



# **SCHOOL BOARD ACTION REPORT**

**DATE:** January 25, 2017  
**FROM:** Dr. Larry Nyland, Superintendent  
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## **1. TITLE**

Multiple Capital Levy funds: Award Contract K5086, for General Contractor/ Construction Manager (GC/CM), to Cornerstone Contractors for the Ingraham High School Classroom Addition project

**For Introduction:** February 1, 2017  
**For Action:** February 15, 2017

## **2. PURPOSE**

This Board action would approve Cornerstone Contractors as the General Contractor/Construction Manager (GC/CM) for the building improvements necessary to open the Ingraham High School Classroom Addition in September of 2019.

## **3. RECOMMENDED MOTION**

I move that the School Board authorize the Superintendent to utilize the GC/CM alternative construction delivery method on the Ingraham High School Classroom Addition project and award Contract K5086 to Cornerstone Contractors. This authorizes the GC/CM to immediately provide pre-construction services for an amount not to exceed \$250,000.00. This approval also authorizes the Superintendent to negotiate and execute a contract amendment, with any minor additions, deletions, and modifications deemed necessary, for the Guaranteed Maximum Price (GMP) as defined by the RCW 39.10.370 for an amount not to exceed \$25,972,700 which includes 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 the Pre-Construction Services allowance and Washington State sales tax.

## **4. BACKGROUND INFORMATION**

### **a. Background on Project**

Ingraham High School is located at the north end of Seattle at 1819 N. 135th Street, on a site area of 28.17 acres. The existing main school Building 100 and adjacent Building 200 were both built in 1959. To date, the school has had various remodeling projects completed, with the last major project being a classroom addition in 2011 to the main building. The existing classroom Building 100 is approximately 150,000 square feet (s.f.) Building 200 is approximately 30,700 s.f. and Building 300 is approximately 9,766 s.f. The proposed project will include:

- New two-story approximately 45,000 s.f. classroom addition adjacent to Building 100 to accommodate up to 500 students;
- Selectively modify or remodel portions of Building 100;

- Seismic retrofit of Building 100 and 300;
- Re-roofing of Building 100 and a portion of Gymnasium;
- Include sustainability and green initiatives;
- On/off site utilities;
- Limited site development work.

An application was submitted by Seattle Public Schools (SPS) to self-nominate Ingraham High School as a historic landmark building to the Seattle Landmarks Preservation Board in September 2016. Potential features to be preserved are not yet known, as SPS currently awaits the City's scheduling of a nomination hearing.

### **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.

SPS has used GC/CM delivery on several complex projects in recent years, including Denny Middle School/Chief Sealth, Nathan Hale, Garfield, Cleveland and Roosevelt High Schools, and is currently using GC/CM delivery on the Robert Eagle Staff Middle School, Cascadia, Olympic Hills and Loyal Heights Elementary Schools, and Lincoln High 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 where decisions on design are informed by construction methods, materials, coordination, and sequencing.

The likely benefits from using GC/CM on Ingraham High School Classroom Addition 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 included: 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 include:

- 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 was also 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 in order 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 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 December 1, 2016, the Ingraham High School Classroom Addition 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, tight fixed schedule, complex coordination and potential historic landmark controls.
- Construction at an occupied facility.
- Complex technical work environment, including site constraints, complex and involved regulatory processes, retrofit and connection to potentially designated landmark structures 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 12, 2016. Four (4) GC/CM firms submitted written qualifications: Absher, Cornerstone, Graham, and Lydig. A selection committee of six professionals with members from the Capital Projects Department, the Architect, the Facilities Operation Department and Construction Manager each evaluated the GC/CM qualifications submittals and ranked the firms. Three (3) GC/CM firms were selected by the panel to be shortlisted for interviews. Interviews were conducted on December 15, 2016 and after evaluation by the selection committee, finalists were selected to submit priced proposals. Sealed proposals were received January 17, 2017. The scores were totaled from each of the 3 steps and Cornerstone Contractors received the highest point total. A summary of the selection results is attached.

#### **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 advertised lowest price bidding. The benefits described in section a. above would not be available to this project.

#### **c. Research**

Capital Projects Advisory Board (CPARB). <http://www.ga.wa.gov/cparb/>

RCW Chapter 39.10.340: Alternative Public Works Contracting Procedures.  
<http://apps.leg.wa.gov/RCW.default.aspx?cite=39.10.340>

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
- (4) 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 \$25,972,700 (including Preconstruction Services and GMP for the work).

The funding source for this motion is predominantly BTA IV Capital Levy with some funding from BTAIII and BEX IV Capital Levy funds. This project is budgeted at \$39,354,685.00. No State Assistance funds are being requested for this Project.

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 72.1% approval on February 9, 2016. Additionally, the

Preliminary Environmental Impact Statement (PEIS) for the BTA IV program included a public comment period from May 19, 2016 to June 24, 2016. A total of two comments were received and were addressed in Chapter 7 of the Final PEIS.

Moving forward there are several additional steps at 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 selection of projects in the BTA program was designed to provide equitable access to schools across the city. As the District planned for the BTA IV, it looked at needs through an equity lens to determine which projects should be prioritized.

**8. STUDENT BENEFIT**

The Ingraham High School Addition project will further address the student capacity needs in the Northwest region of the District. The design will incorporate guidelines and requirements provided in the SPS Educational Specifications and School Design Advisory Team Process (SDAT) where the attention is on learner centered environment, personalizing the environment, program adaptability, community connections, safety, and collaboration.

**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. \_\_\_\_\_, provides the Board shall approve this item
- Other: \_\_\_\_\_

**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 January 19, 2017. The Committee moved this item forward to the full Board with a recommendation for consideration.

**12. TIMELINE FOR IMPLEMENTATION**

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

Timeline Summary:

GC/CM Procurement Advertisement	October 2016
CPARB Project Review Committee Approval to Utilize GC/CM	December 2016
Selection of GC/CM Firm	January 2017
Schematic Design	November 2016 – March 2017
School Board approval of use of GC/CM and approval of GC/CM Contract	February 2017
Pre-Construction Engagement of GC/CM	February 2017
Design Development	March 2017 – August 2017
Construction Documents	August 2017 – February 2018
Negotiate Maximum Allowable Construction Cost (MACC)	March 2018 – April 2018
GC/CM Contract Amendment to set final GMP	March 2018
Construction Commencement	April 2018
School Opens	September 2019

**13. ATTACHMENTS**

- Contract K5086 (draft)
- CPARB Approval Letter
- GC/CM Selection Results