & Design Team





- Cost Estimates
- Basis:
- Timeline: Conceptual, Schematic, Design Dev, Construct Docs, Bid
- Chronology of Cost Changes
- Contractors are better estimators than A/E firms!.



#### COST ESTIMATE

PROJECT:	WATER POLLUTION CONTROL FACILITY (WPCF)			
	MIDDLEBOROUGH, MA 02346			
Code	SUMMARY Item Description	Oppositiv	Drice	Total
Coue	Rein Description	Quality	Flice	10(a)
1.0	Pretreatment Building			\$489,917
2.0	Control Building			\$2,399,223
3.0	Sand Filter Building			\$1,783,932
4.0	Solids Handling Building			\$1,401,132
5.0	Ferric Chloride Storage Building			\$106,680
6.0	Influent Storage Shed			\$10,992
7.0	Lime Garage-Shed At Clarifiers			\$42,893
8.0	Aerated Grit Tank			\$30,202
9.0	Septic Storage Tanks			\$52,368
10.0	Primary Clarifiers			\$238,441
11.0	Sludge Holding Tank			\$252,226
12.0	Aeration Tanks			\$2,452,548
13.0	Secondary Clarifiers			\$238,441
14.0	Post Chlorination Tank			\$90,252
15.0	Post Treatment Aeration Tank			\$58,990
16.0	Process Equipment (including installation)	by EPG		\$3,049,407
17.0	Instrumentation and Controls			\$500,000
18.0	Site Work			\$400,000
	Total Direct Cost			\$13,597,644
	Phasing Premium	10%		1,359,764
	Continuous Operation Premium - Allowance	5%		747,870
	Total Cost With Premiums			\$15,705,278
	General Conditions, Overhead, & Profit	16%		\$2,512,844
				\$18,218,122
	Design & Price Reserve	20%		\$3,643,624
				\$21,861,746
	Escalation To Bid Date	Jun-14	5.78%	\$1,263,609
				\$23,125,355
	Bond	1.34%		\$309,880
	Total Cost			\$23,435,235



- Cost Estimate "Range"...
- What does the Range really mean?

COST ESTIMATE CLASSIFICATION MATRIX FOR THE PROCESS INDUSTRIES

	Primary Characteristic		Secondary Character	istic
ESTIMATE CLASS	MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges I <sup>al</sup>
Class 5	0% to 2%	Concept screening	Capacity factored, parametric models, judgment, or analogy	L: -20% to -50% H: +30% to +100%
Class 4	1% to 15%	Study or feasibility	Equipment factored or parametric models	L: -15% to -30% H: +20% to +50%
Class 3	10% to 40%	Budget authorization or control	Semi-detailed unit costs with assembly level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Control or bid/tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Check estimate or bid/tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

Notes: [a] The state of process technology, availability of applicable reference cost data, and many other risks affect the range markedly. The +/- value represents typical percentage variation of actual costs from the cost estimate after application of contingency (typically at a 50% level of confidence) for given scope.



#### Chronology of Cost Changes

Summary:					Subtotal					
					Subtotal					
Description			Oct-13		Feb-14		Jun-14		Sep-14	
2 000. 19 0.011										
						_				
Demolition	Ş	\$	609,900	\$	549,400	\$	588,500	\$	798,100	
Civil		Ş	828,400	Ş	841,500	Ş	872,000	Ş	841,800	
		Ş	-	Ş	-	Ş	-	Ş	-	
Architectural		Ş	2,426,100	Ş	2,250,200	Ş	2,210,200	Ş	2,518,700	
<u>.</u>	, ,	Ş	-	Ş	-	Ş	-	Ş	-	
Structural	\$ 	\$ ^	1,829,773	Ş	1,915,500	Ş	2,061,600	Ş	1,925,300	
D	Ş	\$ ^	-	Ş	-	Ş	-	Ş	-	
Process	÷	> ~	6,812,700	Ş	5,755,300	Ş	6,149,000	ې د	6,784,400	
Machanical	÷	ې د	-	Ş	-	Ş	-	ې د	-	
Mechanical	÷	ې د	509,600	Ş ¢	474,900	Ş	502,900	ې د	804,100	
	÷	р ¢	- 000 257	ې د	-	ې د	-	ې د	-	
Instr. & Control		ך ל	- 138,200	ې د	-	ې د		ې د		
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Electrical		\$ \$	3 077 200	Ś	2 987 700	Ś	2 799 100	Ś	3 819 800	
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Subtotal direct	, (	Ś		Ś		Ś		Ś		
cost	1	6	831 873	15	389 200	15	751 300	18 2	94 400	
COSC	-	.0,0	0.51,075	13	,303,200	13	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10,2		

