Mayor
CAROLINE SIMMONS

DIRECTOR OF OPERATIONS
MATTHEW QUIÑONES

Tel: (203) 977-4141
Fax: (203) 977-4723
Email: mquinones@stamfordct.gov

CITY OF STAMFORD

OFFICE OF OPERATIONS
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CT 06904-2152

November 13, 2024

Subject: Responses to Board of Finance Questions Dated 10/29/2024

Please see the responses below to the questions about the Westhill High School project asked by the Board of Finance in their document dated 10/29/2024, resulting from their public meeting discussions on 10/24/2024.

1) The square footage of Norwalk High School is 166 gross square feet per pupil according to publicly available sources. The comparable figure for Westhill is 185 not including the Agri-Science Building, and 202 including it. Please account for the difference.

The values presented by the BOF above appear to be derived from the following calculations:

- Norwalk – 332,628 gsf / 2000 Students = 166 gsf/student
  - Published data via internet
- Westhill – 454,750 gsf / 2458 Students = 185 gsf/student
  - GSF from 7/30/24 PPC meeting, and grant application enrollment
  - See answers to questions #3 and #4 regarding the required exclusion of the Agri-Science building from the project's area calculations.
- **Suggested difference of 19 gsf/student**

Upon review of the available programming for Norwalk via available education specifications (Exhibit A), and comparing with the Westhill (WHS) programming breakdown at the end of the Schematic design phase (Exhibit B) programming, there are two major programming areas that Westhill is providing that greatly exceed those at Norwalk:

- Special Education (SPED)
  - There appear to be approximately twice as many core SPED classroom/resource rooms and greater SPED administration space proposed for WHS than Norwalk
  - Largely attributed to Stamford's commitment to a Small Learning Community (SLC) educational model that is inclusive of SPED students
  - The small learning community model is not noted in the available educational specification for Norwalk High School.
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  - Review of these areas in latest Norwalk bid drawings suggests Westhill is providing an additional approx. 9000 gsf* (5700 programmatic sf) for the combined SPED spaces

- Career Pathways (CTE)
    - Westhill's programming provides for multiple large-format shop spaces (i.e. automotive, woodworking, manufacturing) that are not being provided at Norwalk HS.
    - Recall that the legislation establishing the 80% reimbursement references the creation of pathway-to-career programming. See the response to Question #6.
    - Review of these areas in latest Norwalk bid drawings suggests Westhill is providing an additional approx. 15550 gsf* (9800 programmatic sf) for the combined CTE spaces
- *GSF calculations above presume 63% net to gross ratio to match approx. WHHS ratio

The additional SPED and CTE programming can thus be tracked to approximately 10 gsf/student of difference between Westhill and Norwalk:

- 9,000 gsf + 15,550 gsf = 24,550 gsf
- **24,550 gsf / 2458 students = 10 gsf/student**

During the ongoing Design Development phase, the design team was tasked with exploring additional reductions and efficiencies in the floor plan. To date, the projected area of the building has been reduced to approximately 439,542 gsf.

- 454,750 gsf – 439,542 gsf = 15,208 gsf
- **15,208 gsf / 2458 students = 6 gsf/student**

As such, approximately 16 gsf/student of the BOF-suggested 19 gsf/student discrepancy might be accounted for in the preceding calculations. Note that the available education specifications for Norwalk were from early in the project, and later drawing do not appear to align perfectly with those initial education specifications. Accordingly, a perfect accounting of both Norwalk's spaces and the intended use of those spaces (so as to compare with Westhill) is not currently possible. Moreover, a perfect analysis to reach parity between the two projects is impractical, as the specific criteria for Norwalk (programming, site constraints, City-specific needs) will obviously be different from Westhill.

