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Introduction



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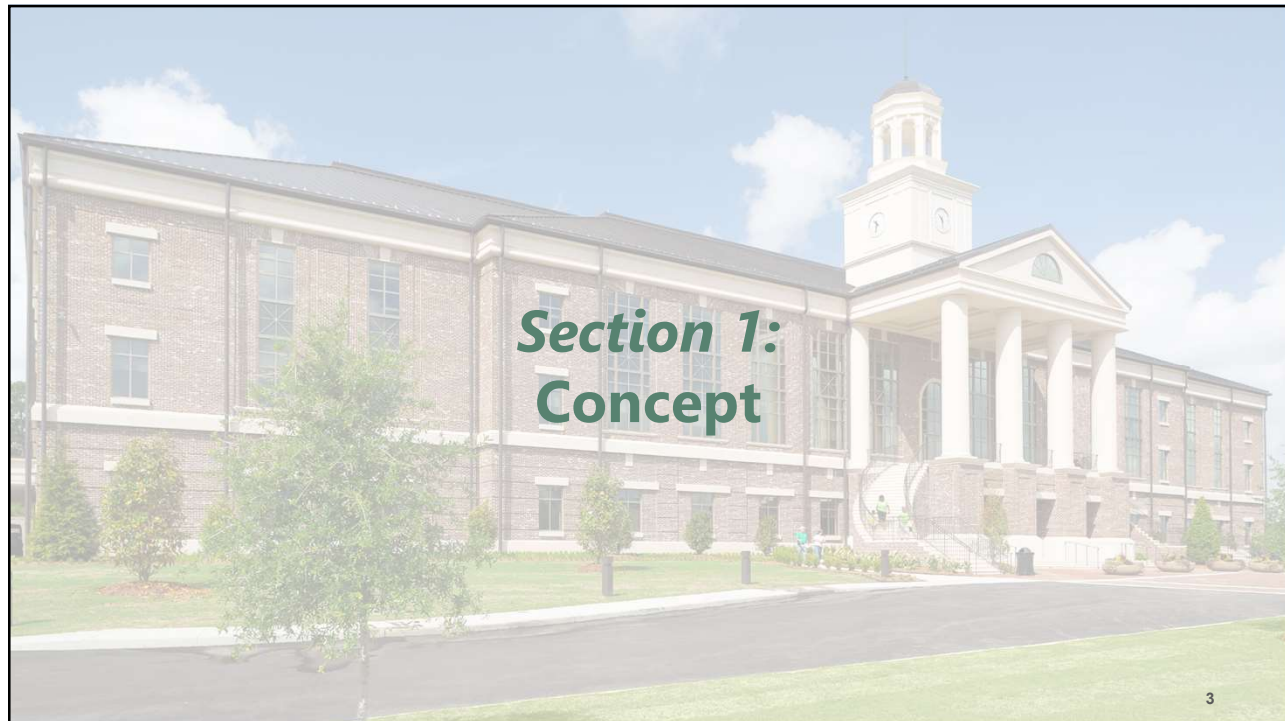
Ray Jones
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Initial Considerations

- **What is the Need?**
 - Are you out of space for employees/public/storage, etc?
 - Are there efficiencies to be gained in operations such as lower utility costs or leaving rental space?
 - Build new or rehab?
- **How Big?**
 - Conduct space needs analysis-start big
 - Plan for minimum of 25 years of growth, both population and staff
- **How Much?**
 - Select location of new facility
 - Based on space needs study, compare cost/sf of similar construction
 - Don't forget FF&E Costs, IT, moving



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Don't Use Your Neighbor's Costs for Your Budget

