



SCHOOL BOARD ACTION REPORT

DATE: May 14, 2018
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent, Facilities and Operations
(206) 252-0644 ltherndon@seattleschools.org

For Introduction: May 23, 2018
For Action: June 6, 2018

1. TITLE

BTA IV/BEX IV: Approval of four actions related to the Daniel Bagley School Modernization and Addition project

2. PURPOSE

The purpose of this Board Action would approve the following items related to the [Daniel Bagley Modernization and Addition project](#) as follows:

- Allow transfer of \$2,808,243 from BTA III Program Contingency, \$5,000,000 from BEX IV Program Contingency, \$1,191,757 from BEX IV Capacity Flexibility, and \$1,000,000 from the State of Washington's K-3 Class Size Reduction Grant to the BTA IV/BEX IV Bagley Elementary School Modernization and Addition project budget. The total transfer equals \$10,000,000.
- Authorize the Superintendent to execute a modification to contract P1453 with Miller Hayashi Architects for additional design and construction administration fees of \$482,270.53.
- Authorize the Superintendent to utilize the GC/CM alternative construction delivery method on the Bagley Modernization and Addition project and award a construction contract P5091 with Lydig Construction for an amount not to exceed \$27,428,669.
- Approve Resolution 2017/18-2.

3. RECOMMENDED MOTION

I move that the School Board

- (1) Approve a one-time fund transfer of \$2,808,243 from BTA III Program Contingency, \$5,000,000 from BEX IV Program Contingency, \$1,191,757 from BEX IV Capacity Flexibility and \$1,000,000 from the State of Washington's K-3 Class Size Reduction Grant to the BTA IV/BEX IV Bagley Elementary Modernization and Addition project budget for a total transfer that equals \$10,000,000;
- (2) Authorize the Superintendent to execute a modification to contract P1452 with Miller Hayashi Architecture in the amount of \$482,270.53 for additional design for the Bagley Elementary School Modernization 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 amendment;
- (3) Authorize the Superintendent to utilize the GC/CM alternative construction delivery method on the Bagley Modernization and Addition project and approve Resolution

2017/18-2, as attached to this Board Action Report, in accordance with Office of Superintendent of Public Instruction (OSPI) provision in the Form D-5 application; and
(4) Authorize the Superintendent to execute a construction contract with Lydig Construction for the General Contractor/Construction Manager(GCCM) contract for the Bagley Modernization and Addition project to set the Guaranteed Maximum Price (GMP) as defined by RCW 39.10.370 at an amount not to exceed \$27,428,669.

4. BACKGROUND INFORMATION

a. Background

Seattle voters approved the Seattle Public Schools Building Excellence IV (BEX IV) Capital Levy in February 2013, as well as the Buildings, Technology and Academics IV (BTA IV) Capital Levy in February 2016, which will support the district's long-range plans to upgrade and renovate aging school facilities and address enrollment growth. The Enrollment Planning section of the Capital Projects and Planning department has identified a need for additional capacity in North Seattle. They have recommended an addition and modernization of Daniel Bagley Elementary School to accommodate projected capacity needs.

Daniel Bagley Elementary School is located at the north end of Seattle at 7821 Stone Avenue N., on a site of 3.94 acres. The existing main school building was built in 1930 and is a designated historic landmark. The proposed project will include:

- Modernization of the existing 40,745\ SF building;
- Addition of a new two-story approximately 13,300 SF classroom addition
- Addition of an approximately 6,200 SF Gymnasium
- Providing approximately 3,000 SF of Covered Play area
- Removal and/or relocation of existing 8 portable classroom structures
- Include sustainability and green initiatives;
- On/off site utilities;
- Limited site development work

The addition will replace portables with eight (8) permanent classrooms and associated learning support areas, and the addition of a new gym allows two (2) new classrooms to be created in the existing building. The construction of the classroom addition is anticipated to begin by summer of 2019 and be substantially complete by June 2020. Subsequent to the BTA IV levy planning effort, the latest revised edition of the Elementary School Educational Specifications was released. Consequently, it became apparent during schematic design of Bagley Elementary that more extensive remodeling than anticipated during levy planning is necessary to make the building conform to the revised educational specifications, as well as the latest Seattle Building and Energy Codes.

