



Board Action Required

No Action Required

To: Coppell ISD Board of Trustees

From: Sid Grant

Date: May 19, 2014

cc: Dr. Jeff Turner, Kelly Penny, Larry Guerra, and Louis Macias

Re: Construction Manager at Risk Guaranteed Maximum Price for Coppell High School and Coppell Middle School North Summer 2014 Bond Projects including Underground Utilities and Structural Steel for the Coppell High School Turf Room

As part of 2013 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 to be initiated between August, 2012 and 2018, was approved by the Coppell ISD Board of Trustees on July 23, 2012.

Subsequently, at the September 24, 2012 Board meeting, the Board approved Balfour Beatty Construction as the Construction Manager at Risk for all 2013 bond election projects that require a construction manager.

As the initial phase for 2013 bond election projects including the Coppell High School kitchen addition, construction of the Coppell High School arena and turf room, and construction of a concession stand and restrooms at the Coppell Middle School North football field, SHW Group, and Balfour Beatty have been working closely with us to develop an “underground utility package” (e.g. water, wastewater, and related earthwork) that will support the above projects. Additionally, they recommended we bid the structural steel for the turf room at Coppell High School due to the long lead time in the manufacturing and delivery of steel, and in order to lock in our price, thereby minimizing the risk of price escalation.

Upon Board approval of the Guaranteed Maximum Price (GMP), Balfour Beatty will commence with initiating the utility package work during the summer of 2014 in preparation for the actual construction of the above listed projects to begin in the fall of 2014. We will bring to the Board of Trustees in August of 2014 for consideration the remaining recommendations and Guaranteed Maximum Price for the actual construction of these projects, so construction can begin in September, 2014, with anticipated completion of all projects to be during the summer of 2015.

After careful review and analysis by SHW, Balfour Beatty, and CISD staff of all bids received, a final bid tabulation was prepared including all sub-contractor bids, contingencies, contractor fees, general conditions, and allowances. 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 Balfour Beatty has presented for this utility package and turf room structural steel is **\$3,992,794.00**. We have carefully reviewed all components of this number and concur with its accuracy. I am pleased to report that the total GMP is within what was originally estimated by Balfour Beatty for this portion of the work.

It is important to note that the \$3,992,794.00 GMP number includes \$203,301.00 in contingency and allowance dollars that will only be spent if absolutely necessary. All requests for contingency and allowance dollars will be reviewed by SHW, Balfour Beatty, and CISD staff on a weekly basis. After all parties review any request and make recommendations, I will personally approve or disapprove each request.

Now that the actual Guaranteed Maximum Price for the Coppell High School and Coppell Middle School North utility package and Coppell High School turf room structural steel 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 Charter can be amended to include the total GMP.

I would encourage any Board member with questions to contact me prior to Monday night’s meeting so that I can research and obtain any answer prior to the meeting.

Recommendation

That the Coppell ISD Board of Trustees approve at the May 19, 2014, Board meeting the amending of the construction contract between Coppell ISD and Balfour Beatty Construction to include the Guaranteed Maximum Price of \$3,992,794.00 as proposed by Balfour Beatty Construction for the Coppell High School and Coppell Middle School North utility package and Coppell High School turf room structural steel, and that Sid Grant be authorized to sign the necessary documents.