

# Construction Manager Model Saves Millions

## Utility and streetscape project in Fort Myers, FL.

**W**ork is complete on what is likely the largest public works project of its kind: a complete utility and streetscape project in downtown Fort Myers, FL. During a single, four-year project, the entire underground utility infrastructure and the complete streetscape of 52 blocks of the city's urban core were removed and replaced. The project—an effort funded by the Fort Myers Public Works Department and the city's Downtown Redevelopment Agency—used a unique construction manager model, rather than standard low-bid, to help save the city millions of dollars. With this model, the construction manager could negotiate directly with contractors and subcontractors to provide the most cost-effective and efficient services for each construction phase.

“We don't know of another community in the country that has undertaken an entire downtown utility and streetscape project all at one time,” said Don Paight, executive director of the Fort Myers Downtown Redevelopment Agency. “We worked on it start to finish

and did 52 blocks of downtown completely over again. Most cities will do it a couple of streets at a time, wait a year or two, then go back and do a couple more. This is one of the largest continuous streetscape and utilities projects that's ever been tackled.”

The project team selected Kraft Construction ([www.kraftconstruction.com](http://www.kraftconstruction.com)), a statewide commercial construction company with headquarters in Naples and 40 years of industry experience. “We selected the construction manager based on their qualifications,” said Paight. “Had they done this kind of project before? Had they worked in an urban area? What was their experience? Did they have good references? Would the cities they worked with before hire them back again? We selected Kraft Construction based on the fact that they had a great reputation, they had done similar projects, and they had a responsive and experienced staff ready to go on the project.”

Getting the project going was all about timing and partnership. The underground utilities—water, sewer,

and drainage—were 70 to 80 years old and had become problematic. Discolored water, line breaks, and sewer backups were common; city officials knew a total replacement would be costly. Likewise, the city's streets and sidewalks needed a makeover recommended in a redevelopment plan created in 2003 by renowned architect and town planner Andreas Duany. Since the street demolition and removal could be done as part of the utility project, it presented an opportunity for reduced costs for the streetscape improvement.

The project involved a complete replacement of streets, sidewalks, and utilities:

- Removal of all sidewalks, curbs, and streets with sidewalks.
- New brick and concrete sidewalks.
- New curbs and asphalt and brick roadways.
- Removal of existing street lights.
- New street lights (wiring, conduit, and street light bases only).
- Removal/replacement and upgrades to the water, wastewater, and stormwater systems.

*Jackson construction (below left) underway and completed (below right). “The utility project paid to tear everything up, which kept streetscape costs down,” according to Don Paight, executive director of the Fort Myers Downtown Redevelopment Agency.*



- ❑ New traffic signals and interconnect.
- ❑ New landscaping and irrigation.

Public utilities, including electricity, telephone, cable TV, communication, water, and sanitary sewer were modified or extended to varying degrees to maintain service. Kraft worked closely with the utility companies to address overhead and especially underground conflicts with existing and new lines.

Water lines and services were replaced and/or added throughout the project. Existing water mains were capped at both ends of the fenced project area (each sub-phase) and temporary services were maintained during construction to allow existing water line removal. This helped minimize disruption of service due to existing water main breaks. The goal was to have only two shut-offs for each property owner: one for connection of temporary service and another for the permanent connection to the new line.

Storm drainage and sanitary sewer piping, structures, and services were replaced and/or added throughout the project. Bypass piping and pumping was completed in each sub-phase to avoid sewer or storm back-up on private property.

“The utility project paid to tear everything up, which kept streetscape costs down,” Paight said. While the city handled the utility costs, “Downtown Redevelopment funded all of the brick streets, the lighting, the landscaping, the historic streetlights, the brick-trimmed sidewalks, and street furniture—and

both projects were more cost-efficient,” he said.

Traditionally, the city had awarded utility projects to the low bidder. However, as city officials considered options for a project with this size and scope, they opted to use a construction manager. “We wanted to make sure everybody knew the entire scope of the project so they didn’t inflate their costs,” said Saeed Kazemi, director of public works for Fort Myers. “That’s why we picked a construction manager. They helped us set up a bidding process that would educate the contractors on what was involved and how this could be bid to benefit them and to benefit us.”

Kraft’s team jumped in under the leadership of Bob Koenig, the Fort Myers-based senior vice president for Kraft Construction. “Our team understood the unique needs and scope of the project,” Koenig said, “and we were excited by the opportunity to be a strategic partner with the city. We were confident we could not only achieve a positive end-result, but also provide a smooth and cost-effective process.”

The project was estimated to cost \$60 million—a sobering but realistic figure that reflected Florida’s construction boom and high demand for construction services at that time. City officials made the strategic decision to award the project in phases in hopes that costs would improve as construction demand leveled off.

“We bid phase one at the peak of the construction boom,” said Kazemi.

“When we got close to finishing one phase, we bid the next. By splitting the project into phases, we ended up saving money because the construction industry was slowing down and prices were falling.”

