

Chapter 1: Selecting YouthBuild's Role in the Construction Project

Overview

One of the most critical decisions to be made in starting up a YouthBuild program is defining the role that the program will play in the construction process. A variety of roles are possible. These roles have been successfully demonstrated by various YouthBuild programs across the country. The role that the program selects will shape the young people's experiences on the work site, the type of qualifications required of staff, and the types of partnerships or collaborations that are needed.

In determining an initial role in the construction process, one must consider:

1. The experience of the program, or its senior leadership, in construction and development of housing
2. The availability of quality, reputable development and construction partners in the area, their enthusiasm for training young people on their construction sites, and consideration for hiring graduates
3. The types of construction projects available in the community
4. The YouthBuild program's capacity to take on financial risk

Chapter 1 outlines the various construction roles that are possible for a YouthBuild program, along with the advantages and disadvantages of each.



The Natural Tension Between Training and Production

The YouthBuild program's goal is to train and develop young people and to build quality, affordable housing. It is difficult to create affordable housing on a timeline and within a tight budget under any circumstances. The inexperience of participants can compromise the efficiency and speed of a construction project, while the normal construction process can test the patience and perseverance needed for effective training. Combining this goal with a training program—and one that has education, life skills, and leadership development objectives as well—creates a tension between “training” and “production” and a tension between construction and other aspects of the program. It is necessary for all staff of the YouthBuild program to understand these tensions and for the YouthBuild program director to be aware of the need to create a balance between the demands of the different program components.

It is important to acknowledge up front that training young people on a construction site is a slower and less efficient way to build housing. Every day, decisions will be made at the site concerning the youth training and the production requirements that must be met and how these two goals will be balanced.

The program will provide participants with a “real world” environment that includes production deadlines but is also realistically based on the participants’ skills and the program’s training goals.

Some construction trainers will want to keep the YouthBuild site as close as possible to “real world” construction timetables and deadlines so that participants learn what it’s like to work on a real construction site. Others will want to take extra time to ensure that the participants really understand what they’re doing—knowing the vocabulary of the work site, reading plans on the site, and, in general, getting the most out of the experience. The challenge of the YouthBuild program is to find the appropriate balance between these two goals. This balance will be affected by a number of variables. These variables include:

- Participant retention—some participants will drop out during the course of the program
- Participant attendance—not all participants will attend every day
- Sufficient academic and vocational preparation and practice for participants before they attempt activities requiring new skills
- Intentional and well-planned integration between the academic classroom curricula and the construction work site production schedule
- The irregular pace of the work that is affected by weather, the pace of other subcontractors’ work, and other unforeseen events
- Uncertainty about the rate of waste; that is, the materials that will be wasted due to error and will have to be purchased again as a result
- Uncertainty about the time required to redo work that was done incorrectly by participants
- Participants or staff getting drawn off the site for retreats, counseling, and community service projects
- Completion deadlines required by other housing partners

All of the above variables are likely to occur and should therefore be anticipated and planned for in advance.



VOICES FROM THE FIELD

“We always have to struggle with and balance the conflict between production and teaching—and it is a conflict. The project ends up directing the teaching and not the other way around.”

“We have a little healthy competition going between the four or five crews. The competition partly comes from the imposed deadlines, but it helps us meet those deadlines.”

Possible Construction Roles for a YouthBuild Program

The central issue in defining the construction role for a YouthBuild program revolves around the issue of control, both over the pace of the job and of participant roles on the job. The more control the YouthBuild program has, the better the project will meet the needs of the participants. However, greater control is usually accompanied by greater responsibility and often by greater financial risk. YouthBuild programs have developed a wide range of strategies for maximizing the control that they have on a job while minimizing their risk. In addition, many programs start with one role and then move on to others as the program gains experience.

Regardless of its construction role, a YouthBuild program must have access to a work site that provides substantial hands-on training opportunities for its participants. For guidance in determining whether a work site meets this criteria refer to [TEGL 06-15 Qualifying Work Sites and Construction Projects for YouthBuild Grantees](#) in Appendix B.

The YouthBuild program must understand and take responsibility for ensuring its participants are protected from accidents or injuries on work sites, as required by Occupational Safety and Health Administration (OSHA) safe worker practices, regardless of the nature of its relationship with the work site partners.

