

Memo

TO: Honorable Waterford Township Board of Trustees

FROM: Julie Schaefer, Library Director

DATE: January 21, 2026

RE: Library Community Room Renovation Project - Construction Management Firm

In August 2025, MCD Architects was approved by Waterford Township Board of Trustees to provide A/E Design Services for the Library Community Room Renovation Project.

The next phase of the project is the selection of the Construction Management firm who will in turn choose the contractors and oversee the actual construction phase, as well as punch list and final clean-up for this project.

MCD Architects have solicited quotes from companies that they work with on projects such as ours and after a review of the companies who have indicated they are available to work within our specified time frame and project cost, are in support of our selection of Shaw Construction Management Company, located in Livonia Michigan.

Shaw Construction has done a lot of work with MCD Architects and are currently working on a project at Bacon Memorial Library in Wyandotte.

They provided the lowest total cost for their services, due to not charging for the Pre-construction Phase work. They also indicated they are able to get to work very quickly on this project and are aware of the Township's need to have this project completed in a 4 month period beginning by March 2026.

The Construction Management Company fee is based on a percentage cost (10%) of the total project which is estimated about \$200,000 total. In addition, to the CM percentage fee there are set jobsite labor costs that are paid such as field supervision, laborers or skilled trades.

The Community Room space is used for a variety of library programs, meeting room space, as well as a central voting location for the Township as of 2024. The need for more space as well as updated elements is clear. This meeting room was added in 1994 and other than carpeting replacement, there have been only minor upgrades to this space. This renovation will be a great opportunity to update, modernize and make this space a community destination.

Requested Board Action

Motion to approve the proposal submitted by Shaw Construction Management Company to serve in the capacity of Construction Management firm for the Library Community Room Renovation project.

Finally, request to move funds from 27190-97125-L0002 (Ubbes Donation) into 27190-97106 -L0002 to pay for the Construction Management fee portion of the project not to exceed 10% of the total project cost which is estimated at \$20,000 + staffing costs for site supervision and labor with approximately 5.5% contingency for a total of \$60,000.



Waterford Township Public Library Construction Manager Proposed Cost Comparison

January 6, 2026

	Braun	Seelbinder	Shaw	Summit
Waterford Township Public Library Renovation + Addition				
Construction Timeline - based on 4-month const. period				
Staffing and Pre-Construction	\$68,378.00	\$35,200.00	\$19,980.00	\$71,862.00
CM Fee (Based on \$200K of Construction Cost)	\$16,000.00	\$21,000.00	\$20,000.00	\$17,500.00
CM Fee Percentages	8.00%	10.50%	10.00%	8.75%
Total	\$84,378.00	\$56,200.00	\$39,980.00	\$89,362.00

Based on proposals received December 22, 2025



**CONSTRUCTION &
MANAGEMENT CO.**

COMMERCIAL & INDUSTRIAL
GENERAL CONTRACTORS



5168 Civic Center Dr.
Waterford Twp, MI 48329

Construction Management Services



**CONSTRUCTION &
MANAGEMENT CO.**

COMMERCIAL & INDUSTRIAL
GENERAL CONTRACTORS



**WATERFORD
TOWNSHIP**
LIBRARY

Shaw Construction and Management Livonia, Michigan

Index

- Section A. Shaw CM Introduction
- Section B. Proposal Requirements
 - a. Firm Overview
 - b. Project Team
 - c. Why Choose Shaw Construction & Management Company
 - d. Resumes
- Section C. Construction Management Approach
 - a. Pre-Construction Phase
 - b. Construction Phase
 - c. Post Construction Phase
 - d. Construction Management Advantage vs. Disadvantage
 - e. Business References
- Section D. General Conditions Coverage
- Section E. Exhibit A - Preliminary Budget Pricing
- Section F. Shaw CM 2024 Financial Statement



CONSTRUCTION & MANAGEMENT CO.

COMMERCIAL & INDUSTRIAL
GENERAL CONTRACTORS

Contact Information

Theodore V. Barker, AC President

13980 Farmington Road

Livonia, MI 48154

Phone: 734.425.6854

Email: tbarker@shawcm.com

Website: www.shawcm.com

Section A. Shaw CM Introduction



Construction Services & Property Management Services

The Shaw name is widely recognized as a provider of quality construction and management services and our reputation with customers, building officials, suppliers and sub-contractors is without equal. Clients find that our company is small enough to provide personal attention to their project, and at the same time, the staff at Shaw Construction and Management Co. brings talent and experience usually associated with much larger firms.

We have experience in all aspects of construction as well a range of projects, from 250,000 sq. ft. department stores, to sophisticated medical facilities, to specialized industrial and retail build-outs. This diversity has provided exposure to virtually every construction method, venerable and leading-edge materials, and various trades and equipment. Our experience has sparked creative solutions to the challenges associated with all types of projects.

Since 1984



CONSTRUCTION & MANAGEMENT CO.

COMMERCIAL & INDUSTRIAL
GENERAL CONTRACTORS

Section B. Firm Overview

SHAW CONSTRUCTION AND MANAGEMENT

Established in Livonia, MI in 1984

13980 Farmington Rd.

Livonia, MI

www.shawcm.com

Key Contact: Theodore V. Barker, AC
President
Phone: 734.425.6854
tbarker@shawcm.com

EMR Rating: .77
Builders License#: 2101187372 Exp. 5/31/2027
Federal ID: 38-2578895
MESC #: 1001362
Duns Number: 131431322
Worker's Comp Carrier: Auto Owners Insurance Co.

Insurance/Bonding: Troy Metro Agency
248.813.8540 (office)
Contact: Patrick Esper

Banking:	Community Financial Credit Union 500 Harvey Plymouth, MI 48170 734.453.1200 Contact: Melanie Szymanski	First Merchants Bank 41656 Ann Arbor Rd. Plymouth, MI 48170
-----------------	--	---

Accountant: Rehmann Robson
39300 West Twelve Mile Rd.
Farmington Hills, MI 48331
248.579.1100
Contact: Bryan Kearis

Project Team

Company Officers:

Theodore V. Barker, AC, President

Became President January 1, 2009, formerly Vice President A.Z. Shmina Construction, twenty years experience in all forms of commercial construction management, Past President and Current Board Member Washtenaw Contractors Association, Plymouth A.M. Rotarian and Vice President of Foundation, Vistage Member, Plymouth Canton Steelers Little League Football Unit Director, PARC Board of Director, Bachelors degree in business from Grand Valley State University.

Martin P. Rapson, Vice President

Employed by Shaw Construction and Management Co. since 1985. Eastern Michigan University. Project Management and oversees property management side of the company along with overseeing construction projects as a Project Manager/Project Executive.

Suzanne Provagna, Chief Financial Officer

Employed by Shaw companies since 1995. Finance Administration, University of Phoenix. Vistage Key Member. Oversees all office administration, account receivables, billings, and overall finances of Shaw Construction.

Shaw Construction and Management History

Our Company was incorporated in December of 1984, as a subsidiary of Shaw Electric Company. In 1996 Richard Barker and George Friess purchased the portion of stock owned by Shaw Electric and continued as equal partners. In 2009, long time employee, Vice-President Martin Rapson, and Mr. Barker's son, Theodore Barker, purchased Shaw from Mr. Barker and Mr. Friess while keeping the elder Barker employed as an estimator within the firm. Commercial and industrial general contracting/construction management/design build work constitutes a large portion of annual sales. However, we also provide property management services for ten buildings totaling slightly over one million square feet. Since 1984, we have displayed constant growth in both our construction operations and our property management services. Our office and warehouse facilities are located at Farmington Road and the I-96 expressway in Livonia, Michigan. Our facilities consist of a 4,000 square foot building together with one acre of yard space.

Why use Shaw Construction and Management?

Shaw Construction is the ideal choice for this project. While small enough to provide individual attention to the project, Shaw offers talent and experience normally only available with much larger firms. The resumes of the principles of Shaw reflect vast experience in all aspects of construction as well diversity of projects. From 250,000 square foot department stores to the most sophisticated medical facilities, fifteen years of completed work at University of Michigan, and unique industrial projects such as the hydrogen fuel cell development laboratory for Nissan. This diversity has provided exposure to virtually every construction method, construction materials, various trades, equipment and the resultant challenges associated with all types of projects.

