


**DATE:** AUGUST 9, 2017

**TO:** HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
HONORABLE SCHOOL BOARD CHAIR  
AND MEMBERS OF THE SCHOOL BOARD

**FROM:** MARK B JINKS, CITY MANAGER   
DR. LOIS BERLIN, INTERIM SUPERINTENDENT OF SCHOOLS

**SUBJECT:** PATRICK HENRY PRE-K-8 SCHOOL AND PATRICK HENRY  
RECREATION CENTER CAPITAL PROJECT BUDGETS

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This afternoon the attached memorandum regarding the budget for the construction of the new Patrick Henry Pre-K-8 School and the attached City Recreation Center will be transmitted from ACPS staff to the School Board for action at the School Board's next meeting on August 14. This memorandum reflects the lengthy and just completed negotiations of a Guaranteed Maximum Price (GMP) for this project with the selected general contractor, as well as value engineering undertaken to reduce costs where staff determined such cost reductions reasonable and feasible.

The total overall cost of this project<sup>1</sup> (including the early package release for site work already issued) is \$61.8 million, of which \$52.3 million is for the School's portion of the project and \$9.5 million is for the City recreation facility and artificial turf field elements of this project. The cost for the City Recreation Center and artificial turf field remains within the City budgeted amount. The cost for the school portion of the project is \$3.8 million above the adjusted Patrick Henry school capital budget of \$48.5 million that the School Board approved last February. At that time, \$5.7 million was reallocated within the School's Capital Improvement Program (CIP) budget by ACPS to the Patrick Henry School CIP account, but that reallocation was prior to the completion of value engineering and GMP contract negotiations.

Since then, value engineering and contract negotiations have been completed, with a gap between the revised Patrick Henry Elementary School budget and the GMP contract remaining. To close that gap, ACPS staff has recommended to the School Board the CIP reallocations that are listed in the attached memorandum. As the School Board has the authority to reallocate its CIP funds, no City Council action is requested. However, given the high visibility of this project and the prior CIP reallocation, we wanted City Council to be informed.

Attachment: Patrick Henry Pre-K-8 School Budget Transfer Memorandum

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<sup>1</sup> This memorandum references total project costs. The budget transfer memorandum references GMP costs which are the largest but not the only element of project costs.

Date: August 7, 2017

For ACTION \_\_\_\_\_

For INFORMATION  X

Board Agenda: Yes  X   
No \_\_\_\_\_

**FROM:** Elijah Gross, Director of Planning, Design, and Construction

**THROUGH:** Dr. Lois Berlin, Ed.D., Interim Superintendent of Schools  
Richard Jackson, Interim Chief Operating Officer  
Michael Herbstman, Chief Financial Officer  
Sharon Lewis, Director of Procurement

**TO:** The Honorable Ramee A. Gentry, Chair, and Members of the Alexandria City School Board

**TOPIC:** Patrick Henry Pre-K – 8 School Budget Transfer

**SUMMARY:**

In accordance with school board policy FEG and the associated regulations pertaining to the management of CIP funds, staff is requesting that funds in the amount of \$3.8 million be transferred from the accounts of selected projects to increase funding for the previously approved new Patrick Henry Pre-K – 8 School and Recreation Center project.

This budget transfer follows an initial transfer of \$5.7 million that was approved in February to support increases in soft costs based on a larger facility, and the need for increased owner contingency.

**BACKGROUND:**

The Patrick Henry budget has evolved from the original feasibility stage to the current Guaranteed Maximum Price (GMP) proposal as ACPS and Recreation, Parks & Cultural Activities staff have moved forward with the development of the Patrick Henry Pre-K-8 School and Recreation Center. Prior to this requested transfer, the total approved ACPS-portion of the project budget, including previous budget transfers, is \$48.3 million. During design, staff informed the School Board of a potential cost exposure with the understanding that cost estimates would be provided during the construction documents portion of the design phase, and that a final GMP would follow.

The Patrick Henry project received City Council approval during the December 2017 public hearing, and the CM at-risk contract was amended in May to allow the contractor to move forward with construction on portions of the site work only in order to support the overall construction schedule. This early release package for site work included earthwork, site demolition, utilities, retaining walls, and other miscellaneous work with a total cost of \$6,600,987 (\$5,076,419 attributed to ACPS and \$1,524,568 to the City). This portion of the work proceeded as the Design Review Team continued to work on value engineering options for the building to get best value.

Upon completion of the value engineering of the project, the contractor bid the project and submitted a GMP proposal in the amount of \$44,310,186 (\$38,160,157 attributed to ACPS and \$6,182,102 to the City) on August 2, 2017.

Based on existing funding levels, an additional \$3.8 million is required to fund the Patrick Henry project. ACPS has identified several projects totaling \$3.8 million to cover the additional costs which are discussed later in this memo.

