



MJUSD – Arboga Guaranteed Maximum Price

May 11, 2021



AGENDA

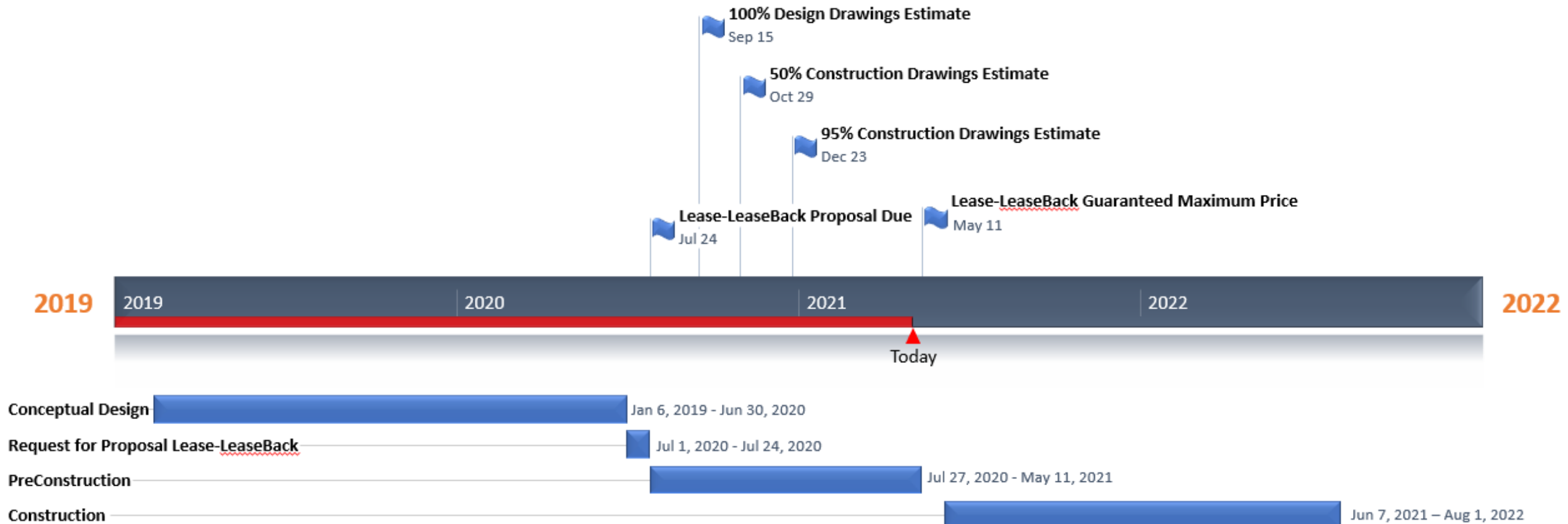
GMP Presentation

May 11, 2021

- I. Schedule Overview
- II. Cost Estimate History
- III. Trade Partners History
- IV. Analysis / Significant Factors
- V. Questions & Answers