Shaw Construction's reputation with customers, building officials, suppliers and sub-contractors is without equal and inquires with those who have interacted with Shaw is always encouraged.

Shaw Construction has yet another qualification somewhat unique. An aspect of Shaw's experience is that of a property manager. With just over One Million square foot of property under management (in which 600,000 square feet was constructed by Shaw Construction) over the last thirty plus years has provided invaluable experience with construction materials, methods, and workmanship over the long term. This qualification has taught us to always look at projects through the eyes of an owner and not just a contractor. Our ability to value engineer goes beyond price, because we know what has performed for buildings over the decades. These qualities have given us the capability to recognize the best values for all types of facilities.

PROPOSED TEAM:

Estimator/Assistant Project Manager- Shawn Kranick, AC, Employed since 2011, came to Shaw Construction in the beginning of 2011 out of Eastern Michigan's Construction Management Program and immediately landed a project at Schoolcraft Community College, which he successfully estimated, ran, and completed. He has successfully taken off, estimated, budgeted for many of Shaw's 200 plus estimated projects annually and currently just finished projects he estimated and ran at Gianna House, second X Golf Buildout and Advia Credit Union Headquarters in Port Huron. He acted as our Project Manager for renovations and tenant buildouts at 888 Big Beaver Building (\$4 Million in total contracts) in Troy, MI.. 30 hour OSHA certified. Washtenaw Contractors Association Epic Graduate.

Office Administration, Ann McNally, Office Administration, - Ann has been employed since 2012, came to Shaw Construction from another contracting firm and brings years of experience in accounts payable along with customer service. She would assist in this project in accounts receivable and payables along with contract management by issuing contracts, overseeing insurance requirements, and helping with the submittal process.

Project Manager/Project Executive- Theodore V. Barker, AC Running over 100 Million dollars in contracts as a Project Manager before coming to Shaw Construction in 2009. Since taking over Shaw Construction, he has stayed focused on developing large company practices in a smaller company atmosphere and has successfully grown Shaw Construction without disrupting its excellent reputation.

THEODORE V. BARKER, AC

41242 Crabtree Court • Plymouth, MI 48170 • 734.260.0758 • tbarker@shawcm.com

Committed to our customer satisfaction by delivering and leading the most qualified team who strives to maintain our reputation as an outstanding organization.

PROFESSIONAL EXPERIENCE

PRESIDENT, CEO, 2009-Present

Shaw Construction and Management Co., Livonia, MI

- ✓ Recently completed City of Plymouth Fountain, PARC Theater, Farwell Schools 2021 Bond Projects at High School, Middle School and Elementary School, Addition and Alterations to Salem South Lyon Library, Michigan School of Psychology Campus Expansion, Fox Hills Chrysler Alterations and Lou LaRiche Chevrolet Addition and Alterations, Our Lady of Good Counsel Sanctuary Remodel, Addition and Alterations to Lake Pointe Bible Church
- ✓ 2012 Washtenaw Contractors Association Pyramid Award Winner for Best Project Team Under \$3 Million Category for the Miracle League of Plymouth
- ✓ Continue to grow relationships with long time customers Nissan Technical Center, Denso International, Jimmy John's, Johnson Controls and Diebold all while introducing new clients like CBRE, Munch's Supply, and Valeo.
- ✓ Property Management firm for just over 1,000,000 sq. ft. of facilities in Michigan
- ✓ Developed and implemented an ongoing maintenance program for Community Financial Credit Union branches and main headquarters, this relationship stemmed off of three successful renovations

VICE PRESIDENT, 2008

PROJECT MANAGER, 2001 – 2008

SUPERINTENDENT, 1998-2001

A.Z. Shmina, Inc. – Brighton, MI

Selected Contributions:

- ✓ Project Manager for First Presbyterian Church of Plymouth, First United Methodist Church of Garden City, \$4 million in total contracts
- ✓ Project Manager for The Shul Synagogue, West Bloomfield, \$3.5 million
- ✓ Established a Construction Management Contract for \$5 million and under projects at University of Michigan, and used this contract method for multiple projects at School of Public Health, Electrical Engineering and Computer Science Building, and through out the University Health Care Campus
- ✓ Project Manager for University of Michigan; Michigan Stadium Renovation, Med Sci Buildings I & II Renovations, Observatory Lodge Renovation, Intramural Building, CCRB, Matthaei Botantacial Gardens Renovation, Angel Hall Auditorium C & D Renovations & Angel Hall LVA Student Affairs, North Campus Engineering Building I & II Optics, Radrick Farms Clubhouse Renovation, multiple elevator replacement projects, \$35 million in total contracts

13980 FARMINGTON ROAD ~ LIVONIA, MI 48154 ~ PHONE 734.425.6854

MANAGED.BUILT TOGETHER.SATISFACTION

- ✓ Project Manager for University of Michigan Hospital & Health Services; 4th Floor Neurosurgery Intensive Care Unit, Front Entrance Replacement Cancer Center and Taubman Center, Nuclear Pharmacy, Clinical Pharmacy, Autoclave, MRI Suite, High Dose Radiation and Generator Replacement, \$10 million in total contracts
- ✓ Project Manager for Ann Arbor Schools Bid Pack #6, Tappan Middle School Renovation, Burns Park Elementary Addition and Renovation, Angell Elementary Addition and Renovation, \$3.5 million in total Contracts
- ✓ Project Manager for Pittsfield Township Nature Preserve, \$1.5 million in total contract
- ✓ Project Manager for Orchard Lake Country Club Pool House and Lakelands Golf & Country Club Addition and Renovation, \$4 million in total contracts
- ✓ Project Manager for Toyota Tech Center Dyno Pit Replacement, and performed a variety of projects at the General Motors Tech Center, \$6 million in total contracts
- ✓ Superintendent for University of Michigan-Dearborn, Wellness Center, Education Building 2nd Floor Remodel, and Kindergarten Day Care Facility, \$3.5 Million in total contracts
- ✓ Superintendent for Grosse Ile Schools 1997 Bond Issue, \$20 million in total contracts
- ✓ Superintendent for Rockwood Municipal Buildings, \$7 million in total contracts

Education & Credentials

**B.A., Business Management, Seidman School of Business, Grand Valley State University
Allendale, MI**

30 Hour OSHA and CPR/First Aid Certified

Vistage Member

Washtenaw Contractors Association, Past President (2012-2016), Current Board Member

**Associated General Contractors Supervisory Program, Completed ten, ten-week courses covering
construction topics**

American Institute of Constructors, Associate Constructor, Michigan Chapter Board Member

Rotary Club of Plymouth A.M., Foundation Vice President 2016- Current

Lake Pointe Homeowner's Association, Vice President, Board Member 2012-2020

**Plymouth- Canton Steelers Head Football Coach- 23 years
Plymouth-Canton Steelers Football Unit Director 2017- 2020**

Michigan Youth Football and Cheer Conference, Secretary, Board Member 2017- Current

Canton High School Football Booster President 2019-2022

Precision Baseball Coach 2016- Present

Plymouth Arts and Recreation Center, Board of Directors

13980 FARMINGTON ROAD ~ LIVONIA, MI 48154 ~ PHONE 734.425.6854

MANAGED.BUILT TOGETHER.SATISFACTION

JAIMIE M. PROVAGNA

• jprovagna@shawcm.com • 734.377.7728 •

A highly motivated and career-minded professional possessing solid knowledge and expertise in the field of Property Management. Exceptionally strong analytical, organizational and problem solving skills. Demonstrated ability to interact with tenants in order to identify operational deficiencies and make suitable recommendations for building improvement.

