



June 15, 2021

Mr. Joe Mooney  
Chairman – Board of Finance  
Town of Branford  
1019 Main Street  
Branford, CT 06405

RE: Dan Cosgrove Animal Shelter – Board of Finance Meeting – June 15, 2021

Dear Mr. Mooney,

Thank you for the opportunity to present and discuss the current status of the Dan Cosgrove Animal Shelter with you and the Board of Finance on June 15, 2021.

We have designed this response to specifically speak to three main points:

1. A description of the process utilized to establish the current construction costs, including the prior budget iterations prepared by Enterprise Builders, Inc., and the budget established before Enterprise Builders was hired as Construction Manager.
2. A general overview of the current construction material cost environment, including escalation.
3. Comments on the sustainability component of the project with regards to construction cost, and to other similar projects.

#### Pricing Process

Enterprise Builders was notified on February 16, 2021 of the intent of the Town of Branford to award us the contract for Construction Management. We were then provided 70% complete construction documents dated February 19, 2021, which were analyzed and used to produce our initial budget #1 on March 10, 2021.

This budget was established using our estimating methodology, which focuses on engagement with key subcontractors to vet the drawings and produce responsible construction budget estimates for construction. These estimates are used in comparison with quantity takeoffs of the construction documents, which are costed against our historical data. The subcontractors' budgets are challenged (or verified) with our historical data, which is then holistically represented to the Owner as the budget price.

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Enterprise's initial 3/10/2021 budget was established as \$3,557,100 for construction costs only, based on the 70% documents. Understanding that this value was higher than the Owner's target construction cost budget, a series of cost reduction options (which we refer to as Value Engineering) were produced concurrent with this budget. These values were reviewed for viability with the Owner and design team, and ultimately entered into a revised budget with what's known as "Accepted VE."

The final construction documents were then completed by the design team and issued to subcontractors for bidding on Thursday, April 22nd, 2021. The invitation to bid was published via our iSqFt. Bid management software, in addition to advertisements on the Town website, and the Department of Administrative Services website. Bids were originally due on Thursday, May 13<sup>th</sup>, 2021; this date was changed via Addendum #1 until Monday, May 17<sup>th</sup>, 2021 at 1:30 PM, at which time the bids were publicly opened. Bidders were directed to hold their pricing for 90 days.

The apparent low bid values were then entered into a 100% Draft Guaranteed Maximum Price which was forwarded on May 19, 2021. Please see attached Exhibit A for the bid results.

We have prepared the attached Comparison Report (Exhibit B) comparing the following (4) budgets, including the Owner's soft cost budgets, for comparison:

- The original appropriation budget dated 3/5/2021
- Enterprise Builders, Inc.'s 70% CD budget dated 3/10/2021
- Enterprise Builders, Inc.'s 70% CD budget with accepted VE dated 3/31/2021
- Enterprise Builders, Inc.'s 100% CD draft GMP dated 5/10/2021

#### Construction Material Cost Environment and Escalation

In order to establish a baseline expectation for escalation, one method to calculate escalation is using a 25-year Cost Escalation Matrix from Design Construction Data ([www.dcd.com/cost-index](http://www.dcd.com/cost-index)), an industry standard, which establishes escalation factors from a start and end date. See table below.

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# 25-Year Cost Escalation Index Table

**Use this index table along with the regional modifiers to customize case study costs to a projected date and location.**

