Contracting and Commoditization
Yes, there is a path to Success

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Learning Objectives

1. Explain the history of services commoditization and why it matters for the future of commissioning.
2. Describe why client education and commissioning certifications are critical to everyone.
3. Define the value of a qualified commissioning provider.
4. Discuss the value of an owner having an in-house commissioning provider.
1. I am a general contractor, and as such will fully admit to not being an angel, but I am not the devil either.

2. I think commissioning is vital for all projects and have pushed within my company for its inclusion on all projects regardless of scale or scope.

3. I am LEED accredited and have been since 2004. I believe in its goals and importance.
Commoditization

The process where services that are uniquely distinguishable by their scope and the skills of the provider are reduced to a simple budget line item in the eyes of the purchaser.
A Short History of Commoditized Commissioning

For my fellow Engineers in the audience:
Percentages to illustrate a point, and not based on scientific data
Why is Commoditization a problem?

Drives project cost down, right? Why is this bad?

- Poor project fit
- Incomplete scopes
- Teamwork issues
- Financial concerns
Value vs Cost:

What determines the difference between cost and value-based decisions?

An educated client can be your best jobsite advocate and the key to influencing the value vs Cost equation.
The Bid Process in a Commoditized world

The Key to successfully working through the bid process is to carefully read the RFP and responding to specifically to match

Key points to look for:

Building Type and Projected Use
Who will be at the interview
Details, Details, Details
Responding to the RFP

The RFP is the introduction between the service provider and the Client – Make the most of it

What should be focused on in a RFP response?

- Company and personnel Information
- How your firm’s approach to the project matches the client’s goals
- RFP questions, answers and clarifications
- Pricing
Preparation for the Interview

If the project has an interview portion, the amount of preparation that is put into it reflects the care you will put into a project and people notice.

Items to think about:

- What message will you present
- Who is included in the interview
- How does this fit the needs of the project
Show Time!

Its not what you say, but how you say it…..

Not exactly true, but lets look at the how you say it part

Starting with - Body Presentation

Do not be a statue
Connect with the room
Be interested

Now – Keeping everyone engaged

Energy!
Go Team!
Ask questions?
Project Won!..... now what?

Plan or fail, the choice is yours

Items that must be talked through early:

Schedule – Set a firm date to start Cx and durations
Roles and Responsibilities – Stick to your strengths
Safety – Identify risks and plan for them
Testing limitations – Plan to accommodate, or plan to fail
Pretesting expectations – Start-up is just the beginning
Team mentality – Why it’s important

Forming and maintaining a team mentality between the major players is critical not only to efficiency, but how the client views the project.

It is this perception that provides a feeling of confidence in the project, value gained and ultimately repeat business

“90% of the impression of a project is the last 10% of the work”
Shifting the balance between cost and value requires work, but it is not impossible. General contracting has dealt with commoditization for years, but most of my work is repeat business, or client referral and I am frequently not the low cost option. Why?

Because I am seen as a trusted team member that shows value beyond sheer cost.