



Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

*School Building Committee Meeting
Meeting Minutes*

Date: March 24, 2022

Time: 5:30 PM

Location: Virtual Meeting – Zoom

School Building Committee Members Present: Eileen Donoghue, Michael Vaughn, Joel Boyd, Richard Underwood, Michael Fiato, Conor Baldwin, Jay Mason, Maria Sheehy, David Peaslee, Erica Harvey, Edward Kennedy, Rodney Elliott, Maryann Manzi, Christine Clancy

City/School Staff Present: Kara Keefe Mullin, Phillip Geoffroy

Elected Officials Present: Corey Robinson, Erik Gitschier, Kim Scott

Perkins Eastman Staff Present: Joe Drown, Robin Greenberg

Skanska Staff Present: Maryann Williams, Jim Dowd

Suffolk Construction Staff Present: Rex Radloff, Pannha San Chung, Sean Edwards

Called to order 5:31 PM by E. Donoghue. Roll call showed 13 members present. Motion to accept minutes of December 9 meeting by Edward Kennedy, Seconded Rodney Elliott. Motion passed unanimously.

Christine Clancy joined meeting after roll call to bring total number of members present to 14.

E. Donoghue: Introduced consultants from Suffolk, Skanska and Perkins Eastman. Stated that there was a presentation on the High School project during last week's City Council. Similar presentation to be offered during meeting to provide an update on construction schedule and budget. Donoghue described that when bid packages were descope in recent weeks, it was learned that there was a \$38.5 million overage resulting in COVID-19's impact on the construction market.

R. Radloff: Provided presentation on progress of construction, schedule, and the budget. Phase 1, the school gym, is about 75% complete. Several months remain until turnover, slated for this summer. Wrapping up overhead mechanical, electrical and plumbing (MEP) work currently. Also currently working to bring in gym equipment, and nearing installation of wood flooring and ceilings – which both represent significant milestones in construction progress. Greenscape will be installed next month. During June & July, finishing work will take place and inspections will be conducted, leading up to issuance of occupancy permit. Photos of gym construction were shown to the committee.

E. Kennedy: Inquired about scheduling a tour with members of the SBC.

R. Radloff: Agreed that May 2022 would be a good time to schedule a tour.

R. Radloff: Continued presentation on project budget. Project's guaranteed maximum price (GMP) is \$381 million, \$38.5 over 90% estimation. Project contingencies of approximately \$30 million, which are in place for unforeseen construction costs

D. Peaslee: Asked question related to contingencies based on understanding from Feb. 2022 that contingency was \$50 million.

R. Radloff: Explained that contingencies can be separated into categories: those for escalation before the budget, and those for unforeseen costs after budgeting.

R. Radloff: Continued presentation. \$23 million in budget overage is attributed to steel and curtain drywall. Project is 11% over budget based on 90% set. Radloff continued to layout estimation timeline. Schematic design began in early 2019, conducted separately by PM&C, Skanska, and Suffolk. Budget was estimate at \$270.4 million through process, an estimate that was relied on for about two years. Revised budget was \$305 million. Budget increase was the result of market conditions.

Data from Association of General Contractors (AGC) was presented to illustrate COVID-19's impact on the construction market. Market conditions at key intervals of LHS project's bidding process were examined. Consensus was made after initial bids for phases 2-4 were returned to defer bid packages to later date. Began to bid out packages again in fall, and signed them this winter. AGC estimates that costs for projects of this nature have tended increase 12.3%, which mirrors what has been seen on LHS project.

R. Radloff: Factory shut downs, loss of labor, and backed up demands have been factors impacting construction market.

90% budget was reconciled 5 different times. Each scope of work was bid by 3 sub contractors, which leads to better prices. Largest packages (steel, drywall) reflected trends in the market.

R. Elliott: Given the fact that costs increased as a result of market conditions – if costs drop by the time we get to phases 3 and 4, will we realize savings?

R. Radloff: No – however contracts are similarly locked in if costs increase.

J. Mason: Astounded that estimating is dollar for dollar same in Dec. 20 as it was two years earlier in Jan. 19 – is that unusual?

R. Radloff: Unscored why projects have escalation contingencies – thus not an atypical situation.

M. Vaughn: Are all sub-bids fully executed?

R.Radloff: Yes, they are.

W.Samaras: Could process of bidding project been sped up?

