



SCHOOL BOARD ACTION REPORT

DATE: October 17, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
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For Introduction: November 20, 2019
For Action: December 11, 2019

1. TITLE

BTA III: Final Acceptance of Contract K5063 with Design Air, Ltd., for the Green Energy Mechanical Upgrades at John Muir Elementary School project

2. PURPOSE

The purpose of this action is to approve final acceptance of Contract K5063 with Design Air, Ltd., for the Green Energy Mechanical Upgrades at John Muir Elementary School project. Board approval allows the district to submit required documents to the State of Washington Department of Labor & Industries, Department of Revenue and Employment Security Department and closeout the project, including authorizing the release of project retainage.

3. RECOMMENDED MOTION

I move that the School Board accept the work performed under Contract K5063 with Design Air, Ltd., for the Green Energy Mechanical Upgrades at John Muir Elementary School project as final.

4. BACKGROUND INFORMATION

a. Background

The Green Energy Mechanical Upgrades at John Muir Elementary School project is located at 3301 S Horton Street., Seattle, WA 98144. The project was funded through the BTA III levy and replaces aging heat pumps.

Miller Hayashi Architects designed the project. The construction contract was advertised for bids in January 2016. Design Air, Ltd., was awarded the contract on March 16, 2016 project for a contract amount of \$1,315,500, plus Washington State Sales Tax (WSST). The contractor installed new, high efficiency ground source heat pumps, replaced hydronic piping, pumps and valves.

Design Air, Ltd., satisfactorily completed the contract work in January 2017, and the architect, Miller Hayashi Architects agrees and recommends Board final acceptance of the project. The apprenticeship utilization rate for this project is 28%. The final project expenditure amount is \$1,862,221 which is \$7,046 below the Total Project Budget. Following standard practice, the underspent funds will be transferred to the BTA III Program Contingency

b. Alternatives

Not accepting the project in a timely manner could put the district in a position subject to litigation. Therefore, this alternative is not recommended.

c. Research

- Building Condition Survey, Meng Analysis, August 2014
- Seattle Public Schools Technical Building Standards dated December 2012

5. FISCAL IMPACT/REVENUE SOURCE

All payments have been made to the contract from the BTA III Capital levy funds. No outstanding invoices remain. Unspent contract funds will be reflected in the projects underspend.

During the course of the project, one Change Order was issued in the amount of \$ 76,849 plus WSST. Change order expenditures totaled 5.8% of the approved construction contract amount with the most significant expenditures associated with additional mechanical equipment and fittings to the existing boiler room and associated controls for the mechanical system betterment. Change orders were reasonable for a project of this magnitude.

Contractor:	Design Air, Ltd.
Contract Amount	\$1,308,646
Change Orders	\$ 76,849
WSST	<u>\$ 133,008</u>
Total Contract including WSST	\$1,518,503
Project Retention	Retainage Bond

Amy Fleming: _____ Date: _____
Director of Accounting

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

7. EQUITY ANALYSIS

This motion was not put through the process of an equity analysis. The selection of projects in the BTA III program was designed to provide equitable access to safe school facilities across the city.

8. STUDENT BENEFIT

This project ensures 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

For purposes of avoiding disputes over the timing of the filing of liens, the School Board should accept the work on a construction project as finally complete prior to the release of retention.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on November 7, 2019. The Committee reviewed the item and moved the item forward with a recommendation for approval by the full Board.

12. TIMELINE FOR IMPLEMENTATION

Acceptance of Completed Project by School Board	December 11, 2019
Release of Retainage Bond	December 2019
Contractor's One-Year Warranty period ends	September 12, 2017

13. ATTACHMENTS

- None