

PAUL'S PLACE

Paul's Place Project is a new multi-functional homeless facility proposed to replace the existing homeless facility located at 1111 H Street in Davis, CA. The proposal for a new 4-story building includes: 18 units of permanent supportive micro-housing; 10 units of transitional housing; 4 emergency shelter beds; and enhanced day services including expanded shower, restroom, and laundry facilities.

CITY OF DAVIS

On December 14, 2021, the Davis City Council approved up to \$1 million to assist with the construction and completion of Paul's Place using City of Davis Rescue Plan Act Funds. The exact amount the City will contribute is to be determined and will depend on whether Yolo County also provides financial assistance to the project.

INFORMATION SUMMARY

In reviewing the new information provided we found that the original 1/4/2018 construction estimate is flawed. There are many scope gaps (critical line items unaccounted for in the budget) and a significant number of line items appear to have been estimated off incomplete scopes, resulting in falsely low numbers. This incomplete estimate led Paul's Place to unknowingly use an incorrect number for their construction budget, resulting in an underfunded project from the start.

ANALYSIS

Please reference the attached *Paul's Place – Estimate Review*. Kitchell's side-by-side comparison of the construction estimates reveals there was an effort made to delete scope and reduce the budget to account for scope added later in the estimating process. Despite this effort, the project was still short by +/- \$1.8 million due to over-budget line items. Paul's Place cut many items considered essential for the facility to operate effectively (i.e., budget for kitchen and laundry room equipment); however, they do hold a healthy construction contingency. As construction gets closer to completion, Paul's Place will be able to release some of that contingency to cover over-budget items.

In comparing the original budget dated 2/1/2018 versus the construction costs dated 9/20/2021, it appears that a number of factors may have contributed to the increase in cost. First, it appears the original budget did not include a calculation for escalation from the date of the estimate to the time the project would be subcontracted. It is industry standard to add 5% escalation per year from the date of the original budget to the midpoint of construction. Based on a midpoint of January 2022, the original budget dated 2/1/2018 should have include 46 months of escalation or 19.2%. Due to the unstable market over the last year, the California Construction Cost Index (CCCI) shows an increase 22.4% over that same time period. The omission of escalation in the estimate does not account for the construction cost increase of 48.4%.

The construction cost provided does not include a detailed breakdown of quantities or unit costs. To evaluate the provided estimate, Kitchell quantified and priced a select number of scope items with notable increases. Based on those estimates, the current costs appear to be justified. Therefore, the cost increase can only be attributed to two possible factors: either the original budget did not accurately account for the cost of the project or the scope changed after it was created. In Kitchell's professional opinion, both factors contributed to the cost increase.

CONCLUSION

Using the January 2022 budget numbers provided by Paul’s Place, the following *Need Breakdown* table was created. Assuming the City of Davis contributes the full allocation of \$1 million, Paul’s Place would have a remaining need of \$838,227 to meet the project costs, excluding their \$1.2 million endowment.

TABLE 1 Need Breakdown

EXPENSES	BUDGET	NOTES
Construction costs	\$ 5,999,644	
Professional Fees	\$ 502,975	
City fees and permits	\$ 461,000	
Other general admin	\$ 352,000	
TOTAL EXPENSES	\$ 7,315,619	Public funds need to be less than \$3,657,809 to avoid triggering prevailing wage.
INCOME		
Paul’s Place	\$ 5,477,392	
City of Davis American Rescue Plan Act Funds	\$ 1,000,000	The city will fund up to \$1m (Dec 14, 2021 City Council resolution).
TOTAL COMMITTED INCOME	\$ 6,477,392	
Total Committed Income	\$ 6,477,392	
Minus Total Expenses	\$ 7,315,619	
TOTAL PROJECTED NEED	(\$ 838,227)	Assuming no additional cost increases.

Assumptions on need:

- No further escalation on materials occurs.
- Paul’s Place receives the full \$1 million from City of Davis.
- Assumes no further money is raised through fundraising.
- Does not account for FF&E items or post-construction operating costs (e.g., facilities maintenance).

Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Pre-Construction Expenses								
0200	Design Consultants								
	Pre-Construction Coordination	10,000	10,000	0	0.00%				
	Architectural Services	0	0	0	0.00%				
	Structural Engineering	0	0	0	0.00%				
	Civil Engineering	0	0	0	0.00%				
	Pre-Construction Coordination	10,000	0	(10,000)	DELETED SCOPE	\$ 10,000			
	SWPPP Design & Permit	0	0	0	0.00%				
	Cal Green Documentation	5,000	13,000	8,000	160.00%			\$ 8,000	
	Mechanical Engineering - Plumbing	0	20,000	20,000	ADDED SCOPE		\$ 20,000		
	Mechanical Engineering - HVAC	0	0	0	0.00%				
	Fire Sprinkler Design	0	12,000	12,000	ADDED SCOPE		\$ 12,000		
	Electrical Engineering	0	7,500	7,500	ADDED SCOPE		\$ 7,500		
	Building and Systems Commissioning	0	0	0	ADDED SCOPE		\$ -		
	Reimburse Design Expenses	0	2,000	2,000	ADDED SCOPE		\$ 2,000		
	Plan Reproduction	2,000	2,000	0	0.00%				
0500	Permits & Fees								
	Building & Fire Permits	0	0	0	0.00%				
	Enroachment Permits	0	0	0	0.00%				
	Impact Fees	0	0	0	0.00%				
	School Impact Fees	0	0	0	0.00%				
	Health Dept Fees	0	0	0	0.00%				
	Water/Sewer Connection Fees	0	0	0	0.00%				
	PG&E Fees	0	0	0	0.00%				
	YSAQMD Permit								
	OSHA Permit	250	450	200	80.00%				
	General Requirements								
1100	Quality Control								
	Geotech Testing	0	0	0	0.00%				
	Materials Testing	0	0	0	0.00%				
	Special Inspections	0	0	0	0.00%				
	HERS Verification - Allowance	4,500	0	(4,500)	DELETED SCOPE	\$ 4,500			
	Adjacent Property Documentation	550	550	0	0.00%				
1110	Temp Controls								



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Temp Fence	1,250	1,750	500	40.00%			\$ 500	
	Tree Protection	600	2100	1,500	250.00%			\$ 1,500	
	Temp Signs	300	300	0	0.00%				
	Barricades	900	900	0	0.00%				
	Safety Controls/Inspections	12,000	12,000	0	0.00%				
	Security Cameras	0	2,000	2,000	ADDED SCOPE		\$ 2,000		
1400	Mngmnt & Personnel								
	Project Manager	59,024	75,904	16,880	28.60%			\$ 16,880	
	Project Superintendent	114,180	140,130	25,950	22.73%			\$ 25,950	
1505	Temp Protection								
	Finishes (Carpet/Tubs/Etc.)	3,500	3,500	0	0.00%				
1510	Temp Facilities								
	Temp Office Trailer	3,850	4,725	875	22.73%			\$ 875	
	Cargo Container	990	1,215	225	22.73%			\$ 225	
	Temp Toilet & Hand Wash Station	3,300	6,075	2,775	84.09%			\$ 2,775	
	Temp Lighting	1,000	2,000	1,000	100.00%			\$ 1,000	
	Job Mobilization/Demobilization	1,600	1,600	0	0.00%				
1530	Temp Utilities								
	Temp Power Provisions	1,800	1,800	0	0.00%				
	Temp Power Usage	5,500	12,825	7,325	133.18%			\$ 7,325	
	Cell/Temp Phone	2,750	3,375	625	22.73%			\$ 625	
	Temp Water Usage	1,100	2,700	1,600	145.45%			\$ 1,600	
	Temp Heating**	1,200	4,500	3,300	275.00%			\$ 3,300	
1540	Supplies/Equip/Misc								
	Temp Office Furniture	300	500	200	66.67%			\$ 200	
	Drinking Water	495	608	113	22.83%			\$ 113	
	Temp Office Supplies	550	675	125	22.73%			\$ 125	
	Shipping	517	635	118	22.82%			\$ 118	
	Misc Printing	528	648	120	22.73%			\$ 120	
1600	Tools & Equipment								
	Equipment/Trucks	7,700	9,450	1,750	22.73%			\$ 1,750	
	Forklift (General Use)	4,400	4,400	0	0.00%				
	Tractor (General Use)	2,700	2,700	0	0.00%				
	Small Tools	1,375	1,688	313	22.76%			\$	



