

## **Old Greenwich School Renovation Update**

Created by the OGS Building Committee

February 2023

The Old Greenwich School Building Committee (OGSBC) has put together the following materials to aid the Board of Education (BOE) and Board of Estimate & Taxation (BET) in their FY 2023-2024 budget deliberations for the Town of Greenwich. In addition to these materials, we would refer you to the OGSBC's meeting minutes posted online, the OGSBC's first quarterly report submitted to the Representative Town Meeting (RTM), the BET Chair, and the Office of the First Selectman on January 13, 2023, and the OGSBC Chairman's remarks at the BET public hearing on January 24, 2023.

If funding is provided in the FY 2023-2024 budget, the OGSBC will be ready to proceed with the renovation of Old Greenwich School as soon as spring/summer 2024. The OGSBC has an architect unanimously approved by the building committee (Silver Petrucelli & Associates) and the BOE, and an owners representative unanimously selected by the building committee (Morganti Group). Both have started work and the OGSBC will be posting a request for proposal for a Construction Manager at Risk (CMR) by the end of February 2023. We expect the CMR to be onboard by the end of April 2023.

The attached materials contain the following information:

- 1) Three options for the BOE and BET's consideration.
  - a. Option 1: Approve construction funds in the FY 2023-2024 budget to enable the renovation to begin as soon as spring/summer 2024. OGSBC could apply for state reimbursement in June 2023 and make the priority list in December 2023. Materials for submission will be ready by June, once we have completed the Schematic Design process. All other materials for submission are complete.
  - b. Option 2: Provide \$1,085,746 in incremental A&E funding in the FY 2023-2024 budget. OGSBC would complete pre-construction work by spring 2024 and apply for state reimbursement in June 2024 / priority list in December 2024. The renovation would be delayed until FY 2024-2025, with construction starting in spring/summer 2025.
  - c. Option 3: Provide \$0 funding in the FY 2023-2024 budget. Based on a cash flow analysis conducted with SP&A and Morganti, the OGSBC will run out of funding in ~October 2023 and all pre-construction work would stop until additional funding is provided. This would delay the renovation for two years, until FY 2025-2026.
  
- 2) An update to the project estimate for the OGS renovation. The 2020 OGS feasibility study and EdSpecs approved by the BOE in October 2021 limited the scope of the renovation project to the bare minimums, estimating in 2020 that the project would cost \$24.5 million in 2024. This 2020 estimate assumed 3% annual cost escalations, a 10% contingency, and an 18% allowance for soft costs. The OGSBC, in consultation with SP&A and Morganti, believes that the cost escalations and contingency assumptions are not in line with recent trends in the construction market nor the need for a 20% contingency to renovate a 121-year-old building. The mathematical adjustment of these assumptions (no change to project scope) shows that:
  - a. Option 1 (2024 construction start) would cost \$35.9 million (inclusive of A&E funding).
  - b. Option 2 (2025 construction start) would cost \$38.0 million (inclusive of A&E funding).
  - c. Option 3 (2026 construction start) would cost \$40.8 million (inclusive of A&E funding).With the OGSBC architect working in real time to develop the Schematic Design, we expect to begin to have professional estimates of construction funds in May 2023. We will be looking for savings on project costs but wanted decision makers to be aware of anticipated costs.
  
- 3) A cash flow analysis of OGSBC preconstruction funds. The \$1 million in A&E funding provided in FY 2022-2023 will be exhausted by October 2023 and the OGSBC will need an additional \$1,085,746 to complete the preconstruction process. This figure has been vetted with SP&A and Morganti and the building committee.

The OGSBC will be working to answer the questions raised at the BET Budget Committee meeting on February 9, 2023. We would certainly welcome an audience in the coming weeks with the BOE and the BET to discuss these materials and any outstanding questions.

A handwritten signature in black ink, appearing to read "J. Waters", is positioned above a horizontal line. The signature is fluid and cursive.

