

District: City of Holyoke
 School Name: H.B. Lawrence School
 Recommended Category: Project Scope and Budget
 Date: August 21, 2019

Recommendation

That the Executive Director be authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Holyoke for the construction of a new facility serving grades 6-8 on the Chestnut Street site and a new facility serving grades 6-8 to replace the William R. Peck School on the existing site, contingent upon the District gaining full ownership, control, and exclusive use of the Chestnut Street site.

District Information	
District Name	City of Holyoke
Elementary School(s)	Maurice A. Donahue Elementary School (PK-8) Dr. Marcella R. Kelly Elementary School (PK-8) Lt. Elmer J. McMahon Elementary School (PK-8) Morgan Elementary School (PK-8) Lt. Clayre Sullivan Elementary School (K-8) E.N. White Elementary School (PK-8) Joseph Metcalf School (PK-2) H.B. Lawrence School (K-3)
Middle School(s)	William R. Peck School (4-8) Holyoke STEM Academy (6-8)
High School(s)	Holyoke High School (9-12) William J. Dean Vocational Technical High School (9-12)
Priority School Name	H.B. Lawrence School
Type of School	Elementary School
Grades Served	K-3
Year Opened	1930
Existing Square Footage	64,025
Additions	N/A
Acreage of Site	2.6 acres
Building Issues	The District identified deficiencies in the following areas: <ul style="list-style-type: none"> - Mechanical systems - Electrical systems - Plumbing systems - Windows - Roof - Accessibility In addition to the physical plant issues, the District reported that the existing facility does not support the delivery of its educational program.
Original Design Capacity	Unknown
2018-2019 Enrollment	251
Agreed Upon Enrollment	550
Enrollment Specifics	The District and MSBA have mutually agreed upon a design enrollment of 550 students serving grades 6-8.

District Information	
Total Project Budget – Debt Exclusion Anticipated	Yes

MSBA Board Votes	
Invitation to Eligibility Period	N/A
Invitation to Feasibility Study	May 12, 2017
Preferred Schematic Authorization	August 29, 2018
Project Scope & Budget Authorization	On August 28, 2019 Board agenda
Reimbursement Rate Before Incentives	80.00% ¹
Incentive Points	1.38 – Maintenance 1.00 – CM @ Risk (OIG Approval August 6, 2018) 2.00 – Energy Efficiency – “Green Schools”
Total Reimbursement Rate ¹	80.00%

¹By statute, 80.00% is the District’s maximum reimbursement rate and the District’s base reimbursement rate is 80.00% before applying any incentive points. Therefore, the District is not eligible to receive any incentive points as the base reimbursement rate results in a maximum reimbursement rate of 80.00%.

Consultants	
Owner’s Project Manager (the “OPM”)	Pinck & Co., Inc.
Designer	Jones Whitsett Architects, Inc.

Discussion

As part of the District’s Feasibility Study for the Lt. Elmer J. McMahon Elementary School, the MSBA Board of Directors voted on March 30, 2016 to allow the District to complete a survey of the conditions at all of the District’s facilities in support of the District’s Level 5 Turnaround Plan and for the MSBA to provide a grant for the survey, at the District’s 80.00% reimbursement rate, as part of the District’s Feasibility Study. Based on prior analysis, public hearings, and local discussions, the District concluded that the existing PK-8 configuration is a significant barrier to improving educational outcomes. This resulted in the District determining that two smaller middle schools each serving 550 students in grades 6 through 8 would better serve the District and its educational goals. At the August 29, 2018 MSBA Board of Directors meeting, the Board of Directors authorized the District to proceed into Schematic Design for the construction of a new facility serving grades 6 through 8 on the Chestnut Street site and a new facility serving grades 6 through 8 to replace the William R. Peck School on the existing Peck School site. This will result in a district-wide K-5/6-8 grade configuration in support of the District’s Level 5 Turnaround Plan.

At the time the District conducted the facilities survey referenced above, the MSBA paid for the entire cost of the survey, including the District's share, with the understanding that the District’s share of the facilities survey would be deducted from the grant of an approved project. The MSBA has calculated the District’s share of the cost of the facilities survey to be \$14,628.00, which has been applied to MSBA’s grant in this Project’s Scope and Budget Recommendation as a cost recovery.

MSBA staff reviewed the documents provided by the District and met with the District and its consultants to discuss the scope and budget for the two proposed middle school projects and have prepared a total project budget for each school, which are provided in the tables below.

Chestnut Street Middle School:

The District has provided a Total Project Budget of \$62,459,045 for the new school on the Chestnut Street site which includes an estimated construction cost of \$50,265,700 (\$477/sq. ft.). The Estimated Basis of Total Facilities Grant would be \$43,562,196, which excludes OPM fees in excess of 3.5% of construction costs, site costs in excess of 8% of building cost, construction costs in excess of \$333/sq. ft., costs associated with mailing and moving, costs in excess of the \$1,200 per student allowance for fixtures, furniture, and equipment, costs associated with the previous Feasibility Study, costs associated with the commissioning of ineligible square footage, construction contingency costs, and other ineligible costs. The Total Project Budget for the Chestnut School project includes the costs associated with the Feasibility Study Agreement and the recovery of the District’s share of the costs for the Facilities Survey.

