

## **Andorra Ventures' Rebuttal of Appellant's Analysis of Andorra's Exhibit 8**

The following analysis tracks Appellant's narrative style "Report" ("TWC Report"). Attached is a line by line analysis ("Andorra's Actual Costs") of The Woolsey Company's ("TWC") redline of Andorra's critique of TWC's construction estimates ("TWC's Estimates").

### **General comments:**

It is important to note that TWC's Estimates continues to provide unfounded estimates while the attached exhibit, Andorra's Actual Costs, reflects *actual expenses* (as do Andorra's Exhibits 8 and 10). TWC's Estimates and Report are speculative and continue to make assumptions regarding costs, estimates and building requirements.

It is a *fact* that Andorra has spent \$118,719 (including taxes, overhead and profit) and has provided to the Examiner (Applicant's Exhibit 8) documentation showing that it will cost an additional \$85,900 plus \$6,600 in taxes to complete the Building Permit-approved project. This amount *includes* items that are *not* part of the Building Permit requirements, and thus are not considered by the City to be subject to 100% valuation threshold of \$250,000. Those items include a labor overrun of \$7,000, interior trim expenses of \$1,200, and exterior siding expenses of \$3,000. The final project costs are \$211,219 inclusive of taxes, under the \$250,000 threshold.

In his testimony, Mr. Woolsey based his expertise on his business of bidding and training others to bid government projects and complex large commercial projects. It is difficult to compare a small project such as Andorra's with large complex commercial projects and government bids that are often prone to bloating (we have all heard stories of the \$900 hammer and \$800 toilet seat.)

Andorra's project is a small project in terms complexity and size and thus requires a different bidding and pricing method. Mr. Woolsey attempts to use budget standards for large commercial and governmental projects and apply them to a small remodeling project. Andorra Ventures' evidence is composed of hard bids and actual costs incurred, and verifies factually all estimates and bids. These are not hypothetical or speculative estimates such as those presented by TWC.

Moreover, given the \$250,000 threshold, Andorra chose to complete certain tenant improvements not required by the Building Permit and therefore not subject to the \$250,000 threshold. Andorra chose to complete these tenant improvements for expediency for the convenience of potential tenants. Tenant improvement work includes the doors, windows, much of the electrical expenses and all interior walls. Had the threshold been \$125,000 rather than \$250,000, Andorra would have made a business decision to omit certain unnecessary costs, and could have completed the basic requirements to bring the building up to IBC 2015 standards that \$125,000 limit.

### **Rebuttal to General Comments and Contractor bids:**

**First bullet: Viking electric:** Testimony by several of the City's and Andorra's witnesses confirmed that the lighting plan submitted by Andorra as part of its application is merely a

suggested layout and schematic to show the building's compliance with Washington State Energy Codes (WESC). The actual fixtures depicted are for illustrative purposes only, and, so long as the fixtures meet WESC requirements, an applicant is permitted to install any fixtures in any layout it desires with no City approval required. Andorra Ventures opted to use Chandelier lighting to accommodate the 16' ceilings and for aesthetic reasons. Contrary to TWC's outrageous estimate of \$73,080, Andorra's actual electrical budget is \$18,300 which is 90% complete and under budget. The total lighting package came in at \$2,890 (inclusive of all taxes) which included 10 chandeliers and 8 - 6" can lights, which is under the original lighting budget of \$3,200. Also contrary to TWC's assumption, Andorra is *not* required to install communications and security (TWC's estimate is \$5,460) or fire alarm system (TWC's estimate is \$4,200). Thus the complete electrical expense is \$18,300 inclusive of tax and materials. **\$37,780 needs to be removed from TWC's estimate.**

**Second bullet: Windows, Cedar River Glass:** TWC claims Cedar River Glass does not include items called out in the plans. As seen in the bid (Exhibit 8), it includes all door hardware, panic hardware and installation. The total bid for all doors and glass for interior and exterior is for \$43,397 plus tax. TWC's analysis is confusing and unclear, but it is clear that their valuation of \$74,635 is based on speculative estimates rather than actual verified bids and invoices. **\$31,238 needs to be removed from TWC's estimate**

**Third bullet: HVAC:** Andorra's contractor, Metalsmith, has secured a mechanical permit from the City of Redmond and Andorra has approved and accepted their bid of \$19,951.85, inclusive of tax and installation. This is the complete bid for all required work. Nonetheless, Mr. Woolsey persists in defending his bid of \$40,200 which is a best guess and estimate as opposed to Andorra's real, industry supplied bid. **\$20,248 needs to be removed from TWC's estimate.**

**Fourth bullet: Plumbing:** Andorra does not contest the rough in and connection estimates provided by TWC. As for the percentage of work completed, Andorra estimates approximately 65% of the project has been completed. Please note that much of the work has been paid for even though it may not yet have been inspected. For example, nearly 100% of sheet rock and electrical have been paid for, yet have not been submitted for inspection. Mr. McCleod bases his level of completeness on completed inspection not how much of the project has been expensed and paid.

**Project Subtotal:** After reviewing the TWC estimate, \$147,721 needs to be subtracted creating a direct "apples to apples" comparison of TWC's estimate of \$192,194.20 and Andorra's actual cost of \$211,219.

