



SCHOOL BOARD ACTION REPORT

DATE: October 8, 2018
FROM: Denise Juneau, Superintendent
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For Introduction: December 19, 2018
For Action: January 9, 2019

1. TITLE

BEX IV – Approval of budget transfer from BEX IV program contingency to the Ingraham High School Classroom Addition project budget and approval of construction change order #2 for the project

2. PURPOSE

- A. Budgets are set pursuant to Board Policy No. 6000. This action will increase the project budget by \$1,500,000 and may be considered a major change to the budget, requiring Board approval.
- B. Per Board Policy No. 6220, Procurement, all contract actions over \$250,000 must be approved by the Board. The contemplated action is for the Superintendent to execute an additive construction change order to the General Contractor/Contraction Management (GC/CM) contract value exceeding \$250,000.

3. RECOMMENDED MOTION

I move that the School Board: (1) approve the transfer of \$1,500,000 from the BEX IV Program Contingency Account to the Ingraham High School Classroom Addition project budget; and (2) authorize the Superintendent to execute construction change order #2 as attached to the Board Action Report in an amount of \$1,447,288 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 change order.

4. BACKGROUND INFORMATION

- a. **Background** The BEX IV capital program included seismic improvements to the existing buildings at Ingraham High School located at 1819 N 135th St, Seattle, totaling \$4,227,416. The BTA IV capital program included the construction of a twenty classroom addition at Ingraham High School. To minimize construction impacts to students and staff, the BEX IV funded seismic improvements to existing buildings were to be concurrently implemented with the BTA IV funded classroom addition. For bidding purposes, construction bid alternates were crafted to align the seismic improvements with the available seismic improvements budget.

When the Guaranteed Maximum Price (GMP) was formally established on May 30, 2018, the District accepted the base bid seismic scope plus additive Bid Alternate #3 for additional seismic scope, collectively totaling a value exceeding the established BEX IV seismic improvements budget of \$4,227,416, but within the total allowable contracted GMP. Additive Bid Alternate #2, not selected at that time of contract award, provides additional seismic improvements to Building 100. In order to complete the seismic work under Bid Alternate #2, the District needs to execute change order #2 and transfer funds from the BEX IV program contingency to fund the additional seismic improvements. This budget transfer amount will cover the added costs associated with construction change order #2.

Included in construction change order #2 is the selection of: Additive Bid Alternate #2 in the amount of \$1,682,906, plus an unforeseen adjustment for increases in imported steel materials due to recent import tariffs not known at time of bid in the amount of \$87,626; and, Deductive Bid Alternate #6 in the amount of \$323,244 for a non-essential design feature. Therefore the total for change order #2 is \$1,447,288 plus Washington State sales tax.

The budget transfer amount is available from within the BEX IV program contingency and was reviewed with the BEX/BTA Oversight Committee at their meeting of November 9, 2018.

- b. **Alternatives** Do not approve the BEX IV Program Contingency transfer of \$1,500,000 to Ingraham High School project budget and do not approve construction change order #2 in the amount of \$1,447,288. That alternative will prolong the implementation of these seismic improvements at existing occupied buildings on this campus.
- c. **Research** Data reviewed for purposes of establishing the need for this additional work included PCS Structural Solutions' Expanded Analysis of Seismic Building Data report, issued January 23, 2012. That report included Ingraham High School buildings in its analysis. Further, that analysis identified the nature of work of this Bid Alternate #2 as a priority 1 scope, to improve seismic resisting components.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$1,500,000.

The revenue source for this motion is BEX IV.

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

As the sole funding source for this action, the \$694.9 million Building Excellence IV (BEX IV) Capital levy was approved by more than 72 percent of Seattle voters in February 2013. It supports the district’s long-range plans to upgrade and renovate aging school facilities and address enrollment growth. The process included countless hours of planning, coordinating efforts throughout the district, community engagement and feedback, extensive Seattle School Board guidance and input that led to a unanimous Seattle School Board vote in November 2012 that approved the BEX IV projects list.

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

This action helps to ensure a safe, secure learning environment for every student.

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. _____, [TITLE], provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

Per Board Policy No. 6000, the Superintendent holds responsibility for administering the fund budgets, once adopted. All actions to execute the programs and/or activities as set forth in the adopted budget are authorized subject to the provision that budget transfers from one classification to another may carry restrictions if imposed by the Board. In addition, Policy No.

6000 states, “Funds held in reserve accounts for self-insurance and other such contingencies may not be expended unless approved for purposes designated by the Board.” An increase to the budget via a transfer from a contingency account may thus be subject to Board approval.

Per Board Policy No. 6220, Procurement, all contract actions over \$250,000 must be approved by the Board.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on December 6, 2018. The Committee reviewed the motion and moved it forward to the full Board for approval.

12. TIMELINE FOR IMPLEMENTATION

Board Approval of BAR	Jan 2019
Execution of Change Order	Jan 2019
Construction Completion	Aug 2019
Owner Move-In	Sept 2019

13. ATTACHMENTS

- Construction Change Order No. 2 (available upon request in the Capital Projects and Planning office)