

## Measure E Planning and Construction Update

Board Presentation

April 24, 2023

### Measure E Synopsis (slide 2)

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The chart below is an overview of Measure E and district funds spent to date. When including the estimated \$30M in SFP reimbursement, \$121,696,000 is available for remaining facility repair and modernization projects. Some of these projects have gone out to bid. Others are in the design phase. Still others have yet to begin any design/planning.

Total Funds for Measure E program (bond + other district funds)	\$312,233,000
Committed Funds	<\$220,537,000>
Remaining Uncommitted Funds	\$91,696,000
Estimated School Facility Program (SFP) reimbursement	\$30,000,000
Total Funds available for use	\$121,696,000

### MVLA Facility Repairs, LAHS 500 Wing Pavilion, MVHS CR Expansion Project Synopsis (slide 4)

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The scope of work below details the important and necessary improvements and additions on existing classroom buildings that are included in the upcoming facility repair and modernization projects.

- Mountain View HS Facility Repairs
  - American Disability Act (ADA) and Path of Travel (POT) upgrades, drainage improvements in courtyard, and other compliance upgrades
  - New lighting, window shades, roofing, HVAC/mechanical unit upgrades, new carpet, window replacement (alternate)
  - Conversion of boys/girls restroom to gender neutral, dance studio
- Mountain View HS 100-400 Wing CR Expansion and Modernization
  - Many MVHS Facility Repairs Scope on 100-400 Wing (HVAC, roofing, etc.)
  - Expansion of 24 classrooms from 720-> 920 SF
- Los Altos HS Facility Repairs
  - POT upgrades, skylights in walkway canopies, low and high clerestory window replacement

- New lighting, window shades, interior paint, roofing, projects/AV system
- Los Altos HS 500 Wing Pavilion
  - Path of Travel upgrades
  - 2500 SF building with 2 PE classrooms and Athletic Director Office

**Bid Results** (slide 5)

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Bid results for both the MVHS and LAHS Facility Repairs projects came in higher than anticipated. Based on the bid results, a budget increase of \$15.2M is required to move forward with these projects as planned.

<b>Mountain View High School Facility Repairs</b>	
Current Project Budget	\$12,500,000
Estimated Project Budget (after bid results)	\$16,700,000
Difference	<\$4,200,000>
<b>Los Altos High School Facility Repairs &amp; 500 Wing Pavilion</b>	
Current Project Budget	\$14,250,000
Estimated Project Budget (after bid results)	\$25,250,000
Difference	<\$11,000,000>
<b>Total Budget Increase Required</b> (after bid results)	<b>\$15,200,000</b>

**Facility Repairs - Project Considerations** (slides 6 & 7)

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When identifying and evaluating options, several factors were taken into consideration to determine the best path as to how to move forward with these important modernization projects. The option to reduce scope to lower cost, delaying the projects to a future date, or eliminating them altogether were all considered. Each of those options came with significant disadvantages which reinforced the recommendation to move forward with the projects and look to reallocate the remaining bond program funds.

- Existing Interim Housing (temporary classrooms) is able to be used during facility repairs projects
  - Current certification of portables expires 2025.
  - Deferring until later would incur \$4M in reconstruction of Interim Housing in the future.
- The facility repairs projects help bring old classrooms up to a similar standard as new construction
  - This will reduce future maintenance issues and costs
- Existing windows lack safety features and energy efficiency present in newer windows
- Some Facility Repair work must be done solely in the summer to avoid disruption to student learning in art and science classrooms at MVHS. Contractors need to start mobilizing and ordering equipment ASAP to meet the tight summer timeline and have art and science classrooms ready for the start of school in August. Delaying a decision would mean missing the summer 2023 window of time to complete this work.
- Increased seismic upgrade requirements
  - Current plans are grandfathered into previous standards and not the recent DSA Interpretation of Regulation (IR). Redesign could subject the projects to stricter seismic requirements, potentially increasing cost 20%.
  - MVHS Classroom Expansion (currently at DSA) is subject to these higher requirements.
- Further cost escalation if completing the project at a future date, 5-10% per year
- \$2M has already been expended to date on the MVLA Facility Repairs and 500 Wing Pavilion, most of it in planning and design costs. These are expenses that are not recoverable should these projects be canceled.
- When looking ahead, based on recent bid results, the MVHS 100-400 Wing Classroom Expansion and Modernization Project, which will be bid in Fall 2023, will likely come in higher than the current \$18,750,000 budget. The recommended budget reallocation will provide funding for this anticipated increase.

