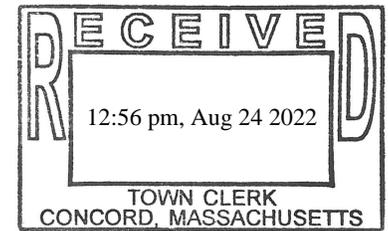


**Concord Middle School Building Committee  
Meeting Minutes  
June 30<sup>th</sup>, 2022**



Name	Present	Name	Present	Name	Present
<b>CONCORD MIDDLE SCHOOL BUILDING COMMITTEE:</b>					
Court Booth*	P	Russ Hughes	P	Matt Root*	P
Heather Bout*	P	Laurie Hunter*	P	Steven Stasheski*	P
Frank Cannon*	NP	Matt Johnson*	P	Gail Dowd	P
Justin Cameron	P	Kerry Lafleur	P	Robert Conry	NP
Peter Fischelis*	P	Pat Nelson*	P	Alexa Anderson	P
Dawn Guarriello*	P	Chris Popov*	P		
Jon Harris	P	Charlie Parker*	P		
<b>Hill International</b>					
Peter Martini	P	Ian Parks	P	Susan McCann	P
John Cutler	P				
<b>SMMA / Ewing Cole</b>					
Lorraine Finnegan	P	Nicole Bronola	P	Keith Fallon	P
Will Smarzewski	P	Phil Poinelli	NP	Saul Jabbawy	NP
Chase Gibson	NP	Michael Dowhan	NP	Jen Soucy	NP
<b>Sub-Consultants/Contractors</b>					
Peter Timothy (AM Fogarty)	P	Peter Bradley (PM&C)	P		

P=Present, NP= Not Present  
\*=Voting Member

**CALL TO ORDER**

Co-Chair Pat Nelson called the meeting to order at 7:30 A.M. via Zoom Virtual Conference call. Here is a link to the recording: [Concord Middle School Building Committee Meeting - Zoom](#). This recording will be made available at the Concord Public School's project page and Town of Concord's website.

**APPROVAL OF MINUTES**

Co-Chair P Nelson moved the approval of meeting minutes to the end of the meeting agenda.

**OPM UPDATES**

**Project Budget Update**

I Parks presented the current project cash flow through June 30, 2022 as well as projections through the end of the project. Project expenditures to date are \$2,775,153 including monthly progress payments made to Hill and SMMA.

**Commissioning Update**

I Parks reported on the Commissioning Kick-off meeting hosted by AKF and shared the meeting minutes along with a Commissioning milestone schedule provided by AKF. I Parks noted that AKF+SGH had provided comments on the Design Development drawings and specifications.

**Design Development Estimate and Budget Comparison**

I Parks reported that the reconciled Design Development estimate is \$86,105,312, leaving the estimate \$5,332,865 over budget, not including the bid contingency.

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**Construction Market Conditions**

P Timothy (AM Fogarty) discussed with the CMSBC some market conditions and trends in construction costs that have impacted the estimated construction costs since the Schematic Design estimate:

- Roofing cost has doubled
- Steel has increased by 20%
- Certain electrical material costs have doubled, in some cases tripled
- Glass is projected to increase 40%
- Fuel costs are impacting materials across the board due to shipping
- Manufacturers are only guaranteeing material prices for 30 days
  - Many subcontractors are carrying 20-25% cost contingency to cover the volatile prices from manufacturers.
- AM Fogarty is not anticipating changes in market prices in the next three (3) months.

P Bradley (PM&C) supported many of the trends that P Timothy discussed and added:

- In a recent project he spoke to a roofing sub who was carrying 35% on top of their bid to cover their costs.
- Market conditions will change when supply catches up to demand, but it is difficult to forecast when that will happen. Although there is an increase in costs now, it will not hold forever.
- Market conditions have created the worst bidding market he has seen in 30 years of cost estimating.

L Finnegan further added:

- Current estimates are reflecting current prices and the previously assumed escalation has not been able to absorb the increased prices.
  - Traditionally escalation numbers go down as design progresses, but market inflation is causing escalation to hold at the same rate along with increased prices.

D Guarriello asked both P Bradley and P Timothy what percent of their estimating was based on public school work. AM Fogarty advised that 45% of their business is for public school projects and PM&C advised that 60% of this business is public school projects. Both firms are expecting to receive around four (4) to five (5) public school bids on other projects in the coming months. Both P Timothy and P Bradley reported that the bidding market for Construction Manager at Risk projects is significantly worse than Design-Bid-Build projects.

P Martini reported that Hill projects in 2022 saw monthly increases of 1% in lieu of the 0.25% escalation projected at the Schematic Design. He noted that issues like inflation, labor shortages, and potential recession over the next eight (8) months are greatly influencing cost, not the project design elements that have remained largely unchanged, but are shown now with more detail.

**Reconciled Estimate Overview and Comparison**

I Parks presented the reconciled estimate with a side by side comparison of PM&C and AM Fogarty's estimates.

