

CENTER FOR CONTEMPORARY ARTS AMENDED APPROVAL OF PHASE 1A BUDGET

In October 2005, the Shepherd University Board of Governors approved the final Design and Budget for Phase 1A of the Center for Contemporary Arts (CCA). After that meeting, the University encountered substantial expressions of concern from the Shepherdstown community about the project design, in spite of having undertaken a significant consultative process already. In the interest of looking for a means of accommodating some of the community concerns, some members of the campus project team traveled to New York to work with the architects on options for modifying the exterior of the building in modest ways to attempt to broaden the local support for the project.

Ultimately, as has been previously discussed with the Board, the architects were successful in developing adjustments to the exterior design which do not radically change the core aspects of the building but do help to create more of a blending with the surrounding community. Unfortunately, the additional public meetings and design adjustments affected the timeline for taking the project to bid, by several months. Although the modest aesthetic changes to the exterior are not believed to have added significantly to the cost of the project, the passage of time did.

In finalizing the bid documents, the project team assigned a significant array of components of the plans for Phase 1A into a series of "add alternates" which, following an initial base bid, are itemized as to the cost for each alternate. A total of seven alternates were included in the bid issuance. The University could accept the base bid and accept no alternates, but if alternates are accepted they must be accepted in sequential order.

In October the Board approved a Project Budget for Phase 1A of \$10 million based upon the project estimate from the architect. This included an estimate of \$7.8 million of "hard costs", i.e., the prospective construction contract. In April, as the design documents were being advanced toward conclusion, an updated estimate indicated that the hard costs had escalated to \$9 million. When the construction contract bids were opened in late June, the total cost of accepting the entire project, on the basis of the lowest bid, would be \$10.2 million. A copy of the bid results is enclosed. Also enclosed is a chart which reflects the hard costs which were included in the October '05 project estimate with a comparison of those line item estimates to the schedule of values provide by the contractor as a part of the bid-review process. These comparisons reflect the dramatic increases in concrete, plumbing, and metals costs which have been noted on a national scale.

It is recommended that the University proceed with accepting alternates 1-4, foregoing the remaining alternates. This will still result in a substantial increase in hard costs. Combined with

some cost reduction strategies, the overall project budget would increase to \$11.6 million, including contingencies.

The additional expense would be managed in the following manner:

1. Shepherd has recently been notified that interest proceeds from the HEPC capital projects bonds will be allocated to the institutions, providing \$705,500 of previously uncommitted capital funds. This entire amount would be allocated to CCA Phase 1A.
2. Of the \$12.5 million allocated by the HEPC to Shepherd for academic building construction, we have previously committed \$10 million to the CCA and have intended to apply \$2.5 million to the Swimming Pool / Wellness Center addition to the Butcher Center; \$894,500 would be reallocated from this project to the CCA Phase 1A.
3. Several adjustments would be made to the project:
 - A. Alternates 5-7 would be deleted from the bid award, reducing hard costs by about \$273,000. The intended components of alternates 5 and 7 can be added on an incremental basis by the University, paid for with regular, annual budget allocations, following completion of the building. Because inflationary factors are not likely to affect those components in the same manner as the effect on “bricks and mortar,” it is possible that some minor aggregate cost savings might result from this adjustment.
 - B. A net reduction of cost of approximately \$300,000 will be achieved by outfitting all room-uses which “move” from the Frank Center to CCA Phase 1A with existing furniture and furnishings, rather than buying new materials for all areas of the new building. This is a viable cost-savings for the University because the furniture and equipment currently in use in the Frank Center would not be useful for the instructional and studio uses that are contemplated for those spaces after the art program and CATF uses are relocated.

In some circumstances, it is more practical to make changes in design details for a building and re-bid the project, rather than to make the kinds of adjustments proposed. That strategy would fit poorly to this circumstance, however. Although community support for the final design of the CCA is not unanimous, it has grown considerably. Redesigning for the purpose of reducing costs would reopen the entire debate and could easily become counterproductive to maintaining goodwill in the community. The further delays which would be associated with a redesign and re-bid of the first phase of the CCA could easily result in as much additional cost, due to rising construction costs generally, as would be reduced in the redesign. Additionally, any redesign at this stage would require a compressed time schedule, because the University must have a firm commitment for the expenditure of the substantial majority of the \$12.5 million in HEPC bond funds before the end of the calendar year, or the HEPC may reallocate the funds to another institution.

