



Craftsman Book Company

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Creators of the First Construction Estimating Book On Disk

February 6, 2004

Mr. Steven J. Kanstoroom

Via Email and Facsimile

Re: Craftsman Book Product Differences;
Simsol Software Licensed Products

Dear Mr. Kanstoroom:

Per our conversation today, I can confirm that Simsol Software Inc. is licensed to use data from Craftsman's *2004 National Construction Estimator* which includes the following recommendations on pages 4 and 5:

"Costs in the labor column are for normal conditions: experienced craftsmen working on reasonably well-planned and managed new construction. . ."

"Add 30% to 50% on small jobs where fitting and matching of materials is required, adjacent surfaces have to be protected and the job site is occupied during construction."

"Add 25% to 50% for work done following a major flood, fire, earthquake, hurricane or tornado while skilled tradesmen are not readily available. Material costs may also be higher after a major disaster."

"No cost fits all jobs. Good estimates are custom made for a particular project and a single contractor through judgment, analysis and experience. . . . If you're using this book as your sole cost authority for contract bids, you're reading more into these pages than the editors intend."

Craftsman also publishes cost estimating databases for repair, remodeling and renovation work. But Simsol Software does not, at this time, license any such data from Craftsman.

Construction costs for repair, remodeling and renovation tasks are widely acknowledged in the industry to be higher than similar work on new construction tasks. Renovation and insurance repair work involves access, sequence and matching issues uncommon in new construction.

Access is often limited in repair work. It's easy to solvent weld PVC pipe and fittings – unless that pipe is installed in an 18" crawl space under existing floor joists. Work in tight quarters can reduce labor productivity to a tenth of what it might be otherwise.

Protecting Adjacent Surfaces. Repair work nearly always requires demolition – a task not easy to estimate before work begins. Demotion has to be done carefully to avoid doing additional damage. Materials may have to be removed in salvage condition, nearly always more expensive that removing for disposal. Materials removed in salvage condition may have to be repaired before re-installation because similar materials are not readily available.

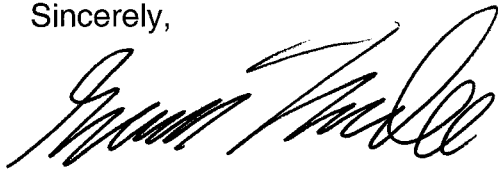
Sequence of Construction. In new construction, materials are generally installed in a logical order designed for ease of installation. Repair tradesmen seldom enjoy that luxury. For example, in new construction, it's common for ductwork to be completed before plumbing waste lines are run. In repair work, the duct may have to be replaced around an existing plumbing system.

The difference between new construction and repair work is like the difference between tightening a new nut and loosening an old nut. Allow a minute or two to tighten a flange nut under a new lavatory sink with a basin wrench. Backing heavily corroded flange nut off a similar lav could take an hour or more.

Finally, estimates in the National Construction Estimator are costs to the installing contractor and do not include the contractor's overhead and profit. Typical markup on repair projects is 25% to 50%.

Thank you for your interest best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Moselle". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Gary Moselle, Publisher
Craftsman Book Company