



# School Building Projects Advisory Council

## Meeting Minutes

September 22, 2016

Legislative Office Building, 300 Capitol Ave., Room 2C

### In attendance

#### Members Present

Commissioner Melody A. Currey, Chair  
Susan Weisselberg  
Ellen Cohn  
Lou Casolo  
Glenn Gollenberg  
Antonio Iadarola

#### Attendance - Staff

Director Konstantinos Diamantis, Office of School Construction Grants and Review (OSCGR)  
Michelle Dixon  
Kermit Thompson  
Barbara Fabiani  
Robert Celmer  
Timothy O'Brien

#### Attendance – Consultant

Charles Warner, Warner Concepts, LLC

### Meeting business

The meeting was called to order by Commissioner Currey at 1:03pm.

#### Agenda Item 1: Welcome & Introductions

Commissioner Currey welcomed the Council members, members of the public, staff and the agency consultant.

#### Agenda Items 2: Public Comment

Commissioner Currey welcomed public comment.

Jack Butkus of Arcadis discussed having changes in rules not effect projects already underway and the application of specific elements of the draft *Standards and Guidelines*.

#### Agenda Items 3: Overview of the Work Session

Commissioner Currey introduced Director Diamantis to introduce the work session.

Diamantis thanked members of the public and state officials, including Ellen Cohn from the State Department of Education (SDE) for input into the creation of a new school construction grant process. Diamantis discussed identifying the various components of school costs as the basis of creating a maximum cost per square foot from the ground up rather than a total project cost, noted the correlation found in SBPAC work in 2013 between reimbursement rates and per square foot costs, cost increases in school projects of 15 to 35%. Diamantis discussed the proposed Soft Costs definition.

## Soft Costs

### *What is included in "Soft Costs" co-funded by the State?*

#### Soft Costs include

- Architectural/ Engineering services and all sub-consultants
- Environmental Consultants
- Surveying
- Construction Administration Service by Architect
- Peer review for structural for "threshold buildings"
- Code review (Code Consultants and 3-party review)
- Material testing and special inspections
- Utility costs
- State education fee on building permits
- Commissioning

#### Soft Costs do NOT include

- Site Acquisition
- Local building permits
- Contingencies of any kind
- Owner's Representative costs
- Construction management fees
- Program management fees
- Task managers fees
- FF&E and Technology (but it's a soft cost)
- Escalation
- Playgrounds
- Classroom swing space/phasing expenses

**Allowable Maximum:**      15% of Building Construction Cost for New projects  
   17% of Building Construction Cost for Renovation projects  
   20% for projects with special/exceptional considerations

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Diamantis discussed the proposed Construction Costs definition.

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## Building Construction Costs

*What is included in "Building Construction Costs" co-funded by the State?*

**Building Construction includes all work within 5 feet of the building including**

- Selective Demolition
- All trade costs
- General Conditions (CM and trade), including
  - Bond
  - Insurance
  - Staffing
- MEP equipment and other fixed equipment
- Millwork
- Technology Infrastructure (data/communications/security)
- Construction Manager and Trade Overhead and Profit
- Construction contingencies

**Building Construction does NOT include**

- Gross building demolition
- Abatement
- Land acquisition
- Construction Management (CM) fees (softs costs)
- Work beyond 5 feet of building perimeter
- Furniture, Furnishings, and Equipment
- Play equipment

**Allowable Maximum "Cost per Square Foot" of Building Construction: \$365.00 / SF**

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Diamantis discussed that vocational-technical-agricultural and magnet schools are excluded from these calculations.

### Agenda Items 5: Maximum Cost Per Square Foot

Warner discussed the consultant's cost analysis and its similarity to the STV report done for SBPAC in 2013, to arrive at a recommended \$365 per square foot as a limit on Building Construction Costs.

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## Maximum Cost Per Square Foot

**Purpose:** Evaluation of Connecticut School Construction Costs for Validation of Proposed \$320/sf Direct Cost of Construction.

**Data:** Actual Cost Data from "Closed Projects" provided by OSCGR

**Evaluation:** Using "Construction Start Deadline Date" in the cost data to establish time of direct cost, the direct cost is escalated to current cost using Historical Cost Indexes. By so doing, costs from different times are brought to a common time, i.e. the current time, in order to provide meaningful evaluation.

### Results Table:

Initial Information	72	Count of Schools in "Closed Projects"
Deduct Abnormals	2	Relocatable Classrooms
	1	Addition
	5	Central Administration
	1	transfers grant commitment to Goodwin College
<b>Projects with Costs</b>	<b>63</b>	<b>New School Projects with Costs (includes Magnets and VoAg)</b>
Magnets School Projects	\$ 473.30	Average Direct Cost of Construction - 15 magnet school projects - all at 95% or 100% reimbursement rate
VoAg School Projects	\$ 380.50	Average Direct Cost of Construction - 6 VoAg school projects - all at 95% or 100% reimbursement rate
<b>21 of 63 Projects are either Magnet or VoAg. Because Magnets and VoAg represent distinct school types, statistics this box EXCLUDE Magnet and VoAg:</b>		
Analysis of New School Projects with Costs	\$ 335.64	Average Direct Cost of Construction all Projects
	\$ 356.59	Average Direct Cost of Construction - Elementary Schools
	\$ 304.74	Average Direct Cost of Construction - Middle Schools
	\$ 313.68	Average Direct Cost of Construction - Secondary Schools
Estimate Validation Statistics	\$ 320.00	Proposed Max Direct Cost of Construction per Square Foot
	22	Number of New School Projects with Costs at or below Proposed Direct Cost of Construction
	52%	Percentage of Projects (all types, excl magnet / VoAg) with Direct Cost of Construction <\$320
Reimbursement Rate Statistics	\$ 314.70	Average Direct Cost of Construction with < 25% reimbursement rate
Excludes Magnet & VoAg	\$ 304.39	Average Direct Cost of Construction with < 50% reimbursement rate
	\$ 364.05	Average Direct Cost of Construction with > 50% reimbursement rate
	\$ 398.82	Average Direct Cost of Construction with > 75% reimbursement rate