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1999 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 274 | 274 | 275 | 276 | 276 |
| 2000 | 277 | 278 | 280 | 282 | 284 | 285 | 286 | 287 | 288 | 288 | 288 | 288 |
| 2001 | 289 | 290 | 292 | 294 | 296 | 297 | 298 | 299 | 299 | 300 | 300 | 300 |
| 2002 | 299 | 300 | 302 | 304 | 306 | 307 | 308 | 309 | 309 | 311 | 311 | 311 |
| 2003 | 311 | 312 | 314 | 316 | 318 | 320 | 321 | 320 | 322 | 324 | 325 | 325 |
| 2004 | 326 | 327 | 329 | 331 | 335 | 337 | 337 | 338 | 339 | 340 | 340 | 340 |
| 2005 | 356 | 357 | 357 | 358 | 360 | 361 | 360 | 365 | 368 | 370 | 371 | 376 |
| 2006 | 385 | 386 | 386 | 387 | 387 | 389 | 390 | 391 | 392 | 395 | 395 | 396 |
| 2007 | 400 | 401 | 402 | 401 | 402 | 405 | 410 | 415 | 415 | 420 | 421 | 422 |
| 2008 | 425 | 427 | 427 | 427 | 428 | 430 | 432 | 434 | 434 | 436 | 437 | 439 |
| 2009 | 440 | 442 | 442 | 443 | 444 | 446 | 447 | 449 | 449 | 450 | 451 | 453 |
| 2010 | 455 | 458 | 458 | 460 | 461 | 462 | 463 | 463 | 465 | 465 | 466 | 466 |
| 2011 | 467 | 467 | 467 | 471 | 472 | 473 | 473 | 475 | 476 | 476 | 476 | 477 |
| 2012 | 477 | 477 | 477 | 481 | 482 | 483 | 483 | 485 | 489 | 489 | 489 | 490 |
| 2013 | 490 | 490 | 490 | 494 | 495 | 496 | 496 | 498 | 498 | 499 | 499 | 499 |
| 2014 | 499 | 500 | 501 | 502 | 503 | 504 | 504 | 507 | 511 | 513 | 513 | 513 |
| 2015 | 515 | 517 | 518 | 519 | 521 | 522 | 524 | 525 | 527 | 528 | 528 | 528 |
| 2016 | 533 | 536 | 541 | 542 | 545 | 546 | 547 | 548 | 548 | 551 | 551 | 551 |
| 2017 | 554 | 558 | 561 | 563 | 564 | 566 | 569 | 571 | 574 | 576 | 576 | 576 |
| 2018 | 575 | 578 | 580 | 582 | 584 | 585 | 588 | 589 | 593 | 595 | 595 | 595 |
| 2019 | 597 | 600 | 603 | 604 | 605 | 608 | 610 | 612 | 614 | 615 | 617 | 618 |
| 2020 | 620 | 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 631 | 633 |
| 2021 | 634 | 636 | 637 | 639 | 641 | 642 | 643 | 645 | 647 | 649 | 651 | 653 |
| 2022 | 654 | 656 | 658 | 660 | 662 | 664 | 665 | 667 | 669 | 670 | 672 | 674 |
| 2023 | 675 | 677 | 679 | 681 | 683 | 685 | 687 | 689 | 691 | 693 | 695 | 697 |
| 2024 | 698 | 700 | 702 | 704 | 706 | 708 | 710 | 712 | 714 | 716 | 718 | 720 |
| 2025 | 721 | 724 | 726 | 727 | 728 | 730 | 732 | 734 | 736 | 738 | 740 | 742 |

Select a Design Cost Data case study file, which is similar to a project you have in mind, for a "base." Using the index table, find the "base" index number. Determine a target date for which your project will go out to bid (or the average month of the construction period, for a target date" if it is to be negotiated), and find the index number. Divide the "target" index number by the "base" index number to get a "multiplier." Multiply the cost per square foot by the multiplier to determine the updated cost per square foot. Multiply the updated cost per square foot by the total square feet of your project to get an updated estimated cost. (Use the regional modifier guide on the reverse of this card to determine the cost variations due to area differences.)

Based on this chart, in the case of the Dan Cosgrove Animal Facility, in a normal construction market, we would typically expect the following percentage of escalation between September 2020 and July of 2021:

- September 2020 (Appropriation) Value – In Yellow: 628
- July 2021 (100% Construction Document Bid) Value – In Green: 643
- Difference: 15
- Percentage: 2.38%

We are currently seeing a significant level of labor and material escalation across all trades on all of our projects which far exceed 2.38%. Please refer to the attached Exhibit C, which is a select list of material cost increase notifications that we have seen from September 2020 until today, including the following:

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- Lumber and Plywood – 135%
- Windows and Patio Doors – 5-10%
- Steel joists and steel deck 10%
- Drywall Increases 20%
- Metal Studs 10%
- Pre-hung doors 5-7%
- Insulation 8-12%
- Wood door frames 12%

On (3) other recent projects where GMP's have been established against a fall 2020 budget, we have seen a range of overall project cost increases between 12-15%.

