

AGENDA

SPECIAL MEETING - BOARD OF ESTIMATE & TAXATION

May 16, 2022 – 6:30 p.m.

To allow public access, anyone may access a meeting by telephone, Zoom, and/or the City of Norwalk YouTube channel. Specific instructions and links can be found at www.norwalkct.org/meetings



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1. **RESOLUTION:** Requesting an increase in Special Capital Appropriation in the amount of \$4.0 million to the Board of Education for the new South Norwalk (SoNo) Elementary School for a total project budget of \$76.0 million. Account #0922-5010-5777-C0808.



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MEMORANDUM

Date: May 10, 2022

To: Harry W. Rilling, Mayor
Members of the Board of Estimate & Taxation
Members of the Planning Commission
Members of the Common Council

From: Henry Dachowitz, Chief Financial Officer

Re: Special Capital Appropriation Request for the new South Norwalk
(SoNo) Elementary School

Attached is a request from the Building and Facilities Department requesting an additional special capital appropriation in the amount of \$4.0 million for the new South Norwalk (SoNo) Elementary School Project. This amount is an increase to the already approved \$72.00 making the total project \$76.0 million.

ACTION REQUESTED:

1. REQUESTING, an additional Special Capital Appropriation in the amount of \$4.00million for the new South Norwalk (SoNo) Elementary School. Account #0922-5010-5777-C0808.

Finance recommends approval.



Compilation of current price increases – Tidbits from recent outreach 2-02-2022

Statements from Construction Analytics article – 2021 Construction inflation 11-10-21

- As of Sept 2021, PPI for materials inputs to construction is up ytd 15% to 18%. For the 18 months since March 2020, the onset of Pandemic, the PPI for materials inputs to construction is up ytd 23%, but the PPI Buildings Cost Index for final cost to owner is up only 5% to 6%
- Steel Prices at mill in the U.S. are up 60% to 100% in the last 6 months. All prices are 50% to 75% higher than Feb 2020. This is mill price of steel which is about 25% of the price of steel installed.

Tilcon materials pricing Jan 21 to Jan 22 Pricing increases

- Bituminous – Class 1, 1A & 4 – 8% increase
- Stone products average – 7% increase

Lumber pricing has increased 30% from this time last year, after unprecedented increases the previous year (up to 300% increases on some products the previous year) according to Shane @ Colt Builders referencing publication Random Lengths (North American Forestry Products Markets)

Drywall / Cold Form & Light ga framing (pricing updates R&L Acoustics March 2021 to Feb 2022)

- P2A - 6" 20Ga with (2) 58X each side with sound batt, caulk & fiber – 20% increase
- P1 Rated Exterior Shaftwall CH stud, Liner panel, 2x58X 23' 6" - 11% Increase
- P3 1 hour Gyp - 6"20Ga - 1x58X each side - 6"Sound Batt 22' 6" – 21% Increase
- P4 Non-rated - 6"20Ga - 1x58X each side - 6"Sound Batt 22' 6" - - 21% increase
- ACT 2x2 Ultima Tegular in 15/16 grid – 25% increase

Recent Statement from a CT Major Mechanical contractor

Most of our quotes from suppliers still expire after 7 days or less.

Couple of data points depending on when the budget was established:

- Carbon steel pipe year-over-year prices up 63.5%
- Copper tube & Fittings y-o-y prices up 75% - 10 year high \$/lb in May of last year.
- Plastic Pipe & Fittings y-o-y prices up 62%
- Cold rolled steel (Sheet Metal) y-o-y prices up 60%

Not to mention supply chain issues; cost of trucking is 4 fold and labor shortages on the manufacturing side so we are getting hit from everywhere.

We are not experiencing a labor shortage from an installation perspective just need the product to install



Statement from Lorne Knowles (MEP Cost Consultant)

Here's what's happened to material costs:

- *Copper (piping & elec wire) up 112% since June of last year*
- *Steel (pipe, duct, elec conduit) up 35% since June of last year*
- *Equipment costs up 15% since June of last year (the equip has copper and steel in it, so they have been increasing their equip costs too)*

Here's what's happened to labor costs:

- *Labor up an average of 7.5% since June of last year (prevailing wage increase from 2020 to 2021: plumber 5%, sheet metal worker 7%, insulator 10%)*

*If you had a \$ 100,000 project you estimated a year ago, and 40% of it is MEP, the MEP cost escalation would be \$ 8,960 (100,000 * 40% * 22.4%).*

That's 8.96% escalation on the total project (in a year), and you haven't even included any escalation for your arch/struct/civil items

Feedback from Michael Ouillette- (Electrical Cost Consultant)

Electrical cost increases, year over year, CT Schools Commercial prevailing wage – Estimates are up 35% from where we were just prior to the Pandemic

Electrical Cost estimates, year over year, for Commercial residential development is up 50% since just prior to the Pandemic.