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2022 FEB 28 P 3:19

CITY OF AMESBURY
IN THE YEAR TWO THOUSAND TWENTY-TWO

CITY OF AMESBURY, MA

SPONSORED BY: Kassandra Gove **BILL No. 2022- 034**
Kassandra Gove, Mayor

An Order to authorize the Mayor to expend funds not previously approved from a Massachusetts School Building Authority (MSBA) grant to replace the Amesbury Elementary School (AES) with a new building.

Summary: Council Bill 2021-138 was approved and certified allowing the Mayor to expend this grant from the MSBA up to the amount of \$23,942,384. Upon further review the amount previously approved did not include the maximum amount of reimbursable expenses from owner's contingency as provided in the MSBA grant and therefore the amount should read \$24,466,254.

Be it Ordered by the City Council of the City of Amesbury assembled, and by the authority of the same as follows:

That the City of Amesbury authorizes the Mayor to expend a Massachusetts School Building Authority (MSBA) grant to replace the Amesbury Elementary School (AES) with a new building for an amount not to exceed \$24,466,254, including all grant amounts previously authorized for expenditure pursuant to Bill No. 2021-138.



MEMORANDUM

TO: Amesbury City Council

FROM: Kassandra Gove, Mayor

DATE: February 28, 2022

RE: MSBA/Amesbury – Amesbury Elementary School, Fully-Executed PFA Bid Amendment

The MSBA grant is paid out as a reimbursement on eligible project costs on a monthly basis at the City of Amesbury's reimbursement rate of 58.98%, which totals \$7,242,958 for expenditures submitted to date. The actual grant value will most likely exceed the \$23,942,384, unless none of the contingency expenses are eligible for reimbursement. The \$24,466,254 value would be more conservative as the maximum potential grant value, assuming all contingency is spent and the maximum amount of reimbursement on the contingency is reached.

See below for a comparison of the estimated grant calculation for the current PFA Bid Amendment (on the left) and the Project Funding Agreement executed in November 2019 (on the right). Since the time of the Project Funding Agreement, funds have been transferred from Owner's contingency to budget line items (Additional LSP services, Permitting, Peer Review, etc.), so these are factored into the "Estimated Maximum Total Facilities Grant" (highlighted below in yellow) in the PFA Bid Amendment to the extent they were considered eligible. The "Maximum Total Facilities Grant" (highlighted below in green) assumes that the Owner's Contingency would be reimbursable and max of 1% of Construction Contingency (Value fixed at time of PFA) would be reimbursable. Since these assumptions haven't changed, the "Maximum Total Facilities Grant" hasn't changed.

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AMESBURY

MAYOR'S OFFICE

PFA Bid Amendment		Project Funding Agreement (11/2019)	
Design Enrollment	425	Design Enrollment	425
Total Building Gross Floor Area (GSF)	98,195	Total Building Gross Floor Area (GSF)	98,195
Project Budget	\$58,973,932	Total Project Budget (excluding Contingencies)	\$57,842,776
Scope Items Excluded or Otherwise Ineligible	-\$18,024,651	Scope Items Excluded or Otherwise Ineligible	\$17,246,483
Third Party Funding (Ineligible)	\$0	Third Party Funding (Ineligible)	\$0
Estimated Basis of Total Facilities Grant ¹	\$40,949,281	Estimated Basis of Maximum Total Facilities Grant ¹	\$40,598,293
Reimbursement Rate ³	58.98%	Reimbursement Rate ³	58.98%
Est. Max. Total Facilities Grant (before Recovery) ¹	\$24,151,886	Est. Max. Total Facilities Grant (before recovery) ¹	\$23,943,694
Cost Recovery	\$1,310	Cost Recovery ⁴	\$1,310
Estimated Maximum Total Facilities Grant ¹	\$24,150,576	Estimated Maximum Total Facilities Grant ¹	\$23,942,384
Total Construction Contingency	\$1,494,178	Construction Contingency ²	\$2,272,348
Ineligible Construction Contingency ⁴	\$1,004,409	Ineligible Construction Contingency ²	\$1,782,577
Potentially Eligible Construction Contingency ²	\$489,769	"Potentially Eligible" Construction Contingency ²	\$489,769
Total Owner's Contingency	\$45,460	Owner's Contingency ²	\$398,448
Ineligible Owner's Contingency	\$0	Ineligible Owner's Contingency ²	\$0
Potentially Eligible Owner's Contingency ²	\$45,460	"Potentially Eligible" Owner's Contingency ²	\$398,448
Total Potentially Eligible Contingency ²	\$535,229	Total Potentially Eligible Contingency ²	\$888,217
Reimbursement Rate ³	58.98%	Reimbursement Rate ³	58.98%
Potential Additional Contingency Grant Funds ²	\$315,678	Potential Additional Contingency Grant Funds ²	\$523,870
Maximum Total Facilities Grant	\$24,466,254	Maximum Total Facilities Grant	\$24,466,254
Total Project Budget	\$60,513,570	Total Project Budget	\$60,513,570

Tim Dorman | Project Director | [NV5](#)
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