Hoffman-Boston ES - HVAC / Reroofing Construction Contract Award

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School Board Information Item H-1
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Overview

- This is a major infrastructure project.
- Renovations include:
  - A new roofing system with enhanced insulation
  - A new HVAC system
  - Replacement of ceilings and lighting
  - Repainting in areas affected by construction
- Construction will begin upon contract award with phased and limited work off hours during school occupancy, and focused activities during school breaks, with an expected completion in Fall 2029.
- Staff request School Board approval for:
  - Proposed construction contract
  - Proposed project budget

Base Bid Review

- To execute the HVAC and roof replacement at Hoffman-Boston, staff conducted a public procurement process and issued Invitation to Bid (ITB) 38FY26 to solicit bids.
- One bid was received, which included a base bid for a Cooling Tower/Boiler (CT/B) system, along with alternate pricing to replace the CT/B system with a geothermal well field, and a separate add alternate for structural enhancements to support future solar panels.
- Lowest responsive bidder was Chiaramonte Construction Company, with a base bid of $29.33 million.

Summary of ITB 38FY26	
Base Bid Estimate	$28,082,451
Number of Bids Received	1
Lowest, Responsive and Qualified Base Bid	$29,334,000
Negotiated Contract Sum	**$29,334,000**

Alternate Review

Accepting Both Alternates	
Base Bid	$29,334,000
Bid Alternate Received - Geothermal	$5,410,000
Bid Alternate Received - Structural Enhancement	$500,000
Contract Sum with Base Bid + Alternate	**$35,244,000**

Funding and Budget Review

- The School Board's-Adopted FY 2025-34 Capital Improvement Plan (CIP) includes **$124.75** million in funding for Major Infrastructure Projects.
- Funding is currently available to support the budget.
- Staff regularly monitor program costs as projects are proposed and completed:
  - All unused budget funds remaining after project completion will be available for other program projects.

Recommendation

- Staff recommends awarding the contract with the alternate for a full geothermal well field system in lieu of the base bid Cooling Tower/Boiler system, along with acceptance of the alternate for structural enhancements to support future solar panel installation.
  - Geothermal wells have a longer life cycle than a Cooling Tower/Boiler system.
  - Installing a geothermal well system and making the building solar-ready aligns with the Board's sustainability goals.
  - Staff has researched and will pursue Investment Tax Credits (ITC), which are estimated to provide APS with a direct payment of 30–40% of the cost of the full geothermal system to help offset the additional cost of the alternate. (Eligibility requires meeting all ITC conditions, and funds become available after system completion and submission of required documentation.)
- Project Costs listed in the following recommendations include:
  - Project Contingencies, Soft Costs, Design Costs, Supervision and Required Inspection Fees and Services to be incurred over the 3 years of construction.

Recommendation

Staff recommends the School Board take the following actions:

- Award contract 38FY26 for the Hoffman-Boston Elementary School HVAC/Roofing Replacement Project to Chiaramonte Construction Company for the base bid, plus the alternates for the geothermal system and structural enhancements for future solar panels, in the amount of **$35.24 million.**
- Approve a project budget of **$45.65 million** from Major Infrastructure funding to support the HVAC/Roofing Replacement Project at Hoffman-Boston Elementary School.
- Direct staff to pursue Investment Tax Credits (ITC) available for new geothermal systems.