

# Achieving Success with a Capital Project

## Effective Management of Your Project and Development Team



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**CHCANYS STATEWIDE CONFERENCE**

**Albany, NY**

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## About PCDC

- Founded in 1993
- Mission: Expand and enhance access to primary care in underserved communities
- Three key strategies to achieve mission
  - Investing in primary care facilities
  - Strengthening service delivery
  - Leading policy initiatives

## About PCDC – A Primary Care Funder

- To-date, leveraged over \$260 million to finance 91 health center projects in NYS
  - > 2,300 permanent jobs
  - 630,000 square feet developed
  - Capacity for 575,000 New Yorkers & 1.75 million visits
- \$40 million New Markets Tax Credit allocation for low cost facilities loan fund
- Coordinator for HRSA Loan Guarantee Program

## Today's Topics

- **Understanding Facility Development**
- **Understanding Your Role as Owner**
- **Understanding Roles and Responsibilities of Your Development Team**



# Facility Development: 4 Iron-Clad Rules

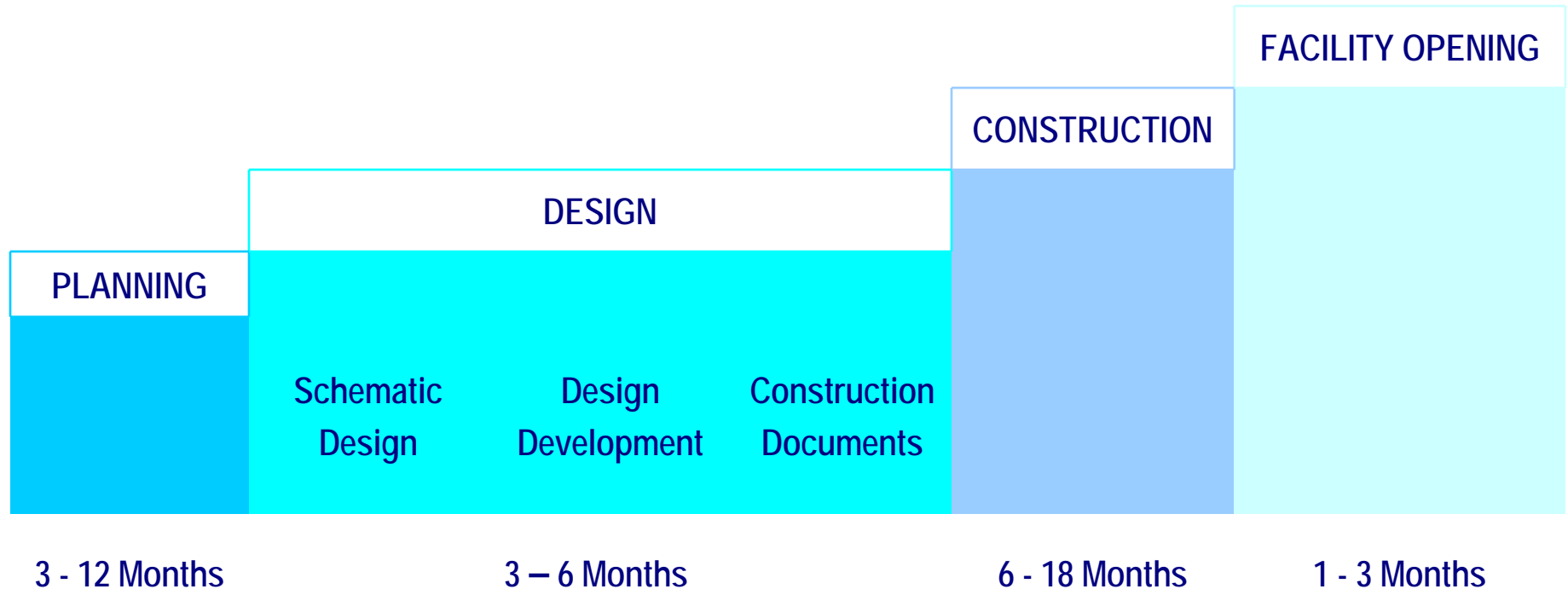
- 1. No one cares more about your project than you**
- 2. No one understands your business like you do**
- 3. Delegate the work not the project**
- 4. YOU will live with the finished building –  
for better or worse...**

# Facility Development: What Does This Mean for YOU as the Owner?

## You must:

- Understand the development process
- Understand who should participate & what roles they each play – internal & external team members
- Pay close attention throughout the process

