



PROJECT MANAGEMENT PRACTICES in Commercial Construction



Presentation to MN/DOT Project Management Peer Review assembly
October 5, 2009

Kendall Griffith
Director of Operations – Minneapolis Office
Mortenson Construction, representative of the Associated General Contractors (AGC)



Building what's next.

MORTENSON VALUES AND MISSION



trust

teamwork

responsibility

safety

service

stewardship

Our mission: To build structures and facilities for the advancement of modern society.



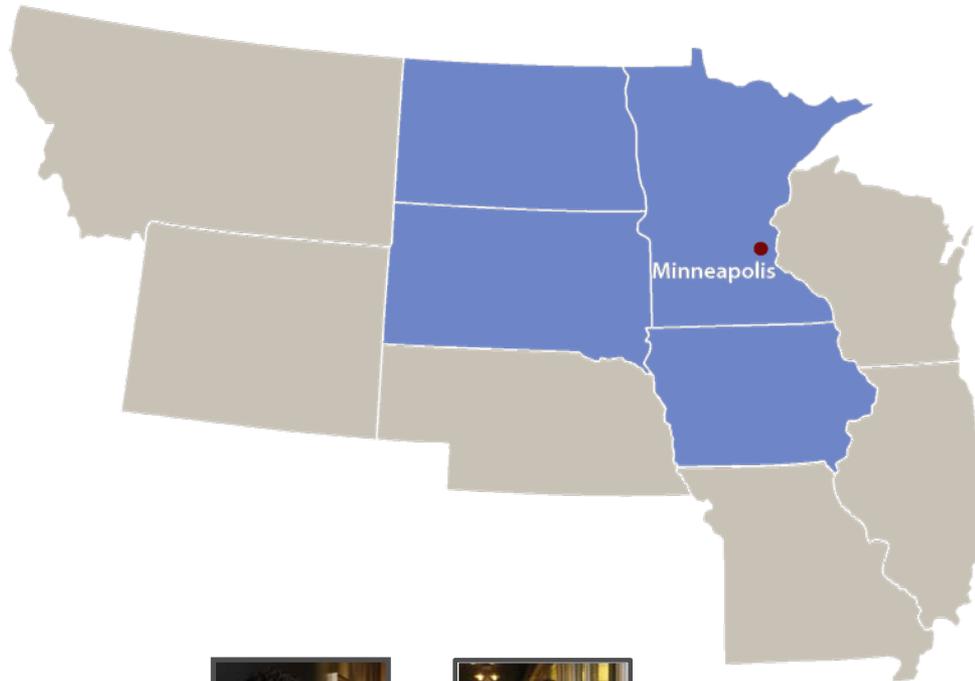
COMPANY OVERVIEW



Established in Minnesota in 1954, we have grown to become one of the most successful construction companies in the United States.

- Six regional offices across United States
- Three national market-specific groups (Federal, Renewable Energy, Sports)
- 2,200 team members – 1,300 Salaried, 900 Craft
- Consistent strategic growth and stability; strong repeat customer base
- Ranked 23rd largest contractor in ENR Top 400, \$2.6B annual revenue

MINNEAPOLIS OFFICE OVERVIEW



Ken Sorensen
Vice President &
General Manager



Kendall Griffith
Director of Operations

- **PROJECT MANAGEMENT TEAMS**
 - 25 Project Managers (225 Company-wide)
 - 20 Superintendents (175 Company-wide)
 - 50 in supporting positions, to advance to the PM and Superintendent positions (250 Company-wide)
- **PROJECTS RANGE IN SIZE FROM \$100,000 to \$400,000,000**
- **SAME FUNDAMENTAL PROJECT MANAGEMENT APPROACH IS TAKEN, *REGARDLESS OF SIZE***

