

LAKE COUNTY FLORIDA
DEPARTMENT OF FACILITIES
DEVELOPMENT AND MANAGEMENT



PROPOSAL FOR
ON-CALL CONSTRUCTION
ESTIMATING SERVICES
SOLICITATION NO. 21-0927



JULY 1, 2021



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3. PROPOSED SOLUTION

APPROACH AND PROCESS TO COMPLETE THE WORK

3. Proposed Solution

Capital Construction Budgeting and Master Planning Estimates Including Life Cycle Costing and Operational Costs

Every successful construction project starts with a great estimate!

Does my program or project make financial sense? Financial expectations determine which projects are started, but only accurate cost estimates determine which are completed within budget. There is no stage more important to achieving the program's objective than the first attempts to establish a budget. The success of a project hinges on getting the alignment of budget, scope, and quality right at the beginning of the project, as well as the maintenance of that alignment as design progresses.

At the budget development stage, owners have the highest ability to influence the outcomes with the best value if given accurate and reliable cost information from advisors with expertise they can trust. When the only information available is perhaps a program of space requirements, a proposed site, and a general description of the buildings functions, the Anser Cost Estimating team has an extensive database of projects and project experience to reference when working with your team to establish an accurate budget. We will assist you in developing a budget that will meet your expectations while allowing your design team the room they need to maneuver and create a facility that performs as intended.

Without a well-planned and monitored budget, projects can fail. Anser understands the importance of a successful Capital Budget and Master Plan and has the expertise to provide solid budgets that will aid in successful projects. *Budgeting provides several different advantages that a project team should be cognizant of and consider:*

Establishing Budget Guidelines

Having an accurate budget scope in place brings a financial focus to the project team from the outset and allows you to establish the main objectives of a project. Without a budget in place and project limits set, there can be a tendency as the project is developed to try and accomplish too much or items not originally included in the scope. This results in the project not being completed on time, on budget or having all the criteria as originally approved. With Anser providing an accurate budget early in the process, with reliable cost data, the project team will have the necessary information to succeed in meeting the overall project goals.

Cost Estimating

Once a budget is in place it allows those in charge of purchasing to determine what percentage of available funds can be allocated to each different element of the project. This provides the control to determine whether the project can be completed within the available budget.

Prioritizing

Another advantage of having a project budget is it will allow you to prioritize the different elements of the project. While it may be desirable to complete the entire project at once, if available funds indicate that there may not be sufficient money to complete all aspects of the work, a budget will let you decide which parts can be completed initially and which parts to put on hold until the appropriate funding is put in place.

Future Planning

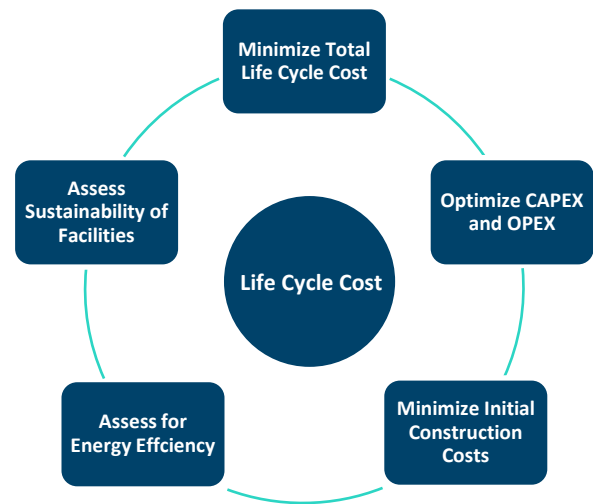
If the budget shows funding to be inadequate to cover the costs of completing the entire project, it will make it easier to plan for future costs. For example, if your budget shows only four of the five main objectives can be accomplished, you know how much additional money will be required to complete the entire project.

A project's success hinges on creating and sticking to a comprehensive budget.

Creating a construction budget allows you to prepare for potential delayed completion dates, owner modifications, unforeseen structural problems, and other hidden costs. A little time spent estimating construction costs saves a lot of time (and money) in the end. With proper planning and reliable, accurate budgeting of your projects, you eliminate these major reasons that projects fail and maximize the likelihood of project success.

In addition to the capital costs, Anser works with our clients to provide life cycle and operational costs. Our team of experts will work with your staff and design team to assess the projects life cycle costs. We understand that the initial capital investment is only part of the equation and that a lower initial cost is not necessarily the best overall value when you assess the life cycle and operational components. The life cycle and cost to operate are an important aspect of the overall financial picture of a capital project and our team is committed to providing Lake County the best overall value for their investments in their projects.

It is critical to optimize the capital funds to be spent throughout the project life-cycle. Life-cycle cost analysis ensures the cost-effectiveness of the project. Our team will assist in determining the most cost-effective option among different competing alternative to purchase, own, operate, and maintain. In short, our objective with life cycle costing is to assess the following targets:



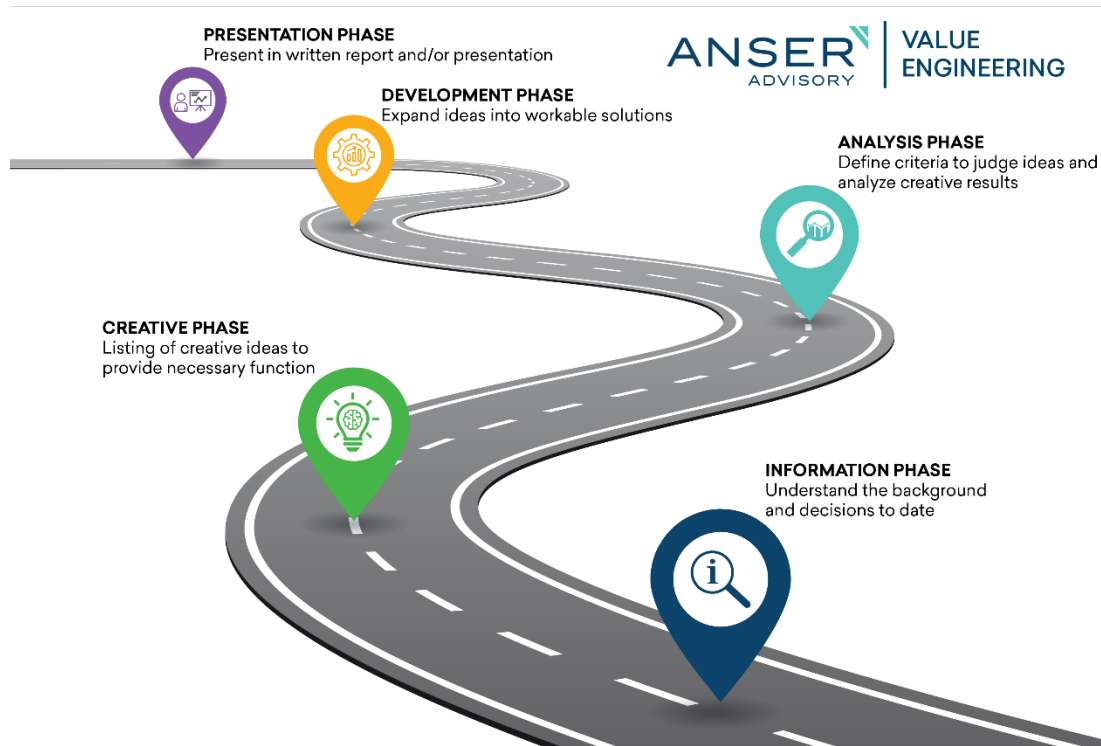
- ✓ Minimize the total life cycle cost of a facility or asset, including design, build, and operating costs
- ✓ Optimize the balance between Capital Expenditures (CAPEX) & Operating Expenses (OPEX) based upon factual data rather than subjectivity
- ✓ Minimize initial construction costs to meet the vision of the project
- ✓ Assess for energy efficiency or *green* building
- ✓ Assess sustainability of facilities