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#### Chronology of Cost and Total Cost

Markups:						
General Con	tractor					
Gen Conditio	ons, OHP	0.15	\$ 2,524,781	\$ 2,308,380	\$ 2,362,695	\$ 2,744,160
			\$ -	\$ -	\$ -	\$ -
General Con	tractor		-	-	-	-
Markup		0.075	\$ 1,262,390	\$ 1,154,190	\$ 787,565	\$ 263,000
Elec/Tel			\$ -	\$ -	\$ 50,000	\$ 50,000
Bonds& Insu	irance	1.50%	252,478	230,838	\$ 236,270	\$ 274,416
Unit Price Ite	ems		\$ -	\$ -	\$ 185,000	\$ 50,000
Project Loca	tion Mult	0	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -
Subtotal Cor	nstr Costs		\$ 20,871,523	\$ 19,082,608	\$ 19,372,830	\$ 21,675,976
			\$ -	\$ -	\$ -	\$ -
Design Cont	ingency	0.15	\$ 3,130,728	\$ 2,862,391	\$ 2,905,924	\$ 1,083,799
5% Sept			\$ -	\$ -	\$ -	\$ -
Inflation to r	nidpoint		\$ 1,043,576	\$ 954,130	\$ 581,185	\$ 650,279
of construct	ion	0.05				
5% in oct an	d Feb; 3% in	june				
<b>OPM Estim</b>	ate of Cons	str Cost	\$ 25.045M	\$ 22.899M	\$ 22.859M	\$ 23.410M



Were the estimates "Accurate"? 4 Bids: March 2015 \$21.5---\$21.8----\$23.5M.....\$25.1M AE Estimate.....\$22.2M : OPM Estimate.....\$22.9M Actual Low Bid-----\$21.5M Conclusion: Yes, the Estimates were accurate.



#### SCHEDULING

- Maintain Schedule Owner decisions during design, bidding, construction, startup - Timely input is critical.
- Total project schedule-not just construction.
- Simple schedule or detailed?
- Tell the Owner what he needs to review promptly -

<u> </u>		1	Ne	ek	1		Week			2		V	Week				1	Week 4				۷	Week		
	Days	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	l
1																					-				Ē
2	SITE PREPARATION																								Ē
3	FOOTINGS									1															Ē
4	FOUNDATIONS																								ľ
5	TEMPORARY ELECTRIC SERVICE																								ľ
6	WATER AND SEWER TAP																				-				ľ
7	SOIL TREATMENT																							-	ľ
8	FRAMING																	-	-	-	-				ľ
0	MASONRY WALLS																								t
10	ROOF														-										Ľ.
11	WNDOWS																								f
12	EXTERIOR DOORS								н															-	f