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PLAN YOUR SPACE

AIKEN COUNTY, SOUTH CAROLINA SPACE NEEDS UPDATE

REVIEW OF ADMINISTRATION AND COURT AND COURT RELATED SERVICES SPACE ALLOCATION

Table 22

Component: COURT AND COURT RELATED SERVICES - 3.000

Department: Solicitor - Worthless Check Unit - 3.200

Component Number	Personnel Description	Number of Area(s)	Net SqFt '10	Net Area Required '10	Remarks
3.200	Coordinator	1	120	120	
3.201	Clerk Analyst	2	64	128	
Personnel Subtotal			3	248	
			30% Circulation (Sqft)		74
			TOTAL PERSONNEL SPACE		322
			Area Per Person		107

Component Number	Support Area/Equip. Description	Number of Area(s)	Net SqFt '10	Net Area Required '10	Remarks
3.202	Reception/Waiting Area	1	60	60	3 to 4 persons
3.203	Counter Area	1	40	40	view into waiting w/cashier station
3.204	File Area	1	80	80	
3.205	Computer Room - Server	1	80	80	secure w/work surface
3.206	Supply Storage	1	40	40	
3.207	Copy/Work Area	1	60	60	
3.208	Coffee Station	1	20	20	

Support Space Subtotal	380
30% Circulation (Sqft)	114
TOTAL SUPPORT SPACE	494
TOTAL 2010 SPACE NEED	816
Building Gross Factor (25%)	1,021



Political Considerations

- Does the project have community support?
 - What does the community expect from the project?
 - What are County Council's expectations for project?
 - Will always have critics



Political Considerations



- Public engagement and input
 - Decide the right level of engagement
 - When would this level of input be needed



Q&A

- What has worked (or not worked) well for you for community engagement in planning a project?
- Tell us an example of a time you budgeted for a project and missed the mark. What did you learn?





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Cost: Wants vs. Needs

- The tension — how to deliver what everyone wants on budget.
- Cost must be a consideration every step of the way.
- Must consider the cost of the project and the costs you may save if you are consolidating space.



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Construction Methods

- Choose a construction method that fits your project
- Popular Options:
 - Design-Bid-Build
 - Design Build
 - Construction Manager at Risk



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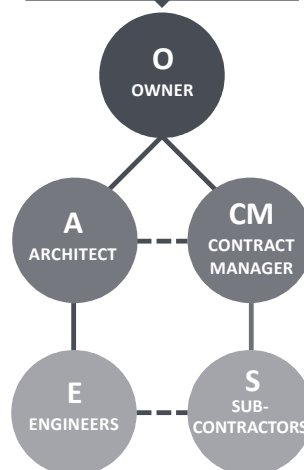
Construction Delivery Methods

CONTRACT: AIA B101
Standard Form of Agreement
Between Owner & Architect

PROS

- Most traditional / best understood method
- Longest legal history
- Can create highly competitive pricing
- Best for straightforward projects with adequate timeline
- Least personality driven

DESIGN/BID/BUILD



CONS

- Architect as owner advocate
- Pricing arrives late in process
- Low bid oriented
- Scope changes result in change orders
- Can create conflict



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Construction Delivery Methods

CONTRACTS:

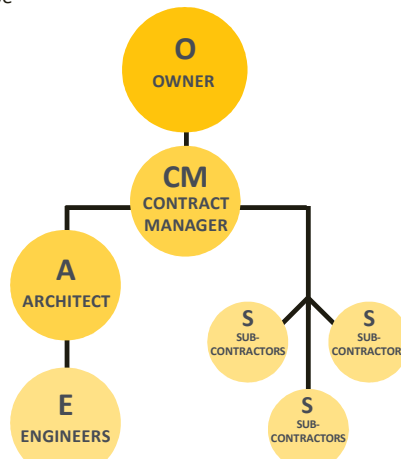
AIA B104: Standard Form of Agreement Between Owner & Architect for a Project of Limited Scope

AIA 141: Standard Form of Agreement Between Owner & Design Builder

PROS

- Works well for repetitive projects
- Allows for fast track timeline / schedule
- Early CM involvement
- Owner is not mediating the Designer and CM
- Guaranteed maximum pricing early
- Owner writes one check

