

Groves Middle School Port Neches Middle School Value Engineering & GMP Presentation

May 21, 2008



**Port Neches – Groves Independent School District
Groves MS and Port Neches MS**



Purpose

The information presented in this package reflects revisions and updates to the design of Groves Middle School and Port Neches Middle School. The revisions illustrated herein have been performed in response to **market driven price overrun**.

The value engineering design revisions proposed are the work of the **entire project team**: Port Neches – Groves ISD, LanWalton, H.B. Neild & Sons, and SHW Group LLP.

In the case of differences between the information presented in the previous Design presentations:

September 9, 2007

November 13, 2007

This package dated May 21, 2008 shall govern.

Looking for **approval of construction contract** with H.B. Neild & Sons and the issuance of a Notice to Proceed.



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Proposals Received

- HB Neild & Sons already on board as Construction Manager at Risk
- Subcontractor proposals received on 04/15/2008 & 04/16/2008
- All proposals and contractors evaluated
- Recap provided and reviewed on 04/22/2008

Competitive Sealed Proposal Recap April 22, 2008		Groves Middle School	Port Neches Middle School
Proposal Amount w/ Selected Alternates		\$28,190,265.00	\$25,948,254.00
Budget		\$22,409,736.00	\$21,185,454.00
Over Budget		\$5,780,529.00	\$4,762,800.00



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Cost Considerations

Continued inflation of construction pricing nationwide

- Some material costs up more than 30% in the past 2 months
- Monthly escalation factors applied to future materials

Local & regional demand

- Local construction pricing inflation
- Local labor prices

Increased project scope

- Building area increases

BUILDING AREA CHANGES		
	Groves MS	Port Neches MS
Bond 03/08/07	124,946	125,763
Onsite Programming 07/23/07	131,813	132,623
Reason for increase	Increase 7K: Gyms, computer lab, CATE, resource	Increase 7K: Gyms, computer lab, CATE,
Design Development 11/13/2007	137,290	131,980
Reason for increase	Increase 6K: Circulation due to existing constraints.	No increase: efficient layout
Construction Documents	137,393	134,264
Reason for increase	Negligible increase	Increase 2K: undersized mechanical and support
Value Engineering 05/14/08	134,393	134,264
Reason for decrease	Decrease 3K: delete modular lab, smaller entires at science	No change
Area Increase from Bond	9,447	8,501



Value Engineering Issues & Team

Issues

- Proposals were over budget.
- Project moved into value engineering phase to “close the gap” between cost of work and budget.

Value Engineering

PNG ISD

Dr. Lani Randall

Ms. Cheryl Hernandez

Mr. Ken Cummings

Mr. Kyle Hooper

Team Walton

Dr. Ned Walton

Mr. John Gladden

Mr. Theo Rouse

H.B. Neild & Sons

Mr. Tom Neild

Mr. Perry Seaman

Mr. Curtis Holland

SHW Group

Ms. Jennifer Henrikson

Mr. J. Luis Del Valle



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Project Non-Negotiables

Value Engineering Team identified scope that could not be reduced and/or deleted:

- No funds can be directed from any other schools
- School program must remain
- Construction quality must not be sacrificed
- Building energy efficiency must remain



Major Design Revisions

Major Changes in design required to reduce cost

- **Volume reduced**
Building height reduced in applicable areas
 - Main street hallways, gymnasiums, library, dining rooms
- **Glazing reduced**
Number of windows reduced in applicable areas
 - Main street hallways, science entrances, art rooms
 - Small reduction of exterior windows in classrooms of PNMS
- **Reduction of masonry from interior spaces**
 - Deletion of masonry from some interior hallways
- **Reduction of visitor parking spaces**
 - Groves: deleted 35 spaces Port Neches: deleted 40 spaces
 - Final counts are still higher than existing parking counts
- **Building area reduced at Groves MS**
 - Reduction of area in science entry hallways (approx 1100 sq.ft)
 - Deletion of Modular Lab (approx 1900 sq.ft)
 - This program will be located in another new classroom



