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The background of the page is a photograph. In the foreground, there is a pile of various coins, including copper, gold, and silver ones, scattered on a dark, textured surface. In the background, a large, blue, rectangular container or bin is visible, slightly out of focus.

WAYS TO SAVE MONEY DURING COMMERCIAL CONSTRUCTION PROJECTS

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INTRODUCTION

If you are contemplating a new project for commercial construction build, there are a few things to keep in mind prior to getting started. A few items include the designs, plans, timetable, and all the financial estimates. These are important factors to be aware of ahead of time so that you can avoid unnecessary expenses.

No matter what type of commercial building you plan to erect, saving money along the way is always a good idea. There is no question that construction costs can be expensive and obtaining a loan may also seem out of the question. So, you likely need to stay on a budget to see the construction completed until you take delivery.



ESTABLISH AND MAINTAIN A BUDGET

Developing and maintaining a budget will allow you to avoid any delays or changes throughout the construction process. Although not all circumstances are avoidable, having a budget can provide the necessary framework to contain expenses. Not reviewing and maintaining a budget could cause overspending on items and supplies that are unnecessary. With a budget, you can add in extra features to reflect the total budget so that you are able to cover project expenses.

The budgeting process should include the following:

- Creating a complete budget for the project early in the process.
- Analyze requirements and plans to define the scope.
- Review detailed line items for cost estimates.
- Determine expense and timeframe for regulatory approvals.
- Prepare rough draft of a comprehensive budget.
- Identify permitting, inspection and testing expenses.
- Set FF&E designs and budgets.
- Create variances for rework and contingency funds.
- Analyze requirements for cash flows.
- Identify and manage potential improvements for expenses and timetables.
- Implement cost controls and KPIs for tracking milestones.

CHOOSING A GENERAL CONTRACTOR FOR YOUR PROJECT

Choosing the right commercial contractor will be the most important choice to make as you plan a new project. This one decision can determine the outcome of your project, as well as how smooth the process is for the build. If you happen to make a wrong decision, then you can expect many unwanted issues that may cause work order changes or even a postponement of the completion of your building. During the initial stages, your commercial contractor needs to have complete interest in providing you with all the details of what to expect from the construction process. You also need to be fully aware of everything in order to make important decisions during the project.

By choosing the right contractor, you will be reassured that they will complete your project without delay and perform the work in a smooth manner. In addition to being licensed, bonded and insured, they will also have a solid reputation within the community. Be sure to ask for references from architects, engineers, or other professionals in the industry who they trust to work with. You will know when you have the right commercial contractor because they will be easy to communicate with, be professional and identify ways that can save money during the process.

ENSURE ENERGY EFFICIENCY

Going “green” is more than just a catchphrase, it can save you money on long term operating expenses. This term can have several different applications, such as better utilization of water or energy, improved indoor air quality, using sustainable materials, and promoting renewable energy sources. When it comes to saving money and maintaining efficiency, they both easily go hand in hand. There can be a higher initial cost involved to obtain greater energy efficiencies but having them will help save money every month. Not only will your energy efficiency investment will pay off monthly, but you can rest assured that you are making the world a better place by making environmentally friendly choices.

When you invest in energy efficient methods, you will quickly see how much money a small initial investment can pay off financially. Using energy efficient materials such as double-pane windows or high-quality insulation, you will promptly notice the difference in heating and cooling costs. Governments and utility companies often provide rebates and tax incentives for building operators who choose to implement green initiatives in their properties. Building owners can also pursue green certifications such as LEED, Energy Star and National Green Building Standard to enhance their marketability and to attract higher quality tenants.



AVOID SCOPE CREEP

If there isn't a solid plan going into a commercial construction project, then you are setting yourself up for potential problems such as higher expenses and delays in schedule. To avoid these issues and save as much money as possible, you need to stick to the original plan. Create a layout of how you want your project to be and stay focused on it. Flush out all potential features ahead of time so there aren't unexpected costs.

