

Of Price and Value

Benefits of Negotiating with Finfrock

Choosing a procurement method may be one of the most important aspects of the construction process. There are times when the traditional bid process will be the best alternative for getting the lowest price. In other situations, however, negotiation with a firm offering a unique combination of capabilities may be the most effective means of getting measurable value for the dollar invested.

Through the bid process, with its system of subcontractors, the general contractor is purchasing a series of events or portions of the project. In order to win their bid, each individual subcontractor is motivated to tailor his portion of the project in a way that will result in his lowest cost, not the project's. This alternative is most effective when you already know that a given project design will work or is a similar project to one where costs are already known.

Through the negotiation process you are buying knowledge, and with knowledge comes value. With in-house Design-Manufacture-Construct capabilities, Finfrock is uniquely positioned to deliver the maximum benefits of the negotiation process.

By negotiating with a company offering such a wide range of experience and expertise, you have timely cost information and early proof of your pro forma. As a proven, single source provider, Finfrock reduces risk to the owner and avoids costly, single-discipline middle people. Applying specialized Design-Manufacture-Construct knowledge improves building efficiency and brings your project to market faster. Most important, with Finfrock you are buying direct and will enjoy a value-added rather than adversarial relationship.

This White Paper will explore our negotiation process in greater detail in order to illustrate how it may be the best choice for genuine value, timely performance and greatest benefit.

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BENEFITS

of Negotiating with Finrock

- 1.** **Timely Cost Information with Early Confirmation of Your Pro Forma**

In-house Design-Manufacture-Construct experience enables you to obtain an accurate price very early in the process. Negotiating with Finrock enables owners to make a sound investment decision based on a pre-design guaranteed total project price.
- 2.** **Design-Manufacture-Construct Greatly Reduces Risk**

Having every aspect of the Design-Manufacture-Construct process under one roof virtually eliminates change orders and disputes for the owner. In a bid scenario, however, subcontractors vying to be the lowest bidder look only to reduce their individual price rather than considering the success of the overall project, greatly increasing owner risk.
- 3.** **Systems Integration Improves Building Efficiency**

Finrock's holistic view of the Design-Manufacture-Construct process drives the tight system integration that greatly increases efficiency while measurably reducing cost and risk.
- 4.** **Buy Direct from the Manufacturer**

By employing our core design of the structure and pre-engineered integration of subsystems you are not burdened with the cost of custom, detailed engineering of each project.
- 5.** **Enjoy a Value-Added Rather than Adversarial Relationship**

Finrock believes that a relationship built on mutual trust and respect far exceeds one built on the threat of litigation.

1.

Timely Cost Information with Early Confirmation of Your Pro Forma

Sooner or later every owner faces the ultimate question: “Can this project be built in a way that makes real economic sense?” Finrock’s Design-Manufacture-Construct capabilities give owners the information they need to answer this question at the outset of the project.

Through our experience, specialization and scope of in-house resources, Finrock is able to establish an accurate price based on conceptual documents and an outline scope. You are not required to incur extensive design and engineering costs prior to going out to bid a project which may be too costly to bid.

PALM BEACH ATLANTIC COLLEGE



case study

This mixed-use structure was to meet immediate logistical needs for student housing and parking while also establishing a revenue source with leasable commercial space.

Working with Finrock, college officials received solid price information early enough for them to determine that they could add an additional floor of vehicle parking and a central chiller plant to the structure while staying within a strict budget.

“We’re pleased that Finrock created a solution for us that provides the college with a mixed-use structure on a schedule faster than we could achieve with conventional construction and at an affordable price.”

– Paul R. Corts, President
Palm Beach Atlantic College

2.

Design-Manufacture-Construct Greatly Reduces Risk

Having every aspect of the Design-Manufacture-Construct process under one roof greatly tips the balance of risk and reward in favor of the owner.

Finrock’s Design-Manufacture-Construct process is an even more solid choice – reducing the owner’s risk to a minimum because we assume responsibility for the manufacturing process as well.

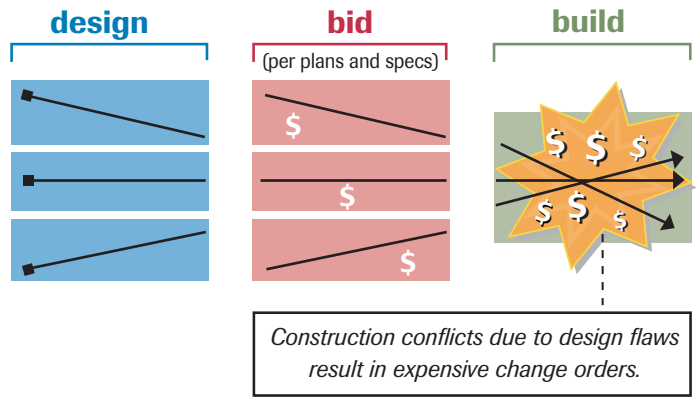
The design-builder warrants to the Owner that it will produce design documents that are complete and free from error.

BY CONTRAST, with “traditional” design-bid-build, the Owner warrants to the Contractor that the drawings and specifications are complete and free from error. Because of the Owner’s warranty for the design documents under design-bid-build, the traditional approach relies on restrictive contract language, audit and inspection and occasionally, the legal system, to ensure final project quality. (Spearin Doctrine)

Without such single source responsibility inherent in the Finrock Design-Manufacturer-Construct process, the traditional design-bid-build process can be a blueprint for disaster.

