Hillsborough
CITY SCHOOL DISTRICT

Measure H Bond Update

April 16, 2025

Hillsborough CITY SCHOOL DISTRICT

Presentation Outline

1. **HCSD Measure H Projects by Site - Overview**
2. **Summer Projects and Budget Updates**
3. **Reasons for Potential Cost Overages**
4. **Potential Cost Overages**
5. **HCSD Facilities Team* Recommendations**
6. **Questions**

*Team Members include: Superintendent Ana de Arce, Trustee An Huang Chen, Trustee Don Geddis, Maintenance and Grounds Manager Ron Russo, Interim IT Manager Alex Friez, Consultant Larry Raffo, Consultant Louann Carlomagno, and Van Pelt Construction Services Team Members

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Completed, Planned, and Proposed Projects by Site

Project	West	South	North	Crocker	Districtwide
Roofing and HVAC	$6,250,000.00	$6,250,000.00	$6,250,000.00	$6,250,000.00	
Classroom technology	$500,000.00	$500,000.00	$500,000.00	$500,000.00	
Painting		$350,000.00	$350,000.00		
Marquee Signs	$25,000.00	$25,000.00	$25,000.00	$25,000.00	
West Underground Water Line / Sewer Replacement	$1,600,000.00				
Furniture replacement	$1,000,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	
West School New MPR	$17,000,000.00				
Crocker New MPR / Admin Building / Parking				$31,000,000.00	
A-pod Building Upgrades		$1,000,000.00			
Staff Workroom and TDR in Current Admin Office				$1,200,000.00	
New Maker Space in Crocker Lecture Hall				$1,500,000.00	
New Culinary Classroom in Current Conf. Room				$750,000.00	
Fire Alarm Replacement Districtwide	$1,000,000.00	$1,000,000.00	$1,000,000.00	$1,000,000.00	
North School Jungle Remodel			$2,500,000.00		
Bridge School Upgrades					$250,000.00
Emergency Power Remediation	$300,000.00	$300,000.00	$300,000.00	$300,000.00	$300,000.00
Security Cameras N/S/W/C/DO	$142,500.00	$142,500.00	$142,500.00	$142,500.00	$80,000.00
South Pre-School Remodel / Conversion		$4,000,000.00			
Crocker Synthetic Turf Field				$5,000,000.00	
New Classroom 4/5 (including portable removal)		$8,000,000.00			
West Library Modernization	$8,000,000.00				
District Office Renovation and Modernization					$6,500,000.00
TOTAL by Site	**$35,817,500.00**	**$22,567,500.00**	**$12,067,500.00**	**$48,667,500.00**	**$7,130,000.00**

Completed
In Process
Required
Proposed Priority

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Summer Projects: Current Status and Budget Updates

Project Name	Current Status	Budget
Crocker HVAC/Roofing	Awaiting DSA Approval/Blach Bidding/Pre-Construction	Trending Over Budget Approximately 20%-25%
West MPR	Awaiting DSA Approval/Bids Received by Blach (Leveling*)/Pre-Construction	Trending Over Budget Approximately 20%-25%
West Water and Sewer Lines	Approved for Construction/Bids Received by Balch(Leveling)/Pre-Construction	Trending on Budget
Crocker MPR	DSA Review/Blach Bidding/Pre-Construction	Trending Over Budget Approximately 20%-25%
South HVAC/Roofing	Awaiting DSA Approval/Bids Received by Blach (Leveling)/Pre-Construction	Pending Bidding

DSA: Division of the State Architect

***In subcontracting, "leveling" refers to comparing and adjusting bids from different subcontractors to ensure they all cover the same scope of work. This helps identify gaps, overlaps, or inconsistencies so you can fairly evaluate each bid.**

Why the Cost Increases? Possible Next Steps…

Why the Increases?

1. **Global Instability:** Tariffs and supply chain disruptions are driving up the cost of essential construction materials, particularly steel and wood.
2. **Lease-Leaseback Market Conditions**: Contractors are increasing prices across the board due to ongoing economic uncertainty.
3. **Crocker Project Complexity**: The Crocker project involves multiple layers of complexity, which may contribute to higher-than-anticipated costs.

Next Steps to Address Budget Impact:

1. ***Value Engineering**: Apply cost-saving strategies across all projects to identify and implement more efficient solutions.
2. **Utilize Contingency Funds**: The Measure H Contingency Budget of approximately $8 million is available and can be allocated as needed.
3. **Scope Reduction**: Reassess all currently approved projects and consider postponing or canceling lower-priority items to offset cost overruns on critical projects.

***Value engineering in construction is a systematic process of analyzing a project's design, materials, and methods to reduce costs without compromising function, quality, or performance. The goal is to maximize value by improving efficiency and eliminating unnecessary expenses.**

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Summer Projects: Potential Overages

Project Name	Construction Budget	Potential Overage
Crocker HVAC/Roofing	$6,250,000	$1,250,000 (20%)
West MPR	$17,000,000	$3,400,000 (20%)
Crocker MPR	$31,000,000	$6,200,000 (20%)
South HVAC/Roofing	$6,250,000	$1,250,000 (20%)

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HCSD Facilities Team Recommendations

Risk Levels
Minimal
Minor
Major
Extreme

Project Name	Risks	Recommendations
Crocker and South HVAC/Roofing	**DSA Approval: Minor** **Potential Overages: Major** **Material Procurement: Minimal**	Pull Funding From the Contingency as Needed and **Proceed as Planned: Start this Summer**
West MPR	**DSA Approval: Minimal** **Potential Overages: Major** **Coordination with West Water Lines: Minor**	Value Engineer and **Proceed as Planned: Start this Summer**
Crocker MPR	**Timing of DSA Approval: Major** **PG&E (Relocation, New Services): Major** **Potential Overages: Extreme**	**Delay the start to the project** Work on Value Engineering, Possible Scope Reduction Will Still Need Contingency or Budget Adjustments
Underground Lines	None at this Time	**Proceed as Planned**

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Questions?