

M/M Update

McKay/Moore Construction Cost Control Consultants (WBE/DBE)

Editor's Note:

Happy New Year!

By Pat Moore

2004 was a year of transition for McKay/Moore, as it has been for many of our clients. Several of you have experienced expansion, others reductions, and some have merged or closed their doors altogether. Throughout it all, McKay/Moore continues to be here to support you and your business needs, whether it be with construction cost estimating, document control, scheduling, etc. or with off-site administrative support, such as word processing, spreadsheet production, tape transcription or website maintenance.

This issue's Featured Client:

HOSHIDE WILLIAMS ARCHITECTS

121 E BOSTON ST.
SEATTLE, WA 98102
PHONE: 206-325-6441

Last summer, McKay/Moore Consultants provided Hoshide Williams with cost estimating services on their Kubota Garden Crew Quarters project, which will consist of a small maintenance building including lunchroom, office, men's & women's toilets, showers, lockers etc. Bidding and construction phases should start in January 2006.

Bob Hoshide had also worked on the marvelous Entry Gate at Kubota Garden, which was dedicated in May of 2004. If you haven't made it out to this 20-acre Garden in the last several months, it's definitely worth the trip. It is located at Renton Avenue South and 55 Avenue South, exit 158 off I-5.

<http://www.kubota.org/>

Hoshide Williams Architects has won some important historic renovation jobs, among them the Fremont branch of the Seattle Public Library (a Carnegie library), and the historic picnic shelter in Cowen Park.

We've been watching the progress on our nearby Seattle Public Library projects. Our new 15,000-square-foot Ballard Branch and 3,000-square-foot Neighborhood Service Center are coming along (Bohlin Cywinski Jackson), as is the new Greenwood Branch (Buffalo Design). The Seattle Public Library board of trustees unanimously selected **Hoshide Williams Architects** to design renovations to the historic Fremont Branch. The existing library, which opened in 1921, is listed on the National Register of Historic Places. The renovation project includes an updated collection of books and materials, more seating and computers, ventilation, and a more efficient interior layout. It also includes converting a 780-square-foot storage area into space for the public and staff. Seattle Parks and Recreation is developing a park next door to the branch, which is expected to reopen in early 2005.

Hoshide Williams Architects was also a consultant on the 1993 facilities master plan for The Seattle Public Library and, as well, designed the renovations of the historic St. Joseph's School Library, the CRC/Odegaard Undergraduate Library and the Health Sciences Library for the University of Washington, and the Fremont Bridge Tower.

Recent Projects:

McKay/Moore continued to provide cost advice on GSA projects in 2004. This year, we worked on a number of tenant improvement projects for the Portland, Oregon office, including for the SBA on 7,750 SF of the ninth floor of the ODS Building in Portland, 25,330 SF on three floors of an office building in the Lloyd district of Portland for the USDA, and for the FBI's 20,902 SF Regional Computer

Forensics Lab and Cybercrimes Units in Portland. (Forensics experts at the FBI lab, which eventually will be one of 10 nationwide, will likely examine computers for digital evidence in serious cases, such as kidnapping and homicide.) McKay/Moore also worked on the renovation of four floors for the US Bankruptcy Court project in Congress Center on SW Fifth Avenue in Portland.

Another of our more recent jobs was the Cabrini Senior Housing project for GGLO, a 50 unit independent senior housing building with ground floor retail and parking below grade. The site is located at the SW intersection of Boren and Madison on First Hill in Seattle.

Coming Up:

In 2005, McKay/Moore will be providing both cost estimating and document control services for the new First NE Transfer and Recycle Station in Shoreline to KPFF. Our Document Control Specialist, Ken Rouse, will be starting training soon in the use of the VISTA 2020 Electronic Submittal Document System.

Consultant profile:

In previous issues of this newsletter, we have introduced to you various estimating consultants. In this issue, we would like to familiarize you with **Kenneth Rouse, Senior Quality Control Engineer**, Quality Assurance/Document Control Specialist.

Ken has 24 years experience and has been Document Control Specialist / Clerk of the Works on several projects, including:

Holmes Electric Company, Quality Assurance/Quality Control Engineer QA/QC at Immunex Helix Building J, Seattle, Washington

Tasks specifically identified in the Quality Control Manual encompassed: prepare material submittals per specification and submit for approval in an orderly and understood method with traceability, obtain approval, monitor purchase orders to ensure per specification. Upon material delivery, inspect for damage and verify it was in accordance with approved submittals. Inspect installation to verify it was in accordance with specifications, manufacturer's requirements and code requirements and inspect to ensure all items were in place per drawing and specification. Maintain daily reports on all activity supporting the above

items. Reports include any item of concern, delay, defect, etc. Any items needing attention for compliance were brought to the attention of the foreman or appropriate person for resolution.

Centennial Contractors Enterprises, Inc.,
Superintendent / QS / Safety

In support of government military projects overseen by the 70th Corps of Engineers, responsible for construction supervision of specific projects. Contract requirements included implementing the quality control (QC) program per the COE quality assurance (QA) guidelines and procedures ensuring conformity to plans and specifications during subcontractor construction activities.

Boeing Engineering Construction Engineers (BECE), Construction Administrator 2, Boeing RACAS.

Responsible for contractors to conform (QA/QC) to plans and specification, budget, schedule, and customer satisfaction; negotiate contract changes, monitor contractor safety plans for compliance to codes and Boeing safety standards. Coordinated closely with facilities plant engineers and project team participants throughout project duration as required by construction and facilities management.