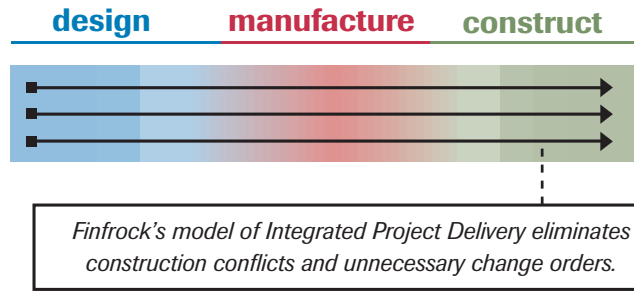
How Systems Integration Improves Efficiency

Suboptimized Bid Approach



Construction conflicts due to design flaws result in expensive change orders.

Finrock's Integrated Approach



Finrock's model of Integrated Project Delivery eliminates construction conflicts and unnecessary change orders.

3.

Systems Integration Improves Building Efficiency

In putting together a traditional bid, many contractors and sub-contractors only look at price.

Finrock's holistic view of the design-manufacture-construct process drives the tight system integration that greatly increases efficiency while significantly reducing cost and risk.

The direct benefit is a measurable reduction in overall price and time of construction.

They must be the lowest bidder in order to get the job. Each individual looks at only their own little piece of the project. There is no motivation for everyone to get together and look at the big picture. Such a process leads to sub-optimization of each trade to the detriment of the overall project. The risk of this undesirable situation, of pricing a sub-optimized solution, is eliminated when Finrock is in total charge of the structural solution.

The design-manufacture-construct process is geared toward component and systems integration rather than allowing the fragmentation inherent in the sub-optimized bids to take over. A single source for systems integration eliminates the adversarial positioning inherent in the traditional bid process.

With greater communication and control, the project schedule is optimized and your project is faster to market.

Our level of communication eliminates the finger pointing so often inherent in the traditional engineer, general contractor, subcontractor hierarchy. With greater efficiencies and less risk for all participants, the design-manufacture-construct process is a "win-win" proposition.

By integrating the design-manufacture-construct process, Finrock has created innovations, efficiencies, standardizations and economies of scale that enable us to deliver exceptional quality while actually delivering the lowest prices. Our history of successful projects and enthusiastic customers proves that our formula is effective. Most important, the quality of our precast concrete product continues to deliver value to the owner in terms of lower maintenance costs, higher property value and tenant perception of a superior facility at leasing time.

4.

Buy Direct from the Manufacturer

Our familiarity with sub-trade components (elevators, plumbing, fire protection, electrical systems, lighting, foundations, railings, etc.), allows us to integrate and coordinate these subtrades with the same level of precision that we design the precast concrete components. This level of detail ensures a smooth, efficient and economical construction process.

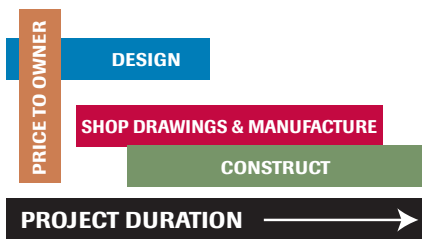
By employing our core design of the structure and pre-engineered integration of sub-systems, you are not burdened with the cost of custom, detailed engineering of each project. Most of this work has already been done and standardized, allowing us to concentrate on your functional needs and on the pursuit of continual technical innovations and improvements. The quality features now standard in our parking structure product are simply not available through the traditional design-bid-build process.

As a general contractor, architect, structural engineer and experts in precast concrete design, manufacture and erection, we have the knowledge and experience to quickly arrive at a final design that meets the clients' requirements in a form that is buildable and economical. Attention to detail and precise planning assure the highest quality.

PROJECT DELIVERY TIMELINE

FINROCK DESIGN-MANUFACTURE-CONSTRUCT PROCESS

OWNER RISK: **LOW**



TRADITIONAL DESIGN-BUILD PROCESS

OWNER RISK: **MEDIUM**



TRADITIONAL DESIGN-BID-BUILD PROCESS

OWNER RISK: **HIGH**



Finrock's Design-Manufacture-Construct process means low risk for the owner -- and projects delivered in record time.

Experience teaches that the traditional bid process, by its very nature, creates relationships where the individuals involved are more interested in protecting their self-interests than in being true team players.

With Finrock, our balanced and very complete company is on your side from the outset. Our people are highly motivated to add value and maximize performance. We believe in delivering the successful projects that lead to repeat relationships where experience and trust continue to build.

5.

Enjoy a Value-Added Rather than Adversarial Relationship



CONCLUSION

FINFROCK

DESIGN-MANUFACTURE-CONSTRUCT



Why Negotiate with Finrock?

There are times when a bid price does not translate into the lowest cost or real value.

Finrock's unique Design-Manufacture-Construct capabilities bring significant advantages to the negotiation process. You are assured of a project that is designed to be easily and efficiently manufactured and manufactured to be easily and efficiently constructed. Risk is reduced through single source responsibility and system integration gets your building built and producing revenue in a very timely fashion.

Finrock is the leader in Integrated Parking Solutions.