

**Town Office Meeting Minutes
January 5, 2023**

ESTIMATE FOR TOWN OFFICE

1. GENERAL CONDITIONS:

Calculation: $\$823,155 - \$60,892 = \$762,263 \times .07 (7\%) = \mathbf{\$53,358}$

According to Tom Barden, "General Conditions are 7% on all of Division#2 through Division #16. General Conditions are for costs associated with non-trade items such as trailers, phones, project managing, supervision, etc."

Per my discussion with Tom Bachman on Wednesday, Jan. 4, this figure would be similar to a 5% Fee charged by a Construction Manger on this project.

2. ESTIMATING CONTINGENCY @ 15%:

There are unforeseen conditions and expenses on any project, particularly on a 150-year-old building. This is the Contractor's contingency to be drawn on as conditions arise. A Change Order would be presented to account for these expenses. The Contingency may very well not be used in full and should be returned to the Owner at the end of the project.

3. GC MARK-UP @ 10%:

This amount represents GC's 10% Overhead and Profit on all 16 Divisions plus the Contingency. Per Tom Barden, "All my subcontractor unit prices include the sub-contractor mark-up". Per Tom Bachman, this amount would be calculated differently with a Construction Management arrangement but might end up being about the same.

4. BOND @ 1.5%:

This is calculated on all the amounts above. This item is essentially protection for the Owner should the Contractor be unable - or unwilling – to complete the Project as contracted. These funds then allow the Owner to hire another contractor to complete the project. All contractors are not bondable. Should the Owner decide to hire a local trusted contractor and forego the bond expense, this may be an option. However, Tom Bachman feels that this insurance – and assurance – is generally money well-spent and, in fact, may be required by most lenders. They want to be sure that their money has secured a completed project.

5. TOTAL:

The correct amount here should be \$1,087,499 – additional windows which were missed in the original calculation. **I have asked gbA to issue a new Page 1 reflecting these new amounts.**

6. SOFT COST:

Per Line 5.3 of Minutes of Dec. 22 meeting: "It is recommended that the Town of Strafford carry an additional 10% contingency (10% of Barden's estimate) for project unforeseen and changes. This contingency could also cover expenses related to a temporary Town Office and any Hazardous Materials that may be discovered. AND an additional 20% (20% of Barden's estimate) for "soft cost". Soft Costs include permit fees, attorney's fees (for land purchase, permitting, financing, etc.), and design fees -

Architect: construction drawings, site visits and oversight, job meetings AND 'consultants', here defined as Civil, Structural, Mechanical, and Electrical Engineers.

7. CONSTRUCTION MANAGEMENT:

Versus a Competitive Bid process where GCs are provided with completed specs and plans and provide a fixed price for a completed project. Both Architect and Estimator recommended that the Town contract with a Construction Manager. CM will use the completed Project Specifications (a more detailed version of previous 'Building Scope') and Construction Drawings as they are being completed (beginning at about 50% complete) and provide **Guaranteed Maximum Price (GMP) to the Owner**. CM is involved early in the process and will begin to source subcontractors for all phases of the project. CM's pricing will progress as the drawings progress – 50 to 80 to 100% completion.

Architect will provide 3-5 names of qualified Construction Managers and assist with the interview and selection of a CM. CM contract will provide GMP and management fee (+/- 5% typically) for a completed project. Architect will NOT provide CM with Barden estimate.

8. gbA:

Will begin Construction Drawings as soon as Project is approved. Drawings will take 4-6 months to complete – more likely closer to 6, as gbA is quite busy. Tom Bachman is 'retiring' in May (down to 2 days/week), but will stay involved when necessary and will hand the project over to another architect he has complete confidence in.

9. PROJECT START DATE:

If the Project is approved by the end of March, for example, and gbA can begin construction drawings, it is entirely possible that some work could begin in the Fall of 2023. It may be possible to install the new drainage, excavate for the addition, and pour and back fill the foundation. This would accomplish three very important things: 1) getting a major head start on 'dirt work' in what would almost certainly be a wet site in the Spring. 2) allowing the Town Clerk to remain in the existing office during the winter of 2023-24. and 3) potentially avoiding some increased construction costs – Tom Barden has estimated adding 5-8% for a 2024 start. A 2023 start will depend on ability to contract with a CM asap.

10. BUILDERS RISK INSURANCE:

Insurance that the Owner buys to protect against damage during construction. Tom B. estimated this cost to be approximately **.75%** of construction costs. This insurance may be required, depending on the sources of financing. It is cheaper for the Owner to purchase this insurance than the Contractor. This cost to the Owner may be covered by the Owner Contingency amount. Town needs to get estimate from current insurer.

11. ITEMS NOT COVERED BY CONTINGENCY:

Land Purchase
Temporary Town Office/Moving Expenses

12. TO DO LIST:

Financing/Grants
Development Review Board
Informational Meetings/ Schedule Special Ballot
Need for Clerk of the Works – may depend on Lender