



# **GO Bond Planning**

## **Bond Accountability Committee**

May 29, 2024





# Agenda

Charter & Expectations

2024 Bond Development

Cost Estimating Methodology

Risk Review

Next Steps



# Charter

## Charter

The Committee will review future bond planning processes and materials and provide advice to the Board, prior to bond referral, on:

- Cost estimating processes related to proposed modernization efforts, new construction projects and other potential scopes of work.
- Bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc.

## BAC Expectations

- Review materials and provide a written a recommendation to the Board of Education
- The BAC is **NOT** expected to act as defacto professional cost estimators



# 2024 Bond Planning (to date)

## **January 23, 2024 Board Work Session**

Materials <https://meetings.boardbook.org/Public/Agenda/915?meeting=618340>

## **February 28, 2024 Facilities & Operations Committee**

Materials <https://meetings.boardbook.org/Public/Agenda/915?meeting=624188>

## **March 20, 2024 Facilities & Operations Committee**

Materials <https://meetings.boardbook.org/Public/Agenda/915?meeting=628478>

## **April 17, 2024 Facilities & Operations Committee**

Materials <https://meetings.boardbook.org/Public/Agenda/915?meeting=632063>



# 2024 Bond Planning (to date)

## High-Level Direction for Board of Education:

- Pursue a large(r) bond principal amount
- Continue to prioritize high school modernization projects
- Allocate significant funds to address existing facility conditions
- Proceed with planned technology improvements
- Retain the existing levy rate (\$2.50 / 1,000)



# 2024 Bond Planning (to date)





# Scope of Work

Deferred Maintenance	\$400,000,000
Priority Scope Upgrades	\$50,000,000
Athletics	\$148,000,000
Technology	\$138,000,000
Physical Education	\$33,000,000
Curriculum	\$210,000,000
Jefferson High School	\$125,000,000
Cleveland High School	\$450,000,000
Ida B Wells High School	\$435,000,000
Harriet Tubman Middle School	\$66,000,000
K5 Learning Lab	\$62,000,000
Administration	\$63,000,000
Contingency (15%)	\$317,000,000
	<b>\$2,497,000,000</b>



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# Cost Estimating Methodology

- Hard Costs
- + Soft Costs
- + FF&E
- + Swing / Temp Space
- + Contingency
- + Escalation

COMPONENT	COMMENTS	TOTAL
Hard Cost	Bldg and Site work - Recommended Scheme (#2) Estimate by professional cost estimator	\$ 359,310,855
1.5% Green Energy Tech	Required by State of Oregon Calculation includes part of soft costs as required	\$ 5,989,663
<b>Subtotal</b>		<b>\$ 365,300,518</b>
Owner Direct Hard Costs	Offsite Improvements/Athletic Swing	\$ 2,200,000
<b>TOTAL HARD COSTS</b>		<b>\$ 367,500,518</b>
Soft Costs	~10% of Hard Costs	\$ 36,300,000
Fixtures, Furniture, Equipment, incl. technology	Based on current PPS project data ~\$32/SF Escalated to middle of construction	\$ 10,000,000
Contingency	10% of Total Cost	\$ 41,200,000
Escalation	Included in Hard Cost Estimate	N/A
2020 Bond budget for planning and design		\$ (20,000,000)
<b>TOTAL*</b>		<b>\$ 435,000,518</b>



# Project/Cost Development

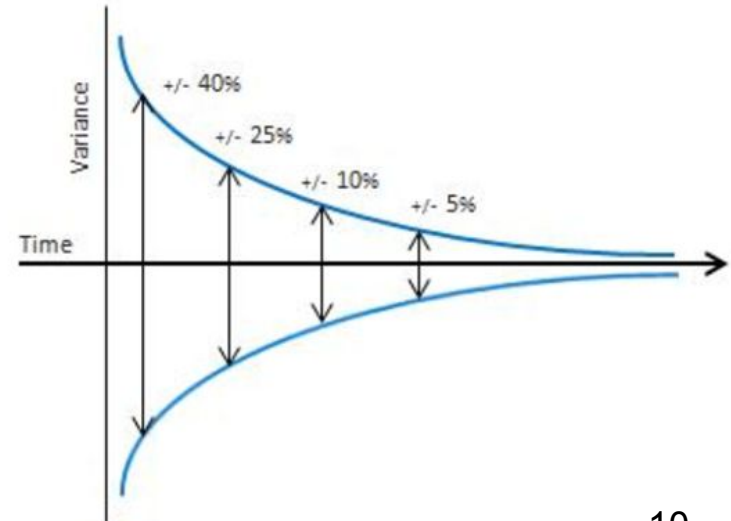
Pre-Planning / Early Planning - internal cost estimating (ROM)

Comprehensive Planning - professional cost estimators

Formal Design - professional cost estimators and CMGC

Construction - hard bid, GMP and/or buyout

Closeout - final costs





# Cost Estimating Variables

## Hard Costs

For projects that are in the Comprehensive Planning or formal design phases, hard costs are provided by professional cost estimators and/or project CMGC. Projects that are in pre-planning typically rely on assumed building area multiplied by cost per SF.

