

BEX/BTA Capital Programs Oversight Committee

May 8, 2020, 8:30 – 10:30 AM

Meeting was held remotely, via Zoom

Minutes

Call to Order (John Palewicz)

1. John Palewicz called the meeting to order at 8:34 a.m.
2. Roll Call:
 - a. Committee Members present: John Palewicz, Kyle Wang, Warren Johnson, Janet Donelson, Rob Stephenson, Freeman Fong, Steve Tatge, Steve Goldblatt
 - b. Committee Members absent: Duncan Griffin, Daniel Williams, Sherri Equid
 - c. Board Directors present: Eden Mack, Leslie Harris, Lisa Rivera-Smith
 - d. Staff present: Richard Best, Mike Skutack, Jeanette Imanishi, Becky Asencio, Melissa Coan
3. Approval of Agenda: Steve Goldblatt made a motion to accept the agenda. Steve Tatge seconded and the motion passed unanimously.
4. Approval of Minutes from February 14: Steve Goldblatt asked about the issue of the York heat pump at the Wilson-Pacific project. Mr. Best clarified that the matter was being addressed by Lydig Construction and Robison Mechanical and had delayed Final Acceptance of the project by the Board. Steve Goldblatt made a motion to accept the minutes. Kyle Wang seconded and the motion passed unanimously.
5. John Palewicz conveyed that while the last two meetings were canceled, a subcommittee had met with staff on April 10 and April 24 for a brief update and to provide guidance surrounding the COVID-19 pandemic. The subcommittee consisted of John Palewicz, Steve Goldblatt, Steve Tatge, Janet Donelson, and Warren Johnson. He commented that part of this meeting will be focused on providing an update to the full committee.

Budget Update: (Melissa Coan)

1. Melissa Coan referred to the BTA IV Program Summary Report through March 31, 2020.
 - a. She reported that the Magnolia project is projected to be over budget.
 - b. She reported that the BTA IV roofing projects had projected savings which are reflected in the program underspend fund.
 - c. She reminded the Committee that, with every levy, there is a percent of tax revenues that SPS is unable to collect. She noted that the BTA IV program was planned to anticipate up to 1% of uncollected tax revenue. Ms. Coan explained that tax revenue collection is monitored by the Budget Office, Accounting, and the state. If anticipated funds are not received on time, it is more than likely that they will be collected at a later date.
 - d. Mr. Best conclude this report by noting that both project expenditures and levy collections are as expected at this time.
2. Ms. Coan referred to the BEX IV Program Summary Report through March 31, 2020.

- a. She reminded the Committee that any underspend goes into the contingency fund.
 - b. Mr. Best highlighted that the only major capacity projects, in this Program, that remain under construction are Daniel Bagley and Wing Luke Elementary Schools. He noted that the other major capacity projects on the list are in some stage of closeout.
 - c. Mr. Best reported that there are no claims pending against any of the major capacity projects.
 - d. Director Mack requested that the two phases of the Lincoln project be noted on the spreadsheet in the name of each of the Lincoln projects. Melissa Coan reminded Attendees that the Lincoln High School Phase 2 project is listed on the BEX V Program Summary Sheet.
 - e. Mr. Best reminded the Committee of the process for allocating contingency funds. First, an idea for how to allocate funds is presented to the Committee. In general, the funds would be assigned to projects that came in overbid or overbudget. Then, the request is presented to the School Board for approval.
 - f. Rob Stephenson requested a new report for the June meeting. He asked Ms. Coan to develop a contingency report to identify where all the underspends were and a list of potential exposures where the funds could be applied. Ms. Coan agreed to do that for BEX IV and BTA IV levy programs.
 - g. Mr. Best conclude this report by noting that both project expenditures and levy collections are as expected at this time.
3. Ms. Coan referred to the BEX V Program Summary Report through March 31, 2020.
 - a. She reported that the Program had received \$4.4M, but had spent \$12.2M in front-funded seed money from BTA III.
 - b. She explained that the funds will be restored to BTA III when they are collected.
 - c. Warren Johnson asked about the impact of COVID-19 on levy collections. Ms. Coan explained that collections might be late, especially since the due date for property taxes was extended until June 30, 2020. She conveyed that the delay in collection is expected to be isolated to this fiscal year, and to catch up next year. In the meantime, she noted, the situation would be closely monitored.

