



Transparent Construction™ Services

Imagine a construction project where:

- you benefit from expert construction experience during planning, design and before construction starts...
- the Contractor is looking out for your interests...
- you know the cost of work, fees and “contingencies”...and how and where your money is being spent and at the end...
- **get some savings back!**

You can expect this type of project with ***Transparent Construction™ Services***

Our ***Transparent Construction™ Services (TCS)*** encompasses a broad range of construction services provided on your behalf. You can engage us at ***any point*** during the life of your project...the concept phase, during the design or at the start of actual construction. Each phase of the project can benefit from our experience and input. We can provide services on an hourly rate or a negotiated fee.

Working as a representative for you, **WGi** primarily provides the benefit of independent, professional services throughout the life of your project. In contrast to some other project participants, **WGi** has no vested ***financial*** interest in the project — in either its design or construction — and maintains a responsibility to act on *your behalf* and provide impartial advice concerning your construction project. Our interest is in your success!

Transparent Construction™ Services treats the project planning, design and construction phases as integrated tasks. This approach unites the owner, engineers and contractors in a non-adversarial relationship and provides you with an opportunity to participate fully in the construction process if desired. Some of the characteristics of our **TCS** process can include:

- Conceptual planning, budgeting and scheduling...Taking your idea and providing guidance and advice to develop the project based on your needs, resources and timeframe.
- Once your “concept” is developed, we work with the designer, from the start, to provide construction expertise, value based design decisions, and constructibility reviews to help determine the most cost effective way to design the project.
- Provide a “phased schedule,” whereby you can begin some construction tasks before the design is complete for other tasks (for example...demolition, procurement of materials, etc.)
- Provide conceptual and design phase estimates for construction.
- We are your advocate for construction disputes and can see “both sides” of a disagreement.
- Provide a ***transparent***,” open book” method of cost control and accounting so you have an opportunity to be fully engaged in how your money is being spent in the construction process.
- Exercise control over the selection of subcontractors with generally a larger pool from which to choose. There is sufficient time, after receipt of bids, to analyze subcontractor quotes and finalize scopes and costs of work.
- Fiscal accountability is critical and most cost savings on the project can revert directly back to you.



Services offered by **WGi** include the following:

Conceptual Phase and Design Phase: There are often advantages to obtaining construction expertise during the early planning stages of a project. Services offered by **WGi** during planning stages include the following:

- **Feasibility Studies/Conceptual Budgets:** **WGi** can help you determine the viability of your project by reviewing potential sites, providing conceptual estimates and assisting with market analyses and validation of pro forma assumptions.
- **Selection of a Design Team:** **WGi** can assist the Owner in selecting the most qualified design team to develop project plans and specifications. This can often include specialty contractors that can perform "design-build" based scopes of work.
- **Budget and Cost Estimating:** Our Preliminary budgets, based on historical data for similar projects and trade contractor and vendor input, will help you determine the feasibility of the initial scope of work. More refined estimates are developed during the design process to pinpoint the necessary construction budget items, and provide a basis of comparison to contractor bids.
- **Constructibility Review:** A review of design plans and specifications will help you verify that the design as presented is clear to the contractors, poses less construction conflicts, and is economically feasible to build.
- **Value Engineering:** **WGi** can provide a review of the design plans and specifications and offer alternatives that can increase Owner value by providing cost effective changes to the design and construction method without compromising the design intent.
- **Contract Bidding:** **WGi** can assist the Owner in pre-selection of trade contractors and development of the bid package to ensure that the contractor selection process is fair and provides the best value to the Owner.
- **Permitting:** **WGi** can obtain permits during the bid phase and save some significant time at the beginning of the construction phase of your project.

In fact, **WGi** is often very cost effective during the planning stages of the project, since we can provide the careful planning and organization skills that can help prevent costly problems during construction. Properly executed services such as constructibility reviews and preliminary scheduling can result in significant risk reduction and cost savings many times the initial cost in terms of limiting change orders, delays, and contractor claims. Here you can maximize the benefits of **Transparent Construction Services™** in a professional advisory role throughout the design and construction process because we have no financial interest in the construction contracting.

Construction Phase: **WGi** provides a variety of services during construction, including the following:

- **Managing Overall Field Construction and General Conditions:** **WGi** provides the necessary on site Project Supervision and Project Management staff to direct the day-to-day construction, sequencing, quality assurance and coordination of the work. We provide the oversight and management of the Project's general conditions and make available a **transparent** "open book" accounting of costs. This often results in cost back to the Owner as a percentage of the savings that can be split between the Owner and **WGi**.
- **Construction Inspection and Compliance:** Virtually all Owners desire some type of examination of project performance on a continuous or periodic basis; to review progress, ensure compliance with specifications and plans, to monitor compliance with the various permits and other governmental and environmental requirements and to review housekeeping and safety issues.



We can perform this service in conjunction with the design team. We can provide this service on a weekly or monthly basis.

