

Minutes of the School Facilities Commission
1920 Thomes Avenue
Cheyenne, Wyoming

SPECIAL MEETING
June 26, 2006

Conference Call

Chairman Marsh called the meeting to order at 10:08 AM.

Present: Commissioner Carrier, Commissioner Gilpatrick, Commissioner Goodson, Commissioner McBride, Chairman Marsh and Director Shivler.

Michael O'Donnell, State Council for SFC & School Finance provided the background information regarding the Laramie County School District No. 1 request as follows:

Mr. O'Donnell stated the request for Laramie 1 is somewhat unusual. The District's five year plan and the efforts in Laramie 1 have been focusing on several projects and the efforts to design several elementary schools on a prototypical basis. One of these elementary schools will lead the construction charge on what is loosely called a fast track project. This process will allow a school to be designed and built in phases allowing construction in one phase and design in the next phase all in the hope of getting a school off the ground and occupied more rapidly. This is occurring in Cheyenne because Cheyenne, unlike a number of districts in the state has a problem with insufficient capacity. There is just not enough room in the existing Cheyenne facilities for all the kids in Cheyenne and the District has an urgent need to get elementary school construction moving forward. This is what drives this presentation to the SFC - the desire to get a school built and occupied in the 2007/2008 school year.

Mr. O'Donnell informed the Commission. The Sun Valley Elementary School which was mistakenly referred to as the Southside Elementary School is the school being proposed for the fast track process over the next 12-13 months. The Sun Valley Elementary School in the 05/06 budget was only planned for design and construction was not contemplated in that budget. The construction was budgeted in the 07/08 budget.

The proposal for this Elementary School is not only to fast track the school, but to do it with an alternate delivery method. The Alternate Delivery Method that has been put out by RFP by the school district is loosely called CMGC - Construction Manger General Contractor. It is sometimes within the ambit of the SFC's new statutory alternate methods and sometimes not because a CMGC does not necessarily have a guarantee maximum price. This project has a not to exceed price.

Mr. O'Donnell continued by stating the RFP hasn't been awarded yet. He asked Mr. Tom Rooney from Laramie 1 if this statement was correct. Mr. Rooney stated the District has not signed a contract.

Mr. O'Donnell advised that bids have been opened and the district is prepared to go forward, however the contract has not yet been executed. The proposal received was for a CMGC contract on the Sun Valley Elementary School to occur between \$7.4M and \$8.3M and the \$8.3M was a not to exceed figure. Mr. O'Donnell also advised that the way that the language reads leads to concern that the contract will not fully comply with the new limitations on alternate delivery methods which were imposed by the 2006 legislature. The legislature in 2006 allowed for only two kinds of alternate delivery methods - Construction Manager Agent and Construction Manager At Risk with a guarantee max price.

Mr. O'Donnell informed the commission that prior to the new legislation the Commission had the authority under the budget footnote that the legislature provided in the 2005/2006 budget to do alternate delivery of any kind as long as it met with the Commission's approval. Because of the uncertainty of the Sun Valley Elementary School alternate delivery method in satisfying the new statute, the proposal being requested will allow shifting of funds so Commission can approve the Sun Valley Elementary School project occur with 05/06 budget money to ensure there are no problems.

Mr. O'Donnell set forth the proposal to add to the design money in the 05/06 budget the construction money that is needed to build the Sun Valley Elementary School. He stated there were funds in the South High School budget within the same district that will not be expended before the end of the biennium and which are not obligated. The District and SFC staff were in agreement that it would be appropriate to shift money from South High School to Sun Valley Elementary School in the 05/06 budget so that the Sun Valley Elementary School would become a design and construction project and not just a design project. (Correspondingly, in the 07/08 budget a reverse shift of funds would need to occur. Funds would be transferred from the Sun Valley Elementary School project over the South High School budget essentially replenishing the South High School budget so the project can continue to move forward with design.)

Mr. O'Donnell stated the effort is to address a pressing need for Laramie County School District No. 1 for additional elementary school space and to have the space available for the 07/08 school year.

Mr. O'Donnell then explained the Fund Reallocation Approval Forms which were in the meeting packet.

Mr. O'Donnell made the following changes to the suggested motion for the Commission as some words were incorrect:

- In 1st paragraph, 3rd sentence – delete “Southside Elementary School (also known as)”
- In 2nd paragraph, 1st and last sentence – change Southside ES to Sun Valley ES
- In 3rd paragraph, the sentence was changed to read “I further move the Commission approve the reprioritization of 07/08 budget funding from Sun Valley ES to the New South HS in the amount of \$7,984,560”.

Mr. O'Donnell clarified the terms used in the motion. He asked the Commission to note that the first line of the first paragraph refers to reallocation of 05/06 budget funds and the final paragraph refers to a reprioritization of 07/08 funds. That language is in there for the following reasons: Reallocation is in there to move funds in the 05/06 budget and 07/08 budgets have always been reprioritization and the Commission adopted a special rule for reprioritization. The language is kept consistent, but there was no change in priority for either one of the schools. The schools will maintain their same priority. This motion is truly a shifting of budget funds to allow for the practical alternate delivery method to go forward and for it to go forward rapidly so the school can be built in the next 13 months.

Commissioner Carrier made a motion to approve the re-allocation of \$8.3 million of 05/06 budget funds from the New South High School in Cheyenne to the existing 05/06 budget funds for design of the new Sun Valley Elementary School in Cheyenne.

