

Health Care Project Delivery - Doing Your Homework



Skilled Nursing Renovation John W. Baumgarten Architect - with Icon Interiors

Every owner and facility manager is seeking the "right contractor at the right price" for their construction project. Although the "contractor decision" is vital to the success of a project, it is one of the last decisions is a chain of equally important ones. In other words, you have to do your homework. The first question that must be answered is "what is the method of project delivery?" Will the project be structured in the conventional bid-build fashion or will it be delivered using a construction management (CM)/guaranteed maximum price approach (GMP)? Most projects go the bid-build route where an architect completes a set of construction drawings & specifications then "bids the job" to several contractors.

Conversely, in a CM/GMP approach, the owner retains a prequalified contractor as a consultant who works with the owner and architect during the development of the construction drawings & specifications. The CM is a member of the design team, feeding the owner and architect valuable pricing information and construction alternatives as the drawings are developed. Once the drawings and specifications reach a 90% completion level, the CM will "guarantee a maximum price" for the project. The CM is able to do this because he has been bidding the various trades to subcontractors throughout the development of the drawings. Once the CM guarantees the price, their role converts to that of a general contractor (GC) and the job is built conventionally. Many owners shy away from the CM/GMP approach because they feel there is "no competition" and that higher prices will result. Others feel that a competitive environment does exist since subcontractors are continuously bidding each trade throughout



Medical Center
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the development of the drawings. Whether you're using a bid-build or CM/GMP approach, establishing a short-list of vetted, qualified contractors is a key factor in the success of any construction project. First of all, a health care project requires a health care contractor in the same way it requires a health care architect. Draw upon your architect's experience and that of your senior staff and colleagues/counterparts in other organizations to obtain qualified referrals. Talk to each GC's references and visit some of their completed projects to judge their quality and workmanship.



Primary Care Clinic John W. Baumgarten Architect

It is also critical that the owner work closely with the architect to establish the phasing/logistics of how the project will be built. Our experience has taught us that a complete, coordinated phasing plan must be part of the bid documents in order to get a "true price" from a contractor. The phasing must identify any temporary/swing space needed to facilitate the project. Swing areas such as lobby/entrances, nurse stations, bathing rooms & patient rooms may be "temporary" but they have a real cost which must be identified. Equally important is the question of how much area will be accessible to the contractor at a given time to renovate. In other words, how big is each phase? Other issues such as the availability of GC office space, material storage areas, worker parking areas and elevator accessibility all impact a GC's "General Conditions" and ultimately their bid price. Another key factor in the cost of any project is uncertainty. When a contractor is unsure of a condition, the price goes up. For example, we are constantly stressing to our clients the benefits of up-front environmental testing for asbestos & lead paint in areas that will be renovated. They key is to do this testing before any design work is started so we can design-

around conditions that would be expensive to remediate. Knowledge is power and it gives an owner the ability to control costs by getting ahead of potentially expensive problems.