PROFESSIONAL EXPERIENCE

Property Management 2015 - present Shaw Construction & Management Co.-Livonia, MI

Responsibilities handled:

- ✓ Property Manager for 850,000 sq. ft. of facilities in southeastern Michigan, ranging from office & medical
- ✓ Supervision of all accounting functions for Shaw Construction and seven managed properties
- ✓ Perform daily facilities management property review
- ✓ Introduce sustainability practices through the organization
- ✓ Oversee and coordination of personnel with daily related tasks
- ✓ Completed work orders and delegated tasks to co-workers / subcontract vendors
- ✓ Assist with existing and future tenants office expansion, relocations and floor plans
- ✓ Organize and assist with interior space design
- ✓ Project manager for tenant build outs
- ✓ Supervision of administrative facilities support staff
- ✓ Assist with strategic planning and projection of future earnings and expenses
- ✓ Coordinate and manage monthly reporting package

Selected Contributions

Shaw Construction & Management Co., Livonia MI

Responsibilities handled:

- ✓ First contact with tenants of managed properties
- ✓ Accounts receivable
- ✓ Administrative support to Shaw Management and Accounting Departments
- ✓ Managed Information Technology Systems Support
- ✓ Processing work orders, billing and administrative support and back-up for Chief Financial Officer

13980 FARMINGTON ROAD ~ LIVONIA, MI 48154 ~ PHONE 734.425.6854

MANAGED.BUILT TOGETHER.SATISFACTION

Distributed Systems Administrator

Yazaki North America – Canton, Michigan (March 1995 – September 2006)

Primarily responsible for the upkeep of JDE OneWorld XE CNC and ISeries. Administration consisting of one deployment server, one enterprise server, Citrix Metaframe Farm, three web servers and one generation server.

System Administrator for JDE World and JDE OneWorld XE

- Sole CNC Support for JD Edwards OneWorld XE warehouse software applications
- Implemented audit processes (deployment schedule, security, package cleanup, etc.) in order to insure that system is always running both effectively and efficiently.
- Proficient in all areas (OMW, ESU/ASU, package builds/deployments security, user support, etc.) of EnterpriseOne system administration
- Performed service pack upgrade from SP22 to SP23 and applied Update 7 on OneWorld XE.
- Install 2 Intel JAS Servers on WebSphere 5.X
- Responsible for planning and executing migration plans from World and Co-existence implementations
- System Security

System Administrator for ISeries.

- Administrator for an I-Series with multiple software packages such as (Turnover, DBU, Messenger Plus, EDI/Trusted Link, Future 3, JDEdwards World, Winspool and Kronos)
- PTF's and System Updates
- System Security
- Daily User administration

Network Administrator/Desktop Support Administrator

(Feb 1995 - May 2002)

Member of four-person team whose primary responsibilities were maintaining, upgrading, troubleshooting and implementing all hardware, software, network and telecommunications systems. Provided technical support for 2000+ users across numerous Windows environments.

Network Technician

- Created and administered user accounts in a Windows 2000 Server environment
- Administrated Windows 2000 security, group policies and package deployments
- Administrated Windows updates and deployment
- Resolved everyday connectivity, logon issues, printing problems, virus issues and other routine technical issues
- Network Security
- Windows 2000 desktop support for various software
- Installed workstations and imaged them using Symantec's ghost imaging software
- Citrix Farm for JDEdwards OneWorld Application
- Maintained Citrix Metaframe 1.8 Farm
- Create and determine metrics to track progress of projects
- Hardware Installation for desktops and servers

Education & Credentials

Bachelors of Science – Computer Information Systems, 2004

Madonna University, Livonia, MI

BOMI International – Facilities Management Administrator Designation– 2022

Washtenaw Contractors Association – Emerging Professional in Construction (EPIC) – 2022

30 Hour OSHA and CPR/First Aid Certified

13980 FARMINGTON ROAD ~ LIVONIA, MI 48154 ~ PHONE 734.425.6854

MANAGED.BUILT TOGETHER.SATISFACTION

SHAWN A. KRANICK

19945 29 Mile Rd • Ray, MI 48096 • 734.787.7003 • skranick@shawcm.com

PROFESSIONAL EXPERIENCE

ESTIMATOR/PROJECT MANAGER, 2012-Present

Shaw Construction & Management Co.-Livonia, MI

Successfully prepared estimates, project documents, mobilization for projects, and worked closely with project leaders to complete projects on time. Has worked along side other superintendents and project managers, as well as been the Superintendent throughout time with Shaw Construction.

Select Completed Projects:

Farwell Schools 2021 Bond
Gianna House Renovations
Shaw Electric& Systems Integrated Façade Renovation in Southfield, MI
888 Building, Troy, MI Multiple Projects totaling over \$3.5 Million
Fox Hills Chrysler Dealership in Plymouth, MI
Advia Credit Union Headquarters Renovations
Multiple Team Rehab Renovations

Responsibilities handled:

- Project Coordination (Materials, Subcontractors, Venders... ETC)
- Safety Coordinator
- Project Documentation (ie. Scheduling, Mobilization, RFI's, Change Orders, Safety Manual, Purchase Orders, Owners Manual, Close out Procedures.)
- Jobsite Cleanliness

Shaw Construction Internship, 2011- 2012

Shaw Construction & Management Co. – Livonia, MI

- Assisted in management of job sites
- Assisted in Estimating and Bidding
- Planning and Scheduling Contractor Tasks
- Request for Information and Change Orders
- Organized and controlled warehouse
- Job Site Cleanliness and Organization

Education & Credentials

Eastern Michigan University 2010-2012

Bachelors Degree in Construction Management

Graduated December 2011

Accreditations Earned:

- ✓ Washtenaw Contractors Association Emerging Professionals Program (EPIC) 2014-2015
- ✓ Member, Associated Constructor (AC) through The American International Contractors (AIC)

Certifications Earned:

- ✓ First Aid/ CPR/ AED
- ✓ 30 hour Occupational Safety and Health (OSHA) Certification

13980 FARMINGTON ROAD ~ LIVONIA, MI 48154 ~ PHONE 734.425.6854

MANAGED.BUILT TOGETHER.SATISFACTION



Section C. Construction Management

Pre-construction Phase

During this phase it has been our practice to not charge a fee or hourly cost. This portion of the project we consider part of our fee in the construction portion of the project. Shaw Construction wants to make sure we are as committed as you by giving our resources to you during this portion of the project and making us just as anxious to get the project started as you the owner.

Preconstruction Phase Services- Our preconstruction approach includes cost estimating, cost control, scheduling, and value engineering while protecting the Architects/Engineers design and the Owner's established budget.

- i. Document review
- ii. Establishment of budget
- iii. Master project takeoff and estimate
- iv. Determine phasing of project
- v. Master project schedule
- vi. Value engineering analysis
- vii. Obtain permits
- viii. Bid scope preparation and review
- ix. Subcontractor pre-qualification
- x. Bid period management
- xi. Bid opening
- xii. Post bid review
- xiii. Prepare and distribute contracts to sub-trades

Construction Phase

Shaw Construction and Management are typically paid a percentage of the value of the actual work performed, and we are proposing a fee of five to ten percent for this project. The fee is inclusive of all overhead and profit for the project and is based solely upon permit fees, subcontractor contracts, direct labor, equipment, and materials. The fee is exclusive of expenses such as background costs such as insurance, phones, vehicles, and other such costs not directly a part of actual construction. In general terms the percentage fee covers the costs of the involvement of the CM's Project Manager, Estimator(s), and office support staff. Jobsite labor provided by the CM such as field supervision, laborers, or skilled trades is billed to the project at previously agreed upon labor rates.

Construction Phase Services

- i. Establishment, maintenance and enforcement of a site specific safety policy for the project
- ii. Maintain project schedule with weekly updates
- iii. Daily supervision of work in field
- iv. Manage ongoing inspections of building for all trades
- v. Quality control enforcement for the entire project
- vi. Communication with Owner, Architect, and Subcontractors
- vii. Progress meetings, progress meeting minutes and distribution
- viii. Prepare periodic updates of project costs for Owner review
- ix. Administer timely payments to suppliers and sub trades with fully understood and complete payment application process
- x. Full management of subcontractor administration of pay requests, sworn statements and waivers of lien ensuring a lien free project at turn over to owner
- xi. Begin project closeout at beginning of construction phase

Post Construction Phase

Shaw Construction and Management is always working towards the completion of the project and prides ourselves on completing projects on time and within budget. We feel that it is important to finish the project strong and do not let punch lists linger on by concentrating on quality workmanship and up front problem solving throughout the project.