Keeping CCA Phase 1A on schedule is very important for the overall advancement of the University’s planning. The growth in the art program enrollment makes the new facility

essential. Proceeding with the project will also be essential to our efforts to build on our new, growing efforts in institutional advancement.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd University Board of Governors approves the amended project budget for the Center for Contemporary Arts Phase 1A as presented in the agenda and at the Board meeting of July 28, 2006.

**CCA Bid Evaluation
P0003430**

Vendor	Base Price	Alt #1- Rehearsal Room Acoustic Enhancements	Alt #2-Wood Deck	Alt #3- Photography Studio Interior Fit-Out	Alt #4-Admin Office Interior Fit- Out	Subtotal	Alt #5- Projection Screens, Window Shades, AV Equipment, Workstations, Lockers	Alt #6-Roof Level Windows	Alt #7-Site Tress & Planters	Total
Waynesboro Construction	\$9,998,000	\$69,000	\$380,000	\$555,000	\$558,000	\$11,560,000	\$221,100	\$91,900	\$6,500	\$11,879,500
Callas Contractors	\$8,696,000	\$59,500	\$326,800	\$470,000	\$382,000	\$9,934,300	\$159,000	\$102,000	\$12,200	\$10,207,500
Brechbill & Helman	\$9,735,000	\$68,400	\$267,400	\$377,400	\$440,600	\$10,888,800	\$230,400	\$99,200	\$6,700	\$11,225,100
Lantz Construction	\$9,690,000	\$42,500	\$259,900	\$469,900	\$479,900	\$10,942,200	\$219,900	\$148,800	\$6,600	\$11,317,500

October 05 Estimate	Oct. 05 \$	Inflation markup	June 06 Contract	June 06 \$	Total contractor
<i>General Conditions</i>	\$620,082		General Requirements	285,000	
<i>Bonds</i>	\$86,564		Bond	80,000	
<i>Risk</i>	\$36,811		Builders Risk	8,000	
			Site Utilities	155,000	
			Signage	35,000	
<i>General profit</i>	\$483,147				
Total General	\$1,226,604	\$1,287,934			563,000
Sitework	\$378,939	\$397,886	Erosion Control /Earthwork	100,000	211,000
			Paving	28,000	
			Soil Treatment	3,000	
			Footing Excavation	80,000	
Concrete	\$482,286	\$506,400	Site Concrete	175,000	1,145,000
			Cast in Place Concrete	555,000	
			Architectural Precast	415,000	
Masonry	\$585,633	\$614,915	Masonry	418,000	428,000
			Ceramic Tile	10,000	
Metals	\$413,388	\$434,057	Metals	1,080,000	1,080,000
Woods & Plastics	\$688,980	\$723,429	Carpentry	470,000	1,084,000
			Metal Studs/Dry Wall	590,000	
			Toilet Partitions	2,000	
			Louvers	22,000	
Thermal and Moisture Protection	\$1,274,613	\$1,338,344	Roofing	1,290,000	1,357,000
			Sealants	67,000	
Doors & Windows	\$378,939	\$397,886	Doors/Frames/Hardware	125,000	374,000
			Glass/Glazing	225,000	
			Overhead Doors	24,000	
			Sound Retardant Doors	0	
Finishes	\$206,694	\$217,029	Performance Flooring	24,000	264,000
			Painting	235,000	
			Vinyl Base	5,000	
Specialties	\$68,898	\$72,343	Display Cases	15,000	70,000
			Fixtures	55,000	
Equipment (Theater / AV)	\$34,449	\$36,171	Projection Screens	22,000	22,000
Furnishings	\$0				
Special Construction	\$0				
Conveying Systems	\$68,898	\$72,343	Elevators	48,000	48,000
HVAC / Plumbing / Sprinkler	\$895,674	\$940,458	Fire Extinguishers	13,000	2,391,500
			Ceiling Fans	6,000	
			Fire Sprinkler	155,500	
			Plumbing	1,237,000	
			HVAC	980,000	
Electrical	\$344,490	\$361,715	Electrical	896,800	896,800