



SCHOOL BOARD ACTION REPORT

DATE: May 16, 2018
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent, Facilities and Operations
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For Introduction: June 6, 2018
For Action: June 27, 2018

1. TITLE

BEX IV: Approval of Budget Increase and Award Construction Contract P5096 to Hensel Phelps Construction for the Queen Anne Elementary School Classroom and Gymnasium Addition project

2. PURPOSE

This motion would approve a one-time fund transfer in the amount of \$2,900,000 from the BEX IV Program Contingency to the project budget and authorize the Superintendent to enter into a construction contract in the amount of \$13,283,000 for the Queen Anne Elementary School Classroom and Gymnasium Addition project.

3. RECOMMENDED MOTION

I move that the School Board approve the transfer of \$2,900,000 from the BEX IV Program Contingency to the Queen Anne Elementary School Classroom and Gymnasium project budget. In addition, I move that the School Board authorize the Superintendent to execute construction contract P5096 with Hensel Phelps Construction for the Queen Anne Elementary School Classroom and Gymnasium Addition project in the amount of \$13,283,000, including alternates 2, 4 and 5, plus Washington State sales tax, with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary action to implement the contract.

4. BACKGROUND INFORMATION

a. Background

In February 2013, 72% of Seattle voters approved the BEX IV Capital levy. This levy was the culmination of an eighteen-month long process analyzing the facility needs of the district, and supports the district's long-range plans to upgrade and renovate aging school facilities. The process included countless hours of planning, coordination efforts throughout the district, community engagement and feedback, extensive Seattle School Board guidance and input that lead to a unanimous Seattle School Board vote in November 2012 that approved the BEX IV projects list. This included the Queen Anne Elementary School Classroom and Gymnasium project. The scope of work will include but is not limited to:

- Administrative suite/Classroom/Gym addition

- Renovation of existing covered play area to interior conditioned commons space
- Technology Infrastructure
- Redevelop site – Bus, parking and drop off
- Street frontage improvements
- Demolition of existing portables

The Queen Anne Elementary School Classroom and Gymnasium Addition construction was budgeted in 2012 at \$10,817,000, which was based on a market escalation rate of 3% a year, until project is bid in 2018. The project was tracking through conceptual and schematic design to be within the initial construction budget. However, after the design development phase was complete, the cost estimator notified the district of construction volatility due to non-competitive market and low bidder turnout and recommended the district increase the construction budget by 15%. In response to the recommendation from the cost estimator, the district aggressively value engineered the project and reconciled the design development budget to be within less than 2% of the original construction budget and the design continued into the construction document phase.

The project was twice estimated during the construction document phase, once at 75% construction documents and again at 95% construction documents. Despite the earlier value engineering process, both estimates continued to reflect the cost estimator's recommendation to increase the construction budget by 15% to account for the current robust construction market in the Seattle area. Additional value engineering would not allow the district to maintain the scope identified in the BEX IV levy and address exiting deficiencies in the administrative office and undersized commons for a 500-student capacity elementary per the educational specifications. The budget increase of \$2,900,000 will bridge the gap between the original levy planning construction budget and the most recent market conditions assessment. The funding transfer request also includes allowances for additional Architect's fees, permit fees, and construction change order contingencies and applicable taxes.

The Queen Anne Elementary School Classroom and Addition project was publicly bid on March 14, 2018, with a total of four (4) bids received and thirty-four (34) firms requested bid documents. This motion allows the District to execute a construction contract including bid Alternate No. 2, Gymnasium AV System, bid Alternate No. 4, Upgrade Existing Fire Alarm System and bid Alternate No. 5 Automatic Temperature Controls. Hensel Phelps Construction, was the lowest responsive responsible bidder. The consulting architect, Mahlum Architects, recommends acceptance of the bid.

b. Alternatives

Deny Motion. If motion is denied, the district will not be able to execute the contract to start construction. Not funding the adjustment of the project budget would negatively impact project success in meeting district educational specifications and operational goals.

c. Research

- Meng Analysis Facility Assessment Report dated August 2014
- Seattle Public Schools Technical Building Standards dated December 2012
- School Design Advisory Team

- Coordination meetings with district facilities and other stakeholders throughout the design process

5. FISCAL IMPACT/REVENUE SOURCE

This motion will authorize the transfer of \$2,900,000 from the BEX IV Program Contingency and authorize a \$13,283,000 construction contract. The overall project budget is adjusted as shown below:

Project Budget:	
BEX IV “Current: Project Budget	\$16,415,405
BEX IV Program Contingency Transfer	\$ 2,900,000
Adjusted Total Project Budget	\$19,315,405

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

- Not applicable
- Tier 1: Inform
- Tier 2: Consult/Involve
- Tier 3: Collaborate

The development of the BEX IV program underwent extensive community engagement.

7. EQUITY ANALYSIS

This motion was not put through the process of an equity analysis. The selection of projects in the BEX IV program was designed to provide equitable access to safe school facilities across the city.

8. STUDENT BENEFIT

It is the goal of the district to continue the process of implementing the BEX IV Capital Levy program and provide students with safe and secure school buildings.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. 6000, Program Planning, Budget Preparation, Adoption and implementation Policy
- Other: _____

10. POLICY IMPLICATION

Per Board Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

Per School Board Policy No. 6000 Program Planning, Budget Preparation, Adoption, and Implementation, item number D, “Funds may be transferred from one budget classification to another subject to such restrictions as may be imposed by the Board.”

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on May 10, 2018. The Committee moved the item forward to the full Board with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the district will be able to proceed with the project and the construction contract will be executed and a Notice to Proceed (NTP) will be issued to the contractor

Anticipated Limited Notice to Proceed Date	Approx. July 2018
Anticipated Start Construction Date	July 25, 2018
Substantial Completion Date	July 25, 2019

13. ATTACHMENTS

- None