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**MARKET CONDITIONS  
REFERRING TO BUDGET  
FOR YOUR  
2018/2019 PROJECTS**



TRUTH . TRUST . VALUE

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**SP Design Group**  
ARCHITECTS AND ENGINEERS, INC.  
TRUTH • TRUST • VALUE

April 20, 2018

Dear SP Design Client,

In an effort to keep you updated on market conditions and inflationary effects on construction cost, I reached out to various credible sources.

As you can see in the attached documents, provided by five Construction Management companies and four suppliers, costs have jumped a minimum of 7% overall. While structural steel and pre-engineered steel costs have gone up 20% to 25% in the last 60 days.

Two economic conditions strongly determine the increased cost of construction. They are the strength of the economy (supply and demand) and direct tariffs on construction material. Both of these factors contribute to the increased cost of your project.

Based on discussions with construction industries members and our past experience, we expect cost increases and market volatility to settle down within nine to twelve months.

I trust this information is helpful.

Best Regards,

SP DESIGN GROUP  
Architects & Engineers, Inc.

Michael V. Parker, V.P., AIA, NCARB



# TQ Constructors, Inc.

1145 E. Hiawatha St. Metter, GA 30439

PH 912-685-7950 FX 912-685-7951

March 27, 2018

Mike Parker  
SP Design Group Architects and Engineers  
5191 Columbus Road  
Macon, GA 31206

RE: Market Update

Dear Mike,

I am writing to give you our semi-annual update on the current market conditions for building construction. The market is very volatile now as opposed to three to six months ago. We have seen price increases across the board. A few of the noticeable increases are as follows:

- Concrete and Masonry up 10%
- Any and All Steel and Aluminum products including but not limited to, rebar-bar joists-structural steel-masonry reinforcing-metal roof decking-metal roofing- metal copings – store front materials up 15% to 20%
- Hollow Metal Frames, doors and windows – Wood doors up 10%

We have also seen a significant upswing in subcontractor pricing due to high volumes of work. This is a subcontractor's market because many trades have more work than can be performed with the available workforce; therefore, the prices are higher due to extended work hours and higher profit margins.

Another issue that is severely affecting any current and upcoming projects is the lead times on securing building materials. Manufactures are overloaded and cannot produce the materials fast enough to deliver the inventory to the contractors and subcontractors.

All of these issues mentioned above have a direct effect on pricing and project delivery in the current market. We would suggest that budgeting should take these problems into consideration. If I were to suggest how budgets are affected, I would say that Owners and Architects should ADD 10% to 12% to any budgets over three to six months old.

We will get our next market update to you in the month of September.

Best Regards,  
TQ Constructor, Inc.

A handwritten signature in blue ink that reads 'Patrick A. Toole'.

Patrick Toole  
Sr. Project Manager

**mike v parker**

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**From:** Rob Sharp <rsharp@popeconstructionco.com>  
**Sent:** Tuesday, March 27, 2018 8:49 AM  
**To:** Mike@spdesigngrp.com  
**Subject:** Current Markets

Mike

Please see the enclosed information provided by one of my steel subcontractors; We have seen two price increases from our metal building manufacturer already since the first of the year. I would expect to see increases across the board from steel to light fixtures, concrete etc. I do not expect drastic increases but enough to raise eyebrows and question any previous budgets. It is a very hard time during any natural disaster or political change to estimate in the construction market but an increase is coming and I would expect a 5 to 7 percent increase before the summer ends. I would hope it would level out very quickly.

Raising interest rates and tariffs could slow the market very quickly which I believe would level material cost. Please note I'm not a certified economist but short term I think we will see a change in the market with increasing prices.

