



SCHOOL BOARD ACTION REPORT

DATE: May 5, 2021
FROM: Dr. Brent C. Jones, Interim Superintendent
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For Introduction: June 23, 2021
For Action: July 7, 2021

1. TITLE

BEX V: Authorize the Superintendent to execute the Guaranteed Maximum Price amendment for the Northgate Elementary School Replacement project

2. PURPOSE

Authorize the Superintendent to execute the Guaranteed Maximum Price amendment for contract P5142 with Lydig Construction, Inc. for an amount not to exceed \$60,181,530.

3. RECOMMENDED MOTION

Authorize the Superintendent to execute the Guaranteed Maximum Price (GMP) amendment for contract with Lydig Construction, Inc in the amount of \$60,181,530, plus Washington State sales tax, with any minor additions, deletions, and modifications deemed necessary by the Superintendent.

4. BACKGROUND INFORMATION

a. Background

The Northgate Elementary School Replacement project, located at 11725 1st AVE NE, Seattle, WA 98125, is funded through the BEX V levy passed by the voters in February 2019. The levy timeline includes that this project be complete for the 2023 school year. As approved by the Board earlier this year, the school will be renamed James Baldwin Elementary School when the new building is completed.

The scope of work for this project includes a new 95,000 square foot 2-story replacement school building, the demolition of the existing 1956 school building and site improvements. The new school incorporates passive design principles that will minimize energy consumption and eliminate use of fossil fuels consistent with Board Resolution No. 2020/21-18, committing to transitioning the District to 100% clean, renewable energy with the goal of improving student health and the creation of more sustainable and equitable communities, passed by the Board earlier this year.

On July 8, 2020 the board approved Contract P5142 at an amount not to exceed \$60,461,530 and approved the GC/CM delivery method. The Office of the Superintendent of Public Instruction (OSPI) requires the Board also approve

the project GMP amendment as a formality recognizing that a significant period of time elapses (generally two years) between Board approval of the GC/CM contract and construction activities commencing. Approval of the GMP amendment addresses OSPI's concerns surrounding new members coming onto the Board with no prior knowledge of the GC/CM contract agreement approval.

On September 23, 2020, the board adopted the policy to implement the Student and Community Workforce Agreement (SCWA) on projects with anticipated project budgets in excess of \$5,000,000. Lydig Construction, Inc, has incorporated the SCWA into the self-performed and sub-contractor bid packages during the bidding process for this GC/CM project.

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 the 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 the complex capacity replacement project. The board approves the initial contract with the GC/CM, but then is required by OSPI to formally approve a final GMP amendment after the GC/CM has received bids from all subcontractors.

Landmarking Process

SPS understands the importance of historic preservation. Capital Projects and Planning has a lengthy planning process that includes landmark consideration for any project fifty years or older. Indeed 30% of our school buildings are landmarked and SPS has a long history of working collaboratively with the City of Seattle Landmarks Preservation Board to preserve historically significant school buildings in a way that both respects the building's history and design but also allows the building to support the District's educational program. As required by City code SPS prepared a landmark nomination submittal which was considered by the City of Seattle Landmark Preservation Board March 2020. The Landmarks Preservation Board voted 7-1 not to consider landmark designation for Northgate Elementary School noting it failed to meet the City's identified landmark criterion. It should also be noted that an important criteria consideration is that the building represents "an outstanding work of architecture or design" which representatives from the City's Landmarks Preservation Board questioned contrasting Northgate Elementary School with Cedar Park Elementary School which was also designed by Paul Thiry.

b. Alternatives

Deny Motion. This is not recommended. If motion is denied, the district would jeopardize state funding from OSPI.

c. Research

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

[RCW Chapter 39.10.340](#): Alternative Public Works Contracting Procedures.

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 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 \$ 60,461,530, including \$350,000 for Preconstruction Services and \$60,181,530 for the GMP, plus Washington State sales tax. Board Approval of the GMP Amendment is required by OSPI as part of the process to receive state funding assistance of up to \$1,911,661.

The revenue source for this motion is from the BEX V Capital Levy. This project will receive additional state funding assistance, from the School Construction Assistance Program (SCAP).

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 \$1.4 billion BEX V program went through an extensive community vetting process and ultimately received 73% approval from voters in February 2019.

The design of the Northgate Elementary School Replacement project was developed by teachers, building support staff, principals, administrators, and community members. This group met throughout 2019 and 2020 to gather and provide information about facility use, district-wide and project-specific programs, and the educational goals upon which the design was based. The Northgate Elementary School Replacement project will support the district's current educational goals as well as providing the flexibility to accommodate emerging educational programs.

Moving forward there are several additional steps at which public input will be received including a State Environmental Policy Act (SEPA) checklist process and potentially the City's Master Use Permit (MUP) process and the Historic Landmarks review designation and controls process. Each of these processes include public meetings and/or comment periods.

7. **EQUITY ANALYSIS**

The district's Racial Equity Analysis toolkit was utilized to guide the planning process for the BEX V Capital Levy, influencing community engagement methods, preparation of the 2018 update to the Facilities Master Plan, and ultimately the final proposed levy package. The board's guiding principles stated that racial and educational equity should be an overarching principle for the BEX V Capital Levy planning efforts in accordance with Board Policy 0030, Ensuring Educational and Racial Equity. Projects identified for inclusion in the BEX V Capital Levy will ultimately improve conditions for all students in the affected schools. Improved building conditions create a better environment for learning and can provide facilities to better position students for academic success.

8. **STUDENT BENEFIT**

The Northgate Elementary School Replacement project will incorporate guidelines and requirements set forth in the Seattle Public Schools Educational Specifications and the School Design Advisory Team (SDAT) process and will replace the existing building and six portables.

9. WHY BOARD ACTION IS NECESSARY

- ☒ Contract initial value or amendment value exceeds applicable threshold (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. _____,
- ☒ Other: The Office of Superintendent of Public Instruction (OSPI) Form D-9 Application requires the applicant school district's board approval of the negotiated Maximum Allowable Construction Cost (MACC) for construction of the Northgate Elementary School project

10. POLICY IMPLICATION

Per Board Policy No. 6220, Procurement, all contracts for the procurement of goods and services related to capital construction projects that have been previously approved by the Board must be brought before the board for approval if the initial value exceeds \$5,000,000, excluding sales tax and contingencies.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on June 3, 2021. The committee reviewed the motion and moved the item forward with a recommendation for approval by the full Board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the district will be able to proceed with the construction of Northgate Elementary School Replacement project in conformance with the district educational specifications and the Superintendent will sign and execute the contract amendment.

Timeline summary:

Construction documents: September 2020 – April 2021

Permitting/bidding: October 2020 – June 2021/March 2021 – April

Negotiation of Maximum Allowable Construction Cost (MACC): May 2021

Superintendent to execute GC/CM GMP Amendment: July 2021

Northgate Elementary School Replacement project opens (as James Baldwin Elementary School) September 2023

13. ATTACHMENTS

- AIA Document A133 – Contract Amendment (for approval) (available upon request from the Capital Projects & Planning Department, 206-252-0990).