Post Construction Phase- Upon final completion the CM will obtain full waivers, guarantees, special warranties and close out documentation from all subcontractors and suppliers. These items will be organized and distributed to the Owner and Architect.

- i. Final inspections
- ii. Management and timely completion of punch lists
- iii. As built drawings
- iv. Obtain warranties and guarantees
- v. Owner maintenance manuals
- vi. Administer on-site training for Owners personnel
- vii. Complete closeout in a timely manner

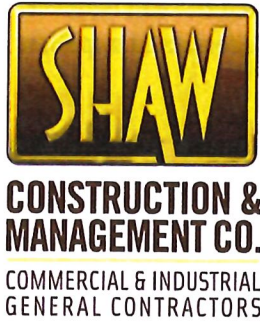
Construction Management – Advantages and Disadvantages

Advantages

- ≈ Cost savings on the project go back to the owner, contingency is figured into overall budget held by the CM
- ≈ Selection of CM is based more on qualifications and less on price, the owner has more involvement with the selection of the team they will be working with from the CM
- ≈ More collaborative approach for managing construction, input early on realities of cost, specifications, lead times, and materials to help protect the budget and schedule
- ≈ Construction company works with the Owner and Architect from the earliest stages to advise and develop a budget for the project.
- ≈ There is typically more flexibility for changes and defining the scope of work because the relationship of the Architect, Owner and CM is already well established which typically results in less change orders
- ≈ Agreed upon fee for overhead and profit, typically less than in a General Contractor bid
- ≈ Transparent on all cost and decisions, any and all cost are represented in depth thru receipts, subcontractor invoicing and records of Construction Managers staff and hours on site
- ≈ Owner can be as involved as much or as little as desired

Disadvantage

- ≈ Shared risk on having budget overruns
- ≈ Failing to carry out effective competitive tendering project trade package and time/budget




D. General Conditions Coverage

1. Bonds and Insurance- Bonds (TBD, 1.5%-2% of total project cost) and we would not recommend taking on the cost of bonds for a Construction Management project where the owner and contractor work very closely. Insurance carried by Shaw CM is covered in the CM Fee.
2. Permits- (TBD, 1.5%-2% of total project cost budget number) we believe the only inspections necessary outside of third party testing would be supplied by the Building Department thru out the project.
3. Inspections- Covered in the permit cost in Line 2, except third party testing as discussed in Line 4.
4. Quality Control/Testing- (TBD) We would recommend the Owner or Architect hold the contract of independent third party testing if necessary, but the project most likely would not require any third party testing or quality control.
5. Field Engineering / Field Supervision- (\$15,360.00) In the construction estimate we will budget for On-Site Supervision hours to complete the construction and post construction phase of the project. We invoice our Superintendent at \$78.00 per hour against the estimated hours provided in the budget. On site supervision is provided on an as needed basis but is generally provided at all times work is being performed on site. We also expect our Superintendents make good use of their presence on site by not only managing our subcontractors but also performing some labor in addition. For this project we would be needing little to no Field Engineering our staff would take care of.
6. Project Administration- Included in CM Fee
7. Administrative Expenses- Included in CM Fee

8. Field Office - (Budget \$0.00) Shaw CM would anticipate using a location on the site as a field office, so no cost would be associated with a field office. If a job trailer would be required we would supply it a minimum cost to deliver and set up the trailer.
9. Temporary Barrier / Controls- (Budget \$20,000.00) Budget number to work against to cover such cost as site protection, temporary protections, other associated cost with site security. Invoiced as used during project.
10. Site Security- covered in Line 9
11. Project Identification- cost as needed. If a site sign is wanted, we would propose carrying a budget number of \$750.00.
12. Temporary Utilities- (TBD) Porta Johns would be billed at cost if needed, \$200 per month per porta john and could go against the general conditions line item. Water and electric during the project would be supplied from the building to be paid direct by owner.
13. Temporary Construction / Maintenance- cover in Line 9.
14. Clean Up / Dumpsters (Budget \$6,570.00) – Clean-up of identifiable debris is required of the individual sub-trades and is to be included in their bids. However, dumpsters, general cleaning by Shaw Laborers, and final cleaning is an estimated cost and shown in the general conditions of the project budget. In the construction estimate, we will budget hours for labor to perform general clean up along with other misc. labor cost. Our labor rates are \$40.00 per hour for an Apprentice, \$60.00 per hour for General Laborer, \$74.00 per hour for a Carpenter. Dumpsters will be invoiced at cost, roughly \$550 per dumpster and we will figure 3 dumpsters over the course of this size of a project.
15. Reproductions- (in General Conditions) invoiced at cost, as needed.

Other Items:

We have included a line item of General Conditions cost of \$5,000.00. This would be a catch all for items like reproductions or misc. labor and materials needed to complete the project that may not be specified on other line items.

GENERAL ESTIMATE								
		Project Name: Waterford Township Public Library Addition/ Renovation Preliminary Pricing						
		Date: December 19, 2025						
		Estimator: Shawn Kranick						
Description	Quan.	U.P. Mat	U.P. Labor	U.P. Sub.	Material	Labor	Sub	Total
Mobilization	1				\$0.00	\$0.00	\$0.00	\$0.00
3rd Party Testing	1			\$5,000.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00
3rd Party Layout	1			\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$3,500.00
Excavation	1				\$0.00	\$0.00	\$0.00	\$0.00
Site Demo	1				\$0.00	\$0.00	\$0.00	\$0.00
Remove Concrete Sidewalk	1			\$750.00	\$0.00	\$0.00	\$750.00	\$750.00
Clear and Grub Site	600			\$5.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00
Rough Grade	600			\$5.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00
Final Grade	600			\$5.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00
Landscaping	1			\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$3,500.00
Spread Topsoil	1				\$0.00	\$0.00	\$0.00	\$0.00
Grass Seeding	1				\$0.00	\$0.00	\$0.00	\$0.00
Site Concrete	1				\$0.00	\$0.00	\$0.00	\$0.00
New Concrete Trench Footings	43			\$250.00	\$0.00	\$0.00	\$10,750.00	\$10,750.00
New Building SOG	260			\$16.00	\$0.00	\$0.00	\$4,160.00	\$4,160.00
Patch Concrete Where Electrical Floor Boxes Removed	2			\$1,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
Masonry	1				\$0.00	\$0.00	\$0.00	\$0.00
New CMU Wall w/ Waterproofing/ Flashing	48			\$650.00	\$0.00	\$0.00	\$31,200.00	\$31,200.00
New Brick Façade w/	672			\$35.00	\$0.00	\$0.00	\$23,520.00	\$23,520.00
Create New Opening in Exterior Wall	2			\$2,500.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00
Install Levelling Plates	1			\$1,500.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00
Install HM Door Frames	3			\$150.00	\$0.00	\$0.00	\$450.00	\$450.00
Structural Steel	1				\$0.00	\$0.00	\$0.00	\$0.00
New Steel Beams w/ Corrugated Metal Decking	506			\$25.00	\$0.00	\$0.00	\$12,650.00	\$12,650.00
Leveling Plates					\$0.00	\$0.00	\$0.00	\$0.00
Demolition	1				\$0.00	\$0.00	\$0.00	\$0.00
Remove Door, Frame and Hardware	17			\$100.00	\$0.00	\$0.00	\$1,700.00	\$1,700.00
Remove Operable Partition	1			\$1,500.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00
Remove Steel Columns and Beam	1			\$500.00	\$0.00	\$0.00	\$500.00	\$500.00
Remove Millwork	10			\$25.00	\$0.00	\$0.00	\$250.00	\$250.00
Remove and Salvage Fire Extinguishers	2			\$25.00	\$0.00	\$0.00	\$50.00	\$50.00
Remove ACT	85			\$1.00	\$0.00	\$0.00	\$85.00	\$85.00
Remove Light Fixtures	8			\$25.00	\$0.00	\$0.00	\$200.00	\$200.00
Remove Soffit around Operable Partition	28			\$25.00	\$0.00	\$0.00	\$700.00	\$700.00
Remove Flooring	1250			\$0.50	\$0.00	\$0.00	\$625.00	\$625.00
Remove Speakers	2			\$50.00	\$0.00	\$0.00	\$100.00	\$100.00
Remove Plumbing Fixture	1			\$100.00	\$0.00	\$0.00	\$100.00	\$100.00
Remove Light Bulbs	16			\$10.00	\$0.00	\$0.00	\$160.00	\$160.00
Carpentry	1				\$0.00	\$0.00	\$0.00	\$0.00
Repair Ceilings	20			\$50.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Patch Existing Wall and Ceilings	1			\$750.00	\$0.00	\$0.00	\$750.00	\$750.00
Frame New Interior Walls	50			\$120.00	\$0.00	\$0.00	\$6,000.00	\$6,000.00
Install New Door, Frame and Hardware	5			\$350.00	\$0.00	\$0.00	\$1,750.00	\$1,750.00
Infill Existing Opening	1			\$750.00	\$0.00	\$0.00	\$750.00	\$750.00
Wood Nailers for Exterior CMU walls	50			\$15.00	\$0.00	\$0.00	\$750.00	\$750.00
Fur-out CMU Wall drywall and Finish	50			\$75.00	\$0.00	\$0.00	\$3,750.00	\$3,750.00
Frame and Drywall Ceiling	350			\$15.00	\$0.00	\$0.00	\$5,250.00	\$5,250.00
Roofing	1				\$0.00	\$0.00	\$0.00	\$0.00
S&I New EPDM Roof w/ Gravel	506			\$14.00	\$0.00	\$0.00	\$7,084.00	\$7,084.00
New Metal Coping	1				\$0.00	\$0.00	\$0.00	\$0.00
Joint Sealants	1			\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Masonry, Door Frames, Concrete Joints	1				\$0.00	\$0.00	\$0.00	\$0.00
Insulation					\$0.00	\$0.00	\$0.00	\$0.00
New 2" Rigid Insulation	672			\$3.00	\$0.00	\$0.00	\$2,016.00	\$2,016.00
Doors, Frames and Hardware	1				\$0.00	\$0.00	\$0.00	\$0.00
New 3070 HM Door, Frame and Hardware	4			\$1,250.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00
New 3070 HM Door, Frame and Hardware w/ Sidelite	1			\$1,750.00	\$0.00	\$0.00	\$1,750.00	\$1,750.00
Glazing	1				\$0.00	\$0.00	\$0.00	\$0.00
New Glass for HM Sidelite	1			\$350.00	\$0.00	\$0.00	\$350.00	\$350.00