- **Project Controls:** These services are provided to ensure that the project is efficiently and effectively managed. They include maintenance of project correspondence, conducting progress meetings, handling submittals and requests for information, documentation of progress and reviewing pay requests, schedules materials stored on site.
- **Change Order Review:** These services include negotiation of change orders with the trade contractors, coordination with the designer over design changes, determination of responsibility for changed conditions or coordination conflict, and review of price and schedule changes.
- **Project Closeout:** Review of the project to ensure orderly and timely completion, including development of punch lists; monitoring of implementation, training and warranty periods; resolution of outstanding issues; and review and analysis of claims or disputed issues.

WGi's method of managing the design and construction process provides you with a **transparent**, "open book" review of all the costs on the project. All construction costs are available for your review and we encourage your participation in the process. We want you to be absolutely sure how your funds are being spent. After the project is complete and all direct costs of the work are reconciled, 100% of any savings is returned to you. Additionally, "General Conditions" costs (costs that are incurred to facilitate construction at the site...) are monitored and are available for you review. These costs can vary, based on specific and unique circumstances of the project. Generally, the Owner and WGi split the savings associated with these costs. This provides a financial incentive to the on-site project team to maximize the opportunity to save money.

Our fees are very competitive. We base our fees on the value and complexity of the project and the expected duration. Our fees are fixed at the beginning of the project and change only if the scope of work changes the value, complexity or duration. You know, up front, exactly how much you are paying for our services.

Our goal is to provide you with value with our Transparent Construction Services™ in an open, honest relationship. We welcome the opportunity to serve you.



About Us...

Wickberg Group, inc. (WGi) was founded on the belief that construction can be FUN, SUCCESSFUL and HONEST for everyone in the process.

Our goal is to BUILD...relationships, projects, friends... through a commitment to excellence, honesty, transparency and value. We want you to call us whenever you have a construction need, question, or problem. With generations of experience, we can offer expert solutions, opinions and advice.

Let us take all the various pieces of your construction puzzle and put them together... It's what we do!

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Construction Phase Services

WGi approaches the Construction Phase of your project with a very “hands on” method and we pay attention to the details! We undertake only select projects and do not have a large cost of overhead to have to charge high fees for our services. This enables us to offer to you substantial savings on your overall construction costs.

We are able to offer you more value for your construction dollars in several ways

- Subcontractor selection and pricing
- Lower fees and lower costs
- Savings on the overall cost of the work
- Shared savings on the general conditions cost of the work.

Subcontractor Selection and Pricing

The “low bid” is always the “lowest price!?” This is a misnomer that often confuses Owners and Designers into thinking that the lowest price is by the competitive bid approach. Most general contractors subcontract 90-100% of the “cost of the work.” On a bid day, the General Contractor (GC) engages in a chaotic process where over 100 different bids are received and reviewed. He then has to add “contingency” to cover unexpected gaps in a subcontractor bid...Also, subcontractors are rushed to prepare their bids and may give preferential treatment to one GC over another. This whole process is fraught with potential for mistakes and often results in a GC that has a “low bid” but not the best price. See table No.1 for subcontract bid tabulation sheet for a sample \$10M project.

Our Transparent Construction™ Services process greatly reduces the guesswork, chaos and potential for mistakes in the bid process. Because we are acting on your behalf, we are able to prioritize the bid process, select subcontractors for their price, quality of work and availability. We are also able to “package” bids as needed, not all at once, and allow subcontractors a reasonable time to prepare a bid and can review their scope of work for accuracy, completeness and negotiate the best price for the work. A GC does this work, as well, but all cost benefits of negotiations goes in his pocket. With the TCS™ process, 100% of all final savings goes back to you.

WGi Transparent Construction Services™ Sample Project Savings

Subcontract Bid Tab

Scope	Low Ball	High Cost	WGi Wickberg Group, Inc.
	Construction	Construction	
Demolition	\$ 350,000	\$ 375,000	\$ 350,000
Site Work	\$ 1,250,000	\$ 1,300,000	\$ 1,250,000
Concrete	\$ 450,000	\$ 500,000	\$ 450,000
Steel	\$ 1,350,000	\$ 1,250,000	\$ 1,250,000
Equipment	\$ 650,000	\$ 550,000	\$ 550,000
Controls	\$ 3,250,000	\$ 3,100,000	\$ 3,100,000
Mechanical	\$ 1,000,000	\$ 1,150,000	\$ 1,000,000
Plumbing	\$ 450,000	\$ 450,000	\$ 450,000
Electrical	\$ 1,250,000	\$ 1,400,000	\$ 1,250,000
Total	\$ 10,000,000	\$ 10,075,000	\$ 9,650,000
Savings			\$ 350,000
Percent			3.6%

Table No. 1



Lower Fees

WGi is able to offer lower fees because we utilize a system of “partnering” with other professionals in the industry to utilize the resources we need, only for the time we need them. Because we are selective in the type of project and Owners we work with, we do not need to have a staff of estimators, administrative assistants, and several layers of management to manage your project. All this extra “overhead” has costs unrelated to your project. Why pay for these extra costs? Our fees are very competitive. We base our fees on the value and complexity of the project and the expected duration. Our fees are fixed at the beginning of the project and change only if a change in the scope of work changes the value, complexity or duration. You know, up front, exactly how much you are paying for our services.

