

Questions for the SBC

1) What is the plan if the new building comes in at a higher price?'

a) Cut athletic field?

b) Cut razing the existing HS?

c) Both?

d) Which would be first to go?

As the Owner's Project Manager, the first task that LeftField took on was an exhaustive review of 3rd party cost estimates for the new high school. This review included a line-by-line analysis of all divisions of work, of which comparisons were made to recently bid and completed work in our region. As you are aware, the final result of this analysis was our recommendation to increase the total budget for this project from \$125M to \$150M.

The primary driver behind our recommendation to increase the project budget was to maintain the current scope of work, inclusive of the athletic fields and the demolition of the existing facility. As such, our revised project total of \$150M included increasing the demolition budget to \$5M and increasing the overall budget to maintain the Athletic complex at \$11M. Both items are being held amount in separate line items from the general construction budget to safeguard it. We are currently holding approx. \$117M for the construction of the high school and athletic fields themselves - this represents a cost per sf value in line with current pricing we have received on other high school projects.

We should note that Central Falls High School was recently bid, and their pricing came in at \$715/sf. This pricing is exactly in line with what our expectations were for this time and aligns correctly with our forecast for inflation to the midpoint of the construction of the new High School.

We have also allocated two contingencies (totaling approx. \$20M) to further protect the project from escalation, material costs increases, and unforeseen conditions (the three main drivers behind the cost increases in Newport). These contingencies, and the strategies that led to their inclusion in the project budget, were discussed at the Joint Town Council / School Committee / School Building Committee on October 24, 2023.

With all that said, any additions or subtractions to the current scope of work would need to be reviewed and approved by the School Building Committee.

2) Will the SBC hire an attorney with experience in all aspects of large construction project to advise the sbc and the tc and to protect the taxpayers and residents of SK?

It is typical for this type of project to engage with an attorney. We have allocated a specific line item in the project budget to cover these costs.

3) Based on the Stage 2 application the remaining schools need about \$32 million worth of work. It was explained that work will be done using CIP money. Mathematically that

would be approximately 22 years which includes RIDE's contribution to complete today's recommended repairs. There will also be ongoing repairs. How is that going to work?

Any funding for future repair/ replacement of facilities other than those covered by the proposed bond would need to be decided by the Town Council in consultation with the School Committee. The \$32M repairs/updates to the facilities other than SKHS outlined in the Stage II report are current and prospective needs at each facility based on typical life cycles. Facility needs are prioritized and there is always a clear understanding by RIDE that local communities these needs will be addressed over time and may be funded in a variety of ways.

It is important to note that the state now requires LEA's to maintain a minimum of 3% of their operating budget for CIP each year. These funds can be used for any of the other facilities. In addition, any repairs approved as part of the stage II will be eligible for the same bond reimbursement rate as the high school for 5 years and 35% minimum reimbursement beyond that timeframe. RIDE typically recommends placing reimbursed funds in School CIP as a revolving fund to leverage additional improvements and create a sustainable funding strategy for facility updates and ongoing repairs.

Finally, the decision to repair/ replace facilities will evolve over time based on changes in enrollment and education needs which will impact plans for any future expansion, modification, or reduction in facilities.

4) Will there be any restrictions on change orders? Who will be responsible for approving change orders? Will the SBC meet publicly to discuss change orders?

A process has not been developed for reviewing and approving change orders at this time, but such a process will need to be instituted prior to construction start in 2025. Each municipality handles this differently. LeftField is prepared to offer different perspectives on a potential process for the SBC to discuss and review with other stakeholders. Restrictions on change orders would be under the purview of this process.

5) How is skschoolproject.com being updated? How often and who is doing this?

Skschoolproject.com is updated as needed and directed by the SBC. LeftField administers the project website.

6) \$765.00 per sq ft is used to figure the cost on the skproject.com site. On the stage 2 report RIDE used \$628.00 per sq ft. I believe it was said the costs are more like \$850.00 or \$900.00 per sq ft. How are you arriving at your figure? Which of these figures is correct and how is that taken into consideration in the overall cost?

\$765.00 per sf is the cost provided by the 3rd party cost estimators. This is strictly hard costs and does not include many of the soft costs associated with a project such as this (architectural design fees, Owner's consultants, furniture, fixture, and equipment, etc. – it also does not include protective contingencies or escalation). As discussed in the joint TC/SC/SBC meeting on October 24, 2023, Leftfield

performed a comprehensive analysis of the estimates and concluded that several important items were not included in their estimate, or we felt that a higher value should be assigned to protect the owner. These additions bring the cost per square foot higher. The exact cost per square foot will not be determined until we have brought a construction manager on board and we lock into a Guaranteed Maximum Price contract with that company. We feel confident in maintaining the \$765 s/f budget for hard costs only, especially with the recent data that has come in from Central Falls High School.

