

**Public Schools of the Tarrytowns
Construction Project Status Report
August 2006**



Public Schools of the Tarrytowns



Where We Are Now

- MS/HS contracts awarded
- Summer site work completed
 - Re-graded front property for storm water drainage
 - Preparation work for foundation of new west wing
 - Existing west wing reoriented to courtyard windows
 - Shed field prepared for temp parking



Planned Construction During 06-07

- Construction of new west wing
- Demo of auditorium/music wing
- Construction of new high school gym
- Construction of new auditorium/music wing



Financial Review

- Design Estimate
- Construction Estimate
- Contractor Bids



Original Design Estimate

- Designs were developed for SH MS/HS and WI
- Budget estimates were developed independently by two firms: JMOA and Bovis Lend Lease
- The two estimates were within \$51,000 of each other

JMOA Estimate	
SH	57,800,000
WI	19,300,000
<hr/>	
TOTAL	77,100,000

Bovis Estimate	
SH	56,090,000
WI	21,061,000
<hr/>	
TOTAL	77,151,000



Approved Design Budget

- The original budget estimates were reduced through value engineering (district-wide committee)
- A final budget was submitted to, and approved by, voters

2005 bond approved by voters	72,200,000
2004 bond – unexpended balance	1,390,000
<hr/>	
TOTAL BUDGET	73,590,000



Design Budget: Breakdown

SH Construction	45,111,500
WI Construction	17,087,700
Contingency	2,911,100
Incidentals (A/E, CM, FFE, bonding, etc.)	8,479,700
<hr/>	
TOTAL BUDGET	73,590,000



Budget Impact Factors

- Scope adjustments during design development
- Increased cost of materials (pre- & post-Katrina)
 - Copper, concrete, steel
- Fuel cost increases
 - Manufacturing, shipping, construction machinery operation



Budget Impact Factors



Construction costs outstripping estimates

On Board Online • Volume 7 • No. 13 • July 31, 2006

By Paul Heiser

Research Analyst

School district estimates for construction costs are falling far short of bids they are receiving from contractors, forcing cancellations and redesigns of school construction projects, according to an analysis by the Associated General Contractors of America (AGC).

AGC found nationwide that spending on public school building construction rose 10 percent in the first four months of 2006 compared to the same months of 2005. As a result, school district cost estimates, made before their last bond issue or capital budget was passed, have increasingly fallen short of current bids.

Rebecca Meinking, president of the Empire State Chapter of Associated Builders & Contractors, believes this is becoming a trend in New York as well.

Public Schools of the Tarrytowns



Revised Construction Estimate*

- Almost a year after the design estimate, the construction estimate reflected increased costs

Original Estimate

SH	45,111,500
WI	17,087,700
<hr/>	
TOTAL	62,199,200

Revised Estimate

SH	50,983,292
WI	21,407,337
<hr/>	
TOTAL	72,390,629

(10,191,429)

* The construction portion of the total budget



Revised Budget: October 2005

- Project scope was reduced and estimates were modified to bring the totals back within budget

WI Construction Estimate	21,407,337
Deferral of south & west additions	(8,530,537)
Other scope reductions	<u>(104,000)</u>
Revised Subtotal	12,772,800

SH Construction Estimate	50,983,292
Reduction of south addition	(1,050,000)
Other scope reductions	<u>(755,092)</u>
Revised Subtotal	49,178,200



Revised Construction Budget: May 2006

SH MS/HS	49,178,200
- Telephone installation	248,200
Washington Irving	12,772,800
Contingency	2,911,100
Incidental costs	8,479,700
<hr/>	
TOTAL	73,590,000



Scope Reduction Rationale

- Keep SH scope intact, preserving benefits to students in grades 6-12 (representing more than half the total student population in the district)
- Eliminate addition of WI space needed to bring 3rd grade to WI (part of Phase 2)
 - WI will serve grades 4 & 5 instead of 3, 4, 5
 - Morse will continue to serve grades 2 & 3
- Use Phase 1 budget to deliver program objectives at WI, in terms of the quality of educational facilities



SH Contract Bidding Chronology

After three rounds of bidding, final bids came in significantly over estimates, requiring further scope adjustments

- Construction Budget Estimate: 49,178,115
- Original May Bids: 60,054,914
(10,876,799)
- June Rebid combining GC & Site: 57,386,687
(8,208,572)
- July Rebid combining GC, demo, masonry: 56,077,564
(6,899,449)



SH Contract Bidding Chronology (cont'd)

Influencing factors

- Uncertainties over future cost escalation for projects lasting more than 18 months drove up estimates
- Contractor workloads are high, which reduces competitiveness in bidding
- Smaller contractors could not qualify for bonding in the amounts necessary due to the large scale of the project



Estimate of Committed Costs

• Middle & High School	56,077,564
– Telephone installation	240,000
• Contingency	2,919,000
• Incidental costs	<u>8,479,700</u>
– Total	67,716,564
– Contractor savings & alternates	<u>(563,400)</u>
• Total	67,153,164



Revised WI Budget

• Total Funds Available	73,590,000
• Revised SH Budget	<u>(67,153,164)</u>
Available balance for WI	6,436,836
• Added Excel Funding	1,061,577
• Contingency allowances	130,000
• Contingency reduction	<u>1,000,000</u>
Adjusted WI balance	8,628,413



WI Scope Reduction Rationale

- SH space needs are a priority over added WI space
- Additional SH scope reduction would severely compromise project objectives
- “Doing it right” at SH benefits more than half the student body
- “Going back to the drawing board” would delay the project by a year and lead to further cost escalation
- Majority of WI educational objectives can be achieved in the context of a two-grade building



Budget Revision Summary

<u>EXPENSE CATEGORY</u>	<u>ORIGINAL BUDGET</u>	<u>OCT. REVISION</u>	<u>JULY REVISION</u>
SH Construction Budget	45,111,500	49,178,200	56,077,564
SH Contractor Savings			(563,400)
Phone Installation		248,200	<u>240,000</u>
			55,754,164
WI Construction Budget	17,087,700	12,772,800	7,566,836
Excel Fund			<u>1,061,577</u>
			8,628,413
Contingency	2,911,100	2,911,100	1,789,300
Incidental Costs	<u>8,479,700</u>	<u>8,479,700</u>	<u>8,479,700</u>
TOTAL	73,590,000	73,590,000	74,651,577*

* Represents 73,590,000 plus new State Excel Funding of 1,061,577

Public Schools of the Tarrytowns



Next Steps

- Continue construction at SH
- Involve the staff and the community in revising the scope of work at WI
- Goal is to honor the spirit of the original objectives, and improve the educational environment for students