The building design will include energy conservation measures such as high efficiency boilers for hot water heating, added building insulation, mechanical heat recovery system, LED lighting and metering of power outlets. The existing building will be seismically upgraded to meet the current codes and the windows will also be more energy efficient. Additionally, the contractor's latest estimate reflects the current construction market conditions in the greater Seattle area, and the budget increase will help bridge the gap

between the original levy planning assumptions and the most recent market condition assessment.

The amount of the transfer request was calculated by subtracting the estimated budget of \$30,344,411.00 at levy planning from the estimated budget provided at the end of schematic design of \$40,344,411 needed to meet the educational specifications including a full-sized gym and eleven additional classrooms. In addition, identified site improvements including the required utility connections and upgrade for ADA access to entries are significantly greater than originally anticipated. In addition to the increased Guaranteed Maximum Price, the funding transfer request also includes adjustments to Architect's fees, GC/CM's Construction Contract, Construction Manager's fees, permit fees and construction change order budgets as well as applicable taxes.

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 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 this complex capacity addition project.

SPS has used GC/CM delivery on several complex projects in recent years, including Denny Middle School/Chief Sealth, Nathan Hale, Garfield, Cleveland and Roosevelt High Schools, and is currently using GC/CM delivery on the Robert Eagle Staff Middle School, Cascadia, Olympic Hills and Loyal Heights Elementary Schools, Webster Elementary School and Lincoln High School projects. This type of procurement has been found to reduce risk to the District by early involvement of the contractor during the design phase where decisions on design are informed by construction methods, materials, coordination, and sequencing.

The likely benefits from using GC/CM on the Daniel Bagley Elementary School Modernization and Addition are considerable. Selection of the GC/CM firm was largely based on qualifications and experience relevant to the specific nature and challenges of this project. The criteria included: past performance on completing projects of similar size, scope and complexity; the ability of the GC/CM Team to control the project schedule and complete the project within budget and on a tight timeline; and experience of the GC/CM firm with projects involving complex construction phasing with historic landmark preservation controls and in residential neighborhoods. Other benefits include:

- The GC/CM acts as an advocate of the Owner, unlike low-bid delivery.
- Top tier contractors competed for this project because this will not be a low bid, thus carrying a higher likelihood of quality assurance and timely completion.
- The GC/CM selection was also based on a competitively bid fee and specified general conditions (general contractor's staffing).
- Through pre-construction involvement, the GC/CM will understand the work long before bidding.
- The GC/CM will participate in setting the schedule, packaging the scope to fit the marketplace, and realistically set expectations before work is procured in order to successfully deliver on value.

- The GC/CM participates actively in ongoing constructability reviews throughout the design process, resulting in cost-effective and value-based solutions which the project team welcomes.
- Open book cost accounting of the work brings transparency to actual value of work to be constructed.
- Phasing of bid buy-out and flexibility to adjust bid packages as the work is bought-out allows for cost management by the owner and GC/CM team.

On July 28, 2016, the Daniel Bagley Elementary School Modernization and Addition project was presented to the State Capital Projects Advisory Review Board (CPARB) Project Review Committee (PRC) which authorizes the use of alternative delivery methods for Public Agencies. A unanimous vote of the PRC approved the use of GC/CM for this project based largely on meeting the following criteria and qualifications:

- Project Complexity, including complex phasing, tight fixed schedule, complex coordination and historic landmark controls.
- Complex technical work environment, including site constraints, complex and involved regulatory processes, retrofit and addition to designated landmark structures and surrounding residential neighborhood.
- The Owner has strong history of building capital projects.
- The specific Project team has strong GC/CM experience and successful project records.

The GC/CM procurement process requires three steps: Step 1: Submission of Qualifications and Experience; Step 2: Resumes, References and Interviews of Project Team; and Step 3: Bid on GC/CM fee percentage of estimated construction costs and Bid on Specified General Conditions outlined in the Contract Documents. The project was publicly advertised on February 6, 2017. Total of four GC/CM firms submitted written qualifications on March 9, 2017. A selection committee of five professionals with members from the Capital Projects Department, the Architect, the Facilities Operation Department and Construction Manager each evaluated the GC/CM qualifications submittals and ranked the firms. Three firms were selected by the panel to be shortlisted for interviews. Interviews were conducted on March 29, 2017 and after evaluation by the selection committee, finalists were selected to submit priced proposals. Sealed proposals were received April 7, 2017. The scores were totaled from each of the 3 steps and Lydig Construction received the highest point total.