- All trades/areas of focus within the estimates were within a 2% comparative margin between AM Fogarty and PM&C.
- The reconciled budget confirmed that the two estimating firms were estimating the project based off the same assumptions.

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I Parks shared a comparison of the Schematic Design and Design Development cost estimates.

- Schematic Design value management was not reflected in the Schematic Design cost estimate to highlight the full extent of the variation in the estimates from each phase.
- The soil studies did help realize VM savings approved in Schematic Design value management, and savings realized were factored into the Design Development reconciled estimate.
  - Further studies are still required to identify potential further savings that could be realized.

**NEXT STEPS:**

I Parks presented five (5) potential options that CMSBC could use as a guideline to proceed with the project given the budget overrun.

- Option 1: Proceed with the building design unaltered, re-assess the budget and do value management at the 60% CD phase in October 2022.
- Option 2: Ask the Town for additional funding
- Option 3: Through value management, reduce the scope of the project to meet the construction budget of \$80,772,447.
- Option 4: Through value management, reduce the scope of the project to meet the construction budget + bidding contingency of \$82,791,759.
- Option 5: Pause design and wait for more favorable market conditions.

Hill International recommended option 1 to the CMSBC at this time, with further action to be developed.

L Finnegan commented on the magnitude of the budget overrun and noted that at 60% CD phase the VM decisions would have to be on a larger scale than multiple small reductions such as reducing the size of the gym or removing the auditorium from the project scope. SMMA can wait until the 60% CD phase to address VM, but after that phase it would be difficult to alter the design. SMMA reiterated that the VM decisions would have to be larger scale scope removals. She further noted that having add-alternates carry risk with regards to the bidding process, and advised against having them altogether.

M Johnson commented that the bidding contingency is for the bidding phase and shouldn't be factored into any of the options for how the project should proceed. He further asked if making a VM decision now would carry different total project budget impact than making the same VM decision after 60% CD phase.

L Finnegan responded that making the VM decision now or in 60% CD phase would not impact SMMA's scope for the project.

I Parks noted that the best case scenario is that the market corrects over the coming months and the 60% estimate in October 2022 comes within the construction budget including the bid contingency. The worst case scenario would be that the market continues to escalate or stand still, pushing the project over budget and requiring drastic scope reductions and re-design efforts or a budget increase to align the budget with scope.

Various committee members discussed the options presented by Hill, many expressed a desire to not duplicate efforts by doing VM both at this phase of the project and the subsequent 60% CD phase. L Finnegan noted that there would be a schedule impact in doing VM in both phases. L Hunter added that waiting would allow the CMSBC time to conduct community outreach and engagement.

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L Finnegan reported that SMMA and Hill have generated a list of potential VM items for the CMSBC to review and discuss at later meetings. I Parks added that the VM log is in progress and is more that sufficient to cover the \$5.3M budget overrun.

Various committee members echoed L Hunter's recommendation of community outreach, and discussion ensued regarding the nature of the correspondence with the Town. P Nelson tabled the discussion surrounding the nature of community outreach to be discussed at a future meeting.

C Booth thanked Hill International for leading the CMSBC through such a challenging discussion.

**MOTION**

C Booth motioned that the CMSBC authorize the Design Team to continue with Construction Documents, accept current findings, and revisit the estimates at the 60% phase; recognizing that the CMSBC will have to make decisions at that point and will be the final opportunity to make decisions. Heather Bout seconded the motion.

M Johnson noted that in his experience, proceeding with design without taking action has never been as effective from a schedule or cost standpoint as making the decisions early.

The motion carried 12 votes to 1.

**DESIGN DEVELOPMENT UPDATE**

L Finnegan reported that the Design Development documents had been reviewed by AKF/SGH and Hill and SMMA is preparing responses that will be incorporated in the final DD report.

She further reported on proposed proprietary items that will need to be voted on at the next meeting:

- Security Access controls - Genetec
- Exterior Drinking Fountain – Elkay
- Commercial Locks - Schlage
- BMS system - Johnson Controls
- Intrusion Detection Sysetm - Honeywell
- Master Clock - American Time EverAlert clocks
- Security video management system - Luxriot Global
- Septic Denitrification System – Aquapoint
- Stormwater Treatment (water quality) – Rain Guardian

**NEXT STEPS**

The next Concord Middle School Building Committee will be held on July 28<sup>th</sup>.

**PUBLIC COMMENT**

Town resident Karlen Reed asked for the date in October in which the Committee would make the VM decisions. I Parks responded October 14<sup>th</sup>.

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Christine Reynolds expressed concern regarding the budget and urged the CMSBC to start taking action now to adjust the design.

**Adjournment**

Co-Chair Pat Nelson entertained motions to adjourn at 9:35am. Dawn Guarriello motioned to adjourn. Chris Popov seconded the motion. The motion to adjourn carried unanimously.

APPROVED