



COPPELL
INDEPENDENT SCHOOL DISTRICT
Empowering Educational Excellence

Board Action Required ☒ X

No Action Required ☐

To: Coppell ISD Board of Trustees

From: Sid Grant

Date: March 20, 2018

cc: Brad Hunt, Kelly Penny, Louis Macias, and Larry Guerra

Re: Construction Manager at Risk Guaranteed Maximum Price for New Elementary School Construction in Valley Ranch

As part of 2016 bond election projects, the request to use the Construction Manager at Risk process, as allowed under Section 44.038 of the Texas Education Code for the bond funded construction and renovation projects, was approved by the Coppell ISD Board of Trustees on January 21, 2016.

Subsequently, the Board approved Northstar Builders Group, LLC as the Construction Manager at Risk (CM @ Risk) for the construction of the new elementary school to be located on the Coppell ISD 20 acre tract of land within Valley Ranch. Under the CM @ Risk purchasing method, we utilize the “cost plus fee with a Guaranteed Maximum Price (GMP)” method of pricing. That is, Section 44.038(b) of the Education Code provides that the CM @ Risk assumes the contractual risk for completion and delivery of the projects at or under the Guaranteed Maximum Price.

In February, 2018, Northstar Builders Group placed the construction of the actual building and all related structures out to bid. After careful review and analysis by Northstar Builders, Corgan, and CISD staff of approximately 230 bids received for all trades, a final bid tabulation was prepared including the sub-contractor prices, contingencies, contractor fee, insurance, and general conditions. We were very pleased with the large number of bids received and extreme interest in this construction project. **In this case, the GMP Northstar Builders has presented for this project is a total of \$29,551,178.** We have carefully reviewed all components of this number and concur with its accuracy.

The total budgeted cost in the 2016 bond election for the entire project was \$31,625,000. The total GMP for the building is \$29,551,178. The architectural and material testing will run approximately seven percent (7%) of the GMP, or about \$2,068,582. **Therefore, our new middle school project is slightly under budget by approximately \$5,240.** Additionally, the proposed GMP includes \$862,000 in contingency dollars that will only be spent if absolutely necessary. That is, the contingency dollars not spent during construction will not have to be paid as part of the GMP.

Now that the actual Guaranteed Maximum Price for the new elementary school construction has been determined and presented, it is necessary for the Board of Trustees to consider approval of this GMP, so that the construction contract between Coppell ISD and Northstar can be amended to include the total GMP for this portion of the project.

Recommendation:

That the Coppell ISD Board of Trustees approve at the March 26, 2018 Board meeting the amending of the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Guaranteed Maximum Price of \$29,551,178 as proposed by Northstar Builders Group, LLC for the new elementary school construction, and that Sid Grant be authorized to sign the necessary documents.