Painting	1			\$0.00	\$0.00	\$0.00	\$0.00
Paint Ceilings	206		\$2.00	\$0.00	\$0.00	\$412.00	\$412.00
Paint Walls	2500		\$1.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00
Paint Doors and Frames	8		\$200.00	\$0.00	\$0.00	\$1,600.00	\$1,600.00
Flooring	1			\$0.00	\$0.00	\$0.00	\$0.00
New Carpet	206		\$42.00	\$0.00	\$0.00	\$8,652.00	\$8,652.00
New LVT	100		\$9.00	\$0.00	\$0.00	\$900.00	\$900.00
New 4" Vinyl Base	250		\$4.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Miscellaneous	1			\$0.00	\$0.00	\$0.00	\$0.00
Reinstall Existing Fire Extinguisher Cabinets	2		\$200.00	\$0.00	\$0.00	\$400.00	\$400.00
S&I New Fabric Awning	1		\$3,500.00	\$0.00	\$0.00	\$3,500.00	\$3,500.00
Fire Suppression	1850		\$3.00	\$0.00	\$0.00	\$5,550.00	\$5,550.00
Drawings, Permits, Testing and Inspections	1			\$0.00	\$0.00	\$0.00	\$0.00
S&I New Fabric Awning	1850			\$0.00	\$0.00	\$0.00	\$0.00
Plumbing	1			\$0.00	\$0.00	\$0.00	\$0.00
Demo	1		\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
S&I New Kitchen Sink w/ Faucet and Disposal	1		\$2,500.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00
New Roof Sump	1		\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
HVAC	1			\$0.00	\$0.00	\$0.00	\$0.00
Demo	1		\$1,500.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00
Rework Existing System to Meet Code	1850		\$3.00	\$0.00	\$0.00	\$5,550.00	\$5,550.00
New Electric Heater	1		\$750.00	\$0.00	\$0.00	\$750.00	\$750.00
Electrical	1			\$0.00	\$0.00	\$0.00	\$0.00
Demo	1		\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
Relamp Existing Fixtures with LED	16		\$100.00	\$0.00	\$0.00	\$1,600.00	\$1,600.00
Replace Existing Floor Boxes	2		\$1,500.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00
<u>Power</u>	<u>1</u>			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Outlet for Microwave	1		\$350.00	\$0.00	\$0.00	\$350.00	\$350.00
Power for New Electric Heater	1		\$500.00	\$0.00	\$0.00	\$500.00	\$500.00
Power for Refrigerator	1		\$250.00	\$0.00	\$0.00	\$250.00	\$250.00
Power for Garbage Disposal	1		\$350.00	\$0.00	\$0.00	\$350.00	\$350.00
Power for New Screen	1		\$350.00	\$0.00	\$0.00	\$350.00	\$350.00
<u>Low Voltage Conduit</u>	<u>1</u>			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Conduit piping for New Data at New Screen	1		\$125.00	\$0.00	\$0.00	\$125.00	\$125.00
Conduit for New Climate Control	1		\$125.00	\$0.00	\$0.00	\$125.00	\$125.00
Conduit for Fire Alarm	1		\$125.00	\$0.00	\$0.00	\$125.00	\$125.00
<u>Lighting</u>	<u>1</u>			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
New Exterior Light Outside Book Drop	1		\$250.00	\$0.00	\$0.00	\$250.00	\$250.00
New 1x4 LED Ceiling Mounted Light Fixture	2		\$225.00	\$0.00	\$0.00	\$450.00	\$450.00
Ceiling Light Fixture at Center of Meeting room	1		\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
New Can Light	4		\$200.00	\$0.00	\$0.00	\$800.00	\$800.00
Fire Alarm	1850		\$2.50	\$0.00	\$0.00	\$4,625.00	\$4,625.00
Drawings Permits, Testing and Inspections	1			\$0.00	\$0.00	\$0.00	\$0.00
Rework Existing System to Meet Code	1850			\$0.00	\$0.00	\$0.00	\$0.00
TOTALS				\$0.00	\$0.00	\$209,864.00	\$209,864.00
<u>Miscellaneous:</u>							
General Conditions 2%	1	\$5,000.00	\$5,000.00	Total Mat, Labor, Sub/s \$209,864.00			
Permit 2%	1	\$5,000.00	\$5,000.00	Miscellaneous \$34,930.00			
Project Manager	40	\$90.00	\$3,600.00				
Supervision	140	\$84.00	\$11,760.00				
Laborer	70	\$66.00	\$4,620.00				
Equipment Rentals		\$1,500.00	\$0.00	Sub-Total \$244,794.00			
Final Cleaning	2	\$750.00	\$1,500.00				
			\$0.00				
Dumpster	3	\$650.00	\$1,950.00	Sub-Total \$244,794.00			
Site Protection/ Traffic Control	1	\$1,500.00	\$1,500.00	Overhead & Profit 10% \$24,479.40			
Total \$34,930.00							
<u>Alternates:</u>				Sub-Total + O.H. & Profit \$269,273.40			
				Bond 1.5% \$4,039.10			
				Estimate Total \$273,312.50			

Shaw Construction & Management Co.

Years Ended
December 31,
2024 and 2023

Financial
Statements
and
Supplementary
Information

Rehmann

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements for the Years Ended December 31, 2024 and 2023	
Balance Sheets	3
Statements of Income and Retained Earnings	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Independent Accountants' Report on Supplementary Information	14
Supplementary Information as of and for the Years Ended December 31, 2024 and 2023	15
Schedules of General and Administrative Expenses	16
Schedule of Earned Income on Uncompleted Contracts	17

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

June 11, 2025

Shareholders
Shaw Construction & Management Co.
Livonia, Michigan

We have reviewed the accompanying financial statements of **Shaw Construction & Management Co.** (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.