Also, regardless of what role the program undertakes, the YouthBuild program will usually need to provide and pay for:

- Safety training for participants
- Safety equipment for participants, including all required personal protective equipment – hard hats; boots; and eye, breathing, and hearing protection
- Stipends or wages for participants
- Construction trainers
- Workers compensation and disability insurance for participants and trainers
- Hand and power tools for participants

There are four basic roles to consider undertaking as a YouthBuild program. Some programs take on a combination of these roles. Going from least to most complex, these roles are:

Subcontractor (generally carpentry and labor)	Construction Manager	General Contractor	Developer and General Contractor
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Minimally, YouthBuild programs usually serve as subcontractors, with the participants completing a specific scope of work on a given project. However, many YouthBuild programs take on a broader role in the construction process. Some of the reasons for taking on these additional responsibilities include:

- The desire to have more control over the construction schedule and to avoid the tension of trying to fit a YouthBuild subcontract within the time pressures of a general contractor
- The desire to provide a wider range of training opportunities for the participants, and to have leverage over all the subcontractors on the job to ensure that they work with participants

- The need to ensure that projects are available on the YouthBuild schedule, i.e., when a new class of participants is starting the program
- The desire to generate revenue for the program

The following is a discussion of the advantages and disadvantages of the four roles. An overview of the advantages and disadvantages of the four roles is provided in a chart at the end of this chapter.

Subcontractor Role

The most common role for a beginning YouthBuild program is that of a subcontractor. In YouthBuild programs, the word subcontractor is used broadly to mean that the program undertakes a specific scope of work on the job but does not take on the responsibility of managing the entire job, ordering materials, or selecting and supervising other subcontractors. A subcontracting role may be in the form of a formalized agreement including arrangements for compensation to the YouthBuild program in exchange for its services (paid subcontractor arrangement), or it may be a memorandum of understanding with the housing partner that does not include financial or other compensation (free labor arrangement). Usually the work undertaken by YouthBuild programs as subcontractors includes demolition, carpentry, and interior finishing and painting. The work the program undertakes is required to provide the participants with substantial hands-on experience in multiple skill areas and modules to qualify the work site with DOL (see TEGL 06-15).

The Advantages and Disadvantages of Subcontracting



Advantages

- As a subcontractor, the program has limited responsibility for construction management roles, so there is nothing to distract from the program's focus on the participants
- Subcontracting requires less experience of construction staff
- The program assumes only limited financial risk



Disadvantages

- The program has little or no control over the timing and pace of the job
- Training opportunities for participants are generally limited to those trades within the scope of the subcontract
- The scope of the work is usually so small that the acquiring, scheduling, and completing of several jobs is necessary to ensure continuity throughout the program cycle so that every participant has the opportunity for adequate work experience on the construction work site

As the list above indicates, there are some definite advantages and disadvantages to the subcontractor role. On the one hand, it is simpler for a beginning program, particularly one with no construction experience. On the other hand, it limits the range of training opportunities.

One temptation of working among a group of subcontractors is the urge to distribute the participants among all the subcontractors. This seems like an ideal way to broaden participants' exposure to the construction trades but can result in the YouthBuild program's maintaining little or no control over the training that takes place on the job or its integration with other aspects of the YouthBuild program. This can result in a situation where participants serve in an observational or assistant role rather than actually being taught the skills or learning how to do the work. In defining the subcontractor role, there are three principal issues to consider:

1	2	3
Scope of the subcontract	Time allocated to complete the job	Financial arrangements

1. Scope of the Subcontract

YouthBuild programs are generally more successful when they have a large enough subcontract to provide the participants with a wide variety of experiences. However, it may be preferable to limit the range of work undertaken as a subcontractor, particularly at the beginning of the program, until there is a better sense of what participants can do and what staff can accomplish in a training context.

In determining what scope of work to undertake as a subcontractor, it is important to think about the type of work participants are likely to be able to handle. For example:

- **How physically risky is the work?** A program may choose to rule out roofing work because it requires good safety procedures and close supervision of participants. Additionally, based on guidance from the National Institute for Occupational Safety and Health (NIOSH), youth younger than eighteen should not engage in work involving heights or large equipment/power tools.
- **How quickly can the participants do the work?** Rough framing and hanging sheet rock tend to move quickly, whereas taping and floating can often be a very slow process for a participant to learn and complete quickly.



If the program will be working as a paid subcontractor, how much risk does the scope of work create for losing money through wasted materials or damage? Painting is often seen as an easy job for participants, but depending upon the conditions, a poor or messy paint job can be costly to correct.

