



INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

Mr. Scott Crabtree, Town Manager
Ms. Wendy Hatch, Finance Director & Treasurer/Collector
Town of Saugus
298 Central Street
Saugus, MA 01906

Mr. Crabtree and Ms. Hatch:

We have performed the procedures enumerated below related to Saugus Cable Television's ("SCTV"), construction of the PEG Access Studio on Main Street in Saugus (the "studio"). SCTV's Board of Directors (the "SCTV Board") and management were responsible for the oversight of the construction of the studio and maintenance of all related accounting records.

The Town of Saugus (the "Town") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the analysis of the construction of the PEG Access Studio. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Background

On May 5, 2021, we were engaged to perform an agreed-upon procedure engagement of the construction of SCTV's PEG Access Studio. On September 23, 2019, the Saugus Town Meeting voted to appropriate \$550,000 for the construction of SCTV's new PEG Access Studio, which was relocating from its space in Saugus High School to the Saugus Historical Society. However, according to various news articles regarding the subject, the construction project had significantly run overbudget. As a result, the original \$550,000 appropriation had been completely exhausted by June 2020, requiring the SCTV Board to request an additional transfer of \$382,951 to complete the project. With the approval of the Saugus Board of Selectmen (the "Board of Selectmen"), on June 30, 2020, the Saugus Town Meeting appropriated an additional \$350,000 from the PEG access account to finish the construction.

Our procedures and associated findings are as follows:

1. Interview key personnel involved in the project, including but not limited to the SCTV Executive Director, President, Treasurer, Board Members, Architect, Contractor, Project Counsel, Clerk of the Works and President of the Historical Society, to obtain an understanding of the process, policies, procedures and internal controls of the construction project.
2. Review the vendor selection process.
3. Review the purchasing policies and procedures for costs related to construction, broadcast related equipment, fixtures and furnishings.
4. Review and compare original vendor estimates, bids or quotes to actual amounts charged.
5. Examine invoices or other supporting documentation to ensure proper approval.
6. Review cancelled checks, emails and any correspondence related to project changes or enhancements to the original proposal. Review change orders to determine the communication and approval process.
7. Review communications between the architect and any executives or Board members from SCTV regarding scope, timing, cost and performance of the project.
8. Provide recommendations for management based on the findings.

Findings

While we did not identify any instances of fraudulent activity, the SCTV Board and its management lacked the internal controls, policies, and expertise to manage this project, as they had never overseen a project of this magnitude. This led to significant cost overruns on the project. The SCTV Board did not hire an owner's project manager ("OPM"), instead relying upon a combination of McDougal Architects ("McDougal" or "the architect") and the building inspector to function in this capacity. However, this approach proved to be ineffective as the project incurred cost overruns and SCTV did not specifically engage either of these parties to function in this capacity. Additionally, SCTV does not have any policies and procedures surrounding procurement and its related functions. In the absence of such policies and procedures, the SCTV Executive Director advised us that they adhere to the Town's policies and procedures, which did not consistently occur.

SCTV provided a budget that solely consisted of the builder's contract plus a 10% contingency to the Board of Selectmen ("Selectmen") and town meeting members. However, they did not include all costs associated with the construction project, specifically architect fees, moving costs and other soft costs, which were estimated at an additional \$115,000.

The architect prepared a pricing set of architectural plans, dated November 2018, used by contractors to bid on the project. However, these plans did not include any involvement from the engineers, which is standard for pricing plans. Additionally, the construction drawings, dated August 2019 and used by H&B Construction ("H&B") to complete the project, differed greatly from the pricing plans. As a result, SCTV paid H&B \$219,705 in change orders.

Ultimately, the project was completed for \$980,616, which exceeded the initial appropriation by \$430,616 (Appendix #1). It should be noted that this amount does not include the \$267,966 used to fund the SCTV's media equipment.

Executive Summary

We have highlighted the key findings below and detailed all of our findings and recommendations in the body of the report.

