



THE PROJECT MANAGEMENT STANDARD

A Quarterly Publication of the Project Management Institute® Design · Procurement · Construction SIG

Vol. XVII. Issue No. 1 · 1st. Qtr. 2010

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MESSAGE FROM THE CHAIR

by Robert (Robb) Gries, P.E., CCM, PMP, Chair

Recession Induced Stress

If you are fortunate to continue to work for the same company, chances are your workload has recently increased substantially most likely due to the departure of some of your colleagues. You are putting in significantly longer hours day in and day out to handle the additional assignments, but you cannot see when it will end. You are feeling tired even though you still get your typical 6-9 hours of sleep, and it takes you longer to complete tasks than you could previously complete in a fraction of the time. Why? It's because you are feeling the stress of the recession.

The construction industry has always had the mentality of “whatever it takes to get the job done.” This may be necessary and sustainable for short periods. However, if protracted, it will definitely have long-term effects—not just for the individual but also the companies that employ them. For the individual, one’s health takes the brunt of the stress. For the company, the quality of work suffers, which in turn may affect relationships with customers, partners, etc. and future projects.

I would encourage each of you to take a moment to assess your current situation and determine if you believe you are under stress and suffering from the early warning signs of burnout. If you are, then I would recommend that you find time to recharge yourself. You owe it to yourself, your family, and your employer to be the best that you can be.

DURHAM SKATEBOARD PARK: A CASE STUDY FOR DESIGN-BUILD DELIVERY FOR LOCAL GOVERNMENTS IN NORTH CAROLINA

by Beth Hickman Emerson, PE, PMP, Jina Propst, and JD Henri Prospero, RLA

Abstract

A series of three articles describing the City of Durham's successful implementation of the design-build delivery method for small skateboard park in Durham, North Carolina. The first article discusses why design build was the preferred delivery method for the project and how Durham was able to use this method of delivery for the park. The second article discusses the procurement criteria and selection methodology of the design-build team. Project results are discussed in the third and final article.



Article 1 – Design-Build – the Preferred Method of Delivery and Compliance with NC General Statutes

Project background and description

In response to a need to meet demands for the rapidly growing sport, Durham Parks and Recreation (DPR) developed a plan for the Durham Skateboard Park to install surface-mounted skateboard features at a location near downtown Durham. This project was funded at \$180,000 in 2006.

In reviewing the plan with the local skateboarding community, skaters advised, and staff agreed, that an in-ground facility would provide a higher quality facility with a greater variety of experiences to serve all skill levels and would also have a longer useful life. Additionally, because skateboarding is inherently an urban sport, in September 2006, a downtown location in Durham's Central Park was finalized.

With funding and location secured by DPR, the City's General Services Department, Project Management Division (GSD-PM) was assigned the project. Through a series of workshops with the skateboarding community, DPR and GSD-PM staff defined a revised program for a 10,000 to 12,000 square foot, in-ground concrete skateboard park with urban amenities. With the need for additional funding apparent, in 2007, the initial project budget was increased to \$485,000 through the use of City Development Impact Fees. The project moved into the planning phase and site surveys and geotechnical investigations were completed.

Why design-build?

City Staff investigated various methods of procurement allowed by North Carolina General Statute for this unique facility type and concluded that design-build procurement was the best method. Skateboarding structures are best described as specialty products due to the expertise required for both the design and construction phases. Each area and structure requires precise coordination and construction that is best delivered by an experienced skateboard park specialist who is both designer and constructor.

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DURHAM SKATEBOARD PARK CONTINUED

Skateboard parks are typically designed and constructed by skateboarders experienced in design and construction. The design, function, specified materials and other elements, used for state-of-the-art skateboard parks required the expertise and knowledge that only skilled individuals with skateboarding experience possess.

Concrete skate parks are, in essence, sculpture projects; the designer is also the builder who ensures that all design details comply with applicable skate park design standards. Due to the necessity of this level of expertise, it is advantageous to employ the design-build method of design and construction to ensure the delivery of skate-able terrain that allows for progressive changes in the skating environment and ensure that all structural and design elements are precisely constructed.



