



# **SCHOOL BOARD ACTION REPORT**

**DATE:** January 31~~25~~, 2017  
**FROM:** Dr. Larry Nyland, Superintendent  
**LEAD STAFF:** Dr. Lester Herndon, Associate Superintendent of Facilities and Operations  
(206) 252-0644 [ltherndon@seattleschools.org](mailto:ltherndon@seattleschools.org)

## **1. TITLE**

BTA IV: Award Contract K5073 for General Contractor/ Construction Manager (GC/CM) to BNBuilders for the Webster School Modernization and Addition project

**For Introduction:** February 1, 2017  
**For Action:** February 15, 2017

## **2. PURPOSE**

The purpose of this action is to award contract K5073 to BNBuilders as the General Contractor/Construction Manager for the Webster School Modernization and Addition project which is scheduled to open in September 2020.

## **3. RECOMMENDED MOTION**

I move that the School Board authorize the Superintendent to utilize the General Contractor/Construction Manager (GC/CM) alternative construction delivery method on the Webster School Modernization and Addition project and award Contract K5073 to BNBuilders. This authorizes the GC/CM to immediately provide pre-construction services for an amount not to exceed \$300,303.00. This approval also authorizes the Superintendent to negotiate and execute a contract amendment, with any minor additions, deletions, and modifications deemed necessary, for the Guaranteed Maximum Price (GMP) as defined by the RCW 39.10.370 for an amount not to exceed \$18,144,858.00~~547,600.00~~ which includes Specified General Conditions, Negotiated Support Services Allowance, the Maximum Allowable Construction Cost (MACC) including subcontractor bonds, the MACC Contingency, and the GC/CM fee; excluding Washington State sales tax, no earlier than completion of 90% of Construction Documents unless otherwise agreed to by the parties.

## **4. BACKGROUND INFORMATION**

### **a. Background on Project**

Webster School is located at NW 68th Street and 30th Ave NW in the Ballard neighborhood. The school was constructed in 1908 and officially named Webster School on March 27, 1908. An addition, which provided an auditorium, library, industrial arts, and play courts, was constructed in 1930 and the facility continued to serve as an elementary school until closing in 1979. The Nordic Heritage Museum leased the building in 1980 and remodeled many rooms to house exhibits. Recently, the Museum broke ground for a new facility located on Market Street in Ballard and plans to vacate the Webster building in 2018. Seattle Public Schools, (SPS) as part of the Building, Technology, and Academics (BTA) IV levy, has set aside funds to reopen Webster School with an expected capacity of up to 450 students. Reopening the building as a school will include seismic improvements, replacement, and updates to many of the existing building systems in order to meet current

codes. The project scope also includes plans to construct a new gymnasium.. In 1997, Seattle Parks and Recreation opened Webster Park on the western portion of the Webster School site, and in 2009, SPS sold that portion of the property to Parks and Recreation. Under the parameters of the Joint Use Agreement, SPS plans to work with Parks to schedule use of the park during the school day to support recess and physical education programs. Webster School was landmarked by the Seattle Landmarks Preservation Board as an historical building in July 2015.

An interim contract, in the amount of \$63,610 for preliminary existing conditions assessment, project meetings, construction cost estimates, value engineering and project scope verification enabled the beginning of project specific work in January 2017.

### **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 district staff and the architect to collectively manage this complex modernization and addition project that includes Historical Landmark features and location on a very small 1.5-acre site in the heart of a residential community several miles from the nearest freeway.

The district used the GC/CM delivery method 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 the GC/CM approach on the Robert Eagle Staff, Cascadia, Olympic Hills, Loyal Heights, and Lincoln High School projects. This type of procurement has been found to reduce risk to the district by early involvement of the contractors during the design phase. In addition, GC/CM has also found to reduce the risk of claims on complex projects.

The likely benefits from using GC/CM on Webster School are considerable. Selection of the GC/CM 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 past experience of the firm on projects involving complex construction phasing, historic renovation and tight urban site conditions. Other benefits include:

- Top tier Contractors are much more likely to compete for this project if not 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 on a set construction documents.
- 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 Architect 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 allowing for cost management by the owner and GC/CM team.

On September 22, 2016, the Webster School Modernization and Addition project was presented to the State Project Review Committee (PRC) which authorizes the use of alternative delivery methods for Public Agencies. The vote from the State of Washington, Capital Projects Advisory Review Board (CPARB) was unanimous to approve the GC/CM delivery method due to the following complexities:

- Landmarks designation to exterior and interior portions will require heightened attention to protecting the building.
- Unforeseen conditions of existing building will challenge the project team.
- Small urban site of 1.5 acres flanked by residential community will require continuous outreach during design and construction.
- Construction challenges associated with a historic renovation, modernization, and code required seismic improvements while working within a tight budget.
- Challenging permitting process for both Master Use Permit and Building Permit.
- Potential volatile escalation period over the next several years.

