



SCHOOL BOARD ACTION REPORT

DATE: 5/3/19
FROM: Denise Juneau, Superintendent
LEAD STAFF: Fred Podesta, Chief Operations Officer
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For Introduction: May 29, 2019
For Action: June 12, 2019

1. TITLE

BTA IV: Approval of two actions related to the Webster School Modernization and Addition project

2. PURPOSE

The purpose of this Board Action would approve the following items related to the Webster School Modernization and Addition project as follows:

- a. Allow transfer of \$2,100,000 from BTA IV Program Contingency to the Webster School Modernization and Addition project. Additional funding for this increase will come from the project budget.
- b. Authorize the Superintendent to execute the Guaranteed Maximum Price amendment for contract K5073 with BNBuilders for an amount not to exceed \$26,240,507.

3. RECOMMENDED MOTION

I move that the School Board:

- a. Approve the one-time transfer of \$2,100,000 from BTA IV Program Contingency to the Webster School Modernization and Addition project; and
- b. Authorize the Superintendent to execute the Guaranteed Maximum Price (GMP) amendment for contract K5073 with BNBuilders in the amount of \$26,240,507 with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract amendment.

4. BACKGROUND INFORMATION

- a. **Background:** The District was authorized by the state Project Review Committee (PRC), under state statute RCW 39.10, and authorized by the School Board on February 15, 2017, to utilize the General Contractor/ Construction Manager (GC/CM) delivery methodology for this project.

The GC/CM method allows the District to select a general contractor based upon qualifications and other factors; as a result, BNBuilders joined the project team during the early phases of design to provide construction expertise and planning. The Guaranteed

Maximum Price established by the District during the design phase was \$18,144,858. This amount was determined as it was consistent with the BTA IV capital levy. This amount was approved by the School Board on February 15, 2017.

On April 4, 2018, the Board authorized the Superintendent to increase the total project budget for Webster School Modernization and Addition from \$31,737,094 to \$37,737,094. That authorization by the Board also included executing an amendment to the GC/CM contract to increase the Guaranteed Maximum Price by an amount up to \$23,900,000.

The BTA IV capital levy included re-opening the existing landmarked 1908 Webster School building as an elementary school. Webster School closed in 1979 and was then leased to the Nordic Heritage Museum. The Nordic Heritage Museum relocated to their new facility Fall 2017, vacating the Webster School building.

The proposed design for the Webster School Modernization and Addition project provides 17 general education classrooms, two special education classrooms, an art/science classroom, a music platform, library, gymnasium addition and administration area. The May 2016 edition of the Elementary School Educational Specifications was utilized as a guiding document for the design of the remodeled building.

The 1908 Webster School is constructed of unreinforced masonry and requires extensive seismic upgrades including micro piles under shear walls, brace frames and wood diaphragm sheathing at all floors and the roof to meet current seismic code. The work is very difficult to complete within an historical structure where stairwells, hallways and gathering rooms are required to retain their original appearance.

In addition, the building has many different floor levels, which made compliance with the Americans with Disabilities Act and State of Washington Barrier Free requirements difficult and necessitated the installation of a multi-stop elevator.

Lastly, the building design includes energy conservation measures such as high efficiency boilers for hot water heating, added building insulation, mechanical heat recovery, light-emitting diode (LED) lighting and metering of power outlets. These proposed building improvements increase initial construction costs but will lower annual operating costs.

Increased costs are a result of:

- identified seismic, accessibility and energy improvements required in a historic, landmarked facility;
- upward trend of construction costs in the Seattle area;
- lack of available subcontractors to bid various bid packages (over 60% of the bid packages were rebid to allow for greater outreach and scope revisions to reduce project costs);

Capital Projects and Planning staff worked extensively with the design and construction teams to explore different, cost-effective solutions for identified construction issues.

The rationale for the budget transfer and contract modification request was reviewed with the BEX/BTA Oversight Committee at their meeting on Friday, April 12, 2019. The current construction contract amount is \$23,728,000. Additional funding will come from the BTA IV Program Contingency and from the project budget.

In addition, BNBuilders has included in the revised GMP a fee reduction and credited Pre-Construction services of approximately \$300,000.

This motion also requests approval to execute the GMP amendment to contract K5073 with BNBuilders.

b. Alternatives

Deny Motion. If motion is denied, the district as a public agency will be required to procure a general contractor for project construction utilizing design/bid/build procurement delivery (advertised lowest price bidding). The benefits described in section 4.a. above would not be available to this project. Additional costs will be incurred to advertise for lowest price bidding. Results of lowest bids could be less or more than the proposed TCC. Other risks to the District could include possible additional escalation, labor shortages, restructuring bid documents and challenges associated with a saturated construction market.

If motion is denied, this will have a schedule impact on the completion of Webster School. The completion of Webster School is currently scheduled for opening Fall 2020.

c. Research

BEX Oversight Committee, April 12, 2019.

RCW 39.10 - ALTERNATIVE PUBLIC WORKS CONTRACTING PROCEDURES

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$2,100,000.

The revenue source for this motion is Building, Technology & Academics (BTA) IV Program Contingency.

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. The Preliminary Environmental Impact Statement (PEIS) for the BTA IV program included a public comment period from May 19, 2016 to June 24, 2016. Additionally, the SEPA Environmental Checklist process included a public comment period from August 21 to September 21, 2017, where fifty five (55) individual comment letters and postcards were received.