Though relatively uncommon for local government projects in North Carolina, design-build is a tried project delivery method that presents many advantages to an owner depending upon the type of facility being designed and constructed. It combines the best features of both professional design selection and construction quality and integrity. The benefits to be gained by the City included the following:

- **Singular Responsibility:** With both the design and construction in the hands of a single entity, there is a single point of responsibility for quality, cost and schedule adherence for the project. The Owner's focus can remain on scope definition and timely decision-making.
- **Potential Cost Savings:** Design and construction personnel, working and communicating as a team, evaluate alternative materials and construction methods throughout design and construction. Value engineering and constructability are utilized more effectively when the designer and contractors work as one team throughout the design.
- **Time Savings:** Because design and construction may overlap, and because bidding time is eliminated, time for project completion can be reduced. Under the design-build method, construction work can begin in advance of the construction drawings being complete. The time savings translates into lower bid proposals and earlier utilization of the completed facility.
- **Reduced Administrative Responsibility:** Under a streamlined procurement process (no need for separate construction procurement and contracting), the potential exists for design-build to reduce the Owner's administrative burden. Initially, preparing the specifications, preparing the Request for Proposals (RFP) and conducting evaluations is resource intensive.

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DURHAM SKATEBOARD PARK CONTINUED

However, after award of the design-build contract, the Owner does not need to invest resources coordinating and arbitrating between separate design and construction contracts. During the construction phase, change orders due to design errors or omissions are eliminated because the correction of such issues is the responsibility of the design-builder and not the Owner.

- Knowledge of Project Costs: Because the design-build team provides the project costs upon contracting, construction costs are known earlier than with the design-bid-build delivery method. This permits early establishment of financing and reduces exposure to cost escalation, thereby avoiding the possibility of committing substantial time and money for design only to learn that the cost of the project is prohibitive. Of course, Owner- initiated change orders or scope changes are the responsibility of the Owner.

How Design-build procurement for the park complies with North Carolina Statute

Since the proposed skateboard park does not include the construction of a “building,” (as the term is used by the North Carolina General Statutes) there are no statutory requirements dictating how a public entity must administer design-build contracts, except that such construction must be awarded through a competitive bid process in accordance with applicable state law for the letting of public contracts. Moreover, local governmental units may impose stricter local policies governing the letting of public contracts. In determining the appropriate construction delivery method for the skateboard park, due consideration and evaluation of public contracting laws, City Ordinance and policies and procedures were reviewed and evaluated for compliance.

North Carolina General Statutes (NCGS) §143-128 provides guidance on the construction methods allowed for “[t]he State, a county, municipality or other public body” awarding “contracts to erect, construct, alter, or repair buildings”. Key to the statute and methods allowed is the word “building”. The construction methods allowed by statute for “buildings” are (NCGS §143-128 (a1)):

- (1) Separate-prime bidding.
- (2) Single-prime bidding.
- (3) Dual bidding pursuant to subsection (d1) of this section.
- (4) Construction Management at risk contracts pursuant to G.S. §143-128.1.
- (5) Alternative Contracting methods authorized pursuant to G.S. §143-135.26(9).

Since the Skateboard Park does not include “building” elements, compliance with the “building” requirements did not come into play. However, a determination of whether the Skateboard Park could be considered a “building” had to be made. Unfortunately, the North Carolina General Statutes provide little guidance on what is or isn’t a “building” - “building” is not defined in the Statutes. In the absence of statutory definition or case law, practical application and dictionary definitions provided guidance. Construction Dictionary. 7th ed. Phoenix: Greater Phoenix, Arizona Chapter #98 of The National Association of Women in Construction, 1989, defines a building as “a structure enclosed within a roof and within exterior walls or fire walls designed for the housing, shelter, enclosure and support of individuals, animals, or property of any kind”. Upon review of the skateboard park’s elements, it was determined that none of the project elements could be considered a building and therefore did not fall within any of the NC statutes governing “building requirements”.

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DURHAM SKATEBOARD PARK CONTINUED

It should be noted that there were no requirements for a picnic shelter or restroom facility as part of the project. It is also noted that “Building projects in the informal range can be constructed by the design-build method ‘as of right,’ since the formal bidding rules of statutes such as G.S. 143-128 and 143-129 do not apply, as long as the government complies with bonding, design, fire safety, conflicts of interest, and other applicable statutes” (Construction Contracts with North Carolina Local Governments, A. Fleming, Bell, II, School of Government The University of North Carolina at Chapel Hill, fourth ed., 2007, p. 59); since this project’s construction budget was less than \$500,000 (the maximum threshold for an informally bid building project); there is no question that this project could be procured through design-build.

Had the project met the criteria of a “building” construction project, and/or the project value exceeded \$500,000, additional steps for approval would have been required, namely authorization by the State Building Commission (NCGS §143-135.26 (9)).

Although the Skateboard Park was not a building construction project, the informal bidding statutory rules still applied as set forth in NCGS §143-131. While design-build was allowed, as “of right”, the award standard for the contract still required award in accordance with NCGS §143-131 (a) – award to “the lowest responsible, responsive bidder, taking into consideration quality, performance and the time specified in the bids for the performance of the contract.”

