

BOND UPDATE #57

04.24.20

Here's what's been going on this week:

1. The Bond Oversight Committee (BOC) continued its work on Tuesday, April 21. Committee members met using Zoom per social distancing guidelines. They covered some important ground, which I would like to share with you:
 - The Committee appointed alternate member Corey Bullard to the committee. Mr. Bullard is a project manager for a concrete contractor and has skills in logistics, communication, and project scheduling.
 - Committee members reviewed value engineering and schematic design documents for the new Ferndale High School.
 - CSG (Construction Services Group) and Cornerstone Construction delivered a report regarding budget and cost estimates. Both budget and cost estimates are on target for the Ferndale High School project.
 - The Committee received a report regarding the Safety and Security projects that are part of the bond package. Bidding on some projects is scheduled to begin by May 18, with a goal to complete projects this upcoming summer.
 - The Committee reviewed financial documents and project expenditures, which total \$1.174 million to date.
2. Now that the high school project has completed the Schematic Design phase, we have been able to develop cost estimates to show how the anticipated construction costs are tracking to the project budget. We have received cost estimates from both the design side (Dykeman) and the construction side (Cornerstone), which ended up within one percent of each other. That's good news as it raises our confidence level that the independent estimates were right on track.

The original Schematic Design cost estimate showed that we were over our target budget, which meant that the project team had to find ways to reduce costs. We used the Value Engineering Study (as discussed in previous updates) as a starting place for budget reductions, but the team ended up brainstorming additional ideas that allowed for cutting costs without directly reducing educational program space.

After evaluating over 120 ideas, the project team arrived at the following solution for bringing the construction costs back within budget:

- Take the "low hanging fruit" from the list of Value Engineering items – these are the items that bring value, but won't have significant impact on the look or operations of the school.

- Shift the auxiliary gym to a bid alternate. The main gym will remain in the base bid, and will provide the school with enough space for three basketball courts during physical education and two competition courts.
- Reuse the existing weight room building and keep its current use. We originally planned to converted it to house aquaculture and storage. By reusing the existing space, we can reduce the area of new construction that would have been used for a new weight room. Some of the seasonal athletic storage that was planned for the old weight room will be moved to the existing CTE building.
- Shift the new Greenhouse and Aquaculture building to a bid alternate. The existing facilities will be re-used as part of the base bid.

For the items moved to the list of bid alternates, we will receive competitive bids for each piece of work. We have high hopes that there will be enough budget reserves to be able to add back one or more of these items into the construction contract. However, it is impossible to know for sure at this time.

With the above approach, the estimated total cost of construction is actually *under* our target budget by \$384,000. The design team is moving along with the Design Development process, where the details of the design will come into focus. At the end of that phase, we will conduct another cost estimate to make sure we are tracking with our targeted project budget.

3. The next steps for the Ferndale High School project include completion of the Design Development phase between now and the end of July and completion of environmental review this upcoming summer.
4. The next meeting of the Bond Oversight Committee will take place May 19, 2020. For more information about the committee's work and about the projects that are part of the bond, visit the committee's webpage at this link:
<https://www.ferndalesd.org/community-oversight-committee>.

As always, feel free to reach out to me with questions or comments about any of this.

Linda