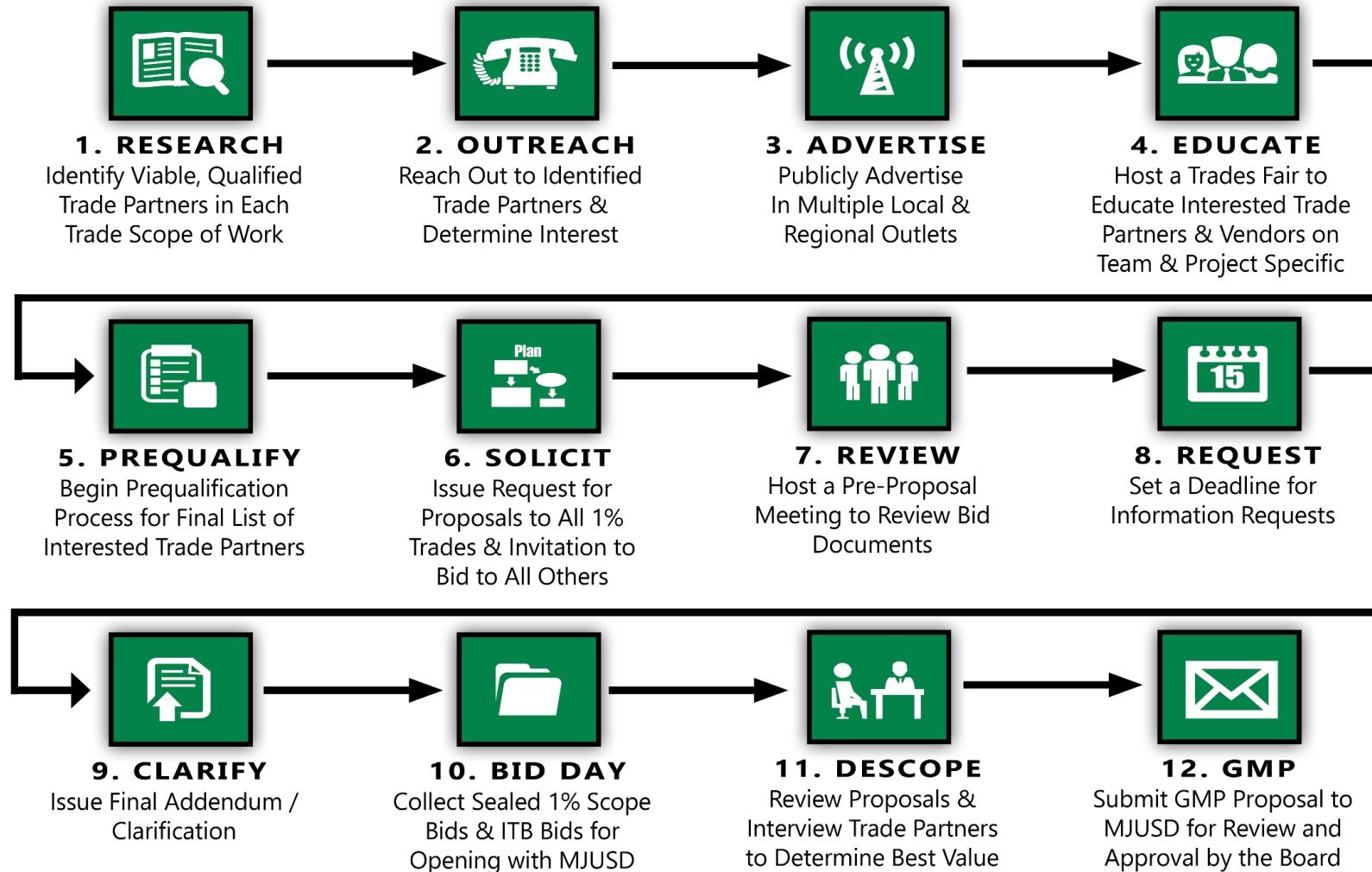
Schedule Overview

Timeline

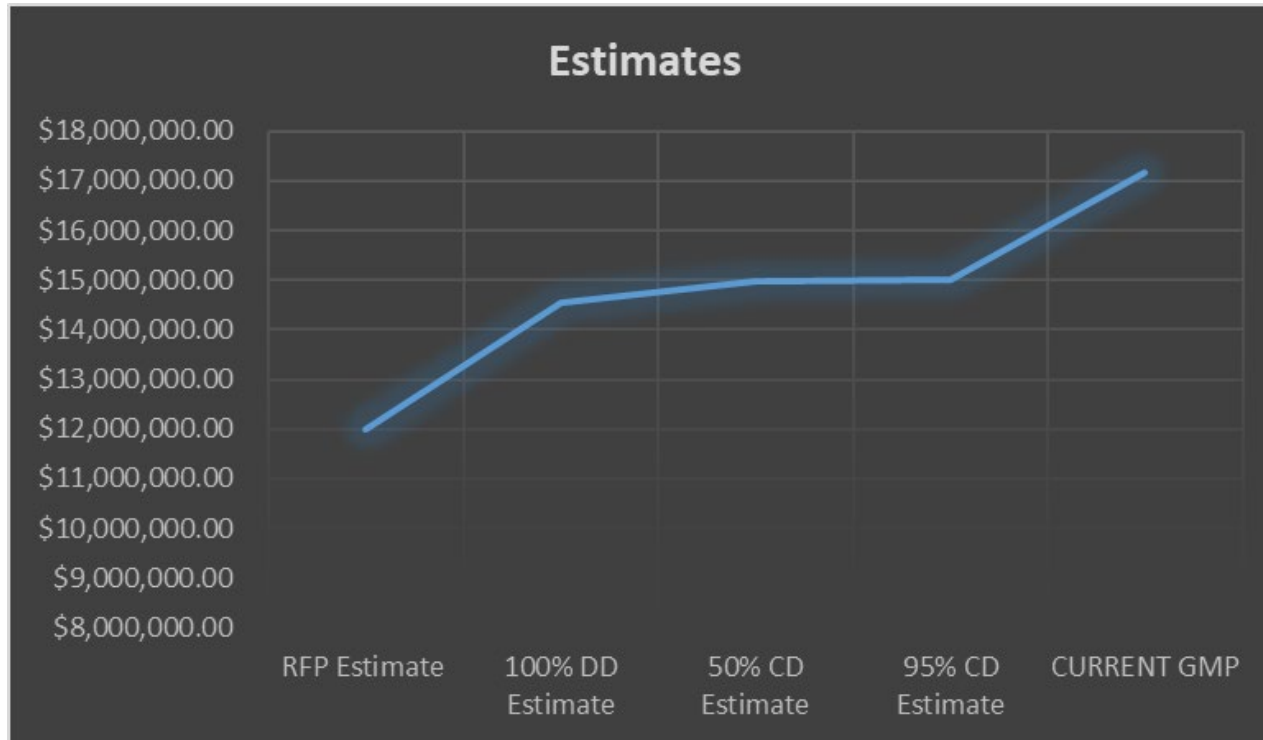


Cost Estimate History

12 Step Preconstruction Process



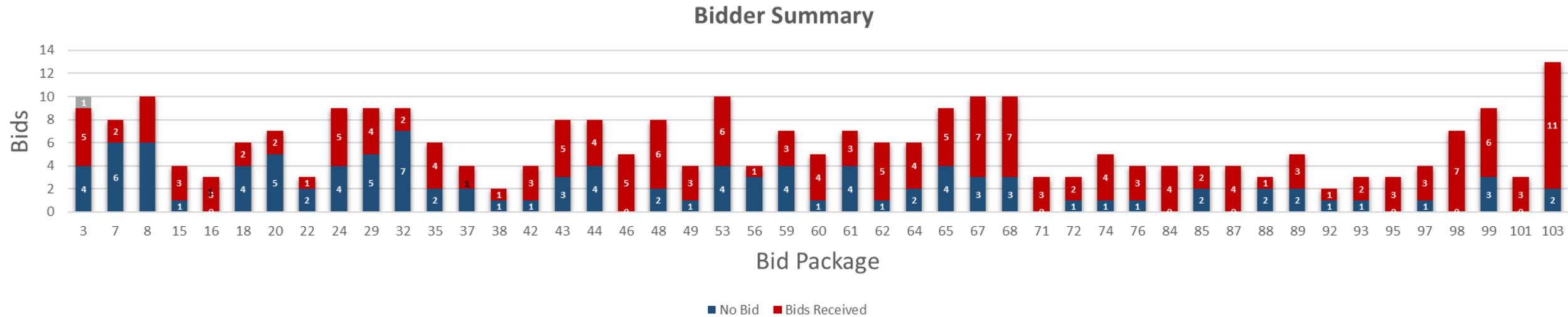
Cost Estimate History



- RFP Estimate \$12,000,000 06/02/2020
- 100% Design Drawings Estimate \$14,545,087 09/15/2020
- 50% Construction Drawings Estimate \$14,966,386 10/29/2020
- 95% Construction Drawings Estimate \$14,995,525 12/23/2020
- Guaranteed Maximum Price \$ 17,108,691 05/11/2021