Independent Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Rehmann Lobach LLC

SHAW CONSTRUCTION & MANAGEMENT CO.

Balance Sheets

	December 31	
ASSETS	2024	2023
Current assets		
Cash	\$ 1,405,150	\$ 1,343,928
Contract receivables	2,894,230	2,836,390
Other receivable	36,352	36,615
Cost and estimated earnings in excess of billings on uncompleted contracts	612,253	418,481
Current portion of notes receivable	27,364	-
Total current assets	4,975,349	4,635,414
Notes receivable, net of current portion	75,950	-
Net property and equipment	807,762	824,161
Total assets	\$ 5,859,061	\$ 5,459,575
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,500,271	\$ 1,112,926
Accrued expenses	11,501	4,044
Accrued payroll and payroll taxes	259	17,045
Billings in excess of cost and estimated earnings on uncompleted contracts	54,843	449,353
Current portion of long-term debt	-	12,176
Total liabilities (equal to current liabilities)	1,566,874	1,595,544
Shareholders' equity		
Common stock, \$1 par value, 50,000 shares authorized; 1,034 shares issued and outstanding	1,034	1,034
Retained earnings	4,291,153	3,862,997
Total shareholders' equity	4,292,187	3,864,031
Total liabilities and shareholders' equity	\$ 5,859,061	\$ 5,459,575

See accompanying notes, which are an integral part of these financial statements, and independent accountants' review report.

SHAW CONSTRUCTION & MANAGEMENT CO.

Statements of Income and Retained Earnings

	Year Ended December 31			
	2024		2023	
	Amount	Percent of Revenue	Amount	Percent of Revenue
Revenue	\$ 22,743,569	100.0 %	\$ 19,906,580	100.0 %
Direct costs	<u>20,159,703</u>	<u>88.6</u>	<u>17,750,985</u>	<u>89.2</u>
Gross profit	2,583,866	11.4	2,155,595	10.8
General and administrative expenses	<u>1,725,565</u>	<u>7.6</u>	<u>1,451,766</u>	<u>7.4</u>
Income from operations	858,301	3.8	703,829	3.4
Other income (expense)				
Interest income	1,301	-	-	-
Gain (loss) on sale of property and equipment	1,017	-	(5,514)	-
Interest expense	<u>(196)</u>	<u>-</u>	<u>(2,817)</u>	<u>-</u>
Other income (expense), net	<u>2,122</u>	<u>-</u>	<u>(8,331)</u>	<u>-</u>
Net income	860,423	3.8 %	695,498	3.4 %
Retained earnings, beginning of year	3,862,997		3,352,499	
Distributions	<u>(432,267)</u>		<u>(185,000)</u>	
Retained earnings, end of year	<u>\$ 4,291,153</u>		<u>\$ 3,862,997</u>	

See accompanying notes, which are an integral part of these financial statements, and independent accountants' review report.

SHAW CONSTRUCTION & MANAGEMENT CO.

Statements of Cash Flows

	Year Ended December 31	
	2024	2023
Cash flows from operating activities		
Net income	\$ 860,423	\$ 695,498
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	145,747	118,554
Credit losses	418	-
(Gain) loss on sale of property and equipment	(1,017)	5,514
Changes in operating assets and liabilities which (used) provided cash		
Contract receivables	(58,258)	(252,899)
Other receivable	263	42,100
Cost and estimated earnings in excess of billings on uncompleted contracts	(193,772)	409,847
Accounts payable	387,345	(359,360)
Accrued expenses	7,457	(27,042)
Accrued payroll and payroll taxes	(16,786)	(6,604)
Billings in excess of cost and estimated earnings on uncompleted contracts	(394,510)	128,544
(Issuance) collection of notes receivable	(103,314)	8,684
Net change in cash from operating activities	633,996	762,836
Cash flows from investing activities		
Purchases of property and equipment	(182,331)	(171,793)
Proceeds from sale of property and equipment	54,000	20,000
Collection of shareholder notes receivable	-	77,074
Net change in cash from investing activities	(128,331)	(74,719)
Cash flows from financing activities		
Repayments of long-term debt	(12,176)	(23,372)
Shareholder distributions	(432,267)	(185,000)
Net change in cash from financing activities	(444,443)	(208,372)
Net change in cash	61,222	479,745
Cash, beginning of the year	1,343,928	864,183
Cash, end of year	\$ 1,405,150	\$ 1,343,928

See accompanying notes, which are an integral part of these financial statements, and independent accountants' review report.

SHAW CONSTRUCTION & MANAGEMENT CO.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Concentration Risks

Shaw Construction & Management Co., a Michigan S Corporation (the "Company"), operates as a general contractor specializing in construction services and property management provided to commercial and industrial customers in both the private and public sectors located throughout Michigan.

Contract work is generally performed under fixed price and cost-plus fee contracts. The length of the Company's contracts varies but typically ranges from 1 to 12 months in duration.

Approximately 25% of the contract revenues earned for 2024, was on projects with one customer. Contract receivables due from this customer compromised approximately 22% of the outstanding contract receivables at December 31, 2024. There was no customer concentration during 2023.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Because of the inherent uncertainties in estimating costs and certain changes to contract prices, it is at least reasonably possible that the Company's estimates of contract costs and revenues earned will change in the near term as further described in the *Revenue from Contracts with Customers* footnote below.

Cash

Cash consists of deposits in banks and cash on hand. The Company maintains cash balances at financial institutions that periodically exceed federally insured amounts. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of those deposits.

Revenue from Contracts with Customers

Revenue disaggregated by type is as follows for the years ended December 31:

	2024	2023
Construction contracts (recognized over time)	\$ 21,808,890	\$ 18,815,435
Property management (recognized over time)	186,944	170,881
Maintenance and repair services (recognized at a point in time)	747,735	920,264
Total	<u>\$ 22,743,569</u>	<u>\$ 19,906,580</u>

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Notes to Financial Statements

Contracts

The Company's construction contracts are classified into two categories based on how transaction prices are determined and revenue is recognized: fixed price contracts and cost-plus fee contracts. Transaction prices for fixed price contracts are determined on a lump-sum basis. Transaction prices for cost-plus fee contracts are determined by applying a profit margin to costs incurred on the contracts. Transaction prices for maintenance and repair services are based on labor incurred and materials utilized as services are performed at contracted rates.

Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service. The Company's construction contracts are considered to have a single performance obligation whereby the Company is required to integrate complex activities into a deliverable for the customer. In the rare instance when the Company has multiple performance obligations, the Company allocates the transaction price to each performance obligation using its best estimate of the standalone selling price of each distinct good or service in the contract. The standalone selling price is estimated using the expected costs plus margin approach for each performance obligation.

Recognition of Revenue Upon Satisfaction of Performance Obligations

The Company recognizes revenue on fixed price and cost-plus fee construction contracts over time because the Company's performance creates or enhances an asset that the customer controls. The Company recognizes construction revenue on fixed price contracts based on the amount of costs incurred as a percentage of the estimated total final costs of the contract. Revenue on cost-plus fee contracts is recognized based on the amount of costs incurred plus the related fee specified in the contract. This input method is used because management considers incurred contract costs to be the best available measure of progress towards complete satisfaction of performance obligations.

Revenue from property management services represents a single performance obligation with fees based on a fixed percentage of monthly rent collected from the tenants. Property management service revenue is recognized monthly as services are performed.

Revenue from maintenance and repair services in which the Company has the right to consideration from the customer, in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, is recognized at the point in time when maintenance and repair services are completed as these services are performed over a short duration of time.

Contract Costs

Contract costs include all direct material, labor, subcontract costs, and related costs of payroll taxes, employee benefits, and insurance, and those variable and fixed indirect costs related to contract performance such as indirect labor, supplies, tools, repairs, and depreciation. Bidding, administrative costs, and other pre-contract costs are charged to expense when incurred unless they are expected to be recovered from the customer.