UTILIZE PREFAB MATERIALS

Besides using green materials, you can also incorporate prefab materials into the construction process. Traditional construction materials such as wood, concrete and steel can result in higher amounts of waste during construction process. With prefabricated materials, ready-made components are assembled off-site and delivered as needed. While prefab was used primarily in hotel construction, there are many innovative advancements that allow prefab units to be incorporated in offices, retail and other commercial real estate structures. Prefab materials can offer following benefits:

- Financial savings – the built-in cost-efficiencies and volume discounts using prefab materials make it worth considering whenever available.
- Eco-friendly – prefab materials result in less waste going into landfills and they provide superior insulation as well.
- Flexibility – prefab materials offer different configurations and design flexibility.
- More consistency – using the same plans allows for uniform quality and consistency.
- Minimal site disruption – since they are assembled off-site, there is less traffic, deliveries, and raw materials on a job site.
- Reduced construction time – prefab materials help to reduce the overall construction schedule and enables contractors to deliver projects sooner.



INTEGRATE DESIGN-BUILD DELIVERY SYSTEM

Integrating design-build practices can easily save you from spending too much on a new building. In the past, each area of expertise and company had to be hired separately for a construction project. Trying to coordinate all the different schedules and overlapping requirements was wasteful and inefficient. With design-build delivery system, the design and build teams all coordinate together to bring the project to completion. This collaborative effort allows all stakeholders to have better communication and ensure that the project is completed on time and on budget. Although not everyone in the industry uses design-build, developers or commercial contractors experienced with this technique can provide a more comprehensive and cohesive build experience.

KNOW LOCAL REGULATIONS

Just like any other type of commercial construction project, you need to make sure to follow all local regulations where the property is located. This includes filing the required permits from the local government entities, as well as following state and local building codes and other applicable laws. Without adherence to local regulations the project can incur significant delays and even fines which can quickly add up. Experienced commercial contractors can help newer owners navigate these potentially complex processes.



KNOWING WAYS THAT CAN SAVE TIME & MONEY

Knowing ways to save money during a build is important for any type of construction project. It is also important that you sit down with your contractor to get the full scope of everything that it involves. It should already be apparent that you require being included in the entire process, but many often leave it all to the construction company and their discretion. However, when you have the contract in hand, you need to become familiar with it thoroughly. You need to ensure that there are no extras that you know you don't need. Plus, if you do notice things you don't want, you can have it removed before work begins. Removing things from the contract that you don't want or need will allow you to save money in the short term as well as over the long term. Adjusting the contract now is better than being stuck with items that you do not need. Being familiar with the contract will also allow you to spot items that you may know how to take care of at a cheaper price by doing it yourself.

Knowing ways to save time can also help save money over time. This is accomplished by having the right commercial contractor that has an established track record with your type of structure needs. If you are unfamiliar with the construction process, then consider hiring a project manager. They can help coordinate between all the different companies and entities and focus on keeping the project moving forward.

CONCLUSION

While starting a new construction build can be overwhelming, accurate planning and professional commercial contractors can make all the difference. Maintaining a budget, avoiding scope creep, going "green", using prefab materials, and knowing local regulations can all help save money during construction of a commercial building.

ABOUT CIVE®

CIVE® is an upscale Design-Build firm, specializing in top-down build process driven by value engineering – from state-of-the-art design, leading-edge engineering, high-quality construction, and elite project management.

Our strengths lie in a rich mix of talent, experience and ingenuity. Our clients can depend on us to anticipate industry changes and plan for the future, while providing most practical and cost-effective solutions. CIVE® devotes customized, individual service to all its clients, whether large or small.

Specialties: Commercial & industrial design, civil engineering, structural engineering, mechanical engineering, electrical engineering, plumbing, general contracting, construction management & project management.



Corporate Headquarters
5444 Westheimer Rd, Suite 1440
Houston, Texas 77056
Phone : 281-870-8727
Fax : 281-870-8728