With regard to the procurement of professional services, including procurement of the design-build team, North Carolina Statutes requires the selection of architects, engineers, surveyors or construction manager at risk, be based upon a “best qualified” procedure, without regard to fee (NCGS §143-64.31). Local units of government may exempt particular projects from this requirement (NCGS §143-64.32). Given the unique contractual relationship between the local governmental unit and the design-builder (comprised of a licensed general contractor who subcontracts to a licensed design professional) and competitive bidding requirements governing award of construction projects, the Skateboard Park project had to be exempted from the best qualified procedure required by NCGS §143-64.31. However, as you will read in the subsequent article, the spirit of a qualifications-based selection of the design team is maintained.

The next article in the series will discuss the structure of the RFP and evaluation criteria employed in order to comply with the statutory requirements. The reader will see how compliance with the statutes also secured a design-build contract with the best-value proposition for the City in terms of cost, quality and time for completion.

[Download Articles 2 and 3.](#)

BRAZIL – THE BIG BET

by **Zake Sabbag and Felipe Dutra**

Brazil is definitely in the spotlight lately: it is bouncing back steadily and quickly from the gray cloud of global economic recession in contrast to many other countries that are still just coping. Obviously, the crisis was not good to anybody but, from another point of view, it has helped Brazil gain more notability in the international arena. Eighth economy on the planet, according to World Bank data, Brazil has persevered these past months with relative calm and remained outside the epicenter of the crisis that ravaged developed and undeveloped countries, since the crash of Lehman Brothers Bank in September, 2008. In recent years, Brazil has been consolidating itself as a preferred destination to allocate international funds that surpassed US\$ 18 billion in 2006 to US\$ 45 billion in 2008, with an expectation of even more growth in the coming year.

Big resource drivers that corroborate and support this perception are: the oil exploration in the pre-salt layer, the Growth Acceleration Plan (“Plano de Aceleração do Crescimento – PAC”), the World Cup in 2014 and the Olympic Games in 2016, these all call attention that at least a decade of heavy investments shall occur in capital and infrastructure projects all over the country. Planning for these upcoming projects, and the anticipated efforts to meet all the needs, is something that occupies many professionals everyday. Enterprises in energy, transport and logistics, sanitation, mining, urban mobility, telecommunications and industry projects are frequently disclosed in media and are always accompanied by impressive numbers.

In the oil & gas industry, Petrobras’ investment plan, approximately US\$ 180 billion from 2008 to 2013, the sums allocated to offshore drilling platforms, oil tanks farms, and other new projects that encompass many refineries are truly emblematic.

The actions arising from these enterprises permeate throughout and impact hundreds of national and international companies.

For all these reasons, and others, the forecast for the Brazilian economic growth for 2010 is optimistic. CNI (National Industry Confederation) says that industry investments will be increased by 14% in 2010, which is more than double the projected growth for the economy. With this increase, the total investment rate will represent 18,3% of the GDP in 2010. The forecasts are based on the increase of the industry installed capacity, increase of industry confidence, cost reduction and easy access to long-term credit.

These projects represent a big opportunity to develop and expand the Brazilian economy and, consequently, it will bring many risks as there will be a significant need for qualified labor as well as changes in the technological models and in management structures.

It is essential that companies in each of the sectors pay special attention to implementing relevant management methodologies that are suitable to this new occasion, ensuring there is a balance between investments and risks. The monitoring of projects, throughout their entire life cycle, is fundamental and must focus on the structuring process, ensuring adequate technical and management analysis is performed.

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BRAZIL – THE BIG BET CONTINUED

During the life cycle, the industries best practices suggest that when an organizational structure is formed it should target appropriate governance of the project, but at the same time it should not neglect the increasingly urgent need for sustainability that is inherent to the implementation and operation of the enterprise.

In conclusion, it is fundamental that the companies in each of the sectors also consider the Portfolio Management, aiming to strategically manage the investment portfolio, ensuring adequate return on investment, focus on capital costs, and do structured risk mapping and alignment to match industry trends with company's global strategy. Thus, maximizing the results and benefits for the shareholders.

About the Authors

Zake Sabbag is a Senior Manager of PricewaterhouseCoopers Brazil for Capital Projects and Infra structure services, working closely with funding and multilateral agencies. Felipe Dutra is a Manager engaged in projects in the same field, working closely with government agencies and private companies, supporting foreign investors and companies to establish businesses in Brazil.

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We're Looking for Contributors to the DPC SIG Newsletter!

We're looking for individuals to contribute articles or news items to the DPC SIG newsletter *The Project Management Standard*:

- Write an article telling us about your experiences with DPC-related projects (PMPs can earn PDUs for articles they have written).
- Contribute an interesting article or news item that you have found.
- Share your knowledge and experiences with others by providing useful tips.
- Direct us to informative PM and DPC-related web sites.

