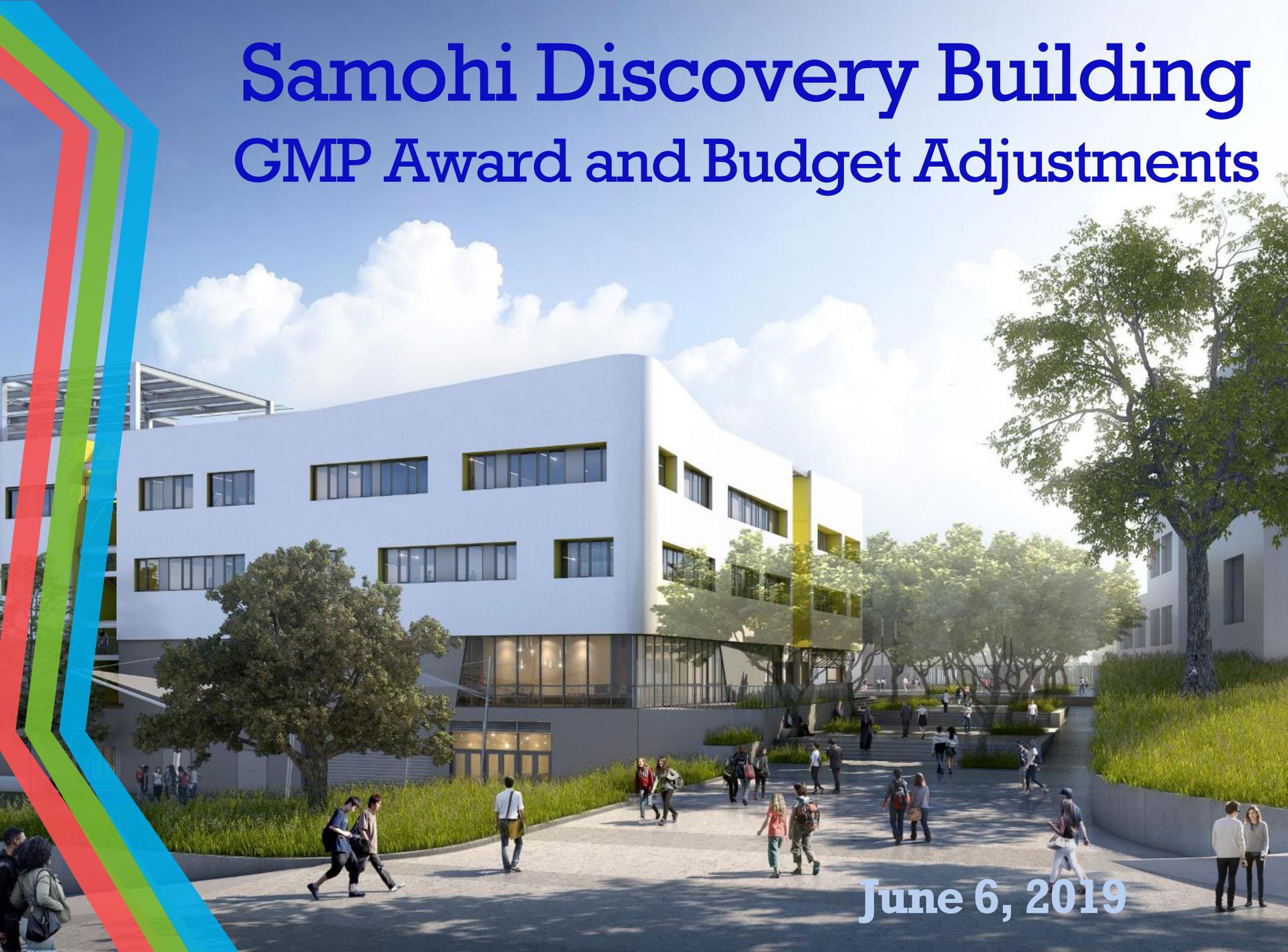


Samohi Discovery Building

GMP Award and Budget Adjustments



June 6, 2019



Introduction

- Discovery Building Lease-Leaseback Guaranteed Maximum Price Amendment
 - Construction Cost is Higher than Anticipated
 - Value Engineering Options to Reduce Cost
- Discovery Building Project Budget Adjustment and Increase
- Measure ES - Samohi Allocation Budget Adjustment and Increase

