



A Community of Learners

Information and Action Item: Construction Management for Summer 2020 Work

TO: School Board
Superintendent Kocanda

FROM: Brad Goldstein, Chief Financial Officer

October 22, 2019

Overview & Background

The planning for the work that will occur in the summer of 2020 is beginning. This work will include Health/Life Safety, lead mitigation work at The Skokie School and Crow Island, as well as ADA accessibility work at Crow Island. The District has several arrangements to manage the construction to ensure work is completed at the highest possible quality and best possible price. The methods that can be used include working with a general contractor, a prime trade contractor, and a construction manager. Based on the type of work planned for the summer of 2020, the Administration recommends that a construction manager be used and that Pepper Construction be retained to perform this service. We further recommend that the cost of these services be paid from the existing budget for this project.

The District has not completed major construction of this complexity and scope since the 2008 work at Carleton Washburne. Since that time, the District has used a general contractor for the management of these projects. These projects ranged from \$350,000-\$2,700,000, and did not have the complexity of the work involved this summer. One of the biggest factors involved is the tight time frames involved with the historic nature of Crow Island.

The general contractor model is used for smaller or less complex projects when there are a variety of trades that need to be coordinated and preplanning services are not required. This is the model that we have used over the last 10 years.

The prime trade contract model is used when there is a single trade involved and there is no need to have a general contractor or construction manager coordinating that scope of work. Our work over the past several years has involved multiple trades, so we have not utilized this model.

The construction management (CM) model is used for more complex projects especially when pre-planning services are required before a project is bid. These CM pre-planning services include plan review, scheduling, and cost estimating. The CM model was used for the Carleton Washburne addition, when Lamp, Inc., was engaged as our CM.

Though the summer 2020 projects doesn't have a similar costs to the projects completed with a Lamp, Inc., the complexity and sequencing of the work necessitates we engage a construction manager early to help in the logistical planning of the work. The complexities include more trades, significant exterior work and complicated sequencing and timing over multiple locations. For example, mechanical systems must be ordered in November or December in order to ensure it arrives on time to be installed in the summer. In this situation a construction manager delivery method is the most cost effective way to guarantee the project is completed to the District's satisfaction, both on time and on budget. The CM model has been used by New Trier for projects of \$8.0M in 2017 and \$2.1M in 2018, and has been discussed with Perkins & Will as a method that may be beneficial to the District for this summer's work.

Pepper Construction is proposing the following services:

- Preconstruction Services - These services include estimating, as well as attending necessary design and coordination meetings prior to bidding.
- General Conditions - These are the management and construction reimbursables necessary to bid, manage, and close-out the projects. As you will notice, we included field supervision at both schools as we believe the amount of work at each location requires a dedicated person overseeing the work. This is very typical with how we manage K-12 projects at multiple locations.
- General Liability Insurance - Percentage of the cost of the work.
- Fee - Percentage of the cost of the work.

These will ensure that the project is delivered on time and on budget. This work will be run as a Guaranteed Maximum Price (GMP) process, meaning any savings achieved during the construction process will be returned to the District, and the construction manager will be responsible for any costs above this threshold.

Recommendation

Administration recommends that the Board approve the contract with Pepper Construction for the summer 2020 work.

Attachments

[Pepper Construction Proposal](#)