

Board Office Use: Legislative File Info.	
File ID Number	22-1351
Introduction Date	5-19-2022
Enactment Number	
Enactment Date	



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

Memo

To Facilities Committee

From Kyla Johnson-Trammell, Superintendent
Tadashi Nakadegawa, Deputy Chief, Facilities Planning and Management

Board Meeting Date May 19, 2022

Subject Laurel Child Development Center Budget Increase \$2.5 million - May 19, 2022 - Division of Facilities Planning and Management

Action Recommendation for Approval Laurel Child Development Center Budget Increase of \$2.5 million

Background Overview of four Bids were received, this indicates a competitive, market value bid, lowest Bid is from a contractor who has successfully completed multiple projects with Oakland Unified School District.

Bid Tabulation:

- | | |
|---------------------------------|--------------|
| 1. Arntz Builders | \$14,288,436 |
| 2. Thompson/Focon JV | \$16,077,751 |
| 3. JUV, Inc | \$16,795,000 |
| 4. CWS Construction Group, Inc. | \$16,995,000 |

The low bid does exceed our Measure Y project budget. The attached presentation shows the market factors contributing to this extraordinary price increase from the last estimate completed at the time that the project was submitted to DSA. Given this extraordinary increase in construction costs we are not recommending rebidding as costs are still trending up significantly.

Recommendation Approval of the Laurel Child Development Center Budget Increase of \$2.5 million, May 19, 2022. This budget increase allows the award of the low bid and start of construction this summer.

Fiscal Impact \$2.5 million to be allocated the Laurel CDC project out of the Measure Y Bond Program Contingency Fund

Attachment Resolution No. 2122-0234
Exhibit A – Laurel Child Development Center Budget Increase - May 19, 2022

**RESOLUTION
OF THE
BOARD OF EDUCATION**

OF THE OAKLAND UNIFIED SCHOOL DISTRICT

Resolution No. 2122-0234

Laurel Child Development Center Budget Increase May 19, 2022

WHEREAS, overview: four Bids were received, this indicates a competitive, market value bid;

WHEREAS an extraordinary spike in construction costs over the past year has resulted in bids that exceed the Measure Y allocation for this project;

WHEREAS the Inflation Rates for construction have increased costs over 25% 2019 rates;

WHEREAS, Staff have analyzed the options for rebidding and scope reduction and recommend proceeding with the project by increasing the budget by \$2.5 million out of the Measure Y Bond Program Contingency.

NOW, THEREFORE, BE IT RESOLVED; the Board hereby adopts the Approval Laurel Child Development Center Budget Increase of \$2.5 million, May 19, 2022.

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this 8th day of June 2022, by the following vote, to wit:

PREFERENTIAL AYE:

PREFERENTIAL NAY:

PREFERENTIAL ABSTAINED:

AYES:

NAYS:

ABSTAINED:

RECUSED:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on June 8, 2022.

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OAKLAND UNIFIED SCHOOL DISTRICT

Gary Yee, President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Exhibit "A" - Exhibit A – Laurel Child Development Center Budget Increase - May 19, 2022



OAKLAND UNIFIED
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FACILITIES DEPARTMENT

Laurel Child Development Center Budget Increase Facilities Committee - May 19, 2022



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Overview

1. *Four Bids were received, this indicates a competitive, market value bid.*
2. *Lowest Bid is from a known contractor who has done business with the district.*
3. *Lowest Bid was approx. \$1.75M below next lowest bid.*
4. *Likely cause of low bid is efficiencies of working on multiple projects with in the district.*

Bid Tabulation

1.	<i>Arntz Builders</i>	<i>\$14,288,436</i>
2.	<i>Thompson/Focon JV</i>	<i>\$16,077,751</i>
3.	<i>JUV, Inc</i>	<i>\$16,795,000</i>
4.	<i>CWS Construction Group, Inc.</i>	<i>\$16,995,000</i>

Original Measure Y Budget

1. Construction (Hard/Soft)	\$ 12,661,500	72%
2. Contingency/Allowances	\$ 2,338,500	28%
Total	\$15,000,000	

Current Inflation Rates



TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Transportation Costs

Year-over-year change in domestic U.S. freight expenditures



Construction Escalation

Recent data from the U.S. Census Bureau shows construction costs went up by **17.5%** year-over-year from 2020 to 2021, the largest spike in this data from year to year since 1970. 2021's costs were also more than 23% higher than pre-pandemic 2019. Feb. 16, 2020

California Construction Cost Index 2021-2025

Month	2025	2024	2023	2022	2021
January				8151	7090
February				8293	7102
March				8736	7130
April				8903	7150
May					7712
June					7746
July					7892
August					8122
September					7900
October					8080
November					8141
December					8072
Annual % *					13.4%

10% in first
three months

*Annual Percentage is calculated from December to December.

Recommendation

Increase budget by \$2.5m from Measure Y Bond Program Contingency to allow award of lowest bidder.



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