

# Lee Lewis

Construction, Inc.

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Mr. David Finley  
Chief Operating Officer  
Ector County Independent School District  
802 North Sam Houston  
Odessa, TX 79761

February 5, 2015

Re: Permian High School Phase III Project

David,

Lee Lewis Construction, Inc. is pleased to present the attached GMP for construction of the Permian High School Phase III based on Plans and Specifications prepared by PSC Architects as follows.

Phase III Generic Construction cost is Four Million, One Hundred Ninety Nine Thousand, Five Hundred Dollars and Zero Cents (\$4,199,500.00) and for Kitchen Specific Construction cost is Two Million, Three Hundred Fifty Thousand Dollars and Zero Cents (\$2,350,000.00) for a total Project GMP of Six Million, Five Hundred Forty Nine Thousand, Five Hundred Dollars and Zero Cents. (\$6,549,500.00).

The Value Engineering Option of Omitting the Outdoor Dining Area and South Parking Lot would be a total Deduct of (\$106,430.00) which would be applied to the above GMP Total if accepted.

The Total GMP Amount is based on the acceptance of Both the Generic Construction and the Kitchen Specific Totals combined with each being dependent on the other for 100% of any discounts involved.

We look forward to performing this Work and appreciate this opportunity to work with Ector County ISD and PSC Architects.

Should you need any additional information please contact my office.

Sincerely,  
LEE LEWIS CONSTRUCTION, INC.

Jason Smith  
Project Executive and Vice President

cc: PSC Architects  
LLCI File

**\*\*All reference to line numbers are referring to attached Overall Bond Budgets – SUMMARY SPREADSHEET, dated 2/10/2015**

**Permian High School Phase 3 GMP update:** As mentioned at last month Board Workshop, we have received the first draft of the guaranteed maximum price (GMP) for the final phase of the Permian High School Bond project (Kitchen Cafeteria Expansion and Choir Space). We have reduced the original submitted GMP (*refer to attached GMP letter from Lee Lewis Construction, Inc. – LLCI, dated 2-8-2015*) and minimized the impact to the overall bond budget. Specifically, we achieved this reduction by concentrating our work on the following three areas:

1. **Soliciting additional bids for the large sub-subcontracting disciplines (mechanical, electrical, plumbing, masonry, etc.):**
  - a. The CMAR was successful in securing additional bids, specifically from the mechanical/plumbing sub-contractors.
  - b. The originally submitted GMP for General Construction was **\$4,811,500**, with this additional competition and solicitation, the GMP was reduced by **\$612,000** for a new Phase 3 GMP for construction of **\$4,199,500** (as shown on **Line 2C** on summary spreadsheet).
  
2. **Utilization of School Nutrition fund balance overage(s):** The School Nutrition Department has identified additional monies in their fund balance that need to be designated. Working in conjunction with our School Nutrition department, and the design and construction team we have identified all appropriate equipment within the project that can be funded in this way.
  - a. As shown on **Line 2E** and attached, the kitchen equipment designated to be funded by the School Nutrition department fund balance overages equals **\$2,350,000**. This amount has been approved by the Texas Department of Agriculture (TDA) to be utilized for our project.
  
3. **Value Engineering:** We have been looking at all areas and determining wants from needs as well as looking at potential areas of savings that would not affect the overall scope and goals of the project.
  - a. The following construction components have been designated as areas of value engineering (refer to attached document titled **"PHS Phase 3 – Value Engineering Summary"**):
    - i. Delete Outdoor Dining scope of work:
    - ii. Delete North Parking Lot and Adjacent Walks
  - b. TOTAL VALUE ENGINEERING PROPOSED = **\$106,930**. (Refer to **Line 2F**)

- c. The final area of savings is the designation of a portion of the existing project contingency. As shown in **Line 2G**, the team is comfortable designating \$400,000 (leaving a balance in the contingency fund of \$220,000) from this account for the following reasons:
- i. The current utilization of the project contingency (only major item was the location of an existing high pressure gas line).
  - ii. The vast majority of material submittals has been submitted and approved. This process typically could result in cost changes to the project.
  - iii. Site majority of the site work is complete. This is the area of construction that can result in cost of work changes due to unforeseen underground utilities, weather delays, discrepancy in topography, etc.
  - iv. The majority of the construction material has been ordered and is in delivery. The building(s) are "out of the ground".
  - v. This designation leaves a balance of \$250,000 for any unforeseen circumstances in this last phase of construction.
- ***With these changes, the total cost of the work for the final phase of the Permian High School bond project is the generic construction GMP of \$4,199,500 (Line 2C) plus the cost of kitchen equipment and associated construction of \$2,350,000 (Line 2E - funding provided by School Nutrition fund balance overage).***
  - ***The overall impact of the all items detailed above was a reduction in the PHS bond costs of approximately 44% over the originally submitted bids.***
  - ***With the finalization of the PHS-Phase 3 project the total overage for the entire bond project remained approximately 5%. (Line 4B).***

