



April 25, 2016

Mr. Chuck Adams, Superintendent
Spencer County Public Schools
207 West Main Street
Taylorsville, Kentucky 40071

Re: New Spencer County Elementary School
SCB Project No. 1257

Dear Mr. Adams:

Following is our response and explanation why the low bid for the New Spencer County Elementary project -- \$16,517,000.00 with all accepted alternates -- exceeded the BG-1 construction cost estimate of \$14,000,000.00 by more than 10%.

- The original BG-1 for the project was signed and sent to KDE in June, 2015. The BG-3 statement of probable cost was completed in December, 2015 to more accurately reflect the anticipated construction costs. It was increased at that time to reflect the known presence of rock and the removal necessary for the site grading, site utilities, building footings, etc. The low base bid of \$15,820,000.00 from Morel Construction is approximately 2.8% over the BG-3 statement of probable cost of \$15,383,631.00 (Deduct Alternates 2, 7, 8, and 9 representing \$143,000.00 in savings were not taken by the board of education). The original BG-1 for the project was not revised at that time.

We hope these help clarify the difference between the BG-1 estimate and the final bid amounts. If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "J. McElfresh", with a stylized flourish at the end.

Justin McElfresh AIA, CID, LEED AP
Principal

c: Jim Oliver, Vicki Goodlett, Kenny Stanfield