



SCHOOL BOARD ACTION REPORT

DATE: October 11, 2017
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr Lester Herndon, Associate Superintendent of Facilities and Operations
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For Introduction: November 15, 2017
For Action: December 6, 2017

1. TITLE

BTA IV: Modification to Contract K1243, for Architectural and Engineering Services, Mahlum Architects for the Magnolia Elementary School Renovation and Addition project

2. PURPOSE

Board action is required to approve a contract modification to Contract No. K1243, for Architectural and Engineering Services with Mahlum Architects in the amount of \$508,646 for the Magnolia Elementary School Renovation and Addition project.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute a contract modification with Mahlum Architects in the amount of \$508,646 for the Magnolia Elementary School Renovation and Addition project with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract modification.

4. BACKGROUND INFORMATION

a. Background

This contract modification is being requested for additional scope of work resulting from:

- An increase in the Maximum Allowable Construction Cost (MACC) – On January 18, 2017 the Board approved an increase in the MACC in the amount of \$4,107,108. The MACC was increased to align with the cost estimate performed at the conclusion of the Schematic Design phase to meet elementary school educational program requirements to provide staff and students with an up-to-date learning and teaching environment. In addition, based on the guidance and recommendations by the BEX Oversight Committee, strategies for achieving net-zero energy consumption were explored and several were incorporated into the design. Other net-zero energy consumption strategies and design elements intended to enhance program requirements were included as alternate bids. Because the architect's basic fee is a percentage of the MACC, the architect's fee needs to be increased. The fee request for the MACC adjustment is \$414,208.

- Providing expert testimony – The State Environmental Policy Act (SEPA) threshold Determination of Non-Significance was appealed. The architect provided expert testimony and other support on behalf of the School District at the appeals hearing. This expense was not anticipated at the time of original fee negotiation and was therefore not covered in their original contract. The fee request for SEPA appeal hearing support is \$6,624.50.
- Requirements of the Landmarks Preservation Board – Much of the Magnolia School building and site received landmark designation by the Landmarks Preservation Board (LPB). All proposed work affecting the designated elements of the building and site had to be reviewed and approved by the LPB. Since the LPB controlled the review process, they requested more meetings than initially anticipated. A significant amount of effort is required for each meeting, including design revisions in response to LPB member comments, printing of illustrative materials, and preparation of Power Point presentations. Mahlum’s initial fee included two review meetings with the LPB, eight were required. The fee request for additional meeting preparation and meetings with the LPB is \$24,000.
- Cost reduction, redesign, and rebidding effort – When the project was first bid on May 16, 2017, there were two bidders. The lowest bid was \$4,839,080 over the construction budget. Subsequently, Mahlum was directed to recommend cost reduction strategies and provide corresponding costs. Many cost reduction strategies were accepted and incorporated into the construction documents, including significant redesign of the mechanical system requiring additional coordination between members of the design team, and preparation of the documents for rebidding. The architect is not seeking compensation for their redesign efforts and the mechanical engineer, the design consultant most impacted by cost reduction strategies, has waived one third of their fee for redesign. The fee request for the redesign and rebid effort is \$63,813.20.

The architect and their consultants have completed the foregoing described work. Board approval of this contract modification was not requested earlier because suspension of the work for the length of time required to execute a contract modification would have adversely impacted the ability to receive timely approvals from permitting agencies and exceed OSPI’s D-Form time frame to award the construction contract, both critical milestones for staying on schedule to have the school re-open Fall 2019.

b. Alternatives

No alternatives were considered.

c. Research

No research was conducted for this action.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$508,646.

The revenue source for this motion is Buildings, Technology and Academics/Athletics IV (BTA IV) Capital Levy 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 development of the BTA IV projects list underwent extensive community engagement.

7. **EQUITY ANALYSIS**

This motion was not put through the process of a full racial equity analysis. The list of projects to be funded in the BTA IV Levy was developed with the goal of providing equitable access to school facilities across the District.

8. **STUDENT BENEFIT**

By approving this action, the architect will be compensated for ensuring the design of Magnolia Elementary School meets the educational specifications, technical building standards, and the goals of the Landmarks Preservation Board while creating an inspiring, long-lasting learning environment for all students.

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 6220, Procurement, all contracts for more than \$250,000 initial value, excluding sales tax and contingencies, and changes or amendments of more than \$250,000, excluding sales tax and contingencies, must be approved by the School Board.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on November 2, 2017. The Committee reviewed the item and moved it forward to the full Board for consideration.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the Superintendent will sign and execute the contract modification.

13. ATTACHMENTS

- None