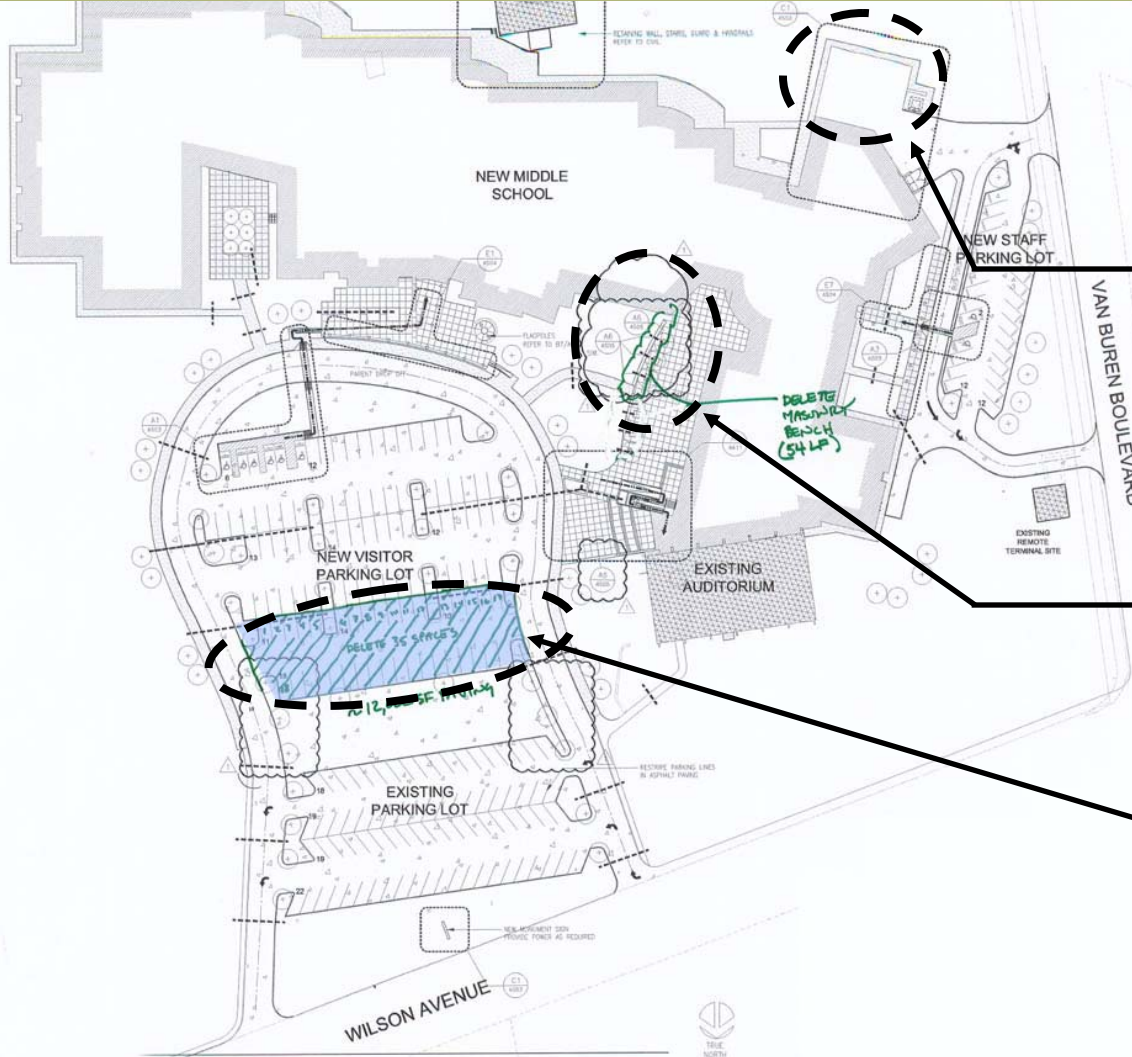
Minor Design Revisions

Minor Changes in design required to reduce cost

- **Masonry Changes**
Change brick size, manufacturer, mortar color
- **Use single-ply roof**
This was bid as an alternate; Duro-Last
- **Changes in material manufacturers**
Brick, tile, electrical fixtures, seating
- **Changes to plumbing package**
Minor changes to piping and site drainage materials
No change of fixtures
- **Reduction of masonry site walls**
- **Simplification of roof edges**
- **Equipment removed from construction contract**
Shop equipment, residential appliances, TVs and projectors
- **Other small revisions to systems and components**
- **Other savings realized by negotiation with subcontractors**
CMaR process has been very advantageous to Owner



Groves Middle School



Deletion of masonry wall around service yard. Change to chain-link.

