

NEW TRIER TOWNSHIP HIGH SCHOOL DISTRICT 203



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TO: Board of Education
FROM: Facilities Steering Committee
RE.: Cost Estimates/Budget Update
DATE: March 13, 2015

Since Wight & Company and Pepper Construction were selected to be the architect and construction manager a year ago, we have undergone three major periods of budget estimates, in June (Concept Design), November (Schematic Design), and most recently, February (Design Development) as the design has evolved. Because the design becomes more specific and detailed in each phase, the estimates are more accurate and more carefully aligned.

For the Design Development estimate, the Facilities Steering Committee recommended that the District also pursue an independent third party estimate, and services of The Concord Group were secured. Initial estimates were due on February 18, 2015; Pepper's estimate was \$106,135,573 and Concord's was \$103,400,548. During a period of two weeks, representatives from Pepper, Concord, Wight, and the District met numerous times to align the estimates. Final estimates for both Pepper and Concord changed after this alignment process, but ultimately the total was about the same, with Pepper at \$106,090,997 and Concord at \$104,140,319. Being less than two percent different, the Concord estimate lent credence to the Pepper estimate. The remaining difference can be attributed to Concord's lesser knowledge of the project and the unique conditions of the site that Concord is not familiar with.

Following submission of the final cost estimates, another process began involving Pepper, Wight and the District. An important goal at this time has been to make sure each party understands each room of the project – size, materials, special conditions, etc. As this examination of the Design Development occurred, changes in the cost estimate occurred simultaneously, mostly in reductions. Sometimes, there was a need for greater examination of details; for example, there were more acoustical doors than were intended or needed, and the music department indicated a desire for regularly constructed practice rooms rather than pre-fabricated units, resulting in significant cost savings. Learning about each detail of the rooms led to natural opportunities for cost containment. For instance, the type of glass on some of the curtain walls was changed, the structure supporting the entry curtain wall was modified, and the amount of internal glass was

reduced. The cost estimate was examined line by line, and each group – architect, CM, and owner brought suggestions to explore, some of which were adapted, some rejected, and some put on hold pending further research. Flooring along the concourse, for instance, is still being investigated. While terrazzo is in the designs for the concourse floor at levels 0-1-2-3, we are exploring other hard surfaces and carpeting on the third (and possibly second) floor.

At the conclusion of these OAC meetings, the last of which was held on March 10, Pepper's cost estimate for the project stood at \$102,801,432. For several reasons, the Facilities Steering Committee recommends leaving the cost estimate at this number for the time-being, with an assurance to the Board that there are several pathways to the targeted budget of \$100.3 million. Even though the project will be completed over the next twenty-nine months in two distinct parts, more than 80% of the bidding will be completed by August of 2015. We will know this summer what course to take, including the following options, among other possible steps:

- Bid alternates are included in many bid packages that could result in significant savings.
- Slightly over one million dollars in interest will be earned on investments of the bond proceeds and the portion of the reserves to be used at the end of the project. The FSC feels this money should be put into the project.
- Changes in flooring could result in a cost reduction of \$100,000 to \$500,000.
- The FFE (fixtures, furniture, and equipment) budget has room for reductions, and/or could be paid at least partially through the regular capital budget.
- Likely changes in the permeable paver pattern, an alternate chiller, and AV systems will result in more than \$150,000 of savings.

The OAC and FSC will continue to closely monitor the bids and to seize opportunities for cost controls and value engineering while maintaining a quality project. The building addition as presently designed is not just the same facility that was envisioned at its conception but actually is a better one that has been thoroughly vetted with staff and design professionals.