At this point in the meeting, Director Harris computer failed and Director Rivera-Smith assumed the role of second Board representative at the meeting.

Project Status Reports COVID-19 Impacts:

1. Mr. Best reported on the status of the BEX IV projects, as of April 30, 2020.
 - a. Daniel Bagley ES
 - i. The project did not experience a shut down related to the COVID-19 pandemic. None of the project work force has experienced the COVID-19 illness.
 - ii. The contractor is assessing costs of the new safety requirements and identifying which sub-contractors will be potentially impacted due to the inefficiencies of social distancing requirements.
 - iii. The job was projected to be complete on June 30, 2020 and now Lydig Construction is projecting the project to achieve Substantial Completion on July 30, 2020.

- iv. John Palewicz questioned when the project must be opened and if there was a corresponding impact to the interim school sites. Mr. Best explained that Daniel Bagley ES students are currently housed at John Marshall. Next year, West Woodland ES goes into John Marshall, therefore Daniel Bagley ES must achieve completion as scheduled.
 - v. Mr. Best noted that when he is on-site, he is pleased to observe the safety measures being implemented by Lydig and their subcontractors. He indicated strong adherence to identified safety protocols for both workers and visitors.
- b. Wing Luke ES
- i. The project did experience a brief shut-down related to the COVID-19 pandemic and confusion surrounding Governor Inslee's Stay Home, Stay Healthy proclamation. The project site was closed on March 26-27, 2020, with Jody Miller Construction starting up the project again on Monday, March 30, 2020. None of the project work force has experienced the COVID-19 illness.
 - ii. Similar to Daniel Bagley Elementary School, Jody Miller Construction is assessing costs of the new safety requirements and identifying which sub-contractors will be potentially impacted due to the inefficiencies of social distancing requirements.
 - iii. The job was projected to be complete on November 5, 2020, and was running approximately eight days behind due to inclement weather. Now Jody Miller Construction is projecting the project to be complete early-March 2020. SPS is reviewing the project schedule as submitted.
 - iv. Some sub-contractors are concerned about their personnel safety and are currently not working at the project site (i.e. masons). Their work is not on the critical path.
 - v. The contractor has implemented identified safety protocols.
 - vi. Mike Skutack noted that prior to the pandemic there were approximately 100 workers on site, now the headcount is up to 75 workers.
 - vii. The contractor is concerned about some supply chain issues.
 - viii. Director Mack asked about when will we have a sense of the financial impact and delays. Mr. Best explained that staff are working diligently to identify ongoing project costs for the safety officer and costs related to the inefficiencies of current social distancing requirements. Mr. Best confirmed that staff will review and confirm whether the contractor/subcontractor have been impacted.
- c. Mr. Best reported on smaller projects planned for the summer 2020
- i. He highlighted supply chain concerns that could affect seismic improvement projects. Therefore, the team is evaluating whether or not to move forward with that work.
 - ii. Most smaller projects will proceed as planned.
- d. Mr. Best reported that bids weren't opened, during the initial Stay Home, Stay Healthy Executive order in March and April 2020, but that has changed this week.
- i. He highlighted that the District is receiving bids in amounts as anticipated. Ms. Imanishi added that three bids came in, this week, under the expected amounts.

- ii. Mr. Best explained that the bid process is being held outdoors, with social distancing, masks, and gloves. The proceedings are also being shared on MS Teams. Janet Donelson suggested capturing the process in photos.
 - iii. Steve Tatge asked if the bid documents include language about working under COVID-19 safety protocols. Mr. Best explained that he had sought clarification surrounding that matter with legal counsel. He reported that no additional requirements are being cited in the General Conditions as contractor's are required to comply with all regulatory requirements. Project Managers are verifying that the Governor's 30-point criteria are or will be implemented and documented at every project site.
 - iv. Rob Stephenson asked if the team was prepared to accelerate any of the projects due to empty schools. Mr. Best confirmed that the District is providing early access to schools.
2. Mr. Best reported on the status of the BTA IV as of April 30, 2020
 - a. Webster School
 - i. The project site was closed from March 24, through April 6, a period of two weeks due to two employee's exposure and eventually becoming ill from the Coronavirus.
 - ii. Similar to Daniel Bagley Elementary School, BnBuilders is assessing costs of the new safety requirements and identifying which sub-contractors will be potentially impacted due to the inefficiencies of social distancing requirements.
 - iii. The job was projected to be complete on July 31, 2020, and now is projected to be complete on September 30, 2020.
 - iv. Mr. Best noted that when he is on-site, he is pleased to observe the safety measures being implemented by BnBuilders and their subcontractors. He indicated strong adherence to identified safety protocols for both workers and visitors.
 - b. Magnolia ES Phase 2 Classroom Addition
 - i. The project was rebid and awarded to CDK Construction.
 - ii. The contractor has requested an early start and anticipates beginning site mobilization on May 15, 2020.
 - c. Cedar Park ES Restroom Modification
 - i. The project was bid for a third time with bids continuing to remain over budget. A budget transfer from the BTA IV Program Contingency will be required in the amount of \$354,477. Bayley Construction is the apparent low responsive, responsible bidder.
 - d. Coe ES Classroom Addition
 - i. Bids open on June 10, 2020.
 - ii. Construction is scheduled to start July 15, 2020.
 - e. West Woodland
 - i. Bids open on May 19, 2020.
 - ii. Construction is scheduled to begin July 1, 2020.
 - f. City of Seattle Departure and Landmark hearings and appeals are being delayed as the City isn't holding meetings at his time.

3. Mr. Best reported on the status of the BEX V projects as of April 30, 2020.
 - a. Most BEX V projects are proceeding on schedule as they are in the design phase.
 - b. COVID-19 pandemic has delayed geotechnical site work, hazardous materials assessments, due to governor's executive order. Work is resuming as of May 4, 2020, having been reviewed with and confirmed by legal counsel.
 - c. Steve Tatge referred to a University of Washington document of requirements for sub-contractors and consultants, regarding attestations about health and safety.
 - d. Steve Tatge shared that UW was advised by SDCI that the Mayor directed them to only inspect "essential" projects. However, "essential" isn't defined, so there is uncertainty about how to have a project recognized as such for the inspections to proceed. Mr. Tatge also noted that the Fire Department is not inspecting sites if SDCI hasn't defined it as essential. Similarly, he noted that L&I isn't inspecting elevators until a future date, still remaining to be determined.
 - e. Rob Stephenson indicated that he had collated a summary of inspections that are proceeding and will share it with Mr. Best for internal use.
 - f. SDAT meetings are happening virtually. Mr. Best highlighted Bassetti's engagement process for the work at Rainier Beach High School and Original Van Asselt Classroom and Gymnasium Addition.
4. John Palewicz asked if design work was on schedule. Mr. Best confirmed that it proceeded via virtual meetings and projects remain on schedule.
5. Warren Johnson requested an update on the Student and Community Workforce Agreement (SCWA) and Job Order Contracting (JOC) at the next meeting.
 - a. Mr. Best explained that a Board Work Session for SCWA was postponed per governor guidelines that the Board can't take up new business.
 - b. Mr. Best replied that JOC is paused as well, as staff time is primarily occupied with COVID-19 pandemic implications.

John Palewicz adjourned the meeting at 10:30 a.m.