

Building for the future

By Tom Goemaat/guest columnist

Fri Nov 02, 2007, 11:34 AM EDT

Making predications into the future is a challenge. But with some experience, some knowledge and some sense of the subject matter, you can predict things very accurately. That is my job, both as part of the Wellesley School Building Committee (SBC) and as the CEO of Shawmut Design and Construction. Together with the project architects (SMMA) and Permanent Building Committee (PBC), we have prepared preliminary cost evaluations on the Wellesley High School options being considered.

When you look at these numbers, you have to remember that we are talking about building either a completely new 318,000 square foot building or doing a complete gut renovation/addition for a total of 350,000 square feet. Either way, it will be all new systems — plumbing, electrical, HVAC, flooring, windows, lighting, etc. Literally, everything will be touched, removed, replaced or refurbished.

The building condition may be the primary reason to build, but increasing enrollment plays a major role as well. The current building capacity is 1,100 students. Today, enrollment is 1,216 and is projected to hit 1,596 in 2017. To provide the Educational Program, we need more classrooms and larger general spaces such as the gymnasium, auditorium, performing arts spaces, library and cafeteria.

I am writing to describe the factors that drive the cost of a project like this. Many costs are within our control and many are not. This is what makes early budgeting of a future project, particularly one which may not start for a couple of years and may last for several more years, particularly challenging, albeit necessary.

Uncontrollable Cost Factors The uncontrollable cost factors include the local construction market (the competition), the global construction market (construction in China, etc.), commodity prices (oil, steel, cement, etc.) and site conditions (wetlands, floodplain, acreage). These are being closely monitored and projections are made on how they will impact this project.

Controllable Cost Factors The cost factors under our control include the following: building design, durability of materials, sustainability (level of “greenness”), permitting, start of construction, and project duration. The last two are probably the most important of all. Time is the enemy of a construction budget. Seldom do costs go down as time goes on. Construction industry research shows that material costs skyrocketed between 2004 and 2006. However, costs appear to be stabilizing, therefore a 5 percent estimated increase was applied to future years. This is the “escalation rate” and amounts to an increase of as much as \$400,000 for every month of delay or extension of the project duration. The sooner we start this job and the less time it takes, the less it will cost.

The SBC, in partnership with the PBC and SMMA, has developed reasonable cost evaluations for the “fit test” options. We started by benchmarking similar and recent projects in process in Massachusetts and using that information to answer the question “How much would the WHS project cost if we were to start today?” Once we had that analysis in hand, we then escalated the costs based on a 2010 start date and taking into account construction duration.

Preliminary cost evaluations for the purposes of studying the options indicate both fit tests to be comparable in total project cost. The renovation with addition is approximately \$141 million – \$152 million. The new building is approximately \$136 million to \$148 million. At the appropriate point in the Massachusetts School Building Authority (MSBA) process, the SBC and PBC will prepare more detailed costs analyses for state and town approvals.

As a public school building, the High School Project will be considered for state reimbursement. The MSBA will soon begin announcing the projects that they will initially consider for funding. We are hopeful that due to the current conditions and capacity constraints, Wellesley High School will be one of the schools under consideration. Ultimately, state reimbursement from MSBA funds could offset up to 40 percent of the total project cost.

I am confident that we have identified the right project options for the town and that we have developed the right preliminary costs to enable us to make the right decisions.

Tom Goemaat is the CEO of Shawmut Design and Construction, an \$800 million company operating nationally. He is a member of the School Building Committee and is the liaison with the Permanent Building Committee on costs. Tom resides in Wellesley with his wife Karen, and three children who attend the Wellesley High School.

For more information on the SBC or the High School Project, go to www.wellesleyma.gov and click on School Building Committee. The SBC presentation on costs can be viewed on the Wellesley Channel on Thursday, Nov. 1 at 3:30 pm, Saturday, Nov. 3 at 10 a.m., and Monday, Nov. 5 at 1:30 p.m.