



ACCM Insider

ACCM Executive Director To Leave Post

Dear ACCM Members:

For the past nine years, I have been serving ACCM as Lobbyist and Executive Director. I will be leaving ACCM's management company, Murdoch, Walrath and Holmes (MWH), in November to join the School For Integrated Academics and Technologies (SIATech) as Director of External Affairs. I am proud of the work that we have done together and look forward to reading about ACCM's future success in Sacramento.

In the last nine years, ACCM has grown in respect and significance in the education facilities community and the State Legislature. We were part of the coalition which supported AB 16 to create the state's largest infrastructure bond - \$25.3 billion for public school construction. The entire ACCM membership contributed to the Proposition 47 campaign as they did for Proposition 55 in 2004 and Proposition 1D in 2006. We fought a number of successful battles in the Legislature to protect alternative delivery methods including design-build, leaseback and construction management at-risk.

ACCM has also been an increasing presence at C.A.S.H., CASBO, CSBA and other organization's events. We have put together a number of successful receptions for school district staff that were

both entertaining and educational. Together we expanded our policy outreach. ACCM members were part of Grant Adequacy Committees, the DSA Advisory Board, the C.A.S.H. Board of Directors and were involved in testimony before the School Allocation Board and the State Legislature.

We have also worked to institute a series of workshops and annual conferences to provide cutting edge education facility construction and funding information to your own staffs, your contractors and clients. Some of the projects that I am most proud of are series of publications that we have produced over the past four years. In fact, the ACCM Project Delivery Handbook is still being used as a training resource by a wide variety of school districts, county offices, state agencies, and membership organizations inside and outside of California.

Those of you who have shared time with me know that my family business was construction and that I was a carpenter before graduating from college. I will be joining a nonprofit program that provides job training and high school diplomas to former dropout students throughout the country. SIATech is a great opportunity for me to combine my passions for advocacy, increasing opportunities for dropouts, and the construction industry. You may even have

some of our school's students working on your projects today.

Dave Walrath who helped create ACCM will be back at the helm in November. He's the senior partner at MWH and is excited about helping to further grow ACCM. It was Dave who gave me the ACCM assignment when I joined the firm. I have genuinely appreciated his trust, support and perspective over the years.

I appreciate your support and friendship over the past nine years and I look forward to your future success in the education facility market.

~Ernie Silva



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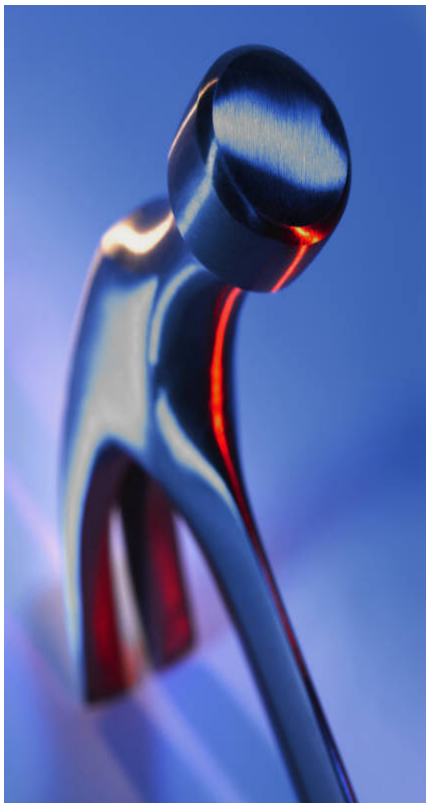
ACCM Fall Membership Meeting Finds Common Cause with Architects

The ACCM General Membership meeting was held Monday, October 12 at 2:00 p.m. The meeting was scheduled for an hour, yet members stayed for two hours discussing how CMs and Architects can work together to minimize the costs and time related to DSA review.

ACCM members were joined by principal architect, Laura Knauss of Lionakis, and architect, David Duff of NTD Architecture. Dick Cowan of Davis Reed moderated this session that was very well received. Knauss began with her top ten list for architects and CMs working together. Around the table everyone

concurred that communication is critical. Duff focused on the importance of architects and CMs seeing themselves as partners in obtaining and maintaining project certification. There was honest exchange about where there was common cause and where the two professions have distinct responsibilities and liabilities. CMs expressed the value of keeping projects on schedule and the architects discussed design liability. There was also concurrent concern about firms calling themselves program managers attempting to take on both CM and design roles without legal liability for either.