Trade Partner History

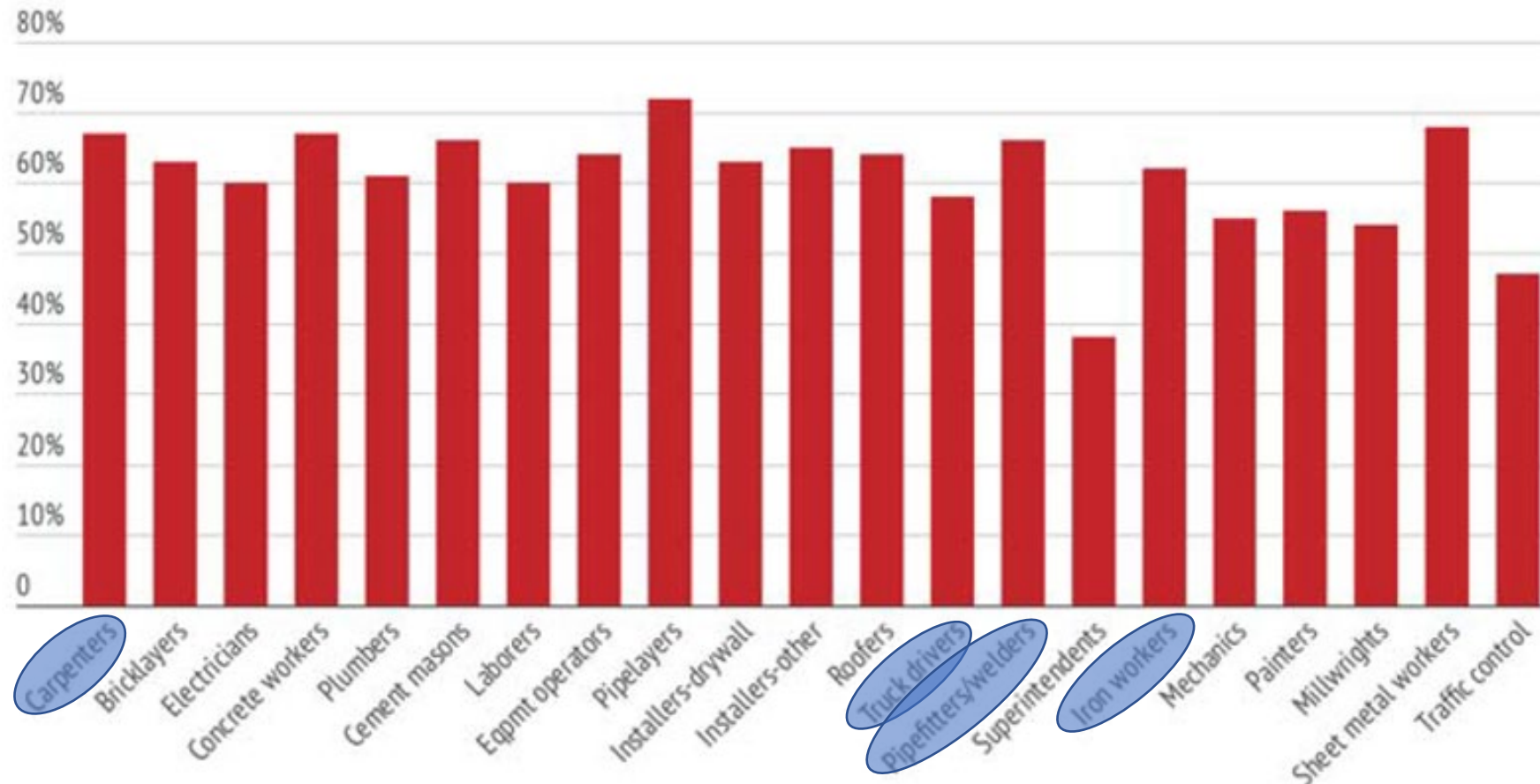


1. Solicited over **400** bidders
2. Over **+170** bids submitted
3. Average # of bidders targeted per package = **6**
4. Average # of bids submitted per package = **4**
5. Total bid packages = **47**

