**From:** Paul Mays <maysp@brmarchitects.com>
**Sent:** Thursday, June 9, 2022 4:47 PM

**Subject:** Call Draft Budget for Review

Lisa and I spent time this afternoon again with Dominic and David from Calgi Construction, reviewing the draft budget breakdown for the Kingston Library Referendum Project, Additions and Renovations. Please see attached.

As you know, the biggest issue for cost estimators at the moment is the volatility of the bid market, historically high prices (which are not likely to revert to pre-pandemic prices ever), and long lead times for materials and systems. In light of these issues, you will find the enclosed contingencies are conservative, in order to protect the Library against prices changes due to inflation.

Two documents are attached. One is a summary sheet, describing the overall project costs, including hard costs (materials and labor), contingencies, soft costs (design/engineering and construction manager fees, legal and bonding costs, testing, collection moves, data and technology, furniture, etc.). This presents a total project cost of approximately $13.6 million.

The second document is the backup for the roughly $7.4 million in hard costs.

Please note the following items:

1. The construction costs include a budget for converting the entire heating/cooling system to geothermal, with a wellfield under the parking lot. This will obviously benefit the long-term operating costs (although measured against gas, rather than fuel oil, the payback will be longer), and will demonstrate leadership in sustainability, a discussed priority for Kingston.
2. The costs include moving out of the building for an 18 month period. These numbers must be refined based on the actual size and location of temporary space chosen, the amount of retrofit to that space, and the actual length of lease, which may be longer or shorter. Construction operations themselves should not take beyond the 18 month period, but long lead times for materials may affect this period.
3. Contingencies are conservative. By themselves, they total $2.7 million plus $103 thousand, or approximately $2.8 million.
4. Hazardous material remediation line items are included, although some abatement has been completed already.
5. Interest on the Bond Anticipatory Note(s) (BAN) has been included.

Please let us know if you have any questions while reviewing this information. Both Dominic and I can be available by Zoom for the BoT Meeting on Thursday next week, if you need us to clarify or answer questions for the Board.

I will say that, as usual, Calgi has done an excellent and thorough job of documenting budget pricing for a project, in an expedited manner to provide the Owner with the information as quickly as possible.

Regards,

Paul