If you would like to provide content for the next issue, please send an email to vccommunications@dpcsig.org.

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As a token of the DPC SIG's appreciation for your participation in the SIG, we would like to send you a lapel pin. We encourage all members to wear the pin at PMI® chapter and international events and to look for, and network with, other DPC SIG members wearing their pins. Show your pride in the DPC SIG! Send an email to administrator@dpcsig.org.

Be sure to include your mailing address.

MEETING MINUTES – WILL YOURS STAND UP IN COURT?

by Steven G. Lauck, PMP

Note: This article is not offering legal advice and I don't represent myself as having a legal background.

Now that I have your attention, one of the communication tools that project teams use or should be using are Meeting Minutes. Meeting Minutes record information shared, commitments, documents distributed or presented, approvals, denials, completed actions and new actions.

A few years ago the company where I was employed was sued over a design project. Fortunately I was not involved but I did hear on a daily basis about all the documents being copied and presented in court. One token of advice I got from the president of the company was as a Project Manager think about if I were sued and prepare accordingly. One of the documents discussed was the Meeting Minutes.

Keeping that in mind and here is a format I use:

Document Header

Title – Owner, Project title, City, State

Meeting Name – XYZ Product Development Review Meeting

Date of Meeting – Some variations add start time

Location – May be a conference room at your company or the client's facility

Meeting Number – If it is one in a series like design reviews.

List of Attendees – Full name and Company. Since some people come to meetings as needed, I have added a **Yes/No column** to indicated present or not for each meeting. All names on the list, whether in attendance or not, should receive copies of the Meeting Minutes.

Standard Agenda – Example

1. Introductions
2. Review previous Meeting Minutes
3. Design Status – agenda
4. Schedule Status - agenda
5. Costs Status - agenda
6. Adjourn

Body of Meeting Minutes:

Item Number – Each discussion, open issues, shared information should have an item number. This will show when it was initially recorded. Also, it is helpful for referencing later as updates are made.

Description/Information – This is where decisions, shared information, and open issues are captured. The more detail the better but just the right amount of detail to clearly capture the information. *For example:* Prelim design presented, reviewed and approved by Bob Smith, Client.

Action Required – List any follow up actions required to complete a task, resolve an open issue. *For example:* Send full set of drawings of prelim design to Bob Smith, Client. Other information to include, in what format: Hard, CAD, or PDF.

Responsible/Owner – Name of individual responsible for the action required. Who will be accountable for ensuring Bob Smith gets the drawings.

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MEETING MINUTES CONTINUED

Completion Date – Each item that has an action item should have a completion date.

Completed - This is a column to check mark completed items.

Errors and Omissions Clause – When the minutes are sent out always ask for reports of any information that may have been omitted, incomplete, or was misinterpreted within 24 hours. Let the receivers know that no response is perceived as an acceptance of the information as recorded. Until recently this was in my e-mail distributing the minutes. I have since added it to the bottom of my meeting minutes.

A good practice is to issue the meeting minutes within 48 hours of the meeting. This keeps information fresh in front of the team, and keeps stakeholders current. Having the form is one thing, using it and using it consistently is another. Accuracy of the notes recorded is critical for successful meeting minutes. Listening and asking questions become important skills for each Meeting Minute Recorder.

Speaking of the Recorder, one method that can be used is rotating the role of Recorder.

The Recorder has to focus on all discussions and is forced to ask questions about items he/she may not be familiar with, thus improving their knowledge of the project. Also, after a turn as Recorder, team members are a little more engaged in future meetings. Another interesting development I have seen is that side conversations tend to disappear.

I hope you find this information helpful. If you are interested in a copy of the Meeting Minutes form on which this article is based, send me an e-mail at valuaddpm@earthlink.net.

PRESIDENT BILL CLINTON TO ADDRESS GLOBALIZATION, PROGRESS AT PMI GLOBAL CONGRESS 2010 NORTH AMERICA

President Bill Clinton will deliver the keynote address at PMI Global Congress 2010 - North America in Washington D.C., 10 October, 2010.



President Bill Clinton led the United States during a time of unprecedented prosperity and change. In his speech, *“Embracing Our Common Humanity,”* the President will draw upon his experiences to provide insight into the challenge of globalization, emphasizing our growing interdependence and pointing the way toward a future based on shared goals and values.

This year's Congress will take place at the Gaylord National Resort and Convention Center from 9-12 October.

[Click here for more details and to register for this event.](#)

Upcoming Events



**PMI® Global Congress
EMEA
10-12 May 2010**

**PMI® Global Congress
North America
9-12 October 2010**

**PMI Calendar
of Events**

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