Anser has a team of experts that can assess your construction budgeting needs in a holistic approach addressing the initial capital costs as well as the analysis of life cycle and operational costs to ensure the best overall value for your projects.

Value Engineering Suggestions and Alternative Design Costs Analysis and Proposals

Our team has extensive Value Engineering experience, having participated in many studies. Value Engineering is concerned with defining, maximizing, and achieving the best overall value for the money spent. It is a *whole life* approach and not just the initial capital expense. Our cost estimators understand cost drivers and quickly work with the team to pinpoint areas of focus for further analysis for the higher value solutions.

Our approach to value engineering is an organized effort, in the form of workshops or studies, to analyze systems, equipment, facilities, services, and supplies to achieve the essential functions at the lowest life cycle cost without altering the required performance, reliability, quality and safety. Value analysis is, therefore, the process of finding the less costly methods for accomplishing the same task. This highly structured approach to optimize project value through project design examination aims to achieve greater value for the owner.



Our value engineering extends to building operations as we calculate life-cycle costs and make recommendations based on long-term return, rather than solely on the initial construction expense. Examples include separation of needs from nice to haves, risk identification, performance, and efficiency improvements.

Our team works collaboratively with all stakeholders to prepare a Value Engineering Report. This report, which includes a host of possible value engineering items, is submitted to the owner in draft and final form so the owner can make well-informed, value-based decisions. To achieve maximum benefit, value engineering should be carried out from the very early stages of a project, not simply introduced when problems occur.

Detailed Cost Estimated by Construction Division at Schematic Design, Design Development and Construction Document Phases of Design

The Anser Cost Estimating team recognizes the importance of having reliable construction cost estimates before a shovel ever hits the ground. Accurate cost estimates are required to create project budgets, evaluate cost implications of numerous design decisions as design advances and to analyze the accuracy and fairness of contractor’s estimate submissions.

Our cost estimators can develop accurate cost estimates at all stages of development:

- ✓ Program/Conceptual Design
- ✓ Schematic Design
- ✓ Design Development
- ✓ Construction Documents/Bidding/Issued for Construction

Our cost experts not only cover all disciplines and components of a facility, but also work with the client to establish and include the indirect, *soft* costs and contingencies in their program to ensure they have a complete, reliable program cost plan. We have the expertise and resources necessary at every stage of the project or capital improvement process.

An accurate estimate is a vital communication tool as well as a project roadmap from the budgeting through the completion. Our estimating team has significant experience in:

✓ Budgeting	✓ Cost Control & Management
✓ Feasibility Studies	✓ Life-Cycle Costing
✓ All Stages of Design & Construction Estimating	✓ Value Engineering
✓ Building Evaluations	✓ Cost-To-Complete
✓ Project Scheduling	✓ Change Order Evaluations

We provide cost estimating services in-house. We have a team of estimators that cover all disciplines and components and work with our clients to create budgets, prepare reliable, accurate cost estimates, evaluate cost implications of numerous design decisions as the design advances, as well as to analyze the accuracy and fairness of contractor’s estimate submissions. Our team has the expertise and resources necessary at every stage of the project or capital improvement process.

Our team understands that it is crucial to know as early as possible the cost impact of design. To guarantee our accuracy, we use our own in-house cost database developed for many years and updated continually through our network of subcontractor and supplier partners. In addition, we utilize many construction cost databases and publications to ensure we are looking at all market indicators. We utilize OnCenter on screen take-off for our Quantity Take-Off (QTO) software for its speed, accuracy, and ability to track quantity differences between estimate phases. These tools enable our teams to efficiently and effectively provide accurate cost information for our clients to make the necessary decisions for a successful project.

The first step in our methodology is to develop a baseline estimate. To accomplish the baseline, our estimating team will have an estimating kick-off meeting with the client and design team to determine the project scope and expectations. Based upon the initial level of design at the start of our assignment, we will review with the team the expected format (Uniformat II or Master Format), as well as the level of detail for the estimate.

ESTIMATE CLASSIFICATIONS

Association for the Advancement of Cost Engineering International (AACEI)

AACEI CLASS	Class 5	Class 4	Class 3	Class 2	Class 1
DESCRIPTION	Order of Magnitude	Conceptual	Preliminary	Detailed	Bid / Tender
PURPOSE	Screening or Feasibility	Concept Study or Feasibility	Budget Authorization or Control	Control or Bid / Tender	Check Estimate or Bid / Tender
FORMAT	Summary Sheet Only	Uniformat II – Level 2 or Master Format Headings	Uniformat II – Level III or Master Format with Subcategories	Master Format detailed or Uniformat II - Level IV	Master Format detailed or Uniformat II - Level V
SCOPE	Basic Quantities (Areas / Functional Units)	Basic Quantity Take-Off (QTO), Major Headings	CSI Code Breakdown, QTO for Major Items	Complete, Detailed QTO	Complete, Detailed QTO – Check on QTO Key Items

Our team will prepare estimates for each stage of design as the information becomes available. Our estimating team is not waiting for the design to finish; we provide input and cost analysis as project information is made available. This benefits the client and design team by providing the cost information necessary for well-informed

critical decisions. Each milestone estimate is saved and as more information is obtained and details developed or refined, subsequent estimates can be compared line by line to track any changes and value engineering incorporated. We also have the ability to use sort codes to provide the estimates in any series of cost breakdowns needed by the client. The milestone estimates are not set stages to put together an estimate, but rather a snapshot of where the project costs are at a given time while our team is working to provide the overall greatest value for the project.

