



Hiring a Program Manager

Construction and renovation projects can be huge undertakings. During the initial stages of preparing for any construction project, a district must evaluate the capacity of its own staff to manage and oversee the planned project. Based on the experience and ability of existing district staff to take on additional responsibilities a governing board may choose one of the following scenarios for oversight of the project: use existing district staff, hire a new staff person as lead on the project, or hire a project manager from an outside company. The decision of which management option to choose is wholly dependent on staff capacity, funds available, project timeline, and many other local considerations.

If a district decides to hire a project manager, a critical understanding of the district's options can enable the board to be resourceful and innovative with district funds. The purpose of describing these options is to provide district leaders with a better context as they plan for and provide high-quality facilities.

Project management¹ is a professional service that uses management techniques during the planning, design and construction phases of a project for the purpose of controlling time, cost and quality. A project manager may work independently or be part of a larger firm. The role of the project manager is to represent the school district during the planning, design and construction phases of a project, regardless of the delivery method [See Policy Brief on Delivery Methods].² If a board opts to use a project manager, the project manager should ensure that the delivery method chosen results in a cost-effective and dedicated representation of the school district's objectives.

A local governing board may choose a construction project manager based on the best value to the school district or county office of education, rather than the low bid basis. This law also applies to the selection of architectural and engineering services.³

Is your district using Proposition 39 bond dollars?

Hiring a project manager is an allowed cost under the Proposition 39 bond requirements. If a project manager is hired only for the duration of the project, their contract fee is considered a reimbursable expense.⁴

When to hire a project manager

If a district has made the choice to hire a project manager, the individual or firm should be hired as soon as possible in the planning process. Many districts hire the project manager concurrently with the architect to ensure a seamless and collaborative planning phase. Ideally, the project manager should be hired prior to Division of the State Architect approval, selection of a delivery method and bidding.

Hiring process

Although there will likely be local considerations, hiring a project manager often follows the following steps.

1. Request for proposals (RFP) or request for quotation/quote (RFQ)
2. Review proposals and conduct interviews
3. Board vote
4. Contract negotiations
5. Board vote to finalize the project management contract
6. Project manager hired and project begins

¹ Project management is often used interchangeably with construction management.

² Hiring a facilities consultant may be another option for districts and county offices of education. Facilities consultants typically (although services vary greatly by qualification of consultants) help districts navigate: state and federal funding processes for new and modernization construction, class size reduction, and other grants. These consultants may also assist districts with state and local approval requirements for other facilities projects (site approval, DTSC, etc.).

³ Government Code 4527 (a)

⁴ California Constitution, Article 13(A), Section 1



1. Request for proposals or quotation

To begin the process of hiring a project manager, the board may consider directing district staff to write a request for proposals. Government Code 4529.5 states, “Any individual or firm proposing to provide construction project management services pursuant to this chapter shall provide evidence that the individual or firm and its personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.”

The RFP should include appropriate input from the board reflecting district goals and expectations. A list of qualifications should be developed and included as criteria for hiring. Once the RFP is prepared and approved by the board, it should be advertised in the publications of professional societies and sent to qualified firms.⁵

2. Review proposals and conduct interviews

After all interested and qualified individuals or firms have submitted proposals, the appropriate district staff person should meet with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for completing the required services. Staff typically make recommendations to the board. Then the district shall select a minimum of three of the most highly qualified project managers to consider for hire, in order of preference, based upon criteria established in the RFP.⁶

Qualifications to consider

Many project managers and firms offer a wide array of services and specialized personnel through all phases of the construction project. During the hiring process, the board may request that district staff prepare documents outlining the differences and similarities of services offered by each applicant, including:

- Facilities master planning
- Budgeting
- Scheduling including phasing, design and construction
- Bidding process
- Facilitating communication to and between district staff, construction professionals and the community
- Coordination between designers, various trades and the school district
- Outreach to local businesses

- Construction administration
- Claims management and mitigation
- Labor compliance
- Safety and security

The board may also wish to consider the following points relating to experience and quality of work of potential project managers.

