



Board Action Required

No Action Required

To: Coppell ISD Board of Trustees

From: Sid Grant

Date: October 11, 2016

cc: Dr. Mike Waldrip, Kelly Penny, Louis Macias, and Larry Guerra

Re: Construction Manager at Risk Guaranteed Maximum Price for New Middle School Site Grading Package

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, at the March 28, 2016, Board meeting, the Board approved Northstar Builders Group, LLC as the Construction Manager at Risk for the construction of the new middle school to be located on the Coppell ISD 70 acre tract of land within the Cypress Waters development.

In order to meet our timeline of opening the new school for the 2018-19 school year, our contractor and architect recommended we bid and start the actual grading of the site during the fall of 2016. Therefore, our architects and civil engineers created a site grading plan that went out to bid as a separate and initial package from the actual building construction bid. The building construction bid will go out early in 2017.

Upon Board approval of the Guaranteed Maximum Price (GMP), Northstar Builders will commence with the grading of the 70 acre site in preparation for the actual construction of the building to begin early next year. We will bring to the Board of Trustees, early next year, the proposed Guaranteed Maximum Price for the actual construction of the school.

After careful review and analysis by Northstar Builders, Corgan, and CISD staff of five (5) qualified bids received for the site grading, a final bid tabulation was prepared including the sub-contractor price, contingencies, contractor fee, and general conditions. 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 this case, the GMP Northstar Builders has presented for this site grading is a total of **\$2,520,526.00**. We have carefully reviewed all components of this number and concur with its accuracy. I am pleased to report

that the total GMP is well within what was originally estimated by Northstar Builders for this portion of the work.

Now that the actual Guaranteed Maximum Price for the new middle school site grading package 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 October 24, 2016, Board meeting the amending of the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Guaranteed Maximum Price of \$2,520,526.00 as proposed by Northstar Builders Group, LLC for the new middle school site grading package, and that Sid Grant be authorized to sign the necessary documents.