

The Central Middle School project is a complex project made more complex by a perfect storm of obstacles beyond the control of the School Board of Education and the County Commissioners. When the project was approved we used a price of \$8 million as being the price for which the project could be completed. Since that time we have seen the economy and construction boom with great optimism on all fronts. This boom and optimism come with increased cost to perform construction because (1) the hurricanes of 2017 brought mass destruction causing the cost of building materials to increase and (2) contractors are overwhelmed with opportunities. Contractors hate to tell a potential customer they cannot do a job so they increase the cost in order to submit a bid and be covered if they should get the job to be able to cover their increased cost to secure craftsmen to handle the extra work. These events have caused our PROJECTED COST to rise above the \$8 million price we started with.

When the commissioners approved this project they made it very plain that we were approved to spend \$8,000,000.00 and not one penny more. After seeing our projected cost go above the maximum allotted price we were very fortunate that Dr. Williams secured a \$2.5 million dollar grant to be used for new construction. Without that grant we would have been forced to cut things out of the project that would have been very unfortunate for Gates County.

We were informed early in the process of obtaining approval for this project that we could have a delay in getting to the Local Government Commission (LGC) that has to approve the county borrowing money because the LGC requires a current audit of the county's books. The audit of the 2016 books had been delayed for reasons beyond the control of anyone in the county. The original plan on going to the LGC had been that we would go to them before the audit was due but there simply was not enough time to get the architectural drawings completed and approved and ready for bidders prior to the deadline for the new audit. The audit has been delayed because the company the county contracted with at the directions of the state had people quit and join another firm after they contracted to perform the audit, leaving the firm with no resources to make the audit happen. At this time we sincerely hope the audit will be completed and the county will be able to go to the LGC for approval of getting a loan for \$8 million to cover the construction, at their April meeting.

Contrary to the original expectations of the School Board, nothing can be done toward demolishing the old building or doing anything to start construction until all financing arrangements are made and contracts for

the total project have been signed. Timing of getting bids must assure we will be able to sign a contract with funds available for full construction within (30) days of bid opening. These are all state mandates.

It is the plan of the School Board that bid documents and specifications be given to prospective bidders 30 days before the appointed date to meet with the LGC with full expectations that the LGC will approve the county borrowing \$8,000,000.00 for this project. Assuming everything happens as planned, we should be able to award contracts within a week or two of receiving approval to borrow the money. This would put us starting demolition in May with construction starting in June with a completion date projected to be twelve months after the start of construction.

We sincerely appreciate your concern for our students and staff and your understanding and support for your School Board, knowing that we are doing all possible to push this project forward to the successful completion of a project in which all of us can be proud.

Ray Felton, Chairman of the Board of Education
Dr. Williams, Superintendent of Schools