#### SCHEDULING

- Total project schedule—not just construction.
- Realistic? Be careful

#### Schedule

27-16 1				Public Projecto Asso	ethnel with	Regent childs Constantin ander
-		Public St.	100			
Post I	of Prostan	51.016	100	TO/11/54	TREAM	and when the set of the second states and the
	the flage raid Fighterestation	HON.	240	New IB15A	Decisio	
-	SKPM Ps 1-Constraine	6.7%	24		de-26-0	
	gior se Ph. 2 Construction	1.6%	-	-	44.64	
4	EXPLA Ph 3 Covervation			-	Dec-12-17	
	Central Enumy WHY Ph2-Estemation	41.775	730	Dec-10-154	Det-08-17	
ж	SGMPS Improvements Convinction	-	310	-	042817	
	URPS tryouments Construction	-	-	A#8-1P	Dec-18-17	
79	Trans Hundi Tenting	-		001017	Dec 21-17	-
f indy 1	Many long and the Sector		149	Desperation.	100.001	
-		-				
31	Revised Completion Schedule	05			Dec-31-17	
32	Partit Explosion Date & Fanded Concert Drier Deating				10.19.18	



# TOTAL PROJECT SCHEDULE

- Assist the Owner in really understanding the total schedule
- Bar chart, or Critical Path Diagram or Pretty Picture?
- What does it mean?
- "Negative Total Float"
- Is it realistic?





### TOTAL PROJECT SCHEDULE

- Understand the Schedule
- Change Management—Time adjustments
- Contractor position Reasonable or biased?

