

VALUE IN ACTION

Documented Benefits from the Hixson Construction Administration Group

Insight...Advocacy...Intelligent Project Execution...These values, which are prominently displayed on the back of every Hixson business card...are the foundation upon which our firm has been built and that we strive to deliver to our clients on a daily basis. The Hixson Construction Administration (CA) group focuses on these values with every interaction, be it with the clients whom we serve, the contractors with whom we work, or even with our own Hixson associates. Below are recent examples of how Hixson CA strives to always work in our client's best interest, save money, and avoid future problems, regardless of whether or not a full-time Owner's Representative, Construction Manager, or General Contractor are also on site.

Project: Production Facility Renovation

Value: *Making sure construction work meets design requirements.*

- The Hixson CA site visit coincided with a one-day plant shutdown. One of the planned activities was the setting of roof curbs for the duct penetrations, installing flashing in the curbs, cutting out the deck for the openings and any additional related roof repairs. As the contractor was discussing the planned activities, the CA asked about the steel deck supports that are required at all these openings. Some members of the contractor's team thought this was already in place, while others did not realize it was required and wanted to see where it was noted on the drawings. After showing at least three different locations on the drawings, several different installation scenarios and options were discussed. The roof curbs were not able to be installed since they had not considered this support steel. It also turned out that the contractor had the material scope covered by two sub-contractors but not the installation. Had the CA not raised the issue, the contractor would have cut the decking without the required steel, compromising both the structural integrity of the roof and the safety of those on and below the roof.

Project: Beverage Facility Renovation

Value: *Preventing duplicate charges pays for Hixson CA services.*

- Hixson CA reviewed a bid package summary to approve changes that occurred after an earlier bid package, and discovered a discrepancy in cooling tower pricing. In the summary, the contractor submitted a change of \$63,997 for the tower's electrical work. However, Hixson CA noted that the contractor had previously submitted, and subsequent approval had been given, for the cooling tower pricing. Consequently, the contractor eliminated the duplicate pricing – a savings which nearly equaled Hixson's CA fee for the project.

Project: Manufacturing Facility Line Upgrade

Value: *Paying attention to the details saves money.*

- The CA assigned to the project was reviewing a proposed change order submitted by the general contractor for a change bulletin that had been issued. The CA saw that the electrical subcontractor included 10% for overhead and another 10% for profit in the pricing for electrical and automation scopes of work. The CA questioned the general contractor about this "error" and the GC submitted a revised price for the work. The original proposed change order was for \$523,901.71. The revised proposed change order is for \$506,785.71, realizing a cost savings of \$17,116.00 for the client.

Project: Dairy Plant Renovation - Southwestern United States

Value: *Finding discrepancies in billing saves client nearly \$200,000.*

- Concerned that some work may have been included in Potential Change Order (PCO) requests in duplicate, the client requested that the Hixson CA audit all costs submitted by the CM, even though Hixson was not asked to review most of the PCOs when originally submitted by the CM. In addition, there was a concern that the allowances in the contract had not been properly reconciled against actual cost. Upon review of the CM's bid packages, PCOs, and requested subcontractor back-up, Hixson found approximately \$500,000 of items that were not supported with the back-up data received. After presenting the audit results to the CM and requesting documentation to support the cost, the final value that Hixson determined to be unsupported cost changes equated to approximately \$305,000. Hixson reviewed the reconciliation of the allowances provided by the CM. The client negotiated \$180,000 in returned allowances.

**To view more examples of The Value of CA services,
click [here](#).**

The Hidden Value of Hixson CA

With increasingly tight budgets, some companies may consider cutting Construction Administration to save money. However, as shown, it is common that critical installation components and details can be missed. Hixson CA's involvement, therefore, often pays for itself.

Visit us at www.hixson-inc.com/insights/publications/ for additional project examples of how Hixson saves our clients money.