TARGET FIELD – MINNESOTA TWINS BALLPARK

Minneapolis, Minnesota



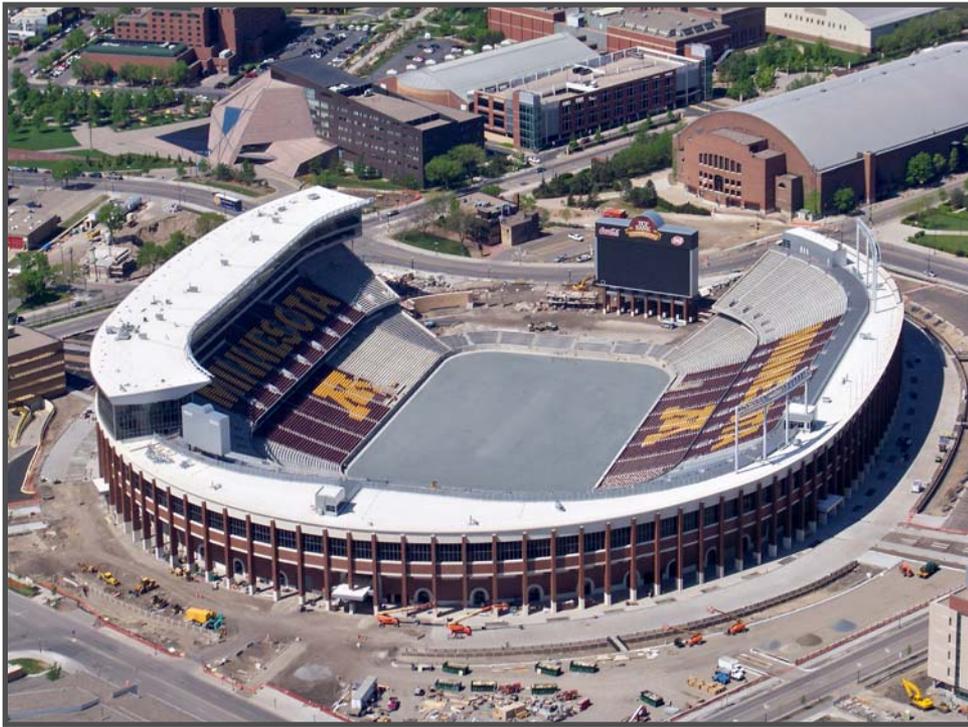
**A new outdoor ballpark for
the Minnesota Twins**

Cost: **ON BUDGET**

Completion: **ON SCHEDULE**

UNIVERSITY OF MINNESOTA TCF BANK STADIUM

Minneapolis, Minnesota



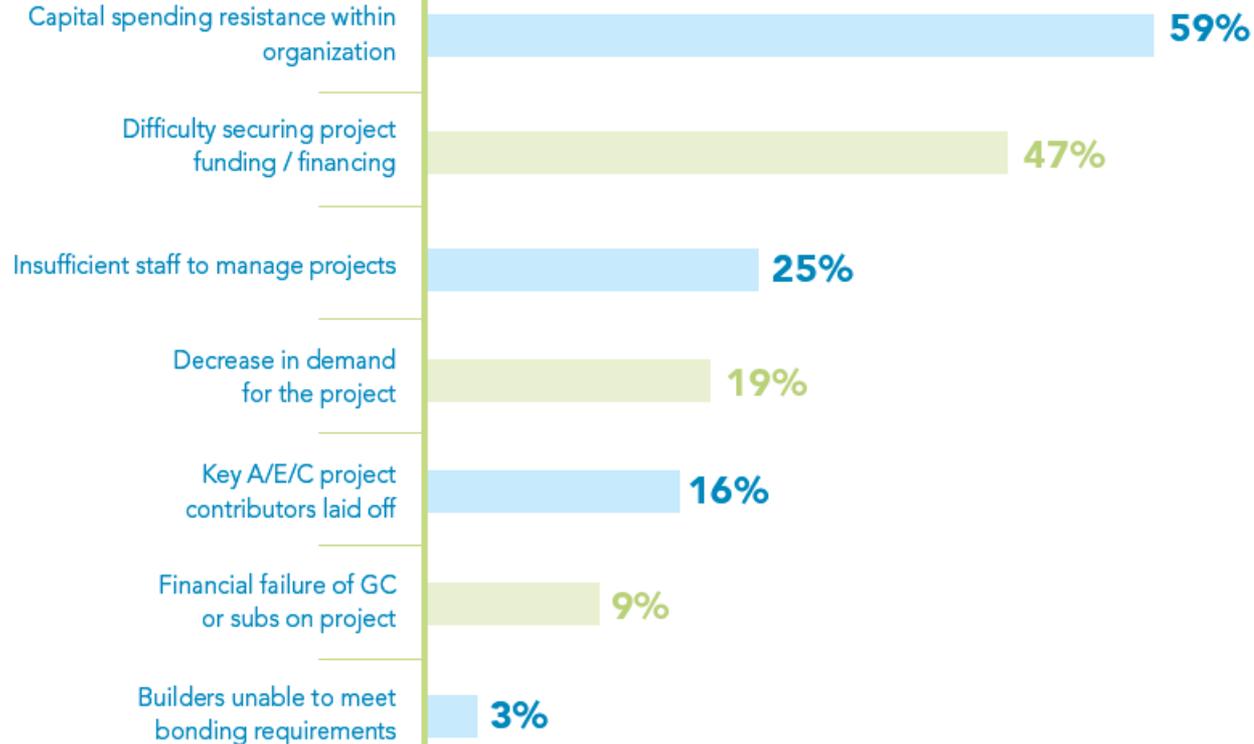
A new on-campus football stadium for the University of Minnesota Gophers

