

PIEDMONT UNIFIED SCHOOL DISTRICT

TO: Board of Education

FROM: Randall Booker, Superintendent

DATE: March 24, 2021

RE: **APPROVE INCREASE IN GUARANTEED MAXIMUM PRICE (GMP) TO OVERAA CONSTRUCTION FOR PIEDMONT HIGH SCHOOL STEAM AND THEATER PROJECTS BY \$2,297,751 FOR A TOTAL INCREASE IN GMP FROM \$49,973,479 TO \$52,271,230**

I. **SUPPORT INFORMATION**

On March 27, 2019, the Board approved the Facilities Lease-Leaseback agreement with Overaa Construction for \$49,973,479. The District and Overaa's agreed "Guaranteed Maximum Price" of \$49,973,479 included \$29,475,345 for the STEAM building and \$20,498,135 for the new theater building. For more information about the Measure H1 Bond Program objectives and budget, and the purpose of the "Guaranteed Maximum Price," see the Background dated February 27, 2019.

As anticipated, change order request items have arisen related to project scope, unforeseen conditions, Covid-19, overtime schedule preservation, estimating errors, lighting tariffs, utility costs, conditions uncovered that were not on the original construction plans. These issues have been extensively discussed and negotiated among the construction project team of Overaa Construction Co., HKIT Architects, and District staff. In addition, the District's Facilities Steering Committee has been regularly updated, and has had detailed discussions regarding the scope issues.

Based on the recommendation of the District Project Team and Facilities Steering Committee, it is recommended that Overaa Construction Co. construction contract amount be increased by \$2,297,751 (\$1,332,632 - STEAM building; \$965,119 - theater building) to \$52,271,230. Funding for this increase will be come from the Bond Program Contingency and unused contract allowances. It should be noted this is not likely the final GMP increase. The project remains on time and will conform to the District's budget.

The attached list provides detail on the specific change items.

II. **RECOMMENDATION: REVIEW AND ACTION**

Approve a contract change in GMP to the Overaa Construction Co. in the amount of \$2,297,75. The current construction contract will be increased to \$52,271,230.