



SCHOOL BOARD ACTION REPORT

DATE: March 15, 2018
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent, Facilities and Operations
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For Introduction: March 21, 2018
For Action: April 4, 2018

1. TITLE

BTA IV: Approval of the Project Budget Increase, Modification to the Architectural and Engineering Services (A/E) Contract P1416 with TCF Architecture, and Amendment to the General Contractor/Construction Manager Services (GC/CM) Contract K5073 with BNBuilders for the Webster School Modernization and Addition project

2. PURPOSE

This motion would approve a transfer of funds from the Buildings, Technology and Academics/Athletics (BTA) IV Capital Levy Program Contingency to the BTA IV Webster School Modernization and Addition project budget. In addition, this motion would authorize the Superintendent to execute a contract modification with TCF Architecture for additional design and construction administration fees, and a contract amendment with BNBuilders for an increase to the Guaranteed Maximum Price (GMP).

3. RECOMMENDED MOTION

(1) I move that the School Board approve a one-time fund transfer from the BTA IV Program Contingency to the Webster School Modernization and Addition project budget in the amount of \$6.0 million dollars;

(2) I also move that the School Board authorize the Superintendent to execute a modification to contract P1416 with TCF Architecture in the amount of \$643,567 for additional design and construction costs for the Webster 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; and

(3) I further move that the School Board authorize the Superintendent to execute an amendment to the General Contractor/Construction Manager (GC/CM) contract K5073 with BNBuilders for the Webster School Modernization and Addition project to set the Guaranteed Maximum Price (GMP) as defined by RCW 39.10.370 at an amount not to exceed \$23,900,000.

4. BACKGROUND INFORMATION

a. Background

The BTA IV capital levy plan included re-opening the Webster building as an

elementary school. Webster School closed in 1979 and was then leased to the Nordic Heritage Museum. The Museum has now built a new facility and therefore is vacating Webster School. The proposed design for the Webster Modernization and Addition project provides 17 General Education Classrooms, two Special Education Classrooms, an Art/Science Classroom and a Music Platform. The May 2016 edition of the Elementary School Educational Specifications was utilized as a guiding document for the design of the remodeled building. Consequently, it became apparent during the schematic design phase for the Webster building that more extensive remodeling than initially anticipated is necessary to make the building conform to the educational specifications. The additional funding requested will enable the school district to provide students and staff with an up-to-date learning and teaching environment as defined by the educational specifications.

The 1908 Webster School is constructed of unreinforced masonry, which requires extensive seismic upgrades including braced frames, 20-foot-long micro piles under shear walls, and wood diaphragm sheathing at all floors and roof. This is very difficult work to complete within a historical structure where stairwells, hallways and gathering rooms need to retain their original appearance. Since the leasing of the building in 1980 no facilities condition assessments were conducted. The building has many different floor levels, which required creative ways to ensure accessible circulation meets ADA (Americans with Disabilities Act) requirements including a new multi-stop elevator. Additionally, the building design includes energy conservation measures such as high efficiency boilers for hot water heating, added building insulation, mechanical heat recovery, LED (light-emitting diode) lighting and metering of power outlets. These proposed building improvements increase initial construction costs but will lower annual operating costs.

The rationale for the budget transfer and contract modification request includes additional scope of work resulting from:

- an increase in the Maximum Allowable Construction Cost (MACC). After Schematic Design, it was determined that the budget needed to be increased to more fully modernize the existing building and construct a new gymnasium;
- upward trend of construction costs in the Seattle area has a significant impact on square footage costs for K-12 projects;
- the existing unreinforced masonry building requires extensive seismic and energy improvements while protecting landmarked features;
- envelope repairs required (new windows, new roof, masonry tuck-pointing and cornice repairs) while protecting landmarked features;
- adding a multi-stop elevator to improve overall accessibility of this multi-level building; and
- adjustments to the Architect's design costs, taxes due to increases, permit fees and construction contingency.

This motion requests the transfer of funds from the BTA IV Program Contingency budget to the Webster School project budget. The amount of the transfer request was calculated by subtracting the budget of \$31,737,094 at the time of the levy planning from the estimated budget provided at the completion of value engineering efforts at the end of the schematic design phase totaling \$37,737,094. Because the architect's design and construction administration fee is based upon a percentage of the Maximum Allowable Construction Cost (MACC), the architect's design and construction administration fee also needs to be increased. The architect's fee adjustment for the MACC increase is \$643,567 when added to the existing contract amount of \$3,025,924.00 totals to a new contract amount of \$3,669,491.00. Due to the increase in the construction costs for the project, an amendment to the GC/CM contractor's contract is required to change the Guaranteed Maximum Price (GMP) from \$18,144,858.00 to an amount not to exceed \$23,900,000.

b. Alternatives

Deny Motion. If motion is denied, not funding the adjustment of the project budget would negatively impact project success in meeting District Educational Specifications and operational goals. To remain within the project budget and on the project schedule the District would not build the gymnasium.

c. Research

- Elementary School Educational Specifications, May 31, 2016
- Technical Building Standards, December 2012

5. FISCAL IMPACT/REVENUE SOURCE

The fiscal impact to this motion has three parts:

1. Transfer of \$6 million dollars from the BTA IV Program Contingency to the Webster School Modernization and Addition project budget; and
2. Increase Contract P1416 with TCF Architecture for additional design and construction administration fees in the amount of \$643,567. Funding for the design fee increase is included in the increased project budget.
3. Increase Contract K5073 with BNBuilders for a Guaranteed Maximum Price (GMP) not to exceed \$23,900,000. Funding for the Guaranteed Maximum Price (GMP) increase is included in the increased project budget.

The revenue source for this motion is the BTA IV Program Contingency.

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. In accordance with WAC 392-343-405 and WAC 392-343-410, Webster School is not eligible for state funding until it reopens and becomes part of the instructional space inventory.

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

This action will benefit students by providing the necessary funding to design and construct a school facility that meets current educational specifications and operational 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 Policy
- 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, 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 March 8, 2018. The Committee reviewed the item and moved it forward to the full Board for consideration.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the District will be able to proceed with design of Webster School in conformance with the District Educational Specifications and the Superintendent will sign and execute the contract amendments.

Timeline Summary:

Construction Documents: April -August 2018

Permitting: April – December 2018

Negotiation of Maximum Allowable Construction Cost (MACC): November 2018

Superintendent to execute GC/CM GMP Amendment: January 2019

Webster School Opens: September 2020

13. ATTACHMENTS

- None