

# Selecting a Project Manager

*This worksheet is designed to help organizations select a project manager—the person who will oversee the project from start to finish.*

A real estate project can be a complicated and time-consuming venture. If you do not have expertise in real estate or are not able to make a large time commitment to your development project, it may be prudent to hire a project manager. There are many project management firms with varying degrees of capacity and specialization. It is important to select a project manager that understands your organization, your mission, your budget and the project goals. A project manager may be hired in the planning stages, during the project feasibility stage, during the predevelopment or preconstruction stage or during construction.

Project managers can offer any of the following services:

- Identifying and recommending qualified architects, leasing agents, contractors and other professionals for work on the project.
- Overseeing the development of architectural plans.
- Developing project budgets reflecting the estimated hard and soft costs required to achieve the plan for facility development.
- Developing pro-forma operating projections that integrate program revenues and expenses with the costs of operating the new facility.
- Soliciting construction bids and ensuring receipt of building permits.
- Overseeing all project-related contracts, bids, change orders, lien waiver collection, and payout requests.

- Managing the architect and general contractor.
- Preparing monthly progress reports as to the status of the project, including comparisons of actual expenditures to the project budget, and actual progress to the project timeline.
- Furnishing consultation and advice related to the construction or rehabilitation of the project.

## **Decide on a Selection Process**

Determine the process, timeline and criteria for selection. See below for suggested selection criteria.

Issue a Request for Proposals or a Request for Qualifications to your list of candidates.

The Request for Proposal and/or Request for Qualifications is typically followed up with interviews.

## **Collect a List of Candidates**

Ask other organizations for recommendations or contact groups that have recently completed projects that involved project managers. Pre-qualify project managers according to your criteria, such as:

- The reputation and relevant experience of the firm.
- The track record of the candidate as confirmed by referrals.
- Evidence of repeat clients and the candidate's recent project history.

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### **Solicit and Review the Proposals**

When reviewing RFP responses, it is important that the committee considers:

- The proposed project team, including the qualifications of specific individuals assigned to the project within the firm.
- The reputation and relevant experience of the project manager and team members.
- The fee proposal.

### **Interview the Candidates**

When interviewing candidate firms, be sure to ask about:

- The level and type of involvement one can expect from the project's key personnel.
- The firm's approach to ensuring that projects are completed on time and on budget.
- The firm's experience working with nonprofit agencies or relevant projects.

### **Check References**

This final step is critical. Your principal question should be aimed at discerning whether the previous client would use the same project manager again, and why or why not. Other questions to ask references include those listed above under the interview questions.

Feel free to request a tour of facilities projects managed by the project manager.

### **Negotiate a Contract**

Select a firm, then enter into a contract to outline the firm's services.

Review the contract carefully with an attorney familiar with the standard practice of construction.