

School Board Action Report

“Every student achieving, everyone accountable”



DATE: December 30, 2008
FROM: Dr. Maria Goodloe-Johnson, Superintendent
LEAD STAFF: Fred Stephens, Director Facilities

**STRATEGIC THEME/
FOCUS AREA:** Business and Operational Effectiveness - BEX III Capital

TITLE AND BRIEF DESCRIPTION

BEX III Hamilton International Middle School: Repair of previously undiscovered void below concrete slab.	For Introduction: For Action:	January 21, 2009 February 11, 2009
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Change Order authorization to pay up to \$450,000 for the Hamilton International Middle School project for unforeseen conditions. Funds will come from the construction contract change order contingency.

TIMELINE FOR IMPLEMENTATION/EVALUATION

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| • Director of Facilities Review | January 12, 2009 |
| • Chief Financial Operations Officer Review | January 12, 2009 |
| • Superintendent Review | January 12, 2009 |
| • Operations Committee Review: | January 15, 2009 |
| • Executive Committee | January 14, 2009 |
| • Board Introduction: | January 21, 2009 |
| • Board Action: | February 11, 2009 |

RECOMMENDED MOTION

I move that the Superintendent be authorized to approve up to \$450,000 from the Hamilton International Middle School project to Graham Contracting to cover costs caused by the previously undiscovered void below the concrete slab shown in the building record drawings as slab on grade.

ISSUE

Shown in the record documents for the building as concrete slab on grade, approximately 2,000 square feet of existing slab at the west side of the first floor of the building instead was originally constructed with unconsolidated fill and void space below the slab. A portion of this slab was

being used for temporary support for the building, and the contractor had to stop work while re-shoring the building to make it safe for workers. While the ultimate solution for repair or replacement of the slab is not in place at this time, the cost of the final repair/replacement, when combined with the change directives issued to the contractor to make the building safe and to maintain the project schedule may be as high as \$450,000. The final change order, once the final cost is determined, will be brought back to the board for approval.

BEST PRACTICES

- Existing conditions must be managed at the time of discovery to reduce potential delay and impact cost.
- Necessary costs incurred in order to maintain the project
- In accordance with the Generally Accepted Accounting Principles (GAAP) of Prudence, Seattle Public Schools should strive to maintain and ensure the integrity of all budgets by basing decisions in the true reality of the given situation.

RESEARCH AND DATA SOURCES

_____. “Alexander Hamilton Junior High School” Construction documents, Floyd Narramore, 1926.

POLICY IMPLICATION

Not paying the construction contractor for required changes to the construction contract will halt the project.

FISCAL IMPACT/REVENUE SOURCE

1. Up to \$450,000 of the change order contingency may be used to settle all costs associated with the discovery of the previously unknown conditions. The change order contingency currently has a balance of \$4.5 million, after taking into account all current and outstanding change proposals.

Expenditure: **One-time** **Annual**

COMMUNITY ENGAGEMENT PROCESS

The community has been engaged on individual projects via the School Design Teams, district publications, and legally-mandated public involvement processes. Additionally, during construction periodic updates are provided to project neighbors and local community groups

CONCLUSION/RECOMMENDATION

Conclusion – The final cost of the work cannot be determined at this time, as portions of the work are currently underway. These costs are monitored daily and the contractor will be compensated for the labor and materials as expended. Additionally, further exploration and analysis of the existing conditions must be undertaken in order to develop the final solution. The aggregate cost of all of the work associated with the discovery of this unknown condition will be

consolidated in one change order, which will be brought to the board for final approval. However, the need to proceed with the work in order to minimize costs and disruption to the construction schedule necessitates authorizing expenditures in an amount requiring board approval, with the understanding that the final amount will be brought to the board prior to changing the contract.

Recommendation - Authorize payment for the repair of the previously unknown void below the concrete slab and the impacts to the construction caused by discovery of the unknown condition.

ATTACHMENTS

Spanning Slab Photo