

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

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 project¹ (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

¹ 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.