

Additional Information
February 27, 2024 Board Meeting

The following additional information was provided regarding the February 27 Board meeting agenda:

Item 3.d, Agreement with Sundt Construction for the Cypress College Fine Arts Renovation Project:

1. When this was initially bid on March 23, 2021 the District had seven respondents. At the time we only approved Phase 1 construction. Why was it not rebid to reflect the additional seismic upgrades and construction complexities? **The Request for Proposal (“RFP”) was released in 2021 to select the firm that would fulfill both Phase 1 and Phase 2 services. As indicated in the Board summary on March 23, 2021 “Final cost [for Phase 2], which will include general conditions, general requirements and total cost of the CM fee based on the pre-negotiated profit percentage will be determined upon receipt of bids and presented to the Board of Trustees for separate approval action.” It was always the intention to proceed to Phase 2 with the same CM firm as Phase 1, as also mentioned in the March 23, 2021 agenda item: “Upon approval by the State to move to the construction phase, the college will return to the Board for approval to award the construction and post-construction services (phase 2), estimated at \$2,763,708.00 (including a fixed profit percentage of 1.81% based on the actual bid value and general conditions which are subject to change).”**

The requirement was for the CM firms to propose a fixed construction management fee for Phase 2, that could not be revised, as well as a proposed staffing plan based on the known project (at that time). At the time of the RFP release, the project was in the early design phase, so the full complexity, particularly regarding seismic upgrades and campus backbone utility relocation, was not yet fully understood. Consequently, the proposed teams were tailored to a smaller project, anticipating an 18-month construction timeline and \$31 million construction costs. However, the construction duration has since increased to 26 months, and the bid for construction costs came in at \$57.2 million.

2. Why has the cost of construction increased so steeply? According to the California Construction Cost Index, prices increased in 2021 13.4%; 2022 9.3% and 2023 9.4%. (32.1%)? **Cost estimations for construction changed over time for this project based on several factors:**

- **Cost escalation – Estimated annually at 5% but has actually been double that at 10.7%.**
- **Seismic upgrades – In April 2021 we asked the State for \$3 million more in funds for seismic; however, in December 2023 bids for seismic totaled over \$10 million, or a 333% increase.**
- **Complexity estimations over time – The major factors for this, in addition to the cost escalations and seismic upgrades, are the increased time for the project (an increase of 44%), the scope of work involved, and the addition of owner contingency. The history on the cost estimations over time are:**

Estimate Date	Amount	Delta	% Initial Est.
Initial – January, 2021	\$31,000,000	\$ 0	0%
Design Development Stage – March, 2021	\$32,002,841	\$ 1,002,841	3.23%
50% Construction Docs Stage – June, 2021	\$37,587,896	\$ 6,587,896	21.25%
DSA Submittal – August, 2022	\$48,154,018	\$17,154,018	55.34%
Actual Bid Value – December 2023	\$54,981,914*	\$23,981,914	77.36%

* Does not include \$2,228,086 in owner contingency.

These costs were presented at the January 23, 2024 Board meeting under agenda item 3.g and were approved.

Additional Information
February 27, 2024 Board Meeting

3. Why is the increase to the management fee more than double, while the total cost of construction is less than double? **A full summary to outline the increase will be included in this evening’s presentation to the Board to help further explain and includes the following:**

1. **Construction Phase Additional Personnel (increased from 3 FT, 6 PT à 5 FT, 6 PT staffing)**
2. **Extended time for Construction Phase (increased from 18 à 26 months or 44% increase)**
3. **CM Fee of 1.81% (fixed fee constant, actual construction costs more)**
4. **Closeout Phase Additional Personnel (increased from 2 FT, 2 PT à 3 FT, 7 PT)**
5. **Allowance (none initially provided)**