To that end, although Norwalk conveniently located near Stamford, it would be imprudent to only compare Westhill to a singular sample recent project. Examples of several schools, and the state's own allowable space calculations, suggest that Westhill is appropriately, even conservatively, sized:

	Building Area (GSF)	Enrollment	GSF/Student	Remarks
Norwalk HS	332,628	2000	166	Public Info
Westhill HS - current	439,542	2458	179	Current DD projection as of based on additional reductions. Includes Natatorium.
Billerica HS	325,000	1,800	180	Information from Architect
Harding HS	207,000	1150	180	Public Info
Westhill HS – end of SD	454,750	2458	185	7/30/24 PPC. Includes Natatorium.
Westhill HS –	454,871	2458	185	Calculated GSF using 5%

CT OGA Standard				exterior walls. **See Exhibit C for calculations.**
Durfee Fall River HS	501,330	2,570	195	Information from Architect (9) CTE Programs: no natatorium
Johnston HS	150,000	760	197	Information from Architect No natatorium
New Fairfield HS	148,122	716	206	Public Info - GSF as reported by O&G, 716 is design enrollment)
Farmington HS	285,230	1382	206	Public Info – GSF presumes 5% exterior walls atop 271,648 from priority list
Bullard Haven Technical HS	206,000	936	220	Public Info

2) Are students in the Agri-Science Program counted towards the design enrollment of 2,458 students?

Yes, Students enrolled in the regional Agri-science program at Westhill High School are included in the 2,458 design enrollment.

3) How many general-purpose classrooms and labs are in the Agri-Science building? How much usable space is there excluding common spaces and specialized spaces like greenhouses?

The Agri-Science Program is supported by a dedicated building of 42,307sf. Spaces serves almost exclusively specialized learning. This includes Veterinary Technology, Agriculture, Marine Biology, Aquaculture, and Botany. There are two general classrooms and one computer lab.

However, in May 2017 the CT State Department of Education conducted an audit of the Stamford Regional Agri-Science and Technology Program (SRAT) it was determined that non-agricultural courses occurring within the Agri-Science needed to be relocated to the main WHS building for compliance with CSG Sec 10-65. Accordingly, the existing Agri-Science building cannot be used for non- Agri-Science coursework, and therefore cannot be used to accommodate the programming needs of the WHS project.

Students in the Agri-Science program rely on the main WHS building for general education, the cafeteria, athletics, and support spaces. As such, the Agri-Science student population is included in the enrollment for the WHS project, but the Agri-Science building is not included in the required square footage for the new building.

See Exhibit D for supporting documents including the audit response document and Agri-Science plans.

4) Does the Agri-Science building count towards the square footage eligible for reimbursement?

The Agri-Science Building is a separate building and separate educational program from the New Westhill High School Project. The Agri-Science Center must operate in accordance with CGS Sec10-65 "*approved facilities to be used exclusively for such agricultural science and technology education center".* As such, the Agri-Science building was not included in program area for the New Westhill High School and the square footage for the Agri-Science building does not count against the reimbursable space summary square footage calculation through the grant application.

Of note: the discussion with state reviewers at the preliminary project intake 'PREP' meeting in 2023 confirmed that the Agri-Science building is not part of the project scope. Furthermore, the WHS project manager (Colliers) has previously managed a project with an analogous Agri-Science program. The Region 14 Nonnewaug High School Renovation completed in 2024 had a student enrollment that included both resident students and non-resident Agri-Science students. However, because the Agri-

Science program was housed in a separate building, the Agri-Science building area was not counted against the allowable space summary for state reimbursement. This logically follows as the standard state calculations for square footage per pupil would not contemplate non-standard, specialized Agri-Science programming. Yet, those same Agri-Science students still need to utilize the same standard English, math, physical education, lunchroom, and similar spaces as all students, and those standard programmatic areas are contemplated in the standard state area-per-pupil calculations for establishing reimbursement square footage. Agri-Science students utilize standard educational spaces as part of the overall student population: they are not segregated into specific rooms and cohorts that can be compartmentalized within a floorplan.

Accordingly, the WHS approach has established precedent in the OGA grant program.

5) Have any additional value engineering savings been identified beyond those on the SPS builds website?

Yes – namely, the further reduction of gross square footage and selection of a less-expensive geothermal system. The value of those estimated savings are being finalized for formal inclusion in an updated VE/VM log to be published to SPS builds.

However, it is important to outline the process for development of VE/VM:

- The project team (Architect, CM, OPM) and COS/BOE stakeholders continuously seek cost-saving opportunities throughout design.
- The majority of VE/VM candidates are developed during the end-of-phase design reviews and cost estimating process,
    - The log on SPS builds reflect the Schematic Design phase. Since that phase has the least amount of detail, it would generally generate the fewest number of potential VE/VM items. As such, a project at the end of the entire design process (e.g., Farmington High School) will have far greater opportunity for accumulated VE/VM log items than one that is earlier in design (WHS)
    - VE/VM items often become apparent when reviewing an actual design and drawings, or as the estimators observe items that are particularly costly in their estimates compared to other projects they've estimated / constructed.
- Items identified during design are posed as owner questions for real-time incorporation rather than reactive VE/VM consideration.

