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January 20, 2022 Attention: Tom Gatzunis, Don White, Bill Lovallo, Pat Brusch, Bob McLaughlin RE: Belmont Middle and High School COVID Impact

Tom/Don:

During the most recent review of project costs and discussions of why the project is projecting to be over budget, and as again requested by the Town, Skanska has reviewed the history of the project to determine if any of the costs, both current and projected, are COVID related in order for the Town to review to see if they are eligible for potential funding via COVID relief funds. As you know, Skanska has been repeatedly told that both subcontractor delay and material escalation are not reimbursable due to COVID which is why many of the costs are estimated. Based on this review, we have found the following costs are reasonably associated with the impacts throughout the industry due to COVID:

Premium Time. One of the major costs of the project has been the volume of Premium Time required to achieve the on-time school opening. As understood by all, the decision had to be made early on whether to begin Demolition of the existing School and "guarantee" making the High School Opening vs. delay the entire project multiple months incurring large schedule related costs. Based on the analysis performed, presented, reviewed and approved by the Building committee, the decision was made to move forward with the (projected) less expensive option of a compressed schedule. the reconciled final cost of the compressed schedule was approximately double of what was originally estimated. Despite the increase to this cost, it was agreed, based on the analysis performed, that this decision was still sound and the lesser of two impacts was achieved. However, we can confidently say that there were costs incurred due to COVID related impacts to both the schedule, the premium time and in Skanska's ability to manage the compression of the work both historically and looking forward.

We have found 23 subcontractors who were impacted at least once (some were impacted multiple times) by material supply chain issues for which we had to make adjustments to the schedule and compress the work. See attached list. While no COVID claims for schedule delay were approved for various reasons, the costs for compressing these trades and the resulting impacts of the delay to their work into the summer and the last several months of Phase 1 were incurred and also impacted the follow up subcontractors. While this impact is difficult to precisely define, we are fortunate, as we had an estimate of anticipated Premium Time/Compression costs prior to these impacts. Subsequently, we have the total cost expended which we can reasonably infer that anything beyond what we felt was a conservative estimate to complete the project without the COVID impacts, would be a cost related to these COVID impacts.

In addition to the material supply chain impacts, and despite the continued efforts by Skanska to increase the manpower on the project or attempt to staff a second shift over the last few months of the

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first phase of the High School project, the subcontracting community and the labor force were unable to support more manpower and no option for a second shift was feasible. In fact, Skanska had to utilize its corporate strength to utilize other labor from other projects in order to try to mitigate some of the critical path elements of the project such as electrical work, tele/data, and ceiling installation. This extraordinary effort to manage the late materials, manage the limited construction personnel available, resequence the schedule, cleaning and protecting areas multiple times, extending the punch list well beyond the substantial completion and finish several areas and systems beyond substantial completion as agreed between Skanska and the Town. We believe the following costs are in addition to the efforts Skanska has budgeted and contracted with the Town of Belmont and should be reimbursed through the COVID Allowance back to Skanska.

In Summary, the current estimated costs associated with COVID impacts are as follows:

Premium Time:

Total Owner Cost for Premium Time less the Originally Projected amount =\$1,157,963Total Skanska% of Premium Time less Originally Estimated Amount =55%

BMHS OT Reconciliation Summary										
GMP PCCO Reference		d From Owner ntingency		Funded From CM Contingency (Subcontractors)	Funded From CM Contingency (SKALaborers/Carpenters)	Funded by Subcontractors (Approximate)				
PCCO 018 (April)	\$	33,559	\$	61,750	\$ 12,550	\$ 25,200				
PCCO 019 (May)	\$	116,861	\$	60,586	\$ 14,253	\$ 27,440				
PCCO 020 (June)	\$	76,945	\$	59,307	\$ 21,957	\$ 21,840				
PCCO 022 (July)	\$	150,996	\$	33,731	\$ 32,854	\$ 19,600				
PCCO 023 (August)	\$	210,749	\$	37,603	\$ 35,273	\$ 18,480				
PCCO 025 (Sept.)	\$	268,899	\$	29,106	\$ 19,467	2nd Shift Punchlist/WTC				
PCCO 028 (October)	\$	141,688	\$	34,857	\$ 21,683	2nd Shift Punchlist/WTC				
PCCO 029 (November)	\$	463,079	\$	36,919	\$ 5,731	2nd Shift Punchlist/WTC				
December Projection (Xmas Week)	\$	-	\$	15,000	Included	2nd Shift Punchlist/WTC				
Subtotal	\$	1,462,776	\$	368,859	\$ 163,768	\$ 112,560				
		69%		17%	8%	5%				
Total Reconciled Overtime	\$	2,107,963								
Total Original Estimated Overtime		\$950,000								
Overtime Estimated to be Associated with										
COVID Impacts	\$	1,157,963		55%						