Hope this information is helpful

Good morning. Some of you have reached out to me regarding the Steel Tariffs. The below released by the AISC is a very good summation of what has happened and what is going on. At the end of the day, this will be a good thing for the market/industry. Currently, service centers and warehouses are jumping prices well above the tariff (basically gouging – some sections are up 30% at the warehouse level), and that is hurting the short term market. Don't worry, it will catch up to them. The mills have formally announced only a 5% increase in the price of raw materials. I do expect prices to slowly but consistently rise at the mill level. At the service center/warehouse level, I expect the prices to level off over the next few months. All bets are off with plate and tube. If you have a large tube project, either change to wide flange or brace yourself. Tube is selling at \$1300/ton and wide flange is at \$900/ton. For bent plate pour stop, I would suggest double checking the numbers and go thinner if the numbers allow. Supply seems to be fine in the southeast. I haven't heard of anyone running out of anything – just running low, because they were waiting to order from the mills to determine their replacement cost (makes no sense to me but whatever). Between now and June, things will be a little rocky but no reason for panic. The tariffs do impact the cost of concrete construction as well, so I do believe that steel is staying competitive on that end.

[AISC advises members on 232 impact](http://www.amm.com/Article/3792695/Steel/AISC-advises-members-on-232-impact.html)

<http://www.amm.com/Article/3792695/Steel/AISC-advises-members-on-232-impact.html>

Thanks

Rob Sharp  
Pope Construction Company Inc.  
912-764-6138 office 912-764-9408 fax  
rsharp@popeconstructionco.com



To whom it may concern:

This letter is regarding the increased cost of producing ready mixed concrete. All the raw materials used to produce concrete are increasing in cost. This includes the portland cement, flyash, coarse and fine aggregate and admixtures. We also have the issue of the availability of supplementary cementitious materials, mainly flyash that forces the submittal and use of more expensive mix designs using cement only. All these factors contribute the increased cost in the production of ready mixed concrete.

Sincerely,  
Ryan Parker  
Quality Manager-Argos USA  
ryparker@argos-us.com

**From:** Tim Lentile  
**Sent:** Monday, March 26, 2018 2:26 PM  
**To:** Mike Parker  
**Subject:** Pierce County pending price increases

Mike Please find notes from PEMB Buildings(ABC) and Concrete/cement supplier(Mobile Concrete)

These are a couple of the notices we are receiving on a monthly basis from vendors/suppliers, all stating increases on goods. On the Pierce job(bid in October 2017) we have seen and are seeing drastic increases we would have suffered if not for a timely bid.

The following is an estimate of cost savings we realized (Oct. 2017 Bid) vs. Current market

1

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1.0	Asphalt products	1,000,000 x 7%	70,000.00
2.0	Concrete products	1,700,000 x 10%	170,000.00
3.0	Masonry Products	1,000,000 x 7%	70,000.00
4.0	Steel Products	2,000,000 x 10%	200,000.00
5.0	Aluminum Products	500,000 x 10%	50,000.00
6.0	Miscellaneous products	5,000,000 x 4%	200,000.00

These are educated guesses . This total comes to \$760,000.00 . We feel this number could easily total \$1,000,000.00 in extra costs on a \$29,500,000.00 contract. The extra costs would have blown the budget completely out of the water. We feel we are extremely lucky the job bid as it did. We are appreciative of the hard work put in to get it out for bid as we did. Splitting the site work out and bidding in July,2017 has saved the job valuable time and money.

What is even more scary is what will be happening this coming summer, when hurricanes hit and gas prices go up 15 to 25%. Always happens in July and August.

Again, we appreciate everyone's hard work to get us where we are.

Thank you  
Tim Lentile



**AMERICAN BUILDINGS**  
A **NUCOR** COMPANY

*Joe Bijesse*  
*District Manager*  
*South Division*

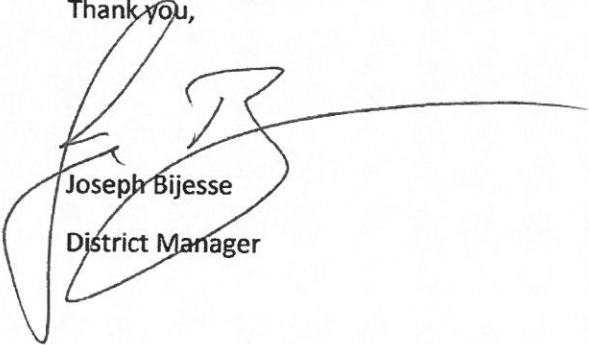
Tim,

Pursuant to our conversation, American buildings Company instituted a 7% price increase effective March 21<sup>st</sup> of this year.

