



Grand Ledge
Public Schools
A Community Committed to Excellence

2022 is NOT 2018 – Construction Woes

“Two years after the coronavirus pandemic struck, the U.S. construction industry is still experiencing multiple impacts. Unprecedented increases in materials costs, supply-chain disruptions, and an increasingly tight labor market have made life difficult for contractors and owners alike.”

~ Associated General Contractors Construction Inflation Alert, Feb. 2022

2022 ≠ 2018

2022 is NOT 2018 – Fuel Prices Increases

THEN: \$2.69 per gallon of GAS - week ending Nov. 12, 2018

NOW: \$4.33 per gallon of GAS - week ending May 9, 2022

→ 60% increase in the cost of GAS

THEN: \$3.32 per gallon of DIESEL - week ending Nov. 12, 2018

NOW: \$5.62 per gallon of DIESEL - week ending May 9, 2022

→ 69% increase in the cost of DIESEL

Sources: https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EP_MR_PTE_NUS_DPG&f=W
https://www.eia.gov/opendata/v1/qb.php?sdid=PET.EMD_EPD2D_PTE_NUS_DPG.W

2022 is NOT 2018 – Increased Costs Nonresidential Construction PPI

Producer Price Index (PPI) for Nonresidential Construction, measuring the change over time in the prices domestic producers receive for their output.

THEN: 117.000 PPI in November 2018

NOW: 160.737 PPI in March 2022

→ **37% increase in Nonresidential Construction PPI**

Source: <https://fred.stlouisfed.org/series/WPUIP2312001>

2022 is NOT 2018 – Increased Costs Iron & Steel PPI

Producer Price Index (PPI) for Iron & Steel, measuring the change over time in the prices domestic producers receive for their output.

THEN: 246.700 PPI in November 2018

NOW: 402.512 PPI in April 2022

→ 63% increase in Iron & Steel PPI

Source: <https://fred.stlouisfed.org/series/WPU101>

2022 is NOT 2018 – Supply Chain Delays

Current material shortages include a multitude of products essential to achieving planned project completion dates. Current material lead times in many cases have increased by as much as six months. Some of the most critical materials essential to meeting our bond project schedules include the following:

<u>Material</u>	<u>Current Lead Time (Months)</u>
● Steel Joists	12 – 14
● Metal Decking	4 – 5
● Roofing Insulation	11 – 12
● Mechanical Rooftop Units	7 – 10
● Electronic Panels	10 – 12
● Electrical Generators	10 – 12
● Wood Doors	4 – 6
● Metal Door Frames	4 – 5
● Lockers	3 – 5

2022 is NOT 2018 – Trade Labor Shortages

According to Clark Construction, construction trade labor shortages are expected to continue through 2022 and beyond. Labor shortages are causing greater challenges in regard to quality of workmanship and meeting project schedules.



2022 is NOT 2018 – PLANS MUST CHANGE!

Bond budgets were created in the reality that was 2018... and that reality no longer exists in 2022... so PLANS MUST CHANGE!

2022 ≠ 2018

Bond Improvements

Phase 3

3



Major Projects for Phase 3

- Improvements to Grand Ledge High School
- Improvements to Hayes Intermediate
- Improvements to Willow Ridge Elementary
- Improvements to Neff Early Childhood Center
- Build Dave & Betty Morris Building

Morris Property Plans?

- Given 2022 issues, the \$3,000,000 allocated will not be able to do what we had hoped to do. Is it better to move this \$3,000,000 to other bond projects?
Wacousta? Delta Center?
- Option to move a portable classroom to the property with minimal infrastructure?
- Plans must change... 2022 is not 2018!



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