



September 11, 2013

BCE Proposal #1112.13-P

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*RE: Fee Proposal for Cost Estimating/ Engineering Services for Downtown Development at
716 W 4th Avenue, Anchorage, AK*

Dear Doc,

Bratslavsky Consulting Engineers, Inc. (BCE) would like to provide this proposal for the requested cost estimating services for the proposed Downtown Development at 716 W 4th Avenue, Anchorage, Alaska.

BCE understands that the time is of the essence on this project, and the estimate is due very soon. Because of the complexity of this project and limited time allowed to conduct the work, BCE proposes the following approach. (In order to speed up the estimating process BCE proposes to provide a two-phase estimate):

1. The first phase will include a review and verification of the proposed construction costs based on the price costs per square foot (unit costs). This estimate can also include demolition and repairs, as well as new construction and other work. However, such verification estimate can only be considered as very approximate. This work can be conducted within the shorter time frame (i.e. one week).
2. A more detailed construction cost estimate will be developed as a part of the second phase. It will be based on reviews of the engineering work performed to date.

For example, the mechanical narrative has a lot of details. BCE can confirm the square footage costs for such items as a sprinkler system, domestic water plumbing, DDC controls, etc. For plumbing fixtures we can do assembly estimate. There is also major mechanical equipment that needs to be priced separately. In our proposal BCE has the mechanical engineer, electrical engineer, structural engineer, and an architect review the narratives provided, as well as the cost estimate, to verify pricing used. BCE also plans to have the A/E professionals assist with specific details (i.e., the approximate size of equipment, etc.).

Except for major electrical equipment, the electrical estimate can be done per square footage, but will have to be adjusted separately for the specific system, i.e., lighting distribution, CCTV, DDC, communications, etc. BCE electrical engineer will assist us with the correct assumptions.

Still a lot of assumptions will have to be made. For example, we would have to assume that the existing foundation is being re-used. Assumptions regarding the environmental assessment and hazmat condition of the existing building will be made.

Traffic control and partial closure of the 4th Avenue will affect the project costs and the area available during construction.

In summary, there is a lot of work involved, and we believe that at least 2 weeks will be required for the estimate.

<u>Downtown Development Project</u>						
<u>Cost Estimate Verification Proposal</u>						
<u>Task</u>	<u>Position</u>		<u>Hours</u>	<u>Rate</u>	<u>Subtotal</u>	
Phase I	Project manager		28	\$ 160.00	\$ 4,480.00	
	Review documents		24	\$ 129.00	\$ 3,096.00	
	Cost estimating		88	\$ 129.00	\$ 11,352.00	
	Estimate review		4	\$ 168.00	\$ 672.00	
						<u>\$19,600.00</u>
Phase II	Engineering review	Structural	16	\$ 141.00	\$ 2,256.00	
		Mechanical	16	\$ 141.00	\$ 2,256.00	
		Electrical	16	\$ 141.00	\$ 2,256.00	
		Architect	16	\$ 141.00	\$ 2,256.00	
	Report and summary		16	\$ 160.00	\$ 2,560.00	
	Estimate review		8	\$ 168.00	\$ 1,344.00	
						<u>\$12,928.00</u>
Project Total					<u>\$32,528.00</u>	

Total estimated fees for the services are \$32,528.00.

BCE can provide these services on a time-and-material basis or on a lump sum basis.

Please let us know if you have any questions or need additional information regarding this proposal.

Sincerely,



Tanya Bratslavsky, P.E., S.E., AVS
 President