ESTIMATE FORMAT COMPARISON

UNIFORMAT II versus MasterFormat

Uniformat II	MasterFormat 2016	
• A Substructure	• 01 General Requirements	• 13 Special Construction
• B Shell	• 02 Existing Conditions	• 14 Conveying Equipment
• C Interiors	• 03 Concrete	• 21 Fire Suppression
• D Services	• 04 Masonry	• 22 Plumbing
• E Equipment & Furnishings	• 05 Metals	• 23 HVAC
• F Special Construction & Demolition	• 06 Woods and Plastics	• 25 Integrated Automation
• G Sitework	• 07 Thermal / Moisture Protection	• 26 Electrical
	• 08 Openings	• 27 Communications
	• 09 Finishes	• 28 Electronic Safety & Security
	• 10 Specialties	• 31 Earthwork
	• 11 Equipment	• 32 Exterior Improvements
	• 12 Furnishings	• 33 Utilities

The beginning step in our estimating process is to:

- ✓ Have a kick-off meeting with all project stakeholders to establish goals, expectations, and vision.
- ✓ Establish the project scope
- ✓ Establish the framework and structure of the baseline estimate.
- ✓ Utilize historical database and cost publications to prepare preliminary baseline estimate.
- ✓ Prepare a high-level preliminary schedule based on information provided and quantities extrapolated.
- ✓ Prepare initial General Conditions estimate based on preliminary schedule and information provided.

Throughout our estimating process, we will:

- ✓ Review the working drawings throughout their preparation to provide design cost trends, scope coordination, and constructability reviews.
- ✓ Perform option or alternate cost estimates as requested for client and design team to make well-informed decisions based on accurate cost information.
- ✓ Perform value engineering cost analysis and system performance analysis and make recommendations for alternatives from both an initial cost as well as life-cycle cost basis.
- ✓ Evaluate market conditions to ensure cost estimates provided are commensurate with the current bid climate.
- ✓ Provide cash flow projections at various estimate stages to assist client with budgetary requirements.
- ✓ Set up market surveys and solicit subcontractor information to ensure costs carried in estimate are reflective of current market conditions.

Our Cost Estimating team is structured to complement the entire construction process: from providing strategic input in the development of project budgets, to supporting functional cost estimates during financial feasibility, through design development, bid/award and the construction phase. We enjoy collaborating with the project stakeholders to ensure they have the reliable and accurate cost information they need to make the critical decisions necessary for a successful project.

Construction Schedule Review With and Without Construction Expenditure/Cash Flow Projections

Owners and contractors recognize the power of a well-developed schedule as a decision-making tool for guiding performance during construction and as a valuable aid in project management analysis, control and success. Ideally, the schedule is the yardstick against which actual progress is measured and can change based on circumstances. Critical Path Method (CPM) scheduling has been used throughout the various phases of construction and is the most widely accepted way to track the “when” or timing of the project management puzzle. Preconstruction CPM scheduling forecasts when specified resources may be reaching their production work limit.

To craft a schedule that works, one needs to have a thorough understanding of the processes that must occur during preconstruction as well as the sequencing of those processes. The Anser team will develop the schedule and conduct periodic updates, continually looking for potential conflicts that may impact the remainder of the construction. The owner’s best interest is always the key concern. Our team understands that schedules are very dynamic and while certain milestone dates are fixed, the planned approach to achieving these dates must remain fluid. While unanticipated events may create changes in the schedule, our schedule analysis is the tool for determining whether the change is an advantage or disadvantage to the project and how these changes may affect the project outcome. Schedule reviews will provide a clear indication of problem areas, potential added costs and areas needing emphasis to meet expected completion dates. Schedule updating and evaluations are also important tools for claims avoidance and successful project completion.

Our Cost Estimating team has the necessary experience to prepare initial and maintain Cash Flows, as well as analyze Cash Flows for your project or program. Cash flow forecasts are used for:


✓ Contractor progress monitoring	✓ Stakeholder management
✓ Managing funding needs	✓ Managing funding requirements
✓ Forecasting project performance	✓ Managing resources

It is important to identify the purposes that the preparation of the Cash Flow intends to serve. These diagrams are among the important elements of financial analysis prior to the commencement of and over the course of a project. Well-prepared cash flow diagrams should be prepared and evaluated before making financial decisions concerning a construction project or program.



In its definition of cash flow, the Association for the Advancement of Cost Engineering (AACE) international states cash flow is a *time-based record of income and expenditures, often presented graphically*, and it shows *inflow and outflow of funds within a project or program*. A combined view of cash and cost flow illustrates the amount and timing of cash inflows and outflow.

A project cash flow that is prepared from the perspective of an owner represents how the project is funded from the perspective of an owner, but a cash flow prepared from the perspective of a contractor may represent a time-based record of income that the contractor is expected to receive for its particular scope of work.



As an advisor for you, our client, our team focuses on how the project is funded. Our experienced professionals understand the construction costs, schedule, and logistics necessary to prepare an accurate diagram of the funding needs versus time for your construction program.

The benefits to having an accurate depiction of the time allocated funding for a project/program are:

- ✓ The cash flow diagram is an important element of financial analysis that can be performed prior to the commencement of and over the course of a project. Well-prepared cost and cash flow diagrams should be evaluated to make well-informed financial decisions concerning the project.
- ✓ Prior to the commencement of a project, cash flow diagrams are used to assess the financial justifiability of a project. Once candidate projects are identified, decision makers use cash flow diagrams to decide whether or not a project should be pursued. In program-based organizations that implement a portfolio of projects, these decisions are made to determine if a project can be added to the organization's portfolio of projects.
- ✓ Over the course of a project, cash flow diagrams can be used to adjust project schedules. If a project team determines that adequate monetary resources are not available to make progress according to the plans, they may decide to postpone some activities to ensure enough funds will be available to be spent when needed. Conversely, if higher-than-expected monetary resources become available during specific periods of time, a project team may decide to ramp up its efforts to benefit from the flexibility that higher-than-expected levels of monetary resources have afforded.
- ✓ Making a comparison between the cumulative cash flow can also be insightful to identify if adequate monetary resources will be available to fund the project based on its needs.
- ✓ Assessing the project cash flow can also have other benefits. This analysis can help analyze excessive costs and overruns by comparing the budgeted (i.e., time-phased estimates) cost of performing the changed work with the sums of money originally needed to make progress according to the plans. This assessment can help identify the adverse effect of the change on the resource costs needed over time.