#### Sustainability and Construction Cost

On this project we would identify the mechanical system (Division 15), and the insulation package (Division 7) as the items which are most impacted by the project's focus on sustainability. Division 16 (solar panels) also have a cost impact, but are not included within the GMP pricing as they are being provided by others.

There is a small premium for the systems selected under these two divisions; the specified mechanical system, priced at \$344,000 by the apparent low bidder, has an approximate premium of 8%, or \$28,000, over a "standard" design.

In Division 7, the insulation package includes spray foam insulation, which is an approximate 20% premium over a standard insulation package that would meet the Connecticut Energy Code. The apparent low bidder with complete scope has priced the insulation package at \$80,500, which results in a premium of approximately \$16,000.

Please feel free to contact me with any questions.

Sincerely,



Brian P. Baril, AIA  
Director of Estimating  
Enterprise Builders, Inc.

cc: File  
Joe Sepot, Sepot Architects  
Keith Czarnecki, Enterprise Builders, Inc.  
Wayne Czarnecki, Enterprise Builders, Inc.

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| Item  | Description               | Total  |  |           |
|-------|---------------------------|--|--|-----------|
|       |                           | Amount   |  |           |
|       |                           | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 | Variance  |
| 1000  | GENERAL CONDITIONS        | 272,039  | 511,624  | (239,585) |
| 2000  | SITWORK                   | 519,333  | 208,135  | 311,199   |
| 3000  | CONCRETE                  | 116,050  | 107,656  | 8,394     |
| 4000  | MASONRY                   | 81,000   |  | 81,000    |
| 5000  | STEEL                     | 25,000   |  | 25,000    |
| 6000  | WOOD & PLASTICS           | 371,001  | 179,426  | 191,574   |
| 7000  | THERMAL,MOISTURE PROTECTN | 557,500  |  | 557,500   |
| 8000  | DOORS & WINDOWS           | 195,075  | 129,187  | 65,888    |
| 9000  | FINISHES                  | 278,015  | 287,082  | (9,067)   |
| 10000 | SPECIALTIES               | 16,725   | 7,177  | 9,548     |
| 11000 | EQUIPMENT                 | 446  |  | 446       |
| 12000 | FURNISHINGS               | 5,480  |  | 5,480     |
| 13000 | SPECIAL CONSTRUCTION      |  | 150,718  | (150,718) |
| 15000 | MECHANICAL                | 582,699  | 214,737  | 367,962   |
| 16000 | ELECTRICAL                | 262,700  | 147,130  | 115,571   |
| Total |                           | 3,283,063  | 1,942,871  | 1,340,191 |

| Item | Description | Total  |  |          |
|------|-------------|--|--|----------|
|      |             | Amount   |  |          |
|      |             | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 | Variance |

