

Oklahoma Methodist Manor



Case Study

Project:	Oklahoma Methodist Manor (“OMM”) 4134 East 31st Street Tulsa, Oklahoma	
Description:	Crestwood 103-units	154,000 SF
	82-bed rehabilitation	46,000 SF
	Wellness center	10,000 SF
Constr. Cost:	\$24.4M	
Constr. Schedule:	14 months	
Developer:	ARI	
Contractor:	Horizon Construction Group, Inc.	

Background

Horizon is pleased to be the general contractor for the OMM expansion and renovation project. This unique project includes new construction of 103 life lease residential units, an 82-bed, 2-story nursing home renovation, and a 10,000 square foot wellness center attached to the housing community. The new residential building, called Crestwood, features hybrid structural components including wood frame and steel stud construction. The building also utilizes post tension concrete over the parking garage. The Crestwood building is infill construction on campus and the nursing home renovation is a “rolling rehab” where construction work is scheduled to minimize impacts on current residents and ongoing facility operations.

Estimating Services

Horizon’s experience and early involvement in the OMM project assisted greatly with financial feasibility and client satisfaction. Horizon was selected for the project in April 2010 during early stages of development and design. Horizon’s initial estimates were based on single line concept drawings and scope narratives and concluded that the project was over budget. Horizon’s experienced staff went to work with the project architect and various consultants to evaluate big picture components of the project. Horizon and other team members continuously provided value engineering options throughout the design process to decrease project costs. In the end, the approved design alternatives and other value engineering options saved the project an estimated \$3 million and, most importantly, allowed it to move forward as a financially feasible development without compromising the client’s initial design intent. After seven months of pre-construction services, Horizon started construction in December 2010.

Case Study – Cont'd

The project's storm sewer bypass system is a good example of the value created during this process. At concept design, a \$100,000 allowance was allocated to this item. Throughout the design process, however, the scope of work for this system was further defined through code review and discussions with municipal officials and was found to actually cost \$800,000. Horizon's team effort during design helped discover this budget issue and proactively work through it. Many design alternatives were considered and, in the end, the \$700,000 overage was funded by value engineering elsewhere in the project. Most importantly, the modifications were implemented without affecting value to the end user, allowing the client to remain confident with project feasibility.

Another example of successful value engineering was encountered when heat pumps were introduced as an additional feature for all three bedroom unit types. This amenity presented a \$350,000 budget challenge very late in the design and bidding process. Horizon resolved the issue by working with the project architect and suggesting design alternatives in other areas of the building. The result was that the heat pumps were included in the project and the client was pleased to offer the enhanced three bedroom units.

Horizon's Value Added Services

Also noteworthy are other complexities of the project. First, the building design called for a geothermal heat pump system for heating and cooling. This is a very complex HVAC system and Horizon was able to team with skilled consultants to be sure that all systems are installed correctly and operating optimally going forward. Secondly, the new building was originally designed as an apartment building but was changed to include solely life lease units. Traditional apartment units are finished with the same trim, cabinetry, flooring, and countertop materials throughout but the life lease units are leased similar to how a condominium unit is sold. Four to five finish packages are being offered for selection by each resident and numerous upgrade options were put together by the Horizon construction team. Constructing life lease units and making sure each unit is finished according to resident selections will require much higher level of coordination. Third, Horizon is accustomed to working in tight conditions and other site constraints. The OMM project is located in the middle of the campus making traffic, material, work space, and scheduling an issue. Horizon is strong with communication, scheduling, managing subcontractors, and foreseeing operations needs to avoid potential logistics issues. Lastly, Horizon is comfortable working with many different team structures. We know our core competencies and what is expected of us and welcome the opportunity to work in different formats. The architect on this project, Eppstein Uhen, was contracted directly by the owner. Horizon worked through all project challenges in a design-build format with the client's best interest in mind. Horizon's teamwork approach and ability to see from the client's perspective is a strong suit of our company and a reason many clients are pleased with our design/assist-build services.



September 9, 2010

Vinson Hall Construction Manager Search Committee:

We are pleased to communicate our utmost satisfaction with Horizon regarding the work they have done for us at Oklahoma Methodist Manor (OMM) in Tulsa, Oklahoma. OMM is undergoing a \$40 million re-development project and Horizon has played an important and integral role on the development team as the Construction Manager. From the beginning of our relationship they have exceed our expectations by diligently working with the owner and the designers of the project to insure that the design meets the owners expectations at the same time being within the owners budget for construction. They have followed that up using their expertise and skill in dealing with subcontractors to deliver a Guaranteed Maximum Price that meets the OMM budget. Value engineering has not been required from a budget standpoint, but they have brought us options for cost savings that make sense without a corresponding reduction in quality.

Our experience is that they are proactive and creative in finding solutions to issues. Their broad exposure of working in a variety of regions across the USA has benefitted our client, OMM, by bringing the best subcontractors to the table whether that be from Tulsa proper or from elsewhere in the country.

With complete confidence we would highly recommend Horizon for your project as a company with high integrity, easy to work with, and capability to get the job done within the timeframe they promise and the budget they project. Please feel free to contact us if you have specific questions about our experience with Horizon. Thank you!

Sincerely,

A handwritten signature in black ink that reads "Tony Ewert". The signature is written in a cursive style with a horizontal line at the end.

Tony Ewert
Principal, ARI

A handwritten signature in black ink that reads "David Slack". The signature is written in a cursive style with a horizontal line at the end.

David Slack
Principal, ARI



OKLAHOMA
METHODIST
MANOR

Ryan Alvin
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Madison, WI 53718

September 24, 2010

Greetings from Oklahoma,

Oklahoma Methodist Manor is a 54-year old continuing care retirement community (CCRC) located on a 40-acre campus in mid-town Tulsa. We currently serve approximately 280 residents with an array of services including independent living, assisted living and skilled nursing care.

In December, 2009 Oklahoma Methodist Manor faced a critical decision. We had been working on repositioning our existing campus and planning construction of 100 new independent living apartments. After many months of work we were looking at a set of plans that lacked the amenities we wanted and for which the preliminary pricing was very high. The board of Oklahoma Methodist Manor agreed that it was time to explore other options.

After an impressive first round interview a team of board members and staff traveled to Milwaukee to visit several Horizon projects. We toured 6 projects on three different sites. We returned to Tulsa convinced that Horizon could help us achieve our goals of improving the design and lowering the cost of the project.

Teaming up with Horizon Construction and a new architect has proven to be a very good decision for Oklahoma Methodist Manor. The new team found a way to meet all of the program objectives of the campus redevelopment while adding significant value to the project. The new design shortened travel distances within the building, added under-building parking and improved the aesthetic appeal of the residential units at a cost that is projected to be over \$10 million lower than the original design.

When the new design was presented to 40+ depositors who had committed to the original plans- all of them enthusiastically endorsed the changes. Today we have met our pre-sales goal and we are securing long-term financing.

Horizon has also played a key role in planning the transformation of our traditional 84-bed nursing home into six households each with a separate living room, dining room and kitchen area. Under Horizon's direction we have a plan that will minimize the disruption to current residents and families throughout the renovation process.

All of us at Oklahoma Methodist Manor are pleased with the decision to select Horizon and we are grateful for the important contributions they have made to advance our mission and ministry.

Sincerely,

Steven Dickie
Executive Director