DESIGN / BUILD



CONS

- Owner must accept some uncertainty
- Requires extensive pre-project communication
- Needs defined conflict resolution process
- Quality can sometimes suffer / Contractor-led
- Architect-as-Owner Advocate not promoted



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Construction Delivery Methods

CONTRACT: AIA B103

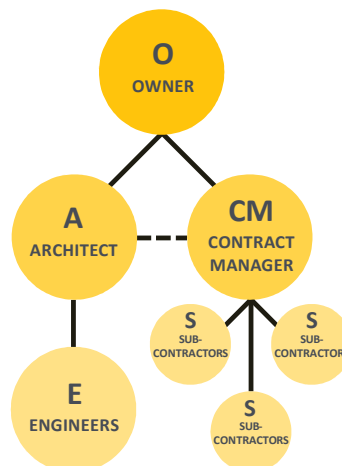
Standard Form of Agreement

Between Owner & Architect for a large or Complex Project

PROS

- Collaborative approach
- Pre-select CM after schematic design
- Crucial pre-construction services at each phase
 - Develop + confirm budgets
 - Provide input on materials and systems
 - Address constructability issues
- Schedule driven

CM AT RISK



CONS

- Need right mesh of personalities
- Contractor must be comfortable reporting directly to the Owner
- Owner needs sufficient expertise to manage both CM + Designer
- Designer + Builder have separate contracts with Owner
- Architect as owner advocate



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Takeaways on Construction Methods

- What could influence the method you choose?
 - Complexity of the project
 - Schedule
 - Design/Build may sometimes be quicker
 - Level of contractor interest
 - Design/Bid/Build does not always equal lowest price
 - Change orders
 - Level of risk



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Aiken County Timeline and Budget

- **Design Team Selection:** Spring 2010
- **Space Needs Assessment:** Spring-Summer 2010
- **Feasibility Studies:** Summer- Fall 2010
- **Start Design:** Winter 2010- 2011
- **Construction:** 2012-2014
- **Completion/ Move In:** April 15, 2014
- **Site Acquisition Cost:** \$1.9M
- **Total Project Cost:** \$38M
- **Total Construction Cost:** \$28.5M



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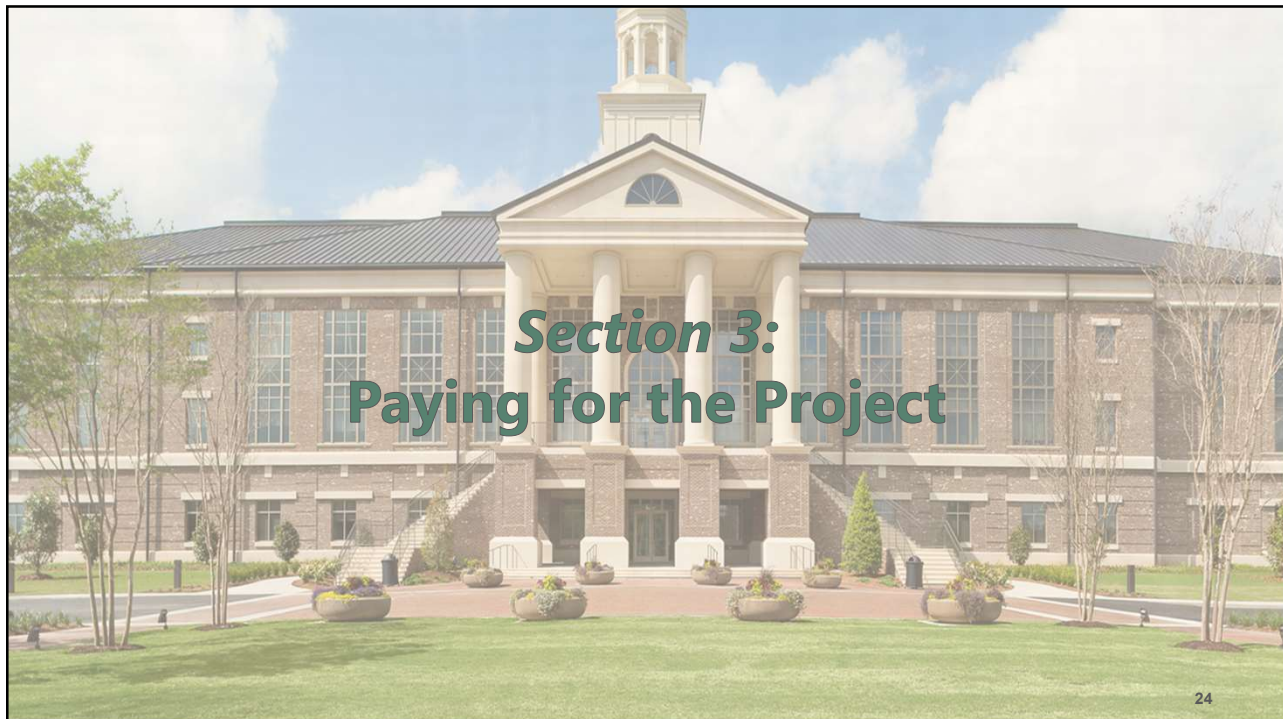
Q&A

