

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

October 12, 2022

TOPIC: Front Range Community College – Westminster Campus: Increase in Spending Authority for Science Lab Ventilation Renovations

PRESENTED BY: Dr. Colleen Simpson, President

RELATIONSHIP TO THE STRATEGIC PLAN: Goal 4: Refine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

In May of this year, Front Range Community College (FRCC or College) received Board approval to spend \$3.6 million dollars in Higher Education Emergency Relief Funds (HEERF) to correct ventilation problems that support the science labs on the College's Westminster Campus.

At the time of the initial request, the College felt that its cost estimates were in-line for the scope of the project specifically since we worked closely with Cator Ruma and Associates (CRA), an engineering firm, to assist us in determining project cost. Since receiving Board approval to move forward with the project, the College conducted a request for proposal (RFP) for a Construction Management/General Contracting (CM/GC) firm. This process was completed in July, 2022. Adolphson & Peterson Construction (A&P) won the award and was selected to serve as the general contractor for this project.

As we began working directly with A&P on the guaranteed maximum price (GMP) for the project, costs for almost all aspects of the project were coming in significantly higher than our original cost estimates. We did work with A&P and CRA to see where we could reduce costs and maintain functionality, however we simply were not able to generate any substantial savings mainly due to the design of the ventilation system. We also investigated the possibility of breaking the project into two (2) phases. This was not a viable option as it was determined that we were just postponing work that would ultimately need to be done and, in the long run, it would cost the College more to defer the work to a later date.

The estimated guaranteed maximum price set by A&P is \$5,477,609 which equates to a total project budget of \$6.65 million, which is nearly double our original ask of \$3.6 million. The College will use unrestricted general reserves to fund the requested additional spending authority of \$3.05 million. The College realizes this is a significant investment, but believes it is needed to ensure the safety and wellbeing of our students and staff, that it is an appropriate investment that is long overdue, and being able to use HEERF funds for a sizable portion of project expenses is a value added for the College.

In discussions with A&P and CRA, we determined that the increase was due to several factors, including:

- The cost of major trades. Anticipated labor costs have greatly increased over the estimated project budget. It represents the largest budget category increase at nearly 200%. The project is a complicated renovation in a space that needs to have 5 of the 10 labs opened at any one time. This requires a mix of costly night time work for the disruptive and noisy demolition of old systems and daytime work.
- Cost of major equipment. The cost of the major equipment added nearly \$1.0 million to the project budget which is an increase of 80% over the engineers estimate, even though the engineering firm had received price quotes for equipment.
- Cost of Materials. Supply chain issues in the past 6 months have caused an increase of \$600,000, representing a 150% budget increase. Sheet metal for duct work, pumps and equipment for building automation controls are some examples experiencing huge increases.
- Phasing Cost. We anticipated a premium cost for phasing but the design team has been directed to do the phasing in a manner that keeps open and functional half of the 10 labs at any one time. This includes faculty needing access to a stock room that has to be renovated during the holiday break to ensure it is available in both phases of the work. That increased cost is 130% over budget.
- Scope increase. After the design team began a thorough investigation of the existing systems and coordinated with the Westminster Campus science faculty, it was determined that many of the lab prep and storage spaces that support the 10 labs were in worse shape than anticipated, requiring additional HVAC design and equipment to remedy ventilation issues in those areas. This represents nearly a 100% increase over the estimated budget amount.
- Roof work. The condition of the roof over the science wing is in poor shape. Initial plans were to patch and repair the roof as needed. However, A&P has recommended replacement of the entire roof section that serves the science labs. The delta for replacing the roof verses patch/repair is \$450,000 or \$30 per square foot which is consistent with what other colleges in the System are experiencing.

This project continues to be a very important project for the College and one that we believe will add value and enhance the overall student experience. The College is requesting approval to increase its spending authority from \$3.6 million to \$6.65 million to allow us to complete the project.

As of July 1, 2022, College reserves were \$52.8 million or 41.4% of operating expenses. With this project and other funded expenditures, projected ending reserve will be \$43.5 million or 30.6% of operating expenses.

RECOMMENDATION:

Staff recommends the Board approve the spending authority for Front Range Community College in the amount of \$6,650,000 and delegate the signature authority of the board to the FRCC President on the condition that all State and Board required processes are met.