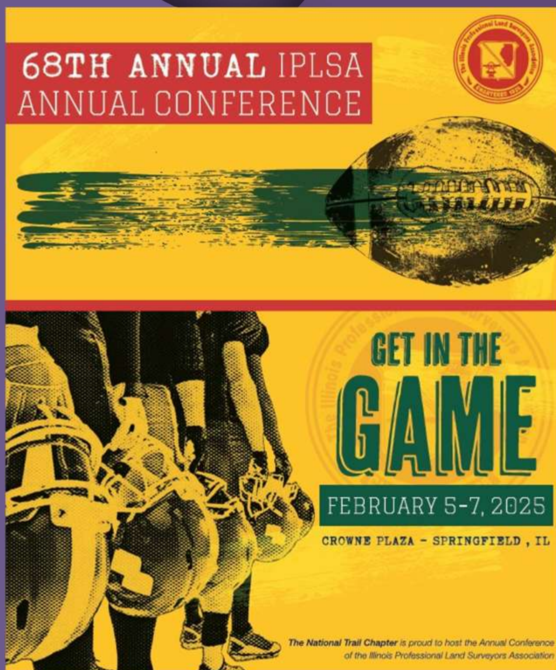

CEC
Civil & Environmental Consultants, Inc.

Session W300A

Wed. February 5, 2025 - 3:00-3:50PM

Effective Project Management for Surveyors and Design Professionals

Donald G. Groesser, PLS

Vice President - Corporate Survey / Geospatial Practice Lead

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Introduction – Don Groesser

- Vice President and Corporate Survey / Geospatial Practice Lead for Civil & Environmental Consultants, Inc. (CEC), since 2014.
- Provides corporate support and guidance for Surveying and Geospatial Services in 22 of CEC's 29 offices, including 186 Survey / Geospatial staff members with 40 Professional Land Surveyors licensed in 31 states.
- Surveying for 39 years, Licensed in seven states (PA, IL, WI, KY, NY, AZ, FL)
- Surveyed in Illinois until 2014 (licensed since 1999)
- Past President of the IPLSA, Vice President of the PSLS and Chair of the SOP Committee 2020-2022. Chair of Geospatial Committee and Education Committee.
- 2022 PSLS Surveyor of the Year!
- Very happily married for 36 years, and have 12 kids and 1 granddaughter …

2 CEC

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Introduction – Don Groesser

- Managed projects ranging in revenue from $250 to over $5,000,000
- Owned my own business twice in my career
- Worked for both private and public sector clients
- Most of the companies I have worked for have been small survey-only sole-proprietorships
- Have learned from my own mistakes as well as other's mistakes

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Introduction – Don Groesser

DISCLAIMER:

- Every company, every client, and every project is different
- It is impossible to present on this broad of a topic that will be applicable / appropriate for every person or every situation
- This session will hopefully be interactive … please interrupt if you have a question, comment, or a personal story … SHARE YOUR WISDOM as well as your experience.

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BEGINNING OF A PROJECT

- Phone Call/Email Requesting Professional Services
- Client Evaluation
- Proposal Development
- …..

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CLIENT EVALUATION

Why "Client Evaluation"?

- Assess the Credit Worthiness of the Client
- Assess the Payment History of the Client
- Reduce your Financial Risk
  - If you do not require payment upfront, you are in essence issuing the client a short term (typically 60-90 day) loan each period that you provide services on the client's project.
- Protect your company and your job!

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CLIENT EVALUATION

Client Types you should be reluctant to work with:

- Businesses not registered as Legal Business Entities
- Limited Liability Companies (LLCs) that will be quickly dissolved after project completion
  - When possible, contract with the parent company
- Clients that have been slow-pay or no-pay in the past
- Clients who have a history of requiring standard “contractor” terms and conditions (guaranty of work, no limit of liability, etc.)

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CLIENT EVALUATION

Client Types you should consider pre-payment to work with:

- Individuals and Private Property Owners
- Law Firms and Architects representing Individuals
- Homeowners Associations and other Association Groups
- Clients that have been slow-pay or no-pay in the past

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CLIENT EVALUATION

Make sure who the client actually is!

- Attorneys and Architects are often not the entity you will be invoicing
- Who you invoice is typically your client, and the entity you should contract with directly
- It is good to evaluate the go-between, but critical to evaluate the actual client

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CLIENT EVALUATION

Dun and Bradstreet (D&B) Report:

- A D&B report is a business credit report used to assess the creditworthiness of a company. A D&B report typically has three main scores that assess this business credit, which includes the PAYDEX score, the commercial credit score, and the financial stress score.

