

**CH-UH Master Facilities Plan Phase 1
Financial Budget Summary***

In May 2014, the Board was presented with an overall budget of about \$155,500,000 for Phase 1. This sum was broken into three segments:

- the Wiley Enabling Project;
- the High School;
- and two Middle School Renovations.

The May 2014 figures were prior to the completion of the detailed Program of Requirements and architect and contractor estimates. Accordingly, these figures were not an official construction budget, but only a planning estimate provided by the Owner’s Representative (PMC/Regency). The following are the rounded figures of the May 2014 estimates:

May 2014 Budget	Wiley Enabling	High School	Middle Schools
Hard Costs	\$14,500,000	\$82,000,000	\$40,300,000
Soft Costs	\$1,200,000	\$11,500,000	\$6,000,000
Total	\$15,700,000	\$93,500,000	\$46,300,000

Wiley Enabling Project

As noted, the May 2014 planning estimate for the Enabling Project was about \$15,700,000. The final cost is about \$21,000,000, an increase of about \$5,300,000 from the planning estimate. The additional costs are associated with the time delay in the commencement of the project, upgrades and additional scope as directed by the District.

- The start of construction for the Wiley Enabling Project was delayed from May to December 2014 due to issues with the permits from the City of University Heights.
 - This delay added about \$700,000 in costs due to changes in the project delivery system and acceleration associated with moving costs.
- Mechanical, electrical and plumbing systems were in poorer shape than anticipated and needed to be upgraded. Also, the auditorium required additional work and upgrades to its systems.
 - These additional costs totaled approximately \$1,000,000.
- Upon review, it became clear that the initial, pre-construction assessment of educational items needed at Wiley was insufficient. Several updates and additional items were required to ensure that the facility would be suitable to serve as the high school for two years.
 - These additional costs totaled approximately \$1,000,000.
- A number of other smaller unforeseen costs, including those associated with foundation waterproofing, abatement, an upgrade to the generator, safety and security enhancements and field conditions added about another \$500,000.

New High School

In 2014, the High School's planned hard cost budget was about \$82,000,000. In July 2015, the contractor performed a re-estimate based on partially-completed construction drawings from the architect.

At this point, the contractor indicated that there was a significant anticipated increase in costs due to the very competitive local construction market conditions that had not been factored into the original design estimates.

These increases were due in part to subcontract costs associated with drilling for the well fields, labor and material cost for steel fabrication, and labor for electrical and plumbing.

In addition, a number of the value engineering items discussed in the design development phase were not included in the construction drawings due to the District's educational requirement review. These issues increased the anticipated hard costs to about \$88,000,000.

In July 2015, the Board authorized additional value engineering to attempt to decrease overall costs, including a reduction in scope. Although the value engineering implemented that summer brought the budget back within the planned estimate, a number of change orders have reduced the amount of the cost savings associated with the value engineering.

Some of these issues include:

- Unsuitable soils that had to be either trucked off site or redistributed on site at a cost of \$850,000.
- More asbestos than what was anticipated, costing an additional \$400,000 to abate.
- The discovery of underground items, including former foundations and tanks. All had to be incurred as part of the demolition and site work for the existing structures, costing approximately \$100,000.
- Additional work patching unforeseen holes in the walls, floors and exterior, including nonstructural masonry elements, which added \$275,000.
- The City of Cleveland Heights' architectural review board and city code reviews required supplemental instructions that resulted in over \$700,000 in change orders.
- Adding internal steel to supplement the existing structure cost \$450,000.
- Added costs due to coordinating plumbing and heating/cooling lines from new building classroom sections to existing floors to maintain high energy efficiency cost \$650,000.
- Increased technology and functionality in career tech classrooms, added security cameras and upgraded wireless access points cost \$260,000.

The High School construction currently is on schedule, and most of the anticipated change orders have been logged. However, pricing on a number of these change orders, including those associated with design changes and value engineering after the GMP was set, are still in flux.

Accordingly, there is no official final budget number in place. However, estimates for the overall hard cost budget for the High School will be about \$90,000,000,. This figure is about 9% in excess of the May 2014 planning document.

The Middle Schools

As noted, the May 2014 planning document had about \$46,000,000 for the two middle school renovations, including \$40,000,000 in hard construction costs. Included in this figure is about \$2,000,000 of anticipated costs associated with moving the Middle Schools to Wiley, converting Wiley from the High School to the Middle Schools, moving the Middle Schools back to Roxboro and Monticello, and restoring the Wiley site after the module units are removed.

Additionally, about \$1,000,000 has already been incurred in hard construction costs for the Middle School projects, including upgrades to the existing auditoriums at Monticello and Roxboro, and work at the parking lot at Monticello. This brought the remaining hard cost budget to \$37,000,000.

As described above, the actual and anticipated costs of the Wiley Enabling Project and the High School combined are about \$14,000,000 (11%) more than the May 2014 planning estimate. However, the project budget has an additional amount of about \$2,000,000 due to interest earnings. This amount was always anticipated to be used for the project, and appropriately is part of the overall budget.

This means that about \$30,000,000 remains available for the remaining hard costs for the Middle Schools. This is about 25% less than the May 2014 planning budget. This has created a significant challenge to the design of the Middle School segment of the District’s Master Facilities Plan and has directly impacted the scope of the project.

Updated Budget	Wiley Enabling	High School	Middle Schools
Hard Costs	\$ 16,700,000	\$ 89,800,000	\$ 30,000,000
Soft Costs	\$ 4,300,000	\$ 12,700,000	\$ 4,000,000
Total	\$ 21,000,000	\$102,500,000	\$ 34,000,000

**This document was presented to the Facilities Accountability Committee in June, 2016. The amounts/conditions/assumptions have been updated.*