

June 22, 2023

To: Dr. Damien Pattenaude, Superintendent of Schools

Cc: Dr. Fred Maiocco, Assistant Superintendent & CFO; Citizens' Bond Oversight Committee

Subject: Quarterly Capital Program Update

Program Summary

The Capital Planning & Construction has recently selected architects for the new Renton HS & Hazen HS Phased Modernization. We also recently selected a GC/CM partner for the Sierra Heights Secure Entry and Seismic Update project. These major capital projects are very exciting, and we are looking forward to providing updated learning environments and improved safety for our students and staff throughout the district. We also have a full list of construction projects starting for the 2023 summer and have been coordinating with the Department of Learning and Teaching & Support Services, regarding minimizing contractor impact to important summer programs. We recently hired additional project management and finance staff to support the new capital programs. We also have several major capital projects that began in 2022, which will be complete this summer/fall. We continuously follow up with school leadership to review construction project impacts and work to assure minimal disturbance to the learning process.

- a. Program schedule: Major projects from the 2019 Capital Bond are continuing as planned and several projects are approximately 85% through the construction phase. Market challenges and labor shortages continue to provide a high level of complexity for project planning and execution. Many specified materials continue to see delivery delays and others have required product substitutions to keep projects on schedule. Project managers continue efforts to secure bids early, review requests for substitute products, and work around anticipated material delays and/or labor shortages. The following projects have had schedule changes or delays:
 - i. Campbell Hill Elementary School – Exterior Updates (2019 Bond Projects 1917, 1919, & 1920): This project was originally scheduled for summer of 2022. However, permitting was delayed in late 2021. Based on the delay, the project was rescheduled for summer of 2023 and is under contract to begin the last week of June. This delay was somewhat fortuitous, as King County has offered a grant to improve the walking track at this school. We are now able to use that grant funding to include that track upgrade as part of the larger project.

- ii. Dimmitt Middle School – HVAC Upgrades (2019 Bond Project 1929): Roof top air-handling units are delayed because of market conditions. The design for this project is complete, but construction will be delayed until summer of 2024.
 - iii. Hazen High School – Upgrade Electrical Service – 700 wing (2019 Bond Project 1944): This project is under contract to start in June of 2023. The Hazen HS Pool Modernization and Parking Lot Updates were ongoing during the summer of 2022, preventing access to this area of the building as originally planned.
 - iv. District-wide Tunable Lighting Updates (2019 Bond Project 1932): Phase I of this project was completed in the summer of 2022. Phase II was planned for summer of 2023, but material delays in lighting fixtures and planning for summer educational programs have required delays for the next phase. We are currently reviewing the completed schools and determining next steps for this project, with plans to start more lighting update projects in 2024.
 - v. Hazen High School – Science Classroom Updates (2019 Bond Project 1938): This project will be combined with the larger 2023 Bond Project to modernize Hazen High School. The amount of phasing required to limit impact on the learning environments for both projects will be easier to work on with one contractor, rather than separating the projects into two separate construction schedules. We intend to start this construction in 2025.
 - vi. Cascade Elementary School Field Updates (2019 Bond Project 1921): Recent reviews of fields throughout the school district, identified Cascade Elementary as a site with potential to provide a regulation sized little league amenity for multiple sports. This project scope has been modified to provide preparatory work for future major field enhancements at the site. Due to this enhanced scope, the SEPA process for this project has prevented work from commencing in 2023. The project is now scheduled for summer of 2024.
- b. Program costs and change orders: Additional funds may be required for a project, based on market conditions, or unforeseen scope that is identified during pre-design studies and investigations. To assure a quality installation and a complete capital improvement is made, the Capital Planning & Construction team create reports for these added needs and submit them to district leadership for review and approval. As of June 21st, 2023, we have requested use of \$11.5M of the original \$16.3M bond program contingency. We currently have \$4.8M in unrequested funds remaining in the contingency for upcoming projects. However, we have a forecasted return of an additional \$5.4M in contingency funds from currently open projects that were less impacted by market conditions and are in the process of closeout. We anticipate that we will continue to need to utilize bond contingency funding for certain project types as we move forward with the 2023 & 2024 construction projects, based on the high-risk construction market.
- c. Risk: Capital programs carry risks that are affected by variables such as market conditions, weather, contractor availability, etc. Risk can negatively affect project schedules, budgets, and the scope of work. Inflation has increased in the construction market at an unprecedented rate from 2019 to 2023. We have seen evidence of this

extreme inflation for certain building materials in our recent projects. Factories are seeing lower levels of productivity, contractors have less available labor, and fuel prices continue to be high. We are actively working on methods to prevent negative effects from project risk and have regular conversations with our design teams, contractors, and legal counsel regarding planning for worst-case scenarios.

