



Governing Board Agenda Item

Meeting Date: June 13, 2024 Agenda Item No: J.7

From: Dan Contorno, Chief Financial Officer

Subject: Construction Contract, Amendment #2 with CORE Construction

Strategic Priority: To plan for future needs in a proactive, accountable manner

Consent Action Discussion

Background:

The District is seeking Governing Board approval of the final Guaranteed Maximum Price (GMP) package from CORE Construction for the new K-8 located in Gladden Farms. The GMP represents the maximum price that the project will cost, providing us with a clear framework to manage expenses and mitigate any unforeseen circumstances that may arise during construction. By establishing this financial parameter upfront, we can proceed with confidence, knowing that we have taken proactive measures to safeguard the project's fiscal integrity.

When soliciting Design Build Partners, we tasked companies to provide a pathway for providing a furnished building within a \$40M budget. This building was anticipated to be roughly 80,000 sq.ft. After design process has been completed, we are within budget with a 90,000 sq. ft. building. Besides bond proceeds, the District will, as always, utilize Adjacent Ways funding to complete this project.

Below is a breakdown of the anticipated costs associated with opening this school:

Source of Funds	Bond Proceeds New School Line Budget \$40M	Bond Proceeds Furniture Line Budget \$2.7M	Adjacent Ways
GMP#1	\$3,558,854		\$1,235,779
GMP#2	<u>\$31,430,158</u>		<u>\$949,402</u>
TOTAL	\$34,989,012		\$2,185,180
 District Responsibility	 <u>\$5,010,988</u>	 \$1,200,000	
Total	\$40,000,000		

A few items to note that potentially impact this budget. First and foremost, this is a Guaranteed Maximum Price, so it could further be reduced as contracts are executed. It will never go beyond this price. There is \$820,385 in different contingencies set aside in this GMP to help mitigate unforeseen needs. If these do not need to be utilized, then again further reduced cost. The District responsibility line includes items such as supplies, technology, furniture, and the like to open the school. These should not be included in the GMP as contractor markup would be applied and the District has access to better pricing through procurement contracts.

Attached: CORE Constructions GMP #2.

Recommended Motion:

I move that the Governing Board approve Construction Contract, Amendment #2, attached as Exhibit A, with CORE Construction for the construction of the new K-8 located in Gladden Farms.

Approved for transmittal to the Governing Board:



Dr. Daniel Streeter, Superintendent