				•					
stvity ID	Activity Name	OD	RD	Early Start	Early Finish	Late Start	Late Finish	TF	
Middleboroug	h WPCF	636	422	30-Mar-15 A	20-Sep-17	11-Jan-16	31-Aug-17	-13	20-Sep:17. Mid
Milestones / K	ev Events	591	422	01-Jun-15 A	20-Sep-17	11-Jan-16	31-Aug-17	-13	v 20-Sepi17, Mile
innestones / re								_	
14040	Construction Performance Period (NI P+27 months / 823 CL	J8 = 8/31/1/) 823	601	01-JUN-15 A	20-sep-17	11-Jan-16	31-Aug-17	-20	
6490	Weather Fight - Phase New Tertiary Building	0	0		23-1-90-16		03-F60-16	-14	Aladrum, filtur - Larste Izan, ferhatik, congluß
6840	Phase 1 Tertiary System - On Line	0	0		06-JUI-16		26-Aug-16	37	Phase Freeday bystem - On Line
7110	Weather Tight - Phase 1 Control Building	0	0		15-Jul-16		05-Apr-17	264	• Weather Tight -Phase t Control Building
7980	Phase 2 Maintenance Garage Weather Tight	0	0		24-Aug-16		04-Aug-16	-14	Huge z Maintenance Garage vieatner light
9910	Permanent Power "on line"	0	0		27-Oct-16		07-Oct-16	-14	Hennanent Power on line
12000	Septage Holding Tank Mods - Complete	0	0		17-Nov-16		01-Jun-17	138	♦ Septage Holdling Tank Mods - Complete
11320	Primary Clarifler No.1 Mechanism Replacement - Complete	0	0		25-Nov-16		04-Nov-16	-14	🔶 Printarly Claffiller No.1 Nechahlem Replace
11870	Post Chlorination Mods - Complete	0	0		25-Nov-16		01-Jun-17	133	Piost Chlorination Mode - Complete
9740	Phase 4 Aeration Tank 2 - Complete	0	0		25-Nov-16		21-Mar-17	82	🔶 Phase 4 Aeration Tahk 2 - Complete
10260	Phase 5 Aeration Tank - Complete	0	0		25-Nov-16		01-Jun-17	133	🔶 Phase 5 Aeration Tahk - Complete
11170	Supplemental Carbon System - Complete	0	0		25-Nov-16		01-Jun-17	133	🔶 Supplemental Carbon System - Complete
8230	Phase 2 Maintenance Garage - Complete	0	0		28-Nov-16		27-Dec-16	21	🔶 Phase 2 Maintenande Garage - Complete
8670	Phase 3 Pretreatment System Complete	0	0		18-Jan-17		26-Jan-17	6	Phase S Pretreatment System Comp
7391	Phase 1 Sludge Pumping System - Complete	0	0		26-Jan-17		01-Jun-17	89	🔶 👫 👫 👫 👫 👫 🕂 🕹 🕹 🕹 🕹 🕹 🕹
11470	Primary Clarifler No.2 Mechanism Replacement - Complete	0	0		02-Feb-17		13-Jan-17	-14	🔶 Primary Clarifier No.2 Mechanian F
5680	Phase 4 Leachate Pumping System	0	0		06-Feb-17		01-Jun-17	82	Phase 4 Leachate Puntping System
3360	Phase Dewatering Screw Press No.1 - Complete	0	0		14-Feb-17		14-Feb-17	0	♦ Phase Dewatering Screw Press No.
11620	Primary Clarifler No.1 Mechanism Replacement - Complete	0	0		12-Apr-17		23-Mar-17	-14	Primary:Clarifler:No.1:Mecha
9170	Phase 1 Sludge Holding Tank Complete	0	0		25-Apr-17		03-May-17	6	Phase 1 Studge Holding Tai
10070	Phase Dewatering Screw Press No.2 - Complete	0	0		01-Jun-17		01-Jun-17	0	Phase Dewatering Screw
14050	Substantial Completion (ENLT 6/1/17)	0	0		21-Jun-17*		01-Jun-17	-20	📣 Subatantilai Comdietio
11770	Secondary Clarifler No 2 Mechanism Replacement - Comple	te 0	0		21-Jun-17		01-Jun-17	-14	Secondary Clattler No
14030	Final Completion (FNI T 8/31/17)	0	0		20-Sep-17		31-400-17	-20	📣 Final Complet
Change Manag	nement	130	47	28-Sep-15 A	04-Apr-16	12-Feb-16	15-Mar-16	-14	V 04-Apr-16, Change Management
EPA/DEP Sand	Filter & Tertiary Treatment Issue	130	47	28-Sep-15 A	04-Apr-16	12-Feb-16	15-Mar-16	-14	04-Apr-16, EPA / DEP \$and Filler & Tertlaty Treatment Issue
D520	G/C & A/E negotiate cost	5	4	28-Sep-15 A	03-Feb-16	12-Feb-16	17-Feb-16	10	G//C & A/E negotiate cost
D530	A/E Issue change order	5	5	04-Feb-16	10-Feb-16	18-Feb-16	24-Feb-16	10	a A/E Masule change order
D550	Disconnect Primaries at Storage Building	1	1	11-Feb-16	11-Feb-16	25-Feb-16	25-Feb-16	10	Disconnect Primaries at Storage Building
D560	Remove Existing Pad Mount Transformer	2	2	12-Feb-16	15-Feb-16	26-Feb-16	29-Feb-16	10	I Remove Existing Pad Mount Transformer
D570	Construct Temporary Ductbank	5	5	16-Feb-16	22-Feb-16	01-Mar-16	07-Mar-16	10	g Construct Temporary Dudtbank
D580	Set New Transformer	2	2	23-Feb-16	24-Feb-16	08-Mar-16	09-Mar-16	10	set New Transformer
D590	Pull Feeders to MCC No.4	2	2	30-Mar-16	31-Mar-16	10-Mar-16	11-Mar-16	-14	Rull Feeders to MCC No.4
D670	Terminate Pad Mount Transformer & MCC No 4	1	1	01-407-16	01-Apr-16	14-Mar-16	14-Mar-16	-14	Termitale Pad Mount Transformer & MCC No.4
Deso	Energize Temporary Electrical Service		1	04-000-16	04-000-16	15.Mar.10	15-Mor-10	-14	Energiza Temporary Electricalisantra
	Charges remporary Council Service	1		on which	www.wpi-ite	10-144-110	10-mai-16	- 14	

# **CONSTRUCTABILITY REVIEW**

- How can the project be built? Is phasing necessary or desirable?
- Reality check on drawings
- Do the plans and specs adequately address construction sequencing and all the intermediate stages?
- Are there long lead items?
- Should you procure major equipment separately?
- Traffic control, noise, dust, security,
- Coordination with other Town/City/Ageneration





## **CONSTRUCTION PHASE ROLE**

- Prequalification of general contractors and subcontractors (filed sub-bids in MA)
- Review of Bids, Recommend Award
- Provide independent construction oversight Resident Engineer and Construction Admin phase
- Change order Assessment
  - Evaluate their merits.
  - What caused the change?
  - Design oversight, Contractor greed, or legitimate change?