Cash flow diagrams are among the most important elements of financial analysis prior to the commencement of and over the course of a program. It is important to identify the purposes that the Cash Flow Diagram intends to serve. The diagram shows the budgeted amount of money that is needed over time to make progress in accordance with the plans.

If you need to have cash flow diagrams prepared or need to assess these diagrams to perform financial analysis and make well-informed decisions, Anser's Cost Estimating team has the necessary experience and skills to provide the information you need.

Of the many components that comprise a capital construction program, construction costs are typically the greatest budget expense. Because of this impact on the overall cost of the project or program, obtaining an accurate construction cost estimate is critical when allocating the necessary funds. In many cases, an independent review of the contractor's estimate in the form of a reconciliation, can benefit the facility stakeholders. Reconciliations improve all project stakeholder's understanding of what is included and excluded from the cost estimates, the differences in both quantities and unit prices, and the level of quality so that owners can make well-informed decisions on how they should proceed.

Construction Manager or General Contractor bid/Guaranteed Maximum Price analysis to include, but not limited review of general conditions, construction schedules and milestones, documents, bidders (prequalified, solicited, selected), bid package preparation and scope of work documentation, unit prices, bid analysis and recommendations

Anser has a great deal of experience in analyzing both general contractor bids and construction manager Guaranteed Maximum Price (GMP) submissions. Our process involves utilizing our team of construction professionals to analyze the general conditions and direct cost of work, as well as the schedule and scope of work documentation to make sure that the bid or GMP is based on the contract documents and is complete. In many of our projects we prepare the projects scope of work documentation and bid packages. We also assist the owner in their prequalification of trades process.

CASE STUDY #1

Client: Cincinnati/Northern Kentucky International Airport

Project: Consolidated Rental Car (CONRAC) Facility

Size: 1.6 Million Square Feet

Value: \$165 Million

Anser Services: During the development of the Guaranteed Maximum Price (GMP), the Design Team and Construction Manager at Risk (CMAR) were both required to provide a cost estimate for construction. There was a large discrepancy between the two cost estimates, so the Owner requested Anser Advisory to perform an Independent Cost Estimate and lead an Estimate Reconciliation between the CMAR and the Design Team. **At the completion of the reconciliation, the CMAR reduced their price by over \$4.5 Million and all parties agreed with the final GMP amount.**



Following our review of the bid, scope of work, and schedule, we make recommendations to the client on which bid or GMP provides the best overall value for the project. Whenever possible, in addition to our analysis of the bid/GMP, we recommend an estimate reconciliation with the contractors. This allows for more in-depth analysis and collaboration with the potential contractor.

An estimate reconciliation is an independent cost estimate that the end user can compare against the contractor's cost estimate. It assists in mitigating budget shortfalls and correcting identified deficiencies. Reconciliations help ensure that differences between the two estimates are appropriate and reasonably expected. The benefits to the project are numerous. The scope of the project is reviewed in depth to confirm that the contractor's estimate is complete and any items difficult to quantify are discussed, thoroughly vetted and are budgeted so that all project stakeholders are aware of the assumptions made. In addition, quantities and unit prices from both estimates are compared and confirmed, usually resulting in a more refined estimate that can achieve a substantial savings for the project.

A reconciliation is usually organized by either Uniformat II or Master Format (depending on project design stage and client needs) and covers all aspects of the project scope and documentation. The process typically focuses on specific differences in scope, basis of estimate, and schedule and risks and involves clearly stating the differences between the two estimates and the rationale for those differences.

Reconciling the Owner's Design Estimate with either the Builder's or an Independent Estimating Group, the following steps will help to effectively reconcile any two estimates:

- ✓ Ensure the same set of project documents were used by both parties in preparing their estimate, this is critical.

- ✓ Quantities, quality of materials, and overall scope may be significantly different if the project drawings, notes, specifications and project narratives are not the same.
- ✓ Every Design Phase Estimate should include a Basis of Estimate that lists at a minimum the following: Assumptions, Clarifications, Inclusions, Exclusions, Allowances, Anticipated Schedule and the Document Log. Review each estimating team's Basis of Estimates (BOE) and the project scope for any differences.
- ✓ Compare Quantities, Unit Prices and ALL assumptions. Generate a comparison between the two estimates by construction division. A comparison of markups, including general conditions/requirements, overhead, profit, contingencies, and escalation, is incorporated.
- ✓ Make a side-by-side comparison of cost for subtotals (using CSI, Uniformat II, Master Format, or another cost breakdown structure), to identify cost variances. Try to determine the reason for cost variances to decide if assumptions or scope is different, or if they are being carried in a different section of the estimate.
- ✓ Schedule a meeting with the other estimator and review the complete estimate.
- ✓ Each estimating team should re-evaluate their take-offs and unit prices where variances with another estimate occurs. Refine quantities, prices, assumptions, exclusions, inclusions, allowances, anticipated schedule, and mark-ups.

Depending on the size of the project, reconciliations can take one to two days, or as long as a week to complete. Once the reconciliation is finalized, each estimate is updated and reissued. The estimates should fall within 1 to 5% of each other, depending on the owner's requirements. Estimates and reconciliations should be completed at every level of the project, from concept to 100% bid documents, as scope creep can occur. If the project is allowed to proceed without estimates and reconciliations, construction activities may exceed the budget to such an extent that the scope may need to be adjusted or value engineered to bring the project back in line.

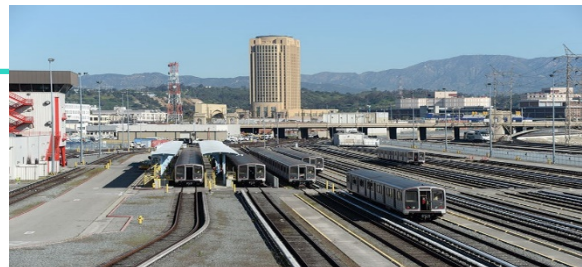
Before proceeding with construction, facility stakeholders should consider the benefits of a reconciliation. By completing an independent review of estimated construction costs, owners can eliminate unnecessary expenditures, reconcile the construction budget, and stay on track to bring about the successful completion of the facility.

