

****All reference to line numbers are referring to attached Overall Bond Budgets – SUMMARY SPREADSHEET, dated 3/19/2015**

Odessa High School Phase 4 GMP update: We have received the guaranteed maximum price (GMP) for the phase 4 of the Odessa High School Bond project (Kitchen and Main Building Renovations). We have reduced the original submitted GMP (***refer to attached GMP letter from Lee Lewis Construction, Inc. – LLCI, dated 2-8-2015***) and minimized the impact to the overall bond budget. Specifically, we achieved this reduction by concentrating our work on the following three areas:

1. **Utilization of School Nutrition fund balance overage(s):** As in previous projects, the School Nutrition Department has identified additional monies in their fund balance that need to be designated. Working in conjunction with our School Nutrition department, and the design and construction team we have identified all appropriate equipment within the project that can be funded in this way.
 - a. As shown on **Line 1F** on the overall Bond Budget, Summary worksheet, the kitchen equipment designated to be funded by the School Nutrition department fund balance overages equals **\$1,113,682**. This amount has been approved by the Texas Department of Agriculture (TDA) to be utilized for our project.
2. **Value Engineering:** We have been looking at all areas and determining wants from needs as well as looking at potential areas of savings that would not affect the overall scope and goals of the project.
 - a. The following construction components have been designated as areas of value engineering (refer to attached document titled “**Odessa High School Phase 4: Kitchen and Main Building Renovations**”, Pg. 2 of 2:)
 - b. TOTAL VALUE ENGINEERING PROPOSED = **\$134,129**. (Refer to **Line 1G**)
 - c. The final area of savings is the designation of a portion of the existing project contingency. As shown in **Line 1H**, the team is comfortable designating \$200,000 from this account for the following reasons:
 - i. The current utilization of the project contingency.
 - ii. The vast majority of material has been submitted and approved. This process typically could result in cost changes to the project.
 - iii. Majority of the site work is complete. This is the area of construction that can result in cost of work changes due to unforeseen underground utilities, weather delays, discrepancy in topography, etc.
 - iv. The majority of the construction will be contracted (only 1 phase remains of the OHS bond project).
 - v. A portion of the \$200,000 designation was due to technology redundancies.

- *With these changes, the total cost of the work for the final phase of the Permian High School bond project is the generic construction GMP of **\$3,162,016 (Line 1J)** plus the cost of kitchen equipment and associated construction of **\$1,100,000 (Line 1K - funding provided by School Nutrition fund balance overage)**, for a total project cost of **\$4,262,016** (as noted in GMP Letter titled “Odessa High School Phase 4: Kitchen and Main Building Renovations”, Pg. 2 of 2).*
- *With the finalization of the OHS-Phase 4 project, the total overage and impact to the entire bond project funding **remained** approximately 5%. **(Line 4B)**.*