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Office of the D/L (for information)

To: Lead U.P. Sec 8(b)

15 December 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Notes Regarding GSA New Approach to Construction Project Management
Source: ENR June 25, 1970 and ENR Nov. 12, 1970

1. Based upon suggestions from a combined government/industry study group, GSA hopes to institute updated construction management methods; however, some proposed changes will require legislation to modify congressional appropriation procedures.

a. Proposals that require legislation:

(1) Allow selection of project site and A&E firm to start design work prior to appropriation of design funds.

(2) Use of lump-sum appropriation that would eliminate time lag between separate appropriations for site acquisition, design phase, and construction.

(3) Authority to use preliminary planning funds to acquire site options.

b. Proposals to revise design and administrative procedures:

(1) Small to medium sized jobs (dollar or size limit not defined):

Modify traditional design-bid-construction by tightening schedules and overlapping design and review.

(2) Large and complex jobs:

A design/management team comprised of GSA project manager, A&E firm, and construction management consultant control design to keep within the budget and construct the project by managing separate subcontracts without a general contractor. Probably design and construction would be overlapped to save time.

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(3) Turnkey concept:

Monitored by a GSA project manager, a private enterprise entrepreneur would carry out entire design, construction and financing effort to furnish a complete facility which the government would buy. (For example, Gulf Reston proposal to build U.S.G.S. Offices)

2. Although Mr. Kunzig, GSA Administrator, urges immediate implementation, other GSA officials admit the procedures are still in a state of flux.

3. Comment:

Only direct discussion could determine what procedures for management GSA may be ready to apply to Agency projects in the near future. "Time Saving" possibilities offered by the Design/Construction/Management Team are attractive in respect to Agency consolidation goals with compact time frames. "Turnkey" projects may also be advantageous if coupled to a contractor-operated facility for special projects.

With the use of either of these two methods, client-owner preplanning becomes more essential than with traditional, more slowly paced, planning and construction which allowed the owner time to "make up his mind" during the process. The design time is shorter, the process more complex with the addition of another consultant between the owner and the end product; therefore, to take utmost advantage of the speed of team services and yet avoid the construction of an unsatisfactory facility, the Agency must spell out clearly its requirements (philosophy, principles and goals) before the designers start to work.

This will put increased stress on Agency planners and may require of them more intensive efforts to analyse management and engineering problems in detail without aid of an A&E, or may require rapid response to design/management team efforts. To properly formulate the design/construction requirements and to adequately respond to the work of the design team, the planning staff may need to be strengthened with more specialized professionals.

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TRANSMITTAL SLIP	DATE 30-70	
TO: OL / BPS		
ROOM NO. 1012	BUILDING Ames	
REMARKS:		
FROM: O-D/LOG		
ROOM NO. 1206	BUILDING Ames	EXTENSION 2557

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

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