CASE STUDY #2

Client: Los Angeles County Metropolitan Transportation Authority

Project: Division 20 Portal Widening Turnback Facility
Value: \$431 Million

Anser Services: Anser provided an independent cost estimate for this project. As part of the County's procedures the independent estimate was treated as a bid; Anser was provided the same 100% bid documents, given the same amount of time, and provided the estimate using the same schedule of values as the contractors bidding the project. All bids were opened at the same time with Anser's estimate falling within 2% of the low responsible bidder, bids listed below.



Schedule of Values Review and Analysis

Anser has been providing reviews and audits of Schedule of Values in Florida for **over 19 years** and continues to do so for governmental related entities for programs as large as \$4 billion in total value. We breakdown the cost estimates that we prepare into Schedule of Values by trade to assist in analyzing the anticipated cash flow for the project.

On construction projects the contractor develops a Schedule of Values that forms the basis for monthly applications for payment that will be submitted as construction proceeds. The Schedule of Values is typically submitted for architect and owner review at the beginning of the construction project and well before the first regular application for payment will be submitted.

When reviewing the contractor's proposed Schedule of Values, we understand the importance to consider the meaning of the specific line-item descriptions on the schedule and to also consider the architect's and owner's ability to assess progress on those discrete parts of the project as applications for payment are submitted by the contractor.

The meanings of the line items may seem simple enough at first glance, but they have been known to be interpreted differently by subcontractors, contractors, architects, engineers, and owners as construction proceeds. Site work items seem to be uniquely subject to varying interpretation. The intent of terms like "Excavation", "Cuts and Fills", "Fill", and others are good agenda when analyzing the proposed Schedule of Values. For the architect and owner who will be assessing the value of periodic progress on a given item, it is especially important for them to understand what is included in the line item and what is not included – in part to avoid a possible disagreement as construction proceeds.

Our steps to analyze the Schedule of Values is as follows:

- ✓ Understand what is included in each Line Item of the Schedule of Values (and include this information in our review feedback to owner and design team)
- ✓ Compare Line Items with our Independent Cost Estimate to eliminate chance that the contractor unbalances Schedule of Values (Front-End Load)
- ✓ Breakdown large items into smaller, easier to track pieces

The architect's and owner's ability to assess progress on the listed work items also depends on the size of the particular item. It is common to require a contractor to break down items that are too large into smaller items that are can be more easily assessed and add up to the total value of site work. For some, the rule has been to break down the schedule into items no greater than \$20,000 in value. That may not be a practical rule to follow in every case, but it is important to consider the ability of the observer to assess progress that is claimed on a given application for payment while avoiding confusion with other work that may be similar or within the same trade. Contractors and subcontractors are usually quite interested in receiving prompt payment for completed work, so it follows that they should be willing to invest time in the beginning of a project to establish a common understanding of the items in the Schedule of Values.



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APPLICATION NUMBER: 1905
APPLICATION DATE: PERIOD TO:
ARCHITECT'S PROJECT NO:

A Item No.	B Description of Work	C Scheduled Value	D Work Completed		F Materials Presently Stored (Net in Q or E)	G Total Completed And Stored To Date (D + E + F)	H % (G/C)	I Balance To Finish (C - G)	J Retainage
			From Previous Application (D + E)	This Period					
1	General Requirements	\$ 142,501.00						\$ 142,501.00	
2	Demolition	\$ 193,841.00						\$ 193,841.00	
3	Concrete	\$ 5,815.00						\$ 5,815.00	
4	Reinwork	\$ 209,020.00						\$ 209,020.00	
5	Doors, Frames & Hardware	\$ 70,152.00						\$ 70,152.00	
6	Drywall & ACT	\$ 462,797.00						\$ 462,797.00	
7	Flooring	\$ 294,246.00						\$ 294,246.00	
8	Painting	\$ 47,786.00						\$ 47,786.00	
9	Specialties	\$ 120,471.00						\$ 120,471.00	
10	Pipe Protection	\$ 52,203.00						\$ 52,203.00	
11	Plumbing (Including Medical Gas)	\$ 548,632.00						\$ 548,632.00	
12	HVAC	\$ 292,843.00						\$ 292,843.00	
13	Electrical and Fire Alarm	\$ 544,075.00						\$ 544,075.00	
	DIRECT WORK	\$ 2,973,528.00						\$ 2,973,528.00	
14	General Conditions	\$ 509,243.00						\$ 509,243.00	
	GENERAL CONDITIONS	\$ 509,243.00						\$ 509,243.00	
15	Insurance - O&A	\$ 45,257.00						\$ 45,257.00	
16	Insurance - Builders Risk	\$ 2,147.00						\$ 2,147.00	
17	Subcontractor Bonds	\$ 3,579.00						\$ 3,579.00	
18	Performance & Payment Bond	\$ 29,376.00						\$ 29,376.00	
	INSURANCE & BONDS	\$ 77,199.00						\$ 77,199.00	
19	Fee	\$ 214,387.00						\$ 214,387.00	
	FEES	\$ 214,387.00						\$ 214,387.00	
	TOTALS	\$ 3,774,337.00						\$ 3,774,337.00	

Another rule, sometimes challenged, is that once the Schedule of Values is established, it should not be changed. That's a good rule (with a notable exception that sometimes a more detailed breakdown of an established item may become necessary in order to assess progress and determine the appropriate payment).

Change Order Evaluation

Change is inevitable. In the construction industry, however, changes can cause costly delays and challenge the team from fulfilling contractual obligations. At Anser, we understand that changes in the requirements of a project, the availability of resources and other unforeseen conditions can create real problems for your construction program. Our Cost Estimating team has the proven experience and the expertise you need to help you navigate these issues and to provide you with the change order analysis you need to determine the changes are fair and reasonable and keep costs under control.

There are many reasons that a change order occurs:

✓ Errors or omissions in project documentation (plans and specifications)	✓ Unforeseen conditions
✓ Design changes	✓ Substitutions
✓ Inaccurate specifications	✓ Delays

Directed changes are typically originated by the client to add, remove or alter a portion of the contract. These changes must be agreed upon by both or all parties to the contract. Changes may also originate by the client; however, these changes are not incorporated into the contract and instead are the result of actions or inaction on the part of the clients or their representatives. We assist our clients in resolving all change orders, regardless of the reason so that the client is aware of the fair and reasonableness of any change order requests for the program.

The Anser Cost Estimating team can provide you with guidance on the legitimacy of the change order as well as if the cost is fair and reasonable. We provide you with the most effective strategies to address cost issues and to ensure that your project is completed on time. Our change order evaluation team can assist you to identify the most appropriate solutions and the best way to approach potential change related issues.