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James Waters  
Chairman, OGS Building Committee

**Old Greenwich School - Renovation Funding Options**

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	Option 1	Option 2	Option 3
<b>Description</b>	Complete A&E funding FY24 Construction funding FY24	Complete A&E funding FY24 Construction funding FY25	No funding FY24 Resume A&E funding FY25 Construction funding FY26
<b>Construction Timeline</b>			
Estimated Start Date	Spring/Summer 2024	Spring/Summer 2025	Spring/Summer 2026
Estimated Complete Date	Fall 2026	Fall 2027	Fall 2028
<b>Scope</b>	<p><u>2021 EdSpecs:</u>                      ADA compliance (OCR)                      Single secure entryway                      Stormwater/flooding/sewage                      Sprinkler system, fire code                      HVAC, air quality                      Replace 4 classrooms lost</p>		
<b>Cost</b>			
Illustrative Adjusted Project Estimate <sup>1</sup>	\$35,910,265	\$38,064,881	\$40,848,773
Less: FY 2023 A&E Appropriation (Soft Costs)	1,000,000	1,000,000	1,000,000
Less: Incremental A&E Estimate (Soft Costs) <sup>2</sup>	1,085,746	1,085,746	1,672,605
<b>Total Illustrative Construction Funding Costs</b>	<b>\$33,824,519</b>	<b>\$35,979,135</b>	<b>\$38,176,168</b>
Estimated State Reimbursement (~13% hard costs)	3,382,851	3,585,822	3,800,971
Net Cost to TOG after Reimbursement	\$30,441,668	\$32,393,313	\$34,375,197
<i>Increase in Project Estimate vs. FY24 Start</i>	NA	6.00%	13.75%
<i>Increase in Construction Funding Costs</i>	NA	6.37%	12.87%
<i>Increase in Net Cost to TOG vs. FY24 Start</i>	NA	6.41%	12.92%
<b>Impacts</b>			
Fiscal	Lowest cost to town	Medium cost to town	Highest cost to town
Project Progress	BC momentum sustained, project starts as planned in FY2024 as per Final FY2023 Capital Budget	BC momentum sustained FY24  Gap Jun-Dec 2024 while wait for state reimbursement process	BC funds exhausted Oct 2023  Work stops until incremental A&E funding FY25, construction funds FY26
OSCGR Process	Apply Jun 2023, priority list Dec 2023	Apply Jun 2024, priority list Dec 2024	Apply Jun 2025, priority list Dec 2025

**Footnotes & Assumptions**

1. Board of Education has not yet vetted these illustrative numbers, they are estimates put together by OGS Building Committee in February 2023 to keep scope same as EdSpecs and apply more realistic assumptions on cost escalations and contingency before design work begins. See "Project Estimate" tab on page 2. Methodology: Started with KGD 2020 feasibility study estimate of \$24.5 million, which included 3% cost escalation through 2024, a 10% contingency, and an 18% allowance for soft costs. From there, OGSBC de-escalated costs back to 2020. Adjustment reflects re-escalation of hard costs from 2020 feasibility base to 2024 at 10% in 2021, 15% in 2022, 12% in 2023, and 8% in 2024. Blended average over 4-year period is ~13.25%. Applied 20% contingency for renovation of 121-year-old building, and retained 18% allowance for soft costs. Continued cost escalation at 6% annually for Options 2 and 3. Estimate to be refined by project team over next few months as OGSBC goes through Schematic Design (February-June 2023) and Design Development (July-December 2023) process with detailed input from project team professionals.

2. See "Pre-construction Estimate & Timeline" tab. Figures based on input from project architect and owners rep on schedule and anticipated costs, includes 20% contingency. Option 3 applies 8% cost escalation plus \$500k incremental soft costs to reflect starting process over.

