

From The Desk Of  
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Chairman / PLP

Straw Market Report / Confidentially

Recent information is that the "**Development Cost**" of the Straw Market Project to date is in the area of 28 Million Dollars. My confidential source affirms. I am advised at the recent information published, by Candia Dames, My confidential source confirm all (development) costs. I must advise you that "prior" to the Contract awarded to Cavalier Construction Company for a sum of \$ 11.2 Million Dollars. Information provided notes that the project cost are in the area of \$ 16Million.

Strategically, it is my belief that infrastructure costs (BEC, W&S, and BTC) were not included in the construction tender. My records (Bill of Quantity) quantified these costs to be in the area of 3-4 Million Dollars. For the record, you may recall that BEC wished to upgrade the transformer that resided on the Straw Market Site for service to greater Bay Street. Our records show that this sum was included in the PLP's Market budget which came to be \$ 23 Million. So if we had played the game the FNM is

playing, we could have said that the cost of the PLP Market excluding the cost of infrastructure is 18 Million.

Based on the FNM's strategies to fool the public, evidence suggests that they may have indeed removed the infrastructure costs. Further reports are that the FNM's Market project cost which we believe is in the 14-15 Million Dollars area is additionally subject to Change Orders that is estimated to escalate the project cost up to \$15-16 Million Dollars.

### The **General Data**

- The PLP proposed to build a 165,000 square foot market for \$ 22 Million Dollars accommodating all 630 vendors in stalls no less than 48 square feet in size. The cost of the construction was estimated at \$ 133.00 dollars per square foot.

**In contrast** the FNM has constructed 37,000 square foot market tendered @ \$11.2M which has a projected cost upward to \$16 M; accommodating only 440 straw vendors in stalls of only 12 square feet and 60 stalls for others; at a construction cost of approximately \$ 302.00 dollars per square foot @ \$11.2M; and at a cost of approximately **\$ 432.00** dollars per square foot if the project estimate construction cost has in fact risen to \$16M≈.

Cont. 2

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The **General Data** Cont/.

I remind you for an appreciation of recall that "at the initiation of this contract it was necessary to keep the public's view that the construction cost of \$11.2 was not so dissimilar from \$ 10 Million, a sum you will recall the Honorable Leslie Miller projected that the project "should" cost in his voodoo economics. You will recall that Mr. Miller taunted and created all sort of innuendo via public radio regarding the project under your Ministerial lead, which the FNM used as political fodder. The general data is as follows;

- The PLP proposed a four storey structure with three atrium levels dedicated to the straw vendors with the roof top fourth level dedicated to other income generating amenity including a 100 foot tall panoramic observation tower. The projected return after maintenance costs had been subtracted was projected to be approximately

\$ 1.7M per annum. The financial data was developed by a most qualified Frank Comito of the Tourism Development Board and was reviewed by the Ministry of Finance.

**In contrast**, the FNM's constructed market is a three volume (equal to approximately 2.5 floors in height) with only one floor designated to vendors with administration offices of minimal area on a second tier covering a total of 3700 square feet for an initial cost of \$11.2M. The near completed project has no other income generating elements other than the payments the vendors will make to rent a 12 Square Feet booth.

## The Environmental Factors

•The PLP's proposed market heavily considered environmental factors for the comfort of the vendors and patrons. Wide surround verandahs shaded primary walls and entries from radiation and rain. Accesses on all sides permitted air movement induces by induction fans. The Atrium allowed hot air to rise and to be mechanically removed by high mounted dormer extraction fans. There was proposed a waterfall and fountain to assist environmental factors. Wide aisles provide circulation comfort and meandering movements in a landscaped village atmosphere.

**In contrast** the FNM has constructed a food store isled tight lane congested hot box. The structure which has an expansive cathedral roof, invites nothing but pigeons and finches to roost. Vendor stalls have been constructed in military alignment right up to the doors and walls, in an attempt maximize the vendor numbers.

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The **General Data** Cont/.

The stalls are a total of 12 square feet as mentioned with a portion of this area allocated to one vendor seat. The heat generated in the structure is proposed to be cooled by over 100

stem mounted fans hung downward ten feet long from the roof's joists. We suggest that this method is not a practical solution for cooling large open spaces. Six dormers are structured into the roof which in their orientation defeats their effectiveness.