General

- SCTV does not have documented policies and procedures related to purchasing and procurements. (Finding #1)
- SCTV did not provide a comprehensive itemized budget to the Board of Selectmen. The budget provided to the Board of Selectmen solely consisted of the builder's contract plus a 10% contingency. (Finding #2)
- SCTV did not hire an OPM for the project. (Finding #3)

Vendor Selection Process

- SCTV did not go out to bid for five vendors that were paid \$10,000 or more. (Finding #6)
- The contractor bids were never analyzed and compared to ensure each covered the full scope of the project. (Finding #8)
- SCTV selected the lowest contractor bid for the project. However, due to change orders, the final amount paid to the contractor far exceeded the other bids. (Finding #10)

Contract to Invoice Comparison

- The contractor selected for the project revised his bid from \$497,000 to \$477,000. However, the \$20,000 credit was never applied. (Finding #12)
- SCTV was missing multiple invoices from the contractor. (Finding #14)
- It is unclear if the architect started the construction documents prior to the indication that the project would have to follow the state bid process. The architect stated that they were too far along in the process to use the original plans when it was learned that the project did not need to follow the state bidding process. (Finding #15)
- The architect charged an additional \$44,800 due to the belief that the project would need to follow the state bidding process. (Finding #16)

Workorder Changes

- SCTV did not have a policy to approve workorder changes. Most changes were approved verbally. (Finding #17)
- The pricing set of plans used to bid the project did not contain plans from any engineers. (Finding #18)
- The contractor charged an additional \$219,705 through workorder changes. (Finding #19)

Cash Disbursement Process

- We noted forty-one invoices were not properly approved. Additionally, we noted fifteen disbursements that did not have corresponding support. (Finding #23)
- SCTV disbursed \$95,149.60 from the operating account for construction disbursements, of which \$17,735.00 was reimbursed. (Finding #25)

We have provided further explanations for our findings below:

General Findings and Recommendations

Finding #1

SCTV does not have any documented policies and procedures surrounding the purchasing and procurement function, bid process, vendor selection process or change order process. As noted above, in the absence of such policies and procedures, SCTV follows the Town's policies. However, it does not appear SCTV does this consistently.

Recommendation

SCTV should develop and document policies and procedures for purchasing and procurement as well as all other key accounting and operational functions. When applicable, the policies and procedures should indicate any Town policy they adopt.

SCTV Response

SCTV will work to develop such procedures for future procurements.

Finding #2

SCTV submitted a budget that solely consisted of the builder's contract plus a 10% contingency totaling \$550,000 to the Board of Selectmen and town meeting members. SCTV failed to account for other costs in the budget including architect fees, moving costs, furniture and other soft costs, which were estimated at about \$115,000. As a result, the initial budget of the project to be voted upon should have been approximately \$665,000. We were advised by multiple Selectmen that they relied upon the hired professionals, specifically the architect in this case, to ensure the budget was complete and included all costs associated with the project.

Recommendation

A construction project budget should be written and itemize all line-item costs, including the construction costs, architect fees, furniture, furnishings and other soft costs. All construction projects should require an itemized budget documenting all expected costs. The Board of Selectmen should review the budget for completeness prior to the approval of the project and release of the funds. The Board of Selectmen should also consider implementing a process to release funds in phases after milestones have been met.

SCTV Response

We agree with the recommendation.

Finding #3

The SCTV Board did not hire an OPM, instead relying upon a combination of the architect and the building inspector to function in this capacity. However, SCTV did not engage the architect to act in the role of OPM and as a result, did not take full responsibility to provide proper guidance throughout the project. However, Beth McDougal (Ms. McDougal), owner of McDougal Architects indicated during the May 23, 2019 Board of Selectmen meeting that she would manage and oversee the project in the absence of an OPM. Dan Kelly (“Mr. Kelly”) functioned in some extent in this capacity from November 2019 to April 2020 and was paid \$2,850, but ultimately recused himself due to a conflict of interest. Additionally, former SCTV President, Al Dinardo, (“Former SCTV President”) also stated during the same May 23, 2019 meeting that SCTV would also use Town resources to manage the project. However, there is no indication that SCTV reached out to the Town for guidance throughout the project.