**Old Greenwich School Renovation - Project Estimate**

Created by OGS Building Committee  
February 2023

Year of Work	KG&D FMP	KG&D Feasibility Study			OGSBC Real-world Adjustment <sup>1</sup>		
	2018	2020	2020	2020	2023	2023	2023
Explanation		Cost in 2024 inclusive of 3% cost escalation, 10% contingency, 18% soft costs	Cost in 2024, show contingency and soft costs	Cost in 2020 after de-escalation	Cost in 2024 with more appropriate escalation, contingency	Cost in 2025 with more appropriate escalation, contingency	Cost in 2026 with more appropriate escalation, contingency
Scope	Fulsome Renovation	EdSpecs with Limited Scope	EdSpecs with Limited Scope	EdSpecs with Limited Scope	EdSpecs with Limited Scope	EdSpecs with Limited Scope	EdSpecs with Limited Scope
<u>Estimated Project Costs</u>							
Site Development	\$3,025,309	\$1,700,000	\$1,328,125	\$1,180,022	\$1,805,603	\$1,913,940	\$2,028,776
New Construction	10,700,000	6,900,000	5,390,625	4,789,500	7,328,625	7,768,343	8,234,444
Renovation	9,060,903	2,900,000	2,265,625	2,012,978	3,080,147	3,264,956	3,460,853
Infrastructure	15,848,542	13,000,000	10,156,250	9,023,697	13,807,555	14,636,008	15,514,169
Contingency	Not broken out	Not broken out	1,914,063	1,700,620	5,204,386	5,516,649	5,847,648
Soft Cost Allowance	Not broken out	Not broken out	3,445,313	3,061,116	4,683,948	4,964,984	5,762,883
Estimated Cost	\$38,634,754	\$24,500,000	\$24,500,000	\$21,767,933	\$35,910,265	\$38,064,881	\$40,848,773
Estimated Reimbursement (~13% hard costs)		\$3,185,000	\$2,488,281	\$2,210,806	\$3,382,851	\$3,585,822	\$3,800,971
<u>% of Total</u>							
Site Development	7.8%	6.9%	5.4%	5.4%	5.0%	5.0%	5.0%
New Construction	27.7%	28.2%	22.0%	22.0%	20.4%	20.4%	20.2%
Renovation	23.5%	11.8%	9.2%	9.2%	8.6%	8.6%	8.5%
Infrastructure	41.0%	53.1%	41.5%	41.5%	38.5%	38.5%	38.0%
Contingency	Not broken out	Not broken out	7.8%	7.8%	14.5%	14.5%	14.3%
Soft Cost Allowance	Not broken out	Not broken out	14.1%	14.1%	13.0%	13.0%	14.1%
Estimated Cost	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Assumptions</u>							
Annual Cost Escalation <sup>2</sup>	NA	3.0%	3.0%	3.0%	13.3%	6.0%	6.0%
Contingency	NA	10.0%	10.0%	10.0%	20.0%	20.0%	20.0%
Soft Cost Allowance		18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
State Reimbursement (Hard Costs Only)		13.0%	13.0%	13.0%	13.0%	13.0%	13.0%

Footnotes & Assumptions

1. Board of Education has not yet vetted these illustrative numbers, they are estimates put together by OGS Building Committee in February 2023 to keep scope same as EdSpecs and apply more realistic assumptions on cost escalations and contingency before design work begins. See "Project Estimate" tab on page 2. Methodology: Started with KGD 2020 feasibility study estimate of \$24.5 million, which included 3% cost escalation through 2024, a 10% contingency, and an 18% allowance for soft costs. From there, OGSBC de-escalated costs back to 2020. Adjustment reflects re-escalation of hard costs from 2020 feasibility base to 2024 at 10% in 2021, 15% in 2022, 12% in 2023, and 8% in 2024. Blended average over 4-year period is ~13.25%. Applied 20% contingency for renovation of 121-year-old building, and retained 18% allowance for soft costs. Continued cost escalation at 6% annually for Options 2 and 3. Estimate to be refined by project team over next few months as OGSBC goes through Schematic Design (February-June 2023) and Design Development (July-December 2023) process with detailed input from project team professionals.

