



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jan H. Gardner
County Executive

July 21, 2016

Dear Commissioner Knott and Members of the 21st Century School Facilities Commission,

Executive Gardner sends her apologies for not being here today, she had a long standing schedule conflict. I appreciate the opportunity to address the Commission this morning.

In spring 2015, when the bids were opened for a new Frederick High School, the bids were about \$30 million dollars over budgeted estimates. This was due to a series of contributing factors which all came together, simultaneously, to produce what we called the “perfect storm”.

I don't have time today to adequately enumerate all the details about why we experienced such a significant increase in costs. Instead, I will focus on what Frederick County has done as a result:

- We executed a creative funding solution, allowing developers to forward fund the interest expense on county bonds for the state share of new school construction projects. As the county receives the incremental payment for the state share, the county reimburses the developer.
- We formed two (2) task forces:
 - One is studying the use of a lease back option specifically for Frederick County. We expect a final report from that task force around the middle of September. We will be happy to report on their findings in the future.
 - The other task force is looking specifically at school construction. It is made up of industry & school system professionals, community members, and developers who are experts in design, mechanical systems, storm water management, site work, delivery systems, and more.
 - The school construction task force is tasked to:
 - Evaluate the cost of school construction with a goal of reducing costs by 8-10%, without sacrificing quality, performance, or the life of the projects.
 - Review and discuss mechanisms for construction savings
 - Make recommendations for potential changes in legislation, policy, or procurement for local and state education/elected officials

While our task force will not formally report our recommendations for some time, I do want to offer some suggestions we are considering, which may assist this Commission:

- We recommend a longer time frame, from planning approval through design & construction, to allow LEAs time to explore options for innovative construction techniques, design or construction efficiencies, and negotiating shared efficiencies with developers and other stakeholders for things such as road improvements, storm water management, and energy standards.

- We recommend establishing financial incentives for jurisdictions utilizing repeat prototype designs.
- We recommend the state continue to permit prototype designs be developed according to local education specifications.
- We recommend financial incentives for LEAs willing to pilot new or innovative building techniques or design strategies, which could serve as a model for future state design guidelines and assist other LEAs with design.
- We recommend financial incentives for LEAs that value engineer projects, allowing them to retain the savings and apply those savings to other school construction projects.
- We recommend the state develop its own standard for LEED Silver certification to save money. The law allows for alternatives, but does not define which alternatives are acceptable.
- We recommend the state delay implementing new legislation for at least one year so the impact can be evaluated and cumulative impacts from multiple legislative changes can be considered.
- We recommend the state evaluate staffing and supervision requirements that are a component of the prevailing wage law.
- We recommend that the state develop a standard which considers a project “vested” once planning approval is granted. Once vested, a project is exempt from legislative changes which could impact design or construction costs.

These suggestions are a sampling of the type of recommendations our local Frederick County task force is considering. In addition, we are studying our elementary school prototype design for efficiencies and are considering additional recommendations to reduce building volume and maximize site design. We look forward to finishing our work in the next few months and will be happy to share our findings with this Commission. Thank you.

Sincerely,

Janice Spiegel
Education Liaison
Office of the County Executive
Frederick County