- What challenges have you faced trying to right-size a project?
- Has anyone had an experience where one of the construction delivery methods created an unseen challenge down the road?



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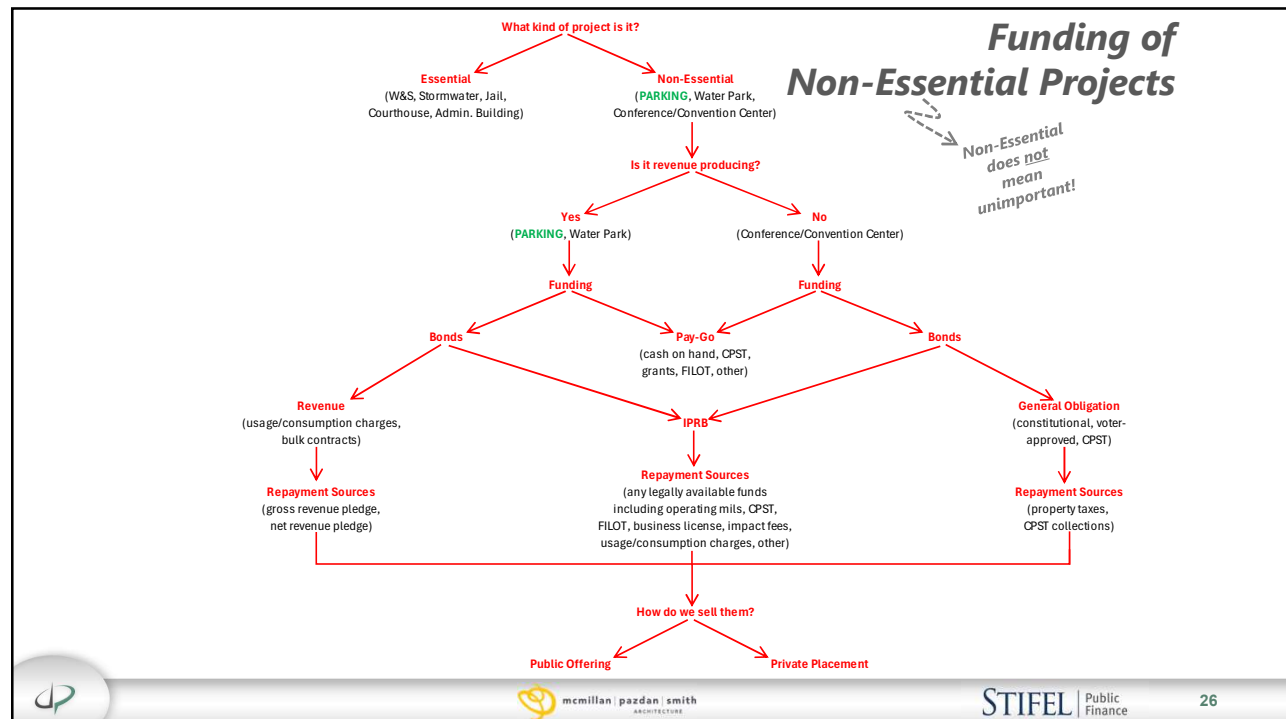
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Build the Right Team

