



CONSTRUCTION MANAGEMENT SERVICES, INC.

10 Fairway Drive • Suite 301 • Deerfield Beach, Florida 33441 • 954-481-1611 • FAX 954-427-3142

October 10, 2013

Mr. Fernando Blanco
Project Engineer
City of Fort Lauderdale
Department of Public Works
Engineering Division
100 N. Andrews Avenue, 4th Floor
Fort Lauderdale, FL 33301

RE: Fort Lauderdale Executive Airport – U. S. Customs and Border Protection Facility

Dear Fernando,

This letter serves to inform you that CMS, Inc.'s estimate for the above-captioned project that was completed in April 2013 for a Total Probable Construction Cost of \$5,002,595.60 was based on prices at that particular point in time.

The City of Fort Lauderdale received their competitive bid September 2013 from which we acknowledged that the prices would increase in many areas as the economy improved (this information was stated in our estimate under the Qualifications Statement – Item #4); that is to say that materials such as concrete, drywall, steel, finishes, equipment, etc., have been steadily increasing in cost from the manufacturers and the suppliers.

With that in mind, contractors are also increasing their overhead, general conditions, and profit margins—not to mention that the insurance rates have sky-rocketed—all based on supply and demand due to the increase of new construction projects. Therefore, we are not at all surprised that the construction cost of this facility has grown, based on the fact that since April 2013 we have noticed increases in construction costs anywhere from 7% - 12% overall. Suffice it to say, things are changing on a weekly basis in the construction industry.

I sincerely hope that the above information will be of valued help to you and to the City.

Respectfully,

A handwritten signature in black ink, appearing to read "Keith Emery", is written over a horizontal line.

Keith Emery
President

KE/jgo

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