Analysis / Significant Factors

General Cost – Driven Factors

% of Contractors Having Difficulty Filling Craft Positions



1. Significant market-driven increases based on volume of work (Resource demands)
2. Extreme material escalation factors due to volume, tariffs, fires, COVID-19 and uncertainty
3. Labor Shortage / Skilled and Trained Workforce

Analysis / Significant Factors

Scope Specific Cost-Driven Factors



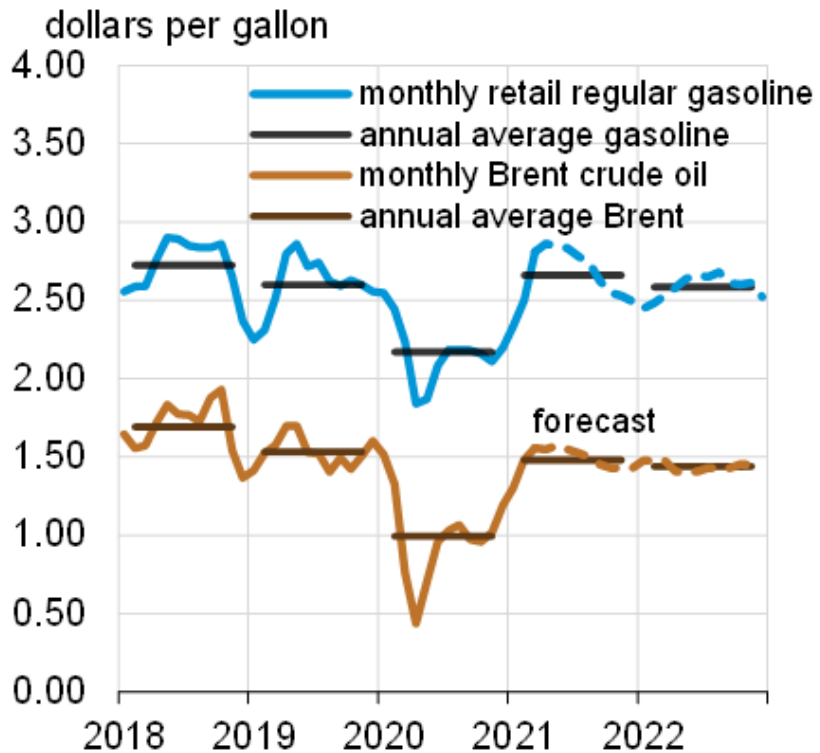
KEY BID PACKAGES:

1. Bid Package 08: Earthwork / Utilities
2. Bid Package 32: Steel
3. Bid Package 35: Wood Framing

Analysis / Significant Factors

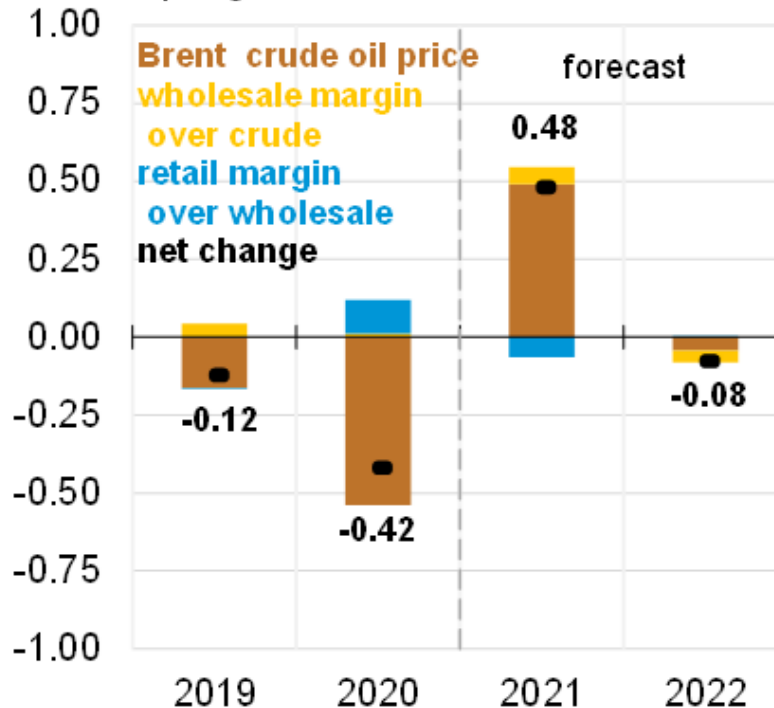
Bid Package 08: Site Work / Underground Utilities