Deletion of masonry bench in art courtyard

Deletion of 35 proposed parking spaces

VE CHANGES TO SITE

Port Neches – Groves Independent School District
Groves MS and Port Neches MS



Groves Middle School



VE CHANGES TO FLOOR PLAN

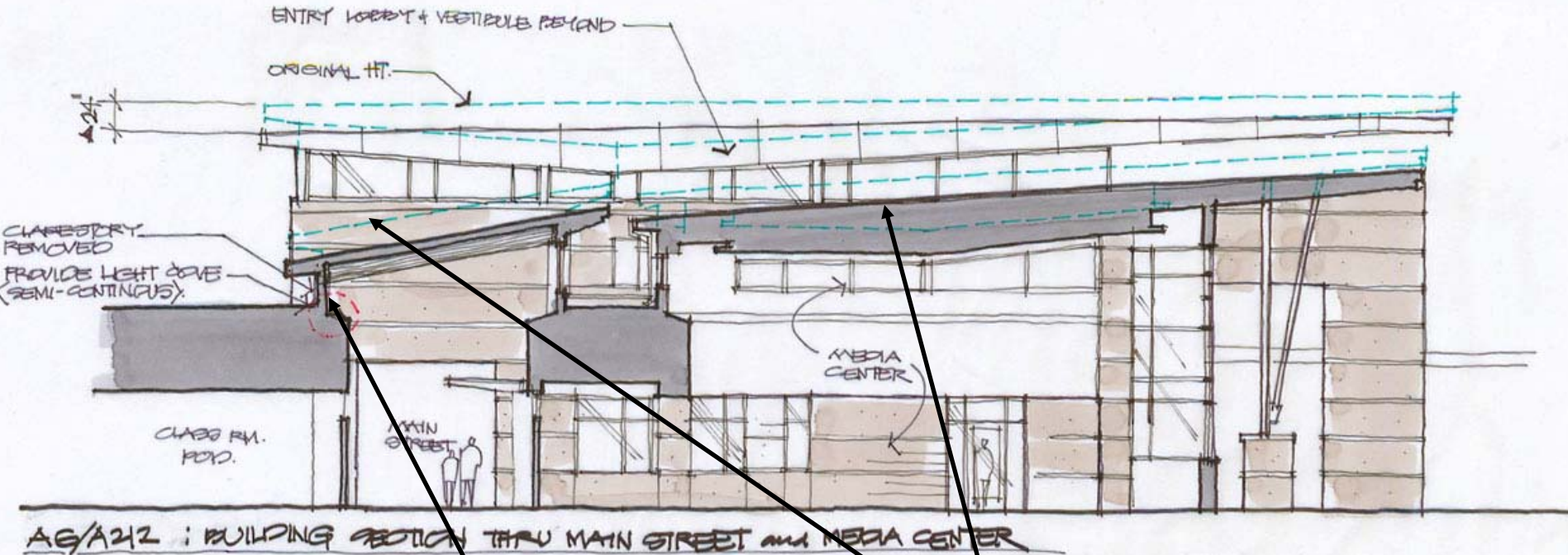
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Groves Middle School



Deleted clerestory windows from south side only

Reduced height of library and main-street 2'-0".