7. **EQUITY ANALYSIS**

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

8. **STUDENT BENEFIT**

The Webster School Modernization and Addition project will further address the student capacity needs in the Northwest region of the District and specifically provide overcrowding relief for Adams Elementary School. The project will also create an exceptional high performing educational facility meeting the District Educational Specifications and goals.

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

Other: _____

10. **POLICY IMPLICATION**

This Board Action requests a funding transfer from the BTA IV Program Contingency to the Webster School Modernization and Addition project budget. Per School Board Policy No. 6000 Program Planning, Budget Preparation, Adoption, and Implementation, within the section on

Budget Implementation, “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 16, 2019. The Committee reviewed the item and moved it 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 the construction of Webster School in conformance with the District Educational Specifications and the Superintendent will sign and execute the contract amendment.

Timeline Summary:

Construction Documents: April -August 2018

Permitting/Biding: August 2018 – March 2019

Negotiation of Maximum Allowable Construction Cost (MACC): April 2019

Superintendent to Execute GC/CM GMP Amendment: June 2019

Webster School Opens: September 2020

13. ATTACHMENTS

- AIA Document A133 – Contract Amendment (for approval)



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For questions and more information about this document, please contact the following:

Kristi Jones
Project Assistant Capital Projects
krjones@seattleschools.org

AIA Document A133 – 2009 Exhibit A for the Modernization and Addition at Webster School.



AIA® Document A133™ – 2009 Exhibit A

Guaranteed Maximum Price Amendment

for the following PROJECT:

(Name and address or location)

Modernization and Addition at Webster School

3014 NW 67th Street

Seattle, Washington 98117

THE OWNER:

(Name, legal status and address)

Seattle School District No. 1

2445 3rd Avenue South

Seattle, Washington 98124

THE CONSTRUCTION MANAGER:

(Name, legal status and address)

BNBuilders, Inc.

2601 4th Avenue, Suite 350

Seattle, Washington 98121

ARTICLE A.1

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 2.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of this Agreement.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed (\$—), Twenty-Six Million Two Hundred Forty Thousand Five Hundred Seven Dollars (\$26,240,507.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 **Itemized Statement of the Guaranteed Maximum Price.** Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, allowances, contingencies, alternates, the Construction Manager's Fee, and other items that comprise the Guaranteed Maximum Price.
(Provide below or reference an attachment.)

See Attachment 1: May 3, 2019 Reconciled Bid Plan Analysis; Tab 1, page 3 of 35.

§ A.1.1.3 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If the Contract Documents permit the Owner to accept other alternates subsequent to the execution of this Amendment, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

See Attachment 1: May 3, 2019 Qualifications & Exclusions; Tab 3, page 13 of 35.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

Init.

§ A.1.1.4 Allowances included in the Guaranteed Maximum Price, if any:
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price (\$0.00)
See Attachment 1: May 3, 2019 Qualifications & Exclusions; Tab 3, page 14 of 35.	

§ A.1.1.5 Assumptions, if any, on which the Guaranteed Maximum Price is based:

See Attachment 1: May 3, 2019 Qualifications & Exclusions; Tab 3, page 14 of 35.

§ A.1.1.6 The Guaranteed Maximum Price is based upon the following Supplementary and other Conditions of the Contract:

See Attachment 1: May 3, 2019 Project Document List; Tab 5, page 22 of 35.

Document	Title	Date	Pages
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§ A.1.1.7 The Guaranteed Maximum Price is based upon the following Specifications:
(Either list the Specifications here, or refer to an exhibit attached to this Agreement.)

See Attachment 1: May 3, 2019 Project Document List; Tab 5, page 29 of 35.

Section	Title	Date	Pages
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§ A.1.1.8 The Guaranteed Maximum Price is based upon the following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Agreement.)

See Attachment 1: May 3, 2019 Project Document List; Tab 5, page 22 of 35.

Number	Title	Date
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§ A.1.1.9 The Guaranteed Maximum Price is based upon the following other documents and information:
(List any other documents or information here, or refer to an exhibit attached to this Agreement.)

N/A

ARTICLE A.2

§ A.2.1 The ~~anticipated~~ required date of Substantial Completion established by this Amendment:

The Construction Manager shall achieve Substantial Completion of all of the Work not later than July 31, 2020.

§ A.2.2 Liquidated Damages and Time.

If the Construction Manager fails to achieve Substantial Completion by the scheduled Substantial Completion date, the Owner will sustain significant damage and loss as a result of such failure. The exact amount of such damages will be difficult to ascertain, therefore, the Owner and the Construction Manager agree as follows:

If the Construction Manager fails to achieve Substantial Completion by the scheduled Substantial Completion date, and as otherwise required by the Contract Documents, the Owner shall be entitled to retain or recover from the Construction Manager, as liquidated damages and not as a penalty, Two Thousand Dollars (\$2,000) per calendar day commencing upon the first day following the required Substantial Completion date and continuing until the actual date of Substantial Completion. Such liquidated damages are hereby agreed to be a reasonable pre-estimate of damages the Owner will incur as a result of delayed completion of the Work. The liquidated damages shall be Owner's sole and exclusive remedy for delay.

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OWNER (Signature)

CONSTRUCTION MANAGER (Signature)

(Printed name and title)

(Printed name and title)

Dated this _____ day of May, 2019



Init.

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Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Graehm Wallace, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with this certification at 14:47:35 ET on 05/06/2019 under Order No. 0158163641 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A133™ – 2009 Exhibit A, Guaranteed Maximum Price Amendment, as published by the AIA in its software, other than changes shown in the attached final document by underscoring added text and striking over deleted text.

(Signed)

(Title)

(Dated)