*Reason for Exposure*

The current design incorporates all requirements from the Site Specific Program Document with minor changes based on programmatic needs. The school portion of the building design is approximately 137,000 square feet which represents an increase of 17,000 square feet from the original Site Specific Program Document estimate of 120,000 square feet. Additional reasons for this cost increase include:

- Desire for reducing the massing off of Latham Street
- Direct access from the school to the athletic fields
- Preventing overlap with the existing building for safety in phased construction
- Avoiding conflicts with adjacent powerlines
- Accommodating the challenging site topography

*Potential Funding Sources*

ACPS staff has reviewed potential funding sources for the budget deficit of the Patrick Henry project. Funding from the following projects may be used to close the budget gap:

Description	Reasoning	Available CIP Funding	Return to Future CIP
<b>Category 1: Completed Projects with Remaining Funding Available for Transfer</b>			
Francis Hammond ADA Ramp	This project has been completed and these funds are the result of a more efficient redesign. Construction of the project took advantage of existing conditions that helped us to meet our ADA needs at the school cost effectively with the addition of a ramp.	\$178,650	No
Francis Hammond Elevator Addition	This project has been completed and these funds are the result of a more efficient redesign. Construction of the project took advantage of existing conditions that helped us to meet our ADA needs at the school cost effectively with the addition of a single elevator.	\$1,078,096	No
<b>Category 2: Projects with Reduced Scopes Requiring Future- Year CIP Funding</b>			

George Washington Repair or Replace Ceilings	These funds were requested to replace ceilings throughout the facility. The building has been reassessed and scopes of work have been developed to perform ceiling replacements in select areas of the school as required. We are recommending that a portion of the funding be used to support Patrick Henry and that the remaining ceilings be replaced near the end of their life cycle.	\$200,000	Yes
George Washington Roof Replacement	A phase I and II major roof replacement has been completed on the project which covers large portions of the roof. Under a new roof maintenance agreement the roof for this facility has been assessed and determined to be in fair condition. Thus it may be maintained under our roof maintenance contract. Request to fund this project will occur under a normal life cycle and may extend from 2 to 5 years.	\$210,000	Yes
James K. Polk Roof Replacement	Under a new roof maintenance agreement the roof for this facility has been assessed and determined to be in fair condition. Thus it may be maintained under our roof maintenance contract. Request to fund this project will occur under a normal life cycle and may extend from 5 to 10 years.	\$280,442	Yes
John Adams Building Envelope	The building has been reassessed and has been determined that there are no substantial building envelope failures at this time. The building will be assessed again with our upcoming facilities assessments where we anticipate a reduced scope of work that would result in a future request for funds within a projected 5 to 10 years.	\$150,631	Yes
<b>Category 3: Projects Recommended for Removal from the CIP</b>			
TC Williams Minnie Howard Building Envelope	The building has been reassessed and it has been determined that there is no substantial building envelope failures at this time. The building will be assessed again with our upcoming facilities assessments where we anticipate a reduced scope of work to address items that are now out of warranty. This would result in a future request for funds within a projected 5 to 10 years.	\$1,385,713	No
TC Williams Minnie Howard Structural Damage	The building has been reassessed and it has been determined that there is no substantial structural damage at this time. The building will be assessed again with our upcoming facilities assessments where we anticipate a reduced scope of work that would result in a future request for funds within a projected 5 to 10 years.	\$181,956	No

TC Williams Irrigation System	These funds were originally requested to support the need for satisfying the DSUP requirement for tree screening at the perimeter of the school site. Since that time low maintenance trees have been installed and care for trees is covered under a maintenance agreement. This agreement is being renewed and we do not anticipate the need for a full irrigation system at the site.	\$150,000	No
<b>Total</b>		<b>\$3,815,487.21</b>	

Budget Transfer- Patrick Henry Pre-K - 8 School					
From Account					
ORG	OBJECT	PROJECT	TITLE	Amount Transferring	ACPS Account #
41861559	52121	20132	FH-ADA-Ramp	\$ 178,649.94	41861559-1-P130001
41861559	52121	20132	FH-Facility Maintenance-Elevator Addition	\$ 1,078,096.06	41861559-7-P150007
41861560	52121	20135	GW-Facility Maintenance-Repair or Replace Ceiling	\$ 200,000.00	41861560-7-P170055
41861560	52121	20135	GW-Facility Maintenance-Roof Replacement	\$ 210,000.00	41861560-7-P150087
41861546	52121	20159	JP-Facility Maintenance-Roof Replacement	\$ 280,442.00	41861546-7-P170087
41861531	52121	20137	JA-Facility Maintenance-Building Envelope Repair	\$ 150,630.70	41861531-7-P150010
41861563	52121	20133	TCWM-Facility Maintenance-Building Envelope Repair	\$ 1,385,712.51	41861563-7-P150010
41861563	52121	20133	TCWM-Facility Maintenance-Structural damage repair	\$ 181,956.00	41861563-7-P130101
41862106	52121	20131	TCW-Facility Maintenance-Irrigation System	\$ 150,000.00	41862106-7-P160120
To Account					
41861583	52121	20530	PH-Capacity-New K-8 School A&E	\$ 3,815,487.21	41861583-4-P140039

**RECOMMENDATION:**

The Superintendent recommends that the School Board approve a transfer of funds from the projects described herein to fully fund the new Patrick Henry Pre-K-8 school project.

**IMPACT:**

The approval of this budget transfer will allow the Patrick Henry project to proceed with construction and complete the project.

**CONTACT PERSON:** Richard Jackson, Interim Chief Operating Officer, (703) 619-8038