- d. Legal: We continue to work with our attorneys at Perkins Coie, regarding how to proceed with projects that have a higher potential for risk. Current legal issues that are under review include Soos Creek Water Utility informing the Renton School District that because we are adding a small amount of new classroom space to Lindbergh High School, they will be charging us ~\$1.7M in general facility charges for the entire buildable area of the Lindbergh HS school site. We continue to review these charges with our legal team and determining the appropriate next steps.
- e. Workload: The Capital Planning and Construction team is currently working through design and construction on 61 active capital projects that will occur during the current school year and summer of 2023. Funding for these projects is provided by the 2016 Capital Levy, 2019 Capital Bond, 2022 Capital Levy, and 2023 Capital Bond.
- f. Communications: We continue to work on improvements to the RSD Capital Planning & Construction webpage, including updates for our major projects. These pages are intended to provide summary information in an accessible format and showcase high visibility projects for the public. Additionally, we have quarterly meetings with the RSD Citizens' Bond Oversight Committee (CBOC) to review the bond program and progress.

Major Project Updates

- a. Hilltop Heritage Elementary School (formerly ES #16) – Budget \$68.1M: Cornerstone GC is in the process of installing casework and interior finishes. Elevator installation is complete, except for final permit approval. Exterior brick veneer, siding, and sunshades are nearing completion. Additionally, field and parking lot work is ongoing, with most concrete and asphalt work finished. We continue to work towards finding cost reductions where possible, but with current market conditions these are limited. The school is still on schedule to be open to students at the start of the 23/24 school year.
- b. Lindbergh HS Phased Remodel – Budget \$36M: The Lindbergh HS remodel includes safety/security updates, science classroom additions and updates, HVAC updates, locker room remodel, health clinic updates, bathroom remodels, and parking lot resurfacing. Cornerstone GC have now completed two major phases of this project, including the new science classrooms, health clinic, and administration offices. The athletic locker room area construction is underway and will be complete for the start of the 23/24 school year. HVAC system replacement will also occur this summer and new systems will be operational in August. The project team continue to work with the school leadership on phasing upcoming areas of work.

- c. Renton HS Science Classrooms – Budget \$11.5M: Forma Construction has started mobilizing and the third-floor science classroom remodel and first floor classroom updates will begin demolition/construction over the summer. The project is scheduled to take nine months, allowing for occupancy of the new spaces in April of 2024.
- d. Hazen High School Pool Modernization – Budget \$9.4M (approved for an additional \$2.7M in King County grants): The Hazen HS Pool is receiving multiple updates, including updating the pool vessel, natatorium finishes, chemical systems, HVAC systems, locker rooms, and staff spaces. Lincoln Construction is wrapping up locker room finishes, installing the new pool liner, and installing new HVAC & pool chemical systems. The larger air handling units have been delayed, due to the manufacturer. This project was anticipated to be complete in August, but will likely be finished in September or October with the air handling unit delay.
- e. Sierra Heights Elementary School Safety/Security/Seismic Updates – This project is currently in the schematic design phase. We recently hired Bayley Construction as our GC/CM partner for this project. The project scope includes relocating the main office to a location that will allow for visibility and increased safety. This work will be done in tandem with seismic system updates and will be phased with some work starting in the fall of 2023 and the remainder in 2024.
- f. Property Acquisition – Budget ~\$120M: The Renton School District is currently reviewing opportunities for procuring property for the recently approved new high school project. At this time, the District has made no commitments to purchase any specific property, but we are currently investigating properties adjacent to the existing Renton High School site.

Please contact me with additional questions or concerns. I may be reached at 425-204-4475.

Very Respectfully,



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