

School Board Action Report/Proposed Action

Informational (no action required by Board) **Action Report** (Board will be required to take action)



DATE: November 2, 2016
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent of Capital, Facilities, and Enrollment Planning, (206) 252-0644, ltherndon@seattleschools.org

I. TITLE

BTA IV: E.C. Hughes Elementary School Renovation project: Value Engineering Report, State Funding Assistance

For Introduction: December 07, 2016
For Action: January 04, 2017

II. WHY BOARD ACTION IS NECESSARY

The Office of Superintendent of Public Instruction (OSPI) Form D-7, Application to Proceed with Bid Opening, requires the School Board's acceptance of the Value Engineering Report, and the Architect's Response and Recommendation Matrix.

III. FISCAL IMPACT / REVENUE SOURCE

Action helps to secure up to \$2.3 million in state funding assistance for the project. This Board Action Report does not represent a specific expenditure.

Expenditure: N/A One-time Annual

IV. POLICY IMPLICATION

Policy No. 6100, Revenues from Local, State, and Federal Sources, states, "It is the policy of the Seattle School Board to pursue systematically those funding opportunities that are consistent with district priorities from federal, state, and other governmental units, as well as from private and foundation sources."

V. RECOMMENDED MOTION

I move that the School Board accept the Value Engineering Report dated May 9, 2016, and the Architect's Response and Recommendation Matrix, for the E.C. Hughes Elementary School Renovation and Addition project.

VI. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on November 17, 2016. The Committee moved this item forward to the full Board with a recommendation for approval.

VII. BACKGROUND INFORMATION

During the week of May 2, 2016, Meng Analysis performed an independent Value Engineering study of the Schematic Design drawings for the E.C. Hughes Elementary School Renovation project, as designed by the DLR Group. The study was undertaken by a team of professional architects, engineers, and cost estimators who analyzed the design and developed suggestions for adding value to the project. Value Engineering is defined by the Washington Administrative Code (WAC) 392-343-080 as a: *cost control technique which is based on the use of a systematic, creative analysis of the functions of the facility with the objective of identifying unnecessary high costs or functions and/or identifying cost savings that may result in high maintenance and operation costs.*

The Value Engineering study suggestions were accepted if they added value and/or reduced costs without negatively affecting educational programs and goals or the long-term quality of the building. The study provided the design team and District with information and strategies necessary to keep construction costs within budget.

The Value Engineering consultant made 32 different value recommendations, of which 13 had potential cost savings, 6 were accepted with modifications and 13 were rejected for various reason, including not meeting District educational and program goals, District maintenance goals, or District sustainability goals. The total anticipated cost savings from the suggested proposals that the design team and District accepted is approximately \$230,000. The potential savings will be retained within the project design budget for further development of the design as the design was approximately 30% complete at the time of the study.

VIII. STATEMENT OF ISSUE

Per WAC 392-343-080 and WAC 392-344-085, the State requires the School Board to accept or reject the proposals as outlined in the Value Engineering Report, prepared by Meng Analysis, for all projects larger than 50,000 square feet. According to the American Institute of Architects (AIA) and BEX standards, Value Analysis is an industry best practice for large construction projects, regardless of State Funding Assistance requirements.

IX. ALTERNATIVES

Do not accept the Value Engineering Report and implementation of the report: This is not recommended. If Board acceptance is not approved, it would delay the issuance of the D-8 form which allows the District to open bids and could impact the District in receiving State Funding Assistance. Not having the ability to open bids could potentially negatively impact the BTA IV program schedule.

X. RESEARCH AND DATA SOURCES /BENCHMARKS

- [WAC 392-343-080](http://apps.leg.wa.gov/WAC/default.aspx?cite=392-343-080): <http://apps.leg.wa.gov/WAC/default.aspx?cite=392-343-080>
- [WAC 392-344-065](http://apps.leg.wa.gov/WAC/default.aspx?cite=392-344-065): <http://apps.leg.wa.gov/WAC/default.aspx?cite=392-344-065>
- [American Institute of Architects \(AIA\)](http://www.aia.org): www.aia.org