We take pride in helping our clients receive fair and reasonable change order pricing while achieving greater productivity on their project in a competitive marketplace. Our goal is always to add value to the program's bottom line. If you need help in figuring out change orders and ensuring the most cost-effective solutions for these unexpected situations, we have the experience and can help with the best options in the industry.

Our goal is always to add value to the program's bottom line.

No matter the size or scope of your construction project, you should expect changes to occur. These changes arise regardless of the amount of planning, preparation, or experience of parties involved. Alterations to a construction project results in change order impacts that can have varying degrees of effect on the scope, price, and time of a project. Our construction professionals will work with you whether you are analyzing a change order or looking to validate and execute a change on your project. We will work with you to ensure your best interest. We will analyze your current project and provide crucial information that will help you identify points of concern and help you understand, address, and resolve your change orders.

Auditing and Claims Analysis

Anser Advisory has been providing construction compliance audit services in Florida for over 19 years and continues to do so for governmental related entities for programs as large as \$4 billion in total value. Our processes and methodologies are recognized leading industry practices, including from the Government Accountability Office (GAO) and for our work in compliance testing on disaster recovery reconstruction efforts.

Our methodologies and tools are further expanded in two publications authored by our firm's senior leadership team, "Industry Best Practices for Assessing Construction Risk" (ISBN-13:978-0-9754041-1-9, Jan. 2007) and "Industry Best Practices for Managing Capital Investment" (ISBN #0-9754041-2-1, April 2004). Our staff have provided construction compliance audit services for clients such as the Greater Orlando Aviation Authority, Jackson Healthcare System, Blue Cross Blue Shield of Florida, the City of Orlando, Kenton County Airport Board, and the Columbus Regional Airport Authority. Our approach has always been client focused and our recommendations are always pragmatic – we take pride in providing solutions to complex issues.

Some of the projects that our staff has provided construction compliance audit services on are as follows:

- ✓ Orlando International Airport South Automated People Mover and Intermodal Transfer Facility - \$719M
- ✓ Orlando International Airport South Terminal Complex - \$2.8B
- ✓ Blue Cross Blue Shield of Florida - \$500M
- ✓ Jackson Health System - \$1.4B
- ✓ City of Orlando Dr Phillips Center for Performing Arts - \$180M
- ✓ Cincinnati/Northern Kentucky International Airport Consolidated Rental Car Center (CONRAC) - \$204M
- ✓ John Glenn Columbus International Airport CONRAC - \$139M

In addition, Anser provides invoice auditing services to mitigate waste, fraud and abuse associated with high cost of projects, the number of parties involved, and the overall complexity of construction projects. Our auditors collaborate with various stakeholders throughout the life of the project to ensure that contractors are paid within a reasonable time and the owner is compliant with their local government prompt payment regulations. Anser's team of construction and invoice audit experts quickly develop a comprehensive understanding of each client's program, projects, budget, and capital sources and apply our critical thinking and problem-solving skills to provide cost effective solutions to their invoice audit and compliance challenges. Our audits include eligibility of costs submitted by contractors as well as adherence to the conditions set forth by the various types of local, state, and federal funds used to fund a project.

Service Benefits



Cost Savings

We become subject matter experts when the owner's staff lacks the experience or skills to effectively audit construction costs at a transaction level.

- ✓ Results in fewer conflicts and reduces the need for negotiations at close-out
- ✓ Avoids potential costly disputes and litigation
- ✓ Results in cost avoidance rather than cost recovery after release of retainage



Contract Compliance

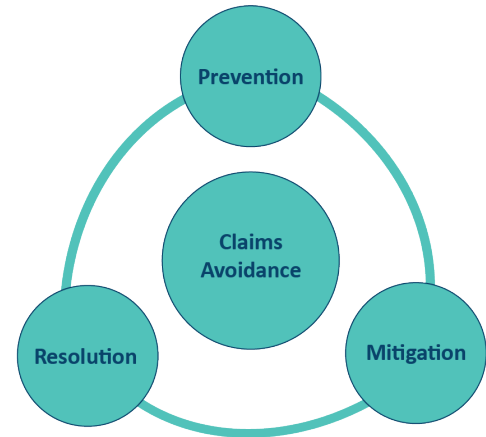
Our team of auditors are experienced with complex General Contracting, Design-Build and Construction Manager at Risk contracts in areas like labor rates and burden, billable time, rental equipment rates, insurance and bond rates, fee agreements, and allowable general conditions expenses.

- ✓ Adds level of quality assurance/quality control
- ✓ Ensures all parties are compliant throughout project lifecycle
- ✓ Minimizes need for claims resolutions or disputes at the end of project

Claims Analysis

Anser's construction claims resolution services are focused on the timely resolution to claims and disputes thereby minimizing impact to schedule and cost. Our knowledgeable team utilizes the understanding of contract development, the design process, contract language, forensic impact evaluation, scheduling, construction techniques, costs risk analysis and construction law to provide our clients with critical information and tools to mitigate construction claims.

Our claims team will comprehensively address matters that require assistance. We provide our clients an assessment of pertinent documents and associated claims.



Anser provides construction claims management, dispute resolution and litigation support services. We have a reputation of providing independent, objective analysis and integrity in all evaluations. We provide technical support and construction expertise to attorneys, contractors, owners, insurance companies, lenders and design professionals in public, private and government contracting.

We distinguish ourselves by our factual and frank assessment of audits, claims and disputes. We have a reputation of "calling it as we see it." This is crucial because clients make critical decisions based on our analysis of the circumstances and facts surrounding an issue.

Our staff has a thorough understanding of construction, contracts, trends, practices, and their application to the technical issues of disputes. Our construction claims services include:

✓ Claim preparation/evaluation	✓ Independent second opinion services
✓ Evaluation of design errors, omissions, and scope changes	✓ Project-neutral advisor
✓ Loss of efficiency and productivity calculations	✓ Settlement negotiation assistance
✓ Evaluation of delays, disruptions, and acceleration	✓ Change order analysis

Our team of construction professionals will analyze your current project, provide crucial information that will help you identify points of concern and give you a project-neutral assessment so that you can understand, address and resolve your claim situation.

