A shell building project is special in that it involves the construction of a functioning building with all the core utility systems but without covering the areas reserved for tenant occupancy. Simply put, things like partitions, doors, finishes, mechanical, electrical, and other services within the tenant areas are to be contracted separately.

Construction project organization structure

Professional construction management requires that a project management team be put together. Such a team will have a construction manager plus other participants for carrying out tasks such as project planning, design and construction in an integrated fashion. Contractual relationships exist among team members so to minimize adversarial relationships within the management group.

A construction manager CM (or construction project manager) is the person who plans, directs, budgets and manages a construction project. In practice many construction manager also assumes the role of project manager. He is expected to oversee the construction project from start to finish. He coordinates the efforts of all parties involved in the project, and also serves as a key link with the clients.

The CM – Advisor approach is most suited to public-sector projects. A CM – Advisor serves primarily as an advisor to the owner throughout the course of the construction project. The CM – Agent arrangement is almost exclusively for private sector projects. With it, decision making and financial authority are all under an agency agreement. A CM – Constructor (AKA CM - At Risk) is in a role that holds all the subcontracts. He has to be responsible for all the management and construction tasks.

Risks for CM

Although most professional liability PL policies can cover claims arising from the professional services rendered by a CM, most PL policies do not deal with the construction risk of faulty workmanship. There is also no coverage available for the economic risk of providing a guaranteed max price. Some PL policies even exclude claims related to safety (especially those claims arising out of those services that are not usual and customary to the general practice of architecture or engineering).

Some typical legal risks include:

- Design risks related to design error.
- Risks related to the selection of materials and long lead-time procurement items.
- Risks related to the accuracy of cost estimates.
- Risks related to jobsite safety – you need to be aware that the responsibilities of a CM for jobsite safety are akin to those of a general contractor.
- Risks related to claims for project delays, extended overhead, labor inefficiencies and overtime costs.
- Risks related to the hazardous site conditions.
- Risks related to the failure of detecting defective works.

