

**FEFPA**

Florida Educational Facilities Planners' Association



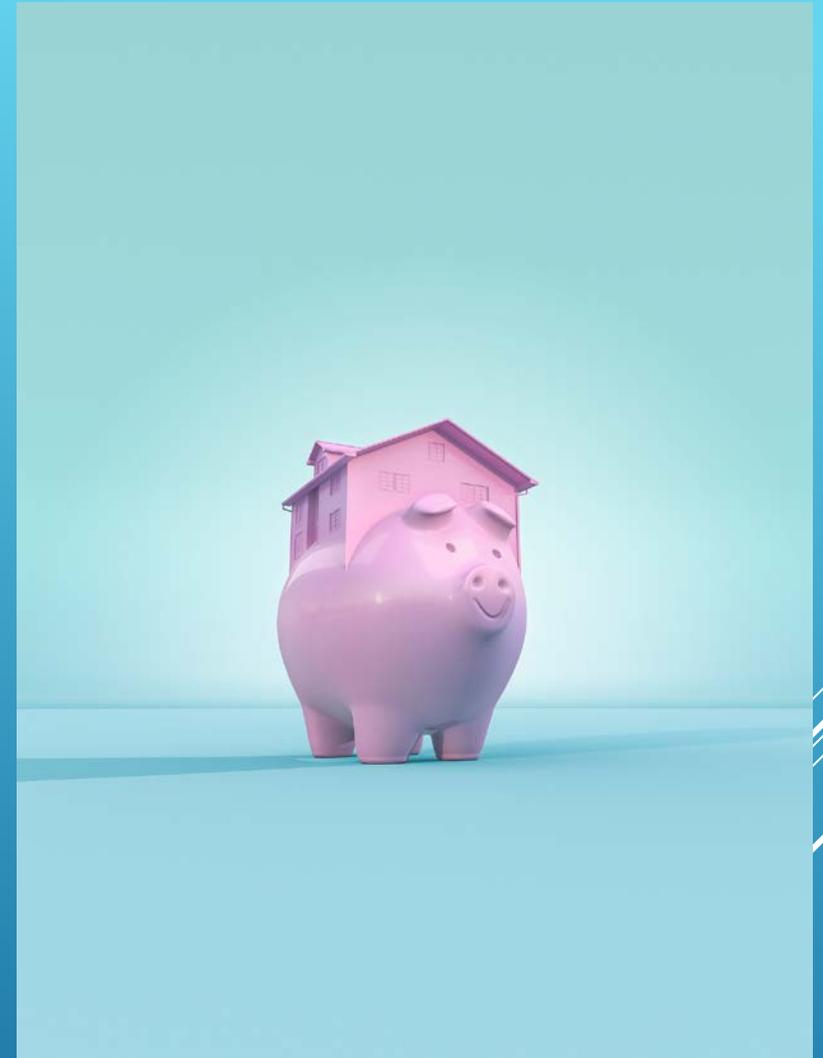
# IMPLEMENTING SAVINGS ON CONSTRUCTION PROJECTS



**CMR PARTNERS**

## AGENDA

1. Brief Market Update – Current Conditions
2. Importance of Facility Studies and How to Use to Your Advantage
3. Planning: The Key to Savings
4. Vendor Partnerships and Buy Agreements
5. Rainmakers
6. Savings – How Your Contract Can Drive Savings
7. Identifying & Implementing Savings on Renovations and New Construction
8. Discussion



## K-12

- 54% of US School District Facilities Need Updating including HVAC
- Aging Facilities
- Limited Budgets



## Higher Education

- 69% of College and University Facilities are nearing end of useful life
- 8.4 Billion in Infrastructure Needs
- Capital Renewal Costs up \$140 SF



**SOBERING STATISTICS ARE CREATING  
INCREASING PRESSURE ON BOTH K-12 AND  
HIGHER EDUCATION**

A woman with long, wavy brown hair, wearing a dark blue puffer vest over a light-colored shirt, is looking at a tablet computer. She is standing in a warehouse with tall blue metal shelving units filled with cardboard boxes in the background. The lighting is warm and focused on her.

