



# Craig City School District

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April 18, 2023

Re: FY 23 AS 14.11.013 Department of Education and Early Development Major Maintenance Grant Funds

Dear Senator Stedman:

I am writing to you with concerns over the Alaska Department of Education and Early Development's (DEED's) FY 23 Capital Improvement Projects Major Maintenance Grant Fund.

On September 1, 2021 Craig City School District (CCSD) submitted two FY 23 Major Maintenance Grant projects, following earlier steps to complete condition surveys, needs assessments, and preliminary design. These projects were ultimately ranked #2 (Craig Middle School Rehabilitation) for a total of \$6,297,916 and #5 (Craig Elementary School Rehabilitation) for a total of \$2,117,210. These projects were ultimately awarded \$8,415,126 in total funding by the 32<sup>nd</sup> Alaska Legislature.

After receiving notice that these two projects were funded, CCSD, in collaboration with MRV Architects, developed bid-ready documents. Detailed design work proceeded through the summer and fall of 2022, with bids opened on December 16, 2022. CCSD received one bid for the Craig Middle School Rehabilitation project for \$8,997,841 and one bid for the Craig Elementary School Rehabilitation project for \$3,640,820, with a combined base bid total of \$12,638,661. Due to the significant discrepancy between the Legislative funding for these projects and the total value of the one bid received, CCSD was unable to award the project.

Following the December 16, 2022 bid cycle, CCSD and MRV Architects collaborated with the Facilities Management Team from the Alaska Department of Education and Early Development to bid the projects for a second time this school year. The Facilities Management Team allowed combining these two projects into one project to potentially achieve a more competitive bid result. Sealed bids for this second round were opened on April 13, 2023. Unfortunately, CCSD once again received a single bid for a total base bid value of \$12,833,606, exceeding the amount CCSD had secured in funding by \$4,418,480. As such, CCSD was unable to award the project.

CCSD respectfully requests the 33<sup>rd</sup> Legislature provide additional/supplemental funding for DEED's FY23 Capital Improvement Projects Major Maintenance Grant Fund to include the additional funding needed for CCSD to move forward with these two projects.

CCSD believes that the two failed bid results clearly illustrate that the estimated funds put in place in 2021 no longer reflect realistic construction costs in 2023, with extreme inflation affecting both material costs and labor. Providing funding to ensure K-12 major maintenance needs can be adequately addressed saves money for the future due to significant operating efficiencies, as well as improved, safe, learning environments for our students.

Attached with this letter is DEED's ranking of this year's Major Maintenance Grant submittals for your review. Thank you for your consideration.

Respectfully submitted,

Chris Reitan, CCSD Superintendent