



MAKING IT WORK (History and Philosophy of Charles J. Pankow)

The concept of a better way to design and build a project started germinating long before Charles Pankow Builders was founded in 1963. To Charles J. Pankow, understanding the owner's requirements and budget before beginning a design to fully meet those needs made complete sense; doing so prevents the owner from risking money for completed plans that he might or might not be able to use. Because the builder controls the scope, quality, schedule and cost of a project, he is in the best position to guarantee these factors in advance. The standard bidding method of sending plans out to subcontractors for estimates and then taking the lowest of those numbers to compile a bid package, rarely gives the true picture of a project, which inevitably means change orders that increase costs and delay construction.

After graduating from Purdue University in 1947, Charlie (as everyone knows him) began his career with the structural engineering firm of S.B. Barnes Company. He was working for Peter Kiewit when the idea began to take hold that a project could be priced early in the design phase. Charlie's first foray into design-build was successful, benefiting both the owner and the company. But this new approach did not always blend with the company's philosophy. There was only one way to prove that the majority of projects could successfully be built using this method: Charlie would have to start his own company. Begun in the garage of his house in Altadena, California, Charlie's new enterprise represented a major shift in construction procurement practices. It involved the selection of the builder at the same time as the architect and engineer in order to obtain the most efficient, cost-effective project possible and to remove errors and omissions from the owner's responsibility. Having the builder as a proactive participant in the design process creates the opportunity to improve efficiency without sacrificing quality.

Charlie's first project was an unsolicited job. He was approached by an architect involved in a project consisting of a large shopping center and office building requiring more than 23,000 cubic yards of concrete, at Broadway and MacArthur Blvd. in Oakland, California. The project could not be built as designed: The lowest bid was \$6.5 million, well over budget. Having heard of Charlie's success at Peter Kiewit, the architect approached Charlie to see if he would be interested in this project. Using his concept of designing and building in order to meet the owner's budget and still provide a quality project, Charlie brought the final cost of the job down to \$4.7 million (1963 dollars).

Pankow Builders believes that success can be achieved through innovative construction and management techniques. In conjunction with the National Institute of Standards, CERF, and the University of Washington, Pankow Builders has successfully developed a precast hybrid moment resisting concrete frame (PHMRF). The moment frame is one of the most important and revolutionary technologies in the construction industry. This system is highly resistant to earthquakes, sustaining significantly less damage to the frame than traditional systems. The result is an economically competitive system that provides superior seismic performance. It can be built with the speed of a precast building, reducing labor costs by using

prefabricated forms, which allows for efficient crew sizes and reduced equipment usage. To enhance this process, Pankow Builders created Mid-State Precast in Corcoran, California, in 1999 to maintain a higher level of fabrication and delivery to the jobsite. This provides a new dimension for the effectiveness of the design-build process using precast concrete, which would otherwise not be available.

Pankow Builders is accustomed to taking and managing project risks but does not bid on projects for which plans have already been completed. A guaranteed, lump sum price can be offered to the owner based on schematic design documents. Contrary to popular belief that owners and designers lose control of a project, Pankow Builders supports their continued involvement. Decisions are made during the design that will impact the owner's expectations of the final project. Selecting the proper architect and engineer is crucial in making the design-build process successful. Although Pankow Builders does not provide these services in-house, it works with architects and engineers from around the region, who must be involved in every decision so that expectations are compatible with the final result. Pankow Builders, an employee-owned company, performs as much work as possible with its own forces. This enhances its ability to assume risk and brings far more hands-on experience and knowledge of the details and demands of construction than does the mere administration of subcontracted work. "Change Orders" is not a part of Pankow Builders' vocabulary.

After more than 500 completed projects across the nation and four decades in the business, Pankow Builders has an unsurpassed reputation of performance, value and quality, and has never been involved in litigation with a client. Every job has been completed on time and within budget. Additionally, Pankow Builders maintains a high level of involvement with national associations such as American Concrete Institute and the Precast Concrete Association. Two members of the firm were elected to the National Academy of Engineering. Pankow Builders was one of five founding members of the Design Build Institute of America. Rik Kunnath, Pankow Builders' CEO, was elected the first National Chairman for DBIA in 1995. In 1999 ENR Magazine named Charles Pankow one of the Top people of the past 125 years for his outstanding contribution to the construction industry.

The goal of Charles Pankow Builders has been and always will be innovation in building construction. Pankow Builders is the research and development leader in continually improving building quality, efficiency and technology. This dedication underscores Pankow Builders' commitment to add value to every project it undertakes, and to bring innovative ideas to the design and construction process.