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CLIENT EVALUATION

Decisions based on the evaluation:

- Proceed with a proposal (anything but pre-payment is effectively extending credit)
- May want to require a retainer for clients with low credit score
  - The concept of a retainer is it is "retained" until the project is completed and credited on the LAST invoice, not the first or incremental invoices
- May want to require full upfront payment for riskier clients
- May determine not to engage the client

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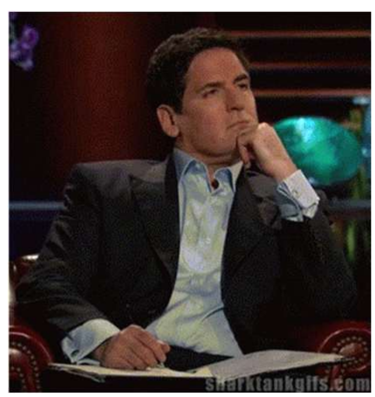
MOST IMPORTANT LESSON

The proposal is the most important document/deliverable for every project.



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PROPOSAL REQUIREMENTS

There are four necessary components of a typical proposal (or change order) per GBA* Fundamentals of Professional Practice

- Purpose
- Scope of Services
- Cost/Terms
- Schedule

*Geoprofessional Business Association

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PROPOSAL REQUIREMENTS

Purpose:

- Clear and concise statement
- Consistent with the RFP
- The purpose statement(s) can either summarize the entire project or be specifically listed for each task
- Do not have a purpose to obtain/get a permit – you can never guarantee regulatory approval

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PROPOSAL REQUIREMENTS

Purpose:

- Never "insure/ensure", "guarantee" or provide a similar absolute
- What about "highest quality"?
- Avoid references to "all" or "best" as well as "strict conformance"
- Understand what the "Standard of Care" means – it's your friend
- Generally avoid the use of the word "work" – Your company is a "professional service" provider

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PROPOSAL REQUIREMENTS

Scope of Services:

- Certainty and detail are your friend
- Define with clarity what our scope entails, or more important, what it does not
- Be consistent with the RFP – note exclusions or differences
- Define all assumptions and understandings used
- Use standardized language where appropriate
  - Use Standard Terms and Conditions that are reviewed by your legal counsel
  - Develop Prototype / Example proposals

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PROPOSAL REQUIREMENTS

Scope of Services:

- Cite applicable Standards
  - "2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys"
  - "Illinois Minimum Standards for a Boundary Survey"
  - "Illinois Minimum Standards for a Topographic Survey"

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PROPOSAL REQUIREMENTS

Provide consistency across all tasks

Common inconsistencies:

- Assumptions (number of meetings, number of stream crossings, etc.)
- Abbreviations (JULIE or One-Call)
- Billing methods (more on this later)
- Regulatory comments – how addressed/billed
- Application fees and reimbursables – excluded or included
- Subcontractor and reimbursable markups – are they included? What % was assumed? If you have an MSA with the Client, what are you allowed to charge?

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PROPOSAL REQUIREMENTS

Cost/Terms:

- Various billing methods can be considered – ensure it matches the RFP(more on this in a minute)
- What have you done for this client in the past?
- Use standardized language where appropriate relative to multipliers, retainers, etc.
- Have a budget justification for every project and task
- We will drill into budgeting in greater detail later

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PROPOSAL REQUIREMENTS

Cost/Terms:

- Include and reference your Standard Terms & Conditions
- If you have a Master Services Agreement, reference the date of the agreement
- For Client provided terms (including AIA documents) or to set up an MSA, you should have them reviewed by your legal counsel
- Ensure any proposed subcontractors have a Subcontractor MSA in place
  - Do the client terms need to be amended into the SMSA?
- For Change Orders/Scope Amendments, reference the previously sent T&Cs – DO NOT ATTACH AGAIN OR SUBMIT A NEW SET!

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PROPOSAL BILLING TYPES

Cost/Terms:

- Survey and design projects typically follow one of the following Project Billing Types:

- 1. Time and Materials
- 2. Lump Sum
- 3. Fixed Scope/Not-to-Exceed

- What are the advantages/disadvantages of these methods?

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EXAMPLE PROPOSAL LAYOUT

- Salutation/Title Information
- Introduction
- Project Description and Background (a/k/a) Understandings/Assumptions
- Purpose and Scope of Services
- Costs
- Invoicing/T&C reference
- Additional Services
- Schedule
- Closing Remarks and Signatures
- T&C and other Attachments/Appendices

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COST ESTIMATING CALCULATIONS

Tips for Success:

- Be honest with the effort you anticipate
- Don't make being the cheapest as your primary goal
- Always save a copy of your Cost Estimating for each project
- Get input from the staff that you are assuming will do the project
  - Gives them buy-in
  - Allows for feedback on previous budgets
  - Provides accountability

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COST ESTIMATING CALCULATIONS

Tips for Success:

- Identify the "critical" drivers
  - Understand that schedule is often overlooked as critical cost driver
  - Compare schedule to proposed effort (no one person is working 150 hours in 2 weeks)
  - Is one person's time/rate dominating the projected cost?
  - Will subcontracted effort dictate key tasks (i.e., lower markup necessary)?