To avoid misunderstandings, the scope of work should be written out clearly in a contract or memorandum of agreement, even if there are no financial arrangements between the YouthBuild program and general contractor or developer. The agreement must carefully define where the YouthBuild subcontract ends and someone else's begins. A sample [Memorandum of Agreement between Subcontractor \(YouthBuild\) and General Contractor \(Housing Partner\)](#) is provided in Appendix B.

2. Time Allocated to Complete the Job

YouthBuild programs usually take roughly twice as long to complete as a job done by a professional subcontractor. Therefore, an important consideration in a subcontracting arrangement is whether it will be possible to pace the project with consideration for the training needs of the participants.

If YouthBuild is the primary subcontractor and can exert a substantial amount of control over the pace of the job, and if the developer or general contractor agrees to allow enough time to provide quality training, then the construction staff can work to balance the need for production with the need to slow down and train the young people. However, if YouthBuild is one subcontractor among many and needs to keep to a pace established by a general contractor who is juggling many other subcontracts, the program may find itself in a situation in which it is difficult to provide quality training and at the same time meet the expectations of the general contractor. Under this circumstance, it may be necessary to provide more vocational education training in a classroom to practice and develop skills, rather than having all training dependent on the construction site.

Time arrangements should also be reflected in the contract or memorandum of agreement, which should include any specific deadlines that are agreed upon and any penalties that may be involved with failure to meet those deadlines.

3. Financial Arrangements

Financial arrangements among YouthBuild programs working as subcontractors usually fall into two broad categories: a free labor arrangement and a paid subcontractor arrangement.



VOICES FROM THE FIELD

"Light rehab or make-ready is much less effective [than taking on major construction]. With major construction, the youth bond with the site—it brings out their pride and builds self-esteem."

"Run the construction site as if it were a regular job site. Make and stick to a schedule, do safety meetings and other aspects of a professional workplace."

"The need for teaching basic math was much heavier than expected. We had to backtrack—even for those who tested at high-school level—to teach basic math skills."

"We had to consistently relate the math to the actual construction."

"If the participants don't do something right, our trainers make them take it apart and do it over again. This teaches them the proper way to do something, and to be more conscientious the next time around."

"At on-site meetings you can encourage participant participation by going around and having everyone say something."

Free Labor Arrangement

Some new YouthBuild programs choose to provide supervised labor at no cost to the host (owner, developer, or general contractor) of the site. The host, in turn, provides access to the site, all materials needed to perform the work, and the subcontractors needed to complete any work not performed by the participants. This is referred to as a free-labor option because there is no financial payment by the general contractor or developer for the labor of the participants. The cost of participant labor, in the form of participant stipends and construction staff salaries, is covered by the DOL YouthBuild grant.



The advantage of this arrangement to the YouthBuild program is that it provides a construction training experience without any management responsibilities and without any financial risks. Under this arrangement, the community partner provides and pays for:

- Access to the site
- Scope of work, plans, specifications, and permits
- Materials, delivery of materials, and specialty tools for the site
- Hiring and supervising of subcontractors, architect, and engineer
- Liability and property insurance

Paid Subcontractor Arrangement

The alternative to a “free labor” arrangement is an arrangement in which the YouthBuild program receives payment for the work done on a project. In general, a paid subcontractor arrangement means that YouthBuild takes on a specific scope of work for a fixed price to be completed by a pre-established deadline. The YouthBuild program takes on the risk of completing a part of the job for a specific sum of money.

The financial agreements that YouthBuild programs make as subcontractors vary, as does the level of risk involved. Some programs agree to simply receive compensation for the cost of materials. Others arrange to receive some of the funds that a professional subcontractor would normally use to cover labor and overhead costs. Some YouthBuild programs try to earn sufficient income as a subcontractor to cover a part of the cost of the construction manager's or construction trainer's salaries, thereby allowing some of the DOL YouthBuild grant to be used for other program needs. However, income received as a subcontractor on DOL YouthBuild work sites must be used as a source of supplemental funds to the DOL grant for allowable program activities including construction staff, participant stipends, workers compensation, construction insurance costs, vehicles, overhead, or other related program costs.

Construction Manager and Subcontractor

YouthBuild programs that are seeking to have more control over the schedule of their construction projects may consider taking on the construction manager role, in addition to continuing their role as a subcontractor. Many sites view this as an ideal role for a YouthBuild program to work toward if a suitable development partner can be found.

