



To: Board of Trustees
From: Dr. Dennis Womack
Date: December 13, 2021
cc: Dr. Brad Hunt

RE: Construction Manager at Risk Guaranteed Maximum Price (GMP) Part 1 for Heating, Ventilation, and Air Conditioning (HVAC) replacements at Coppell Middle School North and Denton Creek Elementary School

Background:

As part of 2016 bond authorization, the request to use the Construction Manager at Risk process, pursuant to the provisions of Texas Education Code Section 44.031 and Texas Government Code Chapter 2269, Subchapter F, was approved by the Coppell ISD Board of Trustees on September 27, 2021.

Subsequently, at the October 25, 2021, Board meeting, the Board approved Northstar Builders Group, LLC as the Construction Manager at Risk (CM @ Risk) for the scope of work including:

1. Coppell Middle School North and Denton Creek Elementary School HVAC replacements;
2. Coppell ISD Baseball and Softball Complex dressing rooms;
3. Coppell High School Field House Restroom updates;
4. Buddy Echols Stadium sound system updates;
5. Coppell Middle School North building finishes updates;
6. Vonita White Administration generator; and
7. Various accessibility modifications.

In November 2021, Northstar Builders Group issued the first (Part 1) of two bid packages for the above referenced scope of work. The first bid package was for the HVAC replacement and related services for Coppell Middle School North and Denton Creek Elementary School. The second bid package (Part 2) for the remaining referenced scope of work will be issued in December 2021.

After careful review and analysis by Northstar Builders, Corgan, and CISD staff of qualified bidders a final bid tabulation was prepared including the sub-contractor pricing, contingencies, contractor fee, and general conditions for Part 1 of the GMP scope of work. Northstar Builders' GMP for Part 1, the HVAC replacement and related services for Coppell Middle School North

and Denton Creek Elementary School, is a total of \$5,170,418. District staff have carefully reviewed all components of this number and concur with its accuracy.

Unfortunately, due to unprecedented and extreme price increases for all construction materials, services, labor wages, and supply-chain disruptions the industry has experienced significant inflation increases over the past year. Projects budgeted for \$4M are bidding for \$6.8M today. The total budget for the HVAC replacements in the 2016 bond authorization is \$3,600,000. The GMP for the replacement is \$5,170,418. The architectural, engineering, permits, inspections, and material testing fees will be approximately nine percent of the GMP, or about \$475,000. Therefore, Part 1 of the GMP for the HVAC replacements is over budget by \$2,045,418.

As a reminder, the GMP is the guaranteed maximum price the District may pay for the identified scope of work. Any and all savings realized during the project are returned to the District at the end of the project. If the Board of Trustees choose to proceed with the HVAC replacement portion of the project, the administration recommends funding the portion over budget from the unallocated 2016 bond savings accumulated from prior projects.

An additional option for Board of Trustee consideration to add to this scope of work is pricing to professionally clean the existing HVAC ductwork throughout the two building. The total cost to clean and disinfect the existing ductwork would increase the GMP by \$268,028 and increase the District's fee budget by \$24,000.

It is necessary for the Board of Trustees to consider approval of this GMP (Part 1), so the construction contract between Coppell ISD and Northstar Builders Group can be amended to include the GMP for this portion of the project. At the January 24, 2022, School Board Meeting, the Board of Trustees will consider amending the contract a second time to include the GMP for the remaining scope of work identified above.

Recommendation: Approval to amend the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Guaranteed Maximum Price of \$5,170,418 as proposed by Northstar Builders Group, LLC for the HVAC replacement and related services for Coppell Middle School North and Denton Creek Elementary School, and to assign \$2,045,418 from the unallocated 2016 bond savings to this project budget.

OR

Recommendation with Duct Cleaning: Approval to amend the construction contract between Coppell ISD and Northstar Builders Group, LLC to include the Guaranteed Maximum Price of \$5,438,446 as proposed by Northstar Builders Group, LLC for the HVAC replacement and related services for Coppell Middle School North and Denton Creek Elementary School, and to assign \$2,337,446 from the unallocated 2016 bond savings to this project budget.