Additional Protection and Cleanup required for Schedule Compression (55% based on Changes/COVID split)

\$343,488

Protect	\$57,300					

Additional Laborers for General Clean or Out of Sequence

(100% as not in original projection)



ost Code Position 14030.00 Dally Cleaning (Labor: Skanska Laborers)	Pay Type Regular Overtime Double Time	Hou S S	rly Cost 87.27	Apr-21	May-21											
14030.00 Daily Cleaning (Labor: Skanska Laborers)	Overtime	\$ \$				Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Projected Cost		Variance Projected vs Actual
		\$		7.0	7.0	8.0	8.0	8.0	1.0	1.0	1.0	1.0	1.0			
	Double Time		111.77	1.4	1.4	1.6	1.6	1.6	0.2	0.2	0.2	0.2	0.2			
		\$	136.26		0.7	0.8	0.8	0.8								
	Projected Hours			1.454.9	1.576.1	1.801.3	1.801.3	1.801.3	207.8	207.8	207.8	207.8	207.8	-		
	Projected Cost			132,908.1	149,428.3	170,775.2	170,775.2	170,775.2	18,986.9	18,986.9	18,986.9	18,986.9	18,986.9	889,596		
	Actual Hours			1,273.5	1,725.0	1,658.0	1,728.0	2,743.0	982.5	624.0	401.0	388.0	379.0			
	Total Billed			117,422.5	158,895.1	156,355.6	173,438.8	269,244.4	92,467.6	60,728.3	37,567.7	35,918.7	34,716.8		1,136,755	
1403010 Labor Foreman	Regular	\$	92.23	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
	Overtime	\$	119.36	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2			
	Double Time	\$	146.38	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
	Projected Hours			225.2	225.2	225.2	225.2	225.2	225.2	225.2	225.2	225.2	225.2	-		
	Projected Routs			22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	22.644.2	226.442		
	inojected cost			22,044.2	22,044.2	22,044.2	22,044.2	22,044.2	22,044.2	11,044.1	22,044.2	22,044.2	22,044.2	220,442		
	Actual Hours			276.0	343.0	290.0	292.0	476.0	307.0	292.0	267.0	280.0	187.0			
	Total Billed			29,034.9	35,514.5	30,516.8	31,295.9	52,929.5	32,843.1	31,052.7	28,041.7	29,647.4	19,280.9		320,157	
6100110 Carpenter Foreman - Safety and Maintenance	Regular	\$	106.28	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
	Overtime Double Time	\$	133.53													
	Double Time	\$	103.79											-		
	Projected Hours			173.2	173.2	173.2	173.2	173.2	173.2	173.2	173.2	173.2	173.2			
	Projected Cost			18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	18,407.7	184,077		
	Actual Hours			161.0	214.0	163.0	171.0	221.0	175.0	167.0	166.0	165.0	120.0			
	Total Billed			17,356.3	23,125.4	17,405.4	18,473.6	24,060.1	19,007.8	17,939.5	17,806.0	17,672.5	13,843.6		186,690	
		_												1.300.115	1.643.603	(343,488

Additional Final Cleaning Effort due to Out of Sequence	\$23,650
Additional go back work, damage repair, painting touch up	
due to out of sequence and late deliveries:	
Drywall	\$176,550
Painting	\$105,000
Other (MEP, Flooring, etc) Estimated - TBD	\$75,000

Additional Supervision During the Compression:

Scott MacKenzie @ 10 Months =	\$198,757
Doug Palmer @ 3 Months =	\$66,922
Saturday and Sunday Coverage =	\$146,880

Additional Supervision Future for completing remaining work from Phase 1 Fall of 2021 and during Summer of 2022:

Randy Albert Fall Work Completion (Auditorium, Black Box, Band Rooms, Etc) =	\$85,250
Randy Albert Summer 2022 (Complete remaining open issues/punch list) =	\$62,548
Jake Chiudina Fall 2021 Work Completion (second shift) =	\$43,640
Jaimme Reynolds additional MEP Oversight =	\$101,324
Saturday and Sunday Coverage =	\$30,240

