



WISCONSIN
SCHOOL of BUSINESS

Managing Construction Projects Controlling Construction Costs



EXECUTIVE EDUCATION
FINANCIAL MANAGEMENT



Even the best project managers might not be prepared to handle a construction project, remodel, renovation or commercial relocation.

Whether you need an overview of roles and responsibilities to better work with your team of experts, or a hands-on how-to in protecting your financial liability during a large construction project, these two University of Wisconsin-Madison Construction courses are for you and your internal team. Learn how to ask the right questions and recognize the right answers...from the pros!

Who should attend these two courses?

- ✓ Facility managers
- ✓ Project managers
- ✓ Construction managers
- ✓ Property managers
- ✓ Administrators
- ✓ Company officers and directors
- ✓ Controllers
- ✓ Accountants
- ✓ Auditors
- ✓ Anyone on the team of a new construction project, renovation or corporate relocation



Managing Construction Projects

Architects, Attorneys and Contractors — Oh, My!

If you hire construction professionals, are you qualified to review their performance? This two-day overview reveals key control points before, during and after the project...

Before You Begin

- Effective project planning and preparation — how to address things that can go wrong before you start
- Understanding the roles and responsibilities defined in your contracts

Who Does What?

- Who should be part of your project team to keep it accountable
- When, what and how much you should delegate to an outside firm
- Clarifying the scope of your architect's services

Keeping It All On Track

- Communicating effectively with your team
- Controlling costs
- Key control factors you must monitor on every construction project

When There's Trouble

- How to avoid legal disputes with proper planning
- When you really need an attorney for dispute resolution and negotiation

Closing the Loop

- Making sure everything is done when you are closing out complex jobs

TURN TO PAGE 2
to learn more about
"Managing Construction
Projects."

Controlling Construction Costs

Avoid costly surprises and finish construction projects, remodeling and commercial relocations on time and on budget!

If you wouldn't pay \$715 for a level in a hardware store, why would you pay that much to rent one from your contractor? An interactive, nuts-and-bolts course, "Controlling Construction Costs" will teach you to spot and control frequent sources of common budget-busters. The techniques you'll learn will minimize headaches and prevent excess expenditures like...

- **10% (or more) of a contract's cost for equipment rentals** — unscrupulous contractors can charge rental fees that exceed fair market value for the same equipment!
- **10-15% additional charges for change orders**...which can easily become a source of misunderstanding between the contractor and the owner
- **1-2% of total job costs** due to unaudited overcharges
- **Up to 30% overcharges** due to flaws, waste and abuse

The dollars invested in a construction project are substantial. Yet the resources and additional financial analysis required for managing the project are relatively small in comparison to the potential for savings. Monitoring the finances of your next construction project will have an immediate, quantifiable impact on the bottom line. Project management insiders show you how in "Controlling Construction Costs."

TURN TO PAGE 4
to find out more about
"Controlling Construction
Costs."

Managing Construction Projects

Learn how to plan a well-run construction project so you can enjoy a successful on-time, on-budget finish

During a construction project, an owner or project manager faces not only their in-house staff capability assessment, but deciding what aspects need outsourcing and the thorough, high-stakes process of selecting professionals to complete them.

Contract administrators, architects and managing engineers may not have the financial acumen or background on your organization to make decisions that could affect thousands or millions of your dollars. Worse, overtime, change orders and equipment rentals only serve to pad their bottom line — who's watching yours?

In “Managing Construction Projects,” you’ll learn how to assemble a successful team and clearly communicate your expectations for the project. Taught by experienced professionals in the construction field — including an architect and attorney — this course shows you how to build the best team including outside firms, what key factors you must monitor during every project, and how to effectively close out the project and coordinate the move. Plus, you’ll receive sample forms, examples, check lists and case studies to take back to the office for easy-access reference.

COURSE FACULTY

GREGORY P. BENZ is president/founder of Benz Architecture Limited and has spent 32+ years maintaining client contacts, handling budgets/scheduling and managing architects and engineers.

CHRISTOPHER M. COAKLEY, attorney, is owner/president of C. Coakley Relocation Systems — he has moved hundreds of companies, both locally and nationally.

ROBERT J. KAY, a partner in the law firm of Kay & Andersen, is well versed in the legalities of design, engineering, product manufacturing, regulation and licensing, compensation and construction claims.

RICHARD L. TOWNSEND, CPA, CIA, is president of R.L. Townsend & Associates, Inc., which provides high-quality, cost-effective construction contract audit and management advisory consulting services.

For more information on each faculty member, please visit exed.wisc.edu/construction.

August 4-5, 2008 #9578

November 3-4, 2008 #9579

Fee: \$1,395 per person

SAVE \$495
with paired courses!

“Managing Construction Projects” and “Controlling Construction Costs” are offered back to back for your benefit and convenience:

- **Save with reduced course fees**
- **Reduce travel expenses**
- **Learn twice as much in only one trip away from the office**

Register for both courses and take advantage of the reduced registration fee of \$2,695. You will easily and immediately see a return on your training investment by acting on merely one idea from the course!

For more information, visit exed.wisc.edu/construction.

“Great suggestions that I will be able to share with others when I return to work.”

Alice Butler
Operations Manager
Meriter Hospital
Madison, WI

The University of Wisconsin-Madison, as a member of the University Continuing Education Association (UCEA), authorizes this course for 1.4 Continuing Education Units (CEUs) or 14 hours.

OUTLINE

Instructor: Gregory P. Benz

Working effectively with your architect

How to choose an architect

- Fit and suitability with your project
- How to judge experience
- Who leads the team?
- What engineers will the architects use?