The construction industry in 2025 faced a perfect storm of challenges. Demand, Labor shortages persist, driving up costs and delaying projects, while potential immigration changes may exacerbate the issue. Supply chain disruptions, though improving, continue to impact material availability.

- Pricing rapidly escalated post pandemic – creating a new normal
- Tariffs have not produced the expected rise in costs – 17 of 25 countries targeted for tariffs represent only 1% of total US construction Imports
- Copper is the biggest issue causing pipe and wire to increase 14-17%
- Canada and Mexico now have tariff exemptions, bringing prices down

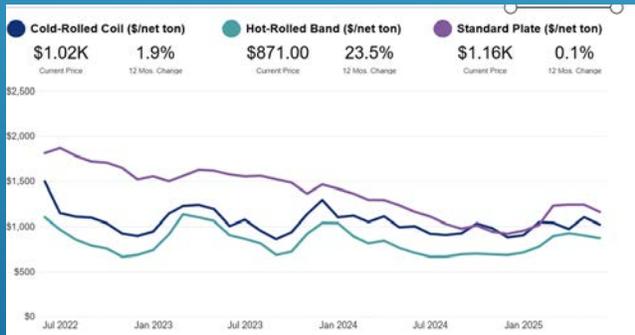
# CURRENT SUPPLY CHAIN CHALLENGES

# STEEL AND COPPER : DRAMATICALLY DIFFERENT STORIES



Steel:

- Lead times have stabilized
- Costs are at a gentle rise mainly due to nickel stabilizing



Copper:

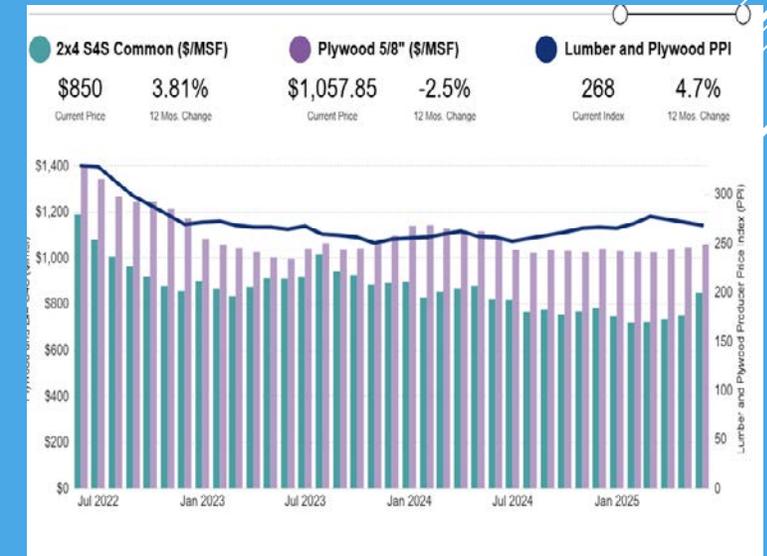
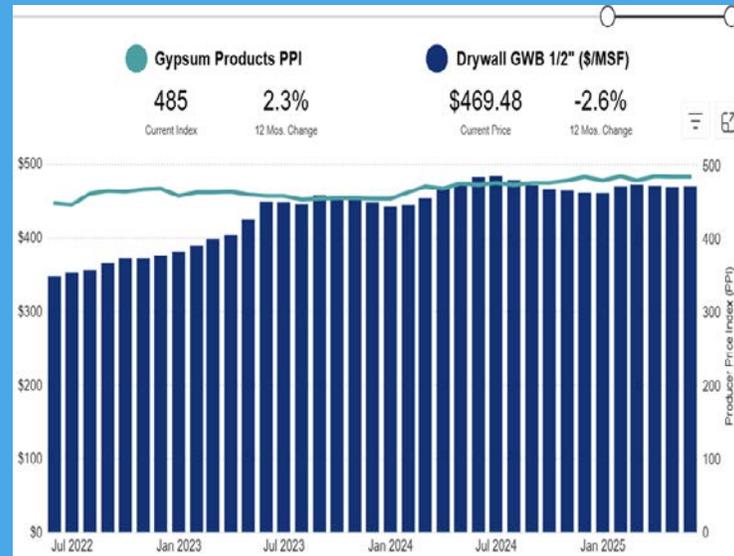
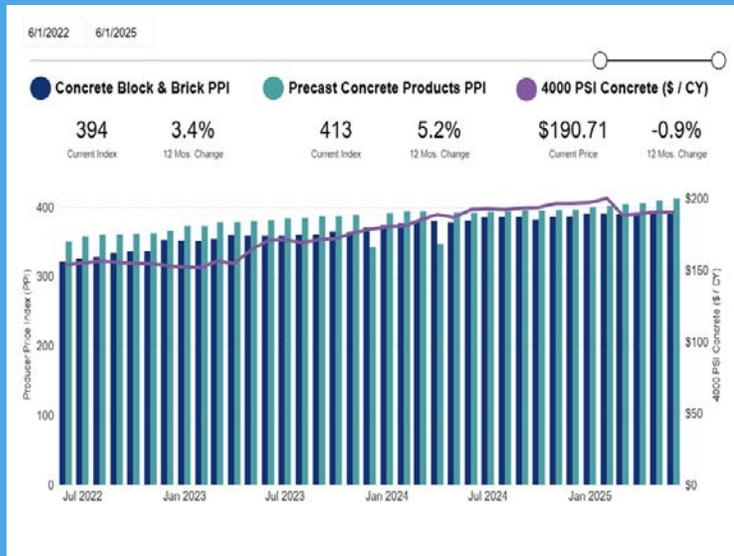
A dramatic Increase in costs has affected piping (HVAC Industry) and wiring (Electrical Materials)

