



SCHOOL BOARD ACTION REPORT

DATE: May 7, 2021
FROM: Dr. Brent Jones, Interim Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
206-252-0102, fhpodesta@seattleschools.org

For Introduction: June 23, 2021
For Action: July 7, 2021

1. TITLE

BTA IV: Resolution 2020/21-27, Final Acceptance of Contract K5078 with FORMA Construction Company and Approval of Budget Transfer for the Magnolia Elementary School Renovation and Addition project

2. PURPOSE

The purpose of this action is to approve final acceptance of Contract K5078 with FORMA Construction Company for the Magnolia Elementary School Renovation and Addition project and to approve Resolution 2020/21-27 to receive State Construction Assistance Program funding (SCAP) for the Magnolia Elementary School Renovation and Addition 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.

In addition, the purpose of this action will provide authorization for the Superintendent to approve a one-time fund transfer in the amount of \$725,000 from the Building, Technology and Academics/Athletics IV (BTA IV) Capital Levy Program Contingency.

3. RECOMMENDED MOTION

I move that the School Board adopt Resolution 2020/21-27 and accept the work performed under Contract K5078 with FORMA Construction Company as final and approve the transfer in the amount of \$725,000 from the Building, Technology and Academics/Athletics IV (BTA IV) Capital Levy Program Contingency for the Magnolia Elementary School Renovation and Addition project.

4. BACKGROUND INFORMATION

a. Background

The Magnolia Elementary School Renovation and Addition project is located at 2418 28th Avenue West, Seattle, WA 98112. The project was funded through the Building, Technology, and Academics/Athletics IV (BTA IV) Capital Levy Distressed Schools Grant and the School Construction Assistance Program (SCAP) Funding and provides an additional 25,873 square-feet of capacity space.

In 2015, the Enrollment Planning section of the Capital Projects and Planning department identified a need for additional capacity in the Magnolia/Queen Anne community. They recommended that Magnolia Elementary School be renovated, enlarged, and re-opened to meet projected capacity needs. The project scope included complete renovation and modernization of the historically landmarked building and site, adding four classrooms and a Gymnasium, upgrades to mechanical and electrical systems, seismic improvements, site improvements, street frontage improvements, and demolition of existing portables.

The Magnolia Elementary School Renovation and Addition project was publicly bid on October 25, 2017 with a total of three bids being received. FORMA Construction Company was the low responsive, responsible bidder. The consulting architect, Mahlum Architects, recommended acceptance of the bid.

FORMA Construction Company has successfully completed the contract work and the consulting architect, Mahlum Architects, agrees and recommends final acceptance of the project. The construction project had an average apprenticeship utilization rate of 15%. The Magnolia Elementary School Renovation and Addition project was completed over budget by \$723,988, or 3%, with funds from the BTA IV Capital Levy and totaled \$40,320,481. Cost overruns were due primarily to unforeseen conditions being that the project included the historic renovation and modernization of a long-closed school site. Additional cost impacts also came from design errors/omissions, owner-directed changes, regulatory agency-required changes, and consultant contract modifications.

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, dated August 2014
- Coordination meetings with district facilities and other stakeholders throughout the design process.
- Seattle Public Schools Technical Building Standards dated December 2012

5. FISCAL IMPACT/REVENUE SOURCE

All payments have been made to the contract from the \$475.3 million BTA IV Capital Levy funds, Distressed Schools Grant and the School Construction Assistance Program (SCAP) Funding. No outstanding invoices remain.

During the course of the project, 22 Change Orders were issued, comprised of 143 Change Order Proposals or Construction Change Directives. Change Orders totaled \$2,868,952, plus Washington State sales tax (WSST). Change Order expenditures totaled 11% of the construction contract amount with the most significant expenditures associated with adding two learning commons spaces in the historic building to improve the learning environment as well as unforeseen conditions such as additional asbestos material needing abatement, unstable soil

conditions needing remediation and the waterproofing of a below-grade mechanical room. Change orders were reasonable for a renovation project involving a historic landmark building.