The construction manager is an individual or firm who works on behalf of the developer to coordinate all the subcontractors on the project. The construction manager takes the place of a general contractor. A construction manager typically does not take on any risk or reap any reward for completing the job within a certain budget or timeline. The risk remains with the developer. The construction manager simply provides the coordination function for a fee. The construction manager may also be provided with the funds to pay the subcontractors, depending upon the arrangements made with the developer.



The responsibilities of a construction manager may include all or some of the following:

- Coordinating safety and health training
- Securing a general construction permit
- Coordinating the activities of architects, engineers, inspectors, and other professionals on the job
- Estimating the job scope
- Preparing bid packages and bidding the job
- Hiring, coordinating, and supervising subcontractors
- Preparing and adhering to a construction timetable
- Reviewing and processing invoices from subcontractors and vendors
- Preparing requisitions to funders
- Providing regular reports to the developer on progress based on budget and schedule
- Preparing and completing a punch list at substantial completion of the job
- Securing a certificate of occupancy/completion
- Submitting shop drawings and catalogue cuts for approval
- Preparing change orders when appropriate

To take on this role, the program must have someone on the staff who:

- Has successfully completed a similar project in size, type, and scope as construction manager or general contractor
- Has a minimum of five years of experience in increasingly responsible positions in the construction field
- Is licensed to secure a general construction permit, depending on the local building department requirements

The Advantages and Disadvantages of Construction Management

Taking on the role of construction manager has advantages and disadvantages. On the positive side, it gives the program more control over the schedule and scope of work that the participants can do. It allows the program to choose which work the participants will do directly and to negotiate with subcontractors to provide the maximum training opportunities to the young people. It allows the program to manage the time schedule of the job and therefore to take time out on the job for training-related activities when necessary. To make use of the role of construction manager, it is important for the developer to agree to a longer development timeline for the job as a whole. On the other hand, it requires YouthBuild to take on more responsibility for the job as a whole; it requires the staff to take on supervision of other subcontractors as well as the participants. For these reasons, it requires a more experienced construction staff at the YouthBuild program.



Advantages

- The YouthBuild program is able to control the pace of the job so that it meshes with the speed at which participants can realistically work
- The YouthBuild program is able to control the scope of work that the participants undertake, either as a subcontractor or as free labor, thus maximizing the training opportunities for the young people and providing greater continuity for the training program
- The YouthBuild program has leverage with other subcontractors on the job to ensure that they offer training opportunities for young people
- The YouthBuild program gets most of the advantages of serving as a general contractor without the increased responsibility and risk
- The YouthBuild program can schedule and integrate the various phases of the work with other YouthBuild program activities
- The YouthBuild program can influence the general tenor and attitudes on the construction site to create greater mutual respect, teamwork, and group cohesion



Disadvantages

- The additional role requires more highly-skilled staff with an increased level of responsibility
- The developer may want a general contractor who assumes the risk for the project, rather than assuming the risk himself/herself
- The YouthBuild program still needs the developer's support for a longer timeline for training purposes
- The YouthBuild program is generally doing the same work as a general contractor but does not get the same potential to generate income for the program that general contracting may provide

As a construction manager, the YouthBuild program should have a contract or memorandum of understanding that defines responsibilities, fees, and whatever arrangements are also included as a subcontractor on the construction project.

General Contractor

YouthBuild programs that are seeking greater control over their construction projects, are prepared to take on added risk, and wish to increase income to their program, may choose to take on the general contractor role.

The general contractor is an entity that takes on the full responsibility for the construction project by committing to a developer that the project will be completed within a specific cost and by a specific deadline. It is generally a fixed price/lump sum arrangement in which the general contractor signs a contract to complete the job within a certain price, regardless of what the job actually costs to complete. The general contractor can lose a great deal of money if its estimating, money management, time management, and construction management skills are not excellent.

The general contractor role involves all the responsibilities of the construction manager listed in the previous section. In addition, a general contractor must hire, supervise, and pay laborers and other employees, and, upon completion, the general contractor must also provide a guarantee (usually one year) on all work.