While all attendees are aware of occasional tensions between the professions, the sincerity and collaboration at the membership meeting was palpable. Perhaps Mr. Duff captured it best, "I have only worked with a couple of the firms represented, but found this group to be one, without exception, with whom I want to partner. Each seemed to represent a thoughtful approach that challenges architect's too frequent adversarial assumptions." All those in attendance would have to agree. ACCM members have a unique approach to collaboration with architects.



Publication Guidelines

The *ACCM Insider* is published bi-monthly by the Association for California Construction Managers (ACCM) and distributed to ACCM Members.

The *ACCM Insider* solicits articles from the membership and state agencies on construction management related topics. Articles are due no later than the end of the first week of the publication month. If you are interested in submitting an article, please send it via email to Meagan Poulos at mpoulos@m-w-h.com or by mail to ACCM, 1130 K Street, Suite 210, Sacramento, CA 95814. The views expressed herein are those of the authors and not necessarily those of the ACCM, its board, staff or general membership.

2009-10 Publication Schedule

| <u>Month of Publication</u> | <u>Article Due</u> |
|-----------------------------|--------------------|
| December | December 4, 2009 |
| February | February 5, 2010 |
| April | April 2, 2010 |
| June | June 4, 2010 |

Governor Vetoes AB 1120

On October 11, the Governor finished actions on 2009 legislation. Most surprisingly, he vetoed Assembly Bill 1120 (Niello) which was supported by ACCM. This bill would have encouraged the State Architect and the Department of General Services (DGS) to distribute information on the use of constructability reviews of plans and specifications used for the construction of school facilities and the potential for cost savings that may be realized by the use of a constructability review.

The bill recognized Legislative Intent that “constructability review” is a cost control technique by which the project plans and specifications are reviewed to identify potential claim or problem areas and deficiencies in the plans and specifications

that may occur as a result of errors, ambiguities, omissions, discrepancies, and conflicts in the plans and specifications.

In vetoing the bill, the Governor recognized the author’s genuine intent to control school facility construction costs. But found the bill unnecessary, “since nothing under current law prohibits DGS to distribute information or work with school districts on the use of constructability reviews when it is appropriate.”

Assembly Member Niello remains a strong friend of Construction Managers and a supporter of constructability review. We hope to work with him in the coming months to ensure that DSA and OPSC distribute constructability review information as suggested by the Governor.

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At-Large Officers Elected

There was a unanimous support at the October 12 membership meeting for the election of Dick Cowan and Ed Mierau as the two At-Large Officers of the ACCM Board. Dick Cowan is Vice President of the newly opened Davis Reed Construction office in Sacramento. He previously served as the Secretary/Treasurer of ACCM. Ed Mierau is President of Neff Construction in Ontario, California and is the immediate past President of ACCM.

New Bond Accountability Website

As part of the Governor’s Strategic Growth Plan, he has launched the Bond Accountability website, which includes school construction projects funded by the state. Click on the link below to view the website. If you click on the K-12 Education, there are further links to project specific data, including audit information, on the left side of the screen.

<http://www.bondaccountability.ca.gov/Bonds/Education/default.php>

STO Announces Bond Sale

At the October 13, Pooled Money Investment Board, the State Treasurer’s staff reported a \$1.5 Billion State GO bond sale for the week of November 9, 2009. The Department of Finance will decide how much of that bond will be available for K-12 school projects.

More information can be found on the California State Treasurer’s Office website at <http://www.treasurer.ca.gov/bonds/index.asp>.

Construction Experts Predict Mild Uptick in 2010

Murdoch, Walrath & Holmes representative, Duwayne Brooks, attended the recent Reed Construction webinar: "The Year Ahead for Construction." The presenters were Kermit Baker, Chief Economist AIA (MA from Harvard and PhD from MIT); Ken Simonson, Chief Economist, AGC of America; and Jim Haughey, Chief Economist, Reed Construction. The focus was national, but there was some focus on California and the education facilities market. Among their top 10 findings:

1. There is a revival of State GO Bonds (nationwide).
2. San Diego, San Francisco and Los Angeles are among the top metro areas in the nation expected to see improvement in construction in 2010.
3. Labor costs could rise up to 3% in 2010.
4. Ken Simonson said that while the federal stimulus funds (QSCB and BABS) do not require PLA's, President Obama encourages PLA's.
5. The presenters estimated that 28,500 jobs are created per each \$1 billion in stimulus funding: 1/3 of the jobs are on-site construction; 1/6 of the jobs are in the supply industry (professional services, accounting, etc.); and the other 1/2 of the jobs are the result of indirect industry related spending.
6. P-12 education construction will pick up the second half of 2010, but the decline in home values, tax revenues, and increase in defaults negatively impact the funding for school construction.
7. In 2010 the top five most volatile materials will be copper, diesel fuel, asphalt, steel, and aluminum.
8. The rising demand for some of these materials, especially in China, could cause a spike of 6% to 8% in materials costs in 2010, even though the United States is using less of the materials because of the decline in construction.
9. While design activity is a good predictor of construction activity nine months out, federal stimulus money is taking a long time to impact design companies and half of architectural firms expect a significant decline in business the second half of this year (2009).
10. Residential housing construction will continue to be down for a couple more years with smaller homes being built as incomes stagnate and family size decreases.

ACCM Model RFQ/RFP Now Available To Districts

The 2009 ACCM Model RFQ/RFP is now online. The improved RFQ/RFP is the result of work by our members interested in fine-tuning one of our first public projects. We have incorporated language concerning differing CM Delivery Methods and condensed portions to make the ACCM RFQ/RFP more user-friendly for school districts.

The newest RFQ/RFP also includes a detailed General Conditions Cost Schedule as Exhibit C. This is a useful tool to allow districts to be sure that they are comparing apples

to apples in responding to proposals. In addition, the Cost Schedule will help owners get a better understanding of the full scope of general conditions, as well as, the range of responsibility that a bidder takes on.

The following ACCM Members spent time on the revisions:

- Paul Bonnacorsi (WLC Construction)
- Dayne Brassard (Tilden-Coil Construction)
- Sarah Creighton (McCarthy Construction)

- Dana LeSher (Harris & Associates)
- Ed Mierau (Neff Construction)
- Terry Street (Roebbelen Construction)

The RFQ/RFP was announced at the October 13-14 C.A.S.H. Fall Conference. Please help us in getting the word out to districts that the ACCM Model RFQ/RFP is available on line at:

www.ACCM.com/news .

**Cowan's
Corner**

**News from DSA
by Dick Cowan, Davis Reed**



The California budget crisis continues to affect the Division of the State Architect (DSA). In addition to three furlough days per month, taking about 15% of productive hours away, there is a prohibition on overtime which used to account for about 15% of DSA hours, and a prohibition on contracting out plan check, which used to account for about 25% of DSA production. DSA has been allowed to over-hire 12 staff members and has borrowed 5 staff members from another Department of General Services (DGS) department. Bin time, once as high as 12 weeks, had been driven down to 5 to 6 weeks, but is creeping up now to 6 weeks in Sacramento and about 9 weeks in the other offices.

It appears that the intake of plans is finally falling off as districts with bond capacity may be postponing projects. This could be either their assessed valuation declining, slowing bond sales, or the politics of building with facility funds, while teacher positions have to be eliminated from general funds. Anecdotally, it appears that RFQ's for architects and geotechs are increasing, signaling a return to planning for future projects.

DSA is working on many internal improvements. The DSA website has a copy of the Strategic Plan which shows progress on many improvements. Additionally, CSU Sacramento is underway on a study of DSA fee calculations and approaches and

internal project processes. Plans with a value greater than \$400,000 must be submitted electronically, but projects above \$1 million must have DSA approval to be submitted electronically. DSA is working to build its speed in electronic plan check. The Kern County Office will be the 100% electronic intake office.

The Office of State Audits is also performing an audit of DSA fees, which have not been raised since 1981. That report is expected in February 2010.

The Collaborative process, used for several years under informal guidance, is moving to a formal implementation for all Community College projects. It is still okay to use it voluntarily for K-12 projects.

A long-awaited DSA Commentary on the Access Code is on the DSA website. Once the federal ADA tolerances are published, the commentary will implement some tolerance recommendations. An IR on ADA tolerances is expected this week or next.

DSA has received the recommendations of the Deferred Approval Workshop in which ACCM participated. Specific recommendations for using the plan check process to speed deferred approvals and for publications defining what must be included on deferred approval submissions are underway.

