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July 29, 2005

Mr. Charles Holsworth
PIT-BRAC Task Force
1550 Coraopolis Heights Road
Coraopolis, PA 15108

Subject: 911th Airlift Wing
Base Demolition and Environmental Remediation Cost Estimate

Dear Mr. Holsworth:

Michael Baker Jr., Inc. was asked by the PIT-BRAC Task Force to prepare cost estimates for demolition of all buildings located at the 911th Airlift Wing and for remediation of environmentally contaminated areas. Michael Baker Jr., Inc. has been providing Engineering and Architectural services to both public and private section clients for over 60 years. The demolition cost estimates were prepared by professionals that have over 20 years of experience in all aspects of construction. The environmental remediation cost estimates were prepared by a Professional Geologists with over 21 years of experience in the hazardous waste environmental consulting business including site investigations, remedial approach/technology evaluations, UST/AST assessment, UST closures/replacements, remedial technology applications and regulatory consulting.

Cost estimates for building demolition were prepared solely based on information provided by the 911th Airlift Wing. This information consisted of a general site layout of the base showing the location of all buildings, the type, use and age of each of the buildings and also information as to which buildings may have environmentally sensitive materials such as asbestos and lead paint on the interior. The estimate was generated utilizing PACES (tm) modeling software program first developed by the US Military and now operated by a private company called Earth Tech Inc. PACES is a data depository of thousands of past and current US Military projects performed over several years. For the 911th Airlift buildings and site utilities we input into PACES several different parameters, i.e. gross square feet, linear feet, tons of steel, etc. Afterward, PACES, based on the input quantities and parameters, calculated the total direct cost of labor, material, equipment and disposal fees. We then calculated reasonable and expected "mark-ups" for the project, which include: contractor's overhead and profit, general conditions, state sales tax and contingency. We also verified portions of the PACES output against our own historical data as well as RS Means' data.

Challenge Us.

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Baker was also provided with environmental documents that provided information as to what the ground contamination consists of, what sort of clean-up, if any, has already occurred and recommendations for further work, if any. The source for the specific unit costs for the environmental expenditures are listed on the attached tables and include standard references (Means Site Work, 2004) and project specific cost estimates prepared for similar projects with similar conditions. These cost estimates were prepared on the basis of the experience, qualifications and best judgment of the Cost Estimator and specific assumptions listed in the cost estimates using the available information. The estimates are as follows:

Building Demolition	\$43,000,000
Environmental Remediation	\$2,150,000
Total Cost	\$45,135,693

Sincerely;

MICHAEL BAKER JR., INC.



J. Brad Homan, P.E.
Project Manager

JBH/sam

911th Base (BRAC) Demolition Estimate

Opinion Of Probable Cost

The basis for this Opinion Of Probable Cost was established using the attached assumptions to provide the estimate for demolition of 911th Tactical Airlift Base.

The quantity surveyed for this project was as detailed as possible and indicative of the levels of design and documentation available, along with one site visit and site drawings showing outline of building structures and some utility locations which does not indicate a higher degree of accuracy than is actually possible. Where quantities are not available, assumptions have been made based on the historical information from a similar type or other recently estimated project(s).

The pricing used reflects the probable construction costs for the scheduled time period of the Project (mid 2007). This estimate assumes a competitive bid situation, and is an opinion of probable costs based on fair market value, and is not a prediction of the anticipated low bid. This estimate assumes no control over the cost of labor and materials, the General Contractor's or any subcontractor's method of determining price or competitive bidding and market conditions. This opinion of probable costs of construction is made on the basis of the experience, qualifications and best judgment of the Cost Estimator. There can be no guarantee that proposals, bid or actual construction costs will not vary from this or subsequent estimates. This estimate was prepared in accordance with generally accepted cost estimating practices and standards.

Estimate. 1. A prediction of the cost of performing work; compute; calculate cost of a job. 2. A value judgment based on experience. 3. An approximation of construction costs.

**911th Airlift Wing
Air Force Reserve Command**

Contractor Budget

Building Demo	\$10,750,000
Site Demo/Remed/Restore	\$13,000,000
Asbestos Abatement Structures	\$250,000
Sub Total	\$24,000,000

Engineering Budget

Engineering Design 8%	\$1,920,000
Consultant Fee 7%	\$1,680,000
Sub Total	\$3,600,000

Mark-ups

Sales Tax 7%	\$1,932,000
Overhead 10%	\$2,760,000
General Conditions 5%	\$1,380,000
Contractor Profit 10%	\$2,760,000
Contingency 10%	\$2,760,000
SIOH 5%	\$1,380,000
Sub Total	\$12,972,000

Owner's Indirect Budget

Owner's Indirect Cost 10%	\$2,400,000
Sub Total	\$2,400,000

Budget Total \$42,972,000

This budget estimate was generated utilizing PACES™ modeling software program developed by US Military and now operated by a private company called Earth Tech Inc. All cost were escalated calendar year 2007.