The Advantages and Disadvantages of General Contracting



Advantages

- The YouthBuild program is able to control the pace of the job so that it meshes with the speed at which participants can work
- The YouthBuild program is able to control the scope of work that the participants undertake, either as a subcontract or as free labor, thus maximizing the training opportunities for the young people and providing greater continuity for the training program
- The YouthBuild program has leverage with other subcontractors on the job to ensure that they offer training opportunities for the young people
- There is a greater opportunity to earn income for the program, assuming the YouthBuild program can manage the construction process well



Disadvantages

- The YouthBuild program needs a sophisticated fiscal infrastructure to track construction projects effectively and pay bills to multiple vendors in a timely manner
- The YouthBuild program may need cash reserves (i.e. working capital) or a line of credit to manage the flow of funds for the costs of a construction project
- The general contractor role requires highly skilled, experienced staff
- The YouthBuild program still needs the developer's support for a longer timeline for training purposes
- The YouthBuild program can lose a substantial amount of money if its construction staff is not skilled in all aspects of general contracting
- The additional financial demands on the program can increase the pressure and ramifications of production/trainer tension

As indicated in this list, the training advantages for a general contractor are similar to those of a construction manager—it gives the program more control over the schedule and scope of work that the participants can do. It allows the program to choose which work the participants will do directly and to negotiate with subcontractors to provide the maximum training opportunities for the young people. It also allows the program to take time out on the job for training-related activities when necessary.



There are, however, disadvantages and special requirements. The program will require a staff person with the same experience and skills described previously in the construction manager section. In addition, YouthBuild will be responsible for ordering materials and paying subcontractors. This may require a line of credit or reserve fund to make advance payments while the program is awaiting payments from the developer.

The program will need a contract with the developer for its role as a general contractor. There are standard industry contracts that you can obtain and adapt to your YouthBuild project. NAHB (National Association of Home Builders) publishes a book of contract forms developed and used by its members, called Home Builder Contracts & Construction Management Forms. AIA (American Institute of Architects) publishes a wide range of contracts for small, medium, and large projects and for a variety of contract types (www.aiacontracts.org).

However, AIA contracts tend to be very favorable towards the owner's interests. The AGC (Associated General Contractors of America) is a founding endorsing organization to ConsensusDocs (a coalition of 40 leading construction organizations that created a catalog of more than 100 standard construction contracts). AGC-endorsed contracts tend to favor the contractor's interests. Comparing several contracts from both sources would give a more balanced approach to identifying key clauses that will need to be included in the contract ultimately used or developed with the program's partner.

Developer and General Contractor

The most difficult construction roles for a YouthBuild program are that of housing developer and general contractor. Some YouthBuild programs are sponsored by agencies that are already housing developers. For several reasons, other YouthBuild programs may choose to take on this role after a few years of experience as a general contractor. The program may wish to gain control over the timing of projects in relation to their training program. Or it may wish to gain even greater control over the pace of the job in order to maximize the training opportunities for the young people. The program may decide that the financial benefits of serving as developer are worth the extra work and additional financial risks. The program's sponsoring agency may even realize that there is a need for increased housing development and find that expansion into this role is a way to fill multiple needs through one effort.

The developer's role is to obtain a site and oversee all aspects of the development of that site. The developer takes on the responsibility for the full project, from property acquisition to arranging financing to construction and ultimate sale or management of the property. The developer also takes the ultimate risk in ensuring that the funds available for the project match or exceed the costs of the project. The developer often receives a developer's fee for this role, over and above fees paid to the general contractor or construction manager. For certain types and sizes of low-income housing projects, this fee can be substantial. This fee is usually included as an expense in the total project financing. The specific roles of a developer include:

- Acquiring a site (land or a building)
- Working with an architect to develop a plan for the building
- Putting together a development budget for the building
- Securing construction financing for the development of the building
- Hiring a general contractor or construction manager to build on the land or renovate the building
- Dealing with all legal issues regarding the development of the site
- Securing permanent financing for the completed housing, unless sold upon completion
- Marketing or managing the completed housing

Since YouthBuild programs provide construction training, the role of a developer must be combined with that of general contractor or subcontractor for training purposes. Usually, if a program assumes the added responsibilities of being the developer, it is likely to assume the role of general contractor, or at least construction manager, as well, to ensure training opportunities.

The Advantages and Disadvantages of a Developer Role



Advantages

- As a developer, the YouthBuild program has maximum control over ensuring that projects are available and ready to begin in time for the training program
- As a developer, the YouthBuild program maximizes control in balancing the tension of training vs. production
- If done successfully, the YouthBuild program can maximize the income generated for its program



Disadvantages

- Serving as a developer requires extensive organizational and staff capacity to fulfill all required functions
- The financial risk and liability of development are significant
- If the capacity for development is not in place, the housing development work could overshadow YouthBuild's mission of developing young people

As the above list indicates, the developer role gives a YouthBuild program the maximum amount of control in balancing the tension between training and production. The trade-offs between training and production still remain; however, as developer, a YouthBuild program is able to control the decisions and weigh the costs of slowing down production for the sake of training. It can use some of its developer's fee to compensate for the carrying costs of a slower project, if necessary.