## Soft Costs

Project costs associated with contracts for architectural/engineering & other planning/design consultants, fees for permitting & systems development charges paid to the local jurisdiction, insurance coverage, etc. are added as a percentage of hard costs. Soft cost estimates are informed by previous OSM projects and current project data. Typical range is 10% - 15%



# Cost Estimating Variables

## FF&E

District estimating methodologies account for a complete & usable facility to ensure readiness for student & staff use. Therefore, various items including desks, chairs and other items not intrinsic to the building need to be incorporated. FF&E cost estimates are based on previous OSM project data and unique project needs. FF& is usually about \$30/SF.

## Swing / Temp Space

Phased or staged projects often includes costs that are not a part of the final construction product (EG: temporary classroom space necessary during construction). Swing/Temp space costs are estimated on a project by project basis.



# Cost Estimating Variables

## Contingency

Project costs associated with unknowns such as unforeseen conditions, unexpected jurisdiction requirements, design error/omission and changes in work scopes. Typically new construction projects begin with 10% project contingency; renovation projects typically begin with 15%. Project contingency changes through planning, design and construction.

## Escalation

Cost increases over time due to the increase of goods and labor. Projects are escalated to the midpoint of construction. Escalation rates are ranging from 4% - 7%.



# Modernizations

	<b>Cleveland HS</b>	<b>Ida B Wells HS</b>	<b>Jefferson HS</b>	<b>Tubman MS</b>	<b>CBSE + Learning Lab</b>
	<i>Schematic Design</i> <sup>1</sup>	<i>Schematic Design</i> <sup>1</sup>	<i>Schematic Design</i> <sup>1</sup>	<i>Pre-Planning</i> <sup>2</sup>	<i>Pre-Planning</i> <sup>2</sup>
Hard Cost	384,968,991 <sup>2</sup>	365,300,518 <sup>2</sup>	409,297,113 <sup>2</sup>	96,720,000 <sup>3</sup>	64,119,000 <sup>3</sup>
Soft Cost	33,155,000 <sup>3</sup>	36,300,000 <sup>3</sup>	42,007,914 <sup>3</sup>	12,420,000 <sup>4</sup>	6,411,900 <sup>4</sup>
FF&E	8,700,000 <sup>4</sup>	10,000,000 <sup>4</sup>	9,988,000 <sup>4</sup>	8,280,000 <sup>5</sup>	3,205,950 <sup>5</sup>
Swing	500,000 <sup>5</sup>	2,200,000 <sup>5</sup>	345,000 <sup>5</sup>	4,140,000 <sup>6</sup>	0
Project Contingency	41,320,859 <sup>6</sup>	41,200,000 <sup>6</sup>	29,459,770 <sup>6, 7</sup>	18,730,800 <sup>7</sup>	7,373,685 <sup>6</sup>
Administration	Incl. in Program	Incl. in Program	Incl. in Program	3,312,000 <sup>8</sup>	Incl. in Program <sup>7</sup>
Land	0	0	0		15,000,000
<b>SUBTOTAL</b>	<b>468,644,850</b>	<b>455,000,518</b>	<b>491,097,797</b>	<b>143,602,800</b>	<b>96,110,535</b>
Escalation	Incl. in HC <sup>7</sup>	Incl. in HC <sup>7</sup>	Incl. in HC <sup>8</sup>	42,855,694 <sup>9</sup>	25,376,176 <sup>8</sup>
<b>TOTAL</b>	<b>468,644,850</b>	<b>455,000,518</b>	<b>491,097,797</b>	<b>186,458,494</b>	<b>121,486,711</b>



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# Next Steps

Meet again in June & July

Focus areas:

- Facility Improvements: Deferred Maintenance & Priority Scope Improvements
- Athletics
- Physical Education
- Technology
- Administration
- Up to date Modernization information: Tubman MS & CBSE / K5 Learning Lab





# Questions