Benefits

Anser's comprehensive construction claims consulting services provide the following benefits:

- ✓ Reduce or eliminate the cost of litigation with our experienced claims professionals
- ✓ Mitigate higher than anticipated project costs
- ✓ Address a potential claim immediately
- ✓ Dissect the claim to determine true issues and minimize risk
- ✓ Obtain the real costs of any valid claims with the forensic review
- ✓ Save time and money with quick resolution of claim issues

Facilities Condition Assessments with Budgetary Cost Estimates

Property Condition Assessments (PCA) are commonly used for the following:

- ✓ Property Owner, Capital or Strategic Planning, Predictive/ Preventative Maintenance
- ✓ Potential Owner (Buyer), Purchase Negotiation Advantage
- ✓ Disaster Recovery
- ✓ Lender, Loan Approval
- ✓ Leasee/Leassor, Lease Negotiation
- ✓ Insurance Agency/ Owner, Insurance Evaluations



Evaluating costs for property maintenance, improvement and repair is difficult. Making good decisions in managing the property maintenance and the building life-cycle takes experience and strong construction knowledge. Anser Advisory assists our clients so they understand their buildings and have the necessary information required to make well-informed decisions on their properties. The first and most important step in making good decisions about a building project is to get a “Baseline Property Condition Assessment”. Our construction professionals provide Property Condition Assessments using ASTM E2018, the industry standard.

A well-performed PCA will assist the client in making sound decisions on a property by providing the information they need.

Property Condition Assessments are important for clients seeking to know the condition of a property that they may be purchasing, leasing, financing or simply maintaining. Our clients include buyers, owners, lenders, leasee/lessor, and insurance agencies. A well-performed PCA will assist the client in making sound decisions on a property by providing the information they need.

Our team follows the industry accepted guidelines of ASTM E2018, the only recognized standard of major lenders. The degree of detail included in the PCA may vary greatly dependent on the client needs or accepted risk as well as the property type. Additional cost and time will be incurred as more detail is desired.

PCA Procedure

The first step in the PCA process includes gathering all available information about the subject property prior to the on-site inspection. This information includes items such as existing design drawings, warranty information, historical costs incurred for repairs and/ or improvements, planned capital expenditures, outstanding citations or code violations and any other consulting reports previously performed.

Site Inspection

After collecting and analyzing the information received, a thorough on-site inspection will be performed. Again, depending on the client needs, the inspecting Team will vary and may include architects, engineers, cost estimators and trade specific experts. Areas assessed may include building site, building envelope, structural systems, interior elements, roofing systems, mechanical systems, plumbing systems, electrical systems, conveyance systems, life safety and code compliance. These areas are documented with hundreds of photographs which are categorized by building element and location.

Property Condition Assessment Report

A Property Condition Assessment Report will be prepared and provided to the client. At minimum, the report will contain the following sections, an Executive Summary, Purpose and Scope, Description and Condition, Report Qualifications and an appendix with photographs and any other pertinent information used in preparing the report. The Executive Summary will include estimated costs to repair or replace specified items. Those items may be defective or at the end of their useful life expectancy. Unless otherwise specified, the estimate will include those items or systems that are deemed likely to fail within the next five years. The client may also request specific repairs or renovations that they may need to be performed to meet a certain requirement.

PCA Detail

Basic

- ✓ Inspection includes one Qualified inspector
 - Deemed “Qualified” based on inspector’s background, training, etc.
 - Inspection includes visual review of all components
 - All visual defective components will be documented and a ROM for repair or replacement will be provided.
 - Components that may need replacement within approximately five years will be documented and an associated cost included
 - A report will be prepared and will contain the following sections, an Executive Summary, Purpose and Scope, Description and Condition, Report Qualifications and an appendix with photographs and any other pertinent information used in preparing the report. The Executive Summary will include estimated costs to repair or replace specified items
 - Typically, the inspection will be performed in a single day

Detailed

- ✓ Inspection team will include a Qualified inspector as stated above along with the following as desired by the client:
 - Civil Engineer – Site Paving, Drainage, Utilities
 - Structural Engineer – Building Structural Evaluation
 - Architect – Code/ ADA Compliance
 - Mechanical Engineer – HVAC, Plumbing and Fire Sprinkler
 - Electrical Engineer – Power, Lighting, Low Voltage Review
 - Specialty Trades Inspector:
 - Elevator
 - Pool/ Spa
 - Waste-Water Treatment
 - Potable Water System, Reverse Osmosis
 - Environmental
 - Alternative Energy
 - Building Envelope, Water Intrusion
 - Roof
 - Inspection includes visual review of all components
 - All visual defective components will be documented and a Rough Order of Magnitude Estimate for repair or replacement will be provided.
 - Inspection may include destructive testing, Example, Core Samples for Roof
 - A report will be prepared and will contain the following sections:
 - Executive Summary (Includes estimated cost to repair or replace items specified)
 - Purpose and Scope
 - Description and Condition
 - Report Qualifications
 - Appendix with photographs and any other pertinent information used in preparing the report. The Executive Summary will include estimated costs to repair or replace specified items
 - Inspection may take several days dependent on facility type, size, and complexity

The level of detail can be Basic, Detailed or a level in between. This is determined through discussion with the client on the reasons and requirements of the Property Condition Assessment and the information essential to the client to make well-informed decisions.

Our construction professionals work closely with our clients to understand their particular requirements and ensures the most reliable and thorough reporting. We pride ourselves on our willingness to work with our clients to deliver a service that meets both lender and client specific scopes of work and report formatting. Whether you are buying, selling, or holding your real estate assets, Anser Advisory's team of professionals will identify existing deficiencies and predict future system repairs and replacements. Our experts forecast the cost of facility maintenance and future capital expenditures affectively improving your position in the marketplace. As a commercial or industrial real estate investor, owner, or manager, at some point, you will need to finance, purchase, maintain or repair/replace a facility or its systems. To assist you, Anser Advisory can provide the condition assessment report your need to make well-informed financial decisions.

Cost Estimating Associated with Disaster Related Facilities Damages

There are natural disasters happening all around the world from hurricanes, floods, wild-fires, tornadoes, and now, Pandemic Response. Anser provides a full spectrum of disaster recovery services from inception to close out—specifically services funded by Federal Emergency Management Agency Public Assistance (FEMA PA) and Community Development Block Grant Disaster Recovery (CDBG-DR) programs.



Anser's Disaster Recovery experience includes recovery efforts for the U.S. Department of Housing & Urban Development, Mississippi Emergency Management Agency (MEMA), Florida Department of Economic Recovery, and the State of Louisiana's Public Assistance Program among various other federal, state and local entities.

In addition, our Cost Estimating team has also been involved in working with private clients to assess their facilities after a disaster occurs to provide estimates to repair and/or replace the facilities due to the damages.