Cost: Completed on budget

Completion: Completed early

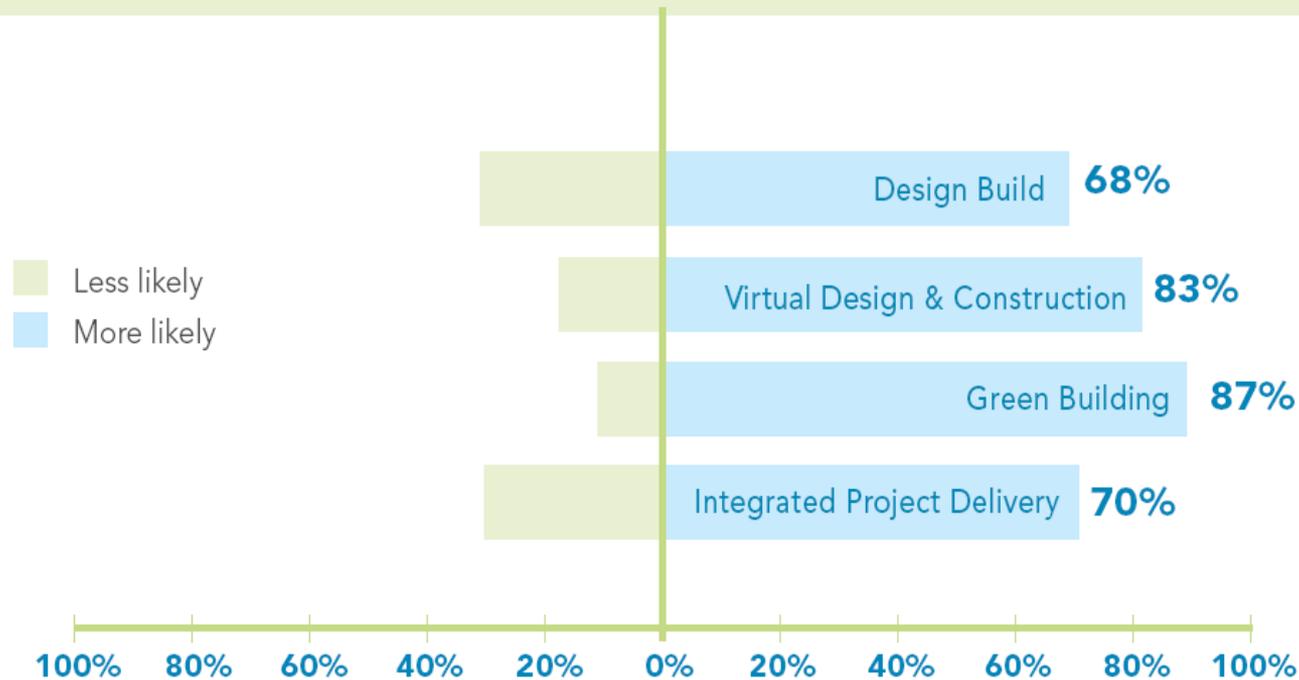
The current economy requires more efficiency...

CHALLENGES ENCOUNTERED BY PROJECT OWNERS



...and is creating new priorities and approaches:

PROPENSITY TO USE SELECTED APPROACHES IN THE CURRENT ENVIRONMENT



Today's Project Management goals:

- **On-time, on-budget**
- **Zero injuries, zero defects**
- **An exceptional experience for our Customers and Design Partners**



Who is our typical Project Manager?



- The leader of our project team
- “CEO of the Project”
- Full responsibility for the success of the project:
 - Preconstruction and design-phase management
 - Safety, quality, productivity management
 - Scheduling and budget management
 - Procurement, insurance, billings, etc.
 - ...Customer relationship

Where do our project managers come from?

- Typically “grown” within the Company, trained by peers
- Degree in Civil/Const Engineering or Const Mgmt
- Generally takes 5-10 years to advance to PM position
- Establish themselves as leaders early in their careers

How do we groom them?

- Experience with other Project Managers
- Trial by fire
- Estimating and scheduling training programs
- Constant safety and quality training programs
- Periodic soft-skill training

What techniques are critical to achieving our Project Management goals?