## THE GOOD NEWS: Concrete, Lumber and Drywall

**CONCRETE:** Increase Since 2022 has only been about 9% , Demand is driving the increase, however tariffs should have no effect as 75% of concrete produced in the US

**LUMBER:** Hovering at Historically Low Levels after the all-time highs in 2020

**DRYWALL:** Lead Time and Costs have been steady for the past 14 Months



## Electrical Switch Gear Current Issues Driving Lead Times and Costs:



The recent drive for EV vehicles has deeply affected switch gear manufacturing increasing the need for product

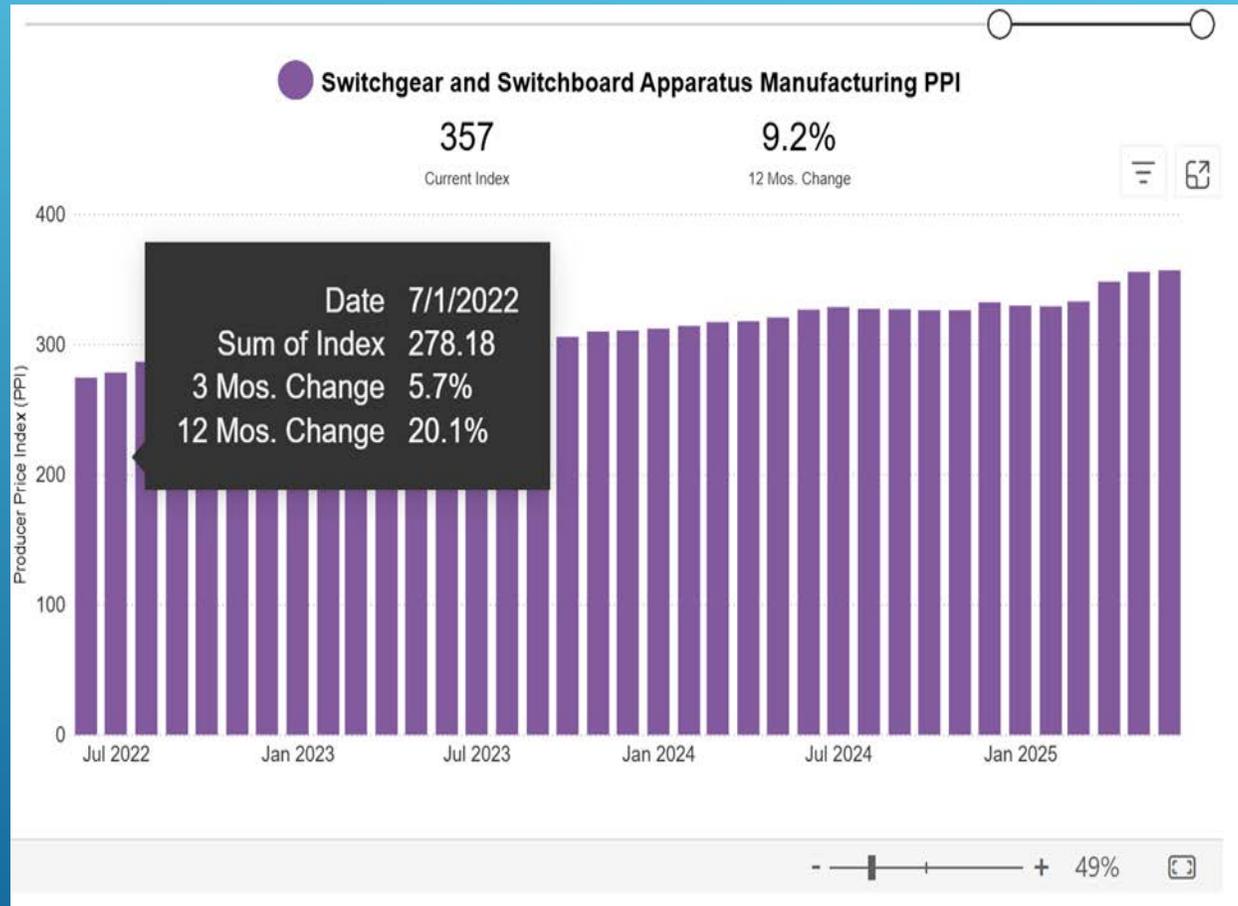


The infrastructure projects that the USA government is undertaken has led to long lead times as the Government takes priority in orders



COVID – Still affecting the markets – during COVID new generation switchgear was developed leading to long lead times as suppliers transition plants to accommodate

