

# We can Work It Out

BY LAUREN PINCH

Construction professionals, in their quest to build things, sometimes fall short in building relationships. Architects and contractors can find themselves competing for control and the good favour of a project owner



**A**lthough some rivalry is expected, the industry knows that too much tension can turn what should be a collaborative relationship into an adverse one – perhaps delaying a project or driving up its costs.

Why do contractors and architects clash in some cases, but not in others? Can conflict be avoided? Or is a little tug-of-war important to building the best project possible for the client? A few industry experts weighed in to help answer these questions.

Steve Risk, president of Paul Risk Associates in Quarryville, Pa., a firm that performs both design-build and bid work, offers insights from the contractor's perspective.

Thomas Howorth, FAIA, a participant in the American Institute of Architects Committee on Design, which advocates for high-quality design and innovation within the industry, offers the architect's perspective.

Giles Jacknain, a Chicago-based consultant for Zweig White, a firm specializing in enhancing the business practices of architecture, engineering and construction professionals, offers a third-party perspective.

**What is at the root of the tension between contractors and architects?**

"I think the root of the tension comes from deciding who is really responsible for the client's best interest," Jacknain says. "The

contractor and the architect have a different set of incentives. The architect is looking to create or design something that makes the client happy; the contractor is looking to keep costs down."

The duality is actually beneficial to balancing the project, he says. "Some clients, particularly developers, want that conflict. They want the architect to constantly push a design to satisfy the client's needs. At the same time, they want the contractor to be pushing back in the other direction to balance the cost needs of the project," Jacknain adds. "The architect should have an understanding of what the owner wants and why he wants it built, whereas the contractor

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should have an understanding of how it should be built.”

A third-generation family-owned firm, Paul Risk and Associates became a forerunner in the design-build process more than 40 years ago – before it was even called design-build. With 75 per cent of its business coming from repeat clients across the health care, religious, commercial and institutional sectors, the company has succeeded in balancing dual incentives.

“I try not to call it a conflict,” Risk says. “It’s more of a problem with communication. The architect looks at the project like an artist, and the contractor looks at it as a

builder and pragmatist.” In addition, owners have become intently focused on “cost, cost, cost,” he says, putting pressure on both parties.

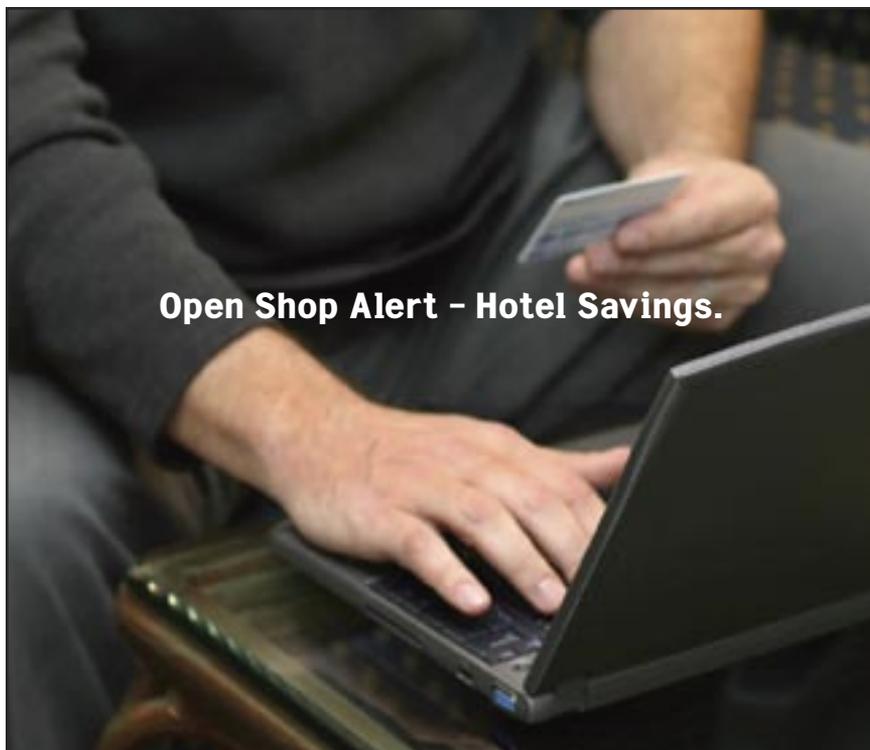
Howorth, who works with contractors on historic preservation, government and institutional jobs, believes the traditional bidding process is a primary contributor to mistrust. “I think the main tension that architects have in relationships with contractors ultimately derives from the competitive reality in which contractors have to operate,” Howorth says. “Contractors are at the mercy of the bid market. Anybody that can get licensed or bonded will be considered qualified, along with their sub-bidders. In order to compete, they are bound to take the lowest price they can get, or run the risk of not getting the job. You wind up with an adversarial situation right out of the gate.”

And the potential for change orders adds to the discord.