Taking on the role of housing developer requires such specialized skills, involves such a significant commitment of staff time and energy, and entails such financial risks that YouthBuild programs should consider this decision carefully. Serving as developer will require a staff dedicated to the development functions and will require very different financial arrangements with banks and other funders. In addition to the staff skills outlined under the construction manager role, a YouthBuild program must have staff capacity to identify and acquire property and to obtain permits for construction, and in some instances, permanent financing for the project. The program must also have the ability to market the project, which could involve additional holding costs until the property is sold, or the ability to manage permanent ownership. Organizing a project for development is very time consuming and requires significant lead time. All of these tasks have the potential for overwhelming the fundamental mission of the YouthBuild program.



YouthBuild programs with no housing development experience have generally found it easier to become the developer of smaller projects (one or two units) for sale to low-income home buyers, rather than take on larger projects or rental projects requiring permanent ownership and management.



Summary

In selecting a construction role for a YouthBuild program, the following must be fully evaluated:

- The experience of the program and its senior leadership in construction and development of residential housing
- The availability of quality, reputable development and construction partners in the area, and their enthusiasm for training young people on their construction sites
- The program's capacity to take on financial risk
- The variety of affordable housing construction projects that are available in the community

As a new DOL YouthBuild grantee, it is probably preferable to start with a subcontractor role and move up to general contractor after a few years of construction training experience and experience integrating the construction role with the other program components of education and leadership development. On the following page is a chart that summarizes the advantages and disadvantages of the different roles described in this chapter.

Role	 Advantages	 Disadvantages
Subcontracting Free Labor Arrangement: Provides supervised, participant labor at no cost to the developer	<ul style="list-style-type: none"> • No financial risk • No liability for missing deadlines • More flexibility in participant schedule 	<ul style="list-style-type: none"> • No income for work • May have little control over training environment or participant assignments • May be dependent on others for YouthBuild schedule
Subcontracting Paid Arrangement: Completes a specific "scope of work" on a single or several trades. Work is done for a fixed price to be completed by a pre-established deadline.	<ul style="list-style-type: none"> • Program receives some income • Less risk than construction management roles • Does not require complex construction management skills or logistics 	<ul style="list-style-type: none"> • Liability of completing work within a specified deadline • Risk of not estimating materials cost correctly • May not provide for steady work for participants throughout training year • Depending on subcontract, may not provide broad enough learning experience

Role	 Advantages	 Disadvantages
Construction Management: Works on behalf of the developer to coordinate all subcontractors on the project, in place of a general contractor. Developer assumes all risks and rewards. Coordination work is done for a fee.	<ul style="list-style-type: none"> • No financial risk or liability • Provides control over the pace of the job • Provides control over scope of work that participants undertake • Provides leverage with other subcontractors on the job to use participants effectively • More job placement opportunities 	<ul style="list-style-type: none"> • Requires highly experienced staff with construction management skills • Does not provide same potential for generating program income as general contracting • Hard to find willing development partner
General Contracting: Coordinates all aspects of the actual construction work, including all subcontractors, for a fixed price/lump sum. General contractor agrees to complete the job within a certain price, regardless of the final cost, and assumes all risks and rewards.	<ul style="list-style-type: none"> • Provides control over scope of work that participants undertake • Provides leverage with other subcontractors on the job to use participants effectively • Potential to generate more income for program than Construction Management • More job placement opportunities 	<ul style="list-style-type: none"> • Requires highly experienced staff with construction management and estimating skills • Can lose a substantial amount of money if estimates are incorrect • Requires a sophisticated financial infrastructure • Requires cash reserves (working capital) or a line of credit
Development: Obtains a site and oversees all aspects of the development of that site. Assumes the ultimate risk of ensuring that funds available match or exceed project costs. Often receives a developer's fee for this role.	<ul style="list-style-type: none"> • Provides maximum control over ensuring that projects are available on time for training • Maximizes control in balancing tension of "training vs. production" • Can generate program income to support the construction training and other program services • More job placement opportunities 	<ul style="list-style-type: none"> • Requires extensive organizational and staff capacity to fulfill all functions • Financial risk and liability are significant • Extra workload could cause housing development to overshadow mission of youth development

Chapter 1 Resources in Appendix



APPENDIX B

- [Memorandum of Agreement between Subcontractor \(YouthBuild\) and General Contractor \(Housing Partner\)](#)