



# TEAM BUILDING

## STRONG TEAM FOUNDATION LEADS TO SIGNIFICANT COST SAVINGS

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Steel material price increases, concrete shortages, tight labor markets, subcontractors at capacity, material suppliers booked months in advance, skilled craftsmen in short supply, oil prices skyrocketing—with all these constraints, what is the most economical method for purchasing construction?

It's not just about supply and demand—building a great team composed of design professionals, a general contractor, and an active owner is essential to reducing the total project cost.

The owner's role in saving project costs is significant in both pre-construction and construction phases. During pre-construction, selection of design professionals and a general contractor and clear communication of the project's goals are vital to reducing costs. Once construction begins, the owner can assist in reducing final costs by quickly making decisions on issues as they arise and by minimizing changes to the plans or specifications.

Ultimately, costs will be cut by selecting a team based on: similar or comparable experience; effort and enthusiasm for the project; qualifications of actual personnel working on the project, and; reputation and relationships in the construction industry.

Architects and engineers who clearly understand the owner's goals and have similar or complementary experience can have a dramatic effect on reducing project costs. The ultimate objective is a set of documents that are thorough yet concise. Many subcontractors may not invest the appropriate amount of time in understanding a set of complicated or unclear documents, causing the bidding phase to be less competitive.

It's essential to include a general contractor early in the project to assist the team in the selection of materials, assemblies and methods that are the most competitive based on current conditions. The general contractor should also quickly establish and maintain a project budget and schedule that will assist the team in making important decisions.

It's also vital that the general contractor have a detailed plan to efficiently build the project and that it be communicated to all qualified subcontractors. The project should be properly "marketed" to the subcontractor community to create enthusiasm for the project. If the subcontractor understands that the project is going to be built with a great project manager and superintendent, according to a predetermined schedule, and that they will be treated fairly and paid promptly, the subcontractor's pricing will be far more competitive.

In an active market where a subcontractor's capacity may be stretched, they're careful to target their work toward projects with architects and general contractors that have earned reputations for efficiency, effectiveness and fairness. Teams with great reputations will receive advantageous pricing and better staffing from quality subcontractors.

In a busy market, projects with a selected general contractor and a clear plan will receive a greater number of subcontractor proposals than a similar project that is competitively bid by a group of general contractors. The old saying "everybody's business is nobody's business"

comes to fruition. Subcontractors will be much more likely to invest the proper amount of time and effort to submit a proposal to a selected general contractor than to take their chances with "everybody" bidding to three, four, or even five general contractors. Selecting a general contractor early in the pre-construction process increases the competitiveness of the project in the subcontractor and supplier selection phase.

Building a strong team of design and construction professionals saves money, saves time, and delivers a superior product—and should make the process more fun! □

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