Future View 7th & Michigan



Current View 7th & Michigan





Current Project Status

- Interim Housing Complete and In Use
- Science and Tech Demo and Abatement Complete
- Olympic Spur Nearly Complete/Partially Occupied
- Discovery Building Preliminary Services Underway
 - Shoring Complete
 - Excavation and Export Complete
 - Fine Grading Complete
- GMP Development Complete
- Rebar and Structural Steel Submittals Underway
- DSA Approval Anticipated June 11, 2019
- Construction will Commence Immediately after DSA Approval



Project Evolution

Certain Project Elements have been Revised from Adopted Samohi Campus Plan:

- Single Phase in lieu of Two Phases
- Single Building in lieu of Two Buildings
- Pool will be North of Building by Olympic, not Below Building
- Sustainability Measures Incorporated
 - *Photovoltaic Panels*
 - *Solar Thermal Panels*
 - *Displacement Ventilation*
 - *Stormwater Detention/Infiltration*
 - *Daylight Maximization*
 - *Waste Reduction (Operational and Construction)*
- Rooftop Classroom Added
- Site Area Increased
- Additional Project Elements Added and Budget Increased to \$172M by Board Action in August 2017
 - *Additional Level of Parking*
 - *Conxtech Moment Frame Steel Structure*
 - *Increase Pool to Olympic-Sized (50m)*
 - *Added Pool Shade Structure*
 - *Revised Ventilation System*



GMP Proposal

- The proposed construction cost is approximately \$139.3M, which is approximately \$529/sf.
- Several factors contribute to the proposal in excess of the budget estimate:
 - Changes in steel and material costs, largely related to tariffs
 - Higher than anticipated escalation, 8%/yr vs 5%/yr, over 2 years
 - Very competitive market conditions/limited bidders
- There are recommended Value Engineering options which will decrease costs by approximately \$5.5M resulting in a GMP of approximately \$133.8M.
- Further Value Engineering options of \$1.54M are not recommended.

Value Engineering

- VE with minimal/no impact to project:

	Value Engineering		Budget Option
1	Site Utilities	Drainage modifications	\$ (31,000)
2	Landscape	Irrigation and landscape materials	\$ (15,700)
3	Trees	Using trees from Branching Out Nursery	\$ (57,500)
4	Hardscape	Bench design	\$ (48,000)
5	Parking	Eliminate traffic coating in structure	\$ (510,000)
6	Waterproof	Product changes	\$ (55,000)
7	Insulation	Fiberglass in lieu of mineral wool	\$ (320,000)
8	Doors	Modify specs	\$ (5,700)
9	Plaster	Revised plaster requirements	\$ (190,800)
10	Acoustical Ceilings	Alternative products	\$ (358,000)
11	Paint	Revised paint requirements and areas	\$ (67,868)
12	Toilet Accessories	Alternative partition product	\$ (25,000)
13	HVAC - Duct Cleaning	Omit duct cleaning requirement	\$ (174,000)
14	Electrical	Change fire alarm system	\$ (200,000)
15	Floor finishes	Revised cafeteria floor finish	\$ (289,335)
			\$ (2,347,903)
		Contractor Mark-up - 7.55%	\$ (177,267)
			\$ (2,525,170)

View From 6th and Olympic





Value Engineering

■ VE with significant impact to project:

- Reduce pool size, saving \$1,100,000
 - *Not recommended due to strong desire for 50m pool.*
- Eliminate Solar Photovoltaic Panels, saving \$440,000
 - *Not recommended due to anticipated loss of \$65,000/year savings from the 433,000kWh of power generated by the system.*
- Omit Pool Shade Structure, saving \$2,300,000
 - *Shade structure is a very visible aesthetic element of overall project, which provides pool and deck shading and may reduce water polo issues that come from only a portion of the pool being shaded by the building itself. SMFDAC prefers keeping the Pool Shade Structure.*
 - *Accepting only this option would install the foundations for potential future installation of the Pool Shade Structure.*
- Eliminate Shade Structure Foundations, saving \$700,000
 - *This option is only available if the Pool Shade Structure is omitted.*
 - *If the District desires the ability to install the omitted Pool Shade Structure at a future date, this option should not be accepted.*
- Eliminate Rooftop Classroom, not priced
 - *This option is not recommended, and was not pursued, as it would reduce available learning areas, require significant redesign of the building, and impact the installation of solar photovoltaic cells.*



Award of GMP

■ Options:

- Reject all VE, resulting in Amendment of \$136,512,285 and GMP of \$139,308,921.
- Accept minor/no impact VE of \$2,525,170, and eliminate Pool Shade Structure and Foundations (\$3M), resulting in an Amendment of \$130,987,115 and GMP of \$133,783,751. (*recommended action*)
- Accept only minor/no impact VE of \$2,525,170, reject all remaining optional VE with significant impact to project, resulting in an Amendment of \$133,987,115 and GMP of \$136,783,751.
- Additional Optional VE (not recommended):
 - *Reduce Pool from 50m to 25m, saving \$1,100,000*
 - *Eliminate Solar PV Panels, saving \$440,000*
 - *Eliminate Rooftop Classroom, not priced*



Discovery Building Project Budget Discussion

- The previously established project budget was \$172M, with \$111.5M as the construction cost budget, which required \$50M COPs.
- Various changes resulted in a revised construction cost budget of \$117.5M
- The proposed construction cost is approximately \$139.3M, approximately \$529/sf.
- There are recommended Value Engineering options which will decrease costs by approximately \$5.5M to \$133.8M.
- Recommended GMP is approximately \$16.3M over the revised anticipated construction cost budget and \$22.3M over original construction cost budget.
- Certain savings and adjustments have been realized, reducing the Discovery Building Project Budget increase from \$22.3M.
- The revised project budget would be approximately \$185M, an increase of \$13M over the previously approved budget.

Measure ES - Samohi Allocation Budget Discussion

DRAFT Preliminary Working Budget - Measure ES				
Samohi Allocation	\$ 180,000,000			
	Previous Budget	Proposed Change	May 2019 Forecast	Notes:
Samohi Campus Plan	\$ 3,000,000	\$ 1,500,000	\$ 4,500,000	Increased \$1.5M from Contingency.
Samohi Construction				
Interim Repair/Upgrade Projects	\$ 2,500,000	\$ -	\$ 2,500,000	No change.
Interim Softball Field	\$ 4,000,000	\$ 500,000	\$ 4,500,000	Increased \$500k from Contingency.
Barnum Hall Repairs and Upgrades	\$ 1,000,000		\$ 1,000,000	No change.
Discovery Building	\$ 172,000,000	\$ 13,000,000	\$ 185,000,000	Increased \$13M to account for increased project cost. \$1.5M from Solar, \$3M from Contingency, 1.5M from BB Shortfall, \$4M from Phase 3 Design, and \$3M from SMS.
HVAC & Electrical	\$ 4,000,000	\$ 4,000,000	\$ 8,000,000	Increased \$4M from Contingency.
Samohi Centralized Costs	\$ 8,000,000	\$ -	\$ 8,000,000	No change.
Solar Project / Alternative Energy	\$ 3,000,000	\$ (1,500,000)	\$ 1,500,000	Reduced \$1.5M, transfer to Discovery.
Contingency (10% of Allocation)	\$ 18,000,000	\$ (9,000,000)	\$ 9,000,000	Reduced \$9M (5%), transfer \$4M to HVAC, \$500k to Softball, \$1.5M to Samohi Campus Plan, \$3M to Discovery.
BB Shortfalls	\$ 10,500,000	\$ (1,500,000)	\$ 9,000,000	Reduced \$1.5M, transfer to Discovery.
Phase 3 Design	\$ 4,000,000	\$ (4,000,000)		Design moved to SMS, transfer \$4M to Discovery.
Total ES Samohi Projected Budget	\$ 230,000,000	\$ 3,000,000	\$ 233,000,000	
Budget Remaining	\$ (50,000,000)	\$ (3,000,000)	\$ (53,000,000)	Additional \$3M from SMS.



Staff Recommendation

1. Approve an Adjustment of and Increase to the Measure ES – Samohi Allocation Budget in the amount of \$3M from Measure SMS.
2. Approve Adjustment of and Increase to the Discovery Building Project Budget in the amount of \$13M from the revised Measure ES – Samohi Allocation Budget.
3. Approve an Amendment to the McCarthy Agreement, contingent on DSA permit issuance, in the amount of \$130,987,115, for a total GMP of \$133,783,751.

Questions and Answers