VE CHANGES TO BUILDING VOLUME

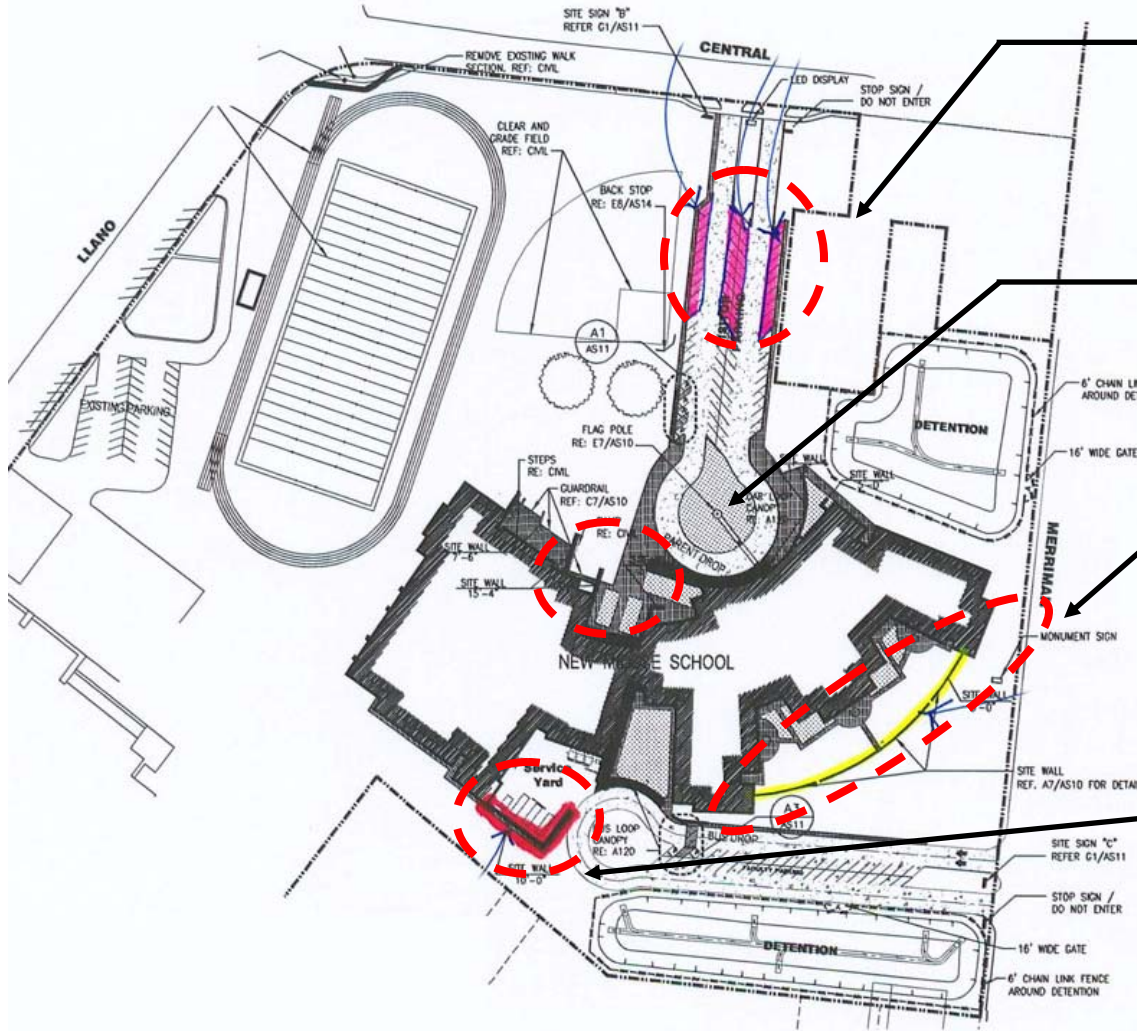
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Port Neches Middle School



Deletion of 40 proposed parking spaces

Deletion of masonry site walls

Deletion of masonry wall around science courtyard. Change to ornamental metal.

Deletion of masonry wall around service yard. Change to chain-link.

VE CHANGES TO SITE

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Port Neches Middle School



Academic Classrooms

Reduction of height over science.

