

## AUBURN SCHOOL DISTRICT

### FOUR ELEMENTARY SCHOOLS REPLACEMENT PROGRAM – GC/CM

1. NAC's project team has limited GC/CM experience, will the staff be taking AGC GC/CM training or other steps to supplement their understanding of the GC/CM procurement process and lessons learned to improve their skills?

You are correct. NAC's project team has one team member with GC/CM experience. Guy Overman, the NAC Architecture Lead Planner and Designer, has GC/CM experience as the Principal-in-Charge and Designer of the Lakes High School Modernization project, a project valued at \$55 M.

Mr. Overman's experience with the GC/CM delivery method through his leadership on the Lakes HS project will contribute greatly to the success of the Auburn School District Replacement School Program.

The NAC project team will attend the next AGC GC/CM Training and will enroll as soon as AGC opens enrollment for the next session. During the interim, the Parametrix team will provide the necessary GC/CM advisory services and support.

2. Dan Cody with Parametrix is listed as the PM/CM. What percent of his time will be available for these projects? How does this project fit in with his other projects, please provide a schedule showing his commitments and percent of his time for each project. Dan will replace the TBD in the organization chart, correct?

Dan Cody is listed (Application Page 13) as providing GC/CM Procurement Services and PM/CM Support Services. Dan Cody will not be assigned a PM role for any of the four listed projects. Dan is identified as providing PM/CM support services to the Auburn School District Project Manager if such additional support services are required – fulfilling the role of staff augmentation.

Dan Cody will not replace the TBD in the organization chart (Exhibit B). The school district intends to utilize current Project Managers to fill this role. There is a possibility that the school district will choose to hire an additional Project Manager as an employee in support of this Replacement School Program. Thus, the TBD note in the organization chart.

Dan is currently acting in the role of Project Manager on two Tumwater School District Middle Schools, one that is now open and occupied and in close out, the other that occupies on or before Sept 6, 2017. Dan is also currently acting in the role of Construction Manager on the Metro Parks Eastside Community Center (ECC) project. This role is a part time role. The ECC project is scheduled to complete and open in the spring of 2018.

Dan has no other PM or CM commitments under contract at this time.

3. Please further explain how the four elementary schools constitute one GC/CM project.

This is an important question. The answer to this question is at the heart of why Auburn School District is seeking PRC approval to use the GC/CM method of project delivery for all four schools in this replacement school program.

The three primary reasons why all four elementary schools constitute one GC/CM project are:

- (1) Critical Phasing**
- (2) Complex Scheduling**
- (3) Market Conditions Fiscal Benefit**

#### Critical Phasing

Satisfaction of RCW 39.10 for critical phasing occurs because of the dependency among all four projects. Page 7 of the Application describes this dependency clearly and is provided below for ease of reference.

***Critical Phasing*** – *This school replacement program will be completed in four phases.*

- *Phase 1 will construct a new elementary school at the site of the existing Dick Scobee Elementary School. Students and staff at the existing school will be relocated to an interim elementary school during construction of the new facility. The new construction will require the demolition of the existing Dick Scobee Elementary School. The timing of this work is critical to the operation of the existing school, critical to the relocation of the existing school, and critical to the construction and occupancy of the new school. Failure of timely completion will result in setbacks for this project and the following projects in the program.*
- *Phase 2 consists of a similar operation to construct a replacement school at the existing Pioneer Elementary School site. As with Phase 1, the timing of this work is critical to operation of the existing school, relocation of the existing school and construction of the new school. Failure of timely completion will result in setbacks for this project and following projects.*
- *Phase 3 consists of another sequential phase that will replace Chinook Elementary School on its existing site. Timely completion is essential for the success of this project and following projects.*
- *Phase 4 is the final phase of the program and is a similar operation for the replacement of an elementary facility on the site of the existing Terminal Park Elementary School. Timely completion of Phases 1, 2 and 3 is critical to successful completion of this last phase of the program.*

#### Complex Scheduling

Satisfaction of RCW 39.10 for complex scheduling occurs because of the short duration in which each project must be built and made ready for occupancy. Page 5 of the Application addresses this and is provided below:

### ***Complex Scheduling –***

- *The four replacement schools will be built on the site of each existing school. The projects have a shorter than normal time schedule and the work must accommodate the neighboring community. Multiple phases will be needed to execute the construction work.*
- *Each project requires an aggressive construction schedule. Each school must be built within 13 months. This includes abatement of hazardous materials from the existing school buildings; demolition of existing buildings and parking lots; construction of new 74,000 square foot facility and extensive site improvements; utility line relocations and street improvements.*

Over the past few years, the elementary school bid market has increasingly failed to complete new school projects in the 14 month window of construction from June through August. Wainwright Elementary School in the Tacoma Public School District is one example – planned to open on Sept 5, 2017 and actually opening on December 5, 2017. Such a failure to complete on time would cripple the Auburn School District Replacement School Program. With no other available space for interim or swing school support and no other option should contractor non-performance occur, the school district requires a greater level of certainty and confidence in completing all four projects on schedule.

