



SCHOOL BOARD ACTION REPORT

DATE: March 31, 2021
FROM: Denise Juneau, Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
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For Introduction: March 24, 2021
For Action: April 7, 2021

1. TITLE

BEX V: Resolution 2020/21-19: Approval of General Contractor/Construction Manager (GC/CM) Delivery Method and Award GC/CM Contract P5160 to Lydig Construction, Inc., for the Rainier Beach High School Replacement project

2. PURPOSE

The purpose of this action is to approve Lydig Construction, Inc., as the General Contractor/Construction Manager (GC/CM) for the Rainier Beach High School replacement project and to approve Resolution 2020/21-19 certifying that the district intends to comply with RCW 39.10 as part of the Office of Superintendent of Public Instruction (OSPI) D-Form process to receive state funding assistance.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to utilize the GC/CM alternative construction delivery method for the Rainier Beach High School Replacement project and award Contract P5160 to Lydig Construction, Inc. This authorizes Lydig Construction, Inc., to immediately provide preconstruction services for an amount not to exceed \$899,880, plus Washington State sales tax. Approving Resolution 2020/21-19 certifies that the district intends to comply with RCW 39.10. This approval also authorizes the Superintendent to negotiate and execute a contract amendment, with any minor additions, deletions, modifications, and actions deemed necessary for the Guaranteed Maximum Price (GMP) as defined by the RCW 39.10.370 for an amount not to exceed \$153,000,000, which includes the pre-construction services allowance, Specified General Conditions, Negotiated Support Services Allowance, the Maximum Allowable Construction Cost (MACC) including subcontractor bonds, the MACC Contingency, and the GC/CM fee, no earlier than completion of 90% construction documents unless otherwise agreed to by the parties. The GMP excludes Washington State sales tax.

4. BACKGROUND INFORMATION

a. Background

The Rainier Beach High School Replacement project, located at 8815 Seward Park Ave. S, Seattle, WA 98118 is funded through the Building Excellence (BEX) V Capital Levy passed by voters in February 2019. The levy timeline includes that this project will be complete for the 2025 school year.

The scope of work for this project includes a new multi-story high school of approximately 275,000 square feet (sq. ft) to provide permanent space for up to 1,600 students in grades nine-12. The existing school to be demolished is approximately 188,000 sq. ft.

Roughly 750 students/staff will remain on-site during the period of construction. Construction is anticipated to begin in July 2022, be multi-phased, and substantially complete by May 2025. The identified total project cost is \$238.2 million with construction budgeted to be \$153.0 million, including, but not limited to:

- hazardous material abatement,
- building demolition,
- site work,
- construction of the new school,
- site and off-site improvements.

As required by the City of Seattle Department of Neighborhoods for structures older than 50 years, the district submitted documents for Landmark review. The building was not nominated for a landmark designation and will be demolished.

The Rainier Beach High School Replacement project buildings were constructed in 1960. Prior improvements that have been made at Rainier Beach High School since 2000 include the 1998 Performing Arts addition and entry upgrades and the 2001 synthetic field and lighting upgrades.

Background on GC/CM Procurement

The State of Washington allows public agencies to utilize alternative public works contracting methods including the GC/CM delivery model. Using GC/CM allows the district to select a contractor on factors other than low price, such as relevant experience and project specific qualifications. This allows the GC/CM to join the project team during early design to provide expertise in construction phase planning, means and methods, constructability, sequencing, scheduling, site logistics, and cost estimating. These contributions are welcomed by the project team to collectively manage this complex capacity addition project.

Seattle Public Schools has used GC/CM delivery on several complex projects in recent years, including the Northgate Elementary School Replacement, Lincoln High School Phase 1, Loyal Heights Elementary School, Robert Eagle Staff Middle School/Licton Springs K-8, Cascadia, Daniel Bagley and Olympic Hills elementary schools, Denny Middle School, Chief Sealth, Nathan Hale, Garfield, Cleveland and Roosevelt high schools, and the Webster School projects. This type of procurement has been found to reduce risk to the district by early involvement of the contractor during the design phase, when decisions on design are informed by construction methods, materials, coordination, and sequencing.

The likely benefits from using GC/CM on the Rainier Beach High School Replacement project are considerable. Selection of the GC/CM firm was largely based on qualifications and experience relevant to the specific nature and challenges of this project. The criteria include past performance on completing projects of similar size, scope, and complexity; the ability of the GC/CM team to control the project schedule and complete the project within budget and on a tight timeline; and past experience of the GC/CM firm with projects

involving complex construction phasing, with construction at a fully-occupied site, with potential historic preservation controls, and in residential neighborhoods. Other benefits:

- The GC/CM acts as an advocate of the owner, unlike low-bid delivery.
- Top tier contractors competed for this project because this will not be a low bid, thus carrying a higher likelihood of quality assurance and timely completion.
- The GC/CM selection also was based on a competitively bid fee and specified general conditions (general contractor's staffing).
- Through pre-construction involvement, the GC/CM will understand the work long before bidding.
- The GC/CM will participate in setting the schedule, packaging the scope to fit the marketplace, and realistically set expectations before work is procured to successfully deliver on value.
- The GC/CM participates actively in ongoing constructability reviews throughout the design process, resulting in cost-effective, and value-based solutions, which the project team welcomes.
- Open book cost accounting of the work brings transparency to the actual value of work to be constructed.
- Phasing of bid buy-out and flexibility to adjust bid packages as the work is bought out allows for cost management by the owner and GC/CM team.

On January 23, 2020, the Rainier Beach High School Replacement project was presented to the State Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC), which authorizes the use of alternative delivery methods for public agencies. A unanimous vote of the PRC approved the use of GC/CM for this project based largely on meeting the following criteria and qualifications:

- Project Complexity, including complex phasing, complex coordination, potential historic landmark controls, and being an occupied site.
- Complex technical work environment, including site constraints, complex and involved regulatory processes, retrofit, and surrounding residential neighborhood.
- The owner has strong history of building capital projects.
- The specific project team has strong GC/CM experience and successful project records.

The GC/CM procurement process requires three steps: Step 1: Submission of Qualifications and Experience; Step 2: resumes, references and interviews of project team; and Step 3: bid on GC/CM fee percentage of estimated construction costs and bid on Specified General Conditions outlined in the contract documents. The project was publicly advertised on October 21, 2020 and October 28, 2020. A total of eight GC/CM firms submitted written qualifications on November 19, 2020. A selection committee of 10 professionals, including members from the Capital Projects and Planning Department, the Architect, the Facilities Operation Department, Community members, and Construction Manager each evaluated the GC/CM qualifications submittals and ranked the firms. Three firms were selected by the panel to be shortlisted for interviews. Interviews were conducted on December 18, 2020, and after evaluation by the selection committee, finalists were selected to submit priced proposals. Sealed proposals were received January 13, 2020. The scores were totaled from each of the three steps and Lydig Construction, Inc. received

the highest point total. This motion allows the district to execute a GC/CM construction contract with Lydig Construction, Inc., who was selected by the panel as the most qualified.

On September 23, 2020 the board adopted the policy to implement the Student and Community Workforce Agreement (SCWA) on projects with project budgets anticipated more than \$5,000,000. Therefore, Lydig Construction, Inc. will incorporate the SCWA into the self-performed and sub-contractor bid packages during the bidding process for the GC/CM project. This will be implemented prior to final GMP with Lydig Construction, Inc.

b. Alternatives

Deny Motion. If motion is denied, the district as a public agency will be required to procure a general contractor for construction via lowest price bidding. The benefits described above in section a would not be available on this project.

c. Research

[Capital Projects Advisory Board.](#)

[RCW Chapter 39.10.340:](#) Alternative Public Works Contracting Procedures.

RCW Chapter 39.10: 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 Chapter 39.10.280: A public body not certified under RCW 39.10.270 must apply for approval from the committee to use the design-build or general contractor/construction manager procedure on a project. A public body seeking approval must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, a description of the project, and its intended use of alternative contracting procedures.

RCW 39.10.340: Subject to the process in RCW 39.10.270 or 39.10.280, 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 involvement of the general contractor/construction manager during the design stage is critical to the success of the project;
- (3) The project encompasses a complex or technical work environment; or the project requires specialized work on a building that has historic significance

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will not exceed \$153,899,880, including \$899,880. for preconstruction services and \$153,000,000 for the GMP, plus Washington State sales tax. Board approval of the GMP is required as part of the process to receive state funding assistance of up to \$8,827,847.

The revenue source for this motion is from the BEX V Capital Levy.

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 selection of projects in the BEX V program went through an extensive community vetting process and ultimately received 73% approval from voters in February 2019.

Moving forward, there are several additional steps during which public input will be received, including a State Environmental Policy Act (SEPA) checklist process, potentially the City's Master Use Permit (MUP) process, and potentially the city's historic landmarks review designation and controls process. Each of these processes include public meetings and/or comment periods.

7. EQUITY ANALYSIS

The district's Racial Equity Analysis toolkit was utilized to guide the planning process for the BEX V Capital Levy, influencing community engagement methods, preparation of the 2019 update to the Facilities Master Plan, and ultimately the final proposed levy package. The board's guiding principles stated that racial and educational equity should be an overarching principle for the BEX V Capital Levy planning efforts in accordance with Board Policy 0030, Ensuring Educational and Racial Equity. Projects identified for inclusion in the BEX V Capital Levy will ultimately improve conditions for all students in the affected schools. Improved building conditions create a better environment for learning and can position students for academic success.

8. STUDENT BENEFIT

The Rainier Beach High School Replacement project will incorporate guidelines and requirements set forth in the Seattle Public Schools Educational Specifications and the School Design Advisory Team (SDAT) process and will 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. _____,
- Other: The OSPI Form D-5 Application for Preliminary Funding Status requires the applicant school district's board approval to use alternative Public Works contracting for construction of the subject project.

10. POLICY IMPLICATION

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

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on March 11, 2021. The Committee reviewed the motion and moved the item forward with a recommendation for approval by the full board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, a Notice to Proceed will be issued to the selected GC/CM.

Timeline Summary:

- Start of preconstruction services – February 2021
- Completion of preconstruction services – March 2021
- Bidding/Total Contract Cost negotiation period – April to June 2022
- Start of construction – Summer 2022
- Substantial Completion – May 2025
- School opening – September 2025

13. ATTACHMENTS

- Resolution 2020/21-19 (for approval)
- Contract P5160 (for reference) (available upon request in the Capital Projects & Planning Department, 206-252-0635)
- GC/CM Selection Results Memo (for reference) (available upon request from the Capital Projects & Planning Department, 206-252-0635)
- CPARB Approval Letter (for reference) (available upon request from the Capital Projects & Planning Department, 206-252-0635)

**Seattle School District #1
Board Resolution**



Resolution No. 2020/21-19

A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Seattle, Washington, certifying that the District intends to comply with the RCW 39.10 for the use of the Alternative Public Works Contracting Procedures or General Contractor Construction Manager (GC/CM) Delivery method on the Rainier Beach High School Replacement project as required by Office of Superintendent of Public Instruction (OSPI) D-5 Application.

WHEREAS, it has been determined that the Rainier Beach High School Replacement project meets at least one of the RCW 39.10.270 requirements; and

WHEREAS, the Capital Projects Advisory Review Board (CPARB) Project Review Committee has reviewed and approved the use of alternative delivery method; and

WHEREAS, this resolution ensures the responsiveness of the District to OSPI, as required on the D-5 application;

NOW THEREFORE, BE IT RESOLVED, that the Seattle School Board of Directors approves use of a GC/CM delivery method for the Rainier Beach High School Replacement project in accordance with the OSPI provisions in the D-5 application and certifies that it will comply with the RCW 39.10 requirements.

RESOLVED, that duly certified copies of this resolution shall be presented to OSPI .

ADOPTED 7th day of April, 2021

Chandra N. Hampson, President

Brandon K. Hersey, Vice President

Lisa Rivera-Smith, Member-at-Large

Zachary DeWolf

~~Erin Dury~~~~Leslie Harris~~

~~Leslie Harris~~

Liza Rankin

ATTEST: _____
Denise Juneau, Superintendent
Secretary, Board of Directors
Seattle School District No. 1
King County, WA