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DATE: 18 September 2017
PROJECT: Webb County Youth Village Rehabilitation Center
PROJECT NO. 1109

Webb County YVRC Value Engineering Summary

The following is a summary of the Value Engineering (VE) options for the cost reduction of the proposed Webb County Rehabilitation Building. The information is based on the competitive sealed bid received from Summit Building and Design. Our team met with the contractor to explore possible cost saving options and also provided the contractor with some VE recommendations. These included the acceptance of some deduct alternates (incd. in the original bid documents), the removal of the JJAEP cafeteria, removal of the kitchen equipment at the Rehab and JJAEP cafeteria, and removal of some of the building and park features. For this the contractor was provided with revised VE drawings for review of possible project savings. The contractor was also informed that all the VE options and possible cost recommendations are pending Webb County approval.

In summary, Option 1 will keep with the original design and allow for a cafeteria for both the new Rehab bldg. and the existing JJAEP School. Both buildings will operate separately as required. All pending add alternates included in the original bid documents may also be incorporated in the future if needed. Option 2, although it provides the biggest cost savings, it also eliminates the much needed cafeteria building for the JJAEP School. Currently the school provides meals for the students in the classrooms. This option also deletes the kitchens for both the Rehab and JJAEP. The outdoor areas including the basketball court will remain for both options.

Attached you will find our proposed layout of the value engineering options and budget summary, Please do not hesitate to contact us if we can be of any further assistance, or if there are any questions.

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Proposed V.E. Option 1

The base bid total received from the contractor is \$3,840,000 (excluding the Add alternates No. 1- Walking Trail, No. 6 - Addition of (72) parking spaces and No.7 - Addition of decorative iron fencing which may be incorporated in the future) The total savings for **Option 1 is \$153,800**. The VE savings include the reduction of the project contingency from \$120k to \$30K, a savings of \$90K. The contractor also provided an in-kind reduction of \$35,232. Other savings include eliminating windows on the Rehab building west façade, replacement of metal panel type, and savings on allowances provided for construction testing for a total of \$28,568.

The revised project cost total is **\$3,686,200.00**

Option 1- Value Engineering Summary

I. Original Proposal Amount – Base Proposal		\$ 3,840,000.00
(Excluding Add Alternates No. 1, 6 & 7)		
II. Proposed VE Items		
1. Contractor In-kind Cost Reduction	\$ (30,000.00)	
2. Replacement of Alucobond Panels with metal panels	\$ (17,000.00)	
3. Reduction of windows West Elevation (133sf @\$46/sf)	\$ (6,118.00)	
4. Contractor In-kind for (accommodations and travel)	\$ (5,232.00)	
5. Testing and Geotechnical	\$ (5,450.00)	
6. Reduction of Project Contingency	<u>\$ (90,000.00)</u>	
	Sub-total	\$ (153,800.00) < \$ 153,800.00 >

Revised Project Cost Total \$ 3,686,200.00

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Proposed V.E. Option 2

The base bid total received from the contractor is \$3,840,000 (excluding the Add alternates No. 1- Walking Trail, No. 6 - Addition of (72) parking spaces, and No.7 - Addition of Decorative Iron Fencing which may be incorporated in the future). The total savings total for **Option 2 is \$1,107,074.**

The VE savings include the acceptance of Deduct Alternates No. 3 - Delete Kitchen Equipment at Rehab Bldg.; Deduct Alt. No. 4 - Cafeteria Finish-out; Deduct No. 5 – Delete Kitchen Equipment at JJAEP Bldg; Delete Park Concrete Benches for a total of \$352,676.

Other cost savings include a contractor in-kind savings of \$35,232., the deletion of the JJAEP Cafeteria bldg., a total of 2,587 sf for a savings of \$592,760. In addition reducing the project contingency by \$90K, eliminating windows on the Rehab building West façade, replacement of metal panel type and savings on allowances provided for construction testing for a total of \$28,568. Also, the replacement of the elevator model allows for an additional savings of \$7,838.

The revised project cost total is **\$2,732,926.00**

Option 2 - Value Engineering Summary

III. Original Proposal Amount – Base Proposal		\$ 3,840,000.00
(Excluding Add Alternates No. 1, 6 & 7)		
IV. Alternate Deducts Items (Included in Bid Documents)		
1. Alt. Deduct No 3 - Delete Kitchen Equip. at Rehab. Bldg.	\$ (49,500.00)	
2. Alt. Deduct No 4 - JJAEP Cafeteria Finish-out	\$ (188,563.00)	
3. Alt. Deduct No 5 - Delete Kitchen at JJAEP Bldg.	\$ (105,730.00)	
4. Alt. Deduct No. 8 - Delete Park Concrete Benches	\$ (8,883.00)	
Sub-Total	\$ (352,676.00)	
V. Proposed VE Recommendations		
7. Contractor In-kind Cost Reduction	\$ (30,000.00)	
8. Removal of JJAEP Cafeteria 2,587sf	\$ (592,760.00)	
9. Replacement of Alucobond Panels with metal panels	\$ (17,000.00)	
10. Thyssenkrup Elevator - Replacement Model	\$ (7,838.00)	
11. Reduction of windows West Elevation (133sf @\$46/sf)	\$ (6,118.00)	
12. Contractor In-kind for (accommodations and travel)	\$ (5,232.00)	
13. Testing and Geotechnical	\$ (5,450.00)	
14. Reduction of Project Contingency	\$ (90,000.00)	
Sub-Total	\$ (754,398.00)	<\$ 1,107,074.00>
Revised Project Cost Total	\$ 2,732,926.00	