

## **Managing the TI Buildout Process**

### **Introduction – Do I have time for Tenant Improvements (TI)?**

Building Property Managers have many tasks to complete daily, all of which are easy to outline on paper, but never easy to complete under real world conditions. They are responsible for managing a large property (or properties). These are properties full of tenants who can be a pleasure to work with, but at times are not. They are responsible for maintaining a large staff including building engineers, security, janitorial services, service vendors, etc... They are responsible for not only the completion of work by these groups, but this work must also be both timely and inexpensive. In addition to this, they must create and carry out annual budgets, be involved in annual inspections and basically coordinate about everything that goes on in “their” building. With all of these things to manage, how will this busy building manager be able to ensure a TI Buildout will be successful?

### **Phase I – Leasing – Promises Made**

Most of the time it is believed that the TI Buildout process begins after a space has been “sold” or a final deal is on the table. Unfortunately this is not true. With the fever to make a deal, there are often decisions made by leasing and brokers that will directly affect the TI process. The Property Manager should be closely involved in the leasing discussions to determine if the promises made are promises that will be kept. Examples of this could be adequate parking, building security or access rules, building electrical power or back-up power capacities, or 24-hour a/c issues. The building manager should push to be involved. If questions arise, they should not be afraid to involve an architect or engineer to answer questions. They should involve vital members of the staff as well. Involvement is not only important for information, but it is also the beginning of the long-term customer service relationship with a new tenant.

### **Phase II – Construction Documents- Promises Known**

In the development of Construction Documents (CDs) it is vital that the Property Manager have a strong architect involved in the space planning and construction document preparation. A Property Manager does not have the time and often the expertise to assure that a project is well managed from design through project closeout. It is recommended that the Property Manager and Building Engineer develop a building standard list of materials and specifications for the building. This would include standard selections and specifications for items such as finishes, doors, hardware, fire alarm devices, lighting, controls, etc... The architect should be the lead person for the design and must be responsible for managing the design process, design team, building requirements, tenant requirements and construction administration. It is recommended that the Property Manager also develop a standing relationship with one or two architects so that they develop a constant and time-tested line of communication. This will help the design process run smoother and faster. This same recommendation applies to sub-

consultants, such as a structural engineer or MEP engineer. If you need a good MEP engineer, I think I know one!

In the development of TI documents, time is always the critical factor. Often not much time is left for the development of CDs prior to construction and the ever looming move-in date. It is important to plan for the proper amount of time required for plan preparation, otherwise errors can be made. Create a design and construction schedule as soon as you know you have a project in hand. Design errors or problems always lead to cost and schedule problems down the road. Proper planning can save on headaches and change orders during construction. The tenant must be involved in this planning and must be made aware of the timeline. The goal is to get them in the space on time and in budget, so they obviously have an investment in the process. The key is to have an architect who can tie the tenant and building requirements together, coordinate well with the sub-consultants and get drawings put together for Permit and Construction.

### **Phase III – Construction – Promises Kept**

In the world of TI Construction there seem to be three distinct areas of concern; schedule, cost and craftsmanship. Everyone wants the project to turn out even better than expected. Many contractors can provide this, but not always at the same schedule or cost. It is important that the Property Manager develop on-going relationships with several General Contractors and Sub-Contractors. These contractors should become familiar with the building and its requirements. This can help to create a successful project time and time again. Along these same lines it is good to develop a construction rules and regulations document to be issued during the time of bidding and construction. This can ensure that the contractors are working with the specific requirements for the building and with consideration for current tenants as well.

As we know, by the time we get to construction, some of our expected time has inevitably been lost. With the time required for permitting, contractors are almost always behind schedule before they even start. Planning ahead to eliminate this can create a more successful project that is more likely to be in budget. Once again a detailed and realistic project outline and schedule can help make this happen.

During construction it is important to hold weekly meetings and create action item lists and agendas. The General Contractor should lead these meetings and have a tight grasp on the progress of the sub-contractors and the schedule. The Property Manager must make sure that both the tenant requirements and the building requirements are being met. The project architect and General Contractor must work together to ensure this is being provided.

### **Conclusions – Lessons Learned**

TI is really short for Time Insanity! Time is always of the essence and we must at least attempt to plan for all the work required. Beginning with a detailed and realistic project schedule can help keep the level of stress to a minimum. Developing a “familiar” and

experienced design and construction team can help you achieve a successful project. We must always remember that the intention of the process is to provide a new and exciting “home” for a new tenant. We all spend much of our time in our work place; therefore, the end result must be a space that the tenant enjoys using. After all, if the tenant is not happy, no one wins. Providing the tenant with great service during design, construction and project close out is a great way to start off a long and successful relationship throughout the life of the new lease.

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