

For the Client

The Role of the Owner During Construction

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The success of every construction project depends as much on the project owner, typically the client of the engineers and the contractors who were hired, as it does on the engineers and contractors themselves.

The owner sets the parameters that define the project. With these advisors, the owner can begin the necessary steps to create any project:

- Establishing reasonable goals for the project;
- Obtaining adequate funding, including appropriate contingencies;
- Developing and understanding reasonable expectations of the project, its goals, and the parties involved in the design and construction;
- Developing or defining project design and construction criteria, programs, and needs;
- Ensuring the proper assignment of responsibilities and of the related risks of the construction team and providing for authority to manage them;
- Selecting, whether through bidding or negotiation techniques, responsible and responsive contractors for construction;
- Providing for coordination of the team;
- Using industry standards and documents for management of the project; and

- Selecting the project delivery system and assembling the design engineering team.

The broad-based efforts of the owner described above have more pragmatic issues within each of them. Those issues are spelled out in industry standard documents, like those in the Owner and Engineer Agreement and in the Owner and Contractor Agreement of the Engineers Joint Contract Documents Committee (EJCDC). Use of the EJCDC family of construction documents is one of the most important decisions an owner can make to provide for integrated and coordinated contracts of all involved, and delineation of their respective roles and responsibilities. Inherent in those documents are other responsibilities, that, sometimes, are not spelled out.

For example, communication among all of the persons involved in a construction project is essential. To carry out that responsibility, the owner should provide for, and insist on, clear and timely communications, with accurate and nonadversarial disclosures of information which the owner needs for management of risks, and related decisions.

The owner must develop and accept reasonable expectations of the parties engaged by the owner for the project. Those expectations are reflected by the contracts, proposals, and day-to-day communications from all of the parties. The owner must accept that each of the parties involved has limitations on his or her responsibilities.

For most projects the owner provides financing, including costs of changes. Many of the unfortunate

stories related to construction are the result of changes to the construction. The reality of possible changes to the project design and construction, and the responsibility to fund them, is one the owner must face. While there may be situations where the owner may not be liable for the costs of changes and change orders, in most instances the owner has that responsibility.

The owner has the risk of the entire project. Some of those risks may be allocated to and managed by others. The owner should not expect others to accept risks from project events that only benefit the owner without being willing to compensate others for the risks that they undertake.

Finally, construction of projects is too often an adversarial undertaking. Confrontation sometimes is the offspring of the people involved, but more often it is the result of other factors such as failures to communicate or to fairly allocate risk. Many owners have found that to avoid these negative influences on the project that structured communication processes can be used to facilitate a cooperative and successful working relationship among all of the project participants. The term "partnering" is often used to describe these successful processes, and owners should carefully consider the implementation of partnering as a means to smooth the working relationship and lead to a successful project.

While it can be expected that the level of competence and skills of engineers and consultants falls within a known range, it is a certainty that the level of knowledge and sophistication of the owner varies

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drastically. Many owners will be involved in only one construction project, with no prior experience. Others have extensive experience as design professionals, contractors, or other construction professionals.

Every project owner should understand his or her level of sophistication in terms of his knowledge of the intricacies of the design and construction process. That allows the owner to determine the types of skills and expertise that he or she needs.

The first issue then for most owners is to determine which types of advisors are needed to undertake and complete a project. Advisors may include engineers, attorneys, insurance consultants, accountants or financial advisors, project or program managers, and other construction professionals to assist with issues like selection of project delivery systems and the creation of the construction team. These advisors can assist the owner in making prompt and reasoned decisions that are consistent with the complex legal and contractual framework of the typical construction project.

Today's business and commercial environment are increasingly complex. The same is true for the design engineering profession and the construction industry. To complicate matters for many project owners, the construction industry is fraught with risks that most owners are unaware of or are unable to understand or appreciate. By understanding the design and construction processes, through education or through the advice of advisors or both the project owner can create a basis for a successful project.

