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Owners' reps keep a lid on project costs

- *In addition to saving money, the consultants can educate owners.*

By SHEILA BACON
Special to the Journal

Owners' representatives aren't often lauded when a project wins an award, comes in under budget or finishes ahead of schedule. But more than likely, it's the contributions of these behind-the-scenes organizers and project planners that make a job a success.



Photo by Andrew Weber

The Seneca Group provided overall project management for the Seattle Central Library.

Owners' reps typically act as liaisons between an owner or building tenant and the various project team members, consultants and vendors. Most provide their clients an all-encompassing package, including evaluation of staff and space requirements, contractor selection, budget oversight and move-in assistance. They're usually on board with the owner as soon as the project is conceived, and are there to help arrange the furniture and hand over the keys when it's complete.

For owners or tenants unfamiliar with the complexities that new construction, build-outs, tenant improvements and relocations can present, the involvement of an owner's representative can provide much needed guidance.

"Most companies don't have an internal staff member with a knowledgeable background who can handle projects of this scope," said Amy Sparks, principal and senior project manager with Ethos Development of Portland and Seattle. Tasking an office manager with a TI that requires in-depth knowledge of building codes, structural requirements and construction lingo, for example, is unwise, she said, especially if that person is still expected to perform the existing duties of his or her job during the process.

A 'soup to nuts' approach

Companies and institutions of all types and sizes — both public and private — use owners' reps for their projects. Sparks handles ongoing TIs and relocations for 13 buildings on Oregon Health and Science University's west campus in Portland. Two of her colleagues, Ethos co-founders Brad Wellstead and Karl Schulz, represent the university on the

core and shell construction of the two largest projects on campus: the Patient Care Facility and Biomedical Research Building, totaling \$336 million.

The city of Seattle used The Seneca Group of Seattle during development and construction of the \$165 million Seattle Central Library, and King County looked to the firm for guidance during the recently completed King County Courthouse renovation, a complex, \$78 million job that involved an all-encompassing seismic and life safety upgrade while the building remained occupied.

"The level of detail varies, but we can and often do take a true 'soup to nuts' approach to our projects," said Laura Domoto, a principal with The Seneca Group.

Laurel Vanek, owner and senior project manager of Laurel Vanek-Project Planning of Seattle, focuses on helping her clients with tenant improvement projects and relocations. Her goal is to provide a seamless integration into the building for the tenant, and that means understanding the client's needs as well as the building's structural make-up and limitations. She knows that a particular building may not have the capacity to handle a tenant's planned HVAC upgrade, for example, or that certain light fixtures may not be supported by the building's facilities manager.

Joan Byers, office administrator with the law firm Perkins Coie in Bellevue, was impressed with Vanek's style when Vanek helped the firm move 60 employees last July into the new Puget Sound Energy building. Vanek provided a number of services to help trim costs and improve aesthetics, including value engineering the proposed art glass accents on office doors and softening the look of the office's stone floors with carpeting.

"She knows what works in spaces and what doesn't," said Byers.

Vanek also familiarized herself with the law firm's style and personality, which helped narrow down furniture choices for offices as well as the employee lounge area.

"She listened and asked good questions in the beginning," said Byers. "We fully trusted her and her opinions."

Combating 'scope creep'

In addition to organizing and scheduling the numerous tasks required for any project, owners' reps are masters at controlling "scope creep," an inevitable phenomenon that often takes owners by surprise during the design phase. As the owner considers upgrades or changes in the scope of work, the fixed budget tends to slowly grow if someone's not vigilantly overseeing it.

"We're constantly looking for acceptable trade-offs" so upgrades and changes can be considered without breaking the bank, said David Victor, a principal with The Seneca Group.

Reps also act as educators, teaching owners the realities of project costs.

"For an organization that hasn't gone through this before, they may assume it's sufficient to engage an architect, hire a contractor and get it built," said Victor. "But it's not quite that easy."

Construction costs are a major component of a project, but owners often don't consider the impacts of fees, permits, equipment, furniture and consultants. Costs beyond those earmarked for design and construction can often equal 35 or 40 percent of a project's total cost. It's the rep's job to keep those "extras" in mind and keep the budget in check.

"Those costs typically aren't tracked," said Victor. "It's easy for an inexperienced owner to underestimate the total project cost."

Critical issues

Most owners' reps have a background in construction, consulting or architecture, but perhaps the most important attribute of an owner's representative is people skills.

"I try very hard to know what's important to (the client)," said Vanek. "Perhaps it's the space's aesthetics, or maybe it's their budget. Everyone has their critical issues."

Sparks takes a holistic approach when representing an owner during a TI, renovation or relocation.

"Without people skills, you'll go nowhere," Sparks said. "I have to relate to the CEO all the way through the company to the stock boy and be able to understand their individual concerns and work methods."

Wellstead agrees that communication and the ability to help facilitate the exchange of ideas between the owner and the contractor, for example, is the key to a successful project. Reps must be able to speak the language of developers, builders, designers, vendors and consultants, and be able to translate ideas back and forth so all project team members are on the same page.

"There's really no education for this type of work," said Wellstead. "It's a matter of knowing the key issues across a broad range of disciplines."

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