

Superintendent's Advisory Task Force Meeting Notes

Provided by Jean Duggan, Administrative Assistant to the Superintendent and BOE

September 18, 2017
District Office Administrative Center
115 W. 55th St.
Clarendon Hills, IL 60514

Call to Order

6:06pm

Welcome and Introductions

Superintendent Dr. Don White introduced himself and asked the Task Force members to introduce themselves.

The following members were in attendance:

- Dr. Don White – Superintendent
- Jennifer Burns – President, Board of Education
- Mohsin Dada – Chief Financial Officer & Treasurer
- Kerry Leonard - Owner's Representative
- Mike Duggan – Director of Facilities
- Steve Cashman – Hinsdale resident and member of the BOE Facilities Committee
- Jerry Mejdrich – Hinsdale resident and member of the BOE Finance Committee
- Kathleen Turnbull – Hinsdale resident and parent of students at HMS and The Lane School
- Brian Kronewitter – Architect with Cordogan Clark & Associates
- Bill Truty – Project Manager with Bulley & Andrews
- Peter Kuhn – Project Executive with Bulley & Andrews

HMS Project Budget (Bulley & Andrews and Kerry Leonard)

HMS Construction Owner's Representative Kerry Leonard provided an update on the project. He noted the following:

- The HMS project remains on budget.
- 80% of the trade contracts have been bid and awarded.
- It is anticipated that Bid Group 3 will be awarded prior to the end of the calendar year.
- It is anticipated that Bid Group 4 will be awarded near the beginning of 2018.
- The Board of Education has awarded approximately \$1.2 million in alternate bids. Mr. Leonard noted that change orders have also been recently approved, some of the change orders were needed because the project was fast-track bid.
- Mr. Leonard shared that there are three contingency funds. They are as follows:
 - Owner's Contingency
 - Design & Construction Contingency
 - GMP Contingency

Mr. Leonard noted that the original contingency amounts from the January 13, 2017 Design Development Budget are summarized as follows:

- Design & Construction Contingency - \$3,044,375
- Owner's Contingency - \$947,291
- Total Budgeted Project Contingency - \$3,991,666

Mr. Leonard confirmed that the entire Owner's Contingency of \$947,291 remains. The original Design & Construction Contingency of \$3,044,375 included the contingency to be used throughout the project. The GMP Contingency becomes part of Bulley & Andrews' contract after award and assignment of trade contracts to Bulley & Andrews.

The current Design & Construction contingency was separated into two budget line items:

- \$332,183 (bidding contingency for future Bid Groups 3 and 4)
- \$259,009 (unallocated contingency)

Mr. Leonard remarked that the District is in "good shape" with regard to contingencies.

Peter Kuhn commented that during the excavation process, they uncovered good soil with only minor obstructions. Mr. Leonard commented that there was some contaminated soil (natural occurring levels of arsenic) that was sent for testing. Mr. Kuhn noted that special testing was performed, and approximately 20 loads of soil were sent to a special waste facility. Mr. Kuhn commented that they have spent approximately \$15,000-20,000 of funds allocated for soil.

Mr. Leonard shared that Bid Group 3 includes interior finishes and equipment such as flooring, paint, casework, etc. The goal is to award Bid Group 3 and present it for Board consideration at the December 18, 2017, Board of Education meeting.

Committee member Mejdrich asked what the current balance is in contingency. Mr. Leonard indicated that approximately \$2.8 million was left with \$7 million left to bid. He then discussed that they are using the \$53.3 million number as the budget number and are currently working on a reporting mechanism to best track the budget in a clear and concise manner. Mr. Mejdrich noted that there is an expectation at the Board level to not spend more than the District needs. Mr. Leonard commented that after Bid Group 4, the District would have a good idea on the total cost of the project.

Mr. Dada commented that there are other costs to consider (i.e., legal, transportation of construction workers). He noted that the District would not know the true cost until after the students are moved into the new school. Lastly, he commented that the District should be fine with regard to the cash flow into June 2018. Dr. White commented that the goal is to come under the \$53 million and not spend more than needed.

Bulley and Andrews Update

Peter Kuhn provided the committee with an update on the HMS construction project.

To date the following milestones have been met:

- Mobilization
- Modular trailer relocation for the start of the 2017-18 school year
- Relocation of downtown parking to temporary lot

To date the following activities have been met:

- Mobilized to the project site
- Completed the temporary parking lot
- Shut down Washington Street
- Completed modular trailer relocation and received certificate of occupancy from the ROE
- Reconfigured the parent drop-off on the north side of the existing HMS
- Completed installation of the earth retaining system

Ongoing work:

- Excavation for footings and foundations

Procurement Update:

- Reinforcing steel – in fabrication
- Precast wall panels – in fabrication
- Stormwater management system – scheduled for fabrication
- Structural Steel – raw steel procured – ready for fabrication
- Window system – bulk aluminum extrusions purchase in progress

Submittals

- Precast 4x4 mock-up – completed and reviewed
- Masonry mock-up – will be available for review on site in the near future

Bid Package Update

- Metal panel re-bid – anticipated for September
- Skylight re-bid – anticipated for September
- Joint sealant re-bid – anticipated for September

Mr. Kuhn then shared pictures of the HMS construction site. Upon a committee member's request, Mr. Kuhn shared that during the installation of the sheet pilings all vibration reports were good and the existing foundations were not undermined in any way.

