

Rethinking the Construction Project

Unfortunately, December 28, 2022 was not a day where Black Hawk School District received good news relative to the capital improvement project. Tim Rupert, the architect from HSR, I and representatives from four construction companies opened the four bids we received. The bad news is that the bids came in at least 2.5 million over the funds available for the work these companies needed to do.

So we needed to reset and discuss options on how to proceed with the project. Mr. Ruppert and I immediately started to discuss what options may be available. All options that we could think of at the time were put on the table. A list of ideas that we came up with in that discussions or shortly after are included here. I do not pretend to believe that all of these would be palatable to the Board, the community or the staff.

- Refuse all bids and rebid
- Change the scope of the project
- Within the scope, rearrange rooms and change finishes
- Borrow the amount that the statutes allow us to borrow without a referendum (up to \$1,000,000)
- Go back to another referendum to cover a portion or all of the difference - available opportunities are in April of 2023 or 2024.
- Use a portion of the fund balance
- Win the lottery.
- Do not proceed with a project
- A combination of two or more of the above ideas

I secured the cost of borrowing money or running an additional referendum from Kevin Mullen of Baird Public Finance. Tim started working on options to change the scope of the project. I reached out to the Board and placed this on the January 11, 2023 board meeting agenda.

At the January 11 board meeting I presented the options that were listed above and Tim presented a potential change in scope. It is believed the change in scope suggested by Tim will bring the bids in at a level that the district can afford for this project. The Board decided to move forward with the scope changes as presented by Mr. Ruppert.

When Tim was reviewing and revising the scope he kept the following items in mind to guide his work. These items were discussed as part of an attempt to honor the work and interests expressed by the Board, the focus groups and community as we worked on this project over the last three years. The key items he kept in the forefront of his mind were as follows.

- Replacing the oldest portion of the building, which is the three story, 1921 portion
- Creating a safe loading/unloading zone for the busses
- Effectively managing the storm water
- Creating a safe and positive learning environment for the students, staff and community
- Connecting the buildings to keep children safe in one building
- A safe entry

After presenting the initial option to the Board and getting a nod from the Board to proceed. HSR had their engineers review the plan. An issue was identified with potential snow load on a section of the old building due to the difference of heights of surrounding roofs. A potential solution was devised and was presented for review to the Buildings and Grounds Committee on January 25, 2023. After a healthy discussion and some adjustments, it was decided to move forward with the plan.

I am aware that some people have questioned how a bid could come in so much over the predicted amount. Inflation is certainly a major portion of the issue. Building costs are reported to have gone up in the 20 to 25% range just in the last year. The district honed in on the 8.5 million for the referendum in August of 2021. There were 16 months of unprecedented inflation in the time from setting the dollar amount until the bids were opened. Other costs contributing to the difference between predicted price and actual bids were due to the complexity of the building structure and asbestos removal.

The revised plan includes reducing the square footage of the new building while retaining a portion of the 1938 building. The duration of the project will be shortened from roughly 21 months to roughly 14 months. The project will now be completed in a single phase as opposed to a two phase approach previously.

The project will meet the main objectives outlined in the referendum process while staying within the budget available. Ultimately the community will have a new section and a remodeled portion of the facilities that will serve the students, staff and community well.

Sincerely,

Willy Chambers