

District: City of Peabody  
 School Name: William A. Welch Elementary School  
 Recommended Category: Project Scope and Budget  
 Date: October 20, 2021

**Recommendation**

That the Executive Director be authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Peabody (the “District”) for an addition and renovation project to the existing William A. Welch Elementary School.

<b>District Information</b>	
District Name	City of Peabody
Elementary School(s)	William A. Welch Elementary School (PK-5) John E. McCarthy Elementary School (PK-5) South Memorial Elementary School (PK-5) West Memorial Elementary School (PK-5) William A. Welch Elementary School (PK-5) Captain Samuel Brown Elementary School (K-5) Center Elementary School (K-5) John E. Burke Elementary School (K-5) Thomas Carrol Elementary School (K-5)
Middle School(s)	J. Henry Higgins Middle School (6-8)
High School(s)	Peabody Veterans Memorial High School (9-12)
Priority School Name	William A. Welch Elementary School
Type of School	Elementary School
Grades Served	PK-5
Year Opened	1973
Existing Square Footage	58,600
Additions	2011 Green Repair Roof Project
Acreage of Site	19.4 acres
Building Issues	The District identified deficiencies in the following areas: – Mechanical, electrical, and plumbing systems – Building envelope including windows – Accessibility
Original Design Capacity	418
2020-2021 Enrollment	321 (K-5)
Agreed Upon Enrollment	390
Enrollment Specifics	The District and MSBA have mutually agreed upon a design enrollment of 390 students serving grades K-5, for a project that will serve grades PK-5.
Total Project Budget – Debt Exclusion Anticipated	No

<b>MSBA Board Votes</b>	
Invitation to Eligibility Period	December 12, 2018
Invitation to Feasibility Study	October 30, 2019
Preferred Schematic Authorization	April 14, 2021

Project Scope & Budget Authorization	On October 27, 2021 Board agenda
Reimbursement Rate Before Incentives	54.79%
Incentive Points	1.58 – Maintenance 4.96 – Major Reconstruction or Renovation/Reuse 2.00 – Energy Efficiency – “Green Schools” <sup>1</sup>
Total Reimbursement Rate <sup>1</sup>	63.33%

<sup>1</sup> The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.

<b>Consultants</b>	
Owner’s Project Manager (the “OPM”)	Dore & Whittier Management Partners, Inc.
Designer	DiNisco Design, Inc.

## Discussion

MSBA staff reviewed the documents provided by the District and met with the District and its consultants to discuss scope and budget. The District has provided a Total Project Budget of \$29,973,821, which includes an estimated construction cost of \$23,348,836 (\$396/sq. ft.). The Estimated Basis of Total Facilities Grant would be \$27,172,093, which excludes legal fees, OPM fees in excess of MSBA funding limits, costs associated with abatement of asbestos-containing floor materials, site costs in excess of 8% of total building cost, construction costs in excess of \$360/sq. ft. plus eligible demolition and abatement, costs associated with mailing and moving, soft costs that exceed 20% of the construction cost, and owner’s and construction contingency costs.

Additionally, the proposed partial demolition of the existing William A. Welch Elementary School will result in the MSBA recovering a portion of state funds previously paid to the District for the Roof Replacement project at the existing facility completed in December 2012. The MSBA has calculated this recovery of funds to be \$23,686 and this amount has been deducted from the Estimated Maximum Total Facilities Grant and the Maximum Total Facilities Grant.

<b>Project Scope and Budget Agreement</b>	
Enrollment: 390	District’s Proposed Project Budget
Proposed Total Square Feet: 59,025	
Project Budget <sup>1</sup>	\$28,900,627
Scope Exclusions/Ineligible Costs	-\$1,728,534
Estimated Basis of Total Facilities Grant	\$27,172,093
Reimbursement Rate	63.33%
Estimated Maximum Total Facilities Grant before Cost Recovery <sup>2</sup>	\$17,208,086
Cost Recovery	-\$23,686
Estimated Maximum Total Facilities Grant <sup>2</sup>	\$17,184,400
Potentially Eligible Owner’s and Construction Contingencies	\$700,465
Potential Additional Grant Funds for Eligible Owner’s and Construction Contingency Expenditures	\$443,604
Total Project Budget	\$29,973,821

Maximum Total Facilities Grant <sup>3,4</sup>	\$17,628,004
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<sup>1</sup>Does not include Owner's or Construction Contingencies.

<sup>2</sup>Does not include any grant funds for potentially eligible Owner's or Construction Contingency Expenditures; subject to MSBA review and audit.

<sup>3</sup>Includes maximum possible Owner's and Construction Contingency grant funds, the final amount of which, if any, shall be determined by the MSBA in its sole discretion. The MSBA does not anticipate that the District will expend all of its contingency funds on expenses that are eligible for MSBA reimbursement.

<sup>4</sup>Maximum Total Facilities Grant will be allocated in part to the current Grant Cap, and in part to future available Grant Cap space.

MSBA staff recommends an Estimated Maximum Total Facilities Grant of \$17,184,400; however, the District may be eligible for up to an additional \$443,604 in grant funds, subject to the MSBA's review and audit of the District's owner's and construction contingency expenditures.

Accordingly, staff recommends a Maximum Total Facilities Grant of \$17,628,004 for the Project Scope and Budget Agreement and Project Funding Agreement for an addition and renovation project to the existing William A. Welch Elementary School.