

# PAT Update



# Original commitments

## FACILITIES CAPITAL PROGRAM

### HISD CAPITAL IMPROVEMENT PROGRAM

#### Scope of Work

...rving the architecturally significant building structure for a campus accommodating 1,800 – 2,000 student school that will incorporate the recently completed science classroom and laboratory wing.

...rving the architecturally significant building structure for a campus accommodating 1,500 – 1,700 student health professions school.

...will incorporate the new 2 story classroom wing for a campus accommodating 500 students.

...0 student school.

...0 student school that will incorporate the new science classroom and laboratory wing.

...performing and visual arts school.

| Project  | Estimated Cost       |
|--|----------------------|
| <b>High Schools</b>                                |                      |
| Ashton High School                                 | 27,100,000           |
| Baylor High School                                 | 61,882,648,000       |
| Channing High School                               | 38,120,000           |
| Conroy High School                                 | 14,820,000           |
| DeBakey High School                                | 979,900,000          |
| Furr High School                                   |                      |
| Grady High School                                  |                      |
| Grady Middle School                                |                      |
| HSPVA  |                      |
| Lee High School                                    |                      |
| Lee High School                                    |                      |
| Mandarin Chinese                                   |                      |
| Milby High School                                  |                      |
| North Early College                                |                      |
| Relief Elementary                                  |                      |
| Sharpstown High School                             |                      |
| South Early College                                |                      |
| Staring High School                                |                      |
| Waltrip High School                                |                      |
| Booker T. Washington                               |                      |
| Worthington High School                            |                      |
| Young Women's College Prep                         |                      |
| <b>Elementary Schools</b>                          |                      |
| Askew Elementary School                            | 44,870,000           |
| Bellare High School                                | 50,791,000           |
| Davis High School                                  | 30,000,000           |
| Dowling Middle School                              | 100,000,000          |
| Eastwood Academy                                   | 12,200,000           |
| High School for Law Enforcement & Criminal Justice | 100,000,000          |
| Lamar High School                                  | 100,000,000          |
| Parker Elementary School                           | 100,000,000          |
| Yates High School                                  | 100,000,000          |
| <b>All Schools</b>                                 | <b>1,000,000,000</b> |

## BOND PHASING SCHEDULE

### Group 3

- Group 1
  - Planning and Design — 2013
  - Anticipated Construction to Begin — Mid / Late 2014
- Group 2
  - Planning and Design — Early / Mid 2014
  - Anticipated Construction to Begin — Mid / Late 2015
- Group 3
  - Planning and Design — Late 2014
  - Anticipated Construction to Begin — Early 2016

- Westbury High School
- Wharton Dual Language School K – 8
- Wilson Montessori School K – 8

\*The planning and design schedule has been accelerated to give the district the flexibility to start construction earlier should market conditions warrant. The original schedule had planning and design for Group 3 in Early / Mid 2013 and for Group 4 Late 2013 / Early 2016.

SCOPE/BUDGET

SCHEDULE

# Current economic climate

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**“It’s the highest level  
the area has seen since  
the boom of the 1980s.”**