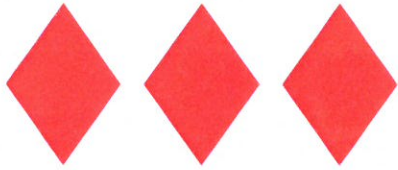
The possibility of any additional steel increases is still present, however it would be hard to predict as to when or how impactful they would be.

Please call me with any additional questions or concerns you may have regarding this matter.

Thank you,



Joseph Bijesse  
District Manager



# Mobile Concrete, Inc.

*Serving*

**Appling, Bacon, Brantley, Glynn, Jeff Davis, Liberty,  
Long, McIntosh, Pierce, Tattnall and Wayne Counties**

March 1, 2018

Dear Valued Customer,

Thank you for your continued business. I certainly hope your January and February have been great months in spite of the weather. As you are aware, the economy has certainly improved in most marketing areas the last 15 months. We are so thankful that you have chosen Mobile Concrete, Inc. to supply your demand for ready mixed concrete. Scheduling has been challenging due to the high volume demand and the inability to find experienced CDL drivers. Please if at all possible, give us a two day notice or more if you are aware to schedule your concrete pours. We want to take care of all of our customers in the timely manner in which you deserve.

The cement, sand and stone manufacturers are implenting an increase on raw materials scheduled for April 1, 2018. Unfortunately, we have no choice but to pass these along to you. Beginning May 1, 2018, we will have a \$3.00 - \$5.00 price increase for all Mobile Concrete, Inc. locations. Please remember you are able to take a 2% discount if invoices are paid by the 10<sup>th</sup> of the month following purchase unless you were quoted a net price. Our price includes all fees excluding sales tax. Please make note of your sales tax rate according to your purchasing area.

Please do not hesitate to call our office if you should have any questions or concerns. We look forward to working with you on all of your current and future projects.

Sincerely,

Phelisha Williams  
Vice President/General Manager  
Mobile Concrete, Inc.

1705 South US Highway 341, P.O. Box 1254, Jesup, GA 31598-1254 (912) 427-2330 Fax (912) 427-2300  
Allenhurst (912)368-9333/Baxley (912)367-2002/Brunswick (912)466-8900  
Darien (912)437-4556/Glenville (912)654-1521/Nahunta (912) 462-5185



## Charles Smith

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**From:** Rusty Spray <RSpray@robinsmorton.com>  
**Sent:** Wednesday, March 7, 2018 1:34 PM  
**To:** Charles Smith  
**Subject:** Re: Navicent Bridge Connector - Mechanical BOD

Steel had increased 10% before the recent tariffs. There isn't much that hasn't increased, but some more than others. I'll try to find some information to forward.

Sent from my iPad

> On Mar 7, 2018, at 10:54 AM, Charles Smith <csmith@spdesigngrp.com> wrote:

>  
> Rusty,  
> What price increases are you seeing on the metal and aluminum for this project? 10%?

>  
> -----Original Message-----  
> From: Rusty Spray <RSpray@robinsmorton.com>  
> Sent: Wednesday, March 7, 2018 11:04 AM  
> To: Charles Smith <csmith@spdesigngrp.com>  
> Cc: Daniel Noto <danieln@spencerbristol.com>; Ricky Sinyard  
> <sinyarr@metropower.com>; Jeff Jones <jeffj@robinsmorton.com>  
> Subject: Re: Navicent Bridge Connector - Mechanical BOD

>  
> Team,  
> I have some major concerns about the electrical and comm room in PAHEC that are shown to be modified. Ricky is going to look in those rooms and see what equipment is in them.