#### CONSTRUCTION PHASE ROLE MOPO

- Note on Drg: "Maintain pipeline/pump station/WWTF in operation during construction"
- Maintenance of Plant Operation (MOPO) Formal MOPO plan in Specs
- Run through with Owner before bidding
  - Exercise valve, gates
  - Process limits: Capacity of each process
  - SCADA changeout.
  - Mechanical Pinch points
  - Wet weather





#### **CHANGE MANAGEMENT**

- Owner Expectations Perfect design?
- Change Orders: 2-5-10%??
- Reality: Causes:
  - Drawing Error or Omission
  - Design Changes
  - Specifications Conflict v Drawings
  - Substitutions by Contractor
  - Unforeseen Conditions:
    - Groundwater higher than expected
    - Rock, different soils; soil contamination
    - Rehab of existing plant/buildings old walls, roof, wiring, Lead-PCBs-asbestos





# START-UP/COMMISSIONING

- Frequently Rushed little \$ remaining,
- Coordinate the pump station, plant & building commissioning, startup and testing phases
- Equipment Testing/Vendor Training
- O&M Manuals
- Accurate Record Drawings
- SCADA & Controls Local, Remote,





## START-UP/COMMISSIONING (CONT'D)

- Multiple Steps: Checkout- Testing-Startup
- Training
- Staff training often rushed at the end of project as budget and schedule pressures escalate.
- Building commissioning HVAC



#### "CLOSEOUT"

- Substantial Completion, Final Completion
- Reduce Retainage from 5% to 3-2-1%
- Final Payment, Lien Releases
- Record Drawings
- O&M Manuals
- Warranties
- Hand it over to the Owner



#### **OPM FEE CONSIDERATIONS**

- Varies by project complexity, Owner expectations.
- Reasonable Ranges as % of Construction:
  - OPM Fee: 2-5% +\_
  - Designer Fee: 7-12%
  - Construction Phase Services: 7-10%
- Commissioning: 1/2 to 1%

• Conclusion: OPM Fee is modest and adds value.



#### VALUE ADDED

- Cannot rely 100% on the Designer
- Conflicts will arise between the Owner, Designer and Contractor.
- Who is truly independent?
- Need a second set of independent eyes.
- OPM brings Value —fewer/smaller claims, change orders, better quality end product.
- Transparency



## **OPM ROLE WRAP-UP**

- Team work take a lead role
- Protect the Owner but still work cooperatively with Designer and Contractor
- Remain <u>independent</u>; provide input on what changes occur during design and construction
- Drive <u>realistic</u> project budget and schedule
- Establish fair price and schedule adjustments when they arise.
- Keep everyone accountable, including the Owner at times!



# **CONCLUSION: ROLE AND VALUE**

- Role & Value are tangible. Accountability & Transparency
- Role Watch the Owner's Back;
- Maintain Accountability of Designer and Contractor
- Value....Transparency, Cost and Schedule, Change Management, Document Control
- Applicable to:
  - All Wastewater Facility, Pump station projects
  - More Complex Utility/Pipeline projects



#### APPLICABILITY

#### • Applicable to:

- <u>All</u> Wastewater Facility projects
- <u>Most</u> Pump station projects, Building
- More Complex Utility/Pipeline projects
- VE, Constructability, MOPO, Change Management, Document Control









#### **ROLE AND VALUE OF OPM**





