



Cost Consulting Services Statement of Qualifications

- Our estimates fall within five percent of bids nineteen times out of twenty, which leads to ninety percent of our clients being repeat or referral.
- We estimate over 150 new/renovation construction projects with a combined worth of over \$10 billion each year.



- The Cost Reconciliation Tracker® provides a comprehensive database that includes over 3,000 projects e. The database is updated in real-time and allows us to access market conditions, trade prices, escalation, building type, client contracts, and product information, which can be extrapolated for your project.

Profile

Since our inception in 1972, we have been a leading innovator in our specialty of pre-construction cost control. We developed the elemental estimating systems, line item estimate computer reports, and computer graphic take-off processes that have become standard throughout the industry. We estimate over 150 new/renovation projects every year, which translates into \$10 billion worth of construction. Extensive bid and reconciliation data enable us to benchmark institutional buildings at appropriate current levels. This provides owners and architects with detailed and accurate costing reports based on information from our comprehensive database, knowledgeable staff, and developed processes. These realistic project budgets from the outset help minimize the loss of program and scope, and costly re-design that can minimize unexpected costs and outcomes.

Structure

Our team members work in architectural, structural, mechanical, and electrical divisions. We pride ourselves on having one third of our estimating staff as mechanical and electrical engineers, which means we understand completely how these systems work and how much they cost. This team approach enables us to provide continuity, a working knowledge of all projects, and to make it our policy to be responsive to your needs, while providing an estimating service that is Beyond Estimation.

Team Organization Chart	
Principals	James Vermeulen Richard Vermeulen
Associate Principal	Craig Chiarelli
Associates	Peter Lucking Jacob Bowman Blair Tennant
Senior Project Managers and Senior Estimators	Riv Manning Melissa Chabot Zach Bergeron Steve Sparling Shelley Brooks Laurie Finlay Lee-Anne Leslie

Experience

Our team combines decades of experience and are professionally recognized for their expertise through national speaking engagements and accredited seminars. Our estimating staff includes professional quantity surveyors, architects, engineers (mechanical, electrical, structural, and civil), interior designers and urban planners. Many of our team members are LEED AP and our background includes hundreds of projects that were either LEED Certified or Net Zero Energy.

Overview

We have developed a cost control process to enable us to provide clients with the most detailed and accurate information to assist them in making major project decisions. Our team performs several quality control processes to ensure our estimate was developed using the correct criteria and assumptions before the draft estimate is delivered. As part of our estimating process, we will build a comprehensive value engineering list for your consideration. Once the draft estimate is released and reviewed, we can provide value management and reconciliation services as needed. We are a firm committed to being fully involved in your project from beginning to end. It is our objective to assist the architect and the owner in all possible aspects to ensure a successful project.



Why Vermeulens?

We provide a Service Beyond Estimation

We specialize and focus on pre-construction cost control services, which includes, cost estimates from programming through contract documents, reconciliation of scope to budget, and bid review. From principal to project manager to estimator, we are fully committed to your project. We are nimble and responsive as our services go beyond estimation.

Staff

Our estimating staff includes professional quantity surveyors, architects, engineers (mechanical, electrical, structural, and civil), interior designers and urban planners. We pride ourselves on having one third of our estimating staff as mechanical and electrical engineers, which means we understand completely how these systems work and how much they cost.

Construction Economics

We are North America's Construction Economist. Since 1986, we have been tracking reconciled construction costs with our construction index. For over 10 years, we have expanded our analysis to track the major economic drivers for construction, which we utilize for accurate construction escalation forecasts. We present this information at the commencement of all projects and by client request. We are recognized for this expertise through national speaking engagements and accredited seminars.

Track Record

We have an outstanding track record with 95% of our estimates falling within the range of bids from a number of contractors. This accuracy and our attention to detail and quality control ensures that 90% of our clients are repeat or referral. Our service is Beyond Estimation - focusing on confidence, trust, verifiable results, and the bottom line. This will ensure that you will benefit from time and cost savings that far exceed our professional fees.

Project Volume and Benchmarking

We estimate approximately 150 new/renovation projects every year, which translates into \$10 billion worth of construction. Extensive bid and reconciliation data allow us the ability to benchmark numerous types of buildings at appropriate current levels. Our project volume is a testament that clients like you depend on us for realistic budgets and cost control from initial concept through to contract documents.

Conceptual Estimating

We are told by our clients that we are attentive to their needs before they know what they want and responsive when they do. Our extensive database allows us to provide an accurate detailed estimate based on our knowledge of program design intent and requirements. Based on minimal information, our estimates provide owners and architects with the means to make informed decisions.

Consensus Approach in Reconciliation

We facilitate reconciliation meetings to reach consensus on fair and reasonable quantities and pricing levels for your projects. We document this process in real time by recording adjustments to the estimates and tracking the impact to the bottom line. This approach validates the milestone estimate so the team can proceed through design with confidence in the reconciled budget. This is achieved for a fraction of the cost of a single item missed in an unreconciled budget.