U.S. gasoline and crude oil prices



Source: U.S. Energy Information Administration, Short-Term Energy Outlook, April 2021

Components of annual gasoline price changes
dollars per gallon



MARKET VOLATILITY CAUSES

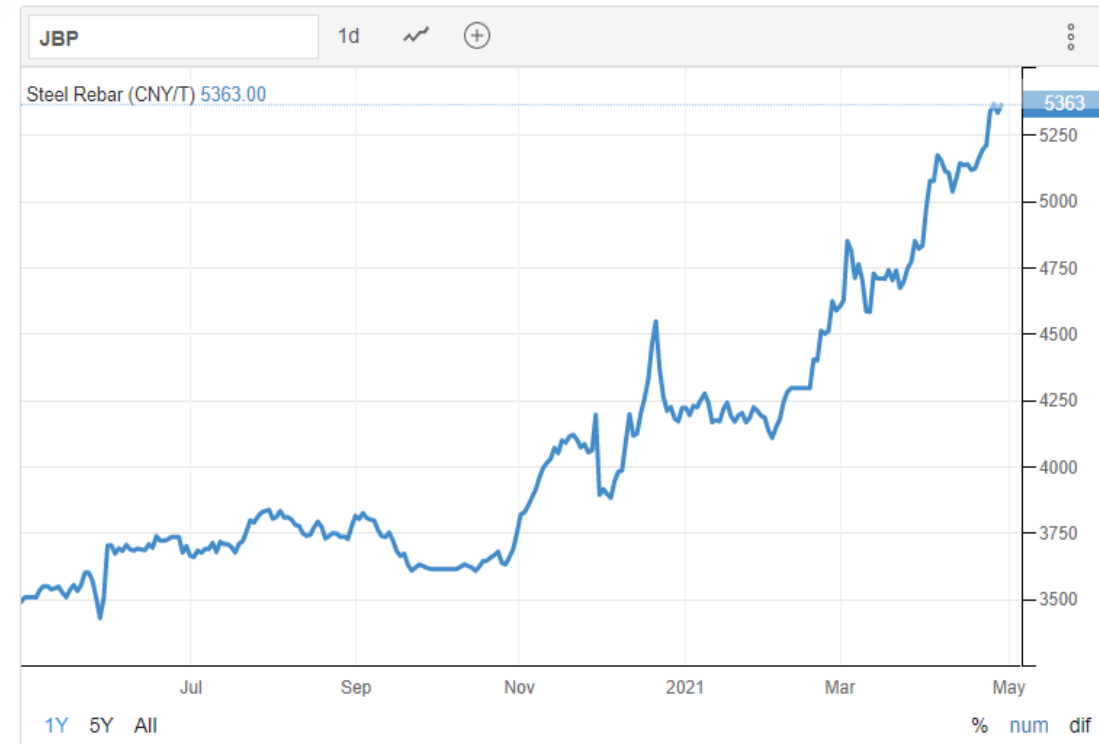