The current bid market cannot provide this level of certainty. Fortunately, the State of Washington has created an opportunity for school district's to utilize alternative contracting methods including GC/CM procedures. We believe the GC/CM delivery method provides an excellent opportunity for Auburn School District to achieve greater certainty in completion of the Replacement School Program on schedule.

### **Market Conditions Fiscal Benefit**

Between 2011 and 2017, Washington State voters approved more than \$11.5 billion in K-12 project funding. With more than \$5 billion in the planning for 2018 and 2019, we have seen an unprecedented demand on resources needed for school construction. When demand greatly exceeds supply, costs escalate. This can result in the cost to build a school exceeding the amount of funds budgeted when funding was approved.

Capital bond programs approved in 2013 and 2014 were generally based on new elementary school construction costs escalated appropriately and planned to be \$295/SF to \$320/SF in 2017 and 2018. Today, all across the Puget Sound region, new elementary schools are bidding between \$350/SF up to and in excess of \$500/SF, averaging in the \$485/SF range – a more than 60% increase in construction cost for projects in the \$20 M to \$25 M range. Contractor availability for a project in this range of construction is at capacity and contributing to significant cost escalation.

We believe Auburn School District will be able to mitigate the saturated market conditions for a single elementary school project by combining four projects into one GC/CM program, thus making it possible to complete the projects as funded.

The GC/CM delivery method provides Auburn School District with the best method of reducing risks created by critical phasing, complex scheduling and market fiscal conditions for this Replacement School Program.

4. The four schools are staggered by one year for the start of preconstruction activities. Is the intent to select a single GC/CM or multiple GC/CM's for all four schools at the same time? If multiple GC/CM's are being selected at the same time, will the GC/CM's hold their price and staff for such a long duration before starting work?

Auburn School District will select one GC/CM for this Replacement School Program. The school district will also utilize one design team, NAC Architecture, for the four sequential projects. This will create planning and design efficiencies, construction management efficiencies, on-going lessons learned, and continuity in project leadership that is made possible by a multiple project program.

Clover Park School District used this combination project approach successfully on their JBLM projects with three pairs of projects completed sequentially with the same design and GC/CM teams on each pair. This success was followed by Tacoma Public Schools and a single GC/CM for both Stewart Middle School and McCarver Elementary School projects. Stewart Middle School opened 7 months early and both projects were completed under budget.

Auburn School District believes the GC/CM model will contribute to the success of its four school replacement program.

5. There will likely be overlap between phases. How do you intend to address this phased approach with the GC/CM contractor(s)?

You are correct. The overlap occurs during the summers between projects. Each summer, the school project already in construction will complete and occupy concurrent with the mobilization and start of construction of the next school project. Auburn School District believes the selected GC/CM contractor to be able to do both, in each of three sequential summers.

The complexities of this phasing overlap and tight construction schedules are just two of the reasons Auburn School District is seeking approval from the PRC to utilize the GC/CM delivery method for this four school replacement program. The use of GC/CM for this program provides a higher degree of control, reduced risk and greater confidence of success compared to the traditional design/bid/build approach.

6. It appears that construction starts on each school in March, concurrent with occupancy of the school. Then, in August the elementary school is relocated to Olympic. Since Olympic Middle school will be used as an interim school, was there consideration to relocate two of the elementary schools at Olympic at the same and complete the construction in 3.5 years with no construction at an occupied elementary school site?

No. The old Olympic Middle School does not have the capacity to accommodate the students and staff from two elementary schools at the same time.

7. It is not clear why if all the schools are the same size as Terminal Park, the last school to be completed, is less than Chinook elementary, please clarify.

The primary, but not only, difference between the Terminal Park Elementary School project and the Chinook Elementary School project, is the size of the property. Terminal Park Elementary sits on a 6.09-acre site and the Chinook Elementary project sits on a 10.99-acre site. This results in

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**QUESTIONS RE: APPLICATION**

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lower site development costs for the Terminal Park Elementary project. The Terminal Park Elementary project also has lower off-site improvements costs than the Chinook Elementary project.

8. Is the project going to have a Project labor Agreement (PLA)? If so, are you planning to have a dual benefit reimbursement program (*for example: Sound Transit and City of Seattle both have these programs with their PLAs*)?

The Auburn School District does not intend to have a PLA for these projects. The school district expects that all necessary and required labor agreements for the construction of all four schools will be obtained and managed by the selected GC/CM contractor.