

**ADOPTED MINUTES
OF THE
NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT**

Mission: "To graduate students with skills and knowledge to be good citizens."

A special meeting of the Northwest Arctic Borough School District Board of Education was called to order at 12:13 p.m. on Tuesday, February 10, 2015 in the Boardroom located in the District Office by President, Sandy Shroyer-Beaver.

Board Members present were:

Tillie Ticket
Brad Reich
Erica Nelson
Paula Mills
Margaret Hansen
Angela Washington
David Miller
Sandy Shroyer-Beaver
Eunice Hadley

Board Member absent and excused was:

Lawrence Jones Sr.
Bobby Wells

A quorum was present.

Observed.

Staff members present were: Dr. Annmarie O'Brien-Superintendent, Craig McConnell-Director of Property Services, Kathy Christy-Consultant and Marie Nelson-Gregg-Secretary for Superintendent and Board of Education.

Budget revisions over \$50,000 require the approval of the Board. In FY-15 the State appropriated \$5.5 million for continuing facility improvements to support the Magnet/ATC program facilities. These funds are passed on to the District through a grant to the Northwest Arctic Borough from the Department of Commerce. The scope of this grant provides completion funding for the Magnet dormitory, additional improvements to the ATC and upgrades to the ATC dormitory. The new Magnet dormitory was completed at the end of January and opened to students in February. There is approximately \$3.2 million of unobligated and unallocated funding remaining in grant funding. The District has identified the upgrade of the ATC dormitory as a high priority for the unallocated funds. To proceed with additional construction work, either by contract or in-house, a budget amendment is needed to move funding from contingency into construction. To maximize the construction, budget adjustments are also needed. The design budget can also be reduced, as much of the future work is proposed to be accomplished by design/build. The art budget needs to be increased to meet the state requirement. A budget of \$165,000 will remain for equipment and technology. The revised budget provides \$2,798,600 available for construction of additional building improvements. The administration recommended the Board approve the revision to the ATC/Magnet Project Budget as presented.

Motion made by Margaret Hansen, seconded by Erica Nelson to approve the revision to the ATC/Magnet Project Budget as presented.

Motion carried unanimously by voice vote.

CALL TO ORDER

ROLL CALL

MOMENT OF SILENCE

INTRODUCTION TO
STAFF

APPROVAL OF
BUDGET REVISIONS
TO THE ATC/MAGNET
PROJECT BUDGET

ACTION

Motion made by David Miller, seconded by Brad to bring to the table NWABSD Memorandum 15-068, Approval to Amend Contract; Bethel Services, Inc.

ACTION

Motion carried unanimously by voice vote.

APPROVAL TO AMEND
CONTRACT; BETHEL
SERVICES, INC.

Increases in project scope of work require the approval of the Board. There is approximately \$3.2 million of unobligated and unallocated funding remaining in grant funding for improvements to Magnet/ATC facilities. The District has identified the upgrade of the ATC dormitory as the next priority for the unallocated funds. The District's attorney has verified that with Board approval, the District can issue a change order to the existing design/build contract with Bethel Services, Inc. for improvements to the ATC dormitory without requesting additional bids. The highest need for the dormitory is upgrade to the building envelop including a new roof, siding, insulation, exterior doors and windows and repair of the soffit under the building. Based on a design/build plan by Burkhart Croft, BSI provided a detailed cost proposal of \$1,880,000. The next priority of work is replacement of the worn-out boiler, hot water heater and controls. While design/build specifications are preliminary, BSI estimated the mechanical work not to exceed \$675,000. At the January meeting the Joint Construction and Maintenance Committee questioned the cost proposed by BSI for the exterior upgrade. The District had HMS, Inc., a professional estimator, review the BSI proposal. HMS, Inc. suggested an adjustment of \$120,049. Approximately \$80,000 of this amount was related to reduction to the costs of project management. HMS incorrectly assumed that BSI had other on-going work in Kotzebue and could share overhead costs between projects. HMS also reduced labor hours for cleaning and materials handling and general carpentry. HMS did recognize and accept the increased cost of contracting for material delivery by HC-130 air freight. After discussions with HMS and the District, BSI reduced its proposal by \$40,000 to \$1,840,000 for the exterior upgrade. The cost for the mechanical upgrade will be confirmed and reviewed before a change order would be issued for this component work. The administration recommended that the Board approve a delegation of authority to the Superintendent to issue change orders to the current Bethel Services contract in an amount not to exceed \$2,600,000 so that prioritized upgrades can occur this summer. This delegation includes approval of a change order to BSI in the amount of \$1,840,000 for exterior upgrade, mechanical upgrade not to exceed \$675,000, and a contingency allowance of 3.3 percent. It has been the practice with past projects to delegate contracting authority to the Superintendent within the approved project scope and budget. This practice has worked well to prevent project without delay and to respond quickly when unexpected issues are encountered. Change orders issued under this delegation will be reported to the Joint Construction and Maintenance Committee and the Board. If this work was to be competitively bid there would be significant design costs and the project would be delayed missing this summer's construction season and the cost impact would be greater than the \$80,000 difference between the revised BSI proposal and the HMS estimate. As an in-house project the construction time could increase, there would not be a warranty on self-performed work and the project would take in-house workers away from other planned summer construction projects. The administration recommended the Board approve the delegation of authority to the Superintendent to issue a change order to Bethel Service, Inc. in an amount not to exceed \$2.6 million for the upgrade of the ATC dormitory exterior upgrade as presented.

ACTION

Motion made by Brad Reich, seconded by Tillie Ticket to approve the delegation of authority to the Superintendent to issue a change order to Bethel Service, Inc. in an amount not to exceed \$2.6 million for the upgrade of the ATC dormitory exterior upgrade as presented.

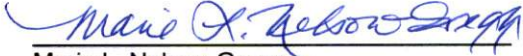
Motion carried unanimously by voice vote.

Motion made by Brad Reich, seconded by Erica Nelson to adjourn.

With unanimous consent, the meeting adjourned at 12:25 p.m.



Tillie Ticket,
Board Secretary



Marie L. Nelson-Gregg,
Recording Secretary

ADJOURNMENT