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COST ESTIMATING CALCULATIONS

Tips for Success:

- Allow for sufficient senior staff oversight/review (and time for internal coordination on large multi-task projects)
- Define key labor assumptions for RFP tasks which may be vague
- Allow yourself some breathing room – Do not set a budget based on the assumption that everything is going to go right throughout the life of the project
- Compare the calculated budget to a similar recently completed project as a check
- Do not try to fit the hours to a previous project budget or a budget suggested by the client

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PROJECT SUCCESS AT KICK-OFF

Tips for Success:

- When you win a project, thank the client.
- Schedule a kick-off meeting with staff
  - Clearly define the scope and schedule (don’t forget to schedule time for QA/QC review)
  - Discuss any potential changes since the proposal (staff changes or site conditions)
  - Discuss safety conditions and concerns
  - Discuss the quality and review process

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PROJECT SUCCESS AFTER KICK-OFF

Tips for Success:

- Make sure after each day on the project, you communicate with the staff
  - Discuss any potential changes (scope changes, staff changes, or site conditions)
  - Discuss safety conditions and concerns
  - Discuss the progress and if the schedule is on-track

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BUDGET AND SCHEDULE TRACKING

- There are numerous ways to track budgets and schedules during the performance of your projects.
- The preponderance of methods can be overwhelming and confusing.
- As a Project Manager, find the mechanism(s) that work for you, and be diligent about the tracking of the project performance
- No matter what method you use, it's imperative that budgets and schedules be up to date (frequency depends on duration & fee)
- Pro Tip: Have your staff record their time on a daily basis!

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PROJECT PERFORMANCE AND QUALITY

- Project Quality has the greatest impact on successful Project Management.
- Make sure each step of the project is reviewed by a qualified individual (don't wait until delivery).
- Document your QA/QC Reviews (if it isn't documented, it didn't happen)
- Make sure the deliverable meets the necessary standards as defined by your proposal, by your company requirements, by jurisdictional standards, AND by standards associated with the deliverable (e.g. ALTA/NSPS Land Title Survey Standards)
- The more stringent standards must be followed.

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INVOICING

Tips for pre-bill markups:

- Have budget and proposal information in front of you when you start
- Read the labor commentary, and ask questions if necessary, so that labor is tracked in correct task
- Check the rates of each individual on the prebill
- Ensure billing method matches proposal (again) – do not invoice as LS if it's a multiplier/Not to Exceed project or vice versa

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COMMON BUDGET ISSUES

- Staff are given too much rope:
- Establish regular check-ins/check points – Verify burn rate
- Review technical work as it is performed (i.e., don't wait until the end)
  - Limit re-work to small chunks when necessary
- Provide technical guidance for items which may be "new" to them
  - Generational in nature (e.g., younger generations tend to want to be shown what to do versus figuring it out themselves)
  - Will turn to their peers for guidance if you're not there
    - Are their peers doing it correctly!?!
    - Provide them with who to turn to if you will be out of the office

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COMMON BUDGET ISSUES

Scope Creep:

- Little extras add up over time
- Reluctance to notify client
- Vagaries in proposal text
- Accuracy of assumptions in proposal

- Note: Scope creep on T&M projects is not equivalent to scope creep on LS or NTX projects

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CLIENT COMMINCATION

- Clients need to be notified when their requests are beyond our scope of services and/or when schedule revisions will affect the pricing of our services.
- This client communication needs to occur “immediately”
- The resolution of the matter will be dependent on client preferences/requirements …

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CLIENT COMMINCATION

- Some will want a Change Order (CO) right away;
- Others will want it tracked separately [new task(s)], and then a CO submitted once the PO has been extinguished;
  - You still need to get approval to move forward with the additional work in writing. “If it isn’t written down, it didn’t happen.” If your client representative gets hit by a bus tomorrow, how will you get paid in the future?
- Others may “back off” from request once you ask for more money
  - Pro Tip: Document the discussions, with follow-up in writing via email

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ACCOUNTS RECEIVABLE

What are some easy ways to reduce your AR?

- Send an accurate invoice
  - Used the agreed upon rates/mark-ups
  - Stay within the agreed budget
  - Address invoice to the correct party at your client's organization (accounts payable, controller, etc.)
- Understand the client's invoice approval process (does PM have to sign off before it goes to accounting?)
  - Let client manager know if the invoice has been uploaded to a centralized system

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PROJECT COMMUNICATION

Project Communication is the No. 1* reason for write-offs:

- *Many write-offs cite project execution, when it is likely the execution of the communication process
- Communication during proposal phase
- Communication during project kickoff
- Communication with client during project
- Communication with other practices during project
- Communication with staff during technical phase
- Communication with clients regarding invoicing/AR
- Etc.

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PROJECT COMMUNICATION

- Technical Staff, by nature, tend to be introverted and prefer to avoid difficult conversations or conversations.
- The good news is that if you are willing to communicate more openly and regularly throughout the project, there will be fewer "difficult" conversations.

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CONTACT INFORMATION

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QUESTIONS?

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