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Notes to Financial Statements

Contract Estimates

Actual revenues and project costs can vary from original estimates due to changes in a variety of factors, including unforeseen or changed circumstances not included in the Company's cost estimates or covered by its contracts. The estimating process is based on the professional knowledge and experience of the Company's project managers and financial professionals. Changes in estimated revenues, costs, and profit are recorded in the period they are determined to be probable and can be reasonably estimated. Contract losses are recognized in full when losses are determined to be probable and can be reasonably estimated.

Changes in cost estimates on certain contracts may result in the issuance of change orders and/or claims. The Company recognizes amounts associated with change orders and claims as revenue if it is probable that the contract price will be adjusted and the amount of any such adjustment can be reliably estimated. Most of the Company's change orders are for services that are not distinct from an existing contract and are accounted for as part of an existing contract on a cumulative catch-up basis.

Variable consideration amounts, including allowances, performance incentives, shared savings, early pay discounts, and penalties, may also cause changes in contract estimates. Although rare, the Company may enter into contracts that contain liquidated damage clauses. The Company does not include amounts associated with liquidated damage clauses in contract estimates until it is probable that liquidated damages will occur. The amount of variable consideration is estimated based on the most likely amount that is deemed probable of realization. Contract consideration is adjusted for variable consideration when it is probable that a significant reversal of revenue will not occur in future periods. The Company provides assurance type warranties for defects in workmanship and materials utilized. The work is inspected by the customer prior to acceptance, therefore warranty claims have not historically been significant.

Contract Assets and Liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets include unbilled amounts from construction projects when revenues recognized under the cost-to-cost measure of progress exceed the amounts invoiced to customers. Contract assets are generally classified as current within the balance sheets as "cost and estimated earnings in excess of billings on uncompleted contracts." Contract liabilities arise when amounts invoiced to customers exceed revenues recognized under the cost-to-cost measure of progress. Contract liabilities are generally classified as current within the balance sheets as "billings in excess of cost and estimated earnings on uncompleted contracts." Management estimates an allowance for expected credit losses for contract assets based on the amount it expects to collect from customers, current market conditions, and forecasted economic and business environments. At December 31, 2024 and 2023, the allowance related to contract assets was not material.

SHAW CONSTRUCTION & MANAGEMENT CO.

Notes to Financial Statements

Contract Receivables

The Company extends credit in the normal course of performance of contracts with customers in the form of contract receivables. Contract receivables are based on contracted prices and billing terms, and are stated at the amount management expects to collect from balances outstanding at year-end. Generally, customers are invoiced on a monthly basis as work is performed. Normal contract receivables are due 30 days after the issuance of the invoice. Contract retentions are due 30 days after substantial completion of the project and a request for release of retention by the Company. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions, and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. At December 31, 2024 and 2023, the allowance related to these receivables was not material. The Company follows the practice of filing statutory liens on all construction projects where collection problems are anticipated. The liens serve as collateral for contract receivables.

Contract receivables were as follows for the years ended December 31:

	2024	2023
Beginning of year	\$ 2,836,390	\$ 2,583,491
End of year	\$ 2,894,230	\$ 2,836,390

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Land is carried at cost. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable.

Depreciation is computed using both the straight-line and accelerated methods over the estimated useful lives of the related assets, which range from 5 to 40 years.

Leases

The Company determines whether an arrangement with a vendor contains a lease at the arrangement's inception. If a lease is determined to exist, its related term is assessed at lease commencement, once the underlying asset is made available by the lessor for the Company's use. The Company's assessment of the lease term reflects the non-cancellable period of the lease. The Company will periodically have arrangements for equipment rentals with terms that are 12 months or less (referred to as a "short-term lease") in which fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the balance sheets. Variable lease cost, if any, is recognized as incurred for all leases.

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Notes to Financial Statements

Income Taxes

The shareholders have elected for the Company to be taxed as an "S" Corporation under the provisions of Internal Revenue Code Section 1362 whereby federal taxable income and certain tax credits are passed directly to the shareholders for inclusion in their personal tax returns. Some states and localities assess income taxes at the entity level for "S" Corporations. Though federal income taxes are not provided in the financial statements, applicable state and local income taxes, due to their relative insignificance are charged to general and administrative expenses.

Management has analyzed the Company's income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. As of December 31, 2024, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

In December 2021, Michigan approved a law allowing all pass-through entities to elect to be taxed at the entity level; the election is effective for tax years beginning on January 1, 2021. As a result of the Company making this election, distributions reported on the statements of income and retained earnings for 2024 and 2023 includes \$27,267 and \$35,000, respectively, of state taxes paid by the Company on behalf of its shareholders.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent balance sheet presented herein, through the date these financial statements were available to be issued.

2. CONTRACT RECEIVABLES

Contract receivables include the following billed amounts as of December 31:

	2024	2023
Completed projects	\$ 1,125,433	\$ 830,765
Progress billings on uncompleted contracts	1,619,121	1,785,329
Retention withheld until completion	<u>149,676</u>	<u>220,296</u>
Total	<u>\$ 2,894,230</u>	<u>\$ 2,836,390</u>

SHAW CONSTRUCTION & MANAGEMENT CO.

Notes to Financial Statements

3. NOTES RECEIVABLE

During 2024, the Company entered into notes receivable with certain customers related to their outstanding contracts receivable. The notes are due in monthly installments, including interest at rates ranging from 0.0% to 7.0%, through September 2040. The notes are unsecured. The outstanding notes receivable balance was \$103,314 at December 31, 2024. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers, based on the length of time the notes receivable have been outstanding, historical collection experience, current market conditions, and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. At December 31, 2024, the allowance related to these notes receivable was not material.

Scheduled annual principal maturities of notes receivable for each of the five years succeeding December 31, 2024, and thereafter, are summarized as follows:

Year	Amount
2025	\$ 27,364
2026	18,479
2027	4,200
2028	4,200
2029	4,200
Thereafter	<u>44,871</u>
Total	<u><u>\$ 103,314</u></u>

4. CONTRACT INFORMATION

Cost and estimated earnings, net of billings on uncompleted contracts are summarized as follows at December 31:

	2024	2023
Costs incurred on uncompleted contracts	\$ 14,232,857	\$ 9,135,813
Estimated earnings on uncompleted contracts	<u>1,618,673</u>	<u>865,482</u>
Revenue recognized	15,851,530	10,001,295
Billings to date	<u>(15,294,120)</u>	<u>(10,032,167)</u>
Cost and estimated earnings, net of billings on uncompleted contracts	<u><u>\$ 557,410</u></u>	<u><u>\$ (30,872)</u></u>

SHAW CONSTRUCTION & MANAGEMENT CO.

Notes to Financial Statements

Billings, net of costs and estimated earnings are as follow as of December 31:

	2024	2023	2022
Contract assets			
Cost and estimated earnings in excess of billings on uncompleted contracts	\$ 612,253	\$ 418,481	\$ 828,328
Contract liabilities			
Billings in excess of cost and estimated earnings on uncompleted contracts	(54,843)	(449,353)	(320,809)
Cost and estimated earnings, net of billings on uncompleted contracts	<u>\$ 557,410</u>	<u>\$ (30,872)</u>	<u>\$ 507,519</u>

5. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following components at December 31:

	2024	2023
Property and equipment		
Vehicles	\$ 981,927	\$ 935,089
Buildings	225,000	225,000
Equipment	197,425	172,724
Land	25,000	25,000
	<u>1,429,352</u>	<u>1,357,813</u>
Total cost	1,429,352	1,357,813
Less accumulated depreciation	<u>621,590</u>	<u>533,652</u>
Net property and equipment	<u>\$ 807,762</u>	<u>\$ 824,161</u>

Depreciation expense was \$145,747 and \$118,554 for 2024 and 2023, respectively.

6. DEBT

Short-term Bank Borrowings

The Company entered into a \$100,000 revolving line of credit with Community Financial Credit Union. Interest on any outstanding balance is payable monthly at the Wall Street Journal prime rate plus 0.5% (effective rate of 8.0% and 9.0% at December 31, 2024 and 2023, respectively). The line is secured by substantially all of the Company's assets and the personal guarantees of two of the Company's shareholders. The line of credit agreement contains certain customary covenants that require the Company to maintain minimum financial ratios and compliance with certain affirmations as defined in the credit agreement. The line matures on October 28, 2025. There was no balance outstanding on the revolving line of credit at December 31, 2024 and 2023.