Brand

We are a small professional services firm with a depth of experience and extensive project lists, which rivals those of other national firms.

Trusted Advisor

We understand that as your trusted advisor we will be available to help answer questions and concerns as they arise throughout the life of your project.



Project Experience

Our vast experience ranges from industry to industry. Construction methodologies are the same across the board. Below is a list of only some of the industries we work in.

Industry	Projects	Square Feet	Construction Budget
Athletic	58	17.9 million	\$3.9 billion
Dorms	65	12.8 million	\$3.7 billion
Healthcare	247	75.7 million	\$23 billion
Higher Education	658	116.6 million	\$32.3 billion
Labs (Research/Science)	329	57.9 million	\$17.6 billion
Pharmaceutical	27	6.8 million	\$1.9 billion
Schools	34	3 million	\$645 million
Student Centers	36	5.7 million	\$1.4 billion
Theatre	119	19 million	\$5 billion



Cost Control Process

Overview

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Milestone Estimating Cycle

The Milestone Kickoff

- allows owners, architects and consultants to clarify their project parameters, expectations and requirements through a face-to-face meeting or by conference/phone call

The Graphic Analyzer

- confirms in an easy to read color format that the building gross floor areas, components, and program breakdown are lining up where anticipated

Elemental Estimating Process

- elemental document provides a systems approach to estimating
- beneficial for compiling costs like MEP systems and architectural enclosure
- all estimates provide a breakdown by line item description and a summary by element
- extensive internal review process for accuracy and scope through a three step review process
- format breakdown is your choice - common examples are uniformat, CSI master format, and bid package breakdown

Real Time Reconciliation

- we facilitate a consensus driven reconciliation process
- side-by-side comparison with construction manager estimate
- real-time tracking shows current adjustments to the estimates and to the bottom line with every decision made collaboratively by the team
- detailed estimate changes are tracked by division so all variances are reconciled and understood
- fully reconciled estimates are achieved in a 1-2 day working session with results delivered on a USB key

Back on Budget Cycle

- value management session, which typically occurs alongside reconciliation, identifies the scope of work that is in line with the project requirements and anticipated budget
- detailed report of all cost suggestions (accepted, pending, and rejected)

Milestone Estimate

- final estimate summarizes the adjustments of the Real Time Reconciliation and Back on Budget sessions at the end of each design phase
- provides the basis for proceeding to the next design milestone
- continuous support and availability for your questions during the milestone estimating cycle is included

Final Analysis

- the final analysis allows us to evaluate not only our success factors, but all factors critical to the successful completion of our client's project

Bid Comparison

- we perform a detailed bid comparison with the final tendered document
- our estimates fall within five percent of bids nineteen times out of twenty



Parallel Estimating with Real Time Reconciliation

In parallel estimating, the construction manager and our team prepare independent cost estimates from the same documents at each of the design milestones. The two estimates cross check each other through the Reconciliation process. With a transparent process and independent market information, the owner and design team have the knowledge to negotiate toward scope and price levels that are fair and reasonable for all parties.

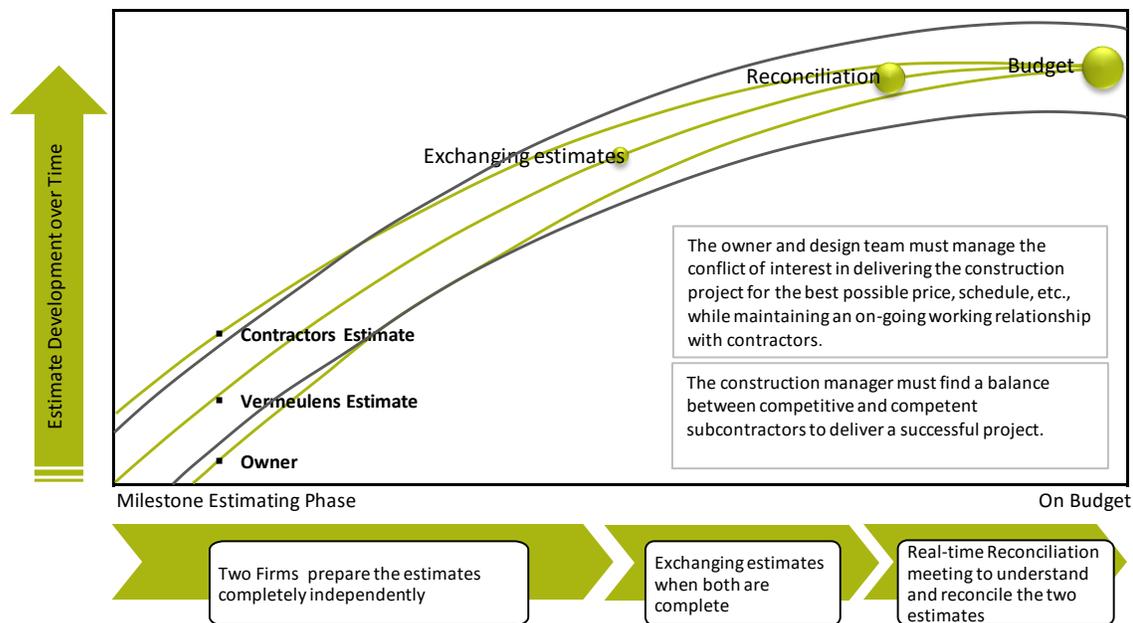
Parallel estimating is key to the Construction Management process. The construction manager must find a balance between competitive and competent subcontractors to deliver a successful project. The owner and design team must manage the conflict of interest in delivering the construction project for the best possible price, schedule, etc., while maintaining an on-going working relationship with contractors.