PHASE 2 Services		January 2021 Proposal	January 2024 Proposal	DELTA	
CONSTRUCTION PHASE	A.	# of Construction Months	18	26	8
	B.	Total Cost for Construction Phase Oversight	\$ 2,077,732	\$ 4,084,500	\$ 2,006,768
	C.	Fixed Monthly Rate for CM Oversight (B./A.)	\$ 115,430	\$ 157,096	\$ 41,667
	D.	Team	1-FT Sr. PM 1-FT Sr. Super 1-FT Sr. PE 6-PT additional staff	1-FT Sr. PM 1-FT Sr. Super 2-FT Asst. PM 1-FT PE 6-PT additional staff	ADDED: 2-FT Asst. PM
	E.	CM Fee (1.81% of construction)	\$ 561,100	\$ 1,035,500	\$ 474,400
CLOSEOUT PHASE	F.	# of Closeout Months	2	2	0
	G.	Total Cost for Closeout Phase Oversight	\$ 124,876	\$ 242,000	\$ 117,124
	H.	Fixed Monthly Rate for CM Oversight (G./F.)	\$ 62,438	\$ 121,000	\$ 58,562
	I.	Team	1-FT Sr. PM 1-PT Sr. Super 1-FT Sr. PE 1-PT Admin.	1-FT Sr. PM 1-PT Sr. Super 1-FT Asst. PM 1-PT Asst. PM 1-FT PE 5-PT additional staff	ADDED: 1-FT Asst. PM 1-PT Asst. PM 1-FT PE 5-PT additional staff
	J.	Allowance	\$ 0	\$ 500,000*	\$ 500,000
Total Delta (B.+E.+G.+J.)				\$ 3,098,292	

*** Allowance for CM must be approved by the District and is intended to be used for unexpected delays or expenses occurring during the construction and/or closeout phases.**

4. In 2021 Sundt stated they had the lowest profit percentage of 1.81%. With the increase in fees for phase 2, what would be their new profit percentage? **The profit is solely calculated against the costs of the trade contractor bids. The original January 2021 estimate for construction costs was \$31 million (\$31 million x 1.81% = \$561,100). The actual January 2024 bid construction costs were \$57.2 million, so the new profit would be \$1,035,500 (\$57.2 million x 1.81% = \$1,035,500).**

Additional Information
February 27, 2024 Board Meeting

5. Thank you for listing the number of personnel Sundt will provide (5 full-time employees plus part-time office help). Has the number of personnel Sundt provides changed? **Yes, the personnel have increased in both the construction phase as well as the closeout phase due to the complexities of the project as well as the number of trade contractors on the project to be managed by the CM. Below further breaks down the changes.**

Construction	Closeout
Original Assumed Staffing: <ul style="list-style-type: none"> ○ 1 – FT Senior Project Manager ○ 1 – FT Senior Superintendent ○ 1 – FT Senior Professional Engineer ○ 6 – PT Additional Staff 	Original Assumed Staffing: <ul style="list-style-type: none"> ○ 1 – FT Senior Project Manager ○ 1 – PT Senior Superintendent ○ 1 – FT Senior Professional Engineer ○ 1 – PT Administrative Staff
Additional Staff: <ul style="list-style-type: none"> ● 1 – FT Professional Engineer (reduced from “Senior” level) ● 2 – FT Assistant Project Managers 	Additional Staff: <ul style="list-style-type: none"> ○ 1 – FT Assistant Project Manager ○ 1 – PT Assistant Project Manager ○ 1 – FT Professional Engineer (reduced from “Senior” level) ○ 5 – PT Additional Staff

Item 3.i, Out-of-Country Travel for a Study Abroad Program Site Visit:

1. The costs of travel, lodging, ground transportation, and meals will be paid by an outside organization. The agenda text says there will be only "minimal expenses to the District." The District's travel reimbursement rate is \$5/day for miscellaneous expenses. So how do "minimal expenses" become over \$200/day (\$1450 for 7 days) for each person? I would like this item to (1) list the expected expenses, and/or (2) give a more realistic estimate of the unknown expenses that will be incurred. **The vendor (AIFS) covers the flight, hotel accommodations, and taxi to/from the airport and hotel, as well as one lunch. The reimbursement estimate is for other anticipated expenses such as:**

- Mileage to and from the airport from home/office
- Parking at the airport (or cost of Uber/Lyft/Taxi)
- Transportation from the hotel to the AIFS center and back, daily (unless within walking distance)
- All meals for the week besides the one lunch
- Wi-Fi (if not provided)
- Baggage fees (if applicable)

Generally, these expenses are a little overestimated so that there is enough budget to cover any unexpected district-allowable expenses, and typically the full amount requested is not used.