All access areas which align three facades of the structure are completely unprotected from rain of the simplest magnitude. Windblown precipitation will flood the inner perimeter of the structure especially where the vendor stalls have been constructed right up to the entries. The vendors stalls have been installed right up to the doors in the attempt maximize the vendor numbers and their design is a readymade home for rodents. Cleaning will be difficult.

## Summary & Facts

The FNM will argue that all costs cannot be attributable to them and this would be true in part but the facts are that because of their policy of stop review and cancel they are responsible for the escalation of the overall cost technically referred to as the "Development Cost".

In summary when one considers all factors of the project history the overall examination of the "**Development Cost**" of the Straw Market is most important. We are informed that the total expenditure is in the area of **\$27 Million Dollars** with additional costs to be added. Examining the cost per square foot in this regard for the end product of the 37000 square foot building, the Development Cost per Square foot is a whopping \$ **730 Per Square Foot.** (\$27 Million Dollars / 37000 Sq Ft.)

The PLP and any common sense thinking person would counter such an excuse with the fact that if the project was not "stop reviewed and cancelled", revised and driven by political deed, the extra cost for this lesser project in quality, lesser in scope and size would be nowhere near this ridiculous *"Construction Cost of \$ 302.00 per square Ft. or the more ridiculous Development Cost of \$ 730 Per Square Ft."*

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### **Summary & Facts Cont/.**

- The PLP's Straw Market would have been five times bigger @ 165000 Sq Ft. for a cost of \$ 22M @ \$ 133 per Sq. Ft. compared to the FNM's Market constructed @ 37000 Sq Ft. for a projected end cost of \$16M.

- Further Evaluation for quality of the expenditure notes that;

The FNM's Market Cost is approximately 5.0 times greater than the PLP's @ \$ 302 per square foot if the end cost is in the area of \$11.2M.

The FNM's Market Cost is approximately 3.25 times greater than the PLP's @ \$ 432 per square foot if the end cost is in the area of \$ 16.0M.

The FNM's Market is approximately 5.5 times greater than the PLP's @ \$ 730.00 per Square foot if all factors contributing to the Overall Development Cost @ \$27.0M is evaluated.

- The FNM's Market Project Vendor stalls are five times smaller than the village kiosks planned in the PLP's scheme.

- The FNM's Market Project based on revenue will become a burden to the public purse as the proposed rental fees will be challenged to meet the expenses of maintenance and services bills. The PLP's Market had projected revenue in the \$ 1.7M to 2.4M per annum, the later including Vendor fee revenue.

- The PLP's Market would have been spacious and with less social soliciting issues and would have been more environmentally comfortable, architecturally pleasing with the potential for greater patron draw with the additional amenities.

- Generally the FNM caused by its cancelling the PLP's Straw Market and escalated Project Development Cost;

- The FNM caused by its cancelling the PLP's Straw Market the loss of a \$ 2.3 Million Construction deposit to Contractor WDC and loss of fees due to terminating and hiring new Architects, Structural Engineers, Mechanical Engineers, Electrical Engineers, Quantity Surveyors and a General Contractor.

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## **Summary & Facts**

The Facts are that; Cont/.

- The FNM caused by its cancelling the PLP's Straw Market, the FNM legal costs for Attorneys or Arbitrators hired by the Plaintiff, and in respect to the recent judgments the court granted awards for Breach, Interests, Loss of Income, and Hardships to all Consultants

- The FNM in its search to counter act their debacle hired other private QS services to review the evaluations and the tenders of works prepared by their own "primary private QS Consultant whom they hired for the project in the first instance, And the FNM caused by its cancelling the PLP's Straw Market caused losses to the General Contractor and others.

## **Closing**

The most egregious of all particulars is the Project Development Cost reported at \$ 27 Million Dollars (\$730 / Sq Ft) compared to the PLP's projected cost of \$133.00 per Sq. Ft. Cavalier

Construction Company who bid on the PLP's Market bid @ approximately \$ 150.00 per Sq. Ft. then but bid @ \$ 302 per Sq. Ft. on the FNM's Market at the \$ 11.2 Tender.

The sum of the analysis is as follows;

- a) At **\$ 302** / Sq Ft @ a Construction Cost of \$ 11.2M  
(Not including overrun)
- b) Or **\$ 432** / Sq Ft @ a Construction Cost \$ 16.0M.  
(Including overrun)
- c) Or **\$ 730** / Sq Ft @ a \$ 27.0M Development Cost.  
(All Costs)

The math speaks for itself.

Report By