Savings on the Overall Cost of the Work

The basic principle behind our Transparent Construction™ Services is that of openness and honesty. We present and document all the costs to you in an “open book format”, “out in the sunshine” as it were. We show you the subcontractor bids, vendor pricing, trade contract agreements and purchase orders. We develop the overall schedule and gain your input. All changes to the work are documented and subcontractor quotes, material and labor costs are all tracked and presented to you for approval before the work begins... This assures you of no “hidden” costs. All the savings are documented and tracked and 100% of it is returned to you. We keep none of the savings. This savings can be used to reduce the contract amount, or be used to add more work to the project. To cover unexpected changes, misunderstandings in scope, errors, etc., we suggest you maintain a “contingency reserve.” This contingency is kept “in the sunshine” and all costs not used are yours! GC’s will keep their unused contingency to increase profit. Because we can do a thorough job of scoping the work out, this contingency is often not needed or can be used to enhance the project. Our goal is to provide you with value and reassurance that the dollars you invest in your project are well spent.

Shared Savings on the General Conditions Cost of the Work

On a construction project, “General Conditions” are those costs that are incurred to facilitate construction at the site. These are costs such as Supervision and Management; job or storage trailers; field office equipment and supplies; temporary utility costs such as electric water, phones; safety and security costs; temporary/rental equipment and small tools and supplies; permits and insurance, surveying; plans and documents, postage and delivery, etc... These costs can vary, based on specific and unique circumstances of only your project, but do not include “home office” expenses that are not related to your specific job... All these costs are estimated at the start of the job and we track, review and document all these costs. At the completion of the job, the Owner and WGi split the savings associated with these costs. This provides a financial incentive to the on-site project team to maximize the opportunity to save money.

Compare our services and characteristics to that of a typical General Contractor bid type project. Our methods of service differs from the “Design – Bid – Build” (DBB) process where you employ a designer who prepares the plans and specifications, then bid the work to the construction marketplace and hire the general contractor with the lowest price to build what was shown on the plans. See Table No.2 for an example of probable construction costs for the sample \$10 million project. It compares a DBB bid compared to a WGi process. The results may surprise you!



Probable Construction Costs



	Low Ball Construction	
Direct Cost	\$ 10,000,000	\$ 9,650,000
Contingency	\$ 500,000 5%	\$ - 0%
General Conditions	\$ 800,000 8%	\$ 772,000 8%
Subtotal	\$ 11,300,000	\$ 10,422,000
	\$ 11,300,000	\$ 10,422,000
OH&P	\$ 904,000 8%	\$ -
Administrative Costs		\$ 234,495 2.25%
Fee		\$ 364,770 3.50%
Total	\$ 12,204,000	\$ 11,021,265
Total less direct costs	\$ 2,204,000 22%	\$ 1,371,265 14%
Savings	\$ 1,182,735	
	10.7%	

Table No. 2

Some differences between the DBB and WGi Transparent Construction™ Services process include:

DBB Process

Transparent Construction™

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Overall time is generally the longest. ▪ Owner and designer are often in an adversarial relationship with the General Contractor. ▪ Claims and disputes occur more often. General Contractors are under pressure to provide only the minimum amount of work required by the contract documents. ▪ Owner has minimal knowledge of scope and cost of the work. | <ul style="list-style-type: none"> ▪ Reduce the timeframe by Phasing Design and Construction. We can obtain permits upfront. ▪ We are your <u>advocate</u> and work with you. We have no vested financial interest. ▪ We are looking out for your interests and can mediate disputes with trade contractors. ▪ You have a complete knowledge of the costs and scopes of work. We are <i>Transparent</i>. |
|---|--|



- Contractor's pressure to submit the lowest bid may result in the use of marginal subcontractors. A hurried bid on "bid day" results in potential errors and missed bids.
- We take the time to develop bid packages, review and negotiate with subcontractors fairly and ***pass all savings on to you.***
- Owner pays a price for the cost of the work and the contractor benefits from any and all savings
- Owner knows the price at the start and you benefit from savings.
- Changes in the project often lead to inflated "Change Order" costs because of a lack of documentation on actual costs.
- All Change Order costs are reviewed and documented and approved by you before the work begins.

Comprehensive management of every stage of the project, beginning with the original concept and project definition, yields the greatest possible benefit to you. Our process can generally offer you some savings in the indirect costs of a project by reducing mark ups and fees usually associated with lump sum general contracting.

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Let us take all the various pieces of your construction puzzle and put them together... It's what we do!

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