

## Agenda Item Details

Meeting	Jun 05, 2019 - Regular Meeting of the Governing Board
Category	6. BUSINESS INFORMATION/ACTION ITEMS
Subject	D. 7:25 P.M. Approve Contract for Services: RGM
Type	Action
Recommended Action	Recommend approval of two contracts

## INFORMATION

### Presented by Director of Bond Projects Adam Lint

On June 27, 2018, the Board of Trustees adopted Resolution #12 - 2018 which called for a November election to seek voter support for a \$49.5 million general obligation bond to be used for the rehabilitation existing and/or the construction of new school facilities. The next four months were devoted to increasing voter support and on November 6th Measure Z was passed by the voters with a 62.4% "yes" vote.

Anticipating a successful campaign, District staff were also hard at work building capacity to conduct a major multi-year construction program. The District would need architectural services, legal services, financial services, program management (PM) services, and construction management (CM) services before construction could begin. On November 6th, 2018, the District posted a Request for Qualifications (RFQ) for architectural and Construction Management / Program Management (CM/PM) services, evaluated eight (8) proposals for architectural services and eight (8) for CM/PM services in December, 2018, and conducted interviews in January, 2019.

At its March 27, 2019 meeting, the Board of Trustees awarded a contract for architectural services to Cody, Anderson, and Wasney and selected RGM to provide preliminary PM/CM services on a time and materials basis and to enter into negotiations to develop a contract to provide CM. Since February, 2019, Rick Kramer of RGM has worked closely with District's Director of Bond Projects and Facilities, Adam Lint, to identify and prioritize its facility needs as well as provide advice about the cash flow and timing aspects of multiple projects.

During this time, District staff also researched the different approaches towards carrying out rehabilitation, modernization, and construction projects, focusing on "design-bid-build" (DBB, also known as "single prime"), "lease-leaseback" (LLB, a form of single prime), and "multi-prime" (MP) delivery methods. Staff met numerous times with administrators and Construction Managers in neighboring districts and attended workshops and seminars on delivery methods. The goal was to select an approach and develop a team that, in conjunction with the architectural firm, could deliver projects accurately and with the greatest fidelity to timelines and budgets.

District staff selected the multi-prime approach for the following reasons:

1. Multi-prime engages the Construction Manager at the very inception of projects.
2. By working with the design team at a stage where "constructability" can be key factor, the likelihood of change orders, excessive "value engineering," and "schedule slip" is minimized. The potential for cost overruns and schedule slip is less under multi-prime while the potential for cost savings is greater.
3. With multi-prime, the district has the highest confidence that its interests are paramount.
4. The current building market is highly competitive and general contractors are in short supply, driving up General Contractor fees.
5. The District plans to develop both signature projects simultaneously, realizing economies of scale; this approach can best be carried out by a single CM.
6. Overhead is greatly reduced due to the absence of a General Contractor and having the CM working directly with the trade contractors.
7. The District prefers the transparency and accountability of having all trades directly accountable to the District's CM.

During April and May of this year, District staff consulted with Mr. Glenn Gould at the legal firm Orbach Huff Suarez

+ Henderson, LLP and negotiated with Rick Kramer to develop a contract for Mr. Kramer to provide CM services utilizing a multi-prime delivery method. Mr. Gould's firm was selected to aid the district because of its highly regarded reputation for handling large school construction projects.

The Superintendent's Construction Progress Committee (SCPC, consisting of Superintendent Hartwig, CBO Connie Ngo, Director of Bond Projects Adam Lint, and Trustees Bechtel and Klugman) met with Mr. Kramer on several occasions and sought clarifications and modifications to the contract. District staff have also spoken with prior clients of Mr. Kramer to verify their satisfaction with his services. The District has conferred with legal counsel every step of the way and Mr. Gould is confident that this is a tight, enforceable contract. Through this process, District staff, District Legal Counsel and Rick have all come to a final agreement that all parties have approved.

Each Construction Management contract sets the terms of performance, fees (Exhibit B), services to be performed (Exhibit A), and the estimated cost of general conditions allowance for the multi-prime delivery method. As outlined in Exhibit B of the contracts, the Construction Management fee is based on a graduated percentage of estimated construction cost and the general conditions allowance under multiple prime is based on the estimated duration of construction and is a straight across fee with no additional markup from the CM. General Conditions are the costs associated with the jobsite management of the project, including items such as site project staff, jobsite trailers, telephones, printing & reproduction as well as temporary roads, temporary utilities, safety and cleaning not specifically associated with the erection of the facility being constructed.

The two contracts brought for Board approval can be summarized:

- Corte Madera School:
  - Construction Management Fee: \$1,064,748
  - General Conditions Allowance: \$1,120,000
- Ormondale School:
  - Construction Management Fee: \$316,076
  - General Conditions Allowance: \$630,000

The fees charged by Mr. Kramer are roughly equal the fees and overhead that would be assessed by a general contractor if the District had chosen to use a DBB, LLB, or other single prime delivery methods. Mr. Kramer's fees are based on the Office of Public School Construction's (OPSC) sliding scale for CMs and contractors and are highly competitive, especially considering the current construction market.

By approving the two contracts for Mr. Kramer to provide construction management services, the District can move seamlessly into the next phase of project development -- the production of schematics that will form the basis of construction documents. This work can continue through June and summer 2019.

[FINAL PVSD - Ormondale New CR Building CM agreement 6-5-2019.pdf \(258 KB\)](#)

[FINAL PVSD - Corte Madera New CR Building CM agreement 6-5-2019.pdf \(258 KB\)](#)