

Riverside PTA Questions for the Architect and Cost Estimator January 21, 2025

1) Escalation Costs - It would be helpful for our community to state what the anticipated increase in \$ cost would be if the town delays funding for this project. With that in mind, using the 6% escalation figure, is it correct to assume the estimated cost of the project would go from \$45.5mm to \$48.2mm if funding is delayed by a year, and \$51.1mm if funding is delayed for 2 years?

Yes, that's correct.

2) Owner Contingency - Appears to be lumped in with all soft costs. Is there a specific % of the project cost baked in for the owner contingency in particular? Old Greenwich just had to get an interim appropriation to bring their owner contingency up to 7% of the project's costs, and it was suggested that 7% should be the bare minimum.

Owner contingency is currently included with soft costs; this is the Owner's contingency to be drawn upon during construction. 7% is a good minimum for the Owner's construction contingency for renovation of an occupied school. In other Towns I have seen Owner's contingency as low as 5%, and as low as 3.5% for new construction, but that leaves the Owner with fewer options, and renovation projects have more "unknowns." Note that the construction manager will also include a separate contingency in their total cost for items within the scope of the project.

3) Design/A&E Costs - In terms of the funds we are asking the town to earmark for the project, there is \$2mm for the Design/A&E phase of the project in the next fiscal year, followed by construction costs in the year after that. Is that \$2mm for Design/A&E included in the \$45.5mm project cost, or not? I see ~\$2mm for a design *contingency*, but I suspect that may be something separate from the actual design work that would be happening next?

Can you confirm the need to request an appropriation for \$2mm Design + \$43.5mm Construction or \$2mm Design + \$45.5mm Construction.

Your request would be the first option as GPS has a request in the current capital budget for the \$2mm in design funds. Architectural and Engineering (A&E) Design Fees are part of the soft costs, and as such are included in the \$45.5M estimated total project cost.

4) Design & Estimating Contingency - It has been advised that we should be sure this number provides enough of a buffer, as it sounds like Old Greenwich drew down this contingency at a pretty good clip. Not sure if there's any additional info that could be provided to support that 7.5% assumption.

Design & Estimating contingency should start off high in the early planning stages because we are making a lot of assumptions. The cost estimator is using 7.5% based on a history of tracking

projects, and also based on the extent to which he feels we've captured the scope conveyed by the current plans. At each stage of design, this number should go down incrementally as we firm up project details and logistics, and the drawings get "tighter" as decisions are finalized and disciplines are coordinated. By the time we are ready to issue bid documents, I've seen the Design & Estimating contingency as low as 1%. Once the project is bid the Design & Estimating contingency is removed. As mentioned up in item #2, during construction the Owner's contingency comes into play.