



BOARD OF SCHOOL TRUSTEES

## KELLER INDEPENDENT SCHOOL DISTRICT

**4A. Preview**

**Date: February 14, 2005**

**SUBJECT: VALUE ENGINEERING SAVINGS AT COLLEYVILLE  
ELEMENTARY/PROPOSED CHANGE ORDER**

**BOARD GOAL: Safe Schools  
Budget and Finance**

**FISCAL NOTE: Bond Funds**

**ANTICIPATED  
DATE FOR ACTION: February 28, 2005**

### **Background Information:**

- Guaranteed Maximum Price (GMP) for the project construction was approved by the Board July 26, 2004.
- We have experienced 83 days of construction delay due to rain since the beginning of August.

### **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.
- The CM and Architect on the Colleyville project 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. We propose the approval of a change order to reduce the contract GMP now as opposed to waiting until the end of the project in an effort to reduce cost throughout the project. The estimated savings in this change order is in excess of \$225,000. A final change order will also be presented at the project closeout.

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Respectfully submitted,

Mark A. Canterbury, AIA  
District Architect