

NEW TRIER TOWNSHIP HIGH SCHOOL DISTRICT 203



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CHRISTOPHER JOHNSON
ASSOCIATE SUPERINTENDENT

TO: Board of Education
FROM: Chris Johnson
DATE: November 6, 2021
SUBJECT: Winnetka Campus East Side Project Update - Bid Package 2 Results

Introduction

The District is in the final stages of preparing for the start of construction for the Winnetka Campus East Side Academic and Athletic Project, which will formally break ground in January 2022. The team from the District, Wight and Pepper Construction worked diligently to complete the design in a manner that offsets some of the inflationary and supply-chain based increases. The District has received bids for Bid Period 2, the first of two large bid packages for the project, with an estimated 41% of the construction costs. The results of Bid Period 2 are favorable for the District, despite the current inflationary pressures and supply chain issues.

Bid Results

The District saw strong bidder participation and competitive results, with 5-8 bidders on each of the major trades including demolition, excavation, cast-in-place concrete, structural steel and roofing. Two of the smaller packages, elevators and precast concrete, which have a limited number of qualified Chicago-area contractors, saw two bids each. The District and Pepper Construction have completed scope reviews and reference checks with each of the winning bidders and recommend that the bids be approved, shown in green on the attached recommendation from Pepper.

Project Budget Update

The Board approved proceeding with the project in February 2021, and at that time, the estimated project cost was \$75,269,550. The District has executed the associated plan to finance this amount using Alternate Revenue bonds (\$50.5M sold April 2021), DSEB bonds (\$14.5M - \$10M to be sold Nov 2021; remainder to be sold Feb 2023) and district reserves (\$8-12M - to be transferred in FY 23 and FY 24). The use of reserves included a range, providing flexibility up to \$77,269,550 if needed within the existing financing plan. I am pleased to report that both the Alternate Revenue bonds in April 2021 and the \$10M in DSEB bonds, to be sold Nov 16th, 2021, have been rated Aaa by Moody's, the highest rating possible reflecting the District's strong financial management and resources.

At the time the Board approved the project, 90% Schematic Design was complete, which is an early phase in the design process. Construction prices and inflation were also at historic

lows. In June, I reported to the Board that the current estimate had risen to \$75,435,470, based on the design and cost estimates. Based on our continued design work and inflationary and supply chain trends, such as a \$3M projected increase in the cost of steel, the estimated budget then rose to \$79,302,331.

To address the rising costs, the District initiated a two part plan to help control the budget. The first is a series of design changes that were incorporated into the base bid and have been included in these results and will also be reflected in the Bid Period 3 results. These changes have been carefully studied by the District, Pepper and Wight to ensure they do not have a noticeable impact on the quality of the project or the student experience. Some examples of these changes are adjusting the track flooring thickness, reducing the roof overhang, and not including a second long jump pit that would have been difficult to use based on the track lane configuration.

The second step the District took was to bid a series of deductive alternates that reflect more difficult decisions. We are recommending that these alternates not be pursued at this time, but that we consider them if there are unexpected results in the final bid package. Most of these alternates have trades both in Bid Period 2 and 3, so it is not possible to know the total cost of accepting any of them until the Bid Period 3 results are received. Examples of these deductive alternates include shelling out the concession stand and not including kitchen equipment, reducing tile height in the hallways, and removing student day lockers.

Table 1 summarizes the original budget, the current budget, and actual totals based on bid results. In the actual column, please note the results of Bid Period 2, which have come in \$2,929,714 under the most recent budget, reflecting the impact of the design changes incorporated into the base bid and the competitive bid environment. If the results for Bid Period 3 come in under budget in a similar manner, it will bring us closer to the original project budget.

Table 1

Overall Project Cost Breakdown				
East Side Academics and Athletic Project				
Item	Original Budget	Fall 2021	Committed	Notes
Bid Period 1 Approved Bid Packages Total		\$ 809,795	\$ 884,902	Previously Awarded
Bid Period 2 Total		\$ 23,824,988	\$ 20,895,274	This Award
Bid Period 3		\$ 33,920,494		December 2021
General Requirements		\$ 1,837,705	\$ 1,837,705	This Award
Hard Cost Subtotal	\$ 55,026,295	\$ 60,392,982	\$ 23,617,881	
Bid Period 1 Construction Contingency (5%)		\$ 40,490	\$ 44,245	Previously Awarded
Bid Period 2 Construction Contingency (5%)	\$ 2,776,025	\$ 1,283,135	\$ 1,136,649	This Award
Bid Period 3 Construction Contingency (5%)		\$ 1,696,025		
Design Contingency	\$ 1,950,740	\$ -	\$ -	Realized Within Hard Costs
Construction Management	\$ 3,977,020	\$ 3,215,766	\$ 3,215,766	Previously Awarded - Moved Insurance to Owner's Costs
Indirect Cost Subtotal	\$ 8,703,785	\$ 6,235,415	\$ 4,396,660	
Abatement Allowance	\$ 590,200	\$ 590,200	\$ 408,100	Presented for Approval
Insurance	\$ -	\$ 1,047,919	\$ 1,047,919	Moved From Indirect to Owner's Costs
Utilities Fees	\$ 177,300	\$ 177,300		
Owner FFE Budget	\$ 1,817,000	\$ 1,817,000		
Owner Contingency Budget	\$ 3,000,000	\$ 3,198,400		
Surveys / Testing Allowance	\$ 205,000	\$ 205,000		
LEED Fees & Building Commissioning	\$ 183,500	\$ 130,000		
Moving Costs	\$ 50,000	\$ 50,000		
Architect/Engineer Fees	\$ 5,516,470	\$ 5,458,115	\$ 5,458,115	Added security and food service consultant; cost of construction decreased
Owners' Cost Subtotal	\$ 11,539,470	\$ 12,673,934	\$ 6,914,134	
Total	\$ 75,269,550	\$ 79,302,331	\$ 34,928,675	

Conclusion

The bid results for the second bid period were favorable for the District. We are pleased with the number and quality of the bids. Further, the process to control costs through the design process while continuing to ensure that the District constructs a high quality and long lasting facility for the benefit of the students and community is producing positive results. The District will have a better overall estimate of the project cost in December once the remaining trades are bid. I recommend that the Board of Education approve the bids for six trades for the Winnetka Campus East Side Academic and Athletic Project totaling \$20,895,274 and for the new campus grounds garage, totaling \$863,492.