Key activities in the parallel estimating process include:

- preparing the estimates completely independently
- exchanging estimates when both are complete
- having a reconciliation meeting to understand and reconcile the two estimates

We compare the detail of the two estimates and tabulate the results for ease of comparison and discussion. This Reconciliation Tracker document becomes the starting point and the recording document for the reconciliation process.

Parallel Estimating - Two firms work in Parallel to develop independent Estimates



Real Time Reconciliation

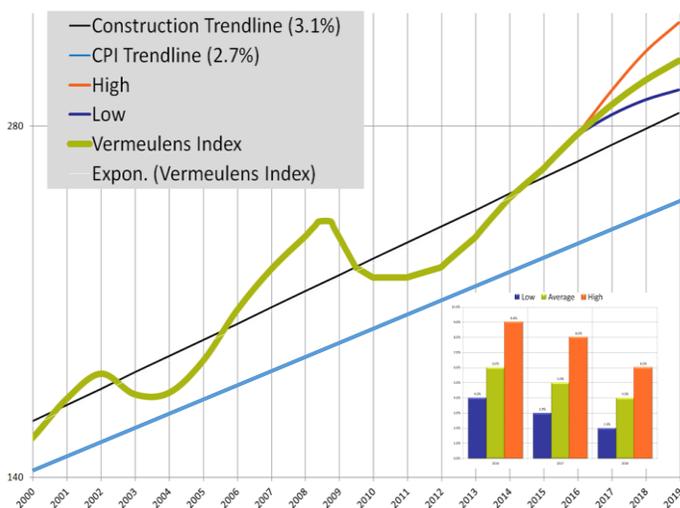
Real Time Reconciliation results in a fully understood consensus view of the project that all members of the team can agree to. The reconciliation process is a meeting that involves all parties to the project, including the owner representatives. During this process, the aim is to identify, review, and understand all significant cost drivers of the project. We record these discussions and any changes to the estimates in our Reconciliation Tracker document. An electronic copy of this is available to all parties at the end of the process.

The reconciliation meeting is the ideal platform to discuss and agree to appropriate levels of risk management. Even when design documents near completion, significant variances can occur with respect to line item allowances, and contingencies for design, escalation, and construction changes.



Some of the Qualifications that Make Vermeulens Unique:

- Quarterly Market Outlook ‘white paper’ national publication of construction economic indicators and cost trends



Indicator		Current	Forecast
CPI Inflation	Long Term Trend	↔	↑
ICI Demand	Increasing	↑	↑
Nom Interest Rates	Level	↔	↔
Real Interest Rates	Low	↔	↔
Government Spending	Low	↔	↔
Government Deficits	Negative	↓	↓
Financial Assets	Leveling	↓	↔
Real Estate Assets	Rising	↑	↑
Construction Prices	Rising	↑	↑
Construction Employment	Rising	↑	↑

- Project Volume and Benchmarking providing a comprehensive database of hundreds of peer projects
- Collaborative Real Time Reconciliation process
- Integration with Building Information Models (BIM) and real time estimate updates
- Appropriate contingencies to avoid time-consuming value engineering exercises, and expensive re-design
- One third of our estimating team are mechanical and electrical engineers
- Procurement strategies that minimize risk, positively affecting overall construction cost, schedule and quality of project

Contact your local Vermeulens office for further information and/or an in-depth services presentation:

Boston – Marisol Serrao, Northeast and Mid-Atlantic States 617 201 3949 or mserrao@vermeulens.com

Toronto – Wendy Carter, Canada 905 787 1880 or wcarter@vermeulens.com

San Antonio - Blair Tennant, Central States 214 789 2304 or btennant@vermeulens.com

Denver and Los Angeles - Peter Lucking, Mountain States and Western States 303 386 2530 or plucking@vermeulens.com

We look forward to the opportunity to work collaboratively with you and your project team members.

Vermeulens’ cost control service gives our clients the greatest possible value and results for their projects.