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
1700	Clean Up								
	General Laborer	42,840	63,059	20,219	47.20%			\$ 20,219	
	Debris Removal/Recycling	11,000	19,500	8,500	77.27%			\$ 8,500	
	Final Cleaning	5,587	14,234	8,647	154.77%			\$ 8,647	
	Site Work								
2010	Off Site Work								
	Off Site Traffic Control	5,000	5,000	0	0.00%				
	Off Site Water Service	0	113,548	113,548	ADDED SCOPE		\$ 113,548		
	Off Site Water Tap	0	0	0	0.00%				
	Tree Pruning & Removal	2,000	2,000	0	0.00%				
	Trench Plates	0	5,000	5,000	ADDED SCOPE		\$ 5,000		
	Off Site AC Paving at Water Main	0	8,400	8,400	ADDED SCOPE		\$ 8,400		
	Off Site Grade/AB/Paving	8,000	10,367	2,367	29.59%			\$ 2,367	
	Off Site Sidewalks	0	6400	6,400	ADDED SCOPE		\$ 6,400		
	Off Site Driveway	0	2695	2,695	ADDED SCOPE		\$ 2,695		
	Off Site Street Lights	0	0	0	0.00%				
	Off Site Landscaping	0	0	0	0.00%				
2050	Demolition								
	Site & Building Demolition	20,200	24,845	4,645	23.00%			\$ 4,645	
2080	Hazardous Materials Abate								
	Asbestos Survey	2,000	0	(2,000)	DELETED SCOPE	\$ 2,000			
	Asbestos Abatement	20,000	10,500	(9,500)	-47.50%				\$ 9,500
	Contaminated Soil Disposal	0	0	0	0.00%				
2200	Earthwork/Soil Treatment								
	Staking	10,800	13,800	3,000	27.78%			\$ 3,000	
	Rough Grading/Pad	13,595	12,063	(1,532)	-11.27%				\$ 1,532
	Clear and Grub	5,098	0	(5,098)	DELETED SCOPE	\$ 5,098			
	Over Excavation	0	24,164	24,164	ADDED SCOPE		\$ 24,164		
	Erosion Control	5,000	3,500	(1,500)	-30.00%				\$ 1,500
	SWPPP Monitoring - QSP	0	0	0	0.00%				
	Stabilized Construction Access	3,200	2,500	(700)	-21.88%				\$ 700
	Import and Compaction	41,125	0	(41,125)	DELETED SCOPE	\$ 41,125			
	Export Spoils - Allowance	0	4231	4,231	ADDED SCOPE		\$ 4,231		
	Lime Treatment	0	0	0	0.00%				



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Weatherization	0	10,000	10,000	ADDED SCOPE		\$ 10,000		
	Landscape Grading	3,808	3,808	0	0.00%				
	Termite Treatment	0	0	0	0.00%				
2600	Underground Utilities								
	Underground Wet Utilities	100,000	46,729	(53,271)	-53.27%				\$ 53,271
	Water Meters	0	0	0	0.00%				
2620	Underground Storm Drain								
	Under Sidewalk Steel Drains	3,325	0	(3,325)	DELETED SCOPE	\$ 3,325			
	Roof Drain Extensions to Storm Drain	1,200	0	(1,200)	DELETED SCOPE	\$ 1,200			
2630	Site Electrical/Gas								
	Dry Utilities - Gas Allowance	5,000	0	(5,000)	ADDED SCOPE		\$ 5,000		
	Dry Utilities - Electrical	30,000	55,500	25,500	85.00%			\$ 25,500	
2700	On Site Concrete								
	Site Concrete - Sidewalks	25,600	71,750	46,150	180.27%			\$ 46,150	
	Site Concrete Subgrade Prep and AB	9,200	60,869	51,669	561.62%			\$ 51,669	
	Trash Enclosure Slab	0	7,040	7,040	ADDED SCOPE		\$ 7,040		
2720	Site Steel								
	Pipe Bollards	0	0	0	0.00%				
2750	AC Paving & Incidentals								
	AB/AC Paving	11,001	0	(11,001)	DELETED SCOPE	\$ 11,001			
	Striping/HC Logos/Hatching/Wheel Stops	1,158	1,158	0	0.00%				
2800	Fencing								
	Wood Fencing	15,750	20,250	4,500	28.57%			\$ 4,500	
2805	PL/Site/Retaining Walls								
	CMU Retaining Walls	34,920	0	(34,920)	DELETED SCOPE	\$ 34,920			
	CMU Retaining Wall - Footing	17,460	0	(17,460)	DELETED SCOPE	\$ 17,460			
2810	Site Furnishings								
	Site Furniture	0	0	0	0.00%				
	Bike Racks	4,633	9,000	4,367	94.26%			\$ 4,367	
2900	Landscaping & Incidentals								
	Landscaping	12,117	21,253	9,136	75.40%			\$ 9,136	
	Landscaping - Cypress Trees	9,000	0	(9,000)	DELETED SCOPE	\$ 9,000			
	Synthetic Turf	0	4,847	4,847	ADDED SCOPE		\$ 4,847		
	Landscape Curbs	0	2,130	2,130	ADDED SCOPE		\$ 2,130		



