



Board Action Required X

No Action Required

To: Coppell ISD Board of Trustees

From: Sid Grant

Date: March 23, 2017

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

Re: Construction Manager at Risk Guaranteed Maximum Price for 9th Grade Center Construction and Renovation

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 the construction and renovation of Coppell Middle School West's conversion to a 9th Grade Center. Then, on December 12, 2016, the Board approved the Guaranteed Maximum Price (GMP) for Phase One of this project as the Demolition Package for a total of \$586,172.00. 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 March, 2017, Northstar Builders Group placed the construction and renovation of the building (Phase Two) 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 Phase Two of this project is a total of \$24,620,668.** 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 entire project was \$25,470,000. This includes 10% contingency dollars of \$2,250,000, and \$720,000 that was included in the bond for HVAC replacements at CMS West. The HVAC upgrades and replacements are included in the renovation cost and are part of the overall GMP. The total GMP for the building is \$25,206,840. **Therefore, as originally proposed, our total 9th Grade Center GMP is \$263,160 under budget.** Additionally, the proposed GMP includes \$1.0 million 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 9th Grade Center renovation and 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 Phase Two of the project.

In summary, the breakdown of all construction of the 9th Grade Center is as follows:

Phase One - Demolition GMP (Approved Dec 12, 2016)	\$586,172	
Phase Two - Renovation and Construction GMP	<u>\$24,620,668</u>	To be Approved
Grand Total GMP	\$25,206,840	Grand Total GMP
Total GMP Budget	<u>\$25,470,000</u>	
Difference (Under Budget)	(\$263,160)	

Recommendation:

That the Coppell ISD Board of Trustees approve at the March 28, 2017, Board meeting the amending of the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Phase Two Guaranteed Maximum Price of \$24,620,668 as proposed by Northstar Builders Group, LLC for the 9th Grade Center renovation and construction, and that Sid Grant be authorized to sign the necessary documents.