



DEPARTMENT OF TRANSPORTATION

Fresno Area Express ♦ Fleet ♦ Handy Ride

DATE: June 26, 2019

TO: FILE, Facility Improvement Project

FROM: Brian Cetti, Capital Development Specialist – Fresno Area Express (FAX)

SUBJECT: COST ANALYSIS, HVAC Stand-Alone Project Architectural
Fee Change Order

Summary

The following cost analysis was performed on the Stantec proposal dated June 25, 2019. The Independent Cost Estimate (ICE) for this project change order is \$43,843.00 and is used as a basis for the analysis. The proposed amount of Stantec's HVAC Stand-Alone project Change Order is \$56,077.00. The development of the final proposal has been concluded to be fair and reasonable for this change order to replace end of life HVAC equipment to the FAX Administration Building roof. As a stand-alone construction project this will provide FAX increased competition from local and DBE contractors for this specific project. Additional it will accelerate the construction time line for completion of this project. The ICE can be found attached to this document.

Labor Hours

Stantec is utilizing multiple engineering classifications to complete the work associated with this change order, whereas FAX assumed slightly less hours for engineering classifications from different disciplines for this proposal. There is no fault to either determination for engineering hours needed, as it is largely determined by means and methods of completing the scope of work. When comparing FAX's ICE for the Project Labor hours for the HVAC Stand-Alone construction project, it was assumed that minimal engineering classifications and hours would be needed from Stantec. FAX's estimate of 280 total hours is slightly lower than Stantec's proposed 342 total hours.

This can be attributed to Staff underestimating the level of effort and efficiency to provide separate engineering support for this project during the procurement of the construction contractor, design support during construction, generating project record drawings and as-builts upon completion. Stantec has proposed minimal additional hours and engineering classifications to complete these separate design and support requirements

Following negotiations with Stantec and clarifications to their proposal, the proposed hours to complete the design and the abilities of the staff being utilized for this project are considered appropriate for the completion of the required scope. In conclusion, the labor hours in the proposal are deemed fair and reasonable.

Labor Rates

The ICE assumed FAX would be paying for multiple skilled labor classification. The labor rates range from \$30.00 to \$89.77 per hour for Intern Architect to Principal Project Management respectively. These rates are identical to the negotiated rates agreed upon in May 2018 for the base contract. Because these rates were previously approved by FAX and no changes were requested, FAX continues to deem them fair and reasonable for this scope change, because rates could have gone up by inflation.

Direct Material

Direct costs include \$481.00 for mileage, \$1,000.00 car rental, \$520.00 per diem, and \$2,700.00 airfare for travel. Stantec's engineers are located throughout the State of California and will be required to travel to the job site. The direct costs are consistent with Federal mileage reimbursement rates. This cost is therefore deemed fair and reasonable and any costs for these direct materials will be charged to the contract without mark-up.

Overhead

Stantec's overhead for this project is set at 160.4% which is identical to their approved rates from May 2018. Stantec has not requested any increases in rates from what was approved for their previous Amendment. This rate, having been deemed fair and reasonable, continues to be so for this scope change. Moreover, the indirect rates will be audited at the completion of their contract.

Fee

The fee being utilized in calculating this amendment is 10%. The fee rate being applied for this category is considered to be fair reasonable based upon the risk associated this new stand-alone project package versus when it was all tied into a single larger project.

Technical Expertise

Brian Cetti performed the above cost analysis evaluations. Previous experience includes nineteen years working as a project manager for three large government contractors in the State of California. He has a Bachelor's degree in Chemistry from Cal State University Fresno.

Signature: Brian Cetti Date: 6/26/2019