

BOARD MEMO

Date: May 1, 2020
For ACTION X
For INFORMATION
Board Agenda: Yes X
No

FROM: Dr. Alicia Hart, Director of Educational Facilities

THROUGH: Gregory C. Hutchings, Jr., Ed.D., Superintendent of Schools
Mignon R. Anthony, Chief Operating Officer
Dominic B. Turner, Chief Financial Officer

TO: The Honorable Cindy Anderson, Chair, and
Members of the Alexandria City School Board

TOPIC: Budget Transfers to Support the Elevated Gymnasium Project at Ferdinand T. Day
Elementary School

ACPS 2020 STRATEGIC PLAN GOAL:

Goal 4: Facilities and the Learning Environment
Goal 6: Effective and Efficient Operations

2019-2020 FOCUS AREA:

Focus Area 5: Strategic Plan

FY 2020 BUDGET PRIORITY:

Optimal and Equitable Learning Environments
Communications and Customer Service for Internal Stakeholders

SUMMARY:

In 2016, the Educational Facilities office was asked to pursue a rough order of magnitude (ROM) estimate for a gym addition at Ferdinand T. Day. The ROM received was based on an unspecified design and used to develop the budget for the elevated gym project. In FY 2019, the School Board and City Council approved \$4,569,080 in the Capital Improvement Project budget for Phase II of the Ferdinand T. Day project (elevated gym).

The addition of the elevated gym will:

- Provide a larger gym than current physical activity space that meets educational specifications
- Add a new stage which will serve the entire school and community events
- Provide a permanent enclosed connection between the school and playground
- Add more storage space for the gym, stage and school
- Achieve a new gym addition design within the existing context

BACKGROUND:

Explanation of Funding Need

FTD Phase II – Elevated Gymnasium project was originally funded at \$4,569,080 in FY 2019 based on the ROM received in 2016. There was a remaining balance of \$535,000 from Phase I (Adaptive Reuse

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Project), which was transferred to Phase II. Additionally, FY21 escalation funding of \$496,741 is forthcoming. The projected available budget is \$5,600,821. ACPS recently received the Design-Build Guaranteed Maximum Price (GMP), which has increased the estimated project cost to \$6,377,317; this is a funding shortfall of \$776,496.

The major contributor to the funding shortfall is that the GMP proposal exceeds the available budget. Please note that four years have passed since the ROM was received, and escalation over that time period created pressure on the available budget. While we have requested escalation funding in the FY21 budget, it is not enough to cover the full escalation increase. Additional details are noted below regarding the cost difference:

1. **Market Conditions Related To COVID-19:** While there is a small pool of contractors who are providing more competitive pricing at this time, the majority of contractors are being cautious with estimates due to potential supply chain disruptions and labor shortages. In addition, 20% of committed subcontractors have backed out of the project due to reasons mentioned above, as the market conditions have significantly changed due to COVID-19.
2. **Limited Value Engineering Options:**
 - a. The Educational Facilities office pursued 24 Value Engineering (VE) options; 15 have already been implemented throughout design process. The estimated total savings achieved through VE is \$500,000
 - b. However, the inherent complexity of the structure (elevated at the 3rd level of the school building), complex building code requirements (due to adjacency to school building and garage), site constraints with existing underground storm water management structures, parent drop off and refuse collection access underneath the proposed structure, the project did not allow for major cost saving opportunities. In addition, limited building exterior material selection approved by City of Alexandria Planning and Zoning eliminated more cost-effective options for the building skin.

Transfer Requests

Approval of transfer of funds from TC Williams High School Flooring Project:

There is currently \$924,000 assigned to the TC Williams Flooring Replacement account line in FY20. Given the need to find FY20 funding to assist with the Ferdinand T. Day elevated gym project shortfall, a decision has been made to reduce the scope of flooring replacement at TC Williams High School. The scope of flooring replacement will now only include replacement of the auxiliary gym floor; enough funding will remain in the account line to cover this expense. This decision was made due to the fact the flooring within TC Williams High School (with the exception of the auxiliary gym floor) is in good condition. The Educational Facilities office will re-request funding for floor replacement in an outer budget year.

Approval of transfer of funds from Capacity Planning account line:

The balance of the shortfall is being requested from the Capacity Planning account line.

Pursuant to the need to award the GMP in order for project progress to continue, these budget transfers are being requested to complete the Ferdinand T. Day Elevated Gym project.

RECOMMENDATION:

The Superintendent recommends that the School Board approve these budget transfer requests totaling \$776,496 from the project funds noted below to support the Ferdinand T. Day Elementary School Elevated Gymnasium project:

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- A) \$624,000 from TC Williams High School flooring replacement line item. The flooring within the facility is currently in good condition; funding to replace flooring (if needed) can be requested in an outer budget year.
- B) \$152,496 from CIP Capacity Planning

IMPACT:

Advances the 2019-2020 Operations Department Improvement Plan

ATTACHMENT:

200501_Attachment1_BTR_CIP_Reserve_FTD_Elevated_Gym_Project

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