

3rd Party Commissioning as Risk Management in Commercial Construction

By Monica Mack – CEO/ President, M3T Cx Authorities LLC

First and foremost, we would like to thank you for the 2018 Global Excellence Award for Commissioning Firm of the Year – Texas, USA. As a small business, company exposure and brand awareness are imperative. So, we consider it an honor to be showcased in such a publication as BUILD, and we value the opportunity to share information about commissioning with the BUILD audience. For those who are not as familiar with commissioning, I am going to use this opportunity to promote *The Benefits of Commissioning* and how 3rd party commissioning can be used to mitigate risk during your next commercial construction project.

In the January 2018, BUILD Magazine published an article '*The Benefits of Commissioning*', in which we introduce M3T Cx Authorities LLC and the definition of commissioning. To recap, commissioning is the systematic process of vetting design intent in a construction process. The origin of modern-day commissioning is a naval-coined term referring to the study, testing, training and qualifying of military technology, and the organized and systematic process in which this vetting is completed. Over the years, commissioning has been adapted for commercial, infrastructure, industrial, mission-critical and specialty uses with healthcare and research leading the way in the commercial sector usage. Commissioning is also a requirement for certification by the USGBC LEED Certification Program, which has aided in awareness of commissioning in the USA.

Before commissioning, the client would discover operational issues, functionality problems, and construction inconsistencies after the project was turned over to them. By this time, all the contractors would be paid in full making it nearly impossible to make the contractor come back to the jobsite to make corrections. That is why our client decided to give commissioning a try. After the first use, they noted quantifiable savings in time and money. Today, commissioning plans are now integrated into, not only, new construction but renovations and major equipment upgrades to aid in the overall risk management for all applicable construction project.

When a 3rd party commissioning provider is engaging early during the project process, commissioning will meet all the principles of risk management as defined for ISO 3100 – Risk Management. Within the confines of this article, we will discuss how some of the risk management principles align with 3rd party commissioning best practices.

A primary task of commissioning is to test the functionality, operation, and maintainability of equipment before equipment is turned over to the O&M staff. The commissioning provider performs checks and balances, so your construction team is held accountable if craftsmanship is visibly inferior, and if functionality is questionable or incomplete. Additionally, commissioning can also flesh out deficiencies when the design and/or operational intent are not realized by your Architectural/Engineering (A/E) professionals. The checks and balances performed by your commissioning provider

often eliminates the owner paying a contractor, in full, for incomplete and deficient work. It also holds the project team accountable for their portion of the work.

3rd Party Commissioning allows for focused, unbiased analysis and reporting from a fresh pair of eyes. The term "3rd party" is the most overlooked qualifier when looking for a commissioning provider but one of the most important. Often during the bid process, A/E providers will include a "self-performed" commissioning service in proposal to make it more attractive to potential clients. At first glance, there is a perceived saving in time, paperwork and contract cost adding up to a huge monetary saving for A/E "self-performed" work. However, clients commonly find dissatisfaction with the self-perform commissioning process. When an A/E provider commissions their own work, biases can materialize. Then, design and construction flaws are commonly overlooked for the sake of making it work. Hiring your designer to be your commissioning provider is equivalent to hiring your banker as your accountant. The check and balance in the system has essentially been rendered ineffective and for all beneficial purposes been deleted. You've basically given the design company permission to tell you, "Our design is awesome!" And it likely is awesome, but it can, more importantly, undermined your legal protections and unintentionally waived the A/E company's liability for any design flaws. When you hire a 3rd party commissioning provider to your construction team, you have an advocate the can objectively evaluate that your projects goals align with your project deliverables.

3rd Commissioning is mediation before mediation is necessary. Potential conflicts can be identified, documented, discussed, and resolved all before substantial completion. Typically, functionality and operational issue are tracked in commissioning documentation. So, if mediation or litigation becomes necessary concise documentation can be available and at your disposal for review. Your commissioning provider is a jobsite advocate identifying and reporting on the jobsite conditions versus goals to your team through first hand observations. After building turnover, commissioning documentation belongs to the owner and O&M staff as a historical record and will include notable defects, exceptions, and detailed commissioning activity information.



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