>  
>  
> Sent from my iPad

>> On Mar 7, 2018, at 9:39 AM, Charles Smith <csmith@spdesigngrp.com> wrote:

>>  
>>  
>> From: Daniel Noto <danieln@spencerbristol.com>  
>> Sent: Wednesday, March 7, 2018 9:43 AM  
>> To: Charles Smith <csmith@spdesigngrp.com>  
>> Subject: RE: Navicent Bridge Connector - Mechanical BOD

>>  
>> Charles-  
>>  
>> A couple more follow-up questions:

>>  
>>  
>> 1. Can you please send PDFs of your floor plans so we can see how  
>> you want the drawings to look? Scale, etc.? see attached, on  
>> drop-box also  
>>

**ESTIMATE SUMMARY**

ESTIMATE # E2634  
 PROJECT: Navicent CAS Bridge Option B  
 LOCATION: Macon, GA

DATE: 7/24/17 BY: RS  
 STATUS: Conceptual CK'D BY:  
 FEE RATE: 2.9% ES\_LINES

SORT NO.	ITEM OF WORK	Q'TY	UNIT	UNIT COST	TOTAL COST	SF COST	% OF TOTAL
1	General Conditions	6	MO	29,170.00	175,020	76.10	8.26
2	Site & Bldg Demo	1	L/S	39,237.00	39,237	17.06	1.85
3	Special Foundations		L/S	0.00		0.00	0.00
4	Landscape Repair	1	L/S	15,000.00	15,000	6.52	0.71
5	Cast-in-place Concrete	1	L/S	136,500.00	136,500	59.35	6.44
6	Poured Roof Deck		SF	0.00		0.00	0.00
7	Precast Concrete		SF	0.00		0.00	0.00
8	Masonry		THS	0.00		0.00	0.00
9	Structural Steel	52	TNS	5,730.77	298,000	129.57	14.06
10	Rough Carpentry	1	L/S	35,000.00	35,000	15.22	1.65
11	Finish Carpentry		L/S	0.00		0.00	0.00
12	Waterproof/Dampproof		L/S	0.00		0.00	0.00
13	Roofing & Sheet Metal	2,300	SF	25.05	57,625	25.05	2.72
14	Roof Accessories		L/S	0.00		0.00	0.00
15	Caulking & Sealants	1	L/S	4,600.00	4,600	2.00	0.22
16	Hollow Metal		FRM	0.00		0.00	0.00
17	Wood Doors		EA	0.00		0.00	0.00
18	Special Doors		EA	0.00		0.00	0.00
19	Finish Hardware		SETS	0.00		0.00	0.00
20	Windows		EA	0.00		0.00	0.00
21	Glass, Glazing, SF	4,580	SF	86.05	394,100	171.35	18.60
22	E.I.F.S.		SF	0.00		0.00	0.00
23	Plaster/Stucco	9,818	SF	12.61	123,840	53.84	5.84
24	Metal Studs/Drywall	7,518	SF-PA	19.01	142,880	62.12	6.74
25	Acoustical Ceilings	2,300	SF	5.00	11,500	5.00	0.54
26	Sprayed Fireproofing	1	L/S	11,500.00	11,500	5.00	0.54
27	Hard Tile		SF	0.00		0.00	0.00
28	Resilient Flooring	2,300	SF	12.00	27,600	12.00	1.30
29	Carpeting		SY	0.00		0.00	0.00
30	Special Flooring		SY	0.00		0.00	0.00
31	Painting/VWC	1	L/S	22,700.00	22,700	9.87	1.07
32	Specialties		L/S	0.00		0.00	0.00
33	Equipment		L/S	0.00		0.00	0.00
34	Food Service Equipment		L/S	0.00		0.00	0.00
35	Casework & Millwork		LF	0.00		0.00	0.00
36	Radiation Protection		L/S	0.00		0.00	0.00
37	Special Construction		L/S	0.00		0.00	0.00
38	Conveying Systems		OPN	0.00		0.00	0.00
39	Mechanical	1	L/S	101,912.00	101,912	44.31	4.81
40	Fire Protection	1	L/S	18,400.00	18,400	8.00	0.87
41	Electrical	1	L/S	57,895.00	57,895	25.17	2.73
98	Contingency & Escalation	1	L/S	276,356.00	276,356	120.15	13.04
99	Permits/Insurance/Bonds	1	L/S	109,633.00	109,633	47.67	5.17
	<b>BUILDING COST</b>				<b>2,059,298</b>	<b>895.35</b>	
	<b>BUILDING FEE</b>				<b>59,720</b>	<b>25.97</b>	
	<b>TOTAL BUILDING COST</b>				<b>2,119,018</b>	<b>921.31</b>	
	SQUARE FEET:	2,300	SF				