**Demolition:** Mr. Woolsey has multiple line items and areas he accounts for within the Demolition paragraph. Andorra has spent a total of \$15,570 under the estimated budget of \$16,500. Mr. Woolsey accounts for demolition and earth work totaling \$23,829 versus Andorra's actual cost of \$15,570. **\$8,259 needs to be removed from TWC's estimate**

**Siding:** Mr. Woolsey's estimate still appears to include stucco and weather proofing totaling \$37,857, in spite of the testimony that Andorra is not obligated and has no intention of installing stucco. In addition, parapet coping is not required under the permit and must be deleted from TWC's estimate.

**\$31,000 needs to be removed from TWC's estimate**

**Windows:** Please see Second bullet point above

**Wall finishes:** Mr. Woolsey the assumed that all interior walls would be finished in sheet rock. If this were the case, approximately 9,000 sqft of sheetrock would be installed. This assumption is incorrect. The project has exposed cinderblock walls and sheer walls that will not be covered in sheetrock. Andorra's estimate is for approximately 4,500 sqft of sheet rock. Again Mr. Woolsey is making speculative assumptions that ultimately inflate his estimated costs. Andorra's bid of \$10,000 inclusive of tax and materials is well within the standards and expectations of sheetrock costs. Furthermore, permitting does not require concrete floor refinishing, trim or storage shelves.

**\$22,455 needs to be removed from TWC's estimate**

**Blinds:** As noted in testimony, the blinds and shelving on the plans was for illustration purposes only. These will be the tenant's responsibility, should they choose to have them.

**\$5525 needs to be removed from TWC's estimate**

**Fire Suppression / Hose Bib / Fire Line:** Not required and need to be removed.

**HVAC:** Please reference the third bullet point above.

**Lighting:** Please reference the first bullet point above.

**Conclusion:**

As noted above, Exhibits 8 and 10 contain actual invoices and bids on the actual project, rather than speculative attempts to justify prior estimates based on larger commercial and government type projects. Andorra worked diligently to find competent and reasonable contractors to complete the 16390 Cleveland project in hopes of creating a more inviting downtown for Redmond. Andorra's bids and costs are backed by invoices, verified bids and witness testimony. Understandably, based on his expertise, Mr. Woolsey had to make assumptions and use standards for large government projects. His estimates therefore understandably far exceed Andorra's actual costs and bids. Nonetheless, Andorra's numbers represent the actual costs for its very real project, which has been managed in a careful, financially cautious manner.

**\$192,194.20 of TWC's estimate must be eliminated. Andorra's actual cost is \$211,219.**

## WPDC CLEVELAND, ORIGINS TENANT IMPROVEMENTS (REDLINE ADJUSTED)

This is an Opinion of Probable Cost



**DATE:** August 10, 2017  
**A/ E:** WPDC Cleveland, LLC  
**ESTIMATE:** Construction Documents Estimate  
**SPECIFICS:** Various Tenant Improvements at Existing Commercial Space

CSI Div.	DIVISION TITLE	TOTAL	
<b>FACILITY CONSTRUCTION SUBGROUP</b>			
2	EXISTING CONDITIONS	\$16,409	(\$8259) Remove double charging for demolition and earth work
3	CONCRETE	\$12,375	
4	MASONRY	\$1,650	
5	METALS	\$0	
6	WOODS, PLASTICS & COMPOSITES	\$10,583	
7	THERMAL & MOISTURE PROTECTION	\$37,858	(\$31,000) to remove stucco and Parapet (\$31,238 ) for overbid of Windows and doors
8	OPENINGS	\$74,635	
9	FINISHES	\$32,455	(22,455) for overbid of sheetrock, flooring, trim
<b>FACILITY SERVICES SUBGROUP</b>			
21	FIRE SUPPRESSION	\$0	
22	PLUMBING	\$12,630	
23	HVAC	\$40,200	(\$20,248) for overbid for HVAC
26	ELECTRICAL	\$56,080	(\$37,780) removed versus bid and expenses
<b>SITE AND INFRASTRUCTURE SUBGROUP</b>			
31	EARTHWORK	\$7,420	
32	EXTERIOR IMPROVEMENTS	\$6,250	
33	UTILITIES	\$8,900	
		\$147,721	total removed (\$147,721)
	<b>PROJECT TOTAL Bare Costs</b>	<b>\$317,443</b>	
	Estimate Contingency	0% <span style="border-top: 1px dashed black;">\$0</span>	
	<b>PROJECT SUBTOTAL</b>	<b>\$317,443</b>	New sub total: \$174,722
	<del>General Requirements</del>	<del>0% <span style="border-top: 1px dashed black;">\$0</span></del>	
	<b>PROJECT SUBTOTAL</b>	<b>\$317,443</b>	
	<del>GC-Overhead &amp; Profit</del>	<del>0% <span style="border-top: 1px dashed black;">\$0</span></del>	
	State & Local Taxes	10% <span style="border-top: 1px dashed black;">\$31,744</span>	
	<b>PROJECT TOTAL</b>	<b>\$349,188</b>	\$192,194.20 inclusive of tax