- Your Staff
- Professionals
 - Municipal Advisor
 - Underwriter/Placement Agent
 - Bond Counsel

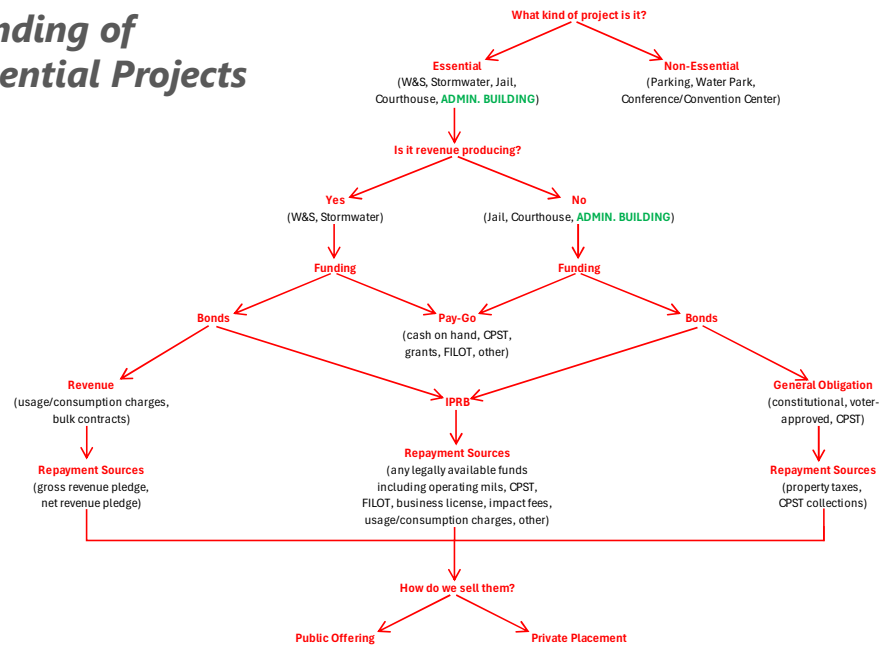


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Funding of Essential Projects



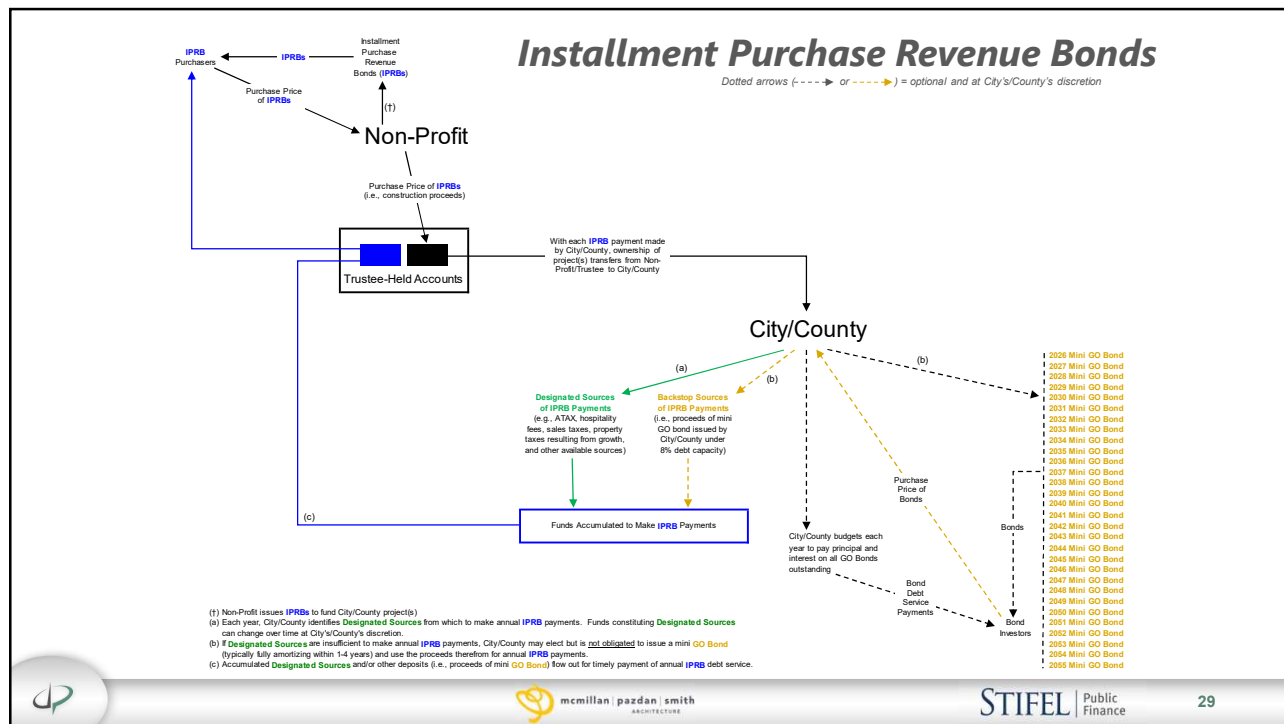
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General Obligation Bonds

