

# Capital Improvement Project Update

May 31, 2016

# Timeline thus far

**March 10, 2015:** Marcellus voters approved a \$14.8 million capital improvement project

- The \$14.8 million estimate was provided by the district's architect and based on a general scope of work.

**March 2015 - September 2015:** Detailed project plans were developed

- Several meetings took place with the district's architect and staff members to design instructional and office spaces

**September 2015:** Detailed project plans were submitted to the State Education Department for their review and approval

**March 22, 2016:** Project was approved by the State Education Department

**April 11, 2016:** Bid packages were provided to prospective contractors

**May 19, 2016:** Bids were opened, results were compiled

**May 19, 2016 – Today:** District has been analyzing the bid results and determining its options moving forward

# Summary of current situation

- Bids for the district's \$14.8 million project were opened on May 19<sup>th</sup>
- The total estimate for construction costs was \$10.49 million
- Bids submitted by contractors for all desired components of the project were \$13.05 million

| Prime Contract     | Estimate     | Bid          | Difference Under/ <b>Over</b> |
|--------------------|--------------|--------------|-------------------------------|
| Site Work          | 470,000      | 588,885      | <b>118,885</b>                |
| General Contractor | 4,350,000    | 6,676,000    | <b>2,326,000</b>              |
| Mechanical         | 3,750,000    | 3,049,000    | 701,000                       |
| Plumbing           | 675,000      | 841,300      | <b>166,300</b>                |
| Electrical         | 1,250,000    | 1,898,000    | <b>648,000</b>                |
| Total              | \$10,495,000 | \$13,053,185 | <b>2,558,185</b>              |

# What have we learned since May 19th?

- Surveyed approximately 400 districts inquiring about their experience with recent bid openings.
  - Of 20 respondents, 7 were significantly over budget, 3 were at or near their budget, and 10 were under budget
- Some believe the economy has “turned the corner” and contractors are in peak demand
- Actual costs for some project components were significantly more than estimates provided by the architect

# Looking to the future, what options have been identified thus far?

## Option 1

Reduce the project's scope of work to reduce costs

## Option 2

Retain the current scope and reissue bids in December/January and hope bids come in less than May 19<sup>th</sup>

## Option 3

Seek voter authorization for additional funding

## Option 4

Use "value engineering" to identify areas where costs can be reduced without impacting the project's scope

## Option 5

Discontinue the project

# Looking to the future, how will we proceed from here?

1. Identify which option (or combination of options) is best for the school district
2. Establish a timeline that ensures a successful outcome
3. Provide the community with updates via Board of Education meetings and School News Notifier