### Estimate Totals

|                                |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|
| Labor                          | 136,663          | 10,481           | 126,182          |
| Material                       | 3,240            | 890              | 2,350            |
| Subcontract                    | 2,988,537        | 1,416,019        | 1,572,518        |
| Equipment                      | 2,392            | 0                | 2,392            |
| Other                          | 152,230          | 515,481          | (363,251)        |
|                                | <b>3,283,062</b> | <b>1,942,871</b> | <b>1,340,191</b> |
| Building Permit                | 563*             | 0*               | 563              |
| Fire Marshal Permit            | 0                | 0                | 0                |
| Est Contingency (div 02 - 16)  | 316,979          | 178,033*         | 138,946          |
| Escalation                     | 0*               | 0*               | 0                |
| Additional Liability Ins - NIC | 0                | 0                | 0                |
| Builders Risk Insurance -NIC   | 0                | 4,500            | (4,500)          |
| EBI Standard Insurance         | 16,415*          | 0*               | 16,415           |
| Performance & Payment Bond     | 31,616           | 24,000           | 7,616            |
| OH&P                           | 151,365          | 67,746           | 83,619           |
|                                | <b>3,800,000</b> | <b>2,217,150</b> | <b>1,582,850</b> |
| Sales Tax - Exempt             | 0                | 0                | 0                |
|                                | <b>3,800,000</b> | <b>2,217,150</b> | <b>1,582,850</b> |
| Owner's Contingency            | 380,000          | 189,500          | 190,500          |
| FF&E                           | 150,000          | 125,000          | 25,000           |
| IT                             | 70,000           | 70,000           | 0                |
| Architect Fees                 | 90,000           | 90,000           | 0                |
| Civil Engineering Fees         | 23,000           | 23,000           | 0                |
| Energy Engineering             | 6,000            | 3,000            | 3,000            |
| Testing and Inspections        | 10,000           | 10,000           | 0                |
| Builder's Risk Insurance       | 5,000            | 5,000            | 0                |
| Utilities                      | 1,500            | 1,500            | 0                |
| Advertising/Printing           | 500              | 500              | 0                |
|                                | <b>4,536,000</b> | <b>2,734,650</b> | <b>1,801,350</b> |
| Bond Issuance Costs/Misc       | 59,000           | 65,600           | (6,600)          |
| Construction Contingency       | 0                | 94,750           | (94,750)         |
|                                | <b>4,595,000</b> | <b>2,895,000</b> | <b>1,700,000</b> |

**Variance Report**  
**Dan Cosgrove Animal Shelt**

| Item | Description  | Total  |  |                         |
|------|--------------|--|--|-------------------------|
|      |              | Amount   |  | Variance                |
|      |              | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 |                         |
|      | <b>Total</b> | <u><u>4,595,000</u></u>  | <u><u>2,895,000</u></u>  | <u><u>1,700,000</u></u> |

## Comparison Report

### Dan Cosgrove Animal Shelt

| Item  | Description               | Total  |   |   |  |
|-------|---------------------------|--|---|---|--|
|       |                           | Amount   |   |   |  |
|       |                           | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>2021-03-10 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>Accepted VE -<br>Rev. #2 -<br>2021-03-31 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison |
| 1000  | GENERAL CONDITIONS        | 511,624  | 272,039   | 272,039   | 272,039  |
| 2000  | SITWORK                   | 208,135  | 787,205   | 694,335   | 519,333  |
| 3000  | CONCRETE                  | 107,656  | 85,000  | 85,000  | 116,050  |
| 4000  | MASONRY                   |  | 89,900  | 94,750  | 81,000   |
| 5000  | STEEL                     |  | 13,460  | 13,460  | 25,000   |
| 6000  | WOOD & PLASTICS           | 179,426  | 316,002   | 269,002   | 371,001  |
| 7000  | THERMAL,MOISTURE PROTECTN |  | 296,978   | 296,978   | 557,500  |
| 8000  | DOORS & WINDOWS           | 129,187  | 229,740   | 217,440   | 195,075  |
| 9000  | FINISHES                  | 287,082  | 242,250   | 247,250   | 278,015  |
| 10000 | SPECIALTIES               | 7,177  | 20,843  | 20,843  | 16,725   |
| 11000 | EQUIPMENT                 |  | 6,551   | 6,551   | 446  |
| 12000 | FURNISHINGS               |  | 4,722   | 4,722   | 5,480  |
| 13000 | SPECIAL CONSTRUCTION      | 150,718  |   |   |  |
| 15000 | MECHANICAL                | 214,737  | 698,400   | 601,900   | 582,699  |
| 16000 | ELECTRICAL                | 147,130  | 304,500   | 293,000   | 262,700  |
| Total |                           | 1,942,871  | 3,367,590   | 3,117,270   | 3,283,063  |



