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The Valuable Role of Consultants in Capital Projects

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The Valuable Role of Consultants in Capital Projects

For Condominium Associations, managing large, complex capital projects—such as building renovations, infrastructure upgrades, or significant equipment replacement projects—presents a unique set of challenges.

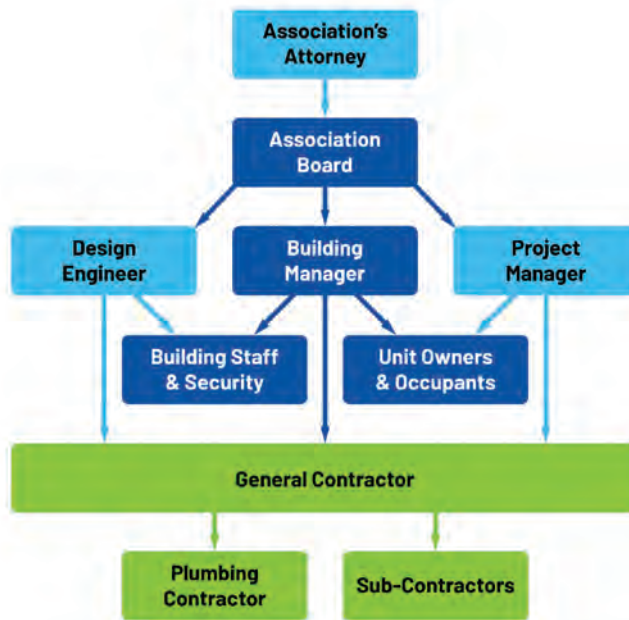
From planning to execution, these projects require a high level of expertise, coordination, and attention to detail. Given the complexity and potential for cost overruns or delays, many Condominium Associations turn to specialized consultants for guidance and expertise. In this article, we'll explore how Condominium Associations can effectively engage consultants to navigate large capital projects to achieve desired results.

1. Understanding the Role of Consultants in Capital Projects

Consultants provide specialized knowledge and skills that are often outside the scope of a Condominium Association's internal management team. This expertise and direct experience is particularly beneficial in large, complex capital projects, where the risk of error is higher, and the stakes are significantly greater. Consultants can play a critical role at various stages of a capital project, including:

- **Pre-Project Planning:** Consultants can help define the project scope, set realistic budgets and timelines that consider the specific needs of the building along with identifying opportunities to bundle projects to realize overall savings and/or minimize disruption to building residents.
- **Design and Engineering:** Consultants may bring design and engineering expertise to the table to design improvements that meet applicable building codes, leverage current technologies and energy saving opportunities, as well as reflect the Condominium Association's vision for the project.

- **Contractor Selection and Procurement:** Experienced Consultants can assist the Condominium Associations in identifying suitable Contractors to construct the project including navigating the complex process of securing competitive bids, reviewing the bids, and evaluating any voluntary options presented by Contractors.



- **Project Management:** Consultants that are Project Managers are typically independent of the Design Consultant(s) and may be engaged to help oversee complex projects from start to finish, leading pre-construction activities, coordinating the project schedule, managing communications within the building, managing the project budget and billing. Project Management Consultants can specifically be effective in reducing delays and cost overruns for the project.
- **Post-Project Evaluation and Follow-Up:** Once a project is completed, Consultants can continue to be engaged to assist in post-project reviews to promptly address any issues

with the Contractor or Manufacturer that might arise during the warranty period. They can provide valuable insights regarding the long-term maintenance requirements of the modified equipment and systems to help prepare the Condominium Association for ongoing upkeep.

1. Below is an example of a project team structure showing how various Consultants can integrate with a Condominium Association for large capital projects.

The diagram below shows three consultants (Design Engineer, Project Manager, and the Association's Attorney) working to advise the Association and execute the project at the direction of the Board. While the arrows show the typical flow of communication and direction, at times during a project the arrows may reverse. This structure is meant to be collaborative and, at times, iterative.

2. Determining When to Engage Consultants

While many Condominium Associations may already have in-house staff or management companies overseeing operations, some capital projects may be beyond the scope of routine management. Therefore, it's important to recognize when a Consultant's expertise is necessary. Common signs that it may be appropriate to engage one or more Consultants include:

- **Large Scale or High Cost:** Projects involving significant investment, such as a major renovation, building system upgrade, or structural repair, often require Consultants who can guide the Condominium Association through budgeting, financing, and managing the long-term financial impact.
- **Specialized Expertise:** Capital projects often require specialized knowledge in areas such as engineering, architecture, or construction management. Consultants with experience in these areas can provide the expertise required to implement the project.

- **Complex Project Scope:** Consultants are likely necessary if the project is multi-faceted, phased, or impacts multiple systems within the building, such as plumbing, electrical, HVAC, and structure, requires guidance for budgeting, navigating building codes and permitting processes, identifying legal requirements, decision-making, and managing specialized contractors. Similarly, Consultants should be considered if the Condominium Association and management team are not familiar with the design and construction process.

