

ANCHORAGE SCHOOL DISTRICT  
ANCHORAGE, ALASKA

ASD MEMORANDUM #87 (2008-2009)

October 13, 2008

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: APPROVAL OF REVISED CONCEPTUAL DESIGN AND REALLOCATION  
OF FUNDS FOR SAND LAKE ELEMENTARY SCHOOL RENEWAL

*ASD Goal: Establish and maintain a supportive and effective learning environment by providing safe, caring, barrier-free schools. Ensure public accountability through effective consultation with community to ensure wise use of financial resources and responsible construction and maintenance of facilities, and effective communication with students, staff, parents, community and government at all levels.*

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve the Revised Conceptual Design for Sand Lake Elementary School Renewal project and authorize the Superintendent to proceed with the design, pending Municipal Assembly approval of the conceptual design; the Administration further recommends that the school board approve a reallocation of \$3.8 million in support of this project.

PERTINENT FACTS:

The Sand Lake Elementary School Renewal project design effort was suspended following failure of the 2004 school bond issue. Detailed planning for the April 2008 school bond issue began in 2007. It included Sand Lake Elementary School Renewal with a project scope of replacing the original 1958 wing due to more stringent seismic building code changes, adding 2 classrooms, and renewing the existing facility, to provide a district standard 26-classroom school.

Following passage of the 2008 bond issue, the scope was re-validated. This is a normal practice where there is a multi-year hiatus in a project's design. Re-assessment of the project scope suggested that, with the Japanese Immersion program's continued success and steady neighborhood students' enrollment resulting in 128% capacity, it would be advisable to investigate a school larger than standard 26-classrooms. Designing a school to meet the capacity overage would avoid reliance on relocatable classrooms. Accordingly, the design team developed a two-story 28-classroom school with possibility of adding four more classrooms at a later date if required. This was described in the

Concept Design and Supplemental Educational Specifications memo approved by the board on June 23, 2008, ASD Memorandum #339 (2007-2008).

At the same meeting, the board approved the selection of Davis Constructors and Engineers, Inc. as the General Contractor/Construction Manager (GC/CM). One of the GC/CM's first tasks was to review estimates for the concept design. Their conclusion was that the 28-classroom school would significantly exceed the construction budget. The administration concluded it would be better to reduce the project scope to a standard 26-classroom school thereby reducing the amount of additional funds required. This conclusion was reached after the school board's approval on June 23, but prior to the July 29 assembly meeting to consider approval of the design. Due to the scope and funding challenges, the project's conceptual design was withdrawn from assembly consideration at their July 29 meeting.

As noted above, the construction budget reflected in the April 2008 bond issue was developed in the fall of 2007. Since then, unexpected changes in both construction costs and the project's complexity have impacted the construction budget. The unanticipated increase cost factors include:

- General overall inflationary increases in cost of construction materials, labor, equipment and energy. These components continue to be very volatile and unpredictable resulting in higher risks for contractors and owners.
- The Alaskan commercial construction market continues to be strong. Consequently, most general contractors, subcontractors, and suppliers are very busy. This limits competition on projects.

Other assumptions made in 2007 that are no longer valid have caused unanticipated increases in construction costs. These increases result from:

- additional school areas requiring demolition and replacement;
- more extensive remodel of the 1987 addition than originally anticipated; and
- more complex temporary accommodations necessary to provide a quality and safe instructional environment concurrent with construction activity, such as separation barriers, increased required relocatable classrooms and major traffic control efforts.

The design team, GC/CM partner and district staff, reviewed design options for a standard 26-classroom school, including:

- replacing the school with reused prototypical school design;
- replacing the school with a custom designed school; or
- the original approach of reusing as much of the existing facility as economically possible and replacing other areas requiring demolition.

It was concluded that the original approach is the most economical. This is the option presented to the school board for approval.

The proposed Revised Conceptual Design consists of a standard 26-classroom school with a site design accommodating 4 relocatable classrooms plus an allowance for 2 more. The accompanying proposed revised supplemental educational specifications differ from those previously-approved as follows:

- 26 instead of 28 regular classrooms, which include:
  - two resource rooms (as before)
  - the health classroom will be shared with art similar to other schools
  - twelve primary classrooms (as before)
  - twelve intermediate classrooms (as before)
- Administrative Support:
  - larger nurse’s area to accommodate new Federal regulations
- Student Support Services:
  - counseling added
  - Indian Education classroom added due to influx of rural students
  - larger English Language Learners (ELL, formerly Bilingual) classroom due to increased number of students.

Despite diligent efforts to reduce construction costs, it became clear that such reductions alone would be insufficient to bring the project within the available \$12,500,000 construction budget. In order to realize this project, \$3.8 million additional funds are required. This would increase the \$12,500,000 construction budget to \$16,300,000. The additional funds are obtained by reallocations as shown below. The specific allocations are approximate as shown, and may ultimately vary in small amounts between the listed funding sources. The total amount will not exceed \$3.8 million.

School	Project Description	Estimated Cost	Fund Source
Sand Lake Elementary School	Construction Funding	\$150,000	Redirection - 1999 Bond Proceeds
Sand Lake Elementary School	Construction Funding	\$72,000	Redirection - 2000 Bond Proceeds
Sand Lake Elementary School	Construction Funding	\$50,000	Redirection - 2002 Bond Proceeds
Sand Lake Elementary School	Construction Funding	\$800,000	Redirection - 2003 Bond Proceeds
Sand Lake Elementary School	Construction Funding	\$2,300,000	2000B Interest Earnings
Sand Lake Elementary School	Construction Funding	\$260,000	2001A Interest Earnings
Sand Lake Elementary School	Construction Funding	\$168,000	2002B Interest Earnings
Total Amount Requested		\$3,800,000	

CC/GV/RA/MP/RB/jg

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Approved by: George Vakalis, Assistant Superintendent of Support Services

Attachment: Sand Lake Elementary School Renewal Concept Design and  
Supplementary Educational Specifications dated September 25, 2008