

City of Ludlow Gets New City Hall

Process Fast & Cost Efficient

CITY OF LUDLOW

Established: 1864

Size: Class IV, 2 square miles

Mayor: Ed Schroeder

Council: Bill Froehle, Charles Manning, Cindy Schachere, Mike Gaiser, Joyce McMullin, Ken Wynn

CAO: Brian Dehner

Clerk: Laurie Sparks

Treasurer: Alice Margolen

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PROJECT SUMMARY

The City of Ludlow needed new office space. With limited funds, an opportunity to renovate an existing building presented itself. Using design/build process, the city achieved its financial, operational and schedule goals.



City Administrative Officer Brian Dehner in front of newly renovated office.

The City of Ludlow (KY) has a new City Hall that came in under budget, ahead of time and has received rave reviews from city officials and the community.

In these tough economic times, the way they did it is a model for other municipalities and even for private organizations.

The completed building was the result of a concept developed by City Administrator Brian Dehner and enhanced by Mayor Ed Schroeder and City Council.

The city was struggling to operate its administration and police in an 1,100 sq. ft. space when Dehner heard that a church at the eastern end of the city's historic district was closing. Knowing the building, he believed it could be

rebuilt into a perfect City Hall. He received approval from Council and purchased the site for \$60,000.

The next step was to make the redesign of the building a project for selected University of Cincinnati architecture students. The City particularly liked a couple of the designs and selected an architecture firm for the first stage development of plans.

"The result, " Dehner said, "was not what we wanted to hear."

The architect said to rebuild the site would cost between \$1.5 million and \$2 million.

Dehner told him he had \$500,000 to spend, paid the firm for its work and sought a solution.

What Dehner did next was unusual for a government entity.

Governments almost always use the traditional design/bid/build method to do construction projects. The rationale has been that a design gets approved, a bid gets approved and the government is protected because the process is open and voted upon. Changes and issues get resolved and approved the same way, but almost always end up costing time and money.

Dehner wanted a better solution. They already had a basic design and they knew how they wanted to rebuild the church. He talked with five contractors and asked them to tell City officials how they would do the job and what it would cost. He was convinced

DESIGN/BUILD

The project team is simply consolidated to one firm for design and construction. Rather than hire two or more firms, each without responsibility for the whole project, one firm removes risk from the owner and increases the speed with which a project can be completed.

EGC CONSTRUCTION

Since 1978, EGC has completed commercial office projects using various delivery methods. Design/build is a process that the firm has specialized in, due to the reliable, cost effective service they can deliver to clients.

WHO ELSE USES D/B

Here are some of the other clients EGC has worked with: Veterans Administration Hospitals, University of Kentucky, Hardin County Hospital, Procter & Gamble, plus many others.

that design/build could get the job done for Ludlow.

The search turned out exactly as Dehner hoped.

After interviewing five firms that Dehner said made outstanding presentations, he knew they were on the right track. The City selected EGC Construction, Newport, KY. to do the project.

"I don't think anything could have gone better," Dehner said. "The result is we ended up with the best economical structure delivered in a timely fashion. And it is a building that we and community are proud to have."



At the start EGC submitted a construction plan, step-by-step, with a budget. Dehner and EGC reviewed and analyzed it, made necessary changes and the work began. EGC's goal was to get the job done under budget if possible, ahead of time if possible and with the highest level of quality and workmanship. EGC hired specific sub-contractors for each phase of the job and had supervisor on hand every day.

Dehner was also involved on a daily basis.

"When you're building something, there

always will be issues," Dehner said. "In the design/bid/build method, changes result in change orders and usually mean more money and more time. In the design/build method we worked issues out immediately as they occurred."

The changes took into account the budget and timetable. They were able to be made without delay and without adding to the cost. At other times issues discussions allowed changes to be made that reduced cost of materials and time for construction.

Sub-contractors made recommendations that were often followed and usually led to more efficient completion and a better end product. Working under the direction of the EGC supervisor, Ludlow public works staff was able to perform some of the work.

All the goals were reached to finish the 12,000 sq. ft. building on time even with money left for landscaping. Ludlow was able to hold its Open House without delay.

"Working in this way with EGC enabled us to take away the bureaucracy of the traditional job," Dehner said. "This was an extremely tight budget, yet we were able to save money and get upgrades."