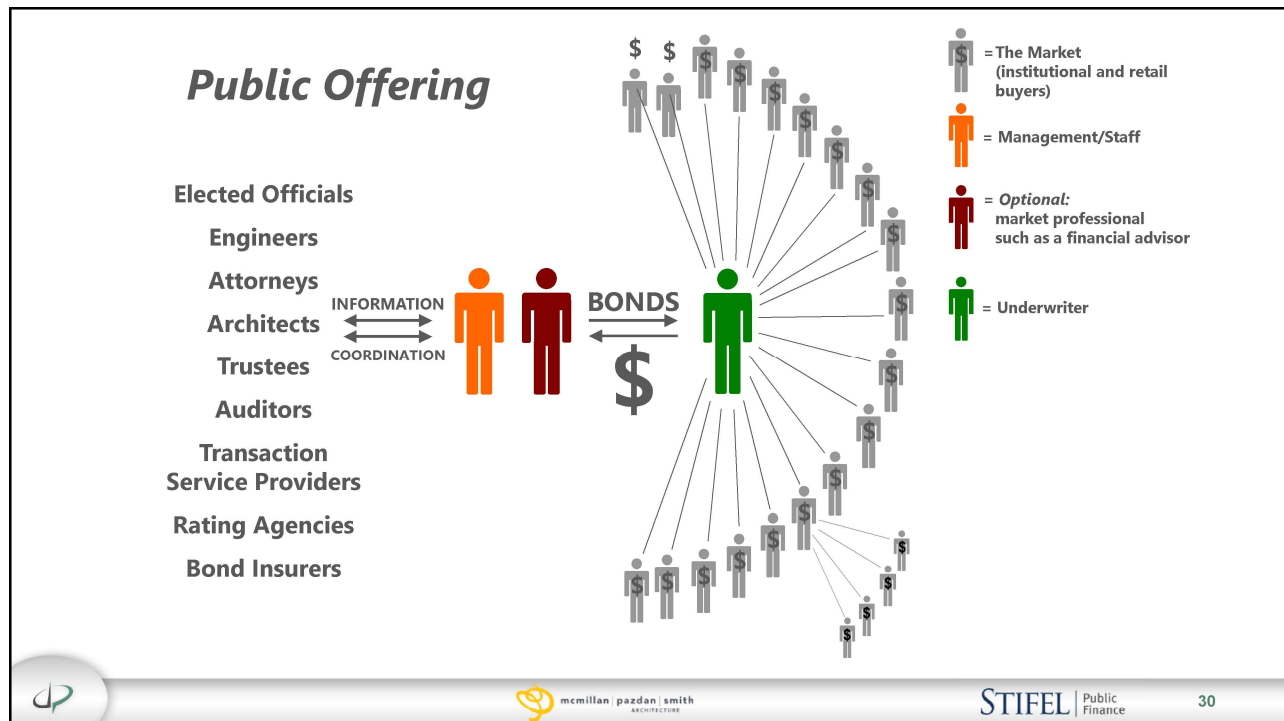
- The "Eight Percent Limit"
 - Section 15, Article X of the South Carolina Constitution permits a county to have **outstanding** general obligation debt "in an amount not exceeding eight percent of the assessed value of all taxable property" in the school district.
 - The eight percent limit is calculated by totaling all of the assessed values of the taxable property within the county and multiplying it by eight percent.

