

Facility Consolidation & Relocation Management

Targeted Solution – Reduced Costs

OBJECTIVE

Consolidate and relocate five existing facilities to one location. The initial programming was completed by the architect and issued conceptual design documents for budget targeting. The preliminary construction pricing, based on the conceptual design was \$70.44 per square foot, 40 percent over the projected budget. Our objective was to deliver the required functionality of the project on time but for a dramatically reduced cost.



SOLUTION

The results were:

- The final budget was \$52.29 per square foot, a 26% reduction.
- The new 170,000 SF facility was designed to accommodate 635 employees along with several complex components including training center, amphitheater, data center, product development lab, test kitchens and retail tech lab.
- Due to the aggressive nature of the client's budget and schedule, NKF Consulting advised ownership to consider hiring the General Contractor on a negotiated basis, using a Guaranteed Maximum Price (GPM) contract.

APPROACH

The strategy for design/preliminary construction pricing was based on working with the client to leverage their national vendor relationships and buying power. In addition, NKF Consulting leveraged its national vendor/supplier relationships to impact the budget.

In order to maintain the project schedule and stay on budget, NKF Consulting encouraged the early release of primary subcontractors and vendors. The full architectural and engineering design was not complete requiring NKF Consulting and the design team to work together to assemble a bid package that addressed the entire scope of the project. This was accomplished by detailing the project both in plans and by narrative. The result of this effort minimized scope creep and large pricing adjustments as the subcontractors and vendors were aware of the intent and eventual design of the space.