

MINUTES OF THE ANCHORAGE SCHOOL BOARD

SPECIAL MEETING OF JANUARY 31, 2000

The Anchorage School Board met in Regular Session on Monday, January 31, 2000 at 4:30 p.m. in the Board Room, at the Anchorage School District Administration Building. President Peggy Robinson presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE

Board Members Present: Peggy Robinson, Dave Werdal, Rita Holthouse, Bettye Davis, Harriet Drummond, Kathi Gillespie and Debbie Ossiander.

Others Present: Bob Christal, Carol Comeau, Janet Stokesbary, Carolyn Buckley, Patricia McRae, Gail Opalinski, Pat McDowell, Ed Conyers, Ray Amsden, Mike Price, Ed Blahous, Mary Tanghe, the press and other interested people.

The School Board opened the meeting with the Pledge of Allegiance to the Flag.

B. SCHOOL BOARD COMMENTS

C. SUPERINTENDENT'S REPORT

ASD Memorandum #189 - Report On General Contractor Construction Management (GCCM) Process

A School Board Work Session was held on August 24, 1999 to review the various options available and how to best manage the construction of the two new high schools, and to solicit public input from the construction professionals. The options discussed were:

1. Traditional Design/Bid/Build - utilizing an open bid process
2. Traditional Design/Bid/Build - utilizing a two step bidder process
3. Design/Build
4. General Contractor Construction Manager (Modified Design/Build)
5. Construction Manager

The Municipality of Anchorage Purchasing Department was contacted and they confirmed that there is nothing in the Municipal Code that would prohibit using any of these options. These options have also been reviewed with Saul Friedman of Jermain Dunnagan and Owens and received his legal approval.

At the Work Session, members of the Design, Construction, and Project Management communities provided input and assessment of the options. The community emphasized that the District needed to obtain the best construction documents possible, regardless of which construction method was chosen, and that adequate time to do the design, bidding and construction be allocated (do not rush, expedite or fast track these projects). Also, it was advised that the District should consider obtaining professional expertise to assist in value engineering, constructability review, and construction/bid schedule analysis. There was interest in the use of the Design/Bid/Build option, utilizing a two-step process, and the General Contractor Construction Manager option. The Administration intends to incorporate the Dispute Resolution Board process on both projects. The community also offered to contribute their time, knowledge and skills to work with and assist the District in utilizing these methods.

At the September 27, 1999 School Board meeting the Board approved the use of the Traditional Design/Bid/Build option following a two-step process for construction on the Dimond Replacement Project.

Also at this School Board meeting the Board authorized the Superintendent to investigate the merits and risks of utilizing the General Contractor Construction Manager option for the New South Anchorage Area High School project, and to present the results to the School Board.

URS Greiner Woodward Clyde (URS) was selected to provide a professional assessment and recommendations for or against use of the General Contractor Construction Manager option. URS interviewed representatives and reviewed programs from a cross section of the Anchorage and outside construction firms, school districts, design and construction experts. At the conclusion of the study it was recommended by URS that the option be utilized for the construction of the new South Anchorage Area High School project, refer to Attachment A for URS report. Also it was determined that the use of this option would benefit the Anchorage Community in the provision of a better end product within the existing budget, development of a more efficient facilities construction process, and an investment in better business relations with the local construction services community.

A timely decision to utilize the General Contractor Construction Manager option on the New Southeast Anchorage Area High School is necessary to allow the selection of a General Contractor Construction Manager by April 2000. The method selected for the Dimond Replacement project could also be utilized for this project.

Bob Christal outlined where the District is at this point in the area of reviewing the District's construction practices. This memorandum is a review and an analysis of the General Contractor/Construction Manager (GC/CM) process. A recommendation will come before the Board at the February 23, 2000 School Board Meeting for the construction process to be used for the new South Anchorage High School. Mr. Christal further explained that he had a third party impartial review of the process conducted by the Barba Arkhon Program Management and Claims Specialists from Mount Laurel, New Jersey.