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. The project was publicly advertised on September 22, 2016, and a total of two (2) GC/CM firms submitted qualifications: BNBuilders and Graham. A selection committee of six professionals from the Capital Projects Department, the Architecture firm, the Facilities Operation Department, and the BEX Oversight Committee each evaluated the GC/CM proposals and assigned points in accordance with the procurement documents. Both GC/CM firms were selected by the panel to be qualified for interviews. Interviews were conducted on November 10, 2016 and after evaluation by the selection committee in accordance with the procurement documents, both firms were selected to submit bids.

Bids were received November 16, 2016. BNBuilders' bid was \$949,040.00 higher than Graham's bid, however, in the total scoring of points, as required in the procurement documents, BNBuilders scored a total of 171.85 while Graham scored a total of 171.59. As indicated in the scoring of the qualifications and interview steps:

- BNBuilders has much more experience using GC/CM construction when completing major renovations of historical buildings in the Seattle area.
- BNBuilders proposed team recently completed the renovation of Denny Hall at the University of Washington and is currently working on the renovation of the Asian Museum in downtown Seattle.
- The project executives managing both Denny Hall and Asian Museum provided excellent references for BNBuilders.

- When analyzing the submitted bid it appears Graham left out significant project management labor costs required by the contract documents.
  - A consultant completed an Independent estimate on October 4, 2016, and costs were higher than Graham's bid, which made the selection committee further question whether or not Graham was able to complete the contract-required work for the bid amount submitted.
  - Graham's experience has been in Eastern Washington; no recent GC/CM school projects have been completed in the Seattle area. The selection committee had concern that Graham may not be fully aware of permitting requirements and the current construction climate in the Seattle area. The lower qualification and interview scores reflected these concerns.
  - The selection committee believes it is in the best interest of SPS to award the project to BNBuilders, the contractor who received the highest point total as required in the procurement documents. The details of the selection results are attached.
- b. **Alternatives Deny Motion.** If motion is denied, the District as a public agency will be required to procure a general contractor for construction via advertised lowest price bidding. The benefits described in section a. above would not be available to this project.
- c. **Research**

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

RCW Chapter 39.10.340: Alternative Public Works Contracting Procedures.  
<http://apps.leg.wa.gov/RCW.default.aspx?cite=39.10.340>

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
- (4) 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 \$~~18,445,161.00~~~~19,008,475.00~~ (includes Preconstruction and GMP amounts).

The revenue source for this motion is BTA IV Capital Levy funds. This project is budgeted at \$31,737.094. The Office of Superintendent of Public Instruction (OSPI) has also been contacted about funding but no state assistance funds are available since the building was approved as “Non-essential (Surplus) status as an amendment to the Facilities Master Plan” by the School Board on June 6, 2007.

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 BTA IV program went through an extensive community vetting process and ultimately received 72.1% approval on February 9, 2016. Additionally, 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.

Moving forward there are several additional steps at which public input will be received including a Community Design Review meeting, State Environmental Policy Act (SEPA) checklist process, the City’s Master Use Permit (MUP) process, and the City’s Department of Neighborhoods Landmarks process. Many of these processes include public meetings or public comment periods.

This project will take a facility asset already owned by the school district and re-use it to increase capacity in areas of the City with rapid growth. The tenant who has leased the facility since 1980 will no longer need the Webster School because they have a new facility under construction which is scheduled to open in 2018.

**7. EQUITY ANALYSIS**

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

**8. STUDENT BENEFIT**

The modernization of Webster School will further address student capacity needs in the Northwest region of the District. The design will incorporate guidelines and requirements provided in the SPS Educational Specifications and School Design Advisory Team Process (SDAT) where attention is on the learner centered environment, personalizing the environment, program adaptability, community connections, safety, and collaboration.

**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: \_\_\_\_\_

**10. POLICY IMPLICATION**

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 January 19, 2017. The Committee moved the item forward to the full Board with a recommendation for approval.

**12. TIMELINE FOR IMPLEMENTATION**

Upon approval of this motion, a Notice to Proceed will be issued to the selected GC/CM.

Timeline Summary:

CPARB Project Review Committee Approval to Utilize GC/CM	September 2016
Advertisement for GC/CM Firms	September 2016
Selection of GC/CM Firm	November 2016
Schematic Design	Nov – March 2017