BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

2H. Action Date: February 28, 2005

SUBJECT: CHANGE ORDER FOR McDONWELL SCHOOL RD.

ELEMENTARY

BOARD GOAL: Safe Schools

Budget and Finance

FISCAL NOTE: Bond Funds

Background Information:

Guaranteed Maximum Price (GMP) for the project construction was approved by the Board July 26, 2004.

Administrative Considerations:

- ➤ The Construction Manager agrees to construct all work shown in the plans and specifications for the price shown in the Guaranteed Maximum Price. The contract is a "Cost-Plus (a fee)" contract, meaning the Owner pays only cost supported by invoices, plus a percentage fee. Should actual cost be less than the GMP, the contract is reduced by a change order to return savings to the District. If cost exceeds the GMP, the Construction Manager is responsible for these cost, or "at risk". The only other situation that would require a change to the contract (Change Order) occurs if the scope of the project is increased or decreased, affecting either the cost of the work or the time required for the work. This occurs if the CM is asked to do more or less work than shown on the contract documents.
- Steele & Freeman, Inc. and Hahnfeld Hoffer Stanford have worked with staff to identify value engineering changes to the project that will reduce the final cost. These changes do not reduce the scope of work, but accomplish the work in a less costly manner resulting in savings from the GMP.
- Attached is Change Order #1 reducing the contract by \$237,444.92 generated by value engineering efforts.

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The administration recommends that the Board of School Trustees approve Change Order #1 for a savings of \$237,444.92 as presented.
Respectfully submitted,

Mark A. Canterbury, AIA

District Architect