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Concrete								
3100	Concrete								
	Footings/SOG	49,431	129,365	79,934	161.71%			\$ 79,934	
	Recess SOC at Ext Stair	0	2,000	2,000	ADDED SCOPE		\$ 2,000		
3500	Lightweight Concrete								
	Gypsum Concrete - 1-1/4" Thick	31,624	36,500	4,876	15.42%			\$ 4,876	
	Acoustimat Sound Dampening	0	0	0	0.00%				
	Masonry								
4100	Masonry/CMU								
	CMU Trash Enclosure	5,000	12,400	7,400	148.00%			\$ 7,400	
	Metals								
5100	Structural & Misc Steel								
	Structural & Misc. Steel	50,000	124,800	74,800	149.60%			\$ 74,800	
	Pipe Railing	35,750	14,400	(21,350)	-59.72%				
	Pipe Bollards	0	4,500	4,500	ADDED SCOPE		\$ 4,500		
	Anchor Bolts	0	1,500	1,500	ADDED SCOPE		\$ 1,500		
	Wood and Plastics								
6100	Rough Carpentry								
	Rough Carpentry	488,650	858,698	370,048	75.73%			\$ 370,048	
6200	Finish/Misc Carpentry								
	Finish/Misc. Carpentry	21,250	10,000	(11,250)	-52.94%				\$ 11,250
	FRP Paneling	7,488	7,488	0	0.00%				
6400	Cabinetry & Counter Tops								
	Plastic Laminate Cabinetry	140,000	76,315	(63,685)	-45.49%				\$ 63,685
	Thermal & Moisture Protec								
7100	Waterproofing								
	Deck Water Proofing	5,800	8,900	3,100	53.45%			\$ 3,100	
7200	Insulation								
	Fiberglass Insulation	24,660	46,135	21,475	87.08%			\$ 21,475	
7300	Roofing								
	Asphalt Composition Shingles - 30 Year	19,250	19,580	330	1.71%			\$ 330	
	TPO Roofing	13,750	22,250	8,500	61.82%			\$ 8,500	
7600	Flashing/Sheet Metal								
	Architectural Sheet Metal	18,758	37,500	18,742	99.91%			\$	



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Flexible Flashings	5,000	5,000	0	0.00%				
7700	Roof Accessories								
	Skylights	4,150	0	(4,150)	DELETED SCOPE	\$ 4,150			
	Roof Hatch	695	695	0	0.00%				
7900	Caulking & Sealants								
	Fire Rated Caulking	3,500	3,500	0	0.00%				
	Misc. and Acoustical Caulking	10,000	10,000	0	0.00%				
	Doors & Windows								
8200	Doors								
	Doors, Frames, Hardware, Installation	64,500	128,417	63,917	99.10%			\$ 63,917	
	Elevator Smoke Doors	0	14,000	14,000	ADDED SCOPE		\$ 14,000		
	Door Package Installation	0	57,830	57,830	ADDED SCOPE		\$ 57,830		
	Access doors under stair	0	2,400	2,400	ADDED SCOPE		\$ 2,400		
8400	Entrances & Storefronts								
	Aluminum Storefront System	22,766	96,784	74,018	325.13%			\$ 74,018	
8500	Windows & Glazing								
	Vinyl Windows	58,857	22,348	(36,509)	-62.03%				\$ 36,509
	Vinyl Windows - Install	0	12,750	12,750	ADDED SCOPE		\$ 12,750		
	Finishes								
9200	Lath & Plaster								
	Scaffold	0	37,290	37,290	ADDED SCOPE		\$ 37,290		
	Stucco - 3 Coat	140,400	151,650	11,250	8.01%			\$ 11,250	
9260	Gypsum Board								
	Gypsum Board - 5/8"	166,473	385,663	219,190	131.67%			\$ 219,190	
	Dropped Metal Framing	0	20,000	20,000	ADDED SCOPE		\$ 20,000		
9300	Tile								
	Ceramic Tile Floor and Wainscot	0	0	0	0.00%				
9510	Acoustical Ceilings & Walls								
	Suspended Acoustical Ceilings	0	0	0	0.00%				
9600	Finished Flooring								
	Luxury Vinyl Tile	66,000	73,950	7,950	12.05%			\$ 7,950	
	Vinyl Composition Tile	3,236	0	(3,236)	DELETED SCOPE	\$ 3,236			
	Rubber Base	5,000	0	(5,000)	DELETED SCOPE	\$ 5,000			
	Sheet Vinyl - Coved	30,864	0	(30,864)	DELETED SCOPE	\$ 30,864			