### **Bid Cost Summary (slide 8)**

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The chart on slide 8 demonstrates the construction cost escalation in recent years. The market has experienced a 25% increase in the time between when the project estimates were provided and bid time. Costs have increased close to 50% since the passage of Measure E. Although normal cost escalation is built into the original budgets, actual cost escalation has exceeded the historical trend. In addition, the challenging phasing and scheduling of these projects adds to

the cost. The work is scheduled to be done 1-2 classroom wings at a time, during the school year, which adds complexity to type of equipment used and coordination of the different phases of the projects. Some added scope has increased cost as has DSA-required changes (the architects submit the plans based on current requirements, DSA reviews the plans and directs the district to make changes based on DSA interpretation of code).

**Future Project List (slide 9)**

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In addition to the MVHS and LAHS Facility Repairs Projects, and the MVHS 100-400 wing classroom expansion project, there are additional future projects that could be deferred in order to redirect those project funds to the current ones for which bids have been received. The total budgeted cost of these future projects is \$26.33M.

MVHS Gym Modernization	\$5,860,000
MVHS Library Modernization	\$2,100,000
MVHS Repurpose Existing Cafeteria to Performing Arts	\$4,200,000
MVHS Packard Hall Modernization	\$1,100,000
LAHS Music Building Addition	\$3,500,000
LAHS Gym Modernization	\$3,520,000
LAHS Library Modernization	\$1,870,000
LAHS Kitchen Cafeteria Modernization	\$4,180,000
<b>Total Future Projects</b>	<b>\$26,330,000</b>

**Additional Funding Considerations (slide 10)**

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When considering options to address the current budget situation, staff have also considered the following:

- The District has incurred \$4M to date in unanticipated costs for extra air monitoring and mitigation measures required by the Department of Toxic Substances Control (DTSC) and Bay Area Air Quality Management District (BAAQMD). This was required in order to preserve eligibility of \$30M reimbursement from future state funding (School Facility Program - SFP)

- Strong financial stewardship of program funds to date. Of the \$220M in bond program funds committed to date, only \$8M in program contingency was used, \$4M of which being the above-mentioned DTSC and BAAQMD compliance costs.
- \$26.76M, currently designated for additional classrooms if needed, could be used to offset budget increases due to recent bid results
- All Measure E Program Projects can still be completed by the combination of state SFP reimbursements and/or using the \$26.76M
- Projects will only become more expensive in the future. As difficult as it is to acknowledge the higher bid results recently received, bid amounts will only be even higher in the future should these current projects be deferred.

### **Measure E Synopsis** (slide 11)

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In summary, there is a path forward to complete the MVHS Facility Repairs, LAHS Facility Repairs and LAHS 500 Wing Pavilion projects (those for which we recently received bids) despite the need for a \$15.2M budget increase.

The following options outline two different ways to move forward. District staff recommend **Option 1**.

1. Use the remaining Measure E bond eligibility of \$27M (which nets \$26.76M once the costs of issuance are taken out). These unsold bonds are currently designated for additional classrooms if necessary. Future state funding of \$30M from the School Facility Program (SFP) is anticipated, which could be used to replenish this last bond sale and/or be used for additional, yet-to-be identified projects. Selecting this option could complete all remaining modernization projects.
2. Defer future projects (listed previously on slide 9) to fund the current Facility Repairs and LAHS 500 Wing projects and then wait until receipt of state SFP funds to backfill deferred projects. Receipt of SFP funds could take 3-5 years or more. Selecting this option would free up \$26.33M total.
  - a. One variation of this option is that the District could keep 20% of each project budget, or \$5.266M, to continue with the design of these deferred projects. That would leave \$21.064M to offset the currently needed budget increases.