The Role of the Owner’s Representative in Public Projects

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Hon. Mayor Scott Willis
Westfield, IN

Tim Jensen
PE, LEED AP, CEPSC, CPTED
• The Westfield / Veridus Relationship
• The Role of the Owner’s Representative
• Westfield’s Approach
• Project Examples
The Westfield / Veridus Relationship

• The project was over budget at SD and the Board was considering different project delivery methods (PDM)

• Veridus was brought in to speak to the Board about PDMs and how each assigns risk differently to each party.
What is an Owner’s Representative?

An Owner’s Technical Representative is someone who acts as a representative for the owner of a construction project who is experienced in the technical aspects of development and construction, including, but not limited to, entitlements, design, estimating, construction products and processes, project closeout, commissioning and warranty.
Role of the Owner’s Representative

- Owner
  - Fire Marshal
  - FF&E
  - Zoning
  - Public Meetings
- Owner’s Rep
  - Elected Officials
  - Landlord
  - Testing Services
  - Interior Designer
  - Signage
  - Utilities
- Architect
  - Civil Engineer
  - MEP Engineer
  - Structural Engineer
  - Acoustic Cons.
  - Food Service
  - Geotech Engineer
- OFCI
  - Mech. Sub
  - Electrical Sub
  - Concrete Sub
- GC/CM
  - Steel Sub
  - Plumbing Sub
  - Millwork Sub
  - Site Work Sub
Why Would You Use an OTR?

• Free up staff time for business/normal activities
• Hire specific expertise to supplement staff
• Create a single-point-of-contact for project matters
• Filter unnecessary decisions and distractions
• Shift responsibility to a third party
Isn’t our Architect or CM our OTR?

Not really…

• Chain of Contract…Follow the money
• Specific Expertise (arch, eng, cm, MEP, etc.)
• Who is the expert on your side of the table?
Role of the Owner’s Representative

Follow the Money...

• Design and construction contracts allocate risk
• Risk is directly related to fee
• Fee (revenue) keeps companies in business
• Protect revenue at all costs (insurance)
Role of the Owner’s Representative

Specific Expertise...

- **Architects** – experts in building design, document assembly
- **Engineers** – laser focused on their specific discipline (civil site, structural, electrical, plumbing, mechanical, etc.)
- **GC / CM** – understand estimating, scheduling, constructability

Rarely, if ever, will you find your designer or CM with the full body of technical experience.
Your Expertise and Time...

- Do you or a member of your team/staff have the expertise and time to answer technical questions from the Design Team?
- Do you or a member of your team/staff have the expertise and time to navigate contracting, budgeting, changes in the work?
Role of the Owner’s Representative

What can an OTR do for you?

• Discern the most appropriate Project Delivery Method
• Assist in the selection of design and construction teams
• Manage the public meetings, updates and communications
• Filter decisions to be made by leadership
• Provide important information for informed decisions
• First line of defense on contingency and change orders
Role of the Owner’s Representative

The Role of the OTR is to…

• Represent the Owner’s interests in all aspects of the project
• Treat the Owner’s money like our own (fiduciary)
• Drive the schedule and control the budget
• Filter and distribute information
• Help resolve conflicts
• Communicate – communicate - communicate
Westfield’s Approach

WWPL Approach

• Hire Design firm (KRM) and navigate through Schematic Design

• Bring on Veridus as Schematic Design estimate was presented to Board. Critically over budget.

• Evaluate CMc vs BOT and selected BOT.

• Navigate qualifications based request for proposal process and select Meyer Najem BOT team.

• WWPL/Veridus/Design/BOT team refined design and strategy to bring project into budget.
Westfield’s Approach

WWPL Approach

• While the team was refining design, Veridus worked with WWPL and Ice Miller to identify a path to utilize proceeds of the sale of the existing library toward the project.

• The WWPL Team also identified an opportunity to partner with the Westfield Washington Township Trustee to bring them on site and expand services provided at the location.

• As site design was underway, the team ran into a roadblock with the stormwater design of the PUD of the master developer (whom WWPL was purchasing a lot). The WWPL team coordinated with the Master developer, the City of Westfield, and the County surveyor’s office to overcome the challenge while saving the developer $750k.
Westfield’s Approach

WWPL Approach

• Veridus worked alongside WWPL and their attorney from CCHA to navigate the acquisition of the site and monitor and enforce post-closing escrow requirements.

• Parking in the community was impacted by the construction of the Library. The WWPL team collaborated with the City to utilize the efficiency of the existing team to add parking along the library at a savings to the City.
Westfield’s Approach

WWPL Update:

- Veridus is leading the Last Mile© process to completion
- WWPL Project is nearing completion
- Relocation to the new facility occurs in May
- Open to the public by end of May
Westfield’s Approach

The WWPL Board’s Request

• The Board requested that Veridus track and provide evidence of the Value Add of an Owner’s Representative.

