TO:          Board of Trustees  
FROM:       Dr. Douglas Treadway  
DATE:       December 14, 2005  
SUBJECT:    Approval of Bond Budget Modifications  

Student Support Services Building Project  
During the past several weeks, the District has had two independent cost estimating firms project the construction cost of the Student Support Services Building based on the design drawings presented at this evening’s workshop. Representatives from the two firms met with District staff to reconcile the two cost estimates. At the conclusion of this process, the recommendation is that the District must increase the project budget by $1 million. This projected cost increase is attributed to both local and national market conditions. The projected costs utilized are based on the actual bids received recently for the Newark Center Project.

The current cost projection incorporates a number of value engineering suggestions put forward by tBP Architects. These adjustments do not compromise any of the building programming or impede the building’s eligibility for LEEDS certification. The quality, efficiency, and ambiance of the building have been preserved.

Attached is the current JCAF 32 which reflects a $1 million increase from the costs projected on August 31, 2005.

ESTIMATED OVERALL PROJECT BUDGET ANALYSIS  

<table>
<thead>
<tr>
<th></th>
<th>August 31, 2005</th>
<th>November 23, 2005</th>
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<tbody>
<tr>
<td>Budget</td>
<td>$28,000,000</td>
<td>$29,000,000</td>
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After Value Engineering Reconfiguration, these estimates are the best available now. Included in these estimates are a design contingency allowance and an expected cost escalation allowance of five percent to address potential price increases for building materials from now to a bid date in late 2006. These costs will be recomputed at the end of the construction drawing phase.

Water Intrusion Below Grade Project  
In our commitment to leverage Bond Funds to receive additional State funds, the District budgeted $800,000 as a 10% match to address the campus Water Intrusion Below Grade Project, for a total project cost of $8,000,000.

The State has informed the District that the State Department of Finance has approved a 30% project cost increase to cover escalating construction costs. With this increase the total project
budget will be $11,700,000. However, the District must also increase its matching share from $800,000 to $1,170,000 in order to remain eligible for state funding.

Release of State funding for this project depends on the passage of two State bonds: one in 2006 for plans and working drawings and one in 2008 for construction. A portion of the construction phase will consist of mitigating areas affected by water damage. These areas are in campus buildings that are planned to be refurbished in the Renovation of Vacated Space Project (#3-28). Therefore, some of the increase in state funding for the water intrusion project will support the objectives of Project #3-28 and offset the resulting reduction.

Both budget modifications delineated above will be transferred from the Renovation of Vacated Space Budget (#3-28). This budget after the requested transfers will be $5,240,314.

RECOMMENDATION

The President/Superintendent recommends that the Board approve two bond project budget modifications: 1) $1 million transfer to increase the Student Support Services Center Project Budget(#2) and 2) a $370,000 transfer to increase the Water Intrusion Below Grade Project (3-26B). These transfers in total will reduce the Renovation of Vacated Space Budget (#3-28) by $1,370,000.

Attachments