- Experience with public education construction in California
- Scope of previous projects
- Experience with other construction consultants, including local businesses
- References from other districts
- Previous projects completed on time
- Previous projects completed on budget
- Possesses knowledge of construction related costs and prioritizes work to keep district expenditures low
- The match between the characteristics of the project manager and the needs of this project and the district
- Membership in professional associations or organizations⁷
- Personnel to be used by the project management firm on specific projects
- Prior litigation
- If applicable, experience with project stabilization agreements

3. Board vote to select a project manager

Once the board and superintendent (and other appropriate staff, such as a chief business officer) have considered each qualified proposal, the final decision must be taken to the board for a vote. The board may continue to use the background information provided by district staff to analyze each proposal's qualifications and ability to meet the district's objectives. After the board has made its decision by voting, the superintendent (or other appropriate staff person) begins negotiating a contract.

4. Contract Negotiations

To ensure a well-coordinated execution of the construction project, the district and the project manager should discuss several items, including but not limited to:

- How to reach goals and objectives of the district and the project
- Definition of the scope of all district consultants

⁵ Construction services are exempt from the bidding requirements per Public Contract Code 20111

⁶ Government Code 4527-4528

⁷ From the Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2006-07 Edition*: There is a growing movement towards certification of construction managers to ensure that a construction manager has a certain body of knowledge, abilities, and experience. Although certification is not required to work in the construction industry, voluntary certification can be valuable because it provides evidence of competence and experience. Both the American Institute of Constructors (AIC) and the Construction Management Association of America (CMAA) have established voluntary certification programs for construction managers. Requirements combine written examinations with verification of education and professional experience.

- Discussion of and policies set for potential change orders and cost over-runs
- Agreement on the total budget and program management fee
- Agreement and understanding of construction master project schedules
- Guidelines for communication with the public including content, frequency, and methods
- Communication processes and procedures between the project manager, district staff, citizens oversight committee and the governing board

5. Board vote to finalize the project management contract

Once a negotiated contract is agreed upon, the final contract will need to come back to the board for a vote at a public meeting with open session.

Additional information detailing the procurement and selection of a project manager can be found in Government Code 4527-4529.5.

Resources

ACCM Project Delivery Handbook: A Guide to California School and Community College Facility Delivery. A summary and overview of various delivery methods prepared by the Association of California Construction Managers. For more information on ACCM, contact Ernest Silva at Murdoch, Walrath and Holmes, (916) 441-3300.

Construction Managers. A section from the Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2006-07 Edition may be found at: Internet at <http://www.bls.gov/oco/ocos005.htm>. This comprehensive section

outlines significant points describing construction managers including: nature of work; working conditions; training and other qualifications; employment and job outlook.

CSBA Construction Management Task Force Presentation. Tim Holcomb, deputy superintendent, Anaheim Union High School District and president, Southern California Chapter, Construction Management Association of America gave this presentation at the 2006 CSBA Annual Education Conference on December 2, 2006 at the Moscone Center in San Francisco. Further information on the Construction Management Association of America can be found at www.cmaanet.org.

Certification Resources

For information about constructor certification, contact the American Institute of Constructors, 717 Princess St., Alexandria, VA 22314. <http://www.constructorcertification.org> or <http://www.aicnet.org>.

For information about construction management and construction manager certification, contact the Construction Management Association of America, 7918 Jones Branch Dr., Suite 540, McLean, VA 22102-3307. <http://www.cmaanet.org>.

The California School Boards Association's Construction Management Task Force provides districts with policy briefs and fact sheets on construction related issues. District staff and Governing Boards should use this information as a resource when making local decisions. These documents are provided for informational purposes only and are not a substitute for legal advice from school districts legal counsel. Districts should obtain independent legal advice and review when necessary.

If you have any questions, please contact CSBA Policy Services at (800) 266-3382 or via e-mail policy@csba.org

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