Mr. Kuhn shared information on the schedule for the owner/architect/contractor meetings. He also shared that a Village of Hinsdale representative was present at these meetings.

Mr. Kuhn noted that the total allowances spent to date are approximately \$60,000. He did share that in most cases, the budgeted allowances are spent during the construction process.

Mr. Leonard shared that he is working on a format to better report what is spent, budgeted, and expected.

Mr. Cashman shared that, in his experience, reporting on budgets is all about communication. Everyone looks at the numbers with a different view than the taxpayer views the budget. He commented on the importance of the information being clear the terminology consistent, and expressed a general understanding that numbers can change.

GMP Contingency

Mr. Kuhn shared that the GMP contingency is part of their (B&A) contract for them to use on the project to address specific areas of work. The GMP contingency is calculated at 3% of awarded trade contracts. Approvals for use of the GMP contingency are the same as other project changes. Any unused GMP contingency is returned to the District at the end of the project.

Mr. Kuhn asked for the committee's feedback on when to best go to the formal GMP amendment to the Contract. Mr. Leonard shared that the GMP structure is part of the B&A contract based on estimated costs and the planned schedule. Committee members engaged in a discussion regarding the timing of when the GMP should be set and the consensus was to wait until after Bid Group #4 was complete. Mr. Cashman noted that this would be the most conservative and straight-forward way to proceed.

Schedule 4B Bulley & Andrews Costs

Mr. Leonard explained that the cost of the original Schedule 4a included seven trade contractors and was bid as the Schedule 4a Alternate. The change order for Schedule 4b included nine trade contractors and was bid as the Schedule 4b Alternate. Contracts for the 4a Alternate were awarded at Board meetings during June and August 2017. Change Order #7 is related to the project schedule and was awarded on August 14, 2017. The budget for Schedule 4a included an increased amount over the original project schedule in the amount of \$400,000, as delays continued. The amount was then increased to \$540,000 when the decision was made to approve Schedule 4b.

Mr. Leonard then explained that included in the \$540,000 budget was an additional cost to Bulley & Andrews (\$216,220) due to the extended contract schedule. The proposed increase was based on the additional duration of the project. The change included additional costs for staffing, escalation, and fixed general conditions. The general condition staffing cost is three months at \$52,650 per month, the staffing escalation is figured at 4% for 3 three additional months, and the fixed general conditions is an additional 3 months at \$14,405 per month. Monthly costs were based on the originally submitted Construction Manager Compensation Schedule. Bulley & Andrews also noted that the original hours were based on a document they submitted to the District during the original Construction Manager selection process. The original estimated duration of the project was 19.5 months.

Mr. Kuhn shared that the overall schedule has increased from 19.5 months to 25 months (22 months without the parking deck). Their original projections were based on a 19.5-month schedule. He also noted that the estimated \$52,650 per month for staffing is on the low end. Mr. Cashman agreed, noting that this number is average or below the typical staffing cost. He also noted that the District would not want to be understaffed toward the end of the project. He agreed that the dollar amount seemed fine and that escalation is a "guestimate."

Mr. Leonard noted that the staffing levels are included in the Bulley & Andrews contract. Mr. Cashman shared that Bulley & Andrews will want to have the staff necessary on site to finish the project on a "high note."

Transfer of General Conditions from Trade Contractors to Bulley & Andrews

Mr. Kuhn explained that this change item would be in the form of a formal request as required by contract to have Bulley & Andrews self-perform the labor and material costs that were going to be provided by the bidding subcontractors for site safety, protection, and clean up. He noted that the subcontractors have included costs per the direction of Bulley & Andrews during the bidding process. This included but was not limited to street cleaning, flagging, dumpsters, trash chute, material hoist, weather protection rentals, overhead canopy, safety, temporary enclosures and protections, finish protection, and labor clean up. The reason for the request is to maintain better accounting and quality control of these items, he said. He then noted that Bulley & Andrews prefers to be responsible for these allowances. All labor would be charged based on labor rates and all material invoices would be provided on a monthly basis for allowance tracking.

Upon a committee member's question, Mr. Kuhn explained that it was originally included in the subcontractors' contracts because from a bidding standpoint it was more beneficial. There also would be a 1.1% savings in eliminating the Subcontractor Default insurance costs.

Mr. Cashman noted that this is the method he prefers regarding how a Construction Manager should operate. He noted that in a recent project at another district they did not have the CM self-perform and they regretted making that decision.

Next Steps

- The consensus of the committee was to wait until after Schedule Bid Group #4 was completed to determine the GMP.
- Develop a more clear and concise memo regarding the Schedule 4b and Bulley & Andrews' costs.
- All contracts and proposals will be sent to committee members.
- Continue working on the information related to the Transfer of General Conditions from trade contractors to Bulley & Andrews.

Parking Deck and IGA Update

Dr. White noted that the Board of Education approved the hiring of Attorney Brian Mulhern to assist with the Inter-governmental Agreement with the Village of Hinsdale as related to the parking deck.

Discussion and Future Meeting Topics

Mr. Mejdrich recommended that this committee be combined with the Facilities Committee. Dr. White noted that this committee is a Superintendent's Committee as opposed to the Board Facilities Committee. He noted that he would take this suggestion under consideration.

Adjournment

The meeting was adjourned at 8:18pm.