**Comparison Report**  
**Dan Cosgrove Animal Shelt**

| Item                   | Description                    | Total  |   |   |  |
|------------------------|--------------------------------|--|---|---|--|
|                        |                                | Amount   |   |   |  |
|                        |                                | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>2021-03-10 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>Accepted VE -<br>Rev. #2 -<br>2021-03-31 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison |
| <b>Estimate Totals</b> |                                |  |   |   |  |
|                        | Labor                          | 10,481   | 47,756  | 47,756  | 136,663  |
|                        | Material                       | 890  | 3,060   | 3,060   | 3,240  |
|                        | Subcontract                    | 1,416,019  | 3,025,984   | 2,775,664   | 2,988,537  |
|                        | Equipment                      | 0  | 0   | 0   | 2,392  |
|                        | Other                          | 515,481  | 290,789   | 290,789   | 152,230  |
|                        |                                | <b>1,942,871</b>   | <b>3,367,589</b>  | <b>3,117,269</b>  | <b>3,283,062</b>   |
|                        | Building Permit                |  | 544*  | 507*  | 563*   |
|                        | Fire Marshal Permit            |  |   |   |  |
|                        | Est Contingency (div 02 - 16)  | 178,033*   |   | 142,262*  | 316,979  |
|                        | Escalation                     |  |   |   |  |
|                        | Additional Liability Ins - NIC |  |   |   |  |
|                        | Builders Risk Insurance -NIC   | 4,500  |   |   |  |
|                        | EBI Standard Insurance         |  | 16,838*   | 15,586*   | 16,415*  |
|                        | Performance & Payment Bond     | 24,000   | 29,845  | 28,950  | 31,616   |
|                        | OH&P                           | 67,746   | 142,284   | 137,691   | 151,365  |
|                        |                                | <b>2,217,150</b>   | <b>3,557,100</b>  | <b>3,442,265</b>  | <b>3,800,000</b>   |
|                        | Sales Tax - Exempt             |  |   |   |  |
|                        |                                | <b>2,217,150</b>   | <b>3,557,100</b>  | <b>3,442,265</b>  | <b>3,800,000</b>   |
|                        | Owner's Contingency            | 189,500  | 189,500   | 189,500   | 380,000  |
|                        | FF&E                           | 125,000  | 125,000   | 125,000   | 150,000  |
|                        | IT                             | 70,000   | 70,000  | 70,000  | 70,000   |

**Comparison Report**  
**Dan Cosgrove Animal Shelter**

| Item | Description              | Total  |   |   |  |
|------|--------------------------|--|---|---|--|
|      |                          | Amount   |   |   |  |
|      |                          | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Original<br>Appropriation<br>Budget -<br>2021-03-05 | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>2021-03-10 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - Budget<br>70% Drawings -<br>Accepted VE -<br>Rev. #2 -<br>2021-03-31 -<br>Comparison | 7868 - Dan<br>Cosgrove Animal<br>Shelter - GMP<br>Draft - 2021-05-19<br>- Comparison |
|      | Architect Fees           | 90,000   | 90,000  | 90,000  | 90,000   |
|      | Civil Engineering Fees   | 23,000   | 23,000  | 23,000  | 23,000   |
|      | Energy Engineering       | 3,000  | 3,000   | 3,000   | 6,000  |
|      | Testing and Inspections  | 10,000   | 10,000  | 10,000  | 10,000   |
|      | Builder's Risk Insurance | 5,000  | 5,000   | 5,000   | 5,000  |
|      | Utilities                | 1,500  | 1,500   | 1,500   | 1,500  |
|      | Advertising/Printing     | 500  | 500   | 500   | 500  |
|      |                          | <b>2,734,650</b>   | <b>4,074,600</b>  | <b>3,959,765</b>  | <b>4,536,000</b>   |
|      | <b>Category Subtotal</b> | <b>517,500</b>   | <b>517,500</b>  | <b>517,500</b>  | <b>736,000</b>   |
|      | Bond Issuance Costs/Misc | 65,600   | 65,600  | 65,600  | 59,000   |
|      | Construction Contingency | 94,750   | 96,250  | 94,750  |  |
|      |                          | <b>2,895,000</b>   | <b>4,236,450</b>  | <b>4,120,115</b>  | <b>4,595,000</b>   |
|      | <b>Category Subtotal</b> | <b>160,350</b>   | <b>160,350</b>  | <b>160,350</b>  | <b>59,000</b>  |
|      | <b>Total</b>             | <b>2,895,000</b>   | <b>4,236,450</b>  | <b>4,120,115</b>  | <b>4,595,000</b>   |