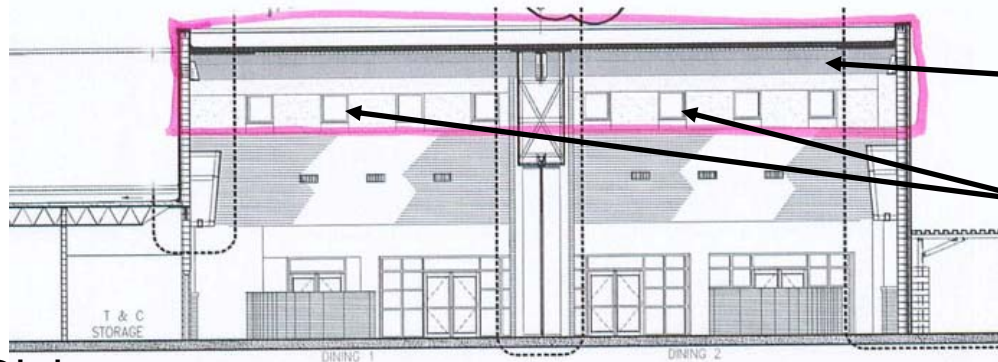
Reduction of glass in classrooms



Science Classrooms

Reduction of height over science.

Reduction of glass in science classrooms



Dining

Reduction of height in dining

Deletion of clerestory windows in dining

VE CHANGES TO BUILDING VOLUME

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Value Engineering Recap

Value Engineering Recap	Groves Middle School	Port Neches Middle School
GMP Recap April 22, 2008	\$28,190,265.00	\$25,948,254.00
Difference from budget	\$5,780,529.00	\$4,762,800.00
Revised VE #1 May 1, 2008	\$26,270,585.00	\$23,184,306.00
Difference from budget	\$3,860,849.00	\$1,998,852.00
Revised VE #2 May 14, 2008	\$24,047,314.00	\$22,897,313.00
Difference from budget	\$1,637,578.00	\$1,711,859.00
Revised VE #3 May 16, 2008	\$23,686,082.00	\$22,722,894.00
Difference from budget	\$1,276,346.00	\$1,537,440.00
Revised VE #4 May 20, 2008	\$24,052,194.00	\$22,895,895.00
Difference from budget	\$1,642,458.00	\$1,710,441.00

Goals during Value Engineering:

- Reduce cost of project
- Preserve non-negotiables
- Preserve quality of project outcome

Grand total includes:
\$400,000 Owner's Contingency Allowance for each school



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Proposed Reallocations

Groves Middle School	Available in Bond	Shift to Construcion Budget	Remaining Funds
Furniture, Fixtures, & Equipment	\$1,533,532	\$500,000	\$1,033,532
Materials of Instruction	\$1,095,380	\$900,000	\$195,380
Savings from PM Professional Fees		\$100,000	N/A
Interest Earnings		\$142,458	N/A
Total Moved to Construction		\$1,642,458	

Port Neches Middle School	Available in Bond	Shift to Construcion Budget	Remaining Funds
Furniture, Fixtures, & Equipment	\$1,450,248	\$400,000	\$1,050,248
Materials of Instruction	\$1,035,891	\$840,000	\$195,891
Savings from PM Professional Fees		\$100,000	N/A
Interest Earnings		\$370,441	N/A
Total Moved to Construction		\$1,710,441	

- All fund reallocations recommended come from the campus being served.
- No funds are being reallocated from other campuses or other projects.

GMP for each school includes \$400,000 Owner's Contingency Allowance



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Project Schedule

Value Engineering accomplished without adversely affecting construction schedule

Construction can begin as soon as contract is signed

New schools open Fall of 2009



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Value Engineering Conclusion

- Design revisions do not adversely affect
 - School program
 - Construction quality
 - Energy efficiency
 - Windstorm, accessibility, all codes
 - Character and aesthetic feel of each school
- Construction schedule unaffected
- Cost escalation mitigated without diverting any funds from any other schools.
- Contracts are a Guaranteed Maximum Price
 - All remaining funds in Allowance are credited back to PNG ISD at the end of construction



Conclusion

- Looking for approval of construction contracts with H.B. Neild & Sons.
 - Groves Middle School Contract based on a Guaranteed Maximum Price; a “not to exceed” amount of **\$24,052,194**
 - Port Neches Middle School Contract based on a Guaranteed Maximum Price; a “not to exceed” amount of **\$22,895,895**
 - Issuance of a Notice to Proceed



