



## ITEM FOR ACTION

### Date of Meeting

March 2, 2016

### Title

*Award of Construction Contract for the Replacement/Renovation of ATA Middle School*

### Presenter

Jon Lauch

### Background

Bids for the ATA Middle School Replacement/Renovation project were opened on February 23, 2016. The project consists of the construction of new classrooms and support spaces on the current ATA site, renovation of some existing spaces, the abatement and demolition of most of the existing school, and the construction of driveways, parking lots and other site improvements associated with the new and renovated school.

John Hyland Construction was the only firm submitting a bid for the project. The bid results are as shown below.

<b>Base Bid:</b>	<b>26,203,545</b>	
<b>Alternate 1</b>	<b>225,710</b>	<b>(adds two classrooms for capacity of 450)</b>
<b>Alternate 2</b>	<b>423,387</b>	<b>(addition to Gym 2 to make it full-size)</b>
<b>Alternate 3</b>	<b>13,086</b>	<b>(adds resurfacing of existing parking lot)</b>
<b>Alternate</b>	<b>136,594</b>	<b>(adds rainwtr trtmnt equip. for complete system)</b>
Alternate 5	100,438	(adds acoustic treatment to main gym)
Alternate 6	46,729	(adds AV system to main gym)
Alternate 7	420,588	(changes to metal roofing)
<b>Alternate 8</b>	<b>29,817</b>	<b>(adds motorized feature to 2<sup>nd</sup> floor shades)</b>
<b>Alternate 9</b>	<b>45,125</b>	<b>(adds vertical sun screen to south exposure)</b>
Alternate 10	84,728	(replaces gym bleachers)
Alternate 11	472,450	(upsizes generator to support full operations)
<b>Total Bid:</b>	<b>27,077,264</b>	<b>(Includes Alternates 1, 2, 3, 4, 8, and 9)</b>

In addition to the alternates, the project had five unit prices and six allowances. The unit prices and allowances are for over-excavation, for three types of backfill materials, and ongoing maintenance of up-to-date "reconciled" electronic construction documents reflecting all incorporated changes. The allowances do not affect the bid price, as they are already included in the base bid amount.

The project is funded with proceeds from the 2013 Capital Improvements Bond.

As noted above, John Hyland Construction submitted the only bid and subsequently submitted the required First-Tier Subcontractor Disclosure within the 2-hour time limitation. After evaluating the bid amounts, comparing to the district's other school replacement

projects, and comparison with the construction cost estimate, staff has determined that the bid received is as expected and reflective of the current bidding climate. There is no reason to believe that the single bid received would not otherwise be considered competitive. Because there was only one bidder, there is no potential for protest of the Intent to Award the Contract which was issued on February 24, 2016, pending Board approval at this meeting.

John Hyland Construction and their subcontractors have performed exceptionally on the Roosevelt Middle School Replacement project, so our recent experience of working with them is favorable. The subcontractor list submitted includes an impressive line-up of quality local firms.

### **Options and Alternatives**

Regarding the issue of a single bidder, the District has the choice of awarding the contract, or rejecting the bid due to lack of competition. As noted above, staff believes the bid received is representative of what is expected and would be considered competitive if other bids had been received. Rejecting the bid would effectively delay the project by one year, which would likely incur \$1 million in inflationary costs for the delay, and we would lose the benefit of the new facility for that year.

Regarding the additive alternates, the District could choose to award all, none, or a selection of the additive alternates in order to adjust the amount of the contract awarded. However, we have always desired to construct all of the alternates, providing each of the amounts represent good value and that we have sufficient budget to afford them. Staff is promoting Alternates 1, 2, 3, 4, 8 and 9 for incorporation into the contract award at this time. The work of alternates 5, 6, and 10 is for renovation work to the existing large gymnasium which can easily be deferred until the renovation is underway in the later phases of the project and we have accurate data for our construction budget at that point in time. Staff intends to discuss and potentially negotiate the work of Alternate 7 (metal roofing) with the contractor as the bid amount does not initially appear to represent appropriate value. Alternate 11, to increase the generator and related electrical gear to provide full standby capacity is recommended for rejection, but staff is currently reaching out to the City of Eugene and EWEB to explore the potential funding partnerships to incorporate this work.

### **Budget/Resource Implications**

The project budget included in the bond measure was \$35 million with a corresponding construction budget of \$24 million. In order to proceed with the project, the overall project budget will need to be increased to \$38.5 million with a corresponding construction budget of \$27 million. In comparison, the Roosevelt Middle School project is \$42 million with a corresponding construction budget of \$28.5 million. The two projects have nearly identical final square footages, and the decision to renovate spaces at ATA is not generating the originally anticipated/perceived savings in comparison to new construction. Staff is prepared to discuss the reasons for the current budget gap at the meeting, much of which is a reiteration of information previously conveyed, but only now proven out by actual bid results.

The ATA project budget is proposed to be increased by \$3.5 million as listed below. Staff will speak to each of these individually at the meeting.

- \$2 million from Howard Elementary and Roosevelt Middle School projects savings.
- \$170,000 from Safe Routes to School (SRTS) allocations
- \$330,000 additional adjustments in soft cost roll-ups.

- \$1.5 million from unallocated bond premium.

Proceeding with the project now will result in reduced operating costs, much improved teaching and learning environment, and will avoid cost inflation of delaying the project by a year. The resulting price is considered appropriate for the project. Deferring the project would likely increase capital costs in future bidding climates and operational savings will not be realized, during the period of delay.

Additional bond funds have been identified that can be utilized to supplement the project budget, as noted above. Staff will endeavor to deliver the project under budget and return savings to the program upon project completion.

#### **Board and Superintendent Goals**

The project supports the Board Goal to: *"Provide prudent stewardship of district resources to best support student success, educational equity and choice."*

The new building is designed to provide an improved environment for teaching and learning, so construction of the new school will better support student success.

The bid is considered appropriate and offers good value, providing prudent stewardship of district resources. Additionally, the new school should result in significant operational savings due to energy efficient design of the building shell, the HVAC equipment, controls and lighting.

#### **Recommendation**

The Superintendent recommends award of the contract for the replacement/renovation of ATA Middle School to John Hyland Construction, who submitted the only responsive bid for the project in the amount of \$27,077,264 for the base bid and alternates 1, 2, 3, 4, 8, and 9. The Superintendent further recommends that the project budget be augmented by \$3.5 million from a combination of other project savings and unallocated bond premium as proposed by staff.