Recommendation

An OPM is an independent party hired to help oversee and guide the owner through the construction process. The OPM works as a conduit between the contractor and architect to ensure that the goals of the owner are achieved. Neither McDougal nor Mr. Kelly were independent parties to the project and thus could not provide the objective guidance needed on the project. Going forward, the Board of Selectmen should require all construction projects to engage an OPM to ensure that the needs of the owner are protected and achieved.

SCTV Response

SCTV will hire an OPM for future construction projects.

Finding #4

We reviewed the SCTV Board minutes and noted major aspects of the project, with the exception of the contractor selection, were not communicated or voted on by the SCTV Board. It appears that many decisions, including the selection of the architect, were made behind closed doors by one or two people and not communicated until the work was completed. For example, the former SCTV President hired a landscaping company to remove trees for \$3,500, however the trees were not on SCTV property. It has since been agreed with the neighbor that SCTV will not replace these trees.

Recommendation

SCTV should ensure that all major decisions are discussed and approved at Board meetings.

SCTV Response

We agree with the recommendation.

Finding #5

SCTV does not provide Board members with individual SCTV email addresses. Instead, SCTV has a generic Board of director’s email address that forwards emails to the personal email addresses of each Board member. The Board members utilize their personal email while corresponding on the project. While we were able to review SCTV emails, we are unable to access personal email accounts. As a result, we are unable to confirm all emails regarding the project were reviewed.

Recommendation

SCTV should provide all employees and Board members with individual SCTV email addresses. All SCTV communication should be processed through SCTV email.

SCTV Response

SCTV has five email addresses with our subscription and we pay for an additional five. We are using 8 out of the 10. We would need to budget for additional addresses to give them to the five Board Members. Then they would be responsible for checking that email address. It was easier, and more cost effective to have one address that forwards to the address that the member frequently uses.

Vendor Selection Process

Finding #6

As noted above, SCTV does not have documented policies for the vendor selection process. Additionally, SCTV did not consistently follow the Town's policy that requires three bids for projects over \$10,000. During our testing, we noted five vendors, including the architect, that were paid more than \$10,000, but SCTV received only one quote.

Vendor	Type of Work	Total Disbursements	Bids Obtained
Access AV	Equipment	\$ 172,503.00	1
McDougal Architects, Inc.	Architect	\$ 111,141.14	1
Ockers Company*	Lighting	\$ 95,462.70	1
DDA Systems, LLC	Electric System	\$ 50,583.69	1
Cooper Brothers Paving	Paving	\$ 16,501.60	1

*Formerly Integrated Solutions Group and JML Lighting Services

Recommendation

SCTV should create and document policies and procedures for vendor selection process. In absence of such policies, we suggest that SCTV follow the Town's policies, which require three quotes for purchases over \$10,000.

SCTV Response

It was explained to Selectmen, Finance Committee and Town Meeting why the equipment was chosen by certain vendors. The Executive Director has a twenty-year history with vendors. Vendor quotes are never apple-to-apple comparisons, as they all have deals with specific manufacturers. Johnathan Lipsy (JML Lighting) was used as he is the best in the region for lighting design. DDA Systems was chosen as they were already being used by the contractor for other work on the project when it was determined we needed additional services. McDougal Architects was recommended by an SCTV Board member. In regard to Cooper Paving, there were multiple calls out to paving companies. However, Cooper Paving is the only company who responded. Due to the urgency of

the situation, pea stone being pushed into the street during snow removal, Cooper Paving was hired.

Finding #7

The architect's contract, dated September 21, 2018, was not signed by SCTV until April 19, 2019. McDougal billed \$18,750 before the contract was executed.

Recommendation

All contracts should be executed before work commences.

SCTV Response

We agree with this recommendation.

Finding #8

SCTV obtained bids from three contractors for the construction of the studio. However, based on interviews with key personnel, the bids were not compared to ensure each covered the full scope of the project (See Appendix #2). For example, the lowest bidder, H&B, was less than half the estimate for the HVAC and electrical work when compared to the other two vendors. However, H&B ultimately charged an additional \$47,500 in change orders for these two areas which was ultimately comparable to the estimates provided by the other contractors.

