

## ***Regency Plaza***

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- Kris Hoadkins was the PM for the condominium & Regency Plaza
- Customer requested changes
- Changes disrupt construction process
- This case analyzes the responsibilities, accountability & economics of project management.
- Role of PM is
  - To coordinate the development activities up to construction – design, sales, & manage the construction.
  - Regency Plaza PM was hired at the completion of conceptual phase.
- Hoadkins knows these facts
  1. Condominium project marketed to same upscale client base who frequent the hotel.
  2. Senior management is committed to a high level of customization of units.
  3. This conflicts with project management demands
- With an eye on budget Kris wants to minimize project costs
- Vested interest to limit design changes
- Regency Plaza units are luxury units targeted to affluent client.
- Millers reflect this buyer profile
- Hoadkins job is to build max. Flexibility to unit design with min disruption to construction.
- Has Hoadkins talked to focus groups, brokers, interior designers or other special consultants?

## ***Elements of costs***

- Project is behind schedule
- Project is over budget
- Construction contractor has an interest to standardize units.
- Contractor has shorter and already tight schedule
- Hoadkins is facing significant changes, at the worst time
- **Hoadkins might've done the following as a safeguard**
  - Phase the release of floors, customization at different points.
  - Offer a limited range
  - Overbuild the infrastructure to allow flexibility
  - Layout floors for expansion
  - Allow for a greater degree of design build early

### ***Did Regency choose the best contractor?***

- Regency negotiated with 3 lowest bidders
- Lowest chosen
- The contractor chosen will manage both hotel & units, answer to 2 separate to 2 PMs, not ideal
- Fixed sum contract
- Upon delays, contractor cut corners!
- Schedule was cut by contractor
  - Given the opportunity for customization by a demanding [client], a fixed price contract is not appropriate.
  - Regency could've opted for cost + contract

### **Hodgkins has 5 options:**

1. Tell the millers it is too late for changes
2. Put a hold on the unit, determine the cost of changes, & hope it will be acceptable to Millers
3. Hire an independent 3rd party to finish the unit
4. Stop work & turn over to the Millers as a shell
5. Put them in a different unit

### **Summary**

- Project management requires juggling of design, marketing, construction & financial consideration
- An effective PM must build a set of relationship which will enable control over the development, management, buyers, architects, contractors, lawyers.