



# MEMORANDUM

Planning • Architecture • Engineering • Interiors • Facility Management

**TO: Adams County Board of Commissioners**

**FROM: Curt Field, Architect/Principal**

**DATE: 12-02-2021**

**SUBJECT: Project Status to Date**

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- Prior to the COVID pandemic, and the ensuing Construction Cost volatility, Prochaska & Associates (P&A) estimated the combined Justice Center *construction* cost – for both Jail and Courthouse, at \$31,000,000, and with a maximum Bond ceiling of \$38,000,000.
- The Board opted to retain a Construction Manager-at-Risk (CMr), to take full advantage of the advance cost-estimating skills, construction “means and methods” knowledge, and early procurement benefits possible with this form of Contract. The CMr typically charges a “Pre-Construction Services” Fee, then provides a Guaranteed Maximum Price (GMP) figure *well ahead* of Bidding and Construction, then conducts a traditional Competitive Bid process of all Subcontractors.
- A competitive process was also used to select CMr candidates, as prescribed by Nebraska Statute 13-2901. Prior to selection, two of the three finalists essentially agreed with the P&A estimate. Beckenhauer Construction was ultimately hired by the County.
- Following Bidding, the CMr typically functions by contract just like a General Contractor.
- Following the hire of a CMr, a project is usually *traditionally* Bid; that traditional Bid Date for the Adams County project has been tentatively scheduled for February 28<sup>th</sup>, 2022.
- Voluntary Subcontractor preliminary pricing to achieve a GMP was solicited following the hiring of the CMr, and Beckenhauer began to see the impact the recent COVID-based inflation, and limited material availability would cause, and subsequently advised the County and Architect that the project, as originally drawn would be substantially over-budget. During the following discussion period, the County ultimately agreed with regret to delete the new Courts building, leaving the Jail—the primary need identified—to be built alone, with the designed Courts facility to be a future project.
- Similar examples of large Construction Projects being substantially over-budget were simultaneously occurring across the State, and the entire Country, and this continues today.

## PROCHASKA & ASSOCIATES

11317 Chicago Circle • Omaha, Nebraska 68154-2633

Telephone: (402) 334-0755

FAX: (402) 334-0868

Website: [www.prochaska.us](http://www.prochaska.us)

- Prochaska & Associates' Schematic Design Documents delivery package was formally issued to Beckenhauer Construction and the County on June 18<sup>th</sup>, 2021.
- During the protracted discussion and re-scoping period, only limited progress was possible for Drawing and Specification development. Now that the discussion/re-scoping has been substantially completed, Prochaska & Associates is back working hard to finish the formal Bidding Documents. The Design Development phase documents were issued on November 1<sup>st</sup>, 2021, and the Architect is currently working towards a *tentative* completion date for the Construction Documents phase of February 2<sup>nd</sup>, 2022.
- Because of material scarcity, a number of materials first selected were subsequently changed to others more readily available. In addition, because of threatened longer materials lead-times following a Subcontractor commitment, some material systems will have to be ordered well in advance. For example, the Roofing Materials required a 200+ day delivery lead-time, forcing Beckenhauer to conduct competitive Bidding processes (again, openly-advertised and permitted by statute) to have them on-hand when needed, and to avoid more escalated costs. Another "early package" scheduled ahead of formal Drawing completion, and for similar reasons, is for precast concrete wall and roof panels. There may still need to be more such advanced ordering done, and for similar reasons.

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E-Mail: [mail@prochaska.us](mailto:mail@prochaska.us)