

Date: June 7, 2018

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
Mignon Anthony, Chief Operating Officer
Richard Jackson, Director of Educational Facilities
Michael Herbstman, Chief Financial Officer

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

**TOPIC: Budget Transfer from the CIP Reserve Account to Support the Jefferson
 Houston infrastructure repair project**

BACKGROUND: On December 7, 2017, the School Board authorized the establishment of a Capital Improvement Program (CIP) Reserve Account which provides an additional option for CIP budget transfers. This reserve account allows the School Board to move budgeted funds between capital accounts through the below two-step process:

1. The School Board approves budget transfers from specific project account lines to the CIP Reserve Account.
2. The School Board later approves budget transfers from the CIP Reserve Account back to other specific project account lines based upon justifications of need.

On at least a quarterly basis, ACPS staff provides recommendations to the School Board to move funding into and out of the CIP Reserve Account, as required.

The CIP Reserve Account currently has a balance of \$1,121,491.27 remaining from prior approved transfers. A separate transfer has been proposed to the School Board for action during tonight's meeting. That recommended transfer would move \$218,361.95 from the CIP Reserve to an HVAC account in support of the George Washington Middle School Kitchen/Cafeteria Renovation. If the Board approves that transfer to George Washington, \$903,129.32 will remain in the CIP Reserve Account prior to the transfer proposed in this memo.

SUMMARY: A transfer is recommended from the CIP Reserve Account totaling \$150,000 to support a comprehensive mechanical infrastructure analysis of the Jefferson Houston Pre-K to 8 School. This would leave a balance of \$753,129.32 in the CIP Reserve Account.

The infrastructure failures involving refrigerant piping were first identified in 2016 due to severely inadequate cooling in the west ends of the second floor of the school. In 2017 both the second and the third floor west end areas experienced notable losses in cooling and heating capacities as well, the extent of which has created impacts on the consistent delivery of portions of the educational program at the school on a frequent basis.

In on-going efforts to resolve the problem ACPS has utilized the expertise of their contract maintenance company, reviewed all original construction related correspondence, and other professional resources in determining that a more thorough and detailed investigation is warranted.

Preliminary assessments carried out by an engineering team in November 2017 uncovered significant concerns in materials utilized, construction quality and performance deterioration with initial recommendations highlighted regarding systemic problems.

Pursuant to this assessment and recommendations regarding systemic problems with the mechanical system, funds are being requested to engage a third party engineering team to assist in the following immediate next steps:

- To provide a comprehensive investigative analysis of the entire HVAC system installed in Jefferson Houston
- Investigate the causes and extent of the issues, including engineering, construction quality, performance, and life cycle analysis
- Provide strategies and recommendations for remediation and associated cost estimates

Additional work after the immediate evaluation is concluded might also include:

- Provide technical oversight of remediation planning
- Provide engineering support, as required.

RECOMMENDATION: The Superintendent recommends that the School Board approve this budget transfer request totaling \$150,000.00 from the CIP Reserve Account to the Jefferson Houston infrastructure repair project.

CONTACT PERSON: Mignon R. Anthony, (703) 619-8097

ATTACHMENTS: 1. CIP Adjustment Analysis

Attachment 1: CIP Adjustment Analysis

Budget Transfer-JH Mechanical Infrastructure Assessment					
From Account					
ORG	OBJECT	PROJECT	TITLE	Amount Transferring	ACPS Account #
New Account			CIP Reserve	150,000.00	New Account
To Account					
41861541	52102	20141	JH-Capacity-New School PreK-8 Facility	\$ 150,000.00	41861541-4-P130097