$$\begin{aligned}
 &(\text{Total Assessed Value} \times 0.08) - (\text{amount of outstanding GO debt}) \\
 &= \text{Permissible outstanding GO debt}
 \end{aligned}$$

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Private Placement

Elected Officials

Engineers

Attorneys

Architects

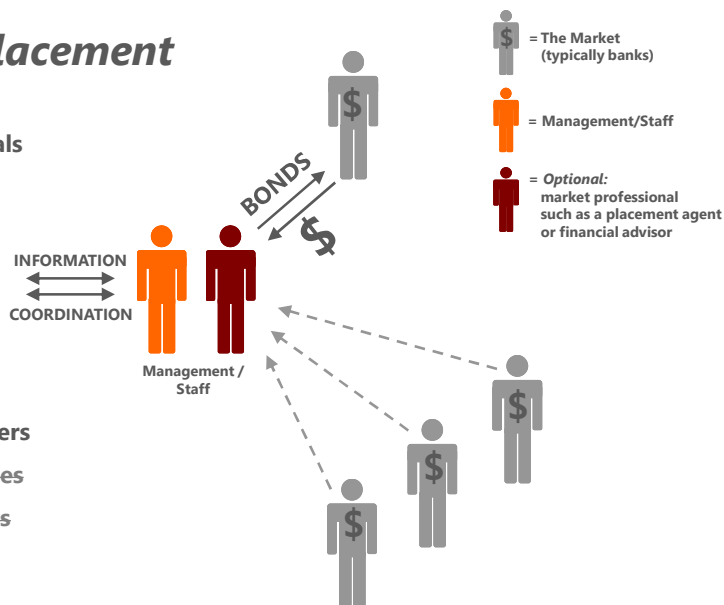
Trustees

Auditors

Transaction
Service Providers

Rating Agencies

Bond Insurers



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- When/what is the **just right**:
 - time to assemble the financing team?
 - time to borrow (e.g., what's going on in the bond market)?
 - amount to borrow (e.g., not too much or too little)?
 - way to draft the plan of finance (e.g., what other projects may be out there that we'll need to fund)?
 - way to sell our bonds (e.g., negotiated vs competitive, public offering vs private placement, tax exempt vs taxable, etc.)?



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Managing the Project

- Internal Working Committee
 - Senior Staff (Administrator and/or Deputy)
 - Procurement Director
 - IT Director
 - Director of Building Maintenance
 - Finance Director
 - Clerk of Court (if building is a court facility)
 - Meet regularly, preferably bi-weekly
- Owners, Architects, Contractor (OAC) meetings
 - Invaluable to the success of the project
 - Senior staff, architects and contractor should meet regularly to discuss progress and issues



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Completion and Opening

- Conduct a building orientation for employees
 - Allows them to get familiar with building before public access
 - Allows them to learn new systems such as security
 - Helps them take ownership to take care of the building



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Q&A

- What criteria do you use to differentiate essential, non-essential and non-essential-but-important projects?
- Why would a lender look more favorably on financing an essential project with an IPRB over a non-essential project?



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Questions?



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