

Greater Fall River Vocational School District  
MSBA School Building Committee Minutes  
251 Stonehaven Road  
Fall River, MA 02723  
January 24, 2023

In attendance:

Paul Beaudoin (remote)	<b>Donald DiBiasio, Chair</b>	Decio Matos
<b>Tina Bell</b>	Kathryn Dufour	<b>Joan Menard</b>
<b>Glenn Benevides</b>	<b>Ed Hill</b>	<b>Debbie Pacheco</b>
<b>Brian Bentley</b>	<b>Paul Jennings, Vice Chair</b>	<b>Andrew Rebello</b>
Myles Brilhante	<b>Deborah Kenney</b>	<b>Carl Sawejko</b>
Emanuel Botelho	<b>Paul Kitchen (5:38 pm)</b>	<b>Maria Torres</b>
<b>Rebecca Collins</b>	<b>Steven Kitchin</b>	<b>Katie Warren</b>
Lisa Desrosiers (remote)	Thomas Librera	
<b>Donald DiBiasio, Chair</b>		

Also in attendance:

Tim Alix, Colliers	Greg Joynt, KBA
Kevin Chamberland, Suffolk	Craig Olsen, KBA
Paul Dominov, KBA	Christian Riordan, Suffolk
Erin Kenney, Suffolk	

Absent:

Neil Arruda  
**Tracy Priestner**  
Aaron Soares

**\*BOLD – Voting Member**

Mr. DiBiasio called the meeting to order at 5:32 pm

Mr. DiBiasio called for a roll call.

Mr. DiBiasio called for a motion to approve the December 1, 2022 meeting minutes as presented.

It was moved by Mrs. Torres, seconded by Mr. Hill and voted unanimously to dispense with the reading of the December 1, 2022 minutes and approve them, as recorded.

Mr. DiBiasio informed the members that the estimators have finished reconciling project estimates and they are not on budget. The team is working hard to come up with alternatives and savings to balance the budget. They are trying to get the project within budget and will report back within the next two weeks.

Mr. DiBiasio asked the Suffolk Construction representatives to introduce themselves.

Mr. Joynt presented a slideshow which included topics of discussion such as Suffolk Construction Introduction, project budget update, and project schedule update. Mr. Joynt provided an overview of what has been happening since the last meeting.

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The CM at Risk has been selected and they have been working on estimates. The District has received a \$5 million dollars Capital Skills grant which will be used to purchase some equipment and potentially some construction costs. The project estimates have been completed and reconciled. KBA and Suffolk have completed an independent cost estimate. Upon reconciliation of both estimates, it was determined that the project came in over budget. The team has been looking at Value Engineering, going back to design and looking at the high cost items to determine what can be done to come up with some savings.

Mr. Joynt stated that the internal design team and individual group meetings will continue. Meetings with local agencies and departments will begin after Value Management. The project has been entered into the MassSave Energy rebate program. Construction Documents work is ongoing. Coordination meetings with the OPM and CM will continue to take place. Procurement will be an important phase to identify some savings for the project.

Mr. Joynt provided an overview of the reconciled cost estimates. He stated that although an escalation percentage was included in the schematic design package, the current escalation has surpassed any projections and accounts for about 90% of the budget shortfall.

Mr. DiBiasio wanted to make sure the members understood that escalation was factored in the original estimate that was submitted to MSBA. Current market conditions and the rise of escalation have contributed to the budget deficit.

Mr. Joynt stated that escalation is still built in the current estimates and until mid-construction. Mr. Joynt provided examples of materials (concrete, steel, aluminum windows, glass, etc.) that escalation has increased the cost of these materials. Mr. Joynt further stated that due to the construction market still being very active, bids are coming in much higher than anticipated.

Mr. Matos asked if there are any indicators that the market is slowing down.

Mr. Joynt stated that historically the market has leveled off but not gone down. If the market does go down, there is a potential for some bid savings. The team has the availability to make decisions throughout the project on some things but there are going to be items that will require some very difficult decisions in order to move the project forward.

Mr. Joynt provided a comparison of other MSBA approved projects that are in the same budgetary situation as the Diman project.

