

RECONCILING CLIENT GOALS AND BUDGETS

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THE SHAW PROFESSIONAL LANDSCAPE SERIES

THE 3 MOST IMPORTANT THINGS THAT A CLIENT REALLY WANTS TO KNOW:

- 1. What will it look like?**
- 2. When will it be finished?**
- 3. What is it going to cost?**

WHY IS THE BUDGET SO IMPORTANT ANYWAY???

- 1. It's just money, the look is priceless isn't it???**
- 2. Budgets are the one thing that can take a great design and turn it ugly without ever changing the plans.**
- 3. Budgets are 2nd only to personal vacation time as an item that we all want to receiveand spend the least on.**
- 4. Budgets are what most of us are judged and live and die by in our jobs.**
- 5. Budgets are many times the least understood but the most challenging item on a project.**
- 6. Projects are committed to based on budgets, not usually how it looks.**

THE IMPORTANCE OF A BUDGET TO A CLIENT.....

THE EXAMPLE

THE BUDGET.....

First, ask the client “what is the budget”?

- 1. Client may respond by telling you their budget**
- 2. Client may respond by saying “there is no budget!!”**
- 3. Client may tell you that YOU need to determine the budget.**

THE BUDGET.....

WHEN THERE IS NO BUDGET

**WHEN THE CLIENT RESPONDS “YOU SET
THE BUDGET”**

**WHEN THE CLIENT RESPONDS WITH A
FIGURE FOR THE BUDGET**

THE BUDGET.....

BUT.....

**MAKE SURE YOU KNOW WHAT IT IS YOU HAVE
WHEN YOU GET YOUR ANSWER**

**IS IT THE PROJECT BUDGET OR THE
CONSTRUCTION BUDGET????**

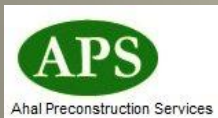


THE BUDGET.....

THE CLIENT SAYS "...THE BUDGET IS
\$5,000,000

WHAT EXACTLY HAS THE OWNER TOLD
YOU???

IS THIS THE *PROJECT* BUDGET OR THE
CONSTRUCTION BUDGET?



THE BUDGET.....

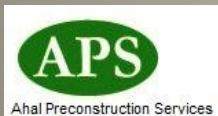
- **Project Budgets will include a lot more items besides just the construction....which will be one of the line items**
- **Construction Budget generally is just the work to be done**
- **Each owner may treat these two differently**
- **Critical to know what the construction budget is...making an error here can trigger some costly re-design when you find out that what you thought was a construction budget now has to accommodate design fees, environmental costs, testing, soil borings, final move in costs etc.**
- **The consultant fees are often based on the construction budget**

DANGER ZONE AREAS IN KEEPING THE CLIENT GOALS AND THE BUDGET ALIGNED

Contingencies: **Bid contingency**
 Design contingency
 Construction contingency
 Owner contingency

Cost Estimates: **Program Estimate**
 Conceptual Estimate
 Design Development Estimate
 100% Bid Document Review

Square Foot Costs:



CONTINGENCY

- 1. Unless you are very good at guessing use contingency with caution**
- 2. Consider using defined allowances instead**
- 3. Make sure your using the correct contingency**

COST ESTIMATES

SEEK HELP WHEN YOUR NOT SURE

TOOLS TO USE VERY CAREFULLY (or not!):

**RS MEANS
FAVORS**

**YOUR COST ESTIMATE SHOULD BE SIMULTANEOUS NOT
LINEAR!!!**

PROVIDE DESIGN DIRECTION IN DETAIL



THE BOTTOM LINE FOR BUDGETS.....

USE AS MUCH CARE FOR YOUR BUDGETS AS YOU WOULD FOR YOUR DESIGN

THINK ABOUT THE BIG PICTURE WHEN DEVELOPING A BUDGET OR PROVIDING YOUR BUDGET

GOOD BUDGETING = HAPPIER CLIENT



QUESTIONS?



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