2. Assumption on actual annual escalation of hard costs from 2020-2024 provided with input from project owners rep (Morganti Group) and architect (Silver Petrucelli & Associates). Their experience indicates hard cost escalations of 10% in 2021, 15% in 2022, 12% in 2023, and 8% in 2024. Blended average over 4 year period is 13.25%. Assume a more "return to normal" escalation of 6% in 2025 and 6% in 2026.

**Old Greenwich School Building Committee - Pre-Construction Estimate & Timeline**  
February 2023

OGS Pre-Construction Process & Cash Flow	FY2023 (July 1, 2022 - June 30, 2023)							FY 2024 (July 1, 2023 - June 30, 2024)												A&E Grand Total Budget	A&E Items During CX	
	January	February	March	April	May	June	FY23 Total	July	August	September	October	November	December	January	February	March	April	May	June			FY24 Total
<i>OGSBC Schedule Milestones (as of February 2023)</i>	Schematic Design								Design Development <sup>1</sup>					Construction Documents <sup>2</sup>								
	OSCGR <sup>1</sup>								Local Land Use Approvals (ARC, P&Z, Wetlands, etc) <sup>2</sup>					Bidding & Award <sup>1</sup>								
<b>Architectural Fees During Pre-Construction Process</b>																						
Land Use Approvals							\$0	2,874	2,874	2,874	2,874	2,874	2,874							\$17,243	\$17,243	\$0
Schematic Design		19,453	19,453	19,453	19,453	19,453	97,265													0	97,265	0
Design Development							0	64,880	64,880	64,880	64,880	64,880	64,880							389,278	389,278	0
Construction Documents							0							83,938	83,938	83,938	83,938			335,753	335,753	0
Bidding & Award <sup>1</sup>							0							6,392	6,392	6,392	6,392	6,392	6,392	0	38,349	38,349
FF&E							0			9,587	9,587									19,175	19,175	19,175
Demolition & Abatement						9,092	9,092													9,092	9,092	18,183
Construction Administration							0													0	0	325,970
Reimbursables		500	500	500	500	500	2,500	500	500	500	500	500	500	500	500	500	500	500	500	6,000	8,500	31,500
Net Zero / LEED							0													0	0	??
Technology Design							0													0	0	15,000
Close Out							0													0	0	6,393
<b>Architectural Monthly Total</b>	<b>\$0</b>	<b>\$19,953</b>	<b>\$19,953</b>	<b>\$19,953</b>	<b>\$19,953</b>	<b>\$29,045</b>	<b>\$108,857</b>	<b>\$68,254</b>	<b>\$68,254</b>	<b>\$77,841</b>	<b>\$77,841</b>	<b>\$68,254</b>	<b>\$68,254</b>	<b>\$90,830</b>	<b>\$90,830</b>	<b>\$90,830</b>	<b>\$90,830</b>	<b>\$6,892</b>	<b>\$15,983</b>	<b>\$814,889</b>	<b>\$923,746</b>	<b>\$398,038</b>
<b>Additional Project Fees During Pre-Construction Process</b>																						
Owner's Representative		\$5,000	\$15,000	\$15,000	\$15,000	\$15,000	\$65,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$180,000	\$245,000	??
Legal		5,000	5,000	5,000			15,000													0	15,000	??
Commissioning						3,000	3,000	1,500		3,000		1,500			3,000				9,000	12,000	??	
Survey (SP&A Add-Alternate)		11,667	11,667	11,667			35,000													0	35,000	0
Site Enviro Phase I Study (SP&A Add-Alternate)			10,000				10,000													0	10,000	0