- For example, if the Architect put a number of cabinets in a teacher's workroom during schematic design as a placeholder, and then during a later Design Development or Construction Phase design meeting the school stakeholders determine that a reduced number of cabinets are sufficient, then the Architect simply makes the change on the drawings and captures the savings.
- If, however, the stakeholders want the cabinets, but might be able to 'make do' depending on the cost, the cabinets would be left in the design, and added to the VE/VM log for formal estimation and decision making once an estimate is known.

- When a project is already under financial strain, the VE/VM process becomes more ingrained in the initial design. The Architect and working group stakeholders typically don't wait until an estimate and VE log to make a more economical design decision. For example, the outdoor canopy 'loggia' from initial SD design cannot be value engineered to a smaller size, because it was already eliminated wholesale in the overhaul design effort. For future considerations such as finishes, efforts already contemplate economics, so there aren't extensive custom wall graphics or ceiling finishes to value engineer: they will need to be standard options from the onset. (and therefore won't appear on a VE/VM log).

6) Does the New Westhill have any regional components requiring enrollment of out-of-district students?

Yes. 2022HB-05506-R02-BA Page 188, "Sets the project reimbursement rate at 80% if (1) Stamford establishes a pathway-to-career regional program at the new school and enrolls students from, and shares services with, surrounding towns to reduce racial isolation in the community and (2) the project is otherwise eligible under the program". Note the Agri-Science Center also supports students in the area for a designated purpose defined by the Boards of Education – at WHS this is Stamford, Darien, Norwalk, New Canaan, and Greenwich.

7) What percentage of the construction cost of Strawberry Hill was deemed ineligible?

This project was completed prior to the establishment of the School Construction team. The team is unable to confirm the ineligibles as Strawberry Hill has not completed its audit. Ineligibles are determined upon final state audit. The retainage fee is currently being withheld by the state until the completion of the audit.

8) What percentage of the total budget did Norwalk budget as contingencies and escalation prior to the bid?

Escalation carried at early project phases is not publicly or readily available information to the City of Stamford. At public bid, escalation would effectively be 0%, as pricing from subcontractors will inherently contemplate their costs throughout the duration of construction.

For contingency, the WHS team notes the following from publicly-available information:

- February 7, 2024 Meeting of Norwalk's Building Management Committee:

- The total project budget is $245.5M
- GMP #1 for the amount of $219,594,610 and GMP #2 for the amount of $3,730,982. This is a total of $223,325,592.
- Owner's Contingency is 1.5% of GMP.
    - This would calculate to $3,349,884
    - This is far below industry standard (5-10%)
- This memo goes on to state "The construction of this project is five years and we have yet to bid out demolition of the existing building, purchase of the FF&E, determination of actual quantity/cost of soil removal and refinement of Owner Contingency needs"
- Accordingly, the remaining balance of $18,824,524 would appear to need to cover demolition of the existing building and all soft costs, including Architect's contracts, Furniture, Equipment, etc
- See Exhibit E

Note that the Westhill project currently presumes the following:

- Owner's Contingency of $20.7M
    - This represents 5% of projected GMP at SD phase ($410M)
- Escalation of $40M
    - This represents Escalation to the projected midpoint of construction in 2028 using projections of 3.5% for 2025 and 2026, and 3.0% for 2027 and 2028 provided by the Construction Manager (Dimeo/Bismark)
    - <u>At the point of GMP, escalation will be 0% as public bids from subcontractors will inherently contemplate their costs throughout the duration of construction</u>
- Data above was presented to the PPC on 8/27/2024
    - See Exhibit F
- Note: other values that include the phrase "contingency" have been used in various contexts outside of the Owner's contingency listed above. In common parlance, when referring broadly to a project's "contingency", Owner's Contingency is the value to review.
    - Construction Manager (CM) Contingency
        - This is a value incorporated within the Construction Manager's contract as part of the 'At Risk' component of a Construction Manager at Risk Guaranteed Maximum Price.
        - This value is not available to the Owner for managing increases in scope, escalation, or similar.
        - Unused CM funds return to the Owner at the end of the project, but are otherwise used by the CM to capture contract-permitted costs within their GMP scope not otherwise capture in the subcontractor bids.
    - Design and Estimating Contingency
        - This value is a standard industry estimating tool used to reflect the unknown nature of building components that have not yet been designed.
        - For example, the WHS SD estimates carried at 10% value, as the design has only been taken to a Schematic level. The quantity of unknowns will be reduced as the design develops, such that the Design Development Documents and Construction Documents might have projected unknowns of 5-7% and 0-3%, respectively.