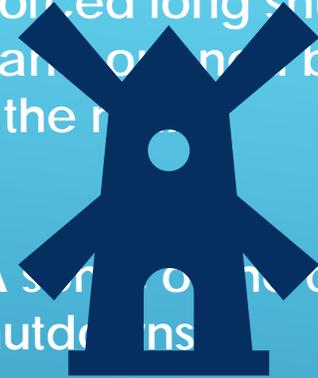
# SWITCHGEAR Q4 INTO Q1 2026



Finally, some breathing room:

- Manufacturer COVID investments are kicking in as US capacity is increasing
- Prices are increasing due to components that are being made in China
- Several US Manufacturers are working to build those components in the USA

During COVID manufacturing slowed down as some states enforced long shutdowns – forcing American construction to seek supply overseas – as plants opened back up the demand for American commodities stressed these markets to the max



And while the major components are manufactured in the USA some of the controls come directly from Asia – which was backlogged due to US plant shutdowns

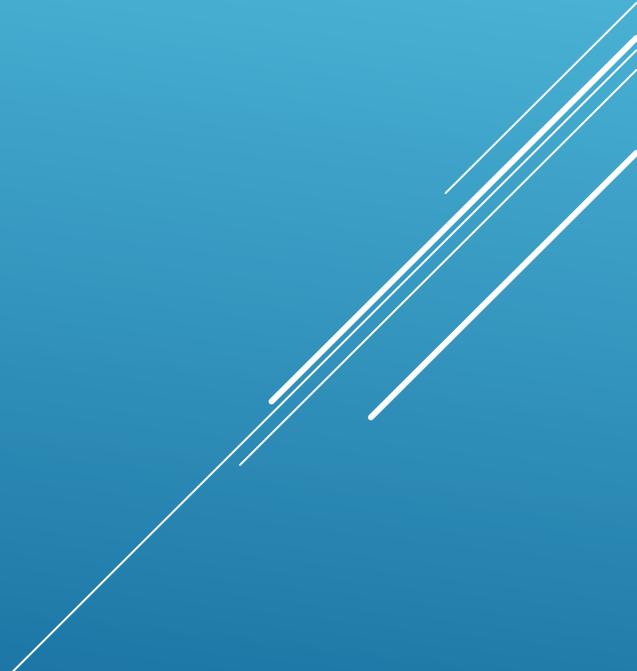
HVAC Costs are expected to rise 10-12%  
in the next few months due to strong  
demand

