

SCHOOL DISTRICT OF LANCASTER SCHOOL BOARD
Lancaster, Pennsylvania

Special Meeting – Approval of Bids and Letters of Credit
for Capital Improvement Projects
May 6, 2009

The School District of Lancaster School Board held a special meeting to approve bids and letters of credit for capital improvement projects at Lafayette, Wharton, and Ross Elementary Schools and other business to come before the Board on Wednesday, May 6, 2009 at 5:30 p.m. at the Scheffey Board Room, Lancaster, Pennsylvania. The following members of the Board answered roll call:

Mr. Patrick Snyder, President
Mr. Michael Rowen, Vice President
Mrs. Barbara Boben
Mrs. Marta Howell
Mrs. Stacey Marten
Dr. Nenita Faller-Miller
Mrs. Jacqueline McCain
Mrs. Linda Troublefield Owens
Ms. Janelle M. Simms

Officers: Mr. Pedro Rivera, Superintendent
Mr. Matt Przywara, Treasurer
Mrs. Rita Balogh, Secretary

Legal Counsel: Mr. Robert Frankhouser, Solicitor

5/6/2009: CALL TO ORDER: The meeting was called to order at 5:36 p.m. by President Snyder. Roll call was answered by: *Directors Boben, Howell, Marten, McCain, Miller, Owens, Rowen, Simms, and Snyder: Present – 9; Absent – 0.*

5/6/2009: Matt Przywara, Chief Information Officer, provided a PowerPoint presentation update on Phase I of the Capital Improvement Program and the impact on the budget. Following a brief historical summary and breakdown of costs, he detailed an additional \$6.8 million would be required to cover additional hard and soft costs for Phase I, including additional classrooms at Washington, Lafayette, and Ross, asbestos abatement, HVAC system upgrades, unsuitable soil conditions at Washington, Lafayette, and Wharton, LEED certification, restoration of the auditorium at Washington, and the clinic at Washington.

Mr. Przywara also discussed funding for Phase II. Timing is important because of the expiration of the feasibility study, energy grants and credits are now available, an additional \$6.8 million is required for Phase I, and we are currently one year behind schedule. Suggested projects that could be included in Phase II were listed. He asked for a motion to secure \$70.8 million additional financing for continuation of the Capital Program, although the District would not look to borrow the money before next spring.

A lengthy discussion ensued over the projects proposed for Phase II. The Board has not previously discussed or approved this list, nor have they approved purchase of the

CALL TO ORDER

Presentation on Capital Improvement Program

Steinman building. Mr. Przywara assured the Board the list was only suggestions to begin cost estimates for funding. He anticipates a process similar to the start of Phase I which included almost weekly meetings and input from many stakeholders.

Director Miller questioned the bid amounts for Lafayette, Wharton, and Ross. Reasoning that Washington's bids were significantly less than the estimate due to current economic conditions, perhaps we should have bid all four buildings simultaneously or we should reject and re-bid these three schools to see if we can get better prices.

Dan Cicala, Construction Administrator, stated vendors bid against each other on the bid documents. The budgeted amounts were estimates only and have no impact on the bidding. Re-bidding will not gain you any favors because it will set back schedules. The current schedule allows two summers for construction. Delaying the start of the work will result in increased costs to relocate students or overtime pay for the projects to be finished by the planned completion dates.

Anna Smith, resident, commented that when Art Dodge was on the Board many years ago that he stated the longer we wait, the more it will cost. She urged the Board to move forward and just get this done.

Kevin Rogers, a contractor, stated that very few vendors can bid on these projects because they must be able to acquire payment and performance bonds. Those limited number of vendors bid against each other, and some bid recently not to make a profit but to break even and preserve jobs. When Washington was bid, there was a dry spell, but the market is now flooded with school projects. Chances are that bidders may not offer a second bid since they already know each other's numbers. Prevailing wages are mandated by the state, so labor costs will remain the same, but commodities are increasing in cost.

