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Tenants need to choose right tools

You wouldn't use a circular saw to cut down a tree, would you? Probably not the best option.

We're constantly faced with making decisions about the proper tools or resources to use to complete any given task. In the case of new building construction, there may very well be more than one general contractor involved: one for the core and shell; one for the tenant finish. But why?

Why muddy the waters with two separate contracting teams with different personnel, different subs, and two completely different philosophies? The answer, quite simply, comes down to area of expertise, and by extension, price.

"Turnkey" has become a popular catch phrase in commercial construction over the last five or six years. The concept of design-build has mushroomed into the assembly of integrated teams of consultants and vendors servicing any given project from inception through planning and beyond.

These teams can include twenty or more members, from the real estate broker to the art consultant, and everybody in between. Sometimes even the core and shell architect will fuse its services with the tenant finish architect to bring strength and core competence to the design phase of the project. This rarely happens with the general contractor, however.

That is, a large core and shell general contractor rarely invites a smaller, tenant finish general contractor to join forces on a new construction project. Whether it's an issue of competition, pricing, or philosophy, or a combination of all three, it just doesn't happen very often. The result, unfortunately, is that the best interest of the client is often not served.

It was only a short year ago that clients were asking how fast they could get into any given space. Today's client is asking how much it will cost. A core and shell general contractor's expertise is just that: seeking the right mix of materials, labor, and supervision to get the building constructed on

time and within budget. Conversely, a tenant finish contractor's expertise lies in building out a specific space within the building, whether it is two thousand or twenty thousand square feet. The top priority of the core and shell contractor—its ultimate goal—is to get the building built. They're better at it than any other type of contractor. It's how they make their money, and how they can save their clients money by doing it better and faster.

The same is true of the tenant finish general contractor.

Its job is to bring together the other consultants and vendors of the tenant finish project, like the architect, furniture consultant, mechanical and electrical engineers, and others, to coordinate the hundreds of details necessary to complete the project under very tight time constraints. A tenant finish project might have a completion schedule of six to eight weeks while the base building construction can take six to eight months. That alone is indicative of the disparity between the two disciplines.

More specifically, the lead times for materials and equipment required for the completion of a tenant finish are extremely compressed, and must be planned for at the very inception of the project.

The tenant finish contractor also has long-standing relationships with specialized vendors, code officials and other consultants which can prove invaluable in overcoming out-of-stock items, design changes, change orders, and other challenges specific to tenant finish project work.

Unless it is intimately involved with the construction and commercial real estate business, a client is likely unaware of the difference between one contractor and another. The client may be under the assumption that since the core and shell contractor is already in the building, it would not make sense to bring in another team to work on the interiors phase. Or they may assume that a new contractor would be a disruption to the existing core and shell

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team in place.

These, of course, are legitimate concerns. The reality is that the core and shell contractor may be no more qualified to complete the tenant finish than the tenant finish contractor is to complete the base building. Again, it depends on the contractor's scope of services, bank of experience, and of course, proven performance.

It would be impractical, for example, to expect the same superintendent to supervise the erection of the building's exterior concrete and a tenant's custom door hardware in the same breath. It just wouldn't make sense. It's apples and oranges.

Moreover, the core and shell outfit may be a very large organization with several divisions and layers of management. It may be headquartered out of state—maybe even out of the country—and not familiar with local municipal codes and product vendors. And just because a larger operation might have a "special division" assigned to tenant finish, it does not mean it has the same overhead as a smaller, more specialized outfit. It probably doesn't. These are all factors that should be carefully considered at the outset of the project.

In the end, the onus is on the client to determine which type of firm can offer the best possible method to meet the specific goals of the client. Ultimately, the best course of action is to directly interview at least one tenant finish general contractor in addition to the firm putting up the building. It's the only way to get an apples to apples comparison on building out a tenant space.

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