Program Management

Anser assists, guides, advises, and backs clients up through every step of the FEMA PA and CDBG-DR processes, including administering Public Assistance Programs on behalf of local governments, mitigation, compliance, grant management, process improvement, insurance advisory, and program closeout.

Project Management

Anser's team of experienced professionals can manage the process from initial funding to closeout. From administrative services and cost estimating to construction management and QA/QC, Anser can provide a wide range of project management services to ensure internal controls exist, are properly designed and operating as intended to support any disaster recovery needs.

Disaster Recovery Expertise

Anser's team has an extensive background in managing both FEMA projects and HUD entitlement grants and have worked on many of the largest disasters including hurricanes Katrina, Rita, and Ike, as well as Superstorm Sandy. Our Subject Matter Experts provide technical expertise and competence to help communities bolster their recovery efforts and build long-term resilience. We have the technical expertise and execution capabilities to provide tailored solutions and staff augmentation capabilities to support our client's changing needs. We pride ourselves on providing the right people at the right time.

Cost Estimating & Construction Support

Anser's expertise spans program/project budgets, estimates at all stages of design & construction, procurement advice, estimate reconciliation, risk analysis, value engineering, construction review, change order evaluations, claims pricing and evaluation.

Administrative Services

Anser can prepare and upload documents, tabulate timesheets, and any general administrative duties in the overall support of projects, field operations and management.

Compliance and Monitoring

Anser develops and monitors production of programmatic reviews and ensures full compliance with Program Guidelines including regulatory, insurance, income limits, unmet needs, duplication of benefits, procurement, and all other grant requirements.

Financial Management

Anser reviews various entities' financial documents, project worksheets, cash flow prep and analysis, funding allocation, and other supporting documentation including applications for payment, force accounts reimbursement, and expenditures prior to the request or disbursement of federal funds.

Program Grant Management

Anser facilitates timely reimbursement, reconciliation, and closeout of all open projects and subrecipient accounts.

Quality Assurance/Quality Control

Anser's expertise can help meet production and quality standards and demonstrate progress through required reports.

Expert Witness Services or Testimony

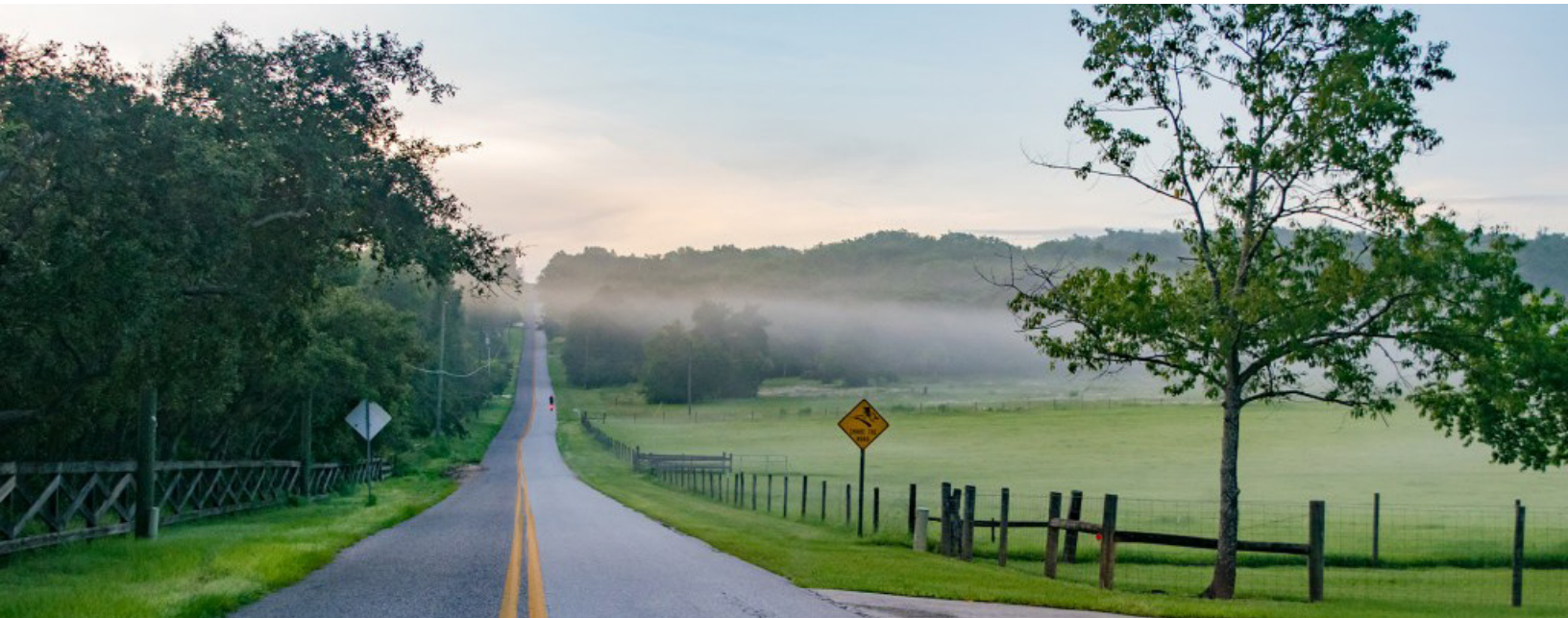
Anser provides Expert Witness and Professional Litigation support services in the event a dispute becomes subject to legal proceedings for resolution. Our team provides comprehensive support through all phases of the litigation process. Litigation Support Services include:

✓ Damages Analysis and Quantification for Potential Claim	✓ Standard Care for Design & Construction Professionals
✓ Construction Claim Evaluation and Quantification	✓ Arbitration and Mediation Support
✓ Schedule Delay Analysis	✓ Consulting and Expert Witness Testimony



Cost Estimating Subject Matter Expert: Andy Kleimola, CEP, CPC

Andy Kleimola is Anser Advisory's Managing Director of Estimating. He has over 30 years in construction experience including over 23 years with an ENR Top 25 General Contractor where he held roles of both Chief Estimator and Operations Manager. Mr. Kleimola worked with and has a great deal of experience in many construction contract delivery methods including General Contractor, Construction Management at Risk, CM Agency, and Design-Build. A great deal of his experience in his General Contractor experience was in the market sectors of Higher Education, Government/ Public Work, Infrastructure, Aviation, General Commercial Construction, Hospitality/ Entertainment, Light Industrial & Manufacturing, and Hospitality/Entertainment.



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