- At the point of GMP, design and estimating contingency will be 0% as the design will be complete

- As such, Design and Estimating "contingency" is not available to cover cost increases for market forces, escalation, or wholesale scope changes.

9) Has the scope of the building changed since the education specification that was used to determine the original and revised State approvals?

The scope of work for both the building and site has changed since the initial grant application and subsequent reauthorization by the State.

Building:

- Any change to the educational specification must be presented to and approved by the Board of Education.
- The design team has coordinated with the Stamford Public Schools administration and staff for numerous programmatic elements to retain the intent but economize for space and budgetary purposes.
- One example is revising the natatorium from an Olympic eight-lane pool to a six-lane pool with integrated diving well. Another example is the update in allocated square footages across programs to either reduce, combine, or eliminate spaces to align with current school needs (as compared to needs projected at the time of the original Education specification development).
- A summary of changes to-date were presented to the Project Planning Committee on December 5, 2023. The PPC is made up of members of several Boards, including the Board of Finance and the Board of Education.
    - See Exhibit G.
- A summary of changes through the end of Schematic Design phase is appended as Exhibit A.
- Additional cost-saving changes to programming to date (e.g., further square footage reductions) is intended to be presented to the PPC at the upcoming 11/19/2024 meeting (see the response to Question #5, which mentioned additional square footage reductions for cost savings).

Site:

- In addition to the programmatic building changes, the scope of the site design has changed since the JCJ feasibility study prior to the original grant application. The changes were predominantly in response to:
    - The development of an actual building design to the schematic level
    - The development of initial construction logistic by the construction manager in response to an actual design
- As such, there have been numerous scope changes which appear to have resulted in increased project scope:
    - For example: the feasibility study does not appear to contemplate the extent of construction laydown, bus/parking logistics, and construction clearances needed against existing grades. Accordingly, it does not appear that the initial budgets contemplated
    -

costs for renovation/restoration of the stadium fields/track, relocation of the tennis courts, retaining walls at the perimeter of the site, and similar design evolutions
    - Recall that an actual schematic-level or higher design was not conducted as part of the feasibility study nor the grant application/re-authorization estimates. As such, there is no discrete scope for items such as 'earthwork' to compare against the SD WHS design.
- Site configuration and its evolution has been presented at multiple PPC meetings throughout the conceptual, SD and DD changes.

Note: The Board of Education has not yet been presented with any 'scope' changes to the educational specifications for formal acceptance. Formal BOE acceptance is required for state grant plan review submissions, and will occur once targeted cost-saving measures are complete.

See Exhibit H for the JCJ feasibility study that served as the basis for the project, and the budgetary estimates available for the original project budget and the reauthorized project budget.

10) How many times may we return to the State for a higher appropriation? If there is a limit, does that change from the original budget to the current [$301] million authorization count towards that limit?

Per CGS § 10-283(a)(2): On and after July 1, 2012, no project, other than a project for a technical education and career school, may appear on the separate schedule of authorized projects which have changed in cost more than once, except the Commissioner of Administrative Services may allow a project to appear on such separate schedule of authorized projects a second time if the town or regional school district for such project can demonstrate that exigent circumstances require such project to appear a second time on such separate schedule of authorized projects.

As such, the project could return to the state a second time through the established DAS process. This process was corroborated via OGA correspondence to the City on 9/10/24. However, given the OGA-stated timeline for demonstration of exigent circumstances (submit by 11/1/2024 for the 2025 priority list), the project will be seeking a higher appropriation via legislation outside of existing legislation/regulations ('notwithstanding legislation'). As such, there is no limit to returning for an adjusted grant authorization given the nature of notwithstanding legislation.

11) When does the administration intend to apply to the State for an increased authorization?

