

Greater Fall River Vocational School District
MSBA Oversight Committee Minutes
251 Stonehaven Road, Fall River, MA 02723
January 23, 2023

The meeting was called to order at 3:38 p.m. by Chairman Donald DiBiasio, with the following persons in attendance: Paul Jennings, Fr. Jay Mello, Brian Bentley, Rebecca Collins, Tim Alix (joined 4:00 pm), Glenn Benevides (joined 3:48 pm) and Gregory Joynt.

Also in attendance were: Attorney Brillhante, Andrew Rebello, Craig Olsen, KBA, Kevin Chamberland, Suffolk, Erin Kenney, Suffolk, Christian Riordan, Suffolk, Maria Torres, Paul Dominov, Suffolk, and Helena Neves

Absent: Paul Kitchen

Introductions were made by Ms. Kenney, Mr. Chamberland and Mr. Riordan from Suffolk Construction.

Mr. Joynt provided the Kaestle Boos project update. Mr. Joynt stated that the estimate reconciliation has been completed. PM & C, an independent estimator, came in within \$500,000 of Suffolk's estimate. The reconciled PM & C cost was \$296,532,500 and Suffolk's was \$297,202,100. The project's targeted construction cost is \$242 million. The current estimates are placing the project roughly \$54,232,295 over budget. Mr. Joynt stated that once estimates were reconciled, Kaestle Boos and Suffolk Construction began looking at Value Engineering (VE) to find alternative ways to reduce costs. Mr. Joynt also stated that in addition to Value Engineering, they have pursued two other avenues. One is using an alternates strategy, which is placing things in the budget but price them separately, which they can be accepted or declined at the time of procurement. The other is owner provided/contractor installed items. The District has some funds acquired through grants that could be used to purchase items outside of contract.

Mr. Joynt provided an overview of the Current Market Conditions Analysis handout. Mr. Joynt stated that when comparing the Diman project to other similar projects, we are in line with those projects. The original budget included an escalation percentage to account for increases but the estimates came in at an additional 5.5% to 8% in escalation.

Mr. Olsen stated that the goal is to provide a building that the sending communities approved. Market spikes have raised the cost of construction materials substantially. Mr. Olsen provided an example of how the cost of aluminum windows has nearly doubled.

Mr. DiBiasio stated that people that are not in the industry have been hearing about prices going down but yet the construction market is not seeing that decrease.

Mr. Chamberland stated that although some markets are going down, the construction market is still very busy and the pace of escalation is affecting a lot of projects.

Mr. Olsen stated that the market's volatility is making it challenging. Items that typically are used as tricks of the trade to save money are still higher than anticipated.

Mr. Joynt stated that items such as veneer is higher than anticipated and there are no good exterior façade replacements on the market that would provide the quality and savings.

Mr. Joynt provided an overview of the Alternate & Value Management Plan. The document is in draft form and lists items that the team has identified as alternates, owner provided/contractor installed, proposed value

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management, and area reductions. The items listed, if approved, would provide roughly \$29 million dollars in cost savings but the remainder of the budget deficit still needs to be identified.

Mr. Joynt stated that the team needs additional time to complete a more in depth review of the project design in order to provide the committee with a comprehensive list of items that will help adjust the budget.

Mr. Benevides asked what owner purchased alternates are and how are they funded.

Mr. Joynt stated that the owner can purchase alternate items using monies identified through grants.

There was further discussion amongst members of the implications of such a high budget deficit. Some of the concerns raised were: how much will the cuts affect the project, will it affect the quality of the building, will programs need to be cut, does it affect the proposed enrollment increase, will we end up with a less than what we currently have.

Mr. Bentley stated that the sending communities were promised a good quality building. Diman needs a well-rounded school to support the needs of our students.

Mr. DiBiasio stated that this discussion was the purpose of today's meeting. It's to provide transparency and allow members to process what this all means. Mr. DiBiasio further stated that the District's goal is to not ask the sending communities for additional funding.

Mr. Olsen stated that the intent was to update the Oversight Committee and request feedback. Mr. Olsen further stated that the team will keep exploring for savings. The objective is to educate members on the hard choices that will be proposed so that they can make informed decisions.

Fr. Jay stated that the District's goal in having a new building built was to improve education and not jeopardize it. The new building should not have less than what is currently offered.

Mr. DiBiasio stated that the information provided tonight will be shared with the MSBA School Building Committee tomorrow at their meeting.

Ms. Kenney stated that the team is looking at every possible item to come up with potential savings.

Mr. Olsen stated that the team is working hard to bring the project back on budget without compromising the building.

Mr. Alix stated that the team will continue to work on identifying savings but needed to know how the committee wanted to proceed. Mr. Alix will notify MSBA that submission is a couple of weeks out.

Mr. DiBiasio stated that the team will continue working to identify additional cuts and will provide a complete list to the committee prior to the next meeting.

The next meeting will be scheduled for Monday, February 6, 2023 at 3:30 PM.

Mr. DiBiasio deferred to Mr. Alix for the Suffolk Construction contract update.

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Mr. Alix stated that he has been working with Mr. Riordan on contract language. Mr. Alix further stated that there are some insurance questions that need to be resolved but doesn't foresee any issues.

Mr. Brilhante stated that the insurance carrier and Suffolk will be working to resolve those questions.

It was moved by Mr. Benevides, seconded by Ms. Collins and voted unanimously to adjourn the meeting at 5:07 pm.

Respectfully submitted,

Helena S. Neves

Helena S. Neves, Executive Secretary

Materials:

Current Market Conditions Analysis handout
Alternate & Value Management Plan