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Notes to Financial Statements

Long-term Debt

Long-term debt consisted of a land contract that was due in monthly installments of \$2,062, including interest charged at 5.5%, through June 2024. The note was secured by the land and building associated with the land contract. The land contract was paid in full during 2024. The balance of the land contract was \$12,176 at December 31, 2023.

7. BUY-SELL AGREEMENT AND RELATED PARTY TRANSACTION

The Company has a buy-sell agreement with its shareholders that provides for the purchase of stock in the case of death, disability, retirement, or termination of employment of a shareholder and provides that the stock must be sold to the Company or remaining shareholders according to terms of the agreement.

On December 29, 2021, a shareholder of the Company entered into an agreement to sell 345 shares over a three year period. In 2021, 115 shares were sold to two other shareholders for a total of \$75,629. The Company loaned the shareholders the full amount to fund the purchase. Each loan is evidenced by a promissory note that bears interest at 1.9% per annum and is due and payable one year and one day from the date of the note. These were not paid back within the original specified terms, but were paid in full during 2023. During 2023, the Board of Directors approved the sale of 115 shares to two new shareholders for a total of \$75,629, with promissory notes due directly between buyers and seller of the shares. The value of the Company used to determine the share price of the shareholder's shares was deemed fixed at \$680,000 regardless of later changes to the agreed value under the buy-sell agreement. The 115 remaining shares of this shareholder will be purchased by the Company or shareholders, as required by the buy-sell agreement, in 2025, and will not be deemed retired until December 31 of the corresponding year.

8. 401(K) RETIREMENT PLAN

The Company maintains a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code. Under this plan, eligible employees are permitted to make pre-tax and Roth contributions into the retirement plan up to a maximum determined by the Internal Revenue Code. The Company's matching contribution is discretionary and equal to a uniform percentage of employee salary deferrals. Employer matching contributions to this plan were \$48,218 and \$33,819 for 2024 and 2023, respectively.

9. SUPPLEMENTAL CASH FLOWS

Cash paid for interest amounted to \$196 and \$2,817 in 2024 and 2023, respectively.

■ ■ ■ ■ ■



INDEPENDENT ACCOUNTANTS' REPORT
ON SUPPLEMENTARY INFORMATION

June 11, 2025

Shareholders
Shaw Construction & Management Co.
Livonia, Michigan

Our report on our reviews of the basic financial statements of ***Shaw Construction & Management Co.*** for the years ended December 31, 2024 and 2023 appears on pages one and two. Our reviews were made primarily for the purpose of expressing a conclusion whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. The accompanying supplementary information, which is presented only for purposes of additional analysis and not a required part of the basic financial statements, is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

The schedule of earned income on uncompleted contracts as of December 31, 2024 has been subjected to the review procedures applied in our review of the 2024 basic financial statements. We are not aware of any material modifications that should be made to such information. We have not audited the schedule of earned income on uncompleted contracts as of December 31, 2024, and do not express an opinion on such supplementary information.

We have not audited or reviewed the supplementary information included in the schedules of general and administrative expenses, and do not express an opinion, a conclusion, nor provide any assurance on it.

Rehmann Lobson LLC



**SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

SHAW CONSTRUCTION & MANAGEMENT CO.

■ Schedules of General and Administrative Expenses

	Year Ended December 31			
	2024		2023	
	Amount	Percent of Revenue	Amount	Percent of Revenue
Salaries and wages	\$ 920,798	4.0 %	\$ 834,839	4.2 %
Insurance	172,950	0.8	146,278	0.7
Office, administrative, and other	158,486	0.7	132,022	0.7
Depreciation	145,747	0.6	118,554	0.6
Professional fees	108,646	0.5	56,172	0.3
Selling	65,203	0.3	51,819	0.3
Taxes and licenses	63,855	0.3	50,315	0.3
Employee benefits and profit sharing	59,861	0.3	40,458	0.2
Vehicle	11,054	-	10,305	0.1
Travel	13,141	0.1	6,189	-
Utilities	5,406	-	4,815	-
Credit losses	418	-	-	-
Total general and administrative expenses	\$ 1,725,565	7.6 %	\$ 1,451,766	7.4 %

See independent accountants' report on supplementary information.

SHAW CONSTRUCTION & MANAGEMENT CO.

Schedule of Earned Income on Uncompleted Contracts

As of December 31, 2024

Job #	Contract Amount	Estimated Cost	Estimated Gross Profit	Cost to Date	Percentage of Completion	Profit Earned to Date	Revenue Earned to Date	Billed to Date	Costs and Estimated Earnings in Excess of Billings	Billings in Excess of Cost and Estimated Earnings
22153	\$ 6,573,181	\$ 6,011,174	\$ 562,007	\$ 5,837,435	97.1%	\$ 545,764	\$ 6,383,199	\$ 6,395,888	\$ -	\$ 12,689
2280	5,108,041	4,852,639	255,402	249,065	5.1%	13,109	262,174	160,267	101,907	-
2448	3,799,011	3,453,646	345,365	468,347	13.6%	46,835	515,182	474,356	40,826	-
24188	2,347,500	2,112,750	234,750	838	0.0%	93	931	-	931	-
2410	1,975,880	1,754,080	221,800	1,745,290	99.5%	220,690	1,965,980	1,939,307	26,673	-
2385	1,397,157	1,349,798	47,359	1,330,204	98.6%	46,672	1,376,876	1,392,069	-	15,193
23123	1,200,713	954,713	246,000	864,458	90.6%	222,744	1,087,202	1,018,870	68,332	-
2476	1,052,002	956,365	95,637	799,485	83.6%	79,948	879,433	878,690	743	-
24187	969,950	872,955	96,995	344	0.0%	39	383	-	383	-
2353	574,995	513,077	61,918	494,296	96.3%	59,652	553,948	550,304	3,644	-
2422	516,524	454,541	61,983	365,907	80.5%	49,897	415,804	407,200	8,604	-
23119	467,877	407,128	60,749	407,015	100.0%	60,731	467,746	467,877	-	131
24152	397,439	361,308	36,131	74,877	20.7%	7,488	82,365	71,143	11,222	-
2454	393,778	327,068	66,710	327,068	100.0%	66,710	393,778	365,648	28,130	-
2442	363,181	330,164	33,017	72,568	22.0%	7,257	79,825	75,262	4,563	-
2492	357,179	321,461	35,718	102,219	31.8%	11,358	113,577	98,725	14,852	-
2401	343,288	279,087	64,201	218,847	78.4%	50,343	269,190	238,321	30,869	-
2473	308,575	280,523	28,052	87,560	31.2%	8,756	96,316	71,479	24,837	-
24173	279,877	278,861	1,016	104,151	37.4%	380	104,531	104,770	-	239
24134	219,561	192,335	27,226	67,341	35.0%	9,532	76,873	76,831	42	-
24162	186,059	165,120	20,939	21,668	13.1%	2,748	24,416	-	24,416	-
24146	155,821	119,723	36,098	118,001	98.6%	35,579	153,580	155,821	-	2,241
24138	147,569	132,812	14,757	38,859	29.3%	4,318	43,177	10,970	32,207	-
24174	143,614	94,174	49,440	21,605	22.9%	11,343	32,948	-	32,948	-
24103	130,765	118,877	11,888	90,267	75.9%	9,027	99,294	71,578	27,716	-
24165	119,173	107,256	11,917	947	0.9%	106	1,053	-	1,053	-
24160	105,800	95,220	10,580	9,272	9.7%	1,030	10,302	8,000	2,302	-
24155	101,717	99,006	2,711	80,945	81.8%	2,216	83,161	97,062	-	13,901
Contracts less than \$100,000	665,272	571,268	94,004	233,978	41.0%	44,308	278,286	163,682	125,053	10,449
Total	\$ 30,401,499	\$ 27,567,129	\$ 2,834,370	\$ 14,232,857		\$ 1,618,673	\$ 15,851,530	\$ 15,294,120	\$ 612,253	\$ 54,843

See independent accountants' report on supplementary information.