Data Center demands for generators  
driving lead times (104 weeks) and 10%  
price increases

**GENERATORS, HVAC COMPONENTS STILL  
RECOVERING FROM COVID SLOW DOWN**

## LABOR SHORTAGES

AS IMMIGRATION POLICIES TIGHTEN SO DOES THE LABOR MARKET AS COMPANIES SCRAMBLE TO FIND SKILLED WORKERS, SPECIFICALLY IN THE FRAMING INDUSTRY, THIS WILL CAUSE RISING PRICES AND LABOR SHORTAGES AS THE INDUSTRY ADJUSTS TO THIS CHANGE.



A full facility assessment will provide an independent evaluation of facility conditions and needs

A thorough facility assessment will identify whether a facility can be “repurposed, renovated or replaced”

Boards lend more credence to a third-party assessment as nobody has a “dog in the hunt”

- Identify a firm that has both planning and construction professionals
- Insist on CapEx Identification
- Ask for recommendations on suggested savings



FACILITY ASSESSMENTS: THE BEST TOOL  
AVAILABLE FOR COST JUSTIFICATION

A group of diverse professionals are gathered around a dark wooden conference table in a modern office. They are engaged in a meeting, with some looking at laptops and others at their phones. The room features large windows with a view of a city skyline. The scene is framed by glass railings, suggesting a mezzanine or open-plan office environment. The lighting is bright and natural, coming from the windows.

# Savings Starts With a Smart & Careful Planning Process



Consider Partnering  
Agreements  
(Public-Private,  
Naming Rights,  
Alumni Network)



National Buy  
Agreements



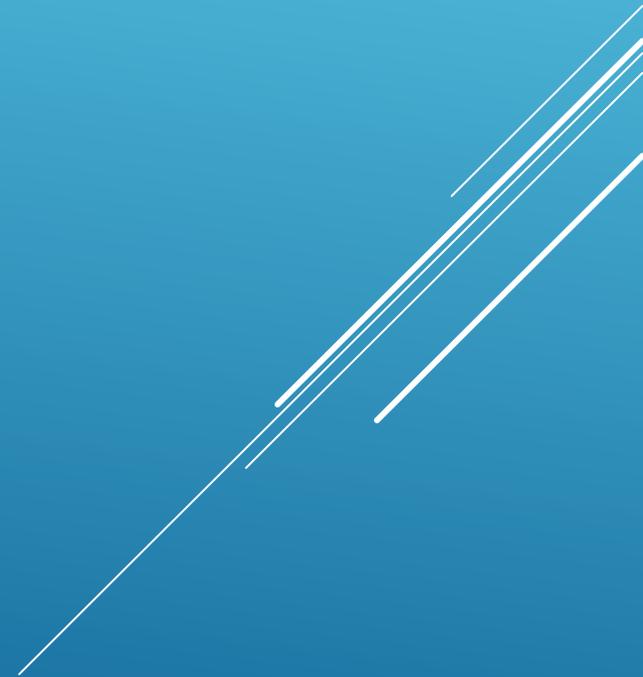
Identify Local  
Rainmakers



Standardize  
Specifications



Identify A&E firms  
who can assist with  
budget restrictions



# EFFECTING SAVINGS AT PLANNING STAGE

- Square Footage Study vs. Usage
- Can Space be Repurposed or Provide Multi-Use Spaces
- Minimize Sitework (Vertical)
- Creative Use of Outdoor Spaces
- Material & Equipment Review



# STAKEHOLDERS – THE IMPORTANCE OF EARLY AND LIMITED INVOLVEMENT

Pre-Planning Meeting (Needs vs. Wants)

Identify True Program Needs

Drawing Review at 50% Design

Ownership in the Process

Limits Scope Creep



National Buy Agreements : What are They and What Type of Savings Do They Provide

Favorable Pricing Agreement

Generally Provides for Significant Reduction in Lead Time

Reduces Expenses in Long Term Maintenance

Vendor Partnerships : Decreases lead time with local vendor partnerships and reduces schedule impacts

