Additional Funding Request Due to Unforeseen Conditions for New Arlington Career Center Facility (Grace Hopper Center)

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School Board Information Item H-2
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Project Funding Overview

Original CIP funding for the New Arlington Career Center(Grace Hopper Center) totaled $182.42M. Competitive bids ranging from $132.46M to $140.20M allowed APS to reduce the project budget to $175M, including an $8.32M contingency, while remaining $7.42M below the CIP allocation.

Description	Amount
Original FY 2023-32 CIP Funding	$182.42M
Approved Project Budget	$175.00M
Initial Savings vs CIP	$7.42M

Unforeseen Costs / Impact on Contingency

- Historical records indicated prior structures existed on site.
  - Ground penetrating radar and test pits were employed to capture the extent of subsurface structures remaining and some structures were identified.
  - Contract allowances were structured based on these surveys.
  - Pre-construction surveys did not capture the full extent of the below grade structures and unsuitable soils caused by burying much of the former Thomas Jefferson Junior High School below grade.
  - The surveys were also unable to account for the large quantity of hazardous material including asbestos containing material (ACM), lead paint, and a buried fuel tank with fuel still in it.
    - Remediation of these materials added significantly to the cost.

Unforeseen Costs / Impact on Contingency

Permitting Timeline Impact

Item	Planned	Actual
Building Permit Duration	~6 Months	13.5 Months
Notice to Proceed	May 1, 2024	Aug. 9, 2024
Phase 1 Completion	May 5, 2026	Aug. 5, 2026

- Approximately 3-month project delay
- Extended contractor management and supervision costs
- Additional General Conditions change orders

Unforeseen Costs / Impact on Contingency

Major Unforeseen Change Orders

Approximately 81% of major change order costs are attributable to subsurface conditions and permit-related delays.

Category	Amount
Subsurface Conditions (CO #1 & #5)	$2.80M
Extended General Conditions (CO #12 & #19)	$0.94M
Electrical Revisions	$0.36M
Toilet Partition Revisions	$0.14M
Rammed Aggregate Piers	$0.36M
Total	$4.60M

Major Unforeseen Project Change Orders

CO #1 – Initial Phase 1 Subsurface Unforseens	$1,616,233
CO #2 – Secondary Electrical Service Conductors	$359,827
CO #5 – Remaining Phase 1 Subsurface Unforseens	$1,180,603
CO #12 – 1st 2 Months of Extended General Conditions	$671,388
CO #19 – 3rd Month of Extended General Conditions	$265,903
CO #20 - Toilet Partition Revisions	$144,910
CO #21 – Rammed Aggregate Piers	$357,500
Total	$4,596,364

Project Contingency

Original Construction Contingency	$8,323,256
Change Orders to Date (CO #1-18)	$7,304,107
Total of Change Orders #19, 20, and 21	$768,313
Remaining Exposure (additional submitted and projected costs)	$3,033,726
Contingency Remaining	**- $2,782,890**

Current contingency is insufficient to absorb remaining projected project costs

Recommendation

Staff recommends increasing project funding by $3.0 million to address unforeseen site conditions and remaining project exposure.

Financial Impact

Item	Amount
Current Project Budