

Board Meeting of
April 17, 2012

TO: Board of Education

FROM: Constance Hubbard
Superintendent of Schools

David Burke
Program Manager,
Seismic Safety Bond Program

SUBJECT: **APPROVE INCREASE IN GUARANTEED MAXIMUM PRICE FOR
BEACH ELEMENTARY SCHOOL SEISMIC RENOVATION PROJECT
BY \$868,524, FROM \$7,295,176 TO \$8,163,700**

I. SUPPORT INFORMATION

At the June 8, 2011 Board meeting, the Board approved a Lease-Leaseback contract with Cahill Contractors, Inc. (Cahill) for the seismic renovation of Beach Elementary School for a Guaranteed Maximum Price (GMP) of \$7,258,865.

As anticipated, there have been a variety of unforeseen conditions (such as dry rot), and site conditions that varied from what was shown on the construction documents (such as footings from the original school that had to be excavated from underground). In addition, the District has added to the original project scope (for example, replacing the water main and Linda Avenue retaining wall).

On March 28, 2012, the Board approved the first of two anticipated increases in the GMP to cover this unforeseen and additional work. That first increase raised the GMP by \$36,311, from \$7,258,865 to \$7,295,176. (For more information on the first increase, please refer to the minutes and support materials for the March 28, 2012 Board meeting.)

At the March 28th meeting, the Board anticipated that there would be at least one additional request to increase the GMP, to cover further scope changes primarily relating to treatment of substandard soil, installation of new storm water filtration systems, resurfacing the play area, and parent-requested enhancements to the Beach project. As with the Havens and Wildwood projects, Beach parents are raising funds to pay for these enhancements that are nonetheless part of the GMP.

These increases to the GMP are being presented to the Board in phases for two reasons. First, negotiations between the District's Construction Manager and Cahill concerning the additional work are ongoing, and only those items that have been fully negotiated can be presented to the Board for approval. Second, some items must be considered by the Board by a date certain to avoid delays in the overall construction schedule. For this reason, the first increase to the GMP was presented

to the Board in March, so that replacement of the Linda Avenue retaining wall and construction of the garden retaining wall would remain on schedule.

The second proposed increase to the GMP is presented now, rather than delayed until all remaining items have been fully negotiated, so that the site work (including soil treatment, filter installation, resurfacing, and landscaping) can be completed for the 2012/13 school year. Cahill is waiting for this approval to sign contracts with its subcontractors, and to order long lead-time materials, such as the rubberized playground surface. There will be one more proposal to increase the GMP later this Spring, concerning items not yet fully negotiated.

Please note that, if this increase is approved, the GMP would be \$8,163,700. As the total construction budget for the Beach project (as of December 14, 2011) is \$8,174,588, the project would remain on budget. Although there will be one more proposal to increase the GMP later this Spring, the cost of that final increase will be offset by the private fundraising now underway by the Beach parents.

II. **RECOMMENDATION: REVIEW AND ACTION**

Approve an increase in the GMP for the Beach Elementary School Seismic Renovation Project by \$868,524, from \$7,295,176 to \$8,163,700.