Ray Amsden introduced Ross Pouley, Bob Carr and Craig Lance of URS Greiner Woodward Clyde, who have been hired by the District to consider the proposed solution to the construction of the new South Anchorage High School.

Ross Pouley reviewed the findings of the URS report stating in the Executive Summary of the report: That the Anchorage School District is working to develop construction project delivery methods that provide the best value within the available overall budget. The method being considered for the procurement of the new South Anchorage High School is the General Contractor/Construction Manager method. After researching current project delivery methods being used in the United States and at other school districts, the Anchorage School District staff, with the approval of the School Board, commissioned URS to provide a professional assessment and recommendation for or against use of this project delivery method. URS interviewed representatives and reviewed programs from a cross section of Anchorage and Outside construction firms as well as K-12 school owners and construction experts. With certain conditions, URS recommends that the GC/CM method be used for the new South Anchorage High School project. Use of this method would benefit the Anchorage community in the provision of a better end product within the existing budget, the development of a more efficient facilities construction process, and an investment in better business relations with the local construction services community. Mr. Pouley briefly explained the GC/CM process and noted the following recommendations:

1. Bring the GC/CM into the project team after the schematic design is completed. The program and the concept development need to be far enough along so that the contractor is not designing the building.
2. Send out a draft RFP, including the selection criteria, and a description of the selection process. This encourages input and

invites comments from the community to help them complete and support the process.

3. Select the GC/CM in a two-step process. Two steps will balance the capabilities of the contractors and the costs so that it is fair and clear.
4. Make the RFP evaluation criteria very detailed and specific. Respondents need to know what the District is looking for and what the criteria will be.
5. Plan to have enough owner resources available to sustain the process.
6. Partnering is recommended to facilitate communication and to build a trusting relationship.
7. Have the contractor develop the Guaranteed Maximum Price (GMP) late in the design with a well-developed set of documents.

If the Board should utilize this process the next steps would be:

1. Build the District's project team to support the process.
2. Develop an approved procurement plan.
3. Work with legal counsel to modify contractual language consistent with the process.
4. Develop GC/CM selection process for implementation.

Jack Miller stated that one of the primary interests in the public sector is the importance of being fair in the way providers are dealt with in whatever services the District decides to use. Mr. Miller's main concern is fairness all the way around and clarity so that everyone understands the process.

Gene Kulawik expressed concern with the GC/CM process noting that he is strongly against the use of this method for facilities' expansion. The concept of a guaranteed total price for the work sounds great at first blush, but as stated in the study, many problems do exist. If the owner wants to place all of the risk on a contractor, the owner will have to pay for this assurance. If the owner accepts some of the risk responsibility, the contractor will lower his price accordingly. The District should have the architect fully develop the plans, specifications and bidding documents for the work. The District should use the competitive bid

process to determine the lowest responsible bidder. If the architect does his job satisfactorily, the owner should get satisfactory bid prices. The quality of the design package is essential for good results. A good bidding package is essential to get a quality bidder and it is imperative to have a complete package prior to going out to bid.

Rita Holthouse requested further information on guaranteed maximum price.

Debbie Ossiander requested further information as to whether or not the District should hire a manager during the construction phase. Ms. Ossiander noted that she had a list of concerns.

After further discussion on the GC/CM process, Peggy Robinson asked Board members to submit their list of questions/concerns to the Superintendent's office by February 7th. This will allow the Administration adequate time to address these concerns prior to the recommendation that will come before the Board at the February 23, 2000 School Board Meeting.

D. EXECUTIVE SESSION – (PERSONNEL/FINANCE/NEGOTIATIONS/LITIGATION)

E. ADJOURNMENT

The Special Meeting of January 31, 2000 was adjourned by unanimous consent at 6:20 p.m.

Peggy Robinson, President

Rita Holthouse, Clerk

Date Minutes Approved