



ELKO INSTITUTE FOR ACADEMIC ACHIEVEMENT

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EIAA is an Equal Opportunity Provider and Employer



July 18, 2022

From: Elko Institute for Academic Achievement (EIAA)

To: SPCSA

RE: New Facility

Mr. Modrcin and SPCSA Board

EIAA writes this letter to defer our application to expand and move into a new facility for the 2023-2024 school year. We will be coming back to formally request this through an amendment in the fall.

EIAA's application to build a new facility, move locations, and expand for the 2023-2024 school year was approved during the January 28, 2022 SPCSA board meeting. With your approval we were ready to move forward with design as we had already secured funding and a project manager. As we moved into the design phase, EIAA was in contact with several general contractors to ensure our design was coming in within budget. During the design phase the preliminary numbers were coming in with a 7-million-dollar construction cost which was within what was approved through USDA and the budget we submitted to SPCSA.

EIAA put the job out to bid in May and received two bids from general contractors, both bids coming in around 8.5 million dollars. EIAA was able to raise 1.7 million dollars to make up the difference of the original cost and the cost of inflation. Our board selected a general contractor and we were ready to move forward. It was then brought to our attention that the general contractor we selected had submitted an application to the Nevada Contractors Board to raise their construction limit but was not approved until after they submitted their bid. In the state of Nevada, the law states the limit must be raised before the bid is submitted. Working with our legal team and USDA our board decided to reject both bids at that time. EIAA rebid the job in June and received 3 bids (the first two original contractors plus a local contractor). When the bids came back the second time, construction cost of all three were right around 13.5 million dollars.

A construction cost of 13.5 million dollars is out of our budget and would put the school in a financial situation that would not be sustainable. For this reason, our board rejected all three bids. We are continuing to work with all three contractors to bring costs down and look at other building models. With the added work that needs to be done, inflation, and supply times it is unlikely we will be ready to move for the beginning of the 2023-2024 school year and will need to defer our application.

We appreciate the support and understanding of the SPCSA staff and board. We will work to keep you updated as we move forward.

Thank You,

Ashley Perkins
EIAA Principal