J.Drown: Received mixed advice at all levels when COVID hit, and it was impossible to predict how the pandemic could have impacted the market.

W.Samaras: Could there have been a time in the last two years where the construction climate could have been discussed with the Council? Could we have got more information.

M. Williams: Skanska was brought onto project in Feb. 2016 – since then all estimates have been reconciled within 10% of each other – had to make projections about what type of escalation was taking place, which was calculated based on 10 year trends. COVID did not appear until more than 12 months after process was complete, and months went by before impact on market was known.

J.Boyd: Attempted to restate Mr. Samaras' question. There has been an erosion of trust. What information was being presented to City Manager when we knew about unfavorable conditions in May 2021?

S.Edwards: We saw packages going up. Made a decision to hit pause on packages. Cannot speak to communications.

J.Boyd: Asked OPM what we can do to avoid similar communication issues in the future? We needed more time to message cost increase to families.

E.Donoghue: In spring and summer, determination was made that we were at the top of inflation bubble, so decided to wait on bid packages and go back out at a later date. \$38.5 million figure was not known until this month.

S. Edwards: Recommended monthly meetings.

E. Donoghue: Reminded Superintendent that he and members of his staff participate in weekly OAC meetings in which this information is discussed.

J. Boyd: Had conversations with certain election officials present who agreed project would be over budget.

E. Donoghue: Stated publicly that she anticipated project being over budget in Jan. and Feb., but did not have the figure to provide to public.

J. Boyd: How do we restructure relationship with OPM to improve communications with community?

M. Williams: When bids came in initially, contracts added conditions that made it difficult to proceed, including holding them for only 72 hours. Decision was made to see if market corrected itself, which it did not. But had not received all bidding information to know what final number would be.

R. Underwood: Do you still feel comfortable that contingency will be sufficient?

M. Williams: The contingency takes all things into consideration.

E. Kennedy: If we knew that costs were going up in May 21, we could have anticipated a cost increase, which is an argument for the SBC meeting more often. Brought up question regarding what is behind the walls of older buildings to be renovated. Asked for more detail on investigation to determine contingency.

R. Radloff: Anything unforeseen that may be caught during construction is accounted for in the contingency.

E. Kennedy: What is the stair issue and why wasn't it caught earlier?

J. Drown: There are failures in stairwells. Will be removing paint from other stairwells to determine if there are similar issues. Suggested that condition of stairs may have deteriorated since initial investigation 6 years ago.

E. Kennedy: Will \$38 million be the end of it?

R. Radloff: Yes

R. Greenwood: Were there surprises when we opened up the walls in the 1822 building?

R. Radloff: There was nothing unexpected discovered.

R. Greenwood: There was a set of stairs that were closed in Jan. 21, and another discovered since. There are issues with 4 set of stairs – which he has been assured are covered by the contingencies.

E. Kennedy: Are you saying that 4 sets of stairs have failed?

R. Greenwood: 2 sets have failed, and 2 more are in poor condition.

E. Donoghue: Repairs to stairs are being accelerated in construction process.

W. Samaras: There may be surprises, but better communications are needed.

E. Donoghue: There have been motions filed by the City Council to reinstate monthly SBC meetings.

R. Elliott: Task before us is how to come up with the \$38.5 million overage. Hope that the MSBA will consider contribute to project given impact on the community.

E. Donoghue: Administration did have a meeting with MSBA to ask if it is possible to revisit project funding agreement given escalations related to COVID. Escalations would have been eligible costs if they were known in 2019 when project was estimated. The MSBA understand the issue, but says that they cannot amend project funding agreements and did not receive ARPA funding from the state to amend PFAs, either. Discussed petitioning legislature to discuss pursuing state funding. Had productive meeting with the delegation and Congresswoman Trahan's office on the topic of funding.

E. Donoghue: Next steps – one step is to continue to pursue state funding. Still working to determine if City may use its ARPA money to fund overage. Loan order authorization vote is on the Council agenda for next week.

E. Kennedy: The delegation met this week. Over the next week, members of the delegation will meet with respective Ways & Means committee to see what can be done. Expecting information from MSBA tomorrow. Delegation is in the process of determining what options are available. Are we going to meet monthly going forward.

E. Donoghue: That is the plan.

Motion to adjourn by Edward Kennedy at 7:00pm, seconded by W.Samaras – Motion Passed.