Koenig’s team at Kraft was challenged by a complicated network of non-public utilities: electric, telephone, cable, and gas. Kraft coordinated its efforts closely with the public works department and the individual utility companies; while the team was able to work around much of the existing infrastructure, Florida Power & Light used the project as an opportunity to run underground conduit in preparation for a future project that will replace pole-strung power lines with underground lines.

And—as with any urban utility or street project—there were human impacts as well: More than 140 storefront businesses were affected, as well as a workforce of about 10,000 people.

“We knew we needed to go the extra mile to accommodate downtown businesses and their employees,” Koenig said. “Our focus was twofold: Timely communication and remaining true to the schedule so businesses could plan accordingly.”

“We tried to keep the interruptions or disruptions to a minimum,” said Kazemi. “When you’re a merchant and there’s no traffic in front of your business, it hurts.” To help meet this challenge, Kraft developed a plan that preserved pedestrian traffic throughout construction. Temporary, movable side-



***Broadway before (above left) and Broadway after (above right). Below the streets water, sewer, and drainage utilities that were 70 to 80 years old had become problematic, leading to discolored water, line breaks, and sewer backups.***

walks retained pedestrian access to businesses, condos, and office buildings at all times during the four years of construction.

Ongoing communication with merchants and building owners was also an important part of the successful formula. "Kraft did a very good job working with the merchants in each block," Paight said. "Whenever they were going to tear something up, merchants knew the schedules, so if they had a special sale or event going on, we'd make sure we didn't close them down on those days."

And now, with the project complete, the benefits are clear for downtown, its merchants, and the city as a whole. "It was the city's first job under a construc-

tion manager, and Kraft helped a lot," said Kazemi. "I will recommend that future jobs with a lot of unknown factors be done this way. With a hard bid, everything has to be negotiated with a change order. With a construction manager, you come up with all the issues before the project, and you try to iron them out as best you can."

The city has begun seeing renewed interest in retail business and offices locating in the downtown core. During the final months of construction—with streets and sidewalks still in disrepair—a total of 15 new businesses moved in.

The results of the project are drawing outside attention as well. "I received a call from Wrangler Jeans company," Paight said. "They've been scouting

locations to do some of their catalogs and commercials and absolutely fell in love with downtown Fort Myers. They said it was like a Hollywood stage set. They sent a crew down here and spent four days in front of the businesses, along the brick streets, down along the waterfront. We're hoping to attract more of that type of activity."

The project was a success for Kraft, as well. "Our team members really had a vested interest in demonstrating how the construction manager model could benefit the city, the retailers, and the overall community," said Koenig. "The proof is in the pudding, as they say. Downtown Fort Myers looks incredible—even below the surface."

CE

## IPM for Capital Improvement Projects

Fort Worth, TX, faces the same challenge most other municipalities face during these challenging economic times: how to continue to deliver infrastructure projects more quickly and more cost effectively. Over the next five years, the city must deliver almost \$2 billion in infrastructure projects. This task becomes even more daunting when staff resources are limited and capital costs continue to escalate.

City officials are cautiously optimistic that they have found workable solutions to effectively deliver needed projects such as street improvements. Fort Worth is shifting culturally to become a schedule-based organization. This focus on tracking schedules and budgets is targeted at stretching project funds and improving communication with residents about the progress of capital projects.

The city implemented Integrated Program Management (IPM) with multiple tools and processes to deliver projects more quickly and with maximum cost-effectiveness. Working with a consulting team led by CH2M HILL ([www.ch2m.com](http://www.ch2m.com)), the city streamlined its project delivery process, saving both time and money.

The city expects to realize a savings of \$65 million to \$85 million in program costs by delivering its projects six months earlier than under the former delivery methods and processes.

Specific components of Fort Worth's IPM initiative include:

- Detailed project schedules developed for all city projects, across all departments.
- Three levels of internal project "dashboards" created for staff and elected officials to view project status from a Web browser.
- An external map-based project dashboard for residents

to view project status on the Internet.

- Training, tools, and organizational enhancements implemented to reinforce project delivery best practices and to drive accountability.
- Standardized processes across city departments to allow quick response to workload changes, using consultants as city project managers to adjust to peak project delivery needs.

IPM puts access to project and program status information at the fingertips of the city's decision makers. Customized reports can be generated quickly to meet specific planning or strategic needs, and the dashboards show the projected cash outlay over time for each department's projects. This is important because it simplifies analysis of additional funding needs and improves the timing of bond sales.

"IPM has increased the city's capital project delivery capacity by 50 percent, from \$240 million scalable up to \$480 million annually," said Randle Harwood, director of the Program Management Office for the city's major capital programs. "To drive project performance, a centralized master schedule was developed. It is updated monthly and includes all city projects."

Using the same tools and processes across city infrastructure projects has facilitated interdepartmental coordination on projects and programs. The dashboard metrics keep project managers focused on projects and tasks needing additional attention. The metrics also focus the entire organization on meeting project delivery goals, ensuring that everyone is moving in the same direction.

For more information about Fort Worth's implementation of IPM, contact Doug Rademaker, P.E. at 817-392-6157 or [Doug.Rademaker@FortWorthGov.org](mailto:Doug.Rademaker@FortWorthGov.org).