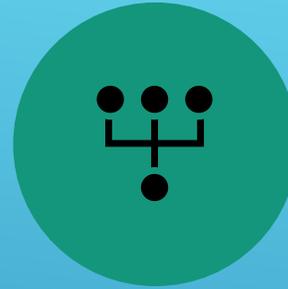
Consider Alternate Revenue Producing Spaces Through Vendor Partnerships



# VENDOR PARTNERSHIPS & BUY AGREEMENTS



Strong Local General  
Contractors



Provide Local Subs and  
Suppliers With Year  
Round Work ( Strength  
during the Downtimes)



Subs and Suppliers will  
react Quickly for  
Project Needs



Savings in Less  
Schedule Delays

RAINMAKERS – WHO ARE THEY AND HOW  
THEY BRING SIGNIFICANT SAVINGS



PLANNING IS  
COMPLETE  
DRAWINGS ARE  
CLOSE : WHATS  
NEXT ?





Review Plans and Specs at Each Stage of Drawings : Reduces Costly Re-Design



Identifies Errors and Omissions

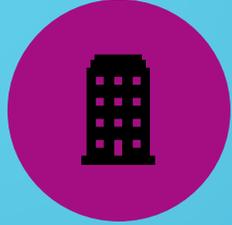


Clarify Details and Cost Savings

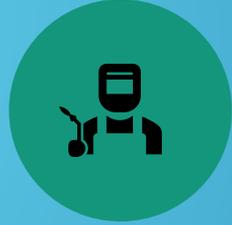


Enhanced MEP Coordination

## THE IMPORTANCE OF A CONSTRUCTABILITY REVIEW



CAREFUL SPACE  
PLANNING – ARE ALL  
SPACES STILL NEEDED AS  
PREVIOUSLY USED ?



PROPER EVALUATION OF  
EXISTING BUILDING – CAN  
AREAS BE COSMETICALLY  
UPDATED ?



BUILDING SYSTEM  
EVALUATION – CAN  
SYSTEMS BE REUTILIZED ?



CONSIDER CONCURRENT  
SYSTEM INSTALLATION –  
CAN SAVINGS BE  
EFFECTED ACROSS OTHER  
BUILDINGS ?



LIMITED BUDGET ?  
CONSIDER LIGHTING AND  
WINDOW UPGRADES

# EFFECTIVE RENOVATION STRATEGIES

CONSIDER VERTICAL  
GROWTH –  
SIGNIFICANT SAVINGS  
ON SITEWORK,  
SMALLER FOOTPRINT

HYBRID SPACES – CAN  
YOU ASSUME MORE  
FLEXIBLE SPACES ?  
ARE CLASSES ONLINE  
?

EARLY IDENTIFICATION  
OF LONG LEAD ITEMS  
– SAVES TIME AND  
CAMPUS DISRUPTION

PRE-FAB, METAL  
BUILDING, TILT WALL  
AND CONEX  
CONTAINERS (NEW TO  
THE MARKET)

## GROUND-UP SAVINGS STRATEGIES



- ▶ A fast and strong submittal process



- ▶ Define and control cost increases



- ▶ Dictate purchasing – buy local, buy American



- ▶ Build in Weather Contingencies



- ▶ Early job buyout



- ▶ Liquidated damages – early finish bonus

# COMMON SENSE CONTRACT CONTROLS



## OPTIMIZE MATERIAL PROCUREMENT

- ▶ BULK PURCHASING
- ▶ ALTERNATIVE SUPPLIERS
- ▶ RAW MATERIAL PURCHASING

- Early Buyout and take advantage of discounts
- Explore early finish bonuses to encourage GC to lock in costs & timelines
- Look for strong relationships (GC to Sub, Sub to Supplier)
- Encourage multiple bid back-ups

## ENHANCE INVENTORY MANAGEMENT

- ▶ STRONG SITE SECURITY
- ▶ MONITORING STOCK LEVELS
- ▶ SITE CAMERAS
- ▶ PROACTIVLY STORE MATERIALS

## STRONG FINANCIAL MANAGEMENT PRACTICES

## SOLUTION CONSIDERATIONS

Identify Acceptable Material Alternates Early

Buy and Store

Geographical Considerations

Consultant's Experience and Knowledge

Buy Local

Buyout Subcontracts Immediately

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# DISCUSSION

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