

HOQUIAM SCHOOL DISTRICT

- NEW 7-12 JUNIOR/SENIOR HIGH SCHOOL GC/CM PROJECT

- 1. You show a cost of \$222 million for the project but the construction will not start until 2027 if funding is received then so what sort of escalation have you carried in this estimate?**

Answer:

\$222 million is an estimated total project cost and accounts for a fixed annual escalation of 4.9% per year as structured with OSPI under the Seismic Safety Grant Program thru the midpoint of construction for a July 2027 start (assuming 2 years for construction)

The District is also maintaining an additional 4.9% TCC contingency for escalation outside of owner construction contingency. Escalation and cost will continue to be validated with our Design and Construction team through the completion of each design phase.

- 2. With construction not starting until 2027 with funding in July how will you have your GC/CM provide a fee as part of the selection process knowing the time frame is so far in future and the uncertainty may require a complete change in scope to reduce costs etc.**

Answer:

Reducing uncertainty is exactly why this project is well suited for GC/CM delivery.

The Hoquiam School District will continue to deploy a transparent partnership with our Design and Construction team where early involvement of the GC/CM is paramount. Together we'll validate scope and costs (including estimated escalation costs) at each phase of design while also applying the lens of Value Engineering and Constructability Reviews to maximize the use of available funding. This positions our District to manage scope and budget responsibly as we approach the GMP in 2027.

As part of the GC/CM procurement and selection process, shortlisted firms will be asked to submit their proposed fee as a percentage along with specified general conditions as a lump sum. Both will be applied to the MACC at the time of final GMP negotiation. This keeps the proposed fees competitive and locked in at selection but allows for actual dollar amounts to be applied towards the final scope, and available funding.

Through this trust and partnership, the GC/CM process provides our team the flexibility to identify risks early, evaluate alternatives, and ultimately reduces that uncertainty for both the District and the GCCM through each phase of design.