



Minutes 2012 Bond Project Advisory Team (PAT) Meeting Furr High School

MEETING #: 020

LOCATION: Furr High School Coffee Shop

DATE / TIME: February 5, 2015, 9:30am

ATTENDEES:

✓	Bertie Simmons	Principal
✓	Maria Aguirre	Parent Engagement
✓	Tracey Clark	Cust. Serv. Rep
✓	Cornell Gray	Coach
✓	Carl Johnson	Parent
✓	Fredalina Pieri	Teacher
✓	Christopher Melara	Student
✓	Keandre Osbourne	Student
✓	Marjorie Martinez	Asst. Principal
✓	Rosa Maria Cavazos	Campus Police
✓	Milvia Montalvo	Parent
✓	Edna Fajardo	Parent
✓	Margourie Martinez	Parent

✓	Gloria Barrera	RGCI
✓	Princess Jenkins	HISD Facilities Planning
✓	Octavio Cantu	ERO Arch.
✓	Matt Wood	KBR
✓	Eli Ochoa	ERO Arch.
✓	Sharon Brown	Faculty
✓	Dustin Fredrickson	RGCI
✓	Charles Griffiths	KBR
✓	Patricia Porcoyo	Community Counselor
✓	Tom Darmon,	Parent
✓	Shawn Tiphaine	Faculty
✓	Diana Marroquin	Faculty
✓	Rebecca Kiest	HISD Communications

PURPOSE: The purpose of this meeting was to provide an update of the overall project status and upcoming construction.

AGENDA:

- HISD Bond Program PAT update on Construction Budgets
- Construction Status Update
- Next PAT Meeting – March 5, 2015 @ 9:30 AM



DISCUSSION:

1. Gloria Barrera, HISD Program Manager opened the meeting and introduced Michael Scott to the PAT. Mr. Scott will take over on the Furr project as the Program Manager.
2. Mrs. Barerra reviewed the commitment of the 2012 Bond for Furr High School.
 - a. Furr High School will be a "new 1,000 -1,300 student school".
 - b. The program budget which the voters approved was \$55,100,000.
 - i. The construction budget, which is only a part of the program budget, encompasses abatement, demolition, site work, play fields, and the physical construction of the facility itself.
 - ii. The original construction budget was \$29,792,812.
3. Mrs. Barrera noted that the HISD Board of Trustees received a construction update during the last Board Workshop. This presentation was shared with the PAT and is highlighted below. The presentation itself can be found at: https://www.dropbox.com/s/nx9tp334gdhcx7g/PAT_Budget%20Update%202015.mp4?dl=0
 - a. Current Economic Climate
 - i. Houston and the surrounding areas are experiencing the strongest and highest level of economic activity since the boom of the 1980s.
 - ii. HISD and other school districts across Texas are experiencing soaring costs for construction; thus creating challenges to budgets set 2 years ago.
 - iii. Eight articles about varying districts across Texas and the U.S. were distributed to the audience showing that all school districts are experiencing soaring construction costs.
 - b. Rising Demand
 - i. Labor and materials are in rising demand due to the recent oil boom in Texas.
 - ii. In addition to labor shortages, labor rates have increased roughly 45%.
 - iii. Due to material shortages, material rates have increased roughly 40%.
 - c. 2012 Bond Construction Costs versus Today for K-12
 - i. It costs, on average, 44% more to build schools today than it did only 2 years ago.
 - ii. In 2011, K-12 schools' average cost was \$149 a square foot. The cost dipped in 2012 to \$146 and rose in 2013 to \$153 a square foot. The trend continued throughout 2014 and now the cost averages \$210 a square foot.
 - iii. Some of our neighboring districts are receiving bids in the \$220 - \$250 per square foot range.
 - iv. Inflation was built into the budgets for all HISD bond schools; however, no one anticipated 44% inflation in only 2 years.
 - v. HISD budgeted an average of \$160 a square foot for the 2012 Bond projects, more than \$14 per square foot more than the average cost at the time. Inflation was accounted for in a separate line item of the project budget.
 - d. Scope to Budget Process
 - i. Checkpoints are scheduled on all projects at schematic design, design development, and construction document submittals to compare the estimated cost with the budget.
 - ii. Construction Document reviews for Furr revealed the estimated cost of the project was higher than the budget would allow. Construction costs increased significantly during the six months prior to this checkpoint.
 - iii. Throughout the process, the District, the Architect and the Construction Manager at Risk worked to close the gap between the estimate and the budget. This process will be ongoing until the new school is complete.
4. Addressing the Gap
 - a. Mrs. Barrera reiterated that the team is working to reconcile the scope to the project budget.
 - i. For each of the 2012 Bond projects, HISD contracted with Construction Managers at Risk (CMAR) who not only will build the school but during the design phases review the documents and provide input to maximize what will be constructed.
 - ii. The final contract for the GMP (Guaranteed Maximum Price) with the CMAR is still being negotiated.
 - Bids that are being received are not as low as originally anticipated due to the increased construction activity in the oil and gas industry.



