
Easttown Township

TO: BOARD OF SUPERVISORS (BOS)
FROM: DON CURLEY
SUBJECT: BFC FIRE HOUSE FUNDING
DATE: APRIL 15, 2024

Don 4/11/24

In November of 2023; the BOS authorized the Township to partner with Tredyffrin Township and the Berwyn Fire Company (BFC) to construct a fire house. The total commitment of both municipalities was identified as \$9M. Since then, the costs have risen considerably. The new estimate is around \$12M (of which Easttown Township is expected to pay around \$3.8M or around 32%). It is essential that Easttown Township acknowledge and approve the additional expenses.

The project is complex (for sure). It involves two municipalities, a fire company, and grants. Foremost among the complex aspects of the project is that it is a BFC project (not a Township project) but is largely funded by the Townships. With some risk of oversimplification; I offer a handful of items that contributed to the increase of the cost:

1. Prevailing Wage – Delay (between bidding and awarding) increased the wage rate for “Shell and Core” by around \$369,000. Additionally, the “Fit Out” was thought to occur without prevailing wage. Upon review and because government money is in play, prevailing wage rates were added and the cost increased by around \$780,000.
2. Design Changes – Easttown Township changed the design of the façade. That change added around \$370,000. Additionally, the Townships added dorm space. That change added around \$325,000.
3. Delay – The gap of time between bidding and awarding caused some of the sub contractors to drop out. The use of other subcontractors added around \$500,000.
4. Contingency – Upon review, best to assign contingencies to these projects. Including the contingencies added around \$1.1M to the cost.
5. Other – Lots of unplanned relative little things (tents, asbestos removal, trailers, etc.) rolled in. Those costs are expected to exceed around \$225,000.

Attached to this memo is a table showing the costs (the best estimate as of this moment).

The Township borrowed \$3.3M for the project. Based upon the above-mentioned estimate, that amount will be insufficient.

Description	Shortfall (\$) +/-	Note
With 10% Contingency	\$565,000	\$1.1M Project Contingency
With 5% Contingency	\$398,000	\$1.1M Project Contingency
With 0% Contingency	\$231,000	\$1.1M Project Contingency
With 0% Contingency and Interest Earning Applied	\$150,000	Assumed \$80k in interest

On the low end (around \$150,000); the risk is modest. That gap can likely be closed with capital funds or general funds (perhaps ARPA). On the high end (around \$565,000); the gap will require some planning. In the middle are a variety of hybrid solutions. Now is a good time to start planning. I can brief you on the steps that have taken and will take. I expect that you will have a decision point circa August 2024. At some point in the future when the values are more solidified than they are now, another resolution (that specifies the most accurate values) should be passed.

Another item that developed from the complex nature of the project is the Change Order (CO) process. Given that the funding for all COs is Township money; best to have the Township approve COs. The staffs of Easttown and Tredyffrin propose:

- COs less than \$10,000 may be approved at the discretion of the Project Manager (jointly appointed by Easttown and Tredyffrin).
- COs less than \$25,000 may be approved at the discretion of the Township Managers.
- COs more than \$25,000 should be brought to the BOS.

Kindly note that projects of this scale inevitably involve COs that are timely and if not acted upon produce expensive delay or damage. If these sort of items are identified then the Staff will need to address them and the BOS validate them after the fact.

Finally, some of the values (meter pit, removal of unsatisfactory soil, contingency, etc.) assigned to the attached spread sheet remain uncertain. If the values change then, obviously, the cost of the project changes.

Action as follows, the BOS should authorize:

- The continuation of the project at the budget levels specified herein.
- The CO process as specified herein.

Ben
4-11-24

Item	Project Bid Cost	Project Cost	TT	ET
Shell and Core				
Base Bid	\$ 4,944,222	\$ 4,944,222	\$ 3,460,955	\$ 1,483,267
Prevailing Wage Adjustment to Base Bid	\$	\$ 369,006	\$ 258,304	\$ 110,702
Allowance (Water Meter Pit)	\$ 65,000	\$ 65,000	\$ 45,500	\$ 19,500
Alt (Cell Conduit)	\$ (10,500)	\$ -	\$ -	\$ -
CO 1 (dorms, delay, subs)	\$	\$ 513,657	\$ 359,559	\$ 154,097
CO 1 (Façade)	\$	\$ 278,000	\$ -	\$ 278,000
CO 3 (Asbestos Removal)	\$	\$ 22,770	\$ 15,939	\$ 6,831
CO 4 (Temporary Power Pole)	\$	\$ 5,000	\$ 3,500	\$ 1,500
CO 5 (Bakery Access)	\$	\$ 10,000	\$ 7,000	\$ 3,000
SUB TOTAL	\$	\$ 6,207,655	\$ 4,150,758	\$ 2,056,896
Fit Out				
Base Bid	\$ 2,758,125	\$ 2,758,125	\$ 1,930,688	\$ 827,438
Prevailing Wage Adjustment to Base Bid	\$	\$ 780,099	\$ 546,069	\$ 234,030
Alt (Lighting)	\$ 22,100	\$ -	\$ -	\$ -
Alt (Shunt Trip Breaker)	\$ (4,500)	\$ -	\$ -	\$ -
CO 2 (Dorm Expansion)	\$	\$ 372,495	\$ 260,747	\$ 111,749
SUB TOTAL	\$	\$ 3,910,719	\$ 2,737,503	\$ 1,173,216
Contingency (10%)	\$	\$ 1,112,005	\$ 778,404	\$ 333,602
CONSTRUCTION TOTAL	\$	\$ 11,230,379	\$ 7,666,664	\$ 3,563,714
TBD	\$	\$ -	\$ -	\$ -
Other				
External POs	\$	\$ 388,740	\$ 272,118	\$ 116,622
Bernadon - Construction Admin	\$	\$ 100,200	\$ 70,140	\$ 30,060
Benwyn Avenue Tents	\$	\$ 111,060	\$ 77,742	\$ 33,318
Asbestos Inspection	\$	\$ 2,800	\$ 1,960	\$ 840
1485 Trailers	\$	\$ 31,460	\$ 22,022	\$ 9,438
1485 Safety Upgrades	\$	\$ 51,419	\$ 35,993	\$ 15,426
Bernadon - 15 Bridge Ave Demo	\$	\$ 7,000	\$ 4,900	\$ 2,100
Bernadon - Dorm Room Design	\$	\$ 42,795	\$ 29,957	\$ 12,839
Façade Design	\$	\$ 80,700	\$ -	\$ 80,700
SUB TOTAL	\$	\$ 816,174	\$ 514,832	\$ 301,342
PROJECT TOTAL	\$	\$ 12,046,553	\$ 8,181,496	\$ 3,865,056
GRANTS				
RACP Grant	\$	\$ (2,000,000)	\$ (1,400,000)	\$ (600,000)
Houlihan Grant	\$	\$ (500,000)	\$ (350,000)	\$ (150,000)
SUBTOTAL	\$	\$ (2,500,000)	\$ (1,750,000)	\$ (750,000)
NET COST	\$	\$ 9,546,553	\$ 6,431,496	\$ 3,115,056