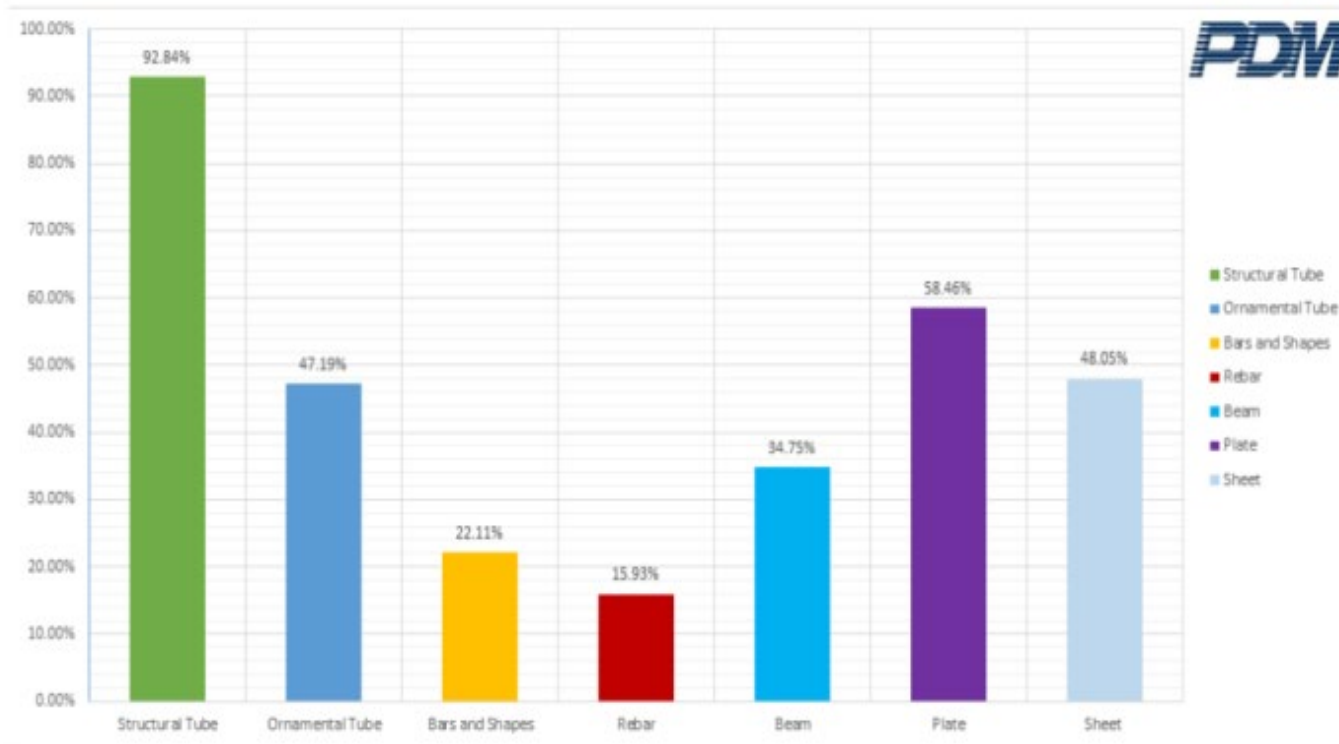
- Fuel, Oil, PVC cost increases
- Schedule expectations
 - 2 Crews are required during the summer of 2021 in order to finish the parking lot for the start of the 2021/2022 School year.