Since May of 2017, Lydig Construction has been providing the preconstruction services under an interim contract, in order to keep the design team moving forward to keep the current schedule.

b. Alternatives

Deny motion. This is not recommended. If motion is denied, this would negatively impact project success in meeting district educational specifications and operational goals.

c. Research

- Elementary School Educational Specifications, May 31, 2016
- Technical Building Standards, December 2012
- [Capital Projects Advisory Board](#) (CPARB)
[RCW 39.10](#)

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be a transfer of \$10,000,000, the approval of a \$482,270.53 contract amendment and approval the GC/CM construction contract up to \$27,428,669.

This action will also help secure approximately \$1.9 million in state funding assistance.

The revenue source for the budget transfer is as follows: \$2,808,243 from BTA III Program Contingency, \$5,000,000 from BEX IV Program Contingency, \$1,191,757 from BEX IV Capacity Flexibility and \$1,000,000 from the State of Washington’s K-3 Class Size Reduction Grant to the BTA IV/BEX IV Bagley Elementary School Modernization and Addition project budget.

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 and BEX IV programs underwent extensive community engagement.

7. EQUITY ANALYSIS

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

8. STUDENT BENEFIT

The Daniel Bagley Elementary School Modernization and Addition 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 eight existing portable classrooms with permanent classrooms and the addition of a new gymnasium allows two new classrooms to be created in the existing building.

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. 6000, Program Planning, Budget Preparation, Adoption and implementation Policy
- Other: The Office of Superintendent of Public Instruction (OSPI) Form D-5 Application for Preliminary Funding Status requires the applicant School District’s board approval to use alternative Public Works contracting for construction of the subject project.

10. POLICY IMPLICATION

This Board action requests a funding transfer from the BTA IV and BEX IV Program Contingency to the Bagley Elementary School Renovation and Addition project budget. Per Board Policy No. 6000, Program Planning, Budget Preparation, Adoption, and Implementation, item number D, “funds may be transferred from one budget classification to another subject to such restrictions as may be imposed by the Board.”

Per Board Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on May 10, 2018. The Committee moved the item forward to the full Board with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the district will be able to proceed with design of Daniel Bagley Elementary School in conformance with the district’s educational specifications and a Notice to Proceed will be issued to the selected GC/CM.

Timeline Summary:

- Start of Preconstruction Services – May 2017
- Completion of Preconstruction Services – December 2018
- Bidding/Total Contract Cost negotiation period – January-February 2019
- Start of Construction – July 2019
- Substantial Completion – June 2020

- School Opening – September 2020

13. ATTACHMENTS

- Resolution 2017/18-2 (for approval)
- Shiels Oblatz Johnson Selection Results Memorandum
- CPARB Approval Letter (available upon request)

**Seattle School District #1
Board Resolution**

Resolution No. 2017/18-2



A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Seattle, Washington, certifying that the District intends to comply with the RCW 39.10 for the use of the Alternative Public Works Contracting Procedures or General Contractor Construction Manager (GC/CM) Delivery method on the Daniel Bagley Elementary School Modernization and Addition Project as required by Office of Superintendent of Public Instruction (OSPI) D-5 Application.

WHEREAS, it has been determined that the Daniel Bagley ES project meets at least one of the RCW 39.10.270 requirements; and

WHEREAS, the Capital Projects Advisory Review Board (CPARB) Project Review Committee has reviewed and approved the use of alternative delivery method; and

WHEREAS, this resolution ensures the responsiveness of the District to OSPI, as required on the D-5 application item 10.e;

NOW THEREFORE, BE IT RESOLVED, that the Seattle School Board of Directors approves use of a GC/CM delivery method for the Daniel Bagley Elementary School project in accordance with the OSPI provisions in the D-5 application, and certifies that it will comply with the RCW 39.10 requirements.

ADOPTED this _____ day of _____, 2018.

