



Bellows Falls Middle School
Electrical Distribution Upgrade
Opinion of Probable Costs

Startec

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Cost Estimates:

Cost estimates and project economic evaluations are opinions based on **engineering** experience and judgment. Since we have no control over market conditions, **bidding procedures**, cost of labor, materials, equipment or services furnished by others, we cannot **warrant** that bids, ultimate construction cost or project economics will not vary from these opinions.

Market Conditions:

Cost estimates are in 2007 dollars. Inflationary adjustments must be **made** to update cost estimates for future years. There have been significant inflation costs for **several** raw materials including oil, copper and steel all of that effect the electrical industry and **have** caused notable increases in project budgets over the past three years.

Lead times for major equipment procurement are comprised of both **shop drawing** processing and manufacturing components. Shop drawings are usually received **6 to 8 weeks** after the order is placed. An additional 10 to 22 weeks and even longer depending on **equipment** type are required for fabrication by the manufacturer after receipt of approved **shop drawings**. This situation has changed over the past several years as lead times for **equipment** is longer based upon the impacts of our global economy.

- Contractors specializing in electrical construction of **distribution systems** and upgrades generally are eager to compete for this type of work. **We** have experienced that over the past several years a competitive bidding market for **these** types of projects with early bidding periods say for summer work a **November** thru January bid period is generally the best.
- We used pricing guides and material price quotes from recent **projects** as references. In some cases, manufacturer's engineering estimates were **adjusted** to reflect market conditions
- A factor for general conditions, overhead and profit was included at **15%** for the Electrical Contractor.
- A contingency of 2.5% has been applied to this estimate.