*Houston Business Journal*  
October 3, 2014

# Rising demand

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## Labor



**49%**

Rebar workers



**42%**

Glaziers



**40%**

Masons

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## Materials



**49%**

Rebar



**40%**

Cement

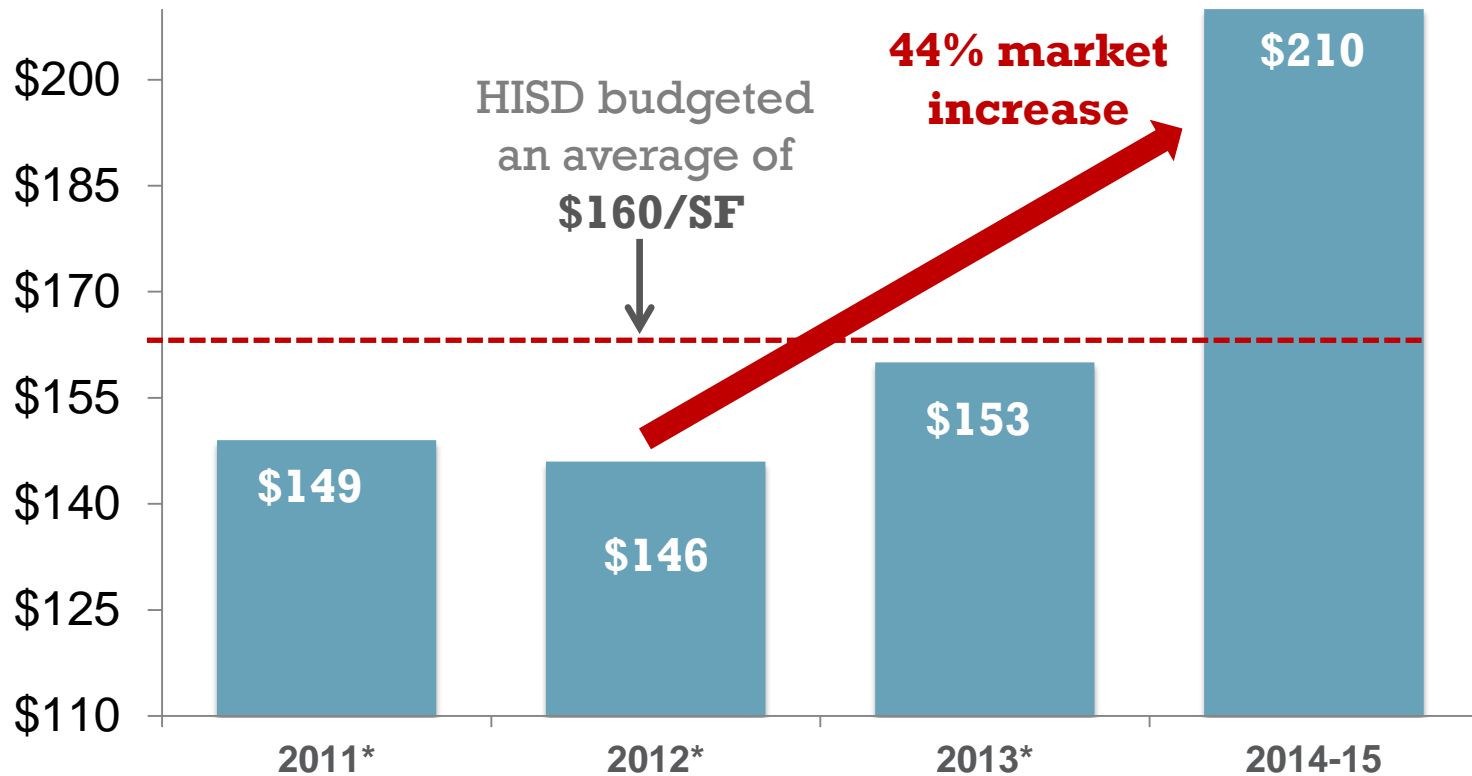


**36%**

Structural steel

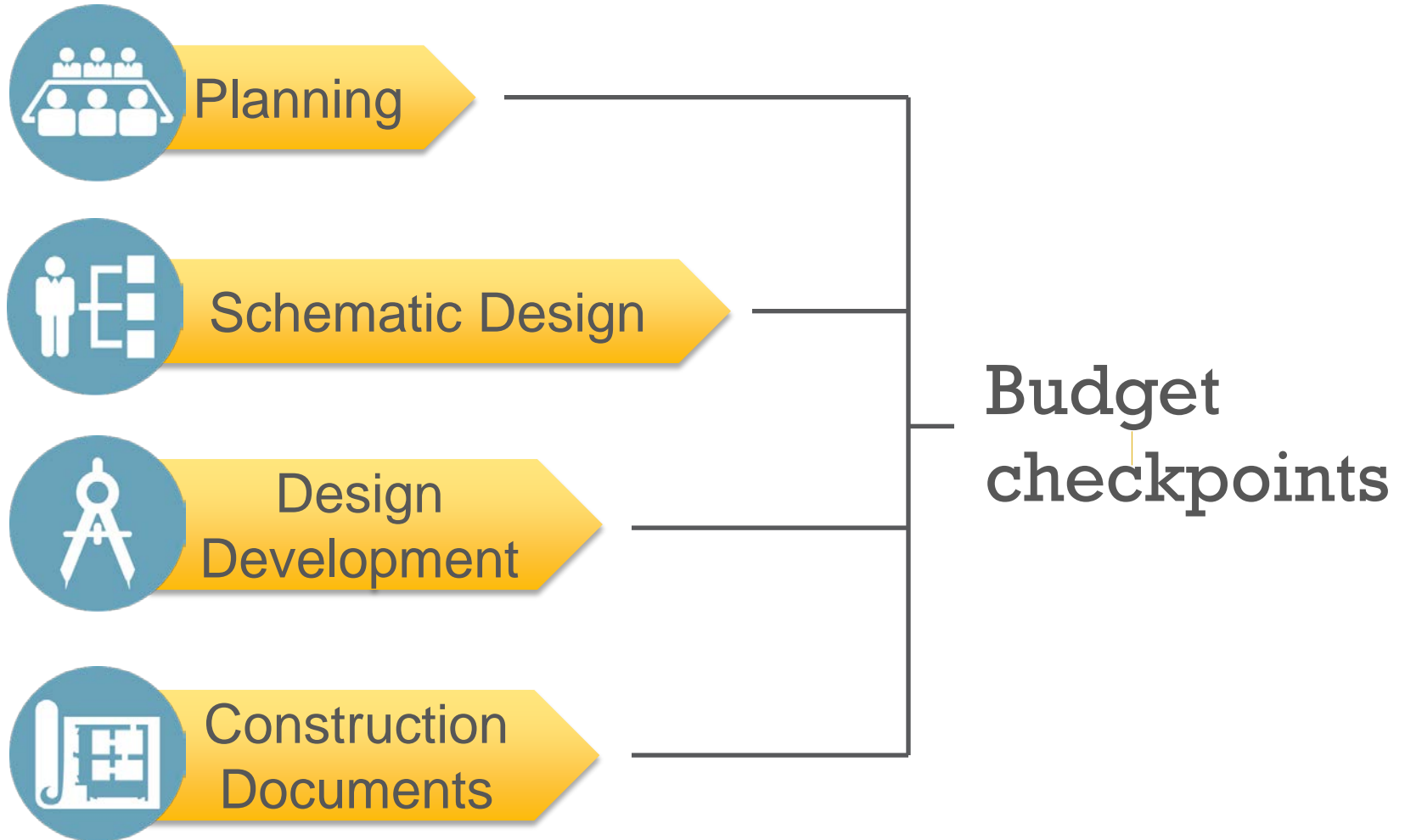
# 2012 construction costs

## Average New Construction Cost for Texas Schools



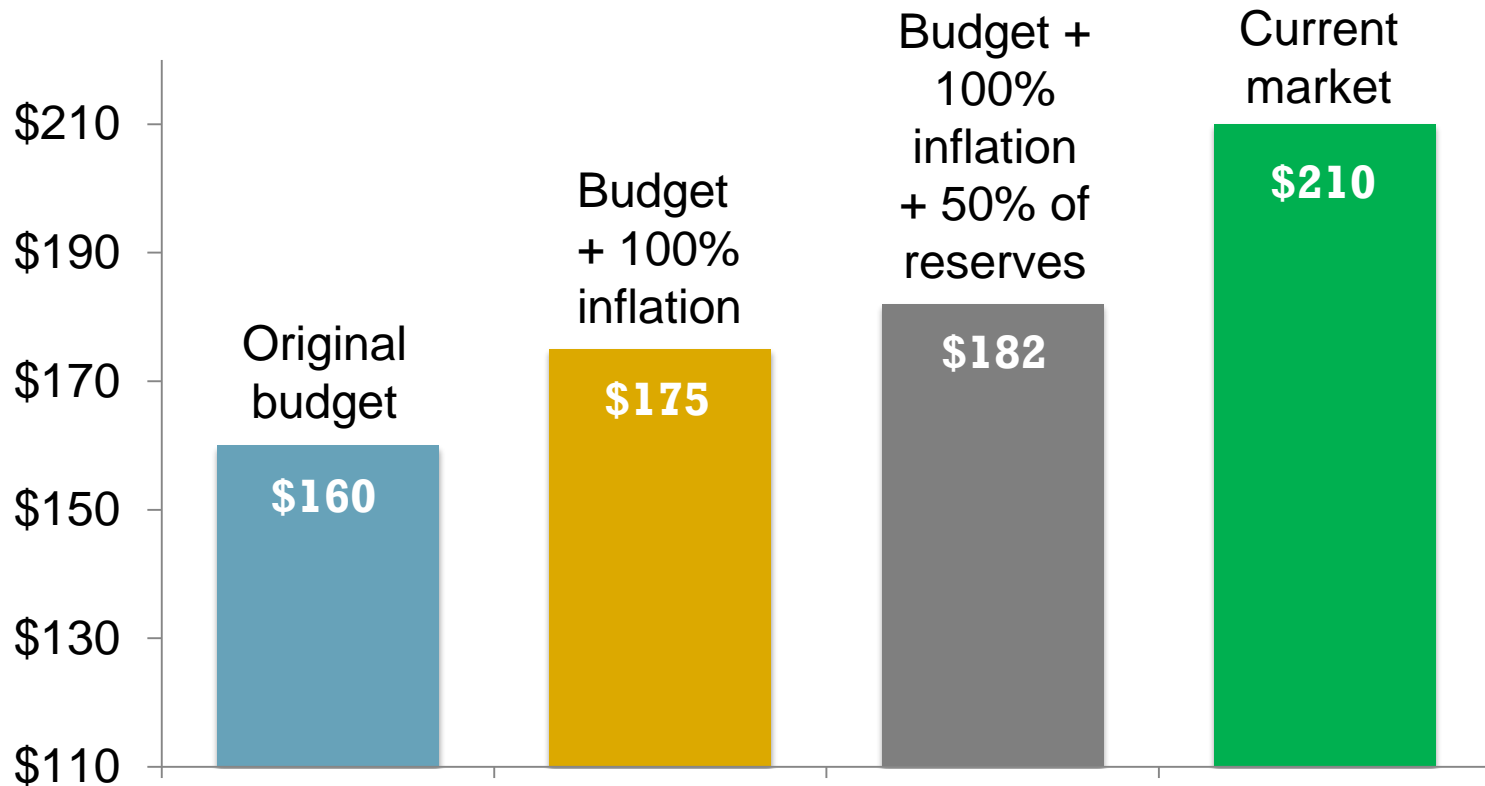
\*Sources: Texas Comptroller of Public Accounts, RS Means, data reported by school districts

# Scope-to-budget process



# Addressing the gap

## Average Budgeted vs. Current Market (per SF)



# What are we doing about this?

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**We are** taking these steps:

- 1** Reconcile scope-to-budget
- 2** Reallocate funds within project budgets to approved construction budget
- 3** Negotiate construction contract



# What are we doing about this?

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**We are not** cutting construction budgets



**We are** increasing construction budgets by moving inflation and reserve dollars within your project to the construction portion of your budget



**We are** still facing a challenging market

# Moving forward

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- ➔ Continuing scope-to-budget alignment and negotiations with contractor
- ➔ Ongoing school communications with latest updates
- ➔ Evaluating market trends (price of oil?) and strategic timing of your project
- ➔ **No final decisions have been made**

# Thank you

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This is a process not an event



We ask that everyone be patient as we work through these challenges

# Questions?