He further moved the Commission to approve the expansion of the scope of the Sun Valley Elementary School project from "design" to "design and construction" and that the contract documents accomplishing the changes be amended to note that the \$8.3 million is not a "set" figure, but rather it is a "not to exceed" figure due as the Sun Valley Elementary School project is an alternative delivery method project.

He further moved the Commission to approve the reprioritization of 07/08 budget funding from Sun Valley Elementary School to the New South HS in the amount of \$7,984,560. Commissioner McBride seconded the motion.

Commissioner Algier voiced her concerns with the costs per square foot and whether the cost estimate was based on the 05/06 bidding environment or was it based on the current bidding environment.

Mr. Ken Burnett stated that during the design process for the school the budget was revised and the budget presented to the Commission was based upon the current cost per square foot.

Chairman Marsh asked if this budget was revised for the 07/08 budget environment.

Mr. Burnett stated yes and that the estimate was given to the SFC in March, 2006.

Chairman Marsh questioned the District representatives about the estimate.

Mr. Tom Rooney stated their best estimate comes from their architect right after the value engineering session. This was the architects best estimate based on his best guess at the time.

Chairman Marsh stated the Commission wants to come forward with a realistic estimate and all realize this is an estimate. He asked Mr. Rooney if the District had a reasonable comfort that the estimate was a reasonable or a legitimate estimate.

Mr. Rooney answered the District feels that it was a legitimate estimate but that could change depending on what happens.

Commissioner Goodson asked if the District and SFC were serious about the not to exceed figures.

Chairman Marsh stated he was and the general contractor is charged with working within those parameters. He asked Director Shivler if he agreed with his statement.

Director Shivler stated he agreed and addressed Commission Goodson by saying the not to exceed obviously can't take into account changes orders and it never does. If you change the scope of the project, obviously your contractor can't very well guess what it will be.

Commissioner Algier stated with this delivery method there shouldn't be change orders. If the contractor is in on the design, it is his design.

Director Shivler advised the contractor was not in on the original design and the project was at 35% before the contractor was hired. The contractor is looking at the design now, but we can't say he was on the original design.

Commissioner Algier stated there shouldn't be change orders with regards to mistakes with the design but there always are. The contractor should be able to modify his methods and not charge extra money. She asked if this was right.

Mr. Burnett stated the general contractor was currently working with architect and reviewing the drawings to ensure the best means for developing the drawings and eventually building the school. However, if the scope of the project changes, of course we will probably see change orders. Part of the job for this contractor is to work closely with the architect and make sure there are no frivouls changes that happen during the construction.

Mr. O'Donnell advised this would be the last of the projects done under the old system of Alternate Delivery Methods which has variations that the legislature trimmed down with the new budget money. The CMAR approach under the new statue will address Commissioner Algier's concerns. He believes the issue is resolved by the new statute but not necessarily by the old statute.

Commissioner Goodson asked if the District had seen any figures or proposal from the general contractor.

Mr. Rooney stated he has only seen the general contractor's costs and general condition costs. He is not under contract yet and hasn't worked with the architect at this point.

Chairman Marsh asked Mr. Rooney if all bids that are to be received by this general contract are to be on a open bid basis.

Mr. Rooney stated yes and added that the 5% preference would be included.

Commission Goodson asked if the scope of the project is available for his review.

Chairman Marsh stated it was and that the architect was Pappas and Pappas.

Mr. Rooney advised that the plans would be at 50% by the end of July for total design. The District was working on the first bid package for site utilities and foundation.

Chairman Marsh asked if this was a 3-phase project.

Mr. Rooney stated the project was 3-phase with the first being site, second being structure and third being finishes.

Commission Goodson asked for a copy of the scope and Mr. Burnett advised he would send to Commission Goodson.

Additional conversations were held regarding the footnote authorization and use of CMAR and a general contractor.

Mr. O'Donnell commented that in "doing this transfer he believed it would be fair to say the Commission is giving up some control of costs in the interest of using more flexible funds to getting a project accomplished quickly. It may not be the choice which would always be made if we had the luxury of all the time in the world, and we don't have all the time in the world. This is design I think to try and accommodate a need in Cheyenne driven not only by school kids but by the courts."

Chairman Marsh commented the reason we are having this special meeting after July 1st is because the Commission is under a new set of rules. It has been made clear to the districts that alternate delivery methods became something to consider and that is fine, but done so under the parameters of the legislature. This is the only project left in the 05/06 under which the Commission could authorize this type of method.

The Commissioners asked for a restate of the motion,

Commissioner Carrier made a motion to approve the re-allocation of \$8.3 million of 05/06 budget funds from the New South High School in Cheyenne to the existing 05/06 budget funds for design of the new Sun Valley Elementary School in Cheyenne.

He further moved the Commission to approve the expansion of the scope of the Sun Valley Elementary School project from "design" to "design and construction" and that the contract documents accomplishing the changes be amended to note that the \$8.3 million is not a "set" figure, but rather it is a "not to exceed" figure due as the Sun Valley Elementary School project is an alternative delivery method project.

He further moved the Commission to approve the reprioritization of 07/08 budget funding from Sun Valley Elementary School to the New South HS in the amount of \$7,984,560. Commissioner McBride seconded the motion.

Motion passed unanimously.

Chairman Marsh advised that there would be no Executive Session.

Adjournment

At 10:45 a.m. Commissioner Gilpatrick made the motion to conclude the special meeting. Commissioner Carrier seconded the motion; motion passed unanimously.