

February 7, 2024

Mr. Phillip Francis
Asst. Superintendent of District Services
Livonia Public Schools
15125 Farmington Road
Livonia, MI 48154

RE: 2021 Bond Program
Construction Contingency Approval
Early Childhood Center

Dear Mr. Francis:

This letter provides an update from Plante Moran Realpoint (PMR) on the assignment to help Livonia Public Schools (LPS) establish a construction contingency for the Project listed above. The Bond Team — collectively, PMR, Clark Construction Co., TMP Architecture, Inc., and LPS administration and staff — is recommending the Board approve additional construction contingency funds for this Project.

Historically, requests for construction contingency have ranged from 6% to 10% of the hard construction costs, varying based on the complexity, duration, and budget limitations of each of the projects. For the Early Childhood Center, a 6% (\$1,507,520) contingency was initially requested in an effort to reduce impacts on the budget. However, due to unforeseen site conditions and design challenges encountered to date, the Project's contingency will be exhausted prior to the completion of the work.

With several months of work still to be accomplished, the team is requesting additional funds in the amount of \$950,000, bringing the total project contingency to approximately 10%. The Team is recommending LPS fund this additional contingency from the reallocation of unused contingencies and reimbursable costs on previously completed projects within the bond program, as detailed below.

Unused General Conditions and Contingencies from Previously Completed Projects	
2022 General Conditions	\$225,638
2023 Construction Contingency (7%)	\$277,020
2023 General Conditions	\$184,916
LCTC Construction Contingency	\$9,884
LCTC GCs	\$95,407
Staff Furniture Contingency (IE)	\$120,501
2022 LMC Furniture Contingency (NBS)	\$66,456
2023 LMC Furniture Contingency (NBS)	\$37,085
2023 Move Management Contingency (DMS)	\$24,740
2023 Technology Contractor Contingency (AMcomm)	\$17,000
2022 Technology Contractor Contingency (DAT)	\$24,350
LCTC Technology Contractor Contingency (DAT)	\$8,000
Total	\$1,090,997

The intent is to use these funds only as necessary to complete the Project within its current intended scope. Having this additional contingency available will allow the project to avoid schedule delays should additional issues arise without the appropriate funds being available. **Any unused funds will be fully refunded to the owner’s contingency within the bond program.**

The Bond Team is available at the Board’s convenience to answer any questions regarding the recommendation of the Bond Team. Please direct all questions through me via email at brian.weber@plantemoran.com.

Sincerely,

PLANTE MORAN REALPOINT

Brian Weber
Senior Vice President