# Facility Development: The Development Stages



# Roles + Responsibilities:

## The Owner

- Set Project Parameters and Scope
- Form the Project Development Team
- Make Decisions
- Develop & Maintain Goodwill
- Communicate with Stakeholders
- Manage Expectations
- Manage the Flow of Funds



# The Owner's Role: Set Project Parameters

## Create the “Project Box”

- Establish program and project goals
- Set the budget – what you can afford to build to your goals
- Set the development timeline

# The Owner's Role: Set Project Parameters

## Set up Monitoring Processes & Procedures

- Set development milestones
- Schedule routine, mandatory project meetings
- Establish project management documentation
  - Implement minutes & task responsibility monitoring forms
  - Implement development & cash flow monitoring tools

# The Owner's Role: Form Your Team – *Internal*

## Initially

- Engage key internal staff in planning and decision making
- Name an internal project lead
  - Can vary based on staffing; senior or mid-level staff
- Bring together BOTH operating & clinical experts

# The Owner's Role: Form Your Team – *Internal*

## Ongoing

- Maintain consistent team membership
- Free-up staff from some day-to-day activities
- Support the lead & team

## The Owner's Role: Form Your Team – *External*

- Select the best consultants you can afford
- Select through a considered, arms-length process
- Engage them at the earliest appropriate time
- Engage the Project Manager first
  - Understand what's in a name: Project Manager v. Owner's Representative v. Construction Manager

# The Owner's Role:

## Direct Your Team – Make Decisions

- Get the information you need
  - Admit when you need help
  - Expect answers/results
- Make timely project-related decisions
  - Enforce deadlines – especially those that apply to you
- Stick to decisions made

# The Owner's Role:

## Decision Making – When & What

	DESIGN			CONSTRUCTION	FACILITY OPENING
PLANNING	Schematic Design	Design Development	Construction Documents		
Internal Team Formation				Staff Recruitment OK	New Staff Hiring
Business Plan Approval					
Space Program Approval	Schematic Design OK	Design Development OK	Construction Documents OK	Field Conditions Response	
Set Initial Project Budget	Budget / Schedule Update	Confirm Budget			
Set Initial Funding Plan – Project & Start-up Capital	Refined Funding Plan	Fundraising	Financing OK & Fundraising		
Key Consultant Selection	Key Consultant Selection	Consultant Selection	Contractor Selection	Procurement – FFE & Supplies	
Initial Project Schedule		Update Schedule	Confirm Schedule	Monitor Schedule	
Site Selection	Site Control		Site Acquisition	Relocation Planning	
	Regulatory Filings				
				New Operating/Clinical Processes	

# Roles + Responsibilities:

## Consultants

- **Consultants *do*:**
  - Supply experience, expertise & effort
  - Ground your dreams in reality
- **Consultants *don't*:**
  - Substitute for your decision-making



## Roles + Responsibilities: The Project Manager

- Manage the Budget
- Manage the Schedule
- Ensure other consultants produce & in a timely way
- Maintain communication-flow & decision-making

# Roles + Responsibilities: Other Consultants

- Provide Technical Information
- Make Informed Recommendations to Owner
- Produce “the Work”

# Roles + Responsibilities:

## Who and When

	DESIGN			CONSTRUCTION	FACILITY OPENING
PLANNING					
	Schematic Design	Design Development	Construction Documents		
Project Manager	Architect/Engineer	Equipment/Furniture Planner	Contractor	Relocation Advisor	Systems Trainers
Real Estate Advisor	Cost Estimator	Owner Systems Experts in Telecom, IT, Security	Compliance Consultant	Marketing/Outreach Advisor	Staff Trainers
Real Estate Attorney	LEED Advisor	Other Technical Experts		Recruitment Advisor	
	Regulatory Advisor			Staff Orientation/Training Advisor	
	Funding Advisor/Lender				

# Owner Responsibilities: Develop & Maintain Goodwill

- Maintain good team dynamics
- Support internal team members
- Establish clear lines of responsibility
- Be consistent
- Communicate

# Owner Responsibilities:

## Communicate with Stakeholders

- Engage stakeholders BEFORE you need to ask for money, favors or support
- Keep stakeholders well informed about your progress
  - They can help you develop solutions

# Owner Responsibilities:

## Manage the Flow of Funds

- Line-up funding before moving to the next development phase
- Understand funders' requirements & restrictions to align your budget & funding sources
- Pay your consultants throughout development
- Document and track timing of funds
- Communicate with your funding partners