Recommendation

We suggest that all bids follow a template to ensure each bid is comparable. Each bid should be analyzed closely to ensure that they cover the scope of work. This is a critical aspect to the vendor selection process to obtain the most cost-effective proposal.

SCTV Response

We reviewed each bid as best we could with our construction knowledge and experience.

Finding #9

SCTV did not require the construction bids to be opened at the same time. The first bid was received in December 2018, while the other two bids were received in February 2019.

Recommendation

All bids should be received by a deadline and opened at the same time. In the absence of a sealed bid policy, there is an inherent risk of bid rigging.

SCTV Response

We agree with this recommendation.

Finding #10

SCTV selected the lowest bid submitted for the construction project. This allows for a vendor to underbid the project and submit change orders to increase the price. Despite being the lowest bid at \$497,000, they ultimately charged \$716,705. The total amount paid to H&B exceeded Venice Construction and Dipierro & Brown whose proposed budgets were \$521,335 and \$606,208, respectively.

Recommendation

SCTV should implement a bid scoring system rather than selecting the lowest bid. Criteria could include vendor experience, bid price, references, etc.

SCTV Response

We agree with this recommendation.

Contract to Invoice Comparison***Finding #11***

We noted three vendors who were paid 10% or more than the originally quoted amounts (See Appendix #3). It should be noted that one of these vendors (Cooper Brothers Paving) performed two projects for SCTV. The invoice for the first project agreed to the original quote. However, no quote was obtained for the second project, and as a result, the overage constitutes the full amount of the second project.

Recommendation

All invoices should be matched to the original contract prior to issuing payment. Any changes to the original quote should be approved by management and/or the Board prior to performance.

SCTV Response

We agree with this recommendation.

Finding #12

H&B emailed an updated proposal to the SCTV Board on July 25, 2019, totaling \$477,000 which contained a reduction of \$20,000 from the original proposed cost of \$497,000. However, the savings were never applied to any invoices. When we inquired about this issue, Peter Qirici (“Mr. Qirici”), owner of H&B, did not provide a definitive answer as to why it was not applied. It should be noted that the invoices all list a contract price of \$497,000.

Recommendation

SCTV should consider discussing this finding with Mr. Qirici to resolve the potential price discrepancy.

SCTV Response

We did not see a \$20,000 reduction, it was absorbed into the cost overrun.

Finding #13

The H&B invoices are difficult to follow and lacked detail with many line items lacking description of the work performed. They don’t follow the American Institute of Architects (“AIA”) application and certificate for payment invoice structure, which indicates the original contract amount, the work previously performed and billed, the current amount due and remaining balance on each application. It does not appear management performed a reconciliation between the contract and the invoices.

Recommendation

Management should require itemized invoices that follow the application for payment format for all future construction projects. All invoices should be reviewed and authorized prior to payment.

SCTV Response

We did require and request the invoices to be clear and itemized. Invoices were constantly sent back for revision, and we received the best we could get.

Finding #14

During our testing, we noted that SCTV was missing multiple invoices from H&B Construction. These have been subsequently provided to us upon request from H&B.

Recommendation

SCTV should maintain copies of all vendor invoices. All invoices should be reviewed and approved prior to payment.

SCTV Response

We maintained invoices best as possible through an accelerated timeline, construction project and global pandemic.

Finding #15

On May 30, 2019, SCTV received information that caused them to believe that the project would have to follow the state's municipal bidding guidelines (the "municipal bid"). The municipal bid process requires the architectural plans to be more thorough than a non-municipal bid to minimize the contractor's ability to significantly increase the cost to the project through change orders. Ultimately it was determined on July 18, 2019, that SCTV did not have to follow the municipal bid process. At this time, the architect stated that they were too far along in the process to revert back to the non-municipal construction drawings. However, the timeline of the architect's invoices does not appear to support her statement. We reviewed McDougal's invoice dated May 9, 2019, which billed a \$7,000 retainer for the completion of the construction documents, which could indicate the commencement of those documents. We have included the chart below to document the progress of the construction documents.