Analysis / Significant Factors

Bid Package 32: Steel

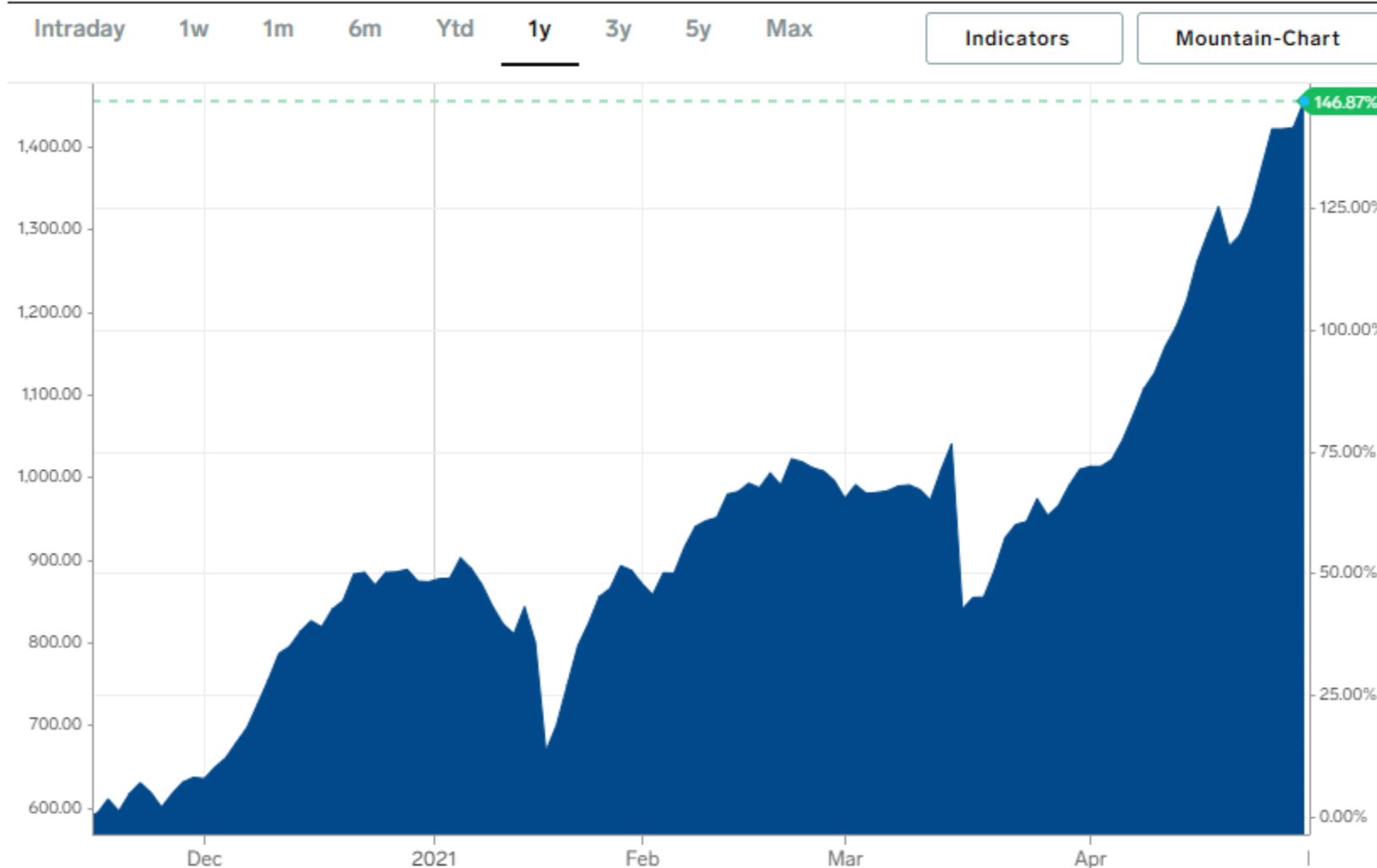
MARKET VOLATILITY CAUSES

- 2018 & 2019 Tariffs
- Supply and demand for steel in Northern California on other high-rise projects.
- Supply cannot meet demand



Analysis / Significant Factors

Bid Package 35: Wood Framing



MARKET VOLATILITY CAUSES

- Northern California Fires 2018, 2019, 2020
- Northern California Development & Residential Building
- Supply cannot meet demand

PROBUILDER

Lumber Prices Expected to Surge Even Higher

APRIL 15, 2021



Photo: Kelly Headrick | stock.adobe.com

Skyrocketing lumber prices have kept some builders away from purchasing in hopes costs would level out, but now lumber prices are expected to spike even higher. Spring and summer building and buying season is here and demand is even higher. Lumber prices reached \$1,048 per thousand board feet last week, according to Random Lengths—a 193% increase from one year ago. But just this week, the May futures contract price per thousand board feet of two-by-fours went from \$32 to \$1.158, says Fortune. Wood production even hit a 13-year high in February, but it's not enough for current demand.

Questions & Answers