“Some contractors don’t call obvious design omissions to the attention of the architect because they can take [the omission] out of their bid to create a change order later,” Howorth explains. “This creates unrealistic expectations for the owner, who thinks the contractor should have done something about the missing item and brought it to the architect.” (The bid specifications generally require the contractor to call omissions to the attention of the architect and request clarification.)

Another issue is the volatility in the construction materials market. “An architect may design a beautiful building on budget, and then the price of the concrete doubles,” Jacknain says. “It’s a no win situation for everybody.”

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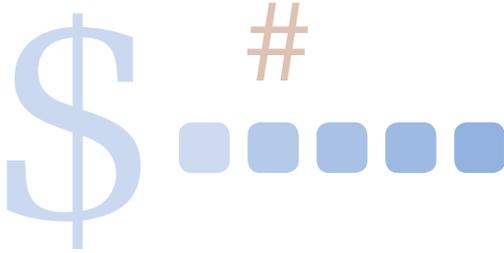
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# BY THE NUMBERS.....



Capital expenditure for <b>construction</b> in Alberta (in \$ millions):	2006	2007	2008	2009 <sup>P</sup>	2010 (est.)
	52,986.6	59,767.6	65,155.2	47,550.4	49,514.7



<b>Construction</b> price index for apartment buildings in	2005	2006	2007	2008	2009
<b>Calgary:</b>	115.2	131.5	156.8	173.3	157.7
<b>Edmonton:</b>	114.6	129.0	152.0	164.4	145.6
<b>% change Calgary:</b>	6.6	14.1	19.2	11.2	-9.0
<b>% change Edmonton:</b>	6.5	12.6	17.8	10.9	-11.0



Value of <b>building permits</b> (monthly) in Alberta	Seasonally adjusted (in \$ millions)			% change	
	February 2009	January 2010	February 2010	Jan. 2010 to Feb. 2010	Feb. 2009 to Feb. 2010
<b>Residential:</b>	240	614	691	12.5	188.0
<b>Non-residential:</b>	301	279	319	14.7	6.0
<b>Alberta Total:</b>	541	892	1010	13.2	86.7



Yearly value of <b>all building permits</b> in Alberta (\$ millions)	2005	2006	2007	2008	2009
	10,201.7	13,875.7	15,729.7	13,142.2	11,276.9



<b>New housing price index</b> (\$ thousands)	2005	2006	2007	2008	2009
<b>Calgary:</b>	147.8	212.2	246.6	248.2	231.6
<b>Edmonton:</b>	137.7	177.5	234.4	236.8	210.3



Wholesale merchants' <b>sales</b> by industry unadjusted (\$ millions) across Canada	2005	2006	2007	2008	2009
<b>Building supplies:</b>	39,687.1	42,997.3	45,330.3	46,094.0	43,506.1
<b>Metal products:</b>	16,072.5	17,711.1	17,774.9	19,421.2	13,760.0
<b>Lumber and millwork:</b>	13,762.0	13,222.6	12,894.5	11,269.1	8,783.3
<b>Machinery and equipment:</b>	46,488.4	50,966.0	54,540.5	60,135.4	50,703.8



Number of employees covered under the <b>Merit Hour Bank Benefit Plan:</b>	2004	2005	2006	2007	2008	2009
	21,238	24,844	28,291	33,875	38,314	38,187



Total manhours worked under the <b>Merit Hour Bank Benefit Plan:</b>	2004	2005	2006	2007	2008	2009
	43,693,974	51,931,342	58,264,783	69,743,223	77,595,931	74,140,547

Source: Merit Contractors Association



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# Certificate of Recognition



## What is a COR?

A “**Certificate of Recognition**” (COR) is a document issued by a Certifying Partner and Alberta Employment and Immigration (AEI). The COR recognizes that an employer’s health and safety management system has been evaluated by a certified health and safety auditor and found to meet the Partnerships standard.



The Alberta Construction Safety Association (ACSA) and Alberta Employment and Immigration (AEI) are committed to helping employers and workers reduce losses caused by workplace injuries through the “**Certificate of Recognition**” (COR) program for ACSA members and associate members in Alberta. Together the ACSA and AEI also promote a “**Small Employer Certificate of Recognition**” (SECOR) program for companies consisting of 10 employees or less. The **COR** and **SECOR** are used as a pre-qualification requirement for contractors tendering work for many buyers of construction services.

LOST-TIME CLAIM Rate for ACSA COR Holders-  
Alberta: 2007 and 2008

Employer	Year	ACSA Industries			Change in LTC Rate
		LTCs	Person-Years	LTC Rate	
COR	2007	2,760	149,825	1.84	-6.2%
	2008	2,528	199,000	1.49	
Non-COR	2007	3,875	118,733	3.15	-8.6%
	2008	3,232	116,350	2.78	

Data Source: WCB Data, Prepared by Data Development and Evaluation

- Effective health and safety management systems have been shown to contribute to the reduction of workplace injuries. Eliminating the social and financial effects of injuries can in turn strengthen the business success of participating employers
- Achieving and maintaining a COR is required for earning financial incentives (up to 20% rebates) through the Partners in Injury Reduction (PIR) program offered by the Workers’ Compensation Board (WCB)

## Alberta Construction Safety Association

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