5/6/2009: Approval of Bids for Renovations and Addition to Lafayette

Elementary School: Director Owens made a motion to accept the bid amounts listed below for Lafayette Elementary School. Director McCain seconded the motion, and it was approved by the following vote: *Aye: Directors Boben, Howell, Marten, McCain, Miller, Owens, Rowen, Simms, and Snyder – 9; Nay – 0.*

Bids for Lafayette Elementary School Capital Improvements
 (Contingent on Submittal of All Necessary Bonds and Insurance):

General Contractor	ECI Construction	\$7,233,000
Plumbing	G. Bass Company	\$980,000
HVAC	Frey Lutz	\$2,545,000
Electrical	Mid-State	\$1,333,584
Electrical Specialty	Gettle, Inc.	\$665,000
BA/SI	Tri-M Group	\$697,340
Asbestos Abatement	Plymouth Environmental	\$288,400
	TOTAL	\$13,750,881

5/6/2009: Approval of Bids for Renovations and Addition to Wharton

Elementary School: Director Rowen made a motion to approve bid amounts detailed below for Wharton Elementary School. Following a second by Director Marten, the motion was approved by the following vote: *Aye: Directors Boben, Howell, Marten, McCain, Miller, Owens, Rowen, Simms, and Snyder – 9; Nay – 0.*

Presentation on Capital Improvement Program (cont.)

Approval of Bids for Renovations and Addition to Lafayette Elementary School

Approval of Bids for Renovations and Addition to Wharton Elementary School

Bids for Wharton Elementary School Capital Improvements
 (Contingent on Submittal of All Necessary Bonds and Insurance):

General Contractor	Perrotto Brothers	\$6,231,418
Plumbing	W.G. Tomko	\$577,000
HVAC	Worth & Co.	\$1,320,000
	(see combined bid)	
Electrical	McCarty & Son	\$720,888
	(see combined bid)	
Electrical Specialty	Tri-M Group	\$469,155
	(see combined bid)	
BA/SI	Tri-M Group	\$545,850
Asbestos Abatement	First Capital	\$48,500
	TOTAL	\$9,912,811

Approval of Bids for Renovations and Addition to Wharton Elementary School (cont.)

5/6/2009: Approval of Bids for Renovations and Addition to Ross Elementary School: Director Marten's motion to approve the following bid amounts was seconded by Director Simms and approved in a unanimous roll call vote:

Approval of Bids for Renovations and Addition to Ross Elementary School

Bids for Ross Elementary School Capital Improvements
 (Contingent on Submittal of All Necessary Bonds and Insurance):

General Contractor	Bob Smith Contractors	\$3,457,700
Plumbing	G. Bass Company	\$635,000
HVAC	Worth & Co.	\$1,340,000
	(see combined bid)	
Electrical	McCarty & Son	\$753,913
	(see combined bid)	
Electrical Specialty	Tri-M Group	\$435,531
	(see combined bid)	
BA/SI	Tri-M Group	\$448,060
Abatement	First Capital	\$185,400
	TOTAL	\$7,255,604

5/6/2009: Letters of Credit: Matt Przywara stated the Letters of Credit required for each project are issued to the City to guarantee payments for storm water improvements. He estimated the cost at \$3,000-\$5,000 per project.

Letters of Credit

Greg Collins explained letters of credit are typically used on residential projects, but the City requires them for all projects. Some other municipalities will use escrow accounts or other means to guarantee payments.

Director Howell would like it on record that the City should negotiate with the District to curb these additional costs. They are really adding up.

Dan Cicala stated the City is in the process of outsourcing their inspection services. The issue is not a lack of cooperation from them. They have been an excellent partner, but they are not in a position now to negotiate on these issues.

Director Rowen made a motion, which was seconded by Director Howell, to approve the following resolution:

I hereby move that the Letters of Credit of Commerce Bank, as presented to this Board of School Directors, relating to the Lafayette, Wharton, and Ross Elementary school projects are hereby approved as

current obligations, for the full payment of which current revenues have been appropriated and shall continue to be appropriated in all future fiscal years of the School District, and the appropriate officers of the School District are hereby authorized to review, approve, execute and deliver all related, necessary and appropriate documents, and to take all necessary and appropriate related actions.

Letters of Credit (cont.)

The motion to approve the Letters of Credit was approved as follows: *Aye: Directors Boben, Howell, Marten, McCain, Miller, Owens, Rowen, and Simms – 8; Nay – 0; Abstain: Snyder – 1.*

5/6/2009: Funding for Phase II: Director Howell made a motion to establish a budget of \$70.8 million for Phase II projects and to authorize the administration to begin a process for review and development of those projects.

Director Miller clarified the motion to include that financing will be discussed as part of the process. Director Marten seconded the motion, and it was approved by the following vote: *Aye: Directors Boben, Howell, Marten, McCain, Miller, Owens, Rowen, Simms, and Snyder – 9; Nay – 0.*

5/6/2009: ADJOURNMENT: Director Miller made a motion to adjourn, which was seconded by Director Marten and approved in a unanimous voice vote. President Snyder adjourned the meeting at 7:05 p.m.

ADJOURNMENT

Attest:

Rita Balogh
Board Secretary