

Montgomery County Council Public Hearing – March 7, 2006

Subject: County School Board Request: Special Appropriation for the Seven Locks Elementary “Replacement” School on Kendale Road (\$3.3 million)

Christine D. Berg, M.D.

Bethesda, MD

Mother of two sons who walked to Seven Locks Elementary

AGAINST the School Board Request for supplemental funding to build at Kendale, and FOR CIP Amendment to build new school on Seven Locks Road

Key Points:

- 1) Cost for building a replacement school on Seven Locks Road is less expensive than building a new school on Kendale Road**
- 2) We agree with the Office of Inspector General: the way the MCPS/Board of Education presented their cost analysis to support Kendale was flawed**

MCPS information, made available in February 2006, at the request of the County Council (see attached) indicates that building a new school on the current Seven Locks site is less expensive than building a school on the hilly Kendale site on a narrow road that runs through a flood plain. We commend the Council for finally getting the Board of Education to address “apples to apples” comparison of Seven Locks and Kendale, and not rely on cost data selectively chosen by MCPS to justify their decisions.

Several of the comparisons that were (and may still be) misleading deserve specific mention:

- MCPS claimed in 2004 (when Board of Education suddenly changed course and recommended the Kendale site for construction) that Kendale at a cost of \$14.7 million, was \$3 million cheaper than Seven Locks (\$17.7 million). Now MCPS is back with a request for \$ 3.3 million dollars which brings the cost up to MORE expensive.
- February 2006 MCPS construction costs (including related construction costs and construction contingency) show one-step construction at Kendale (\$17,549,142) is more expensive than one-step construction at Seven Locks (\$17,422,065).
- MCPS stated in February 2006 that they were able to provide only broad data regarding what is included in the \$2.95M site costs for Kendale. Unlike the Seven Locks site which is flat and has been successfully used as a school for 40 years, the Kendale site is rocky and sloped with higher site costs, and a much higher risk of unforeseen additional costs. Also because Seven Locks is a flat square site, a more standard design can be used rather than a novel, potentially more costly design at Kendale to accommodate the rocky terrain.
- Are the Kendale site costs proposed truly reflective of the total cost to the County and taxpayers? Do they factor in all the costs to enhance the safety of a portion of Kendale

Road? Two children have been killed in years past on the road. Kendale Road is very narrow and winding and floods regularly in the section between the school and Bradley Boulevard. Is the decision to not spend money to widen and elevate the portion of the road subject to flooding wise? Exit by the busses toward Bradley Boulevard is prohibited. What about an emergency? Is only one egress route safe?

- MCPS skewed their recent comparison by including “savings” from the “sunk costs” from the architect. MCPS never should have awarded a sole source \$800,000 award to the architect for Kendale until full disclosure of one-step construction costs at Seven Locks was made and publicly discussed. Also those architecture costs resulted (according to March 2, 2006 statement made to County Council by Sharon Cox, Board of Education President at time decision was made) because documented Board of Education processes for awarding architectural contracts were not followed. To use an improper architecture procurement with the money imprudently spent, without adding it to the total costs to the system for Kendale is inappropriate.
- As documented by OIG, MCPS suppressed the one-step cost data of replacing current Seven Locks school with new Seven Locks school— the same plan that was recommended by the MCPS architect, but never released to the public until the Montgomery County Inspector General conducted an investigation
- In February 2006, a member of and spokesman for the Board of Education wrote he did not want an outside organization (County OIG) evaluating Board of Education decision-making. How can the largest fraction of the Montgomery County budget be outside the purview of the county system of due process?
- We support Mr. Haughey’s (President of Board of Education) commitment (March 2, 2006 to County Council) to provide costs for all important options in the future. Decisions currently being made should reflect this commitment and take accurate cost estimates into account.

Finally, as an oncologist and a concerned mother I wish to mention one additional public health cost of allowing schools like Kendale, to go forward. The policy will be that NO ONE will be allowed to walk to the school and the design calls for the playing fields for recess and sports activities to be cut by more than 50% from what exists and would continue to exist at Seven Locks. This will discourage physical activity. Inactive children are fat and risk becoming obese. We are rearing the first generation of Americans that may die earlier than their parents. And if Kendale goes forward it will contribute.

I applaud the County Council’s willingness to listen to views from the whole community’s perspective. All of us, parents, concerned citizens, you as Council members, members of the Board of Education and MCPS staff want what is best for our children and future children. In summary, a decision based upon reason and cost-effectiveness points to rebuilding Seven Locks.

Following is cost comparison based on MCPS February 2006 data; **community comments in bold red:**

NEW SCHOOL	SEVEN LOCKS	KENDALE
Construction Costs		
740 core/23:1 student capacity adjustment	\$1,263,382	\$1,263,382
New Construction (Base Building)	\$10,613,626	\$10,613,626
New Construction (Gymnasium)	\$1,154,400	\$1,154,400
Site Costs	\$2,435,000	\$2,951,250
Haz. Materials Abatement/Gen'l Demo.	\$332,766	-
Construction Cost Subtotal	\$15,799,174	\$15,982,658
Related Construction Costs		
	Item Cost (\$)	Item Cost (\$)
LAN/DATA/CATV/PA/Telephone/Security	\$200,000	\$200,000
Relocation Costs (Moving/Transportation Cost)	\$60,000	\$0
Equipment & Furnishings	\$700,000	\$700,000
Related Construction Cost Subtotal	\$960,000	\$900,000
Construction Contingency		
	Item Costs (\$)	Item Costs (\$)
New Construction	\$488,678	\$488,678
Site Costs	\$109,575	\$132,806
Hazardous Materials Abatement	\$16,638	\$0
Related Construction Costs	\$48,000	\$45,000
Construction Contingency Subtotal	\$662,891	\$666,484
Construction Costs	\$17,422,065	\$17,549,142

Community comment: According to MCPS data, construction costs for new school at Seven Locks is less expensive than new school of same size at Kendale. The alleged savings of building at Kendale of \$2-3 million that MCPS claimed in their justification is not valid.

Maintenance & Operating Costs

Net Present Value of M/O Costs (FY2005 Dollars -based on operating cost escalation rate of 5.5% and 3.5% annual discount rate)

\$ 14,467,660 \$ 14,467,660

Community comment: MCPS data shows there is no operating cost savings from building at Kendale.

Following is cost comparison based on MCPS February 2006 data; **community comments in bold red:**

NEW SCHOOL	SEVEN LOCKS	KENDALE
Construction Costs		
Construction Cost Subtotal	\$15,799,174	\$15,982,658
Related Construction Costs		
Related Construction Cost Subtotal	\$960,000	\$900,000
Construction Contingency		
Construction Contingency Subtotal	\$662,891	\$666,484
Construction Costs	\$17,422,065	\$17,549,142

Community: Detailed data on prior page. Construction costs for new school at Seven Locks is less expensive than new school of same size at Kendale.

Project Planning Costs

A/E Design Fee	\$1,184,938	\$435,730
A/E Design Fees Paid to Architect		\$800,000
Other Expenses	\$182,000	\$180,000
Project Planning Cost Subtotal	\$ 1,366,938	\$ 1,415,730

Community comment: MCPS is not including the costs already paid to the architect at Kendale from a contract that the Montgomery County Office of the Inspector General February 2006 report indicated may have violated county procurement regulations.

(4.8% annual cost escalation rate to date holding school is available: 5/2010)	\$ 961,923	
Project Capital Investment Cost in FY2006 Dollars **	\$ 19,750,926	\$ 18,164,872

MCPS is skewing data by changing time when work would be done.

Community comment: MCPS was going to have started addition at Seven Locks last year and delayed project when moving to Kendale and did not assess a cost “penalty” to Kendale for that move. Penalty is a MCPS ploy to defend their prior recommendation made with their prior bad planning that was criticized by the OIG. Recent history has shown that County receipts from property taxes have gone up faster than construction costs increases, so giving penalty to Seven Locks does not make sense.