



CIP 2021 Update

Cost Model Update

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2021 CIP Cost Model Update Process

- **Cost Model** - Evaluate cost accuracy, program changes, market conditions/trends, economic & industry forecast. Key Activity Areas:
 - 2020 & 2021 Budget vs. Bid Summary
 - Actual Construction Costs
 - Annual Inflation/Escalation Rates
 - Schedule / Risk Analysis
 - Adjustments For Unique Factors (e.g.COVID-19 Impacts, etc.)
 - Evaluate Guidelines & Program Space Standards changes for cost impacts
 - Local Market Conditions
 - Commodity & Economic Indicators
- Note: See attached supplemental file – **2021 Target Cost Model_Estimating Guide** Cost Model details.

Program Standards, LEGs and Guidelines Cost Impact

- **The Program Standards, LEGs, and the Design Guidelines have had numerous changes in in the past few years, which led to cost impacts in multiple areas of the cost model**
- **For 2021 - There are no recommended changes to these CIP documents**
- **No Changes = No Cost Impacts**

2021 Cost Model Update

Recommendation = No Changes to Cost Model

- Analysis of 2020/2021 budget estimates vs. experienced cost of projects that bid in 2020 & early 2021 included three (3) ES, two (2) MS, and no (0) HS. Results are as follows:
 - York ES (*March 2020*) - Bid in line with Budget
 - Herbert Akins Rd. MS (*April 2020*) - Bid in line with Budget
 - West Millbrook MS (*August 2020*) - Bid ~ \$6M under Budget
 - Fuller ES (*January 2021*) - Bid ~ \$3M under Budget
 - Apex Friendship ES / E-41 (*February 2021*) – Bid ~ \$1.6M under Budget

| | 2020 Cost Model | | 2021 Cost Model | | | | | |
|-------------|------------------------------|---|------------------------|-----------------------------|---|-------|-----------------------------|---------------------|
| School Type | 2020 Estimated Building Cost | 2021 Estimated Building Cost (4.5 % Escalation) | 2021 Program Additions | 2020 Adjusted Building Cost | 2021 Estimated Building Cost (4.5 % Escalation) | Delta | 2021 Site Program Additions | 2021 Site \$ / Acre |
| Elementary | \$202.77 / SF | \$211.89 / SF | No Change | \$202.77 / SF | \$211.89 / SF | \$ - | No Change | \$499,258 / Acre |
| Middle | \$200.06 / SF | \$209.06 / SF | No Change | \$200.06 / SF | \$209.06 / SF | \$ - | No Change | \$513,137 / Acre |
| High | \$198.13 / SF | \$207.04 / SF | No Change | \$198.13 / SF | \$207.04 / SF | \$ - | No Change | \$490,644 / Acre |

2021 Cost Model Update

Inflation (Escalation) Adjustment Comparison

- Risk and uncertainty were high for much of 2020; some flattening of escalation/price decreases trends experienced late in the year.
- Construction industry expecting slower start to 2021 with uncertainty remaining around vaccine and election impact; consensus is long term projects should not reduce budgets in anticipation of price decrease trend continuing;

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|------------------------|-------|------|------|------|------|------|------|
| <u>Building</u> | | | | | | | |
| Current | 4.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| <u>Site</u> | | | | | | | |
| Current | 11.0% | 7.0% | 7.0% | 7.0% | 7.0% | 5.0% | 5.0% |
| <u>FFE</u> | | | | | | | |
| Current | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

Wrap Up

QUESTIONS

COMMENTS

FEEDBACK