

From: Art xiques [<mailto:ajxiques@constechconsultant.com>]
Sent: Tuesday, June 04, 2013 2:19 PM
To: Kevin Tatreau
Subject: Rule Chapter 57-48 Draft 05-07-2013: Shell Subcontractor

Kevin,
Thank you for allowing us the opportunity to comment on the above drafted Rule.

Section 67-48.0072(17)(f) does not allow a general contractor to have more than 20% of the construction cost be subcontracted to any one entity. It does allow a subcontractor contracted to deliver a building shell of a building of at least five stories to have a maximum of 31% of the construction cost in its subcontract. My research indicates the same exception to the 20% maximum should be applied to new construction of Garden-style developments with Concrete Construction. The shell line item cost for a concrete block building with a concrete roof up to 5 stories is very close to that of a taller building with only the labor component making some difference (depending on whether or not Davis Bacon wages are required). A fact check on a 3 story building with a concrete roof currently under construction revealed the shell line item cost was a little over 29% of the total hard cost.

In summary please allow the general contractor to subcontract more than 20% of the construction cost to a maximum of 31% of the construction cost in its subcontract to deliver a concrete garden-style building and a building of at least 5 stories. Should you have any questions or comments please do not hesitate to contact me. Thank you for your consideration.

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