Site Enviro Phase II Study (SP&A Add-Alternate?)						10,000	10,000		15,000											15,000	25,000	0
Geotechnical Soil Borings (SP&A Add-Alternate)			10,000	10,000			20,000													0	20,000	0
Site Enviro Soil Remediation Design			10,000	25,000			35,000													0	35,000	0
Building HazMat Survey / Report			10,000	10,000	10,000		30,000													0	30,000	0
HazMat Abatement Design / Drawings		10,000	10,000	10,000			30,000	10,000	10,000						10,000	10,000				40,000	70,000	0
Third Party Code Review							0			25,000										25,000	25,000	0
CM Preconstruction					15,000	15,000	30,000	15,000	15,000	15,000	15,000	20,000	15,000	15,000	15,000	20,000	15,000	15,000	15,000	190,000	220,000	0
Structural Steel PreDetailing							0			25,000										25,000	25,000	0
Concrete Rebar PreDetailing							0			10,000										10,000	10,000	0
Printing					1,000	1,000	2,000			2,000						2,000				4,000	5,000	??
Traffic Study					20,000	20,000	40,000													0	40,000	0
20% Contingency / Owner Directed Add'l Services		20,000	20,000	20,000	20,000	20,000	100,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	340,000	TBD
<b>Additional Project Fees Monthly Total</b>	<b>\$0</b>	<b>\$51,667</b>	<b>\$91,667</b>	<b>\$106,667</b>	<b>\$94,000</b>	<b>\$80,000</b>	<b>\$424,000</b>	<b>\$51,500</b>	<b>\$75,000</b>	<b>\$95,000</b>	<b>\$80,000</b>	<b>\$55,000</b>	<b>\$51,500</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$70,000</b>	<b>\$60,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>738,000</b>	<b>1,162,000</b>	<b>0</b>
<b>A&amp;E Combined Monthly Total</b>	<b>\$0</b>	<b>\$71,620</b>	<b>\$111,620</b>	<b>\$126,620</b>	<b>\$113,953</b>	<b>\$109,045</b>	<b>\$532,857</b>	<b>\$119,754</b>	<b>\$143,254</b>	<b>\$172,841</b>	<b>\$157,841</b>	<b>\$123,254</b>	<b>\$119,754</b>	<b>\$140,830</b>	<b>\$140,830</b>	<b>\$160,830</b>	<b>\$150,830</b>	<b>\$56,892</b>	<b>\$65,983</b>	<b>\$1,552,889</b>	<b>\$2,085,746</b>	<b>\$398,038</b>
Cumulative Costs	\$0	\$71,620	\$183,239	\$309,859	\$423,812	\$532,857		\$652,610	\$795,864	\$968,704	\$1,126,545	\$1,249,799	\$1,369,552	\$1,510,382	\$1,651,212	\$1,812,041	\$1,962,871	\$2,019,763	\$2,085,746			
Remaining from FY23 OGS A&E Appropriation	1,000,000	928,380	816,761	690,141	576,188	467,144		347,390	204,137	31,296	(126,545)	(249,799)	(369,552)	(510,382)	(651,212)	(812,041)	(962,871)	(1,019,763)	(1,085,746)			

<b>Total A&amp;E Pre-Construction Funding Required</b>	<b>\$2,085,746</b>
<b>A&amp;E Funding Appropriated in FY23</b>	<b>\$1,000,000</b>
<b>Incremental A&amp;E Funding Required</b>	<b>\$1,085,746</b>

Brief History of Previous OGS A&E Estimates	Date	\$	Δ Actual	% Actual
FY2023 Superintendent Proposed A&E for OGS	Nov-21	\$1,800,000	(\$285,746)	(13.7%)
FY2023 Board of Education Approved A&E for OGS	Jan-22	1,500,000	(\$585,746)	(28.1%)
FY2023 BET Approved A&E for OGS	Apr-22	1,000,000	(\$1,085,746)	(52.1%)

**Footnotes**

1. If construction funding not approved for FY2024, would be delayed by one year
2. If incremental A&E not approved for FY24, would be delayed until A&E funds approved