Chestnut Street Site - Project Scope and Budget Agreement	
Enrollment: 550 Proposed Total Square Feet: 105,460	District’s Proposed Project Budget
Project Budget ¹	\$59,945,760
Scope Exclusions/Ineligible Costs	-\$16,383,564
Estimated Basis of Total Facilities Grant	\$43,562,196
Reimbursement Rate	80.00%
Estimated Maximum Total Facilities Grant before Cost Recovery ²	\$34,849,757
Cost Recovery	-\$15,783
Estimated Maximum Total Facilities Grant ²	\$34,833,974
Potentially Eligible Owner’s and Construction Contingencies	\$1,507,971
Potential Additional Grant Funds for Eligible Owner’s and Construction Contingency Expenditures	\$1,206,377
Total Project Budget	\$62,459,045
Maximum Total Facilities Grant ^{3,4}	\$36,040,351

¹Does not include Owner’s or Construction Contingencies.

²Does not include any grant funds for potentially eligible Owner’s or Construction Contingency Expenditures; subject to MSBA review and audit.

³Includes maximum possible Owner’s and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all its contingency funds on expenses that are eligible for MSBA reimbursement.

⁴Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.

MSBA staff recommends an Estimated Maximum Total Facilities Grant of \$34,833,974 for the new school on the Chestnut Street site; however, the District may be eligible for up to an additional \$1,206,377 in grant funds, subject to the MSBA’s review and audit of the District’s owner’s and construction contingency expenditures. Accordingly, staff recommends a Maximum Total Facilities Grant of \$36,040,351 for the Project Scope and Budget Agreement and Project Funding Agreement for the construction of a new facility serving grades 6 through 8 on the Chestnut Street site, contingent upon the District gaining full ownership, control, and exclusive use of the site.

William R. Peck Middle School:

The District has provided a Total Project Budget of \$70,441,654, for the new school to be located on the existing William R. Peck School site which includes an estimated construction cost of \$55,677,658 (\$526/sq. ft.). The Estimated Basis of Total Facilities Grant would be \$48,051,892, which excludes OPM fees in excess of 3.5% of construction costs, OPM and Designer fees associated with ineligible square footage for Health and Physical Education spaces, site costs in excess of 8% of total building cost, construction costs in excess of \$333/sq. ft. plus eligible demolition and abatement, costs associated with swing space, costs associated with mailing and moving, costs in excess of the \$1,200 per student allowance for fixtures, furniture, and equipment, cost associated with the commissioning of ineligible square footage, construction contingency costs, and other ineligible costs.

William R. Peck School - Project Scope and Budget Agreement	
Enrollment: 550 Proposed Total Square Feet: 105,840	District's Proposed Project Budget
Project Budget ¹	\$67,657,771
Scope Exclusions/Ineligible Costs	-\$19,605,879
Estimated Basis of Total Facilities Grant	\$48,051,892
Reimbursement Rate	80.00%
Estimated Maximum Total Facilities Grant before Cost Recovery ²	\$38,441,514
Cost Recovery	-\$1,630
Estimated Maximum Total Facilities Grant ²	\$38,439,884
Potentially Eligible Owner's and Construction Contingencies	\$1,670,330
Potential Additional Grant Funds for Eligible Owner's and Construction Contingency Expenditures	\$1,336,264
Total Project Budget	\$70,441,654
Maximum Total Facilities Grant ^{3,4}	\$39,776,148

¹Does not include Owner's or Construction Contingencies.

²Does not include any grant funds for potentially eligible Owner's or Construction Contingency Expenditures; subject to MSBA review and audit.

³Includes maximum possible Owner's and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all of its contingency funds on expenses that are eligible for MSBA reimbursement.

⁴Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.

MSBA staff recommends an Estimated Maximum Total Facilities Grant of \$38,439,884 for the new school to be located on the existing William R. Peck School site; however, the District may be eligible for up to an additional \$1,336,264 in grant funds, subject to the MSBA's review and audit of the District's owner's and construction contingency expenditures. Accordingly, staff recommends a Maximum Total Facilities Grant of \$39,776,148 for the Project Scope and Budget Agreement and Project Funding Agreement for the construction of a new facility serving grades 6 through 8 to replace the William R. Peck School on the existing site.

Project Recommendations:

MSBA staff recommends a combined Estimated Maximum Total Facilities Grant of \$73,273,858; however, the District may be eligible for up to an additional \$2,542,641 in grant funds, subject to the MSBA's review and audit of the District's owner's and construction contingency expenditures. Accordingly, staff recommends a combined Maximum Total Facilities Grant of \$75,816,499 for the Project Scope and Budget Agreement and Project Funding Agreement for the construction of a new Chestnut Street Middle School facility and a new William R. Peck Middle School facility, both serving grades 6-8, contingent upon the District gaining full ownership, control, and exclusive use of the Chestnut Street site.