McDougal Constuction Documents		
	Current	Percentage
Invoice Date	Amount Due	Complete
5/9/2019	\$ 7,000.00	13.46%
7/2/2019	15,501.00	43.27%
8/13/2019	25,000.00	91.35%
1/25/2020	4,500.00	100.00%
Total	<u>\$ 52,001.00</u>	

Based on these invoices, it appears that McDougal started the construction documents sometime between May 9, 2019 and July 2, 2019. At this point, she was less than 50% completed invoicing the construction drawings. The full amount of the additional services (\$22,000) was not billed

until August 13, 2019, which was almost a full month after the determination was made that the project did not have to follow the municipal bid process. We have requested further documentation from Ms. McDougal including time logs and engineer invoices but have not received any as of the date of this report.*

Recommendation

SCTV should follow up with Ms. McDougal to obtain the requested support and determine the timeframe for the completion of the construction documents.

SCTV Response

This is the information provided by Ms. McDougal.

Finding #16

Due to the municipal bid process, the architect informed the SCTV Board that there would be additional costs for their services; however, did not provide a revised proposal. It should be noted that the SCTV Board requested an estimate on the increased fees at that point in time; however, McDougal did not provide any figures until SCTV was invoiced. We have provided a breakdown of the original proposal and additional services below.

McDougal Architectural Fees			
Explanation of Services	Original Amount	Additional Services	Total
Schematic Design	\$ 18,750.00	\$ 18,800.00	\$ 37,550.00
Design Development	15,000.00	-	15,000.00
Construction Documents	30,000.00	22,001.00	52,001.00
Construction Administration	11,250.00	-	11,250.00
Specifications Writer	-	4,000.00	4,000.00
Total	<u>\$ 75,000.00</u>	<u>\$ 44,801.00</u>	<u>\$119,801.00</u>

Recommendation

All revised proposals should be approved by management prior to commencement of the additional services.

SCTV Response

We agree with this recommendation.

Work Order Changes

Finding #17

SCTV did not have a formal approval process for workorder changes. Most workorder changes or updates to vendor contracts were executed verbally.

Recommendation

All workorder changes should be documented and approved by the architect, OPM and the SCTV Board.

SCTV Response

Workorder changes were to be detailed and documented on the invoice. The contractor was to obtain approval from the architect.

Finding #18

McDougal's pricing set of plans did not include plans from the civil engineer, MEP engineer or HVAC engineer, which are considered a standard part of the pricing plans. As result, the construction plans differed greatly compared to the pricing plans. However, the project was never rebid using the updated drawings. It should be noted that this difference contributed to the \$219,705 change orders from H&B Construction.

Recommendation

We recommend that an OPM be hired for all construction projects. However, in the absence of an OPM, the Town's building department should review architectural plans for Town projects to ensure completeness. Additionally, the construction plans should be reviewed with the contractor to ensure there are no major changes. In the event of major changes, the project should be rebid.

SCTV Response

We agree with this recommendation.

Finding #19

As noted above, H&B processed \$219,705 of work order changes, including but not limited to, water mitigation, HVAC changes, and electrical updates. The contractor provided a workorder invoice with a slight description for each change order, but the subsequent invoices were not clear as to the actual extent of each change order. It does not appear that SCTV attempted to reconcile the invoices to ensure all services were completed. We summarized the change orders charged by H&B (See Appendix #4).

It should also be noted that the change order document did not foot. However, the error was corrected on the invoice and did not impact the overall amount paid to H&B.

Recommendation

All workorder changes should be clearly defined and approved by the SCTV Board.

SCTV Response

We agree with this recommendation.

Finding #20

Ms. McDougal advised that they did not receive copies of the change orders issued by H&B. However, Mr. Qirici noted that McDougal was slow to approve changes orders so he stopped sending them to the architect. Additionally, SCTV Board members noted that the change orders did not appear to be approved timely. We have requested further documentation from both parties but have yet to receive anything to date.

