



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 80% to 100% of the “cost of the work.” On a bid day, the general contractor engages in a chaotic process where numerous 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 contractor over another. Often, the general contractor does not receive all the lowest bids. This whole process is fraught with potential for mistakes and often results in the general contractor’s bid that is only “low” on bid day... In reality, may not have the best available price. See table No.1 for a sample subcontract bid tabulation sheet for a sample \$1 million 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.

With Transparent Construction™, we focus on *your best value and **100% of all final direct cost savings goes back to you.***

WGi Transparent Construction Services Sample Project Savings

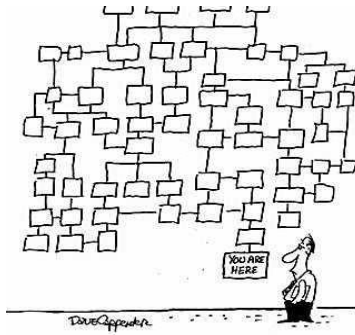
Subcontract Bid Tab

Scope	Low Ball	High Cost	WGi Wickberg Group Inc.
	Construction	Construction	
Demolition	\$ 35,000	\$ 38,000	\$ 35,000
Site Work	\$ 125,000	\$ 132,000	\$ 125,000
Concrete	\$ 45,000	\$ 50,000	\$ 45,000
Structural Steel	\$ 138,000	\$ 125,000	\$ 125,000
Roofing	\$ 65,000	\$ 55,000	\$ 55,000
Finishes	\$ 325,000	\$ 310,000	\$ 310,000
Mechanical	\$ 100,000	\$ 115,000	\$ 100,000
Plumbing	\$ 45,000	\$ 45,000	\$ 45,000
Electrical	\$ 125,000	\$ 140,000	\$ 125,000
Total	\$ 1,003,000	\$ 1,010,000	\$ 965,000

Table No. 1

Lower Overhead = 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! Most General Contractor’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... If WGi manages the General Conditions 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.



How can we compare?

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 the designer 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. At the table to the right is an example of probable construction DBB costs for the sample \$1 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	\$ 1,003,000	\$ 965,000	
Contingency	\$ 50,150 5%	\$ - 0%	
General Conditions	\$ 80,240 8%	\$ 77,200 8%	
Subtotal	\$ 1,133,390	\$ 1,042,200	
	\$ 1,133,390	\$ 1,042,200	
OH&P	\$ 113,339 10%	\$ -	
Administrative Costs		\$ 20,844 2.00%	
Fee		\$ 48,000 4.61%	
Total	\$ 1,246,729	\$ 1,111,044	
Total markup of direct costs	\$ 243,729 24%	\$ 146,044 15%	
Savings		\$ 97,685	
% of Direct Cost		10.1%	

How do we differ?

Some of the difference between the Design – Bid – Build (DBB) and the WGi Transparent Construction™ Services process include:

Traditional DBB Process

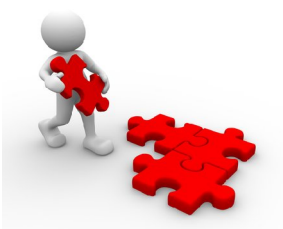
WGi Transparent Construction™

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| <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. | <ul style="list-style-type: none"> ▪ Reduce the timeframe by Phasing Design and Construction. Obtain permits upfront. ▪ We are your advocates and work with you. We have no vested financial interest. |
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- 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 control over performance of the work
- 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.
- Owner pays a price for the cost of the work and the contractor benefits from any and all savings
- Changes in the project often lead to inflated "Change Order" costs because of a lack of documentation on actual costs.
- 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 *Transparent*.
- We take the time to develop bid packages, review and negotiate with subcontractors fairly and pass all savings on to you.
- You know the price at the start and you benefit from savings
- 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.

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, openness 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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