- **Multiple Consultants:** More than one type of consultant may be required for successful projects which carry more financial impact, increased complexity, and significant impact to building occupants. Projects which result in invasive construction within individual condominium units typically utilize several consultants (Attorney for legal support, Engineer and/or Architect for technical support, Project Manager for coordination and communication, and Contractors for execution).

3. Selecting the Right Consultant for the Project

Not all Consultants are the same, and selecting the right team for your capital project is crucial to its success. To ensure a smooth process, consider the following factors when selecting Consultants:

- **Relevant Experience:** Look for Consultants with a proven track record in similar capital projects for Condominium Associations. Their experience will be invaluable in anticipating potential issues, offering creative solutions, and designing to minimize the impact to building occupants. Consultants should be knowledgeable regarding Condominium Association operations, able to directly answer questions about the project, and speak from experience.
- **Specialization:** Depending on the project, you may need multiple Consultants who each specialize in a particular field. Ensure each Consultant has deep expertise in their specific area that is central to the project and recognize when such expertise is warranted.
- **Reputation and References:** Research potential Consultants by checking their reputation within the industry. Speak to other Condominium Associations, review case studies, and request references from previous clients to gauge performance.



Capital projects at multi-family buildings such as building automation systems, plumbing pipe risers, mechanical equipment, EV charging stations and fan coil unit replacements are on the rise as well as issues related to kitchen waste pipes and garbage disposals.



- **Communication Skills:** Effective communication is critical when managing a large capital project. Select Consultants who are responsive, clear, flexible, and collaborative. The Consultant's working style should complement the Condominium Association and its staff.
- **Cost Knowledge:** The right Consultants should be able to provide reasonable budgets and provide insight into bid results and strategies to obtain competitive pricing. Consultants with specialized knowledge of the capital project may be able to offset their cost through a well thought out design, project approach, and recommendations. These cost-saving measures may take time to develop in the pre-construction phase of the project but help to produce a successful project within budget.

- **Impact to the Association and Building Occupants:** Knowledgeable Consultants should be able to conceptualize the implementation of the project and speak to the impact to the Association. As Condominium Associations have increasingly become more occupied during business hours in recent years, unit occupant impact has become a greater focus of discussion, and Consultants should be able to speak to daily life in the Association.

4. How Consultants Can Reduce Risk

Large capital projects inherently come with risks, from construction delays to unexpected costs, among others. When engaged early on, Consultants can help mitigate these risks in several ways:

- **Planning and Budgeting:** Consultant expertise contributes to a well-planned project, with a realistic budget that includes contingencies for unforeseen issues. Consultants

may be able to assist in forecasting the financial impact of the project on the Condominium Association's reserve funds and suggest phasing strategies to accommodate budgetary limitations, if needed.

- **Managing Contractor Relationships:** By serving as intermediaries between the Condominium Association and Contractors, Consultants can help manage expectations, negotiate contracts, and hold contractors accountable for deadlines and quality standards. Their experience in contractor selection aids in ensuring that reputable, qualified companies are brought onto the project.
- **Maintaining Schedule:** Large projects often face delays attributed to a variety of factors which may include weather, supply chain issues, or other unforeseen circumstances. Consultants can actively monitor the project's timeline and collaborate with the Contractor to minimize delays and keep the project moving.
- **Owner Advocacy:** Each Consultant should be an independent third party working di-

rectly for the Condominium Association and solely representing their needs throughout the project's design and construction.

5. Tips for Successful Consultant Relationships & Projects

Due to the complex nature of capital projects and the many players involved, the following are recommended for a successful project and Consultant relationships:

- **Adopt a Collaborative Approach:** Emphasize a team approach and recognize the Consultant's value, expertise, and independent opinion.
- **Conduct Regular Meetings:** For large projects, schedule regular meetings to exchange information and updates as well as manage expectations. Topics discussed and decisions made during the meetings should be documented in writing so they can be referenced later as large projects may last several months and even years before they are completed.
- **Be an Active Team Member:** Specific Board members and/or Association members should be assigned to the project, remain en-

gaged throughout, and participate in meetings with the Project Team. Building management and maintenance staff should also actively participate in meetings and support the Project Team as needed.

Conclusion: Consultants can be Key Players in the Success of Capital Projects

Large capital projects are a significant undertaking for any Condominium Association. With the complexities involved, from budgeting and design to contractor management and compliance, Consultants provide an invaluable resource to deliver projects on time, within budget, and according to the Condominium Association's goals. By leveraging the expertise of specialized Consultants, Condominium Associations can reduce risk, avoid costly mistakes, and enhance the value and functionality of their buildings for years to come. Whether you're undertaking a major renovation, infrastructure upgrade, or sustainability initiative, the right Consultant team is key to your project's success. 🍃



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