



# **SCHOOL BOARD ACTION REPORT**

**DATE:** March 17, 2017  
**FROM:** Dr. Larry Nyland, Superintendent  
**LEAD STAFF:** Dr. Lester Herndon, Associate Superintendent of Facilities and Operations  
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**For Intro:** April 5, 2017  
**For Action:** April 19, 2017

## **1. TITLE**

BEX IV and BTA IV: Approval of the Value Engineering Report for the Modernization at Lincoln High School Project

## **2. PURPOSE**

The purpose of this action is to accept the Value Engineering Report (a.k.a. Value Analysis) and the architect's Response and Recommendation Matrix for this project. This is required for state funding assistance.

## **3. RECOMMENDED MOTION**

I move that the School Board approve the Value Engineering Report dated August 15, 2016, for the Building Excellence IV (BEX IV) and Building Technology Academics and Athletics IV (BTA IV) Modernization at Lincoln High School Project, as attached to the Board Action Report.

## **4. BACKGROUND INFORMATION**

- a. **Background** In August of 2016, Meng Analysis performed an independent Value Engineering (a.k.a Value Analysis) study of the schematic design for Lincoln High School, as developed by Bassetti Architects. 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:
  - o *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 Analysis 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 Analysis consultant made 66 different value recommendations, of which 62 had potential cost savings, yet 43 were rejected for various reasons, including not meeting

district educational and program goals, district maintenance goals, or district sustainability goals. A total of 10 items were accepted and another 13 will continue to be reviewed. The total anticipated cost savings from the suggested proposals that the design team and the district accepted is approximately \$1,161,000.

- b. **Alternatives** Deny Motion. If the motion is denied, it would delay the issuance of the form D-8 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 have a negative impact on the BEX IV program schedule.
- c. **Research** Per WAC 392-343-080, the State requires the 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.

**5. FISCAL IMPACT/REVENUE SOURCE**

This action does not represent a specific expenditure.

The revenue source for this project is from both BEX IV and BTA IV Capital Levy funds. This project is budgeted at \$93,316,049. Funding of \$8,295,926 will also be provided by the Office of Superintendent of Public Instruction.

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

In February 2013, 72% of Seattle voters approved the BEX IV Capital Levy that included the Lincoln High School Modernization. This levy was the culmination of an eighteen-month long process analyzing the facility needs of the district, and supports the district’s long-range plans to upgrade and renovate aging school facilities. The process included countless hours of planning, coordination efforts throughout the district, community engagement and feedback, extensive Board guidance and input that lead to a unanimous Board vote in November 2012 that approved the BEX IV projects list.

Additionally, projects in the BTA IV program, which also funds the Lincoln High School Modernization, went through an extensive community vetting process and ultimately received 72.1% approval on February 9, 2016. 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.

The design of the Lincoln High School Modernization project was developed by the School Design Advisory Team (SDAT) that included a planning principal, staff from other district high schools (Ballard, Roosevelt and Nathan Hale), administrators, the Wallingford Community Council and community members. This group met throughout 2016 to gather and provide information about facility use, district and school programs and educational goals upon which the design was based. The Lincoln High School Modernization project will support the district's current educational goals as well as providing the flexibility to accommodate emerging educational programs.

There were several additional steps at which public input has been received, including meetings with Solid Ground, a community design review meeting, Director Burke's Lincoln Community Meetings, the State Environmental Policy Act (SEPA) checklist process, and the city's Department of Neighborhoods Landmarks process. Many of these processes include public meetings or public comment periods. To date there has been five (5) additional community meetings to discuss the Lincoln project.

To date, the following key actions related to this project have been approved by the Board:

- A/E Contract P1436 to Bassetti Architects, May 18, 2016
- Contract P1438 for CM Services Heery International, March 16, 2016
- Resolution 2015/16-18, GC/CM Delivery Method, June 15, 2016
- GC/CM Contract P5084 to Lydig, June 15, 2016

## **7. EQUITY ANALYSIS**

The selection of projects in both the BEX IV and BTA IV levies was designed to provide equitable access to schools across the city. As the district planned for the BEX IV and BTA IV program, it looked at needs through an equity lens to determine which projects should be prioritized.

## **8. STUDENT BENEFIT**

The modernization of Lincoln High School will further address the student capacity needs in the Northwest region of the district. The Value Engineering reviewed the design guidelines and requirements provided in the SPS Educational Specifications and School Design Advisory Team Process where the attention is on a learner-centered environment, by personalizing the environment, program adaptability, community connections, safety, and collaboration. The recommendations in the Architect response, supports these guidelines.

## **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: Board approval of Value Engineering is required for state funding assistance.

**10. POLICY IMPLICATION**

This action is consistent with School Board Policy No. 6100, Revenues from Local, State, and Federal Sources, which states that 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, and that the Board agrees to comply with all federal and state requirements that may be a condition for the receipt of federal or state funds.

Policy No. 6901, Capital Levy Planning, discusses the need for capital projects to fit the educational needs of the district.

**11. BOARD COMMITTEE RECOMMENDATION**

This motion was discussed at the Operations Committee meeting on March 16, 2017. The Committee moved this item forward to the full Board for approval.

**12. TIMELINE FOR IMPLEMENTATION**

Upon approval of this motion, the Architect can continue with the design.

Timeline Summary:

Schematic Design	May – October 2016
Pre-Construction Engagement of GC/CM	July 2016
Design Development	October-January 2017
Construction Documents	February-July 2017
Negotiation of Maximum Allowable Construction Cost (MACC)	July-August 2017
School Board Action to approve GC/CM GMP Amendment	September 2017
Construction Commencement	October 2017
Lincoln High School Opens	September 2019

**13. ATTACHMENTS**

- Value Engineering Executive Summary Report
- Value Engineering Response from Architect