Dehner said he didn't know of any municipality in the region who had gotten a better result from an important building project.

"I grew up in a construction family," he said, "and I learned a lot. We have a very nice building and are very thankful for the effort. We emphatically say a big thanks to the process and to the people who implemented it."

Some Questions on Design/Build Asked About Ludlow City Hall

PROJECT SPEED

Compared to design/bid/build and construction management, design/build is twice as fast as design/bid/build (“traditional”) building method. Chart is from Construction Industry Institute study

PROJECT PRICING

In addition to the benefits of quicker delivery, Design/Build results in more reliable pricing—fewer change orders, quicker firm price, and more accurate specifications.

What is design/build?

Design build is an agreement between an owner and a single supplier to perform both design and construction under a single contract. In Ludlow, EGC was given a basic design and asked to develop a construction plan, budget and time table.



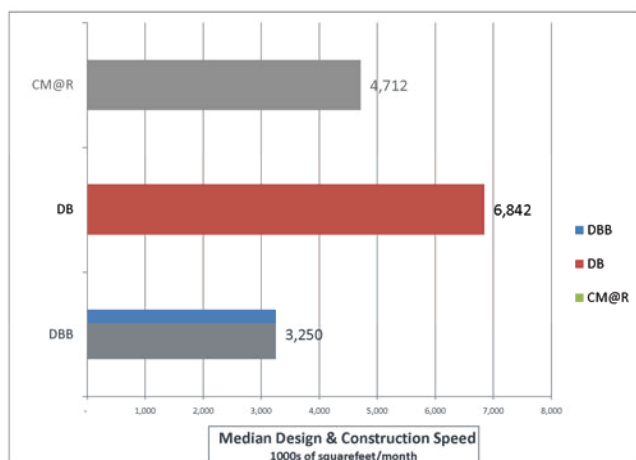
Renovated sanctuary used now for council chambers.

What are other systems?

The two other most widely used systems are design/bid/build and construction management (CM) at risk. Design/bid/build has been the most traditionally used process in the U.S. construction industry. It simply means the owner contracts separately with the designer and contractor. CM at risk means that the owner contracts separately with the designer and contractor.

There doesn't seem to be a lot of difference between these systems. Is there?

You bet. For example, design/bid/build allows the designer to offer a completed design prior to seeking fixed price bids and construction work. This method is well known and depends primarily on cost competition. It often lacks clear responsibility for errors, omissions, rework, cost overruns, or delays. CM at risk starts with the traditional owner and design relationship, but brings the contractor in earlier. Owner must have the ability to administer the project, but may not have control on contract changes as desired. The contractor generally guarantees the maximum construction price. This makes changes, issues and clear responsibility particularly difficult problems.



WHAT OWNERS SAY...

“a peaceful way to do business.”

“It means greater efficiency, cooperation instead of conflict, and a better product for the money.”

FIRST STEP...

Identify in a relatively detailed fashion what you want the “end product” to look like, i.e. what type of space or building do you need. Then write down a few issues, such as budget, timeframe in which the project needs to be completed, and how you plan to use the space. Then find an experienced firm, like EGC, to help fill-in the “technical” requirements to achieve your vision.

THANKS TO...

Joe Bride for compiling the information from City of Ludlow and EGC.

How do you really know which approach works best?

We have the results of an industry research team survey of 300 projects of varying size and from all across the country. Because of project attributes, owner in-house needs and critical success factors, one system may work better than another for a particular owner. However, the research shows that design/build systems are completed faster -- in many cases almost twice as fast as design/bid/build. They also have significantly less design and construction cost growth, as well as the less schedule timetable growth. In addition quality measurement for design/build is significantly better than design/bid/build.

Are there specific numbers about why people make the design/bid choice?

The Army Corps of Engineers is blunt in why it uses design/build. Unit costs are 6.1% less. Construction speed at least 12% faster. Overall project delivery speed 33.5% faster. Cost growth at least 5.2% less. Schedule growth at least 11.4% less. Quality equal or better.



View showing newly excavated entry to Police Department

Why do owners use design build?

Owners get firm project costs earlier. There is a single point of responsibility. A condensed construction schedule is typical. Teamwork leads to a project leader/supervisor who makes timely decisions. There will always be issues with design/build and they are resolved quickly.



Before work began



After completion—accessible and attractive