*OSCG&R data for "closed" projects with a construction start deadline date from 1998 through 2010 were analyzed and translated to current dollar values with the conclusion that a reasonable "building construction cost" in 2016 dollars is \$365/SF.*

*Implementation is intended for projects for which a grant application is submitted to OSCGR on or after July 1, 2017. Before implementation the \$/SF-cost will be re-evaluated. The re-evaluation will include more current data from LEA- "finalized" projects submitted to OSCGR, reinforcing the validity of the \$/SF-cost for Connecticut projects in 2017 dollars.*

Diamantis pointed out that older data used in this analysis were adjusted to 2016 dollars and that the \$365 is to be reviewed annually.

Commissioner Currey asked about current dollars calculations and for clarification that the consultant review found average construction costs have been \$320 per square foot. Warner discussed that additional data was used to create the recommended \$365.

Diamantis made a correction (included above) in the Construction Costs definitions.

Discussion (Gollenberg, Warner, Commissioner Currey, Diamantis, Weisselberg, Casolo, Cohn, Iadarola, public) included that Building Construction Costs exclude parking lots, utilities, etc. outside 5 feet of a school building, that Building Construction Costs should be labeled “State Funding of Building Construction Costs”, that there are three cost types, categories, or “buckets”: Building Construction Costs, Soft Costs and all other costs, that CMR project costs should be lower, not higher, that project cost data being collected by OSCGR could be used for future changes in the allowable maximum cost per square foot, that costs not included in Building Construction Costs or Soft Costs are not inherently ineligible for reimbursement, that, when considering ineligible costs, there are effectively four “buckets”, and there was discussion about net and gross square foot calculations.

Commissioner Currey noted her goal would be to develop policies that are easily understood, so everyone can understand how the state is investing in schools.

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A **Motion** (Cohn, Weisselberg) was made that the maximum allowable building construction cost for 2016 be \$365 per square foot, that, on or before April 30th of each year, the maximum allowable building construction cost shall be reviewed to appropriately adjust costs, based, in part, on Local Educational Agency finalized projects and that the maximum allowable building construction cost shall be effective July 1, 2017.

Discussion (Casolo, Warner, Commissioner Currey, Gollenberg, Diamantis) occurred on clarifying net to gross square footage in the definitions and that the difference should not affect per square foot calculations.

**Approved unanimously. (Noted as DAS-SBPAC Policy 2016-1.)**

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A **Motion** (Cohn, Casolo) was made that the maximum allowable percentage of soft costs for new construction projects shall be a maximum of 15%, for renovation projects a maximum of 17% and for projects with special/exceptional considerations a maximum of 20%.

Discussion (Gollenberg, Commissioner Currey, Iadarola, public) occurred concerning the “third bucket”, on the definitions applicable to the this and the previous motions and on net to gross square footage.

**Approved unanimously. (Noted as DAS-SBPAC Policy 2016-2.)**

#### Agenda Item 7: Connecticut School Construction Standards and Guidelines

Discussion (Diamantis, Cohn) occurred on entertaining a motion to adopt the *Connecticut School Construction Standards and Guidelines*, in its most current draft form, as of September 22, 2016, and that the *Standards and Guidelines* would be effective only for projects, the applications for which are submitted on or after July 1, 2017.

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A **Motion** (Cohn, Casolo) was made that the *Connecticut School Construction Standards and Guidelines* shall be adopted, effective July 1, 2017.

Discussion (Weisselberg, Cohn, Iadarola, Commissioner Currey, Gollenberg, Diamantis, Warner, Casolo, public) occurred that the *Standards and Guidelines* allow flexibility when new technologies allow new options on school construction projects, that there should be continuing refinement of the Facility Renovation document (dated September 8, 2016), that the intent of the motions is to have standards and guidelines in place, while continuing ongoing refinement, that net to gross space calculations will decrease allowable square footage, that net to gross space standards are to be reviewed, that school space standards should be based on the number and needs of the students in each school, about the standards taking account of each district’s overall available and needed space, that DAS will continue working with SDE on space needs, concerning the allocation of and limits on program management fees, concerning space standards calculations in the *Standards and Guidelines* Excel workbook, that districts have discretion to build larger and more spaces, at their own expense, than would be reimbursable, that the process for continuing revision would include returning for an additional SBPAC meeting in the near future, that ongoing revisions would include the space standards calculator, regulatory, CM issues and uniformity of contracts, and that OSCGR staff will be working with SBPAC on the ongoing revisions.

**Approved unanimously. (Noted as DAS-SBPAC Policy 2016-3.)**

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Agenda Item 8: Adjournment

Commissioner Currey thanked SBPAC members and the DAS staff and consultant for their work in the items adopted

A **Motion** (Gollenberg, Cohn) to adjourn.

**Approved unanimously.**

Commissioner Currey ruled the meeting adjourned.