Boeing 757, 767, & 777, Power Systems / Galley Electrical Design, QA/QC

Provided technical assistance and troubleshooting support of electrical power systems. Provided prioritized customer support through e-mail, faxes, phone calls and on-site assistance in order for Boeing customers to achieve and maintain safe and efficient operations. Assisted in investigation and resolution of service related problems. Responded appropriately to AOG situations. Attended and supported (FAI) (First Article Inspection) in an engineering and Quality Control Capacity.

Ken is also an electrical estimator and is certified as a journeyman wireman in the State of Washington.

Our Philosophy:

By Pat Moore

One of the best things about the way we work at McKay/Moore is that I can fit the tasks we are asked to do to the personnel most qualified to do them. As most of you know, I work with a group of independent construction cost estimators, engineers, etc., who are on-call as needed. Most of these folks have been with McKay/Moore for several years. Many are

veterans of the construction field; many work on their own, from home offices; and every one has a minimum of twenty years experience. Electrical engineer Ron Angeline, one of the consultants who worked with Ackroyd when I began working with them in 1984, now works with McKay/Moore and through his contacts – in particular, mechanical and electrical engineers – we have found highly experienced personnel for complex and sensitive projects.

McKay/Moore's job as a cost estimating consultant is to provide our clients with our best opinion as to the realistic costs of their projects. Because cost management is their main function and because they are professionals, the information provided by the cost consultants needs to be truly independent and uninfluenced by the owner, architect or anyone else with a potential stake in the project. Many clients use in-house estimators and/or estimating software to determine preliminary budget numbers. At times, the client relies on an estimate prepared by a contractor with whom he has established a good working relationship. But it is prudent, particularly if the person performing the estimate has a financial stake in the project, to have independent cost checks performed by an unbiased estimator or cost consultant.

It is the philosophy of McKay/Moore that it is to the client's benefit to select a cost consultant who:

- Is independent and unbiased,
- Has professional training in his or her specialty,
- Has real experience on a variety of project types, and
- Has the background and training which enables him or her to conceptualize total project costs at the feasibility and budget stage and help the client control costs through the design development phase.

Project costs can and should be controlled from the outset. Having an independent estimate prepared early in the design process allows the client to determine potential budgetary problems and make necessary adjustments. Waiting until drawings are 95% complete to have an estimate prepared may

result in a much more costly redesign situation, and delays in construction start.

Risk and Uncertainty:

It is also necessary to assess and reassess project risks and uncertainties. Costs that are unknown and costs associated with potential risks can be included in the form of a contingency amount. Major projects require special consideration of project risk and complexity in order to produce realistic contingencies. Unsupported early optimism (i.e. low contingency amounts) will only cause problems as the project progresses.

In an article entitled, "The High Cost of the Low Bid" (www.mercurynews.com), discussing projects in the Bay Area, writer Allan J. Hauck points out:

"In competitive bidding, ...the process assumes that all construction problems are anticipated during design, that all contractors are equally capable in bidding and managing the work..."

Some contractors would put in bids that were too aggressive and then file change orders alleging design deficiencies to cover their costs."

As one of our mechanical estimators, Terry Tyler*, recently commented, *"In the competitive bid process, the lower the contractor's bid price the better their chances are of obtaining the work. This is the primary focus for the contractor. Typically their bid represents only what is called out in the bid documents."*

When drawings are incomplete, our estimators do their best to "fill the holes" to provide a 100% estimate. McKay/Moore always attempts to make reasonable assumptions to make sure all bases are covered when preparing our estimates. In this way, estimators account for items which normally should be part of a project but which may not be on the drawings at whatever level (from schematic to CD) they were presented to us.

* Terry's 44 years of experience as a mechanical engineer and estimator include fifteen years in general contracting. As manager of estimating for ten of those years, he performed conceptual budgets to final baseline estimates and contract administration and cost control.

Though contractors often later cover these items by the use of change orders, etc., we customarily make a strong effort to give our clients the complete estimated cost of a project, including items missing from drawings/specs at the time of our estimate. This may result in a higher cost estimate than the client would like, but the areas where costs are higher than the contractor's estimate should present a red flag as areas to be looked at more closely, gaps in available information filled in, assumptions (prevailing wage rates? union labor?) questioned, and discrepancies resolved.

A construction contingency is in effect a fund for the owner to cover change orders, which can disrupt a project, increase costs, decrease labor efficiency, and certainly affect the construction schedule.

Are You Linked?

McKay/Moore's website www.mckaymoore.com has a Links Page for the design community, including

links to many of our clients' and associates' sites. If your firm has a web presence, please check our links page to see if you are listed (and if so, whether the link is correct). Click on Design and Construction Firms On-Line under Links at the left of the page.

If you are not already listed, please contact me at mckaymoore@strabo.com -- I would be pleased to add your firm's link, with a logo if you attach a .gif or .jpg file to your email.

If your firm does not have a website, but would like to be listed with an address, phone, and/or email, just send your request or call Pat at 206-781-0676.

Note: Visit the newly redesigned website of our client Creative Builders Co www.creativebuildersco.com

Miscellaneous:

McKay/Moore does accept credit card payments for services. Several clients have taken advantage of this convenience. Please let us know if you prefer this payment option.

McKay/Moore Consultants
7323 – 11th Avenue NW
Seattle, WA 98117-4142

TO: