



SCHOOL BOARD ACTION REPORT

DATE: September 14, 2020
FROM: Ms. Denise Juneau, Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
206-252-0636, fhpodesta@seattleschools.org

For Introduction: October 21, 2020
For Action: November 4, 2020

1. TITLE

BTA IV: Approval of Budget Transfer and Construction Change Order #17 for the Webster School Modernization and Addition project

2. PURPOSE

The purpose of this action is to provide authorization for the Superintendent to approve a one-time fund transfer in the amount of \$870,000 from the BTA IV Program Contingency Fund to the Webster School Modernization and Addition project and authorize the Superintendent to execute an additive construction change order to the General Contractor/Construction Manager (GC/CM) contract value exceeding \$250,000.

3. RECOMMENDED MOTION

I move that the School Board:

- a. Approve a one-time fund transfer of \$870,000 from the BTA IV Program Contingency fund to the BTA IV Webster School Modernization and Addition project.
- b. Authorize the Superintendent to execute construction change order #17 for the Webster School Modernization and Addition project in the amount of \$789,691, plus Washington State sales tax, with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take necessary action to implement the change order.

4. BACKGROUND INFORMATION

a. Background

The Webster School project, located at 3015 NW 68th St., Seattle, WA 98117, is funded by the BTA IV Levy. Construction of this project is currently approximately 90% complete and is scheduled to be completed for the 2020-21 school year.

Since mid-March 2020, the Webster School project construction schedule has been impacted by the COVID-19 pandemic. The impacts include loss of jobsite productivity. Jobsite safety protocols that were in place prior to March 2020 involved less time and disruption than the state-ordered emergency protocols to maintain safety against COVID-19 transmission.

Specifically, the Webster project was impacted by the COVID-19 pandemic in regard to two project shutdowns due to positive test results in some of the site crew. Some examples of COVID-19 costs included:

- The project shutdowns and jobsite protocols/inefficiencies at the Webster site (a) had real costs and (b) led to an elongated schedule which had further cost impacts for the general contractor and some of the subcontractors.
- The added costs for new COVID related protocols included additional hand washing stations throughout the site and at entrances to the buildings, additional personal protective equipment (PPE) and cleaning materials.
- The added costs included extra labor hours needed for all workers individually checking-in with the safety officer for a temperature check and information sign-in. There was also added time for cleaning of work equipment (hand and power tools, and specialty equipment), additional breaks, additional time for adjusting/cleaning PPE (wearing face coverings impacted visibility because of fogging of safety glasses and face shields) and maintaining safety when using dangerous equipment or in dangerous locations on the site.

The required social distancing was challenging because tasks that required multiple people working together (such as handling heavy materials like lumber, drywall and rebar) had to be done with fewer people spaced further apart. Also, stairways were made one-way (either up or down) to further reduce close contact. This resulted in very limited access throughout the site, forcing people to walk further to get to the access points they needed.

- The elongated schedule resulted in added two months of costs for all support services, which included temporary jobsite electricity, jobsite internet, large steel storage containers, jobsite toilets, street tree protection, steel road plates, jobsite fencing, forklift, jobsite trailers, sediment and erosion control, etc. In addition, the elongated schedule resulted in two added months of pay for the general contractor's project engineers, the superintendent, the project manager, and the project administrator to coordinate and manage all of this to keep the project moving forward.

The Webster project was impacted differently than the Bagley project, in that it had actual shutdowns and positive test results for crew members whereas Bagley did not.

In order to proactively minimize further impacts to the schedule, the contractor seeks compensation for jobsite labor productivity losses and supply chain impact costs, and requests efficient and timely entitlement reviews and approvals by the district for these COVID-19 specific costs in order to maintain the schedule as best as possible.

As the COVID-19 impact is unique and unprecedented, disruption and confusion have been experienced by the construction industry with the subcontractor community response being unpredictable and challenging to manage. To regain predictable construction progress toward timely Webster School project completion, the district's

recognition of COVID-19 impacts through this contingency funding for these impact costs will demonstrate its commitment to the project partners who contribute toward Webster School project success. Timely payments to the contractor and subcontractors experiencing these impacts is anticipated to lower the risk of Seattle Public Schools receiving future COVID-19 related cost claims of greater magnitude.

This motion allows the district to increase the project contingency fund within the Webster School project budget, to pay for costs that are directly related to COVID-19-mandated new and evolving protocols, practices, and additional labor inefficiencies as they are incurred, and to make-up lost time and maintain jobsite productivity toward timely project completion. Any unspent Webster School project contingency funds will revert to the BTA IV program reserves at the conclusion of the Webster School project.

b. Alternatives

Deny Motion. If motion is denied, there is significant increase in risk to the contractor submitting a claim for the recovery of these costs. This is not recommended because it is anticipated that the contractor will pursue an amount greater than has been negotiated with the approval of this BAR.

c. Research

Changes in the Work is governed by Article 7 of General Conditions which provides the Owner, the Construction Manager and Architect a means to modify the Contract for Construction.

5. FISCAL IMPACT/REVENUE SOURCE

The fiscal impact to this motion will be \$870,000, including Washington State sales tax. The total project budget of \$39,837,094 will be increased to \$40,707,094.

The revenue source for this motion is from BTA IV Capital Levy Program Contingency fund.

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 BTA IV program went through an extensive community vetting process and ultimately received 72% approval from voters in February 2016.

7. EQUITY ANALYSIS

The selection of projects for the BTA IV Capital Levy was completed in 2015. Projects selected for the BTA IV Capital Levy were intended to address student capacity needs and inadequate building systems in school facilities across the city. As such, this motion was not put through the equity analysis as would be done as part of the district's current capital planning efforts.

8. STUDENT BENEFIT

It is the goal of the district to continue the process of implementing the BTA and BEX Capital Levy programs 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. 6220, Procurement, provides the Board shall approve this item

Other: _____

10. POLICY IMPLICATION

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

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 October 8, 2020. The Committee reviewed the motion and moved the item forward with a recommendation for approval by the full Board.

12. TIMELINE FOR IMPLEMENTATION

Notice to Proceed Date: June 28, 2019
Substantial Completion Date: October 9, 2020

13. ATTACHMENTS

- BNBuilders COVID-19 Impacts COP - Modernization & Addition at Webster School – REVISED letter, originally dated August 8, 2020 and revised September 16, 2020 (for reference) (available upon request from the Capital Projects & Planning department, 206-252-0990)
- Construction Change Order No. 17 Description of Change (for reference)

CHANGE ORDER DESCRIPTION OF CHANGE-PROJECT MANAGER



SEATTLE SCHOOL DISTRICT CAPITAL PROJECTS

Project Name	<u>Webster School Modernization & Addi</u>	CO #	<u>17</u>
Project #	<u>A90</u>	Contract #	<u>K5073</u>
		Date	<u>9/16/20</u>
TO CONTRACTOR:	<u>BNBuilders</u>		
	<u>2601 Fourth Avenue, Suite 350</u>		
	<u>Seattle, WA 98121</u>		

COP/CCD	#	Record of Negotiation/Entitlement Evaluation	Amount
CE COP	161 5451.2	COVID-19 Impacts This COP exclusively includes costs the contractor incurred for the pandemic protocols and related inefficiencies, as well as the costs associated with the elongated schedule. The submitted costs were reviewed and acceptance was recommended by design team (TCF). REASON: COVID 19	\$789,691.00
17 Total			\$789,691.00

RECOMMENDATION

SPS Project Manager recommends approval. All work that is related to the individual changes has been included in this Change Order. The change has not been split to avoid approval levels. General activities performed at different locations, or different times, or with different trades are considered separate and are combined in the Change Order for approval.

Signature: _____
 Brian Fabella, Capital Project Manager