# Getting to Success: Anticipate & Recognize Roadblocks

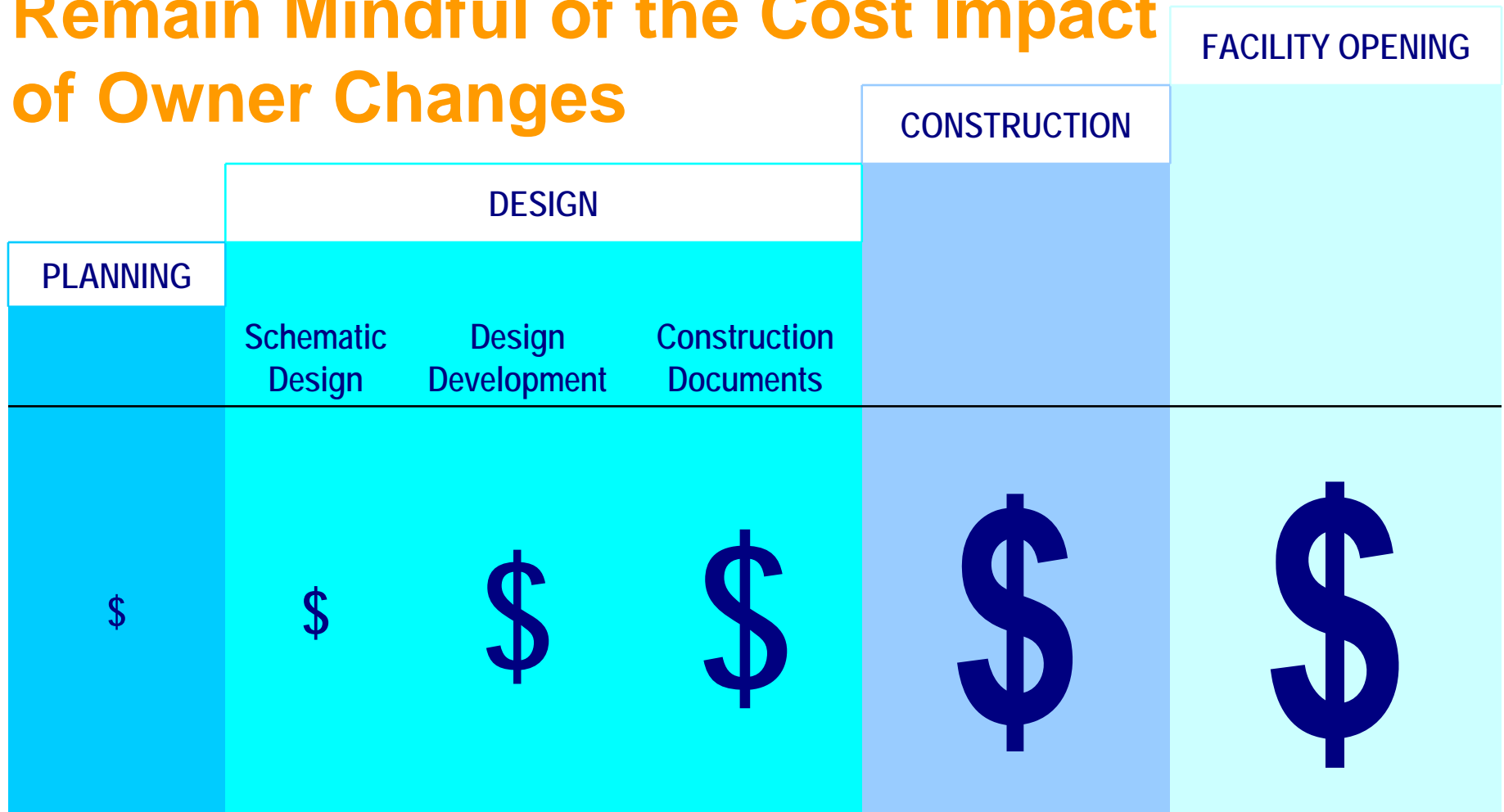
- Understand the development process & engage experts early
- Establish clear expectations & responsibilities to make sure everyone does their job, even YOU
- Get real progress info & act on “problems”

# Getting to Success: Be Bold, but Pay Attention!

- Delegate the work, but not the Project
- Monitor, monitor, monitor
- Don't waffle – particularly in resolving problems
  - Keep options finite
    - endless analysis causes delays;
    - delays increase costs
  - Stick to decisions made – changes at later stages increase costs



# Getting to Success: Remain Mindful of the Cost Impact of Owner Changes



**to HERE**

**and Go from HERE**



# Q & A

## For More Information

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Cover Photos: Addabbo Family Health Center – Initial & Replacement Main Center



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