- b. HISD reallocated funds within the project budgets to increase the construction budget line item.
 - i. HISD included line items in the program budget for inflation and for reserves. The reserves are intended to cover any unforeseen conditions that might occur on the project.
 - HISD increased construction budgets by reallocating the entire inflation budget into the construction budget, raising the average per square foot to \$175.
 - Fifty percent (50%) of reserves were added to the aforementioned cost per square foot, increasing the final cost per square foot to \$182. (Original construction budget + 100% inflation + 50% of reserves).
 - ii. 50% of the reserves remain in the overall project budget for unknowns.
 - c. The 2012 Bond budgets, on average, still have a \$28 per square foot gap that HISD is working to close. Addressing that gap may require other strategies, but no recommendations or decisions have been made. District staff is working with the Board of Trustees on the best path forward. In the future, the PAT and community can expect:
 - i. Continued negotiations with contractor.
 - ii. Ongoing school communications with the latest updates.
 - iii. Evaluations of market trends to determine the strategic timing for a construction start.
 - iv. Continued evaluation of contractor prices to get the best prices in today's market.
5. Dustin Fredrickson provided an update on Job Order Contract (J.O.C.) work completed to date.
- a. A PAT member inquired about the possibility of security cameras being installed in the vicinity of the temporary parking lot.
 - i. Mrs. Barrera confirmed that security cameras would not be installed in the temporary parking lot area, but existing cameras in the vicinity could be repositioned to include coverage of the temporary parking lot.
 - ii. Charles Griffiths, of KBR the Project's Construction Manager at Risk advised that once building construction commenced, KBR would have several security cameras monitoring the site.
6. Mr. Griffiths provided an update on upcoming work to be performed by KBR.
- a. Mr. Griffiths advised after the issuance of the Building Permit, construction work would begin. The overall construction duration will be 1.5 years.
 - b. Mr. Griffiths also spoke to the issue of the loading/receiving dock, and logistics specific to accessibility throughout the duration of the project.
 - c. Mr. Griffiths provided information to the PAT regarding the swing gates that will be installed for the subsurface utility work to be completed under the main parking lot along Mercury Drive.

QUESTIONS/ANSWERS:

- 1. What is the construction start date?
 - a. Mrs. Barrera advised that the Building Permit for GMP #1 had been applied for by KBR and that cost proposals for GMP #2 were being reviewed by KBR for submission to HISD. A construction start date would then be determined upon completion of these tasks.
- 2. Dr. Simmons expressed concerns of the possibility of access topograms such as theatre and dance would potentially be cut without the school having prior knowledge.
 - a. Mrs. Barrera assured her that the school would be consulted prior to any actions which would result in a lack of access.
- 3. Dr. Simmons expressed concerns that funding might be taken away from the overall Furr HS budget for Bellaire underground parking or from East End Schools in general for Lamar.
 - a. Mrs. Barrera explained that the opposite has actually taken place and is further clarified per the video presentation.
- 4. What are the available option for entrance and exiting?
 - a. KBR and the Program Manager will verify/confirm access by next PAT Meeting.
- 5. Why couldn't the old Temporary/Portable Building be giving away for a community reading program?
 - a. Mrs. Barrera advised that the building could not be given away as it was acquired with public funds by HISD preventing them from giving it away freely for public.
 - b. It was noted that the Program Manager and CMAR would assist the community in what steps to take to acquire the other buildings.



6. Princess Jenkins, HISD Facilities planner, asked if the current schedule was reflective of any changes since initial planning.
 - a. Mr. Griffiths advised that while the overall duration of the project has remained the same, the start date has changed due to the Building Permit process.
7. Ms. Clark asked about detention ponds.
 - a. Octavio Cantu, ERO Architects, advised that an update could be provided by the next PAT Meeting inclusive of drawings in an effort to further clarify the location of the detention ponds relative to the overall campus.

ACTION ITEMS:

- 20-01 Work with the school to look at existing camera locations for temporary parking lot (Program Manager)
- 20-02 Verify/confirm access for entering and exiting (KBR/Program Manager)

WHAT TO EXPECT AT THE NEXT PAT MEETING:

1. Project/construction status update.

NEXT PAT MEETING: The next PAT meeting will be held on Thursday, March 5, 2015 at 9:30am at Furr High School Coffee House.

Please review the meeting minutes and submit any changes or corrections to the author.
After five (5) days, the minutes will be assumed to be accurate.

Sincerely,

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C: All attendees