• To date that value exceeds $4.8MM
### Westfield’s Approach

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<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tr>
<td>Property Acquisition</td>
<td>Veridus worked to integrate the success of acquiring the project property from 3132 Partners. Working alongside and with counsel from Eric Douthit from CC&amp;H, Veridus navigated, coached, encouraged, and negotiated with the property owner to assemble the appropriate documentation and Clay County approvals to get the property closed. This proved to require a significant effort and continued communication from CC&amp;H and Veridus with 3132’s lenders, the City, the County, and the Library. These efforts were not anticipated by Veridus, but we were happy to jump in as it was critical to the success of the project. The combined efforts of CC&amp;H and Veridus ultimately led to the successful closing.</td>
<td>Project moves forward</td>
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| PUD Stormwater Changes | Veridus worked with the PUD Developer civil engineer to strategize about the best approach to stormwater management in the PUD. The reason for doing so was that the PUD plan was to put underground detention on the library site. This was creating some massive challenges in design and construction cost to the library project. Veridus convinced the engineer that a regional detention pond was the best solution for the developer and the Library. The developer raised several hundred thousand dollars in stormwater systems ($500K). The Library was then able to move our building to the corner of Park and Westfield and bring the finished floor elevation down to more appropriate level. These efforts saved the Library project somewhere between $300K – $400K that were reinvested in project scope. | $350,000 |

| BOT vs CMc | Veridus was integral in leading WWP L through the evaluation of BOT vs CMc and the benefits of the BOT delivery method. Veridus assisted WWP L in navigation of the RFP process, selection process, scopeing process, GMP development and negotiation process, and BOT agreement process. The main benefit realized through the BOT process was the BOT Developer Team’s ability to increase bidder participation and negotiate the bidding process. An analysis was performed by MNP to capture the bidder engagement differences between the BOT vs CMc process. The team reviewed the low bidders and removed all contractors who do not traditionally pursue public works and plugged in the next lowest number from contractors who do pursue public works. The $1MM difference between these numbers was over $1MM. | $1,000,000 |

| Budget | Director and Veridus approached Ice Miller in regards to the limitations of the original bond. The original amount was proving to be insufficient to fund the goals of the Library project. We were able to apply the proceeds from the sale of the current library for construction but would not be permitted to base on the original approval process. We collectively made the decision to go back through the approval process with clarification that would allow the Library to use those proceeds for the project and make no change to the tax rates. This allowed the budget to increase by $3MM. | $3MM |

| Permit Fees | Veridus worked with the City of Westfield to have the City’s Permit fees waived for the project. | $80,000 |

| Design | Veridus was brought on board early and the end of schematic design. At that time, the Design team thought they were over budget by over $1MM. After evaluating KRM’s numbers and assumptions, it was determined that there were errors estimated and that other budget impacts had not been captured. This pushed the project over budget even more significantly. In conjunction with bringing the BOT team into the fold, our project team was able to get the design back on budget without negatively impacting the look, feel, and features of the facility. | Project moves forward |

| Sanitary Re-route | The PUD development team had challenges with the installation of the sanitary main that we were supposed to connect to. This was negatively going to impact the schedule of the library project as our sanitary was not a path component. Veridus worked with the City, and Citizens Energy to design a different injection point for the library. This resulted in a deviation from the utility contractor of $95K and avoided a potential 2 month schedule impact to the project ($100K general conditions for project savings). | $150,000 |

| Unsuitable Soils | The project team was aware of unsuitable soils on the site and did our best to budget allowance to cover unforeseen soil conditions that were not captured in geotechnical testing. Unfortunately, these allowances were consumed quickly. It being said, Veridus and Minnis are strategic in how soil remediation was approached and looked for creative options to resolve our issues. In the last round of issues in the parking lot, we originally feared that the soils would have to be dug up and removed from site and replaced and re-embanked engineered fill. This had a potential magnitude of over $500K. The subject of cement stabilization was brought up but there was concern about the cement binding with the soil. Veridus encouraged MNP to have soil samples sent off for additional testing and to sees it would bind with Cement. Tests proved that would bind and our strategy changed to stabilization which went $65K. | $180,000 |

| Park St and MIT | Veridus worked with the design team and City representatives to have the City participate in the beautification of Park St along the library frontage and the Midland Trail Trailhead. | $105,000 |

| Trustee Partnership | Veridus worked with the leadership team to co-locate Township Trustees with-in the library facility which allowed for the expansion of the project facility and additional service opportunities for the community. | $45,000 |

| Relocation RFP | Veridus worked with the WWP L team to conduct a very detailed and measured approach to soliciting quotes from relocation companies. Through this process a company was identified to provide services at a significant savings. | $65,000 |

| Café RFP | Veridus worked with the WWP L team to conduct a RFP process to select a Café Operator for a café space in the building. | $45,000 |
Westfield’s Approach

OTR Value in Future Westfield Projects

• Brings second set of eyes to the project.

• Supplement City Staff to lighten the burden and improve efficiency.

• Bring real time CM expertise to project management.

• Leverage relationships in industry.
• Future Westfield Projects

  • OTR has more than paid for itself and ultimately saved the City money.

  • Part of long-term strategy for future projects to include Police HQ, Fire Stations, City Hall, etc.

  • Will be brought in earlier in the project lifecycle.
What kind of projects?

- Vertical Construction
  - Police/Fire Stations
  - City Halls / Wellness Centers
  - Libraries
- Horizontal Construction
  - Water/Sewer Extensions & Lift Stations
  - Roadways / Trails
  - Parks / Plazas
Westfield Washington Public Library
Lawrenceburg Event Center and Hilton DoubleTree Hotel
Project Examples

West Lafayette City Hall, Wellness Center and Public Library

West Lafayette City Hall

THE LIBRARY WEST LAFAYETTE
The Role of the Owner’s Representative in Public Projects

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