2/10/2015

Overall Bond Budgets - SUMMARY SPREADSHEET

District | Operations

	Projects	Orig. Bond Budgets	Adjustments	Cost (GMP)	Estimated	Notes	Date	Balance
<b>OHS</b>								
1A	Land	\$ 2,500,000		\$ 1,058,308	Homes			
1B				\$ 621,692	Whitaker Building			
1C	Construction	\$ 33,092,082		\$ 10,683,744	Phase 1 GMP - Science		Feb-14	
1D				\$ 126,672	Demo		Oct-14	
1E	Science Equipment included in GMP		\$ 175,000	\$ 12,225,000	Phase 2 GMP - Academic Wing		Jun-14	
1F	Additional Kitchen Funding - 2014		\$ 300,000	\$ 1,013,000	Phase 2 GMP - Site		Jun-14	
1G	Additional Kitchen Funding - 2015		\$ 800,000	\$ 2,811,463	Phase 3 GMP - Gymnasium		Oct-14	
1H				\$ 6,752,332	Phase 4 GMP/Estimate - New Auditorium		Dec-14	
1J				\$ 619,134	Phase 4 - Site		Dec-14	
1K				\$ 2,000,000	Phase 5 GMP/Estimate - Main Building Renov		Jan-15	
1L				\$ 1,500,000	Kitchen Addition/Estimate (closed 9 and 10)		Jan-15	
1M	Soft Costs	\$ 4,788,173		\$ 1,500,000	Furnishings and Equipment,		Oct-14	
1N				\$ -	Spinkler System not required		Dec-14	
1P				\$ 400,000	Site Utilities/Estimate		Oct-14	
1Q				\$ 3,260,000	Testing, Survey, Remaining Fees Estimate		Oct-14	
1R				\$ 89,598	Remaining Demo Estimate		Oct-14	
	TOTAL	\$ 40,380,255	Original Bond Budget					
	<b>SUB - TOTALS</b>	<b>\$ 1,275,000</b>	<b>\$ 28,539,879</b>	<b>\$ 16,121,064</b>				<b>\$ (3,005,688)</b>
<b>PHS</b>								
2A	Land	\$ 195,000		\$ 126,550	Gadasalli Demo and abatement		Oct-13	
2B	Construction	\$ 28,235,019		\$ 26,158,781	Phase 1 & 2 GMP		May-14	
2C				\$ 4,199,500	Phase 3 GMP Generic Construction		Feb-15	
2D								
2E	School Nutrition Equipment Funding		\$ 2,350,000	\$ 2,350,000	Phase 3 GMP Kitchen Construction		Feb-15	
2F	PHS Phase 3 Value Engineering		\$ 106,430					
2G	Contingency Value Engineering		\$ 400,000		Leaves a balance in the contingency fund of \$220,000		Feb-15	
2H	Soft Costs	\$ 3,824,666		\$ 1,100,000	Furnishings and Equipment,		Feb-14	
2J				\$ 2,571,225	Testing, Survey, Remaining Fees Estimate		Feb-14	
	TOTAL	\$ 32,254,685	Original Bond Budget					
	<b>SUB - TOTALS</b>	<b>\$ 2,856,430</b>	<b>\$ 32,834,831</b>	<b>\$ 3,671,225</b>				<b>\$ (1,394,941)</b>

2/10/2015

**Overall Bond Budgets - SUMMARY SPREADSHEET**

District | Operations

Projects	Orig. Bond Budgets	Adjustments	Cost (GMP)	Estimated	Notes	Date	Balance
<b>ELEMENTARY</b>							
<b>3A</b>	Land	\$ 600,600	\$ 7,748	Survey			
<b>3B</b>			\$ 771,040	Property			
<b>3C</b>	Construction	\$ 48,007,444	\$ 55,038,000	GMP			
<b>3D</b>	<i>Addition Kitchen Funding - 2014</i>	\$ 1,400,000					
<b>3E</b>	Soft Costs	\$ 8,511,956		\$ 1,657,500	Furnishings and Equipment,		
<b>3F</b>				\$ 3,483,712	Testing, Survey, Remaining Fees Estimate		
	<b>TOTAL</b>	\$ 57,120,000	Original Bond Budget				
	<b>SUB - TOTALS</b>	\$ 1,400,000	\$ 55,816,788	\$ 5,141,212			\$ (2,438,000)
	<i>Interest Earned</i>	\$ 285,060					
	<b>TOTAL</b>	\$ 129,754,940	\$ 5,816,490	\$ 117,191,498	\$ 24,933,501		
<b>4A</b>	<i>Original</i>	<i>Adjusted</i>	<i>Actual</i>	<i>Estimate</i>	<i>Total Estimated over/under</i>		\$ (6,553,569)
<b>4B</b>							-5.05%

**Notes:**

1 Items in **BOLD** are real costs all other items listed are estimates