



Board Action Required  X

No Action Required

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To: Coppell ISD Board of Trustees

From: Sid Grant

Date: April 19, 2017

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

**Re: Construction Manager at Risk Guaranteed Maximum Price for Coppell High School Locker Rooms and District-wide Student Restroom Renovations**

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 (CM @ Risk) for all 2016 bond construction and renovation projects requiring a general contractor. 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 late March, 2017, Northstar Builders Group placed this project out to bid. After careful review and analysis by Northstar Builders, Corgan, and CISD staff of bids received for all trades, a final bid tabulation was prepared including the sub-contractor prices, contingencies, contractor fee, insurance, and general conditions. **In this case, the GMP Northstar Builders has presented for this project is a total of \$9,710,960.** We have carefully reviewed all components of this number and concur with its accuracy.

The total budgeted GMP in the 2016 bond election for the Coppell High School locker rooms and student restrooms was \$8 million. The actual GMP for CHS is \$8,108,870. The estimated GMP for the restroom renovations at CMSN, Austin, Cottonwood, Denton Creek., Lakeside, Mockingbird, Town Center, Valley Ranch, and Wilson was \$2,400,000. The actual GMP for these restroom renovations is \$1,602,090. (*Note: CMSE restrooms will be bid and completed with their campus-wide renovations. Pinkerton restrooms were renovated in the last bond election.*) **Therefore, as originally proposed, our total CHS locker rooms and district-wide student restroom renovations GMP is \$689,040 under budget.** Additionally, the proposed GMP includes \$573,000 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 CHS locker rooms and district-wide restroom renovations 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 project.

**Recommendation:**

**That the Coppell ISD Board of Trustees approve at the April 24, 2017, Board meeting the amending of the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Guaranteed Maximum Price of \$9,710,960 as proposed by Northstar Builders Group, LLC for the Coppell High School locker rooms and district-wide student restroom renovations, and that Sid Grant be authorized to sign the necessary documents.**