



April 7, 2015

Mr. A. Lewis Boughner  
Board Secretary  
Delaware County Vocational Technical School Authority  
200 Yale Avenue  
Morton, PA 19070

**RE: PLANCON PART D: PROJECT ACCOUNTING BASED ON ESTIMATES**

PROJECT NO.: 3781  
PROJECT BUILDING NAME: Delaware County Vocational Technical School  
TYPE WORK: Additions/Alterations  
COUNTY: Delaware  
BOARD ACTION: November 5, 2014

Dear Mr. Boughner:

The materials for PlanCon Part D, "Project Accounting Based on Estimates," have been reviewed and approved. This approval is based on a limited review of the documents submitted. If information reviewed subsequent to this approval violates law, policy or procedure, the department reserves the right to rescind any and all approvals materially affected.

Please note the corrections to Pages D02, D03, D04, D10, D11, D12, D13, D14, D19, D21, D23, and to Attachment B. In communication dated January 15, 2015, Maryann Marotta, MM Architects, confirmed that the asbestos abatement will occur as a separate non-reimbursable project. Therefore, all related costs were deleted from the submission.

Please review corrections to Pages D16, D16-Additional Issues, D17 and/or page D18 for the following member school districts: Garnet Valley, Haverford Township, Interboro, Marple Newtown, Penn-Delco, Radnor Township, Ridley, Rose Tree Media, Springfield, Upper Darby and Wallingford-Swarthmore. Using the PlanCon Part D, "Project Accounting Based on Estimates," Excel files submitted by the Delaware County Vocational Technical School Authority, some of the attached corrections are printouts of Division of Budget and School Facilities modified worksheets and should be compared to the originally submitted pages to verify revisions.

Based on the information submitted, this project is in compliance with the requirements of Act 34 of 1973.

Act 34 of 1973 requires a second public hearing if the Maximum Building Construction Cost based on bids equals or exceeds by eight percent the amount approved by the Department of Education based on estimates. For this project, the Act 34 Maximum Building Construction Cost, as reported on Page D20, Line C, is \$4,440,053. The Act 34 Maximum Building Construction Cost based on estimates plus eight percent is \$4,795,257.

If at any time the Maximum Building Construction Cost exceeds the Aggregate Building Expenditure Standard, this project will require a referendum. The Aggregate Building Expenditure Standard, as reported on Page D23, Line E, for this project is \$10,198,640, based on the current Act 34 Per Pupil Cost Limits.

Please note the corrections to Pages D16, D16-Additional Issues, D17 and/or page D18 for the following member school districts: Chester-Upland, Chichester, Southeast Delco, William Penn that requested an exception to certain cost standards.

**The Chester Upland School Board's request for an exception to the cost standards for the 25 Percent Limit of Debt Service/Local Taxation Ratio is conditionally approved. However, at the early stages of a project, we do not know how good the estimates are, whether there will be any design changes, or whether there will be a problem with debt limitations or with Act 34 of 1973. Until the process is completed and bids are received, there is not enough information on a project to make final exceptions. We view all parts of PlanCon as tentative until final construction documents are prepared for PlanCon Part F, "Construction Documents," and bids are received for PlanCon Part G, "Project Accounting Based on Bids."**

**The school board's request for an exception to the cost standards for the Local Effort Limit is conditionally approved for member districts Chichester, Southeast Delco, and William Penn. However, at the early stages of a project, we do not know how good the estimates are, whether there will be any design changes, or whether there will be a problem with debt limitations or with Act 34 of 1973. Until the process is completed and bids are received, there is not enough information on a project to make final exceptions. We view all parts of PlanCon as tentative until final construction documents are prepared for PlanCon Part F, "Construction Documents," and bids are received for PlanCon Part G, "Project Accounting Based on Bids."**

The Local Government Unit Debt Act permits school districts to exclude subsidized debt from non-electoral and lease rental debt for the purpose of establishing net outstanding debt. For subsidized debt to be excluded, a copy of the Commonwealth's preliminary approval for the project and the related bonds or notes for reimbursement must be filed with the Department of Community and Economic Development. A copy of Page D14, Estimated Temporary Reimbursable Percent for Each Bond Issue, for each of the bond issues financing this project is attached solely for this purpose.

**Several member school districts were awarded allocations for either the Qualified School Construction Bond (QSCB) Program or for the Qualified Zone Academy Bond (QZAB) Program. Member districts are advised that all bond-related documents and expenditure documentation related to these programs should be retained for future auditing purposes. If the school district plans to seek state reimbursement through the PlanCon process for any school construction projects authorized under this program, QSCB and/or QZAB financing costs and revenue sources must be reported on PlanCon Part G, "Project Accounting Based on Bids."**

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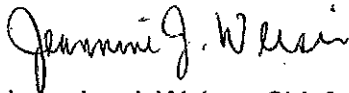
The "Prime Contractor Certification" (Page G08) will be required from each prime contractor as part of the PlanCon Part G, "Project Accounting Based on Bids," submission for this project. Specifications should require that such information be provided by the successful bidders. Suggested language to be included in the bid specifications is included in the instructions for PlanCon Part F, "Construction Documents."

**Section 731 of the Public School Code of 1949 states that no public school building shall be contracted for, constructed, or reconstructed, in any school district of the second, third, or fourth class until plans and specifications have been approved by the Department of Education. Departmental approval of final plans and specifications only occurs upon the issuance of written approval of PlanCon Part F, "Construction Documents." For the Philadelphia City and Pittsburgh School Districts, PlanCon Part F must be approved by the department prior to entering into contracts for a school construction project to qualify for state reimbursement. Failure to comply with the applicable statutory or departmental requirement will result in denial of reimbursement for this project.**

The Joint Operating Committee should be aware that departmental approval of PlanCon Part F for this project does not guarantee reimbursement for this project. This project will be deemed eligible for reimbursement only upon written approval of PlanCon Part G, "Project Accounting Based on Bids." Calculation of the temporary reimbursable percent for the project's financing occurs at PlanCon Part H, "Project Financing." The permanent reimbursable percent is calculated at PlanCon Part J, "Project Accounting Based on Final Costs."

This document and any appended materials should be entered into the minutes of the next school board meeting. If you have any questions, please contact Cheryl Harmon at 717.787.5993.

Sincerely,



Jeannine J. Weiser, Chief  
Division of Budget and School Facilities

JJW/pgs

Attachments

cc: MM Architects, Inc.  
Project File – 3781  
Architectural Consultant  
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