

## **BREAKING GROUND**

### **CEC TENANT IMPROVEMENT**

In August, ConTrak began construction on upgraded office and conference space for Civil & Environmental Consultants.

The company's new offices are located within the Class A Orion Office Park, which ConTrak built in 2001.

The Columbus staff of Pittsburgh-based CEC includes a number of engineers and surveyors. To give field crews convenient access to their equipment without disrupting the office environment, ConTrak built a new exterior side entrance and walkways leading to a secure storage area.

By the beginning of October, ConTrak subcontractors had put the finishing touches on CEC's 11,000-square-foot office suite, which overlooks a creek and the Polaris Amphitheater.

*Civil & Environmental  
Consultants office and  
conference space.*



## **CORNERSTONE**

"The time is always right to do what is right."

— Martin Luther King, Jr.

**CONTRAK**  
*Corporation*

*Our Reputation is Building.*

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# **TRAK** **RECORD**

JANUARY 2004

## THE CONTRAK PROFILE



**Name**  
Chris Merz

**Title**  
Project Superintendent

**Education**  
Associate Degree in  
Construction Management,  
Columbus State Community College

**Years with ConTrak** - 8.5

**Years of Experience** - 23

**Notable ConTrak Projects**  
Nationwide Insurance Conference  
Center at Northpointe,  
Knightsbridge Medical, Capella  
Medical, Huntington Bank  
Branches

**Family**  
Married 18.5 years to Tina;  
daughter, Nicole 17;  
and son, Nick, 15.

**Quote**  
"Honesty is always  
the best policy."

## TAKE NOTE

### GUARANTEED MAXIMUM PRICE CONTRACTS AND OPEN-BOOK ACCOUNTING FOSTER PARTNERSHIPS

Since its founding in 1988, ConTrak has returned more than \$1 million to clients by working under guaranteed maximum price contracts with a shared savings clause.

ConTrak's approach puts the building owner on the construction management team, as opposed to the adversarial relationship often seen in traditional building processes.

Working together, ConTrak and the building owner arrive at a fair guaranteed maximum. Because companies share in any savings, they are equally motivated to stay on schedule and to hold the line on expenses.

The guaranteed maximum price is based on comprehensive cost estimates tied to a detailed scope of work. Building owners participate in the bidding process and help choose the subcontractors and materials.

After negotiating a guaranteed maximum price contract, ConTrak absorbs any costs over that price. However, the building owner pays for any costs arising from changes to the scope of work or unforeseen conditions.

ConTrak's open-book accounting system puts teeth in the guaranteed maximum price. With open-book accounting, there are no gray areas. Clients receive copies of all material and subcontractor invoices.

Alan Starr, ConTrak's Chief Financial Officer, noted that many general contractors bill based on percentages. If they estimate a project is 25 percent complete, they bill the owner 25 percent of the cost when subcontractors may have submitted bills for less. This gives the general contractor some float and additional cash flow to use.

With open book, the owner keeps the cash flow. "We don't bill the owner until we receive an invoice, and we include copies of invoices with bills. There are no hidden charges," Starr said.

## LOG ON TO CONTRAKCORP.COM

Log on to the ConTrak Web site at [www.contrakcorp.com](http://www.contrakcorp.com) where you can find online versions of past issues of *Trak Record*.

Coming in the new year, clients will be able to log in to stay informed of job status, access current job site photos and more!



Starr emphasized that the company philosophy is as important as good accounting controls. "You really need a strong system and people who are willing to be honest and upfront," he said. "That's our culture here. We then convey that to owners and subcontractors. It becomes a real team process.

"Our owners, for the most part, pay us on time or early. This allows us to keep money flowing to subcontractors." This makes subcontractors more willing to work around problems.

Communication is key. ConTrak holds monthly internal job cost meetings and meets with owners at least monthly, if not weekly. Job site meetings include the owner and trade subcontractors so that issues can be ironed out on the spot.

"Everyone has to work together," Starr said. "It's a total team concept. That's what creates the savings. We've proved that time and again."

## PROJECT LOG

**CLIENT** ..... Fiori Homes  
**PROJECT** ..... Village at Powell Condominiums, Phase I.  
Completed 24 luxury condominiums with attached two-car garages, community center and swimming pool.



**CLIENT** ..... Clear Channel radio stations  
**PROJECT** ..... Consolidation of office space and sound studios in 32,000-square-foot build-out on the second floor of The Cliffs Building at 2323 West Fifth Ave.

## PROJECT STARTS

**CLIENT** ..... ABB  
**PROJECT** ..... Three-story, 111,000-square-foot office building with attached one-story light technological space.