ROBINS & MORTON

**ESTIMATE SUMMARY**

ESTIMATE # E3031  
 PROJECT: Navicent CAS Bridge  
 LOCATION: Macon, GA

DATE: 3/27/18 BY: RS  
 STATUS: Schematic CK'D BY:  
 FEE RATE: 2.95% ES\_LINES

SORT NO.	ITEM OF WORK	Q'TY	UNIT	UNIT COST	TOTAL COST	SF COST	% OF TOTAL
1	General Conditions	6	MO	9,100.00	54,600	17.80	2.57
	Unknown Site Allowance	1	L/S	110,000.00	110,000	35.87	5.17
2A	Demolition	1	L/S	75,450.00	75,450	24.60	3.55
3	Special Foundations		L/S	0.00		0.00	0.00
4	Landscape Repair	1	L/S	15,000.00	15,000	4.89	0.71
5	Cast-in-place Concrete	1	L/S	171,400.00	171,400	55.89	8.06
6	Poured Roof Deck		SF	0.00		0.00	0.00
7	Precast Concrete		SF	0.00		0.00	0.00
8	Masonry		THS	0.00		0.00	0.00
9	Structural Steel	26	TNS	9,906.92	257,580	83.98	12.11
10	Rough Carpentry	1	L/S	40,000.00	40,000	13.04	1.88
11	Finish Carpentry		L/S	0.00		0.00	0.00
12	Waterproof/Dampproof		L/S	0.00		0.00	0.00
13	Roofing & Sheet Metal	1,544	SF	44.93	69,375	22.62	3.26
14	Roof Accessories		L/S	0.00		0.00	0.00
15	Caulking & Sealants	1	L/S	10,808.00	10,808	3.52	0.51
16	Hollow Metal	16	FRM	441.56	7,065	2.30	0.33
17	Wood Doors	23	EA	668.57	15,377	5.01	0.72
18	Special Doors	7	EA	2,817.57	19,723	6.43	0.93
19	Finish Hardware	23	SETS	1,149.87	26,447	8.62	1.24
20	Windows		EA	0.00		0.00	0.00
21	Glass, Glazing, SF	1,141	SF	76.43	87,203	28.43	4.10
22	E.I.F.S.		SF	0.00		0.00	0.00
23	Plaster/Stucco	6,259	SF	36.74	229,934	74.97	10.81
24	Metal Studs/Drywall	10,733	SF-PA	24.76	265,737	86.64	12.49
25	Acoustical Ceilings	1,465	SF	0.00		0.00	0.00
26	Sprayed Fireproofing	1	L/S	24,704.00	24,704	8.05	1.16
27	Hard Tile		SF	0.00		0.00	0.00
28	Resilient Flooring	3,067	SF	14.01	42,957	14.01	2.02
29	Carpeting		SY	0.00		0.00	0.00
30	Special Flooring		SY	0.00		0.00	0.00
31	Painting/VWC	1	L/S	32,900.00	32,900	10.73	1.55
32	Specialties	1	L/S	11,816.00	11,816	3.85	0.56
33	Equipment		L/S	0.00		0.00	0.00
34	Food Service Equipment		L/S	0.00		0.00	0.00
35	Casework & Millwork		LF	0.00		0.00	0.00
36	Radiation Protection		L/S	0.00		0.00	0.00
37	Special Construction		L/S	0.00		0.00	0.00
38	Conveying Systems		OPN	0.00		0.00	0.00
39	Mechanical	1	L/S	134,976.00	134,976	44.01	6.35
40	Fire Protection	1	L/S	7,632.00	7,632	2.49	0.36
41	Electrical	1	L/S	154,612.00	154,612	50.41	7.27
98	Contingency & Escalation	1	L/S	98,390.00	98,390	32.08	4.63
99	Permits/Insurance/Bonds	1	L/S	102,505.00	102,505	33.42	4.82
<b>BUILDING COST</b>					<b>2,066,191</b>	<b>673.68</b>	
<b>BUILDING FEE</b>					<b>60,953</b>	<b>19.87</b>	
<b>TOTAL BUILDING COST</b>					<b>2,127,144</b>	<b>693.56</b>	
SQUARE FEET:		3,067	SF				

ROBINS & MORTON