In regard to RIDE's cost per sf, RIDE has been generous with school districts in allowing certain line items of work (demolition, hazardous materials abatement, soil improvements, site remediation costs, etc.) to not be calculated in their reimbursement formula, which allows District's greater flexibility when building their budgets. These line items, especially site remediation, can be very costly.

7) The skschoolproject.com website states it answers questions. I don't see questions from residents with answers. Does this mean you have received no questions or that the Q/A's are not on the website?

To the best of my knowledge, only one resident submitted questions. These questions were sent to an old email address associated with the project on 1/29/23, which was responded to by both Luke Murray and Chris Spiegel of LeftField on 2/9/24. One question referenced very specific information that had been previously discussed in open meetings by the School Building Committee. A simplified version of that question, and our detailed response, is available on the FAQ section of the website. The other two questions were essentially asking for greater detail on existing FAQ's on the website.

8) On the skschoolproject.com website some answers, as I understand the process, are misleading. Example – “How are we protected against rising costs? Answer: The project budget has included specific line items to protect against further inflation and/or price escalation. These ‘contingencies’ ensure that the complete scope of work can be completed within the total budget. With that said, the SBC and its partners will continue to perform value management at every stage of the Stage III design process, looking for efficiencies and cost-saving opportunities to maximize value and finish under budget.” Aren't prices “protected” up to a certain timeframe of the project then costs can go up? Also not mentioned is the cost of change orders.

I am unsure how the provided answer is misleading.

Budgetary line-item contingencies protect the owner from rising costs by holding money in contingencies designed to protect the owner from unforeseen conditions (change orders), adjustments in commodities costs which affect commonly used materials, and to safeguard against escalation, amongst other things. These are drawn down and redistributed as required prior to the signing of a Guaranteed Maximum Price with a Construction Manager.

In addition, the SBC has elected to pursue a Construction Manager at Risk with a Guaranteed Maximum Price as the project delivery method for this work. As such, once we agree to a Guaranteed Maximum Price (GMP), we are fully protected from rising costs as this contractual agreement puts the risk on the Construction Manager to deliver the project within the agreed upon budget.

In short, the Owner is protected by two separate mechanisms from rising costs – by safeguarding contingencies to protect against the aforementioned adverse conditions, and through a contract for a Guaranteed Maximum Price for the work.

9) The projected impact on property taxes posted on the skprojects.com site is \$150 million. What is it for the additional \$36 million (\$4 million not included in the bond and \$32 million for all the other school district building projects)? Isn't using just the \$150 million somewhat disingenuous?

To the best of my knowledge, there are no plans to borrow more than \$150M specifically for the replacement of the High School, nor have any requests been made to the Town Council or State Legislature for anything above and beyond the \$150M. As such, a tax forecast for \$150M seems both prudent and responsible.

Anything above that number is speculative and could be seen as intentionally clouding the water, especially since the SBC has never discussed borrowing anything higher than \$150M in any relevant detail. As discussed in question #3 above, Bonding is not the only option as facility needs outside the high school may be addressed over time utilizing a number of strategies that maximize RIDE fund reimbursements as well as state and federal grants.

10) Did anyone calculate the Hazard Field area and calculate the existing school land area for equal size? If the school land is larger than Hazard Field there may be a chance to get more student parking.

The field size was analyzed by Studio JAED during the conceptual design process to ensure there was equivalent land size to ensure we would meet the federal land swap requirements. The SBC also discussed ways to maximize parking while also considering input received from neighbors regarding any potential nuisance. We appreciate your thoughts on this matter and we would be happy to evaluate additional options for student parking expansion with the project Designer during the Stage III RIDE process to ensure that South Kingstown's needs are being met with regards to available parking and traffic mitigation. Solutions to these issues will be developed over the coming months.

11) There is a steep slope to the present high schools land. How will the field be finished off to accommodate SK's sport's program. Multi-tier doesn't appear to be very functional. Also will having a multi-tier field be ok with the feds? I ask about the fed because they didn't want anything permanent mounted in the present field. To me this could be a problem.

As with question 10, these issues and their solutions will be developed during the Stage III submission in the coming months. We are confident that the SBC, working with their Designer, will be able to develop a

site plan that meets all of the project requirements, including those from outside Authorities Having Jurisdiction.