- Planning and communication
- On-site presence and attention to progress
- Scheduling discipline
- Quality Management Planning
- Issue Management
 - Identify
 - Communicate/Collaborate
 - Pro-actively resolve





What is Issue Management?



- “Issues” are anything that can potentially affect the project in any way
- Issue management involves:
 - Identify, track, and report on any potential issue on the project
 - Assess budget and schedule implications; perform multiple scenario analysis
 - Advise Owner and Design team to facilitate timely decision-making
- Solution-oriented problem-solving
- Much of our project management time is spent on Issue Management
 - Pro-active Issue Management is good
 - Re-active issue management is bad

Why is Issue Management essential to achieving our Project Management goals?



- **Our project management effort *is* issue management**
- If we plan well - **schedule and cost goals** will be accomplished. Issues create the only exposures.
- **Zero injuries** arise in the workplace; **Zero defects** in the work during and after construction
- Our project management team is focused on the success of the total project throughout, to provide **an exceptional experience** for our Customers and design partners.

Project Management success for us is achieved when we:

- ...understand the Customer's goals and priorities
- ...start with a schedule and budget framework that support the Customer's goals and priorities
- ...build a relationship that ensures clear communication of status of all project issues
- ...actively manage the issues on the project to ensure the Customer's goals are achieved

Mortenson Construction PERFORMANCE ASSESSMENT

Field: Ware Miller, UT Denver

Client: [Redacted] | Title of Executive: [Redacted] | Relationship: [Redacted]

How well do you describe Mortenson's performance on the following:

Overall Project Success Factors	Customer Satisfaction	Rating
1. Flexibility of our schedule	NA 1 2 3 4 5 6 7 8 9	9
2. Understanding customer work areas	NA 1 2 3 4 5 6 7 8 9	9
3. Communication	NA 1 2 3 4 5 6 7 8 9	9
4.	NA 1 2 3 4 5 6 7 8 9	10

Experience of Working with Mortenson	Customer Satisfaction	Rating
Being satisfied with our work	NA 1 2 3 4 5 6 7 8 9	9
Understanding and respecting your schedule	NA 1 2 3 4 5 6 7 8 9	9
Assigning the right people to the job	NA 1 2 3 4 5 6 7 8 9	9
Being responsive to your needs and schedule	NA 1 2 3 4 5 6 7 8 9	9
Communicating clearly and often	NA 1 2 3 4 5 6 7 8 9	9
Creating a spirit of collaboration for all involved	NA 1 2 3 4 5 6 7 8 9	9
Following through on promises	NA 1 2 3 4 5 6 7 8 9	9
Being fair and honest	NA 1 2 3 4 5 6 7 8 9	9
Making the project fun for you and your team	NA 1 2 3 4 5 6 7 8 9	9

Technical Competence	Customer Satisfaction	Rating
Understanding process including design, estimating and other stages?	NA 1 2 3 4 5 6 7 8 9	10
Deciding and acting to a time schedule?	NA 1 2 3 4 5 6 7 8 9	10
Accuracy of all costs	NA 1 2 3 4 5 6 7 8 9	10
The application of all technical knowledge to improve project performance	NA 1 2 3 4 5 6 7 8 9	10
Working on a tight or project schedule?	NA 1 2 3 4 5 6 7 8 9	10
Efficient execution of all work orders	NA 1 2 3 4 5 6 7 8 9	10
Ensuring a customer has a smooth, easy or major job	NA 1 2 3 4 5 6 7 8 9	10
Handling change orders throughout the scope?	NA 1 2 3 4 5 6 7 8 9	10
Delivering a high level of quality to the customer?	NA 1 2 3 4 5 6 7 8 9	10
Consulting that takes customer into consideration	NA 1 2 3 4 5 6 7 8 9	10
Helping your staff to continue learning and effectiveness	NA 1 2 3 4 5 6 7 8 9	10

Overall Assessment	Customer Satisfaction	Rating
What is the overall assessment of the project?	NA 1 2 3 4 5 6 7 8 9	10
What aspect of the performance to date have you found to be the most valuable to your business? (Please check back side for additional comments)		
<p><i>I do not see this as any one thing - maybe just overall management of the whole job made everything go well</i></p>		
What could Mortenson do to improve our service level? (Please check back side for additional comments)		
<p><i>Nothing - we have 100% compliance with all the requirements with everyone on the project</i></p>		

Has your business relationship with us improved since we last met? (Please check back side for additional comments)

Yes No Not Applicable

Would you recommend us to your peers?

Yes No Not Applicable

Do you have any other comments or suggestions for us?

None