



Cost Cutting Initiative  
Program P.1

## COST CUTTING INITIATIVE PROGRAM

It is very apparent that everyone is feeling the pain of the economic climate. The construction industry has taken the biggest hit and developers are looking for ways to cut costs in order to make their projects profitable. It is no secret that Florida is one of the worst hit states in the nation. Our clients have taken the first steps towards reducing costs by purchasing cheaper land and working with consultants and contractors contracts to save money. HSQ Group has taken this process five steps forward and produced a cost cutting intuitive program which looks at all aspects of the design, construction, permitting, contract specifications and coordination to reduce construction and maintenance costs.

### 1. BETTER DESIGN EQUALS LOWER CONSTRUCTION COSTS

Most consultants will tell you they value engineer their design, but do they use the same design style for every project? We have developed alternative design methods for our design of water, sewer, paving and drainage and use our vast 50 years of combined experience to provide the most economical design that meets code. Our cost cutting initiative program will reduce the construction costs from 10 to 30 percent which effectively reduces the overall site construction by more than our entire consultant contract.

### 2. CONSTRUCTION COST REDUCTION

There are many ways to construct a project. Providing a design of more than one alternative gives the bidding contractors a chance to compete in different ways. Some contractors may be better at constructing a building in CBS, others with tilt wall. This is true for most aspects of the overall site construction and with proper design and coordination, significant savings can be achieved.

### 3. PERMITTING COSTS REDUCTION

Some permit fees are fixed costs based upon site acreage or type of permit required. Other permit fees are based upon a percentage of construction costs. Most cities are between 4% and 10% of construction costs for review and inspections. What most people don't know is not all construction costs need to be included in the fees provided to the city for permitting. We know what items need to be provided and what items do not. The city will not tell you to reduce the cost estimates if you provide more than what is needed.

### 4. CONTRACT SPECIFICATIONS CAN REDUCE COSTS

The contract specifications with the contractor normally include the overall criteria for construction, timeline, payment terms, penalties and legal ramifications. Most contractors have to take into account financing of the project and carrying costs while waiting for payment from the developer. These carrying costs can be reduced or eliminated if the developer is willing to pay the contractor immediately or guarantee payment prior to the normal 30 day waiting period.

### 5. PROJECT COORDINATION LEADS TO COST SAVING AND CHANGE ORDER REDUCTION

The key to real savings for the developer is project coordination between the developer, design consultants and contractor at the very beginning of the project. Putting together the full team in the beginning will allow all team members to work together to reduce costs, time and change orders.

**HSQ GROUP** has developed over 50 ways to cut costs for our clients. We have interviewed architects, contractors, landscape architects and engineers to develop our program. Please contact us at 888-HSQ-4ENG or visit our website for more information.

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on the Road for  
Success!*