



# Quarterly

A PUBLICATION OF PALACIO COLLABORATIVE

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**WE ARE  
CERTIFIED**

Disadvantaged Business Enterprise (DBE)  
GEORGIA DEPARTMENT OF  
TRANSPORTATION (GA DOT)

Minority Business Enterprise (MBE)  
FULTON COUNTY

Hispanic Business Enterprise (HBE)  
CITY OF ATLANTA

## UPCOMING

**We Estimate Your Design  
With LEED In Mind**

Palacio Collaborative, Inc. is going green! We are presently pursuing LEED certifications for members of our staff to better serve you and support our Clients in bringing the most value to their building projects through sustainable design.

[www.palaciocollaborative.com](http://www.palaciocollaborative.com)

## PROJECT PROFILE

### **Georgia Gwinnett College Library *Lawrenceville, GA***

*Architect: Leo A Daly*

**Palacio Collaborative, Inc.** is the Cost Manager for the Georgia Gwinnett College (GGC) Library located in Lawrenceville, GA. The new Library includes computer labs, distance learning spaces, technical support facilities, faculty teaching and learning center, and common library spaces with functions and services traditionally provided by university libraries. The campus Library will be approximately 90,000 square feet and will house, service and make library collections accessible to students, faculty and the community. The anticipated Construction Cost for the library is \$20 Million.

As Cost Manager, Palacio Collaborative, Inc. provided a detailed Cost Model to successfully reconcile the budget and scope prior to design, delivered Design Phase Estimates, and engaged in reconciliation efforts with the CM-at-Risk.

## EYE ON SERVICE **What is Cost Modeling?**



Establishing a reconciled budget and scope is a critical first step in drastically increasing the chances for project success. Cost modeling is an accurate and effective conceptual estimating method that helps to determine if the scope and budget are reconciled, and if not, what measures may be taken to create this balance. This service is designed to ensure that projects of any size, type or complexity start on the right track.

## PROJECT HIGHLIGHTS

Palacio Collaborative is presently providing Cost or Value Management for these projects.

- Grady Memorial Hospital Neuroscience ICU Renovation  
*Atlanta, GA*
- Gainesville State Academic Building  
*Oakwood, GA*
- Hunter Park Recreation Center  
*Douglasville, GA*
- College of Coastal GA Health Sciences Building  
*Brunswick, GA*
- GA Tech Architecture Auditorium  
*Atlanta, GA*
- Emory University Softball Stadium  
*Atlanta, GA*
- Alpharetta Adult Activity Center  
*Alpharetta, GA*
- Kennesaw State Sports and Recreation Park  
*Kennesaw, GA*
- University of GA Masters Hall Renovation, *Athens, GA*
- GA Tech Animal Lab Renovation  
*Atlanta, GA*

## STATE OF THE MARKET

This is our third quarterly newsletter and I am sorry to report that the architecture/construction market has not improved. In fact things seem to have become noticeably worse. Local and state budgets continue to be slashed to make up for lost tax revenue and markets such as retail, corporate, residential, religious and mixed-use have all but stopped producing new opportunities. We have seen projects go on hold or only have a portion of the design process funded. Crowds show up for pre-proposal meetings and a substantial number of bids are offered on both the design and construction sides. One of our smaller municipal projects recently collected 28 bids from general contractors and it is not uncommon now to see 30+ architects represented at pre-proposal meetings. In discussions with a few local contractors, the competition is so fierce that some bidders are not including markups at all in an effort to win the project.

In studying a sample of construction products, both the material and erection cost for steel has come down significantly. Copper products such as plumbing piping and wiring, though continuing to experience mild volatility, are approximately half the price they were this time last year.

On the brighter side, many economists believe that we are at or near the bottom and an upturn is anticipated late this year or early next year. The stimulus package is also expected to have a significant impact on a variety of fronts including green/sustainable building, transportation, infrastructure, educational facilities, aviation, and public housing to name a few.

### PALACIO COLLABORATIVE ATTENDS GFIC CONFERENCE



Palacio Collaborative staff attended the 53<sup>rd</sup> Annual Meeting of the Georgia Foundation for Independent Colleges at the beautiful Ritz Carlton Lodge – Reynolds Plantation. The conference was held in Greensboro, GA and presented a great opportunity to meet with campus presidents, faculty, and the GFIC board. Palacio Collaborative sponsored the President's Meeting and Michael Palacio delivered an address highlighting the Construction Cost Management process. The conference was informative and underscored the unique challenges and overall planning objectives of some of Georgia's higher learning institutions.