



## ***When to Consider an Owner Representative***

This past January in *Focus on Facilities, Asset Management* we discussed the five project delivery methods. And so we want to revisit that discussion and introduce the concept of an organization hiring an Owner Representative for capital projects.

For purposes of this article, “owner” and/or “building owner” shall include pastors, administrators, principals and presidents.

Owner representatives can be an individual or a firm hired by a building owner for certain project delivery methods. If one were to search online *Reasons for Hiring an Owner Representative* there is lots of useful information with pros and cons for owner representatives. That said, a building owner, particularly one who will have capital projects funded each year, should consider the following:

Does the building owner have someone from the management staff who is capable and has the time to be assigned to oversee the authorized capital project from beginning to end?

Write down the scope of work for the building owner’s assigned person from the management staff to be sure the responsibilities can be fulfilled by this individual working with others in the management group, the design consultants who will be hired, and the builder who will also have a contract with the owner.

An owner representative:

- Must have good communication skills
- Should be knowledgeable of design and construction process
- Will act as the intermediary between the owner



- and the designers and the owner and the builder
- Facilitates the completion of owner-required tasks e.g., owner furnished equipment purchase and delivery
- Procures the services of consultants e.g., design team
- Procures the award of general contractor or other project delivery builder
- Oversees the project closeout and warranty compliance

When it comes to project delivery methods it can be said that the building owner has a check and balance when contracting the services of a design firm for the project and a second contract with a construction management firm to facilitate the building of the project. Under those conditions a building owner will probably not pursue hiring an owner representative to act as mediator between design and construction.

Unless the building owner or management staff can't afford the time required to facilitate the project the construction management project delivery methods should be able to continuously achieve the following:

- Maintain good communication between owner, designer, and builder
- Keep the project on schedule
- Keep the project in budget
- Maintain a basis of design document
- Respond to owner required and/or recommended hiring of consultants, e.g., 3<sup>rd</sup> party commissioning agent

While some will argue that an owner representative is more focused on looking out for the building owner's interest, a qualified design team leader, as well as qualified construction management firm representative will also concentrate on owner tasks if only to keep the job on schedule and in budget. That said, the construction management project delivery method works for owners because the process is negotiated and not competitively bid with the award based on low bid. When design firms and construction management firms have an opportunity to be selected on "best value" there is an ongoing incentive to do a great job because the next job will most likely be based on best value selection.

Deciding that construction management project delivery can eliminate the need for most capital project building programs the other project delivery methods may be better suited for the building owner hiring a 3<sup>rd</sup> party owner representative. With the other 4-project delivery methods it is fair to say that an owner representative could be a consideration if:

The building owner and/or the management staff does not have the time to commit to a long term capital project schedule

The owner and/or the management staff does not have someone qualified to interact with the

designers and the builder

The project delivery method is design-bid-build due to the challenges with the designer and the builder not considered teammates. The contractor, as a rule is awarded based on low price and not best value. This means if the contractor saw the contract documents left open-ended questions as to quality and/or completeness of work shown on the drawings then taking the initiative to point this out would lead to the construction cost being more than what the other bidders were quoting. There is no award incentive to estimate more than what is shown. A well-qualified owner representative may be able prevent this from happening before the contracts go out to bid. The same can be said for intervening between designer and builder when the builder has submitted a change order request that the designer believes is excessive. A 3<sup>rd</sup> party, such as an owner representative can reduce conflicts and questions between designer and builder

The project delivery method design-build and performance contracting because the owner needs a very well qualified intermediary to work with the firm that is taking responsibility for both the design and the building of the project and possible the operation of the performance designed.

Owner representative roles have been around for probably 40-years so there is a time and place for this professional service but when the building owner has the skilled staff and the time to manage annual capital projects then this 3<sup>rd</sup> party responsibility can be avoided to the benefit of the owner.

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