



August 19, 2021

Dylan Mulfinger, City Administrator
City of Oelwein
20 2nd AVE SE
Oelwein, Iowa 50662

Re: Oelwein - Homes for Iowa

Dear Mr. Mulfinger,

On August 18, 2021 @ 2:00 pm we received competitive quotes for the above referenced project. We received 2 quotes. They were from Matt Construction in the amount of \$155,000.00 and Miller's Construction in the amount of \$179,308.20.

I have reviewed both quotes and talked with Matt Construction. They had included sales tax on their part of the work, and since this is a sales tax-exempt project, there would be a reduction in their quote, but they said that their subs did not include sales tax on those portions.

Looking through the numbers at first glance the cost seems on the high side. I believed the cost would have been under the public bidding threshold of \$139,000.00. Part of this additional cost is most likely from tree removal, additional distance to the water main that can be attributed to when we moved the project to a different lot. When looking at the complete project, the main floor square footage of the house, mud room, and garage is 2,224 square feet. The basement is an additional 1,440 square feet. Using the low quote of \$155,000 + \$75,000 for the house, the total construction cost is \$230,000.00. That cost when taken at the main floor square footage is approximately \$103 per square foot. If we figure in the basement square footage, the cost per square foot cost drops to \$63 per square feet. Most new stick-built spec home construction in this part of Iowa is close to \$200 per square foot.

I would therefore recommend awarding the contract to Matt Construction in the amount of \$155,000.00. At that point we would then issue a change order deduct for sales tax.

Sincerely,

A handwritten signature in blue ink that reads 'Mike Tucker'.

Mike Tucker, Senior Project Manager
MARTIN GARDNER ARCHITECTURE, P.C.
Strawberry Point Office