

**Building Excellence II Levy Oversight Committee
Meeting Notes, December 11, 2003
Stanford Center, Room 3802, 7:30a - 9:30a**

ATTENDANCE:

Members Present

Joey Ing
Ron Jelaco
Jay Keiper
Ed Peters, Chair
Jim Travis

District Staff

Gary Baldasari
Don Gillmore
Julie Krick
Nan Stavnsjoj
John Vacchieri

Heery International Staff

Ralph Rohwer
Roxann Robinson
Mitch Romero

Members Absent

David Hudd
Karin Nyrop

APPROVAL OF NOVEMBER 13, 2003 MEETING NOTES

- Changes:
 - Page 3, second bullet from bottom of page - Identify Committee recommendation as Joey Ing's recommendation.
 - Page 4, 10th bullet from bottom of page - Delete the word "policy", so that the Board made a decision, not a policy decision.
- Meeting notes approved as corrected.

SCHOOL DESIGN TEAM (SDT) PRESENTATION, Nan Stavnsjoj

- The challenge in developing the school design team process was to determine how best to meet the needs of the students. A group of professionals was convened to review the existing process and develop a design process that focused on instructional needs. The process is now called the school design team (SDT) process rather than the design review committee (DRC) process.
- Now the SDT first discusses what the intent of the school's instructional program should be and how the building design can accommodate that. This part of the process is led by an educator, often a former principal. The school principal must also be actively involved. The architect is present and listens during this process. Sometimes the educational part of the process can take up to eight weeks.
- In the SDT process the architect begins the space and adjacency design after the educational process has been completed.
- The SDT process is more time-consuming and takes more effort than the previous process, but gets many of the school community involved and results in the best effort for instructing students.
- The Board now first sees a concept of the design for comment whereas in the past they just saw the schematic design presentation.

Discussion comments and questions:

- The community is involved in the SDT from the beginning.
- Gary and Don attend all the SDT meetings and interface with different central administrators to ensure that District standards are being met for kitchens, libraries, gyms, etc.
- The SDT also supports the District's transformation process that is ongoing at each school.
- Schools differ from each other because of this process. Franklin, for example, has a traditional classroom layout and Roosevelt will have a much more flexible classroom layout with specialty spaces integrated into regular classroom spaces. It is less of a departmental model. At Franklin the remodel replicated what was already there. At Roosevelt the design has much more adaptability. The challenge of the SDT is to shift the focus from adults to students.
- The architects must be sensitive to design challenges and in a restoration they are restricted by the existing building and Landmarks board decisions. Educational philosophies are different now and designs reflect that.

BEACON HILL PRESENTATION, Gary Baldasari and Mitch Romero

- This project has a significant number of unforeseen conditions that affect the budget.
- It is a small site, 1.8 acres, and the school covers the site.
- The portables have been relocated so the addition can be built at that spot. The portables will be eliminated by the addition.
- This building is not Landmarked.
- The departure process has resulted in one appeal on cutting trees and other items.
- The bid date is mid-March 2004. Unforeseens discovered to date will be in the base bid. The total construction budget is off by \$650,698.
- Major unforeseens are:
 - Repair and replacement of existing gas furnaces because of “flaming out”.
 - Seventy-eight percent of the ducts are under the slab. They are leaking groundwater which could result in mold. There is not a mold problem yet. They can be shut off but will have to be replaced.
 - The existing structural system under the gym roof is not tied to the walls.
 - Fire flow at Beacon Hill is less than 50% of the fire flow required for a school. The District will have to provide 900' of pipes under a concrete street. The District may share costs with SPU (Seattle Public Utilities) for 600'. The school will be able to tie into a trunk line instead of the main line that is more than a mile away.
 - The site used to be a block of about 12 homes. Soil borings indicate contaminated soil below the level of fill on the corner where the deepest excavation is. The estimate is 70 tons of soil contaminated with diesel fuel. The soil must be abated.
 - The existing building will have to be sprinklered.
- Alternatives for dealing with financial impacts:
 - SPU may cooperate with the water main tie-in to reduce the cost.
 - There are no funds identified in the District maintenance budget to cover some of these costs.
 - If the building size was reduced it is questionable if the project would be worth doing.
 - Another option is to take funds from the ending fund balance of the program. It is early to make decisions affecting the ending fund balance but it is projected that some projects will return money. At this time, it appears Brighton and possibly Madison may return money to the ending fund balance. There is probably about \$6M uncommitted in the ending fund balance at this time.
- The handout shows construction costs.