Recommendation

We suggest that a plan to approve change orders be documented. All workorder changes should be reviewed by the architect in a timely manner as part of the construction administration phase.

SCTV Response

We agree with this recommendation.

Finding #21

McDougal did not include low voltage wiring in the pricing or construction plans. This resulted in SCTV hiring an outside vendor to install the wiring. Low voltage wiring is a standard component of construction projects and should have been included in the architectural plans. However, Ms. McDougal stated that SCTV's Executive Manager, Bryan Nadeau ("Mr. Nadeau") informed her that they were handling the wiring as part of their equipment installation. However, Mr. Nadeau stated that he was referring to the wiring of his equipment. Ms. McDougal noted that she requested clarification from Mr. Nadeau numerous times, but only provided one piece of correspondence regarding this issue dated March 2, 2020. It should be noted that Mr. Nadeau responded back timely to this correspondence and this issue resulted in an additional cost of approximately \$7,000.

Recommendation

SCTV should request further documentation on this issue to determine if the architect has additional documentation to support her claim.

SCTV Response

We refute Ms. McDougall's claim that clarification was requested multiple times. Mr. Nadeau was not aware of this issue until the walls were about to go up in March 2020.

Cash Disbursement Process***Finding #22***

SCTV does not have a procurement policy, nor did they follow the Town's policy. For example, the Town requires the use of purchase orders for disbursements greater than \$500 per Town policy. However, SCTV does not utilize purchase orders.

Recommendation

We recommend that in the absence of its own policies and procedures, SCTV should follow the Town's policies and procedures for cash disbursements.

SCTV Response

We agree with this recommendation.

Finding #23

We reviewed all disbursements related to the construction project. We noted forty-one invoices that were not properly approved. Additionally, we noted fifteen disbursements that did not have corresponding support. The disbursements that lacked support predominantly resulted from costs related to moving help.

Recommendation

All disbursements should have corresponding support and be approved by the Executive Director or SCTV Board members. The approval should be documented on the invoice.

SCTV Response

We did our best to sign every invoice. However, due to the pandemic and transition to a new building there were times when there was no office to work out of. As a result, approvals were given verbally. A check was not cut unless requested and signed by authorized Board Members.

Finding #24

McDougal charged \$11,250 for construction administration. However, we noted evidence or only two visits to the site during the construction process. Ms. McDougal advised us that there were multiple visits, but has yet to provide any further documentation to substantiate. It should be noted that SCTV has a current balance due to McDougal of \$9,562.50.

Recommendation

SCTV should contact McDougal to discuss the open balance and request documentation that demonstrates that these services were truly performed.

SCTV Response

The Board of Selectmen, as the gate keepers of SCTV funding, advised that we do not pay the outstanding invoice.

Finding #25

SCTV disbursed a total of \$95,149.60 from the operations account, of which \$17,735.00 has been reimbursed. The \$17,735.00 that has been reimbursed relates to disbursements made before the construction account was opened. We were advised by multiple SCTV Board members that the Board of Selectmen recommend that SCTV wait until all funds have been disbursed from the construction account before reimbursing the operating account the remaining balance of \$77,414.60.

Recommendation

SCTV should reimburse the operating account as soon as possible.

SCTV Response

These funds were used to complete the project, as well as fund capital at the Belmonte School, without further appropriations as directed by the Board of Selectman.

We were engaged by the Town of Saugus to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct, an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the analysis of the construction of PEG Access Studio on Main Street. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SCTV and the Town of Saugus and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of SCTV, the Town of Saugus and the Board of Selectmen, and it is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "O'Connor & Drew, P.C.".

