

February 20, 2007

Douglas Ault
Facilities Manager
FMS/DHSS
3601 C St. Ste #578
Anchorage, AK 99503

Re: Seward Long Term Care Facility
Cost Estimate Review

Doug,

I have reviewed the information provided and in general find the estimate to be well developed and a good representation of the project. It should be noted that it was based on an October 2006 Bid, and should be adjusted for escalation to the specific bid period. I would currently escalate an estimate at 7% annually.

I have attached a detailed evaluation, highlighting a few areas where I feel adjustment should be made. However, these tend to balance out and have very little effect on the total estimate.

I hope you find this helpful.

Sincerely,



Jay N Lavoie
President
Estimations, Inc.



Information

95% cost estimate dated 9/14/2006 by HMS of Anchorage.
100% permit review set volume 1 & 3 of the plans and specifications.
Spreadsheet reconciliation of CON Application to 9/14/2006 estimate.

Detail Review Comments

Sitework - Main

The site slope to the north dropping more than 50' over the total site.
The site area is 11.4 Acres, over 10 square feet per square foot of building space.
Access to the site requires a long drive, 800'+
Long Utility Runs.
All walks included snow melt.

Sitework cost is approximately \$80/SF of building. This is high proportion, but is related to the site constraints.

Timber cleared from site probably has a commercial value that would offset the \$70k cost for clearing. (\$70 K)

Asphalt pavement appear low for the location, +\$70K \$70 K

Site wiring material cost are low by a factor 1.5-2, total add \$20 K
Not enough information in the plans provided to evaluate site electrical takeoff, pricing generally reasonable except for wiring noted.

(10) Bed Resident Housing Building

Shingle cost for Roofing High (\$20 K) x 4 EA (\$80 K)
Door Hardware appears low (20%) \$4 K x 4 EA \$15 K

Commons Building

No plans or specifications provided, reviewed pricing only.