NATHAN HALE, Don Gillmore and Mitch Romero

- This project is a theatre with a 400-seat “house”, a fly tower, and a rehearsal hall. The building is a small part of the campus.
- The SDT wanted a facility that could be used most of the time, not just for large special events. The original 600-seat venue has been reprogrammed into smaller spaces that can be used for instruction, festivals, and other small events. There is enough space for an entire class to be seated. The current theatre will be a rehearsal hall.
- Meetings have been ongoing with the community for six months about Thornton Creek, parking, and traffic issues. Jane Addams school is across the street. Each school has a large athletic field of artificial turf.
- We are improving parking lots in Jane Addams and Hale and building a pedestrian walkway.
- The entire high school is on pilings. The site is a peat bog in the first 30' then a clay layer then a sand layer then an artesian layer.
- There was no curb, no gutter, and no sidewalks. The project has about \$750K in off-site costs. The District is improving curbs, sidewalks, and drainage. The water table is at the surface so drainage is tricky. Early site work indicated a wet site but not that constant dewatering would be necessary. It was known piling and grade beams would be necessary. Sellen Construction has very sophisticated techniques for dewatering.
- Thornton Creek flows into two ponds to the east. We are taking water to the first of the ponds. The original budget would have been adequate but it can't absorb the cost of the length of storm drain needed.
- MUP and departure processes received no appeals.

Budget overview:

- Negotiations are close to completion of the GMP (guaranteed maximum price) budget with Sellen.
- At this time, the budget overage is \$620,370 for construction including additional right-of-way and SDOT fees. This figure may be reduced based on redesign that is in process. The total project overrun is \$705,379.
- The District is required to improve the perimeter so negotiation with SDOT is ongoing. Any development over 5,000 sq. ft. triggers the perimeter requirement. SDOT has been cooperative; the current negotiated situation is an improvement over the initial requirement.
- Right-of-way landscaping conforms to City standards.
- The geotech has been very thorough in determining the complete scope of the problem.

Solutions

- There is some project contingency available. There is 3% in the contractor's contingency for specific issues but they don't have all the risk. The District assumes risk for unforeseens. The overrun could possibly go up.
- It is hoped that \$100K can be found in mechanical and electrical. The degree of sound attenuation could be excessive for an auditorium and may generate savings. The electrical bid appears to be high.
- The District will do what is possible to keep costs down. When a firm number is known the Board will be asked to move money from the ending fund balance to these projects. This would happen in January or February. Beacon Hill bids late February.
- As soon as the GMP is negotiated for Hale the Board will approve the CO (change order) for the Hale contract which would include overruns.

COMMITTEE AND STAFF DISCUSSION OF PROJECT CHALLENGES

- Staff would like to know if they have overlooked anything and welcomes suggestions about the challenges on Beacon Hill and Hale. The Board will want to know if the Committee thinks due diligence has been achieved.
- The total overrun for both projects is \$1.5M. The figure may be \$1.2M by the time it goes to the Board. The ending fund balance is \$6M and this may be increased by returns from Brighton and Madison.
- It is risky to take 20% of the ending fund balance at this stage in the program, but it has been done before. Often decisions are made that affect the program over which we have no control and are unforeseen. From what we can predict, all the additions are very tightly budgeted. The larger projects are all within budget.
- Some Board members might say these problems should have been anticipated. The problems have been caught in the design phase which might argue they could have been seen earlier.
- Staff has come up with every option possible with City agencies to mitigate problems. The numbers from contractors seem to be true and the program team is working hard to find solutions. Budget and other decisions are made way in advance and it's not possible to anticipate everything. A bigger contingency would have been helpful but it's too late for that.
- The only alternative to not mitigating the unforeseens would be not do the projects or significantly reduce the scope.
- The 5% program budget for offsite costs has been allocated 5% to each project. At a program level there is probably enough money. In BEX the only project that exceeded that was AAA (African American Academy). It might be possible, if offsite costs come in below budget, to return the funds to the program budget and not the project budget. This then affects what alternates are taken.
- These problems are specific to these sites. However, future projects should be examined for these potential issues.
- In the context of the program these two project overruns can be absorbed by the program. If there were more of these it would become an issue.
- Hold some of the costs back when bids are opened within the budget. Some of the alternates could be added later if budget is available. Try to get a surplus from the site work so that building amenities can be saved. This approach would create a tension between those who want to spend everything and those who are conserving for emergencies.

REPORT TO SCHOOL BOARD

- The BEX II report may occur at the same Board meeting that the budget shortfall is discussed.
- Staff has done due diligence on project challenges and with the Committee have tried to identify all solutions. The only choices left are to reduce the scopes of Beacon Hill and Hale or take money from the ending fund balance.
- There will be another status update at the January 8 Committee meeting to inform the Board report.
- Invite a Board director to attend the Committee meetings.
- It is hoped that work sessions on facilities issues can be scheduled but timing is uncertain. Ed Peters would like to attend work sessions.

MEETING SCHEDULE

- Defer the discussion of meeting schedule until January 8. By then the Board's executive committee schedule may be known. Julie will e-mail the schedule when it's known.

REVIEW OF MONTHLY REPORT

- A real-time timeline will be generated below the estimated project line on the master program schedule that will demonstrate whether the overall project is behind, on, or ahead of schedule.
- The Committee is interested in knowing if a delay impacts the opening of school or impacts another project. Be explicit about the reason for the delay.

QUESTIONS OR COMMENTS ABOUT THE CHANGE ORDER SUMMARY

- This provides a good overview for the Committee and provides a way for repeat occurrences to be tracked.

AGENDA

- Standard agenda

FUTURE AGENDA ITEMS

- Ending fund balance and the program budget – judgment and juggling.

Adjourned at 9:35a

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