The administration plans to seek increased authorization via 'notwithstanding' legislation in the upcoming legislative session (i.e., approval by June 2025).

12) How much money has been expended to date and how much reimbursement by the State?

As of 11/11/2024, the project has paid a total of $2,757,759.98. State reimbursements have been as follows:

Submission Date	Amount Submitted	80%	5% Retention	Net Reimb.	DAS Approval	Paid / Received
12/12/23*	36,043.75	28,835.00	1,441.75	27,393.00	2/1/2024	2/7/2024

3/11/24	64,478.78	51,583.02	2,579.15	49,004.00	3/19/2024	4/4/2024
10/31/24	2,396,004.99	1,916,803.99	95,840.20	1,820,963.79	11/4/2024	TBD
Total	**2,496,527.52**	**1,997,222.02**	**99,861.10**	**1,897,360.79**		

*Note: the first submission could not be made until December 2023 due to issues with the CoreCT portal with the state. Historically, state reimbursement payments are received on average 1-2 months after submission. Additional submissions cannot be made until the prior request is approved/paid by the State.

13) Is there capacity at AITE and SHS to allow a reduction in the size of Westhill? What would the savings be from a reduction in design enrollment?

Any reductions in enrollment that could conceivably be accommodated by AITE and SHS are not anticipated to generate substantive reductions in gross square footage. Spaces like the auditorium, gymnasium, cafeteria, administration, hallways, and egress stairs cannot be meaningfully reduced with nominal changes to enrollment. This reduction would delay the project by one to two years, incurring additional escalation and additional professional services fees including the need to hire a team to do a district-wide enrollment study to support changes in enrollment across schools. Such a redesign effort may also require a retraction and full grant resubmission of the project to the state, causing further delays and cost/reimbursement risk.

Note that each year of escalation could be conservatively projected at 3%, and a one-year extension on current construction costs alone would add over $11M in escalation on $375M of Base Scope + $15M of Geothermal. As an example, slightly reducing the size of a classroom will save on finishes, some structure, wall quantities, etc. but it will not reduce the number of mechanical terminal units or eliminate the principal's office. Similarly, the wholesale elimination of a classroom might eliminate a terminal mechanical unit, but it won't eliminate the branch ductwork to that floor/wing of the building, nor the 'central plan' large mechanical unit.

14) What is the cost of the geothermal system and how much is the potential tax credit?
The schematic design-level estimate of the geothermal system is $15.2M. The potential Investment Recovery Act tax credit (which would be based on the additional cost of the geothermal system and a portion of the mechanical systems serving the wells) is currently estimated at $19M. Note that these values will change as the design develops through the design development, construction document, and bid phases. The value of the tax credit will also change as a tax consultant reviews the project and makes determinations on inclusions, exclusions, and credit percentages.

15) What is the current and projected City Staffing to manage the construction of Westhill Roxbury, and other projects?

The City recognized that the proposed Long Term Facilities Plan accepted in 2022 to address pubic school capital work would require a strategic approach. With the recommendation of the Board of Finance the City determined that the WHS, Roxbury, and South School will use an industry standard and State-wide recognized approach of engaging an Owners Representative and Construction Manager at Risk to advance the large capital construction. The portfolio of school capital projects is supported by a dedicated team developed under the Department of Operations including a Director of School

Construction, Outside counsel, Project Accountant BoE Construction, and Operations Program Specialist. In preparation for the launch of the Roxbury school construction project the Operations Department reorganized a position within the Engineering Department to create a new construction manager position. The financial impact was neutral to the operating budget. The position has since been filled. In anticipation of pursuing the launch of the South School Project the Operations Department proposed adding an additional construction manager. The position was removed by the BOF during fy24/25 budget process. The team also leverages existing resources in the City of Stamford Engineering Bureau, Purchasing Department, Corporate Counsel, Office of Policy and Management, Risk Manager, and Grants Department. The Stamford Public Schools is represented additionally by Director of Facilities - Capital Projects, Director of Facilities Operations, and City/BoE Joint Facilities Officer. This model was first presented at the April 26th, 2023 Special Meeting of the Board of Finance and has been shared with the Board.

Please let me know if you have any additional questions and thank you for your past and present support of the city's school construction program.

Respectfully submitted,

Matthew Quinones
Director of Operations