Leslie Harris, President

Rick Burke, Vice-President

Jill Geary, Member-at-Large

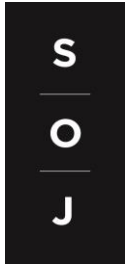
Betty Patu, Member

Eden Mack, Member

Zachary DeWolf, Member

Scott Pinkham, Member

ATTEST: _____
Dr. Larry Nyland, Superintendent
Secretary, Board of Directors
Seattle School District No. 1
King County, WA



To: Daniel Bagley Elementary Modernization and Addition Contract File
From: SOJ, Construction Manager
Subject: GC/CM RFP 01750 responses and interview
Daniel Bagley Modernization and Addition Project
Date April 12, 2017

Background

On March 10, 2017, Seattle Public Schools (SPS) received proposals in response to the GCCM RFP 01750 for the Modernization and Addition at Daniel Bagley Elementary. The Advertisement was published in the Seattle Daily Journal of Commerce on February 6 and 13, 2017. Four general contractors submitted written qualifications (in alphabetical order):

- Absher Construction
- BNBuilders
- FORMA Construction
- Lydig Construction

This serves as a record of the evaluation process including the proposal reviews, meetings, information gathering, interviews and shared discussion regarding the selection process.

Step I: Statement of Qualifications (Total Possible Points – 100)

The GCCM Selection Committee is comprised of two SPS Capital Projects members, one Architect, one SPS Facilities member and two Construction Management staff.

As part of Step I of the RFP process, the four written SOQ's were evaluated by the Committee.

On March 17, 2017, the Selection Committee met and discussed the merits of each SOQ against criteria established in the RFP. The following tentative average scores were assigned.

- Absher Construction – 78.6 points *
- **BNBuilders – 81.8 points ***
- **FORMA Construction – 82.1 points ***
- **Lydig Construction – 91.4 points ***

Following deliberation, the Committee shortlisted the firms noted with (*) above to proceed into Step 2 for interview. Absher Construction received a lower average score below 80 points, and was therefore not selected for the interviews.

Step II: Interviews (Total Possible Points – 70)

The three shortlisted firms were interviewed on March 29, 2017. Each firm made an oral presentation, followed by questions posed by the committee. The Committee met immediately following interviews to discuss each firm's performance in the interviews. All committee members contributed to the deliberation by discussing each firm. Some of the key observations made include the following, based on criteria stated in the RFP, which included the firms' approach to the project, managing the project, quality and experience of personnel, likely ability to best perform as GC/CM, answers to questions; and other observations:

- BNBuilders: proposed core team was present, PM and superintendent had one project experience together; presentation did not address construction quality; estimator's responses were good; lack of historic renovation experience by superintendent; did not address the three projects they were released after preconstruction phase; good presentation style and materials; "entrepreneurial" company culture .
- Forma: proposed core team has solid, demonstrated much experience together; firm is focused on K-12 market; level of confidence displayed; preconstruction manager is not continuous through to construction; commitment to providing senior executive engagement on project; expressed creativity in dealing with historic renovation challenges; "partnership" company culture.
- Lydig: proposed core team has worked little together on past projects; proposed two project executive both present; key team members showed engagement; good quality control approach; good example of proactive/timely approach to addressing difficult issues; superintendent has good historic renovation experience; good team dynamic; "project first" company culture.

After this deliberation, the committee members submitted Step 2 scores and arrived at the consensus of the following averages:

- BNBuilders – 58.32 points
- FORMA Construction – 61.12 points
- Lydig Construction – 64.32 points

The final subtotal aggregated pre-bid scores were calculated (Step I + Step II only) prior to invitation to Bid:

- **BNBuilders – 140.12 points ****
- **FORMA Construction – 143.22 points ****
- **Lydig Construction – 155.72 points ****

The committee concluded that all three firms have the capacity to best serve as GC/CM for this project, based on their submittals, interviews and overall experience. The three firms invited to submit sealed proposals are noted above with (**).

Step III: Final Sealed Proposals (Total Possible Points – 30)

Public opening of the GC/CM bids for the Ingraham HS Addition project is scheduled for April 7, 2017 at the SPS JSCEE Offices. Depending on the bid amounts, points will be assigned to each of the proposers based on criteria published in the RFP and will be added to the above subtotals. The proposer with the highest score will be recommended.