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
	Rubber Stair Treads	0	15,000	15,000	ADDED SCOPE		\$ 15,000		
9900	Painting & Wall Treatment								
	Painting - Exterior/Interior	31,629	68,622	36,993	116.96%		\$ 36,993		
	Specialties								
10180	Bathroom Acc. & Shelving								
	Bathroom Accessories - Commercial	8,250	4,636	(3,614)	-43.81%				\$ 3,614
	Bathroom Accessories - Living Units	4,680	3,741	(939)	-20.06%				\$ 939
10400	Signage								
	Unit ID Signage	0	3,500	3,500	ADDED SCOPE		\$ 3,500		
	Address Numbers - Allowance	2,081	2,081	0	0.00%				
	Exterior Building Signs	0	0	0	0.00%				
	Code Required Signs	1,500	1,500	0	0.00%				
10500	Misc Ext Specialties								
	Canvas Awnings	11,250	11,250	0	0.00%				
	Mail Boxes	2,545	2,545	0	0.00%				
	Knox Box	670	670	0	0.00%				
10550	Misc Int Specialties								
	Fire Extinguishers & Cabinets	1,600	1,600	0	0.00%				
	Equipment								
11400	Appliances & Equipment								
	Living Unit Appliances - Allowance	36,000	69,032	33,032	91.76%			\$ 33,032	
	Common Area Laundry Equipment -	33,600	0	(33,600)	-100.00%				\$ 33,600
	Common Area Kitchen Equipment -	16,000	0	(16,000)	-100.00%				\$ 16,000
	Furnishings								
12500	Window Coverings								
	Blinds	0	0	0	0.00%				
	Conveying Systems								
14100	Pedestrian/Misc Conveyors								
	Elevator	120,000	107,000	(13,000)	-10.83%				\$ 13,000
	Mechanical								
15100	Plumbing								
	Plumbing	219,050	412,340	193,291	88.24%			\$ 193,291	
15410	Fire Sprinkler Systems								
	Fire Sprinklers - NFPA 13	58,975	96,164	37,189	63.06%			\$	



Paul's Place - Estimate Review

Phase	Description	01/04/18 BUDGET	04/08/21 BUDGET	Variance	% Change	Deleted Scope	Added Scope	Over Budget	Reduced Budget
15500	HVAC								
	HVAC	156,180	236,000	79,821	51.11%			\$ 79,821	
	HVAC - PTAC Units	27,000	0	(27,000)	DELETED SCOPE	\$ 27,000			
	Electrical								
16100	Electrical								
	Electrical	286,450	400,430	113,980	39.79%			\$ 113,980.00	
	Fire Alarm	12,700	34,050	21,350	168.11%			\$ 21,350.00	
	Security System	12,000	12,000	0	0.00%				
16150	Special Electrical Sys								
	Photovoltaic System	0	0	0	0.00%				
16800	Low Volt Systems & Alarms								
	Controlled Access	10,000	10,296	296	2.96%			\$ 296.00	
	CCTV	0	4,614	4,614	ADDED SCOPE		\$ 4,614.00		
		3,290,337	4,960,021	1,669,684	50.75%	\$ (209,879.00)	\$ 449,332.00	\$ 1,706,483.00	\$ (245,100.00)

Estimate Totals

Description	Totals	Totals	Totals	
Raw Total	3,290,337	4,960,021	1,669,684	
Anticipated Construction Costs	3,290,337	4,960,021	1,669,684	
GLI	45,955	62,000	16,046	34.92%
Contractor's Overhead	166,315	251,101	84,786	50.98%
Anticipated Construction Costs	3,502,606	5,273,121	1,770,515	
Contingency	183,821	107,615	(76,206)	-41.46%
Total	3,686,427	5,380,736	1,694,309	45.96%

Deleted Scope Added Scope Over Budget Reduced Budget

