

From: Brockmeyer, Greg

Sent: Thursday, August 11, 2022 2:57 PM

To: #County Board Recipients <[County Board Recipients@countyofdane.com](mailto:County_Board_Recipients@countyofdane.com)>

Cc: Barrett, Calvin <Barrett@danesherriff.com>

Subject: Dane County Jail Project Escalation Concerns

To: Dane County Board of Supervisors

From: Greg Brockmeyer

Date: August 11, 2022

As you consider Res 136 - Realizing Key Goals of the Dane County Jail Project Within the Currently Authorized Funding, I wanted to bring to your attention the potential for escalated construction costs due to a further delay of the Jail Consolidation project.

As you can see from the email below, Gilbane Building Company which is Dane County's project manager for the Jail Consolidation project is projecting 2022 construction escalation costs to be between 16% and 17%. The 2023 construction escalation costs are unknown at this time, however we do know that Res 136 will add an additional 10 month delay to the construction project. That 10 month delay according to Gilbane, could reasonably result in a 6% to 8% increase in the cost of the Jail Consolidation project which would add \$6.6 to \$9.2 million to the total construction costs of the project.

Please let me know if you have any additional questions,

Thank you,



Greg Brockmeyer, Director

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From: Lindstrom, Erik <ELindstrom@GilbaneCo.com>
Sent: Thursday, August 11, 2022 1:41 PM
To: Draper, Todd <Draper@countyofdane.com>
Subject: Dane County Jail Project Escalation Concerns

Todd,

As we have discussed, there is risk that delaying the start of the Dane County Jail project will continue to add cost to the project. This increase is tied to the continued escalation in the construction industry at an unprecedented rate. Our May 2022 Estimate anticipated a ground breaking of March 2023, and included escalation according to that date. The potential new schedule is:

- Mead and Hunt Change Order Approved and Signed – Late November 2022
- Mead and Hunt Redesign – 9 Months – December 2022 through August 2023
- Project Out for Bid – 2 Months – September 2023 through October 2023
- Award and Contract the Winning Bidder – 1 Month – November 2023
- Mobilize and Break Ground – 1 Month – December 2023

This results in a potential delay of approximately 10 months, and thus 10 months of escalation. With these unprecedented times we are anticipating 2022 escalation to be between 16% and 17%. While we cannot say with 100% certainty what 2023 will bring, we are encouraging our clients to anticipate escalation in the 6% to 8% range. Using a prorated range on a 10 month delay, the May 2022 construction cost estimate of \$132,283,033 would need to account for an approximate increase of \$6,600,000 to \$9,270,000. Please note two things:

- Escalation is only calculated on the construction costs of \$132,283,033 not the entire project cost of \$175,732,843.
- The estimate includes the scope reductions in resolution 320

If you need any additional data, I'm happy to provide.

Erik Lindstrom | Construction Executive | [Gilbane Building Company](#)

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