

# School Board Action Report

*“Every student achieving, everyone accountable”*



**DATE:** June 17, 2009

**FROM:** Dr. Maria Goodloe-Johnson, Superintendent

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

## **TITLE AND BRIEF DESCRIPTION**

BEX III – Denny Middle School/Chief Sealth High School: Approval of GCCM Negotiated Total Contract Cost	For Introduction: June 17, 2009
	Action: July 1, 2009

Approval of the Denny Middle School/Chief Sealth High School – Project 2 General Contractor/Construction Manager (GCCM) Negotiated Total Contract Cost Amendment No. 1 with Absher Construction. School Board approval is required in conjunction with OSPI approval to authorize the Superintendent to sign the Amendment per RCW 39.10.370.

## **TIMELINE FOR IMPLEMENTATION/EVALUATION**

- |   |               |
|---|---------------|
| • Executive Committee Review:                             | June 10, 2009 |
| • Operations Committee Review:                            | May 21, 2009  |
| • School Board Introduction                               | June 17, 2009 |
| • School Board Action                                     | July 1, 2009  |
| • Next Step: Receive state approval to sign the Amendment | July 6, 2009  |
| • Next Step: Start construction                           | July 6, 2009  |

## **RECOMMENDED MOTION**

I move that Seattle Public Schools approve Amendment No. 1 to the General Contractor/Construction Manager Contract P5013 with Absher Construction on the Denny Middle School/Chief Sealth High School - Project 2, for an amount not to exceed \$\_\_\_\_\_ including sales tax, plus preconstruction services, construction change order contingency and associated sales taxes.

## **ISSUE**

To mitigate the effects of escalation and avoid significant upgrade costs at the planned interim school facility (Boren Interim site), the District's Facilities Office had accelerated design and construction of the Denny Middle School/Chief Sealth High School modernization and addition project to start work in 2008, instead of 2010 as originally planned. Chief Sealth High School moved to the Boren Interim site in September 2008 and Denny Middle School remains in their existing building until 2011.

To accommodate this accelerated schedule, the first addition and renovation phase of construction at Denny Middle School/Chief Sealth High School, called *Project 1*, was bid out in one contract in spring 2008 using a traditional lump sum low bid delivery method; Project 1 is planned to be completed by August 2009. Due to the complexity and scope of the second construction phase, called *Project 2*, the District was authorized by the State of Washington under state statute 39.10 RCW and the School Board in July 2008 to utilize the General Contractor / Construction Manager (GCCM) delivery method for the second phase.

The GCCM method allowed the District to select a contractor on factors other than just low price, and allowed Absher Construction to join the project team during early design to provide expertise and planning. The preliminary Total Contract Cost (TCC) was established by the District during early design for the purposes of selecting a general contractor and was approved by the School Board in July 2008 at \$\_\_\_\_\_, not including preconstruction services; (See Attachments). The District and the GCCM Contractor have negotiated a fixed Total Contract Cost based on the 90% Construction Documents. The preliminary Total Contract Cost was \$\_\_\_\_\_, the negotiated Total Contract Cost is \$\_\_\_\_\_. Any funds available will be retained in the project contingency.

## **BEST PRACTICES**

- The impacts of rising costs can be managed and mitigated by employing creative solutions. (Marketing Intelligence CTY Group, 2005)
- Accelerating and phasing construction to mitigate escalation, avoid upgrade costs at the interim site, and maintain the school's academic program and culture onsite. (BEX staff)
- RCW 39.10.200: *Under certain circumstances, alternative public works contracting procedures may best serve the public interest if such procedures are implemented in an open and fair process based on objective and equitable criteria.*
- RCW 39.10.340: *Public bodies may utilize the general contractor/construction manager procedure for public works projects where:*
  - (1) *Implementation of the project involves complex scheduling, phasing, or coordination;*
  - (2) *The project involves construction at an occupied facility which must continue to operate during construction;*
  - (3) *The involvement of the general contractor/construction manager during the design stage is critical to the success of the project;*
  - (4) *The project encompasses a complex or technical work environment.*

- The current individual project scopes reflect available research to create environments for student achievement and should be maintained. Research indicates that the principles adopted in the 2002 Seattle School District School Design booklet address attributes of high achieving schools. (Lackney, 2003)

## **RESEARCH AND DATA SOURCES**

- “A Comparative Analysis of Construction Project Delivery System Cost Performance in Northwest Public Schools. Kell, I, Master’s Thesis, University of Washington, 2006.
- “An Assessment of General Contractor / Construction Manager Procedures; Report 05-9.” A report produced by the State of Washington Joint Legislative Audit and Review Committee (JLARC), 2005.  
<http://www.leg.wa.gov/JLARC/Audit+and+Study+Reports/2005/05-9.htm>
- Capital Projects Advisory Review Board (CPARB). <http://www.ga.wa.gov/cparb/>
- Chapter 39.10 RCW: Alternative Public Works Contracting Procedures, 2007.  
<http://apps.leg.wa.gov/RCW/default.aspx?cite=39.10&full=true>
- “Primer on Project Delivery.” The American Institute of Architects and The Associated General Contractors of America, 2004.  
<http://www.aia.org/SiteObjects/files/AIA%20AGC@20Primer.pdf>
- “Project Delivery Processes.” Thomsen, Charles, FAIA and FCMAA, 2006.  
<http://www.3di.com/rnd/Files/Essays/Project%20Delivery%20Strategy.pdf>

## **POLICY IMPLICATION**

None

## **FISCAL IMPACT/REVENUE SOURCE**

**Fiscal Impact:** Allows project to stay on track within budget and schedule.

**Revenue Source:** BEX III bond per adoption by the Board of Directors.

**Expenditure:**  One-time  Annual

## **COMMUNITY ENGAGEMENT PROCESS**

The design of the renovation of Denny Middle School/Chief Sealth High School was developed by teachers, building support staff, principals, administrators, parents and community members. This group met throughout 2007 to gather and provide information about facility use, District and School programs and educational goals, upon which the design was based. Additional public

meetings were held with the above stakeholders to discuss and prioritize potential improvements to Chief Sealth High School. A list of improvements was developed and given to the Board for its consideration and approval at its February 27, 2008 meeting. The renovated Denny Middle School/Chief Sealth High School will support the District's current educational goals as well as providing the flexibility to accommodate emerging programs.

### **CONCLUSION/RECOMMENDATION**

Not approving the GCCM contract Amendment No. 1 that establishes the negotiated Fixed Total Contract Cost could result in the following:

- Approval is required by OSPI for approximately \$8.8 million in state match funding.

### **ATTACHMENTS**

001-Amendment No. 1: Agreement Between Owner and GCCM-*Placeholder*

002-Board Action Memo dated July 9, 2008:

<http://www.seattleschools.org/area/board/070908agenda/dennysealthreport.pdf>