

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 – Nathan Hale High School: Approval of GCCM Negotiated Total Contract Cost For Introduction: June 17, 2009
Action: July 1, 2009

Approval of the Nathan Hale 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 (approx.)
- Next Step: Start construction of Project 2: July 6, 2009

RECOMMENDED MOTION

I move that Seattle Public Schools approve Amendment No. 1 to the General Contractor/Construction Manager Contract P5011 with Absher Construction on the Nathan Hale 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, the District accelerated design and construction of the Nathan Hale High School modernization and addition project to start work in 2008, instead of 2010 as originally planned, while the school remains occupied.

To accommodate this accelerated schedule, the first addition and renovation phase of construction at Nathan Hale High School, called *Project 1*, was bid out in two contracts in summer and fall 2008 using the tradition lump sum low bid delivery methods; Project 1B is planned to open by fall 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 bid, 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 \$_____, including sales tax and not including preconstruction services (See Attachments). The negotiated Total Contract Cost is \$_____, including sales tax and not including preconstruction services (See Attachments). The District and the GCCM Contractor have negotiated the Total Contract Cost based on the 90% Construction Documents as required by RCW. 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 Nathan Hale High School design has been developed in conjunction with teachers and staff, administrators, parents, students, community members and stakeholders. The School Design Team met from 2007 to 2008 to gather and provide information about facility use, academic programs, and educational goals, upon which the Educational Specifications and design is founded. The renovated Nathan Hale High School will support the District’s current educational

goals as well as providing the flexibility and parity. As of May 2009, there have been over 80 community and school meetings and more than 45 media reports, flyers, mailers, kiosk, and website updates.

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 \$8.5 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/halegccmreport.pdf>