O'Connor & Drew, P.C.
Braintree, MA
February 14, 2022

Appendix 1
Town of Saugus
Total Disbursements by Type

<u>Type of Work</u>	<u>Amount</u>
Architect	\$ 111,141
H&B Construction	716,705
Other Construction Costs	60,035
Fence	16,775
Furniture	9,905
Furniture and Fixtures	19,537
Landscape	9,700
Soft Costs	20,317
Paving	<u>16,502</u>
Total Construction Cost	<u>\$ 980,616</u>

Appendix 2
Town of Saugus
Contractor Bid Comparison

	<u>Venice</u>	<u>DiPierro</u>	<u>H&B</u>
Demolition/Dumpster	\$ 18,741	\$ 25,560	\$ 38,300
Permits/General requirements/Preliminary work/Supervision	31,452	29,120	46,140
Foundation/concrete/CMU/grading	41,500	55,440	29,500
Weather proofing/Framing/Insulation/Sound proofing	73,000	121,200	111,150
Doors and windows	29,264	25,300	27,850
Cabinets, counters, appliances, kitchen, tile	12,884	39,108	17,700
Finishes - plaster, paint, trim, etc	82,100	58,300	78,400
Exterior work - pressure washing, decking, etc.	15,000	28,680	6,570
Plumbing	25,000	28,000	24,150
HVAC	50,000	60,000	45,000
Electrical/Fire Protection	95,000	124,200	72,240
Flooring	-	11,300	-
General contractor fee	<u>47,394</u>	<u>-</u>	<u>-</u>
 <i>Total</i>	 <u><u>\$ 521,335</u></u>	 <u><u>\$ 606,208</u></u>	 <u><u>\$ 497,000</u></u>

**Appendix 3
Town of Saugus
Bid to Actual**

<u>Vendor</u>	<u>Type of Work</u>	<u>Vendor Bid</u>	<u>Total Paid</u>	<u>Additional Costs over Bid</u>	
				<u>Total</u>	<u>% Difference</u>
H&B Construction	Construction	\$ 497,000.00	\$ 716,705.00	\$ 219,705.00	30.65%
McDougal Architects	Architect	75,000.00	111,141.14	36,141.14	32.52%
Cooper Brothers Paving	Paving	<u>7,000.00</u>	<u>16,501.60</u>	<u>9,501.60</u>	57.58%
	Total	<u>\$ 579,000.00</u>	<u>\$ 844,347.74</u>	<u>\$ 265,347.74</u>	<u>31.43%</u>

Appendix 4
Town of Saugus
H&B Construction - Workorder Changes

Change Order

<u>Date</u>	<u>Change Order Description</u>	<u>Proposed</u>	<u>Adjustment</u>	<u>Final</u>	<u>Invoice Number</u>
5/15/2019	Water mitigation	\$ 127,000	\$ (39,300)	\$ 87,700	Change order 1
5/15/2019	HVAC	11,000	-	11,000	Change order 1
5/15/2019	Plumbing	4,000	-	4,000	Change order 1
5/15/2019	Update amp. and fire alarm update	53,000	(16,500)	36,500	Change order 1
5/15/2019	Crawl space construction	32,000	-	32,000	Change order 1
5/15/2019	Structural beam	3,200	-	3,200	Change order 1
5/15/2019	Wall sheathing	2,500	-	2,500	Change order 1
5/15/2019	Final new foundation	1,050	-	1,050	Change order 1
5/15/2019	Rafters	4,500	-	4,500	Change order 1
5/15/2019	Change order savings	-	(9,200)	(9,200)	Change order 1
3/4/2020	Appliance savings	-	(2,400)	(2,400)	Invoice #5
4/17/2020	Historical Society change orders	22,750	-	22,750	Change Orders - 4/17
7/6/2020	Appliances, back door, pea stone, asphalt	19,600	-	19,600	Invoice 8 Revised
12/21/2020	Work agreed on Board and electrician	5,000	-	5,000	Invoice 8 Revised
12/21/2020	Additional electrical work	1,130	-	1,130	Invoice 8 Revised
12/20/2020	Painting touch-up	375	-	375	Invoice 8 Revised
<i>Total Change orders</i>				\$ 219,705	
<i>H&B Construction Cost per bid</i>				497,000	
<i>Total Cost paid to H&B</i>				<u>\$ 716,705</u>	