

Step 5: Administer the Project

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Managing a construction project is the critical role that will determine success or struggle. Managers must be able to understand the full project, simultaneously watch the big picture, and fit the details into the picture in a way that leads to success. They must bring together a variety of personnel, materials, and equipment, and piece them together to meet the design. This should be done in a timely manner, on budget, sometimes in harsh and unpredictable conditions, and oftentimes without disrupting current operations.

There are various forms of project administration. The most common is for the owners to hire a design engineer, who designs the project, and a contractor, who builds the project according to the design. Another option is the design/build concept, where a single firm is hired to design and build the project. This arrangement can streamline the process and result in significant savings. There are questions, however, about the lack of competitive bidding when using design/build.

A third option is some variation of the construction management process. This option is common in Tennessee with school construction. The construction-manager structure results in an extra party being involved and an extra cost, but this person's involvement often results in a far better project. The cost of construction management must be weighed against the added cost. In small projects, there may be ways to receive the benefits without major extra cost.

With construction management, one person should be designated as project manager. This manager may work for the engineer or be a city employee who is dedicated to the project, or be a third party who works for the city as a contract project manager. This person is charged with the responsibility of making the project successful and should have direction, authority and resources. His or her loyalty must be to the success of the project and to the owner of the project, not to individual interests. The manager must have outstanding personnel skills along with the technical know-how to manage the construction. And, he or she must possess mediation skills and be able to communicate and organize well.

One option for project management is for the engineer to provide this as part of the design service. Advantages of this method are familiarity with plans and specifications that allow quick response to questions related to the documents. Disadvantages include the inability to be completely independent when there are possible deficiencies in the documents. If this option is desired, the scope of work must be decided in early contract negotiations so that the additional cost can be included in the engineering fee (Sizemore).

Another method is to hire a separate engineering firm for the construction phase of the project. This gives complete independence, but it also results in a loss of knowledge and history about the design, which may result in time being lost rehashing decisions (Sizemore).

A third method for project management is generally available only to large utilities, and that is to provide the service themselves (Sizemore).

A fourth method is to hire a third-party project manager. This will add cost to the project, but many owners indicate that the presence of a manager actually saved the utility money.

Advantages to this option include review of plans and specifications and bid packages, independent cost review, experience in selecting qualified contractors, improved on-site communication, maintenance of the project schedule, and coordination of contractor and subcontractor efforts (Sizemore).

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