Mr. Alix stated that through the MSBA process the estimates for the project were locked in about six months before receiving the final MSBA approval and before there was a significant increase in escalation. Mr. Alix further stated that he has been in communication with MSBA regarding the possibility of receiving additional funds. Any additional funds received would impact the original MSBA grant and the reimbursement

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amount would be lowered. The next milestone is to submit the design development package to MSBA. Once they review it, approval is needed to move forward with the project. The estimates need to be on target for MSBA submission.

There was further discussion regarding similar projects facing the same budgetary concerns.

Mr. Joynt stated that a commitment was made to Diman and the sending communities. The building's aesthetics, quality and student enrollment will be maintained. The team will have to be creative and use strategies to balance the budget and potentially add things back in. Value Engineering (VE) is often used to find alternative ways to reduce costs. Construction alternates are strategies that allow to segment off portions of the work and be put back in at a later time. The alternative cost effective materials is another strategy that is being used. This is when a material is replaced with a more cost effective item which doesn't affect quality. The other strategy is to investigate some created solutions such as grant funds that could be used to purchase items outside of contract.

Mr. Joynt stated that through Value Management the team has identified about \$29,778,473 million dollars in cuts. In order to balance the budget for MSBA submission, an additional \$24,453,822 million dollars need to be cut.

Mr. Alix stated that by balancing the budget is necessary in order to submit to MSBA. Mr. Alix further stated that there will be two more rounds of estimates prior to starting construction which could provide some savings if market conditions improve. Adjustments need to be made now, as it becomes more difficult as the project moves along.

There was further discussion on the cuts that need to take place in order to balance the budget. The concern is that these cuts will affect the quality of the building and the educational experience that the new building was going to provide to the students.

Mr. Joynt stated that the goal is to make the cuts now and move through the process without further cuts.

Mr. Joynt provided a construction timeline update. He stated that due to the reconciliation of the budget it is pushing the schedule by about a month but is hopeful that time can be recovered.

Ms. Bell asked what items have been cut so far and would a list of cuts be made available.

Mr. Joynt stated the no cuts have been made yet. The team has put together of suggested cuts and will be presenting them to the committee for approval. A list will be made available to the members.

There was further discussion on what cuts need to be made to balance the budget. Concerns raised were: are the cuts being made at this time enough to move the project forward? Are the current estimates guaranteed by

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the CM? How are other districts with similar projects dealing with budget deficits? Will MSBA increase their reimbursement rate? Can the district apply for grants?

Mr. Joynt stated that the team is working hard and want to be very transparent but cannot guarantee that there will not be a need for additional cuts. Mr. Joynt also stated that the district will receive 100% of the MassSave rebate funds. Grant funds can be used to purchase equipment that can be brought into the new building. Grant funds used for construction costs will be deducted from MSBA funding.

Mr. Olsen stated that MSBA has raised the reimbursement rate but the Diman project does not qualify as it has been approved and locked in.

Mr. Alix stated that MSBA has been meeting with OPM's and are gathering information but has not heard of any proposed additional funding.

Mr. Chamberland stated that early bidding and pre-purchasing of materials will be key to attain savings.

Mrs. Kenney asked if demolition could be prolonged due to its cost.

Mr. Joynt stated that MSBA will not issue reimbursement until the project is closed.

Mrs. Torres asked what the savings would be if GeoThermal was eliminated.

Mr. Joynt stated that it would be roughly \$12 million dollars but gas is still needed for the project. New energy codes would need to be met or the building permit will not be issued. We would also lose the extra 2% reimbursement from MSBA and the MassSave rebate. In the long run, minimal savings would be gained.

Mr. Kitchin left the meeting at 6:46 PM

Ms. Kenney stated that the Suffolk Construction team is looking forward to getting started on the project and have been assisting KBA and Colliers in balancing the budget.

The next meeting will be on Tuesday, February 7, 2023 at 5:30 PM.

It was moved by Mr. Jennings, seconded by Ms. Bell and voted unanimously to adjourn the meeting at 6:48 PM.

Respectfully submitted,

*Helena S. Neves*

Helena S. Neves, Executive Secretary

Materials:

December 1, 2022 minutes