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Additional Supervision for work coverage due to Skanska employees being out for COVID Infections/Close Contact, and to help manage subcontractor related manpower issues and material supply chain management and provide proper supervision and Safety Coverage through Summer 2022 to maintain schedule:

Jake Chiudina (20 mos.) =

Additional Cost and subcontract management and cleanup of work performed due to supply chain issues following the compression effort:

Lauren Fraser (4 mos.) =

GC Budget Estimate of COVID Impact 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 1.00000 Name Employee No. urly Rate Jan-21 Feb-21 Mar-21 Apr-21 May-21 Jun-21 Jul-21 Aug-21 Sep-21 Oct-21 Nov-21 Dec-21 Tom (Jake) Chiudina 5335196 \$ 60.21 Scott Mackenzie 1918064 112.93 64.76 Lauren Fraser Randy Albert 2163373 96.35 Doug Palmer James Reynolds 4203718 139.50 \$ 146.93 Weekend Average Super's + PM's (avg rate) \$ 135.00 (April thru September - 20% is one Weekend Day per P 18.069 61.26 83.589 83.589 76.199 110.812 GC Budget Estimate of COVID Impact 2 2 2 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 1.03000 Jun-22

Employee No. ourly Rate Jan-22 Feb-22 Mar-22 Apr-22 May-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 5335196 1918064 \$ 60.21 \$ 112.93 Tom (Jake) Chiudina Scott Mackenzie Lauren Fraser 5107003 64.76 Randy Albert 2163373 96.35 4203718 5102643 139.50 146.93 Doug Palmer James Reynol Weekend Average Super's + PM's (avg rate) \$ 13! (April thru September - 20% is one Weekend Day per Person) \$ 135.00 36,474 \$ 9,923 \$ 14,884 \$ 9,923 \$ 37,908 \$ 37,908 \$ 37,908 \$ 14,884 \$ 9,923 \$ 9,923 \$ 37,908 \$ 9.923

\$46,939

\$221,286



GC Budget Estimate of C	OVID Impact													
		×	2 *	2 *	3 -	2 -	2 -	2 *	2 -	3 -	2 -	2 -		
			1.05063	1.05063	1.05063	1.05063	1.05063	1.05063	1.05063	1.05063	1.05063	1.05063		
Name	Employee No.	Hourly Rate	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23		Projected Final Cost
Tom (Jake) Chiudina	5335196	\$ 60.21	100%	100%	100%	100%	100%	100%	100%	100%	100%			\$264,927
Scott Mackenzie	1918064	\$ 112.93												\$198,757
Lauren Fraser	5107003	\$ 64.76												\$46,939
Randy Albert	2163373	\$ 96.35												\$147,798
Doug Palmer	4203718	\$ 139.50												\$66,922
James Reynolds	5102643	\$ 146.93												\$101,324
Weekend Average Super's + PM	's (avg rate)	\$ 135.00												\$177,120
(April thru September - 20% is o								1						
			\$ 10,121	\$ 10,121	\$ 15,182	\$ 10,121	\$ 10,121	\$ 10,121	\$ 10,121	\$ 15,182	\$ 10,121	\$ -	0	\$ 1,003,787

COVID COST ANALYSIS COMBINED ESTIMATE = \$2,924,314

Cost Incurred Through January 2022:

Projected Cost Items Through September 2023:	\$325,607
SubTotal	\$2,598,707
Additional Supervision/Oversight/Cost Mgt (Fall):	\$212,026
Additional Supervision During Compression:	\$412,559
Protection, Rework, Cleaning Out of Sequence:	\$780,988
Premium Time	\$1,157.963

Projected costs are minimum projections to complete work not completed in phase one and carry one additional staff member to assist dealing with the continued COVID impacts. Skanska reserves the right to request further adjustments based on actual impacts from COVID related issues.

Material escalation and pricing of changes have been affected by the COVID Pandemic. Below is a high level estimate of the potential costs which may be embedded within both previously approved change orders of approximately \$10.6 million since April 1, 2020 and the currently submitted and projected changes that we are aware of totaling approximately \$6.25 million. This estimate utilizes a potential average escalation of 15% (Some materials may have doubled or tripled and some may not have been impacted and each for various durations) and using an average 40%/60% split of labor to materials respectively on the changes. \$16.85mm x 60% materials x 15% COVID caused escalation. As this is the end result for the timeframe, this could be low side half the below number, and as subcontractors are likely trying to recover escalation on base contract materials, it could also be <u>significantly higher</u>.

Current & Projected COVID subcontractor escalation of materials:

Approximately \$1,500,000