Contractor:	FORMA Construction Company
Contract Amount	\$26,217,500
Change Orders	\$2,868,952
WSST	<u>\$2,937,732</u>
Total Contract including WSST	\$32,024,184
Project Retention	\$1,227,404

The total project budget, of which the construction contract is one part, is \$39,596,493. To support acceptance of the contract as final under this motion, \$725,000 would be transferred from the BTA IV Program Contingency. The overall project budget is adjusted as shown below:

Project Budget:	
BTA IV Original Project Budget	\$39,596,493
BTA IV Program Contingency Transfer	\$725,000
Adjusted Total Project Budget	\$40,321,493

Director of Accounting, Amy Fleming, confirmed budget details on May 18, 2021 (via email)

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

The selection of capital levy projects in the BTA IV program was completed in 2016. Projects selected for the BTA IV capital levy were intended to address student capacity needs and inadequate building systems in school facilities across the city. As such, this motion was not put through the equity analysis as it would have been done for the district's current capital planning efforts.

The project was submitted to the State of Washington for Distressed School Grant consideration as Magnolia School required extensive modernization and expansion to reopen and to provide needed enrollment capacity in the Magnolia and Queen Anne neighborhoods.

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 \$5 million (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: In accordance with [WAC 392-344-160](#) board approval of final acceptance is required to complete the Office of Superintendent of Public Instruction Form D-11 Application to Release Project Retainage.

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.

Board Policy No. 6000, Program Planning, Budget Preparation, Adoption, and Implementation, item number D, provides that “Funds may be transferred from one budget classification to another subject to such restrictions as may be imposed by the Board.” While this budget transfer does not require Board approval under Board Policy No. 6000, Board approval for this budget transfer is being requested for transparency.

The district has had a practice of seeking Board approval for capital project budget transfers exceeding the contract threshold identified in Board Policy No. 6220, Procurement. This practice was discussed with the Operations Committee on May 6, 2021, given recent changes to the approval thresholds under Policy No. 6220. The Operations Committee provided feedback that transfers should be reviewed by the Board when the amount exceeds \$500,000, consistent with the threshold for Board approval of any changes or amendments to contracts.

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

Acceptance of completed project by School Board
Release of retainage
Contractor's one-year warranty period ended

July 7, 2021
September 2021
May 31, 2020

13. ATTACHMENTS

- Resolution 2020/21-27 (for approval)
- Architect's Letter of Recommendation (for reference)

**Seattle School District #1
Board Resolution**

Resolution No. 2020/21 – 27



A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Seattle, Washington certifying the Magnolia Elementary School Renovation and Addition project as complete.

WHEREAS, the Seattle School District No. 1 Board of Directors has received notification from Mahlum Architects that the Magnolia Elementary School Renovation and Addition project is complete in accordance with contract specifications and documents; and

WHEREAS, the Superintendent concurs that the contractor has satisfactorily completed the project;

NOW THEREFORE, BE IT

RESOLVED, by the Seattle School Board of Directors that the work of the contractor, FORMA Construction Company is now complete; and therefore be it further

RESOLVED, that duly certified copies of this resolution shall be presented to OSPI.

ADOPTED this 7th day of July, 2021

Chandra N. Hampson, President

Brandon K. Hersey, Vice President

Lisa Rivera-Smith, Member-at-Large

Zachary DeWolf

Erin Dury

Leslie S. Harris

Liza Rankin

ATTEST: _____
Dr. Brent C. Jones, Interim Superintendent
Secretary, Board of Directors
Seattle School District No. 1
King County, WA



23 April 2021

Denise Juneau
Superintendent
Seattle Public Schools No. 1
2445 3rd Ave. S
Seattle, Washington 98134

RE: Seattle Public Schools – Magnolia Elementary School Modernization and Addition – 2015916.00
Subject: Architect's Certification of Completion

Dear Superintendent Juneau,

Mahlum Architects has reviewed the project documents and completed a final walk-through. To the best of our knowledge, the work has been completed per plans and specifications.

At this time, we recommend final acceptance of this project as complete.

The scope of work encompassed the modernization of Magnolia Elementary School classrooms and cafeteria, and new construction of classrooms, library and gymnasium, in addition to related site work. The project included state-eligible square footage of New-in Lieu construction of 5,075 sf and Modernization of 39,102 sf. The project also included 20,323 sf of ineligible square footage.

We would like to take the opportunity to thank Seattle Public Schools for the opportunity to work with you on this project.

Best regards,

A handwritten signature in black ink, appearing to read "DMT".

David Mount AIA
Partner, Mahlum Architects

CC Jeanette Imanishi RA, Senior Project Manager, Capital Projects & Planning, Seattle Public Schools