Clarifying your expectations for the architect

- Defining the scope of services and what you want to accomplish
- Knowing the limits of the architect
- Communicating effectively with your architect

Construction administration phase

- Defining the architect's and the owner's responsibilities
- Monitoring and evaluating the architect's performance
- Under what circumstances you should fire the architect

Instructor:

Christopher M. Coakley

Planning and managing commercial moves

Planning the move

- Plan for how long your company can afford to be "down"
- Developing an RFP that meets your needs
- Setting the right timing and coordination
- Unusual equipment and computer systems to be moved
- Sensitive documents
- Specialized equipment for making moves to save time and minimize damage

Instructor: Robert J. Kay

Litigation and construction projects

Contract forms

- Roles and responsibilities associated with members of the construction team
- Responsibilities under various contract types
- Things to consider in developing your contract

Understanding the potential for legal disputes

- Practical and legal limitations on the delegation of responsibilities
- The importance of adhering to the contract documents when assessing liability
- Training of management and project teams on how to avoid legal disputes

How to close out a complex job that involves legal disputes

- Using construction documents that can avoid legal disputes
- The role of legal "posturing" when closing out a job

What owners should do during the stages of dispute resolution

- Alternatives to explore with the project owner's counsel before legal actions begin
- Negotiating a compromise without expensive and exhaustive litigation
- Advantages and disadvantages of dispute resolution processes such as litigation, arbitration and mediation
- The role of negotiation in construction disputes

Instructor:

Richard L. Townsend

Key management issues to consider throughout the construction project cycle

Project definition and planning

- Defining the scope of your project
- Mistakes to avoid during the project planning phase
- Key elements in controlling costs
- Control issues associated with various contract forms
- Common mistakes to avoid in the contract
- Should you require a performance and payment bond?

Managing the construction phase

- Assigning tasks
- Establishing an effective contract administration team
- Typical problem areas
- Making sure you get what you pay for
- Controlling the red tape
- Typical overcharges

Managing change orders

- Ways to reduce the number of change orders
- Managing the cost of unavoidable change orders

Closing out the contract

- Warranties, lien waivers, as-built drawings, maintenance manuals, personnel training, test reports

BONUS!

Your bonus for attending *"Managing Construction Projects"*:
an essential resource guide!

Return to your job with a comprehensive resource notebook full of checklists, examples of documents and practical outlines that will help you handle specific challenges and keep your projects on time and on budget!

Controlling Construction Costs

Learn to effectively monitor the finances of your next construction project and see an immediate, quantifiable impact on its bottom line

Years of planning and anticipation are often devoted to a company's construction project, and capital expenditures are significant in most organizations. If that is the case, why do these same organizations often overlook cost control opportunities for their construction projects? Many firms do not develop in-house expertise for construction projects, remodeling and commercial moves, although a quick review of the "cash flow" statement indicates that such projects may be one of the major uses of funds during a fiscal year.

The ability to analyze the costs of a complex, high-value project can help companies control their construction costs. After attending "Controlling Construction Costs," you can be very effective in identifying and addressing a variety of financial items arising from the construction project.

In this three-day interactive course, you'll apply proven techniques to case studies and learn how to ask the right questions and tackle technical matters. By following the skills learned in "Controlling Construction Costs," owners, project managers, controllers and management accountants can direct and regulate many aspects of construction activity to ensure that their companies get what they contracted and paid for.

COURSE FACULTY

RICHARD L. TOWNSEND, CPA, CIA, began working on real estate and construction contract audit-related matters in 1972. Before starting his own company, he spent 13 years with J.C. Penney's auditing department, specializing in real estate and construction audit activity. Rich gained extensive experience in conducting and directing operational and contract compliance audits for both construction- and real estate-related activities.

For more information on this faculty member, please visit exed.wisc.edu/construction.

August 6-8, 2008 #9575

November 5-7, 2008 #9576

Fee: \$1,795 per person

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"Over nine years, we passed three construction referenda and all three came in under budget. I attributed the success of these three construction projects to the skills I learned during the 'Controlling Construction Costs' course."

Michael R. Weber, Ph.D.
Superintendent of Schools
Port Washington-Saukville School District
Port Washington, WI

OUTLINE

Taking the owner's perspective — cost control roles and responsibilities of your team

Bid document format and language to enhance cost control

- Contract language/provisions to enhance cost control
- Definitions and administration
- Clarification of reimbursable costs

Cost control objectives

- Project planning phase
- Contract document development phase
- Bid/contract award phase
- Construction phase
- Contract close-out phase

Detecting and preventing typical overcharges on lump-sum charges

- Specified construction materials or products not installed
- Specified services not provided
- Overstatement of change order proposals
- Overstatement of contractor claims

Detecting and preventing typical overcharges on cost-plus contracts

- Payroll burden overcharges
- Labor hours and/or wage rates overstated
- Material overcharges
- Back charges not properly handled
- Equipment rental overcharges
- Insurance overcharges by subcontractors
- Accounting errors, duplicate charges and more

Special cost control considerations with "change orders"

- Lump-sum or guaranteed-maximum contracts
- Field administration of changes
- Obtaining proper documentation
- Special contract provisions
- Monitoring change order work
- Analyzing/auditing change orders

The owner's team — cost control roles and responsibilities

- Project manager/purchasing authority
- Field engineer(s)
- Cost analyst/construction accountant
- Contract administrator
- Outside architect/engineer
- Construction auditor

Special considerations for time-and-material contracts

- Establishing the proper rates for labor, equipment, etc.
- Obtaining adequate documentation on a timely basis

Special considerations for unit-price contracts

- Adequate definition of how units will be measured
- Monitoring work-in-progress/work-in-place

Special cost control considerations with contractor "claims"

Using computer database applications

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