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\textsuperscript{th}
• 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

<table>
<thead>
<tr>
<th>Prime Contract</th>
<th>Estimate</th>
<th>Bid</th>
<th>Difference Under/Over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Work</td>
<td>470,000</td>
<td>588,885</td>
<td>118,885</td>
</tr>
<tr>
<td>General Contractor</td>
<td>4,350,000</td>
<td>6,676,000</td>
<td>2,326,000</td>
</tr>
<tr>
<td>Mechanical</td>
<td>3,750,000</td>
<td>3,049,000</td>
<td>701,000</td>
</tr>
<tr>
<td>Plumbing</td>
<td>675,000</td>
<td>841,300</td>
<td>166,300</td>
</tr>
<tr>
<td>Electrical</td>
<td>1,250,000</td>
<td>1,898,000</td>
<td>648,000</td>
</tr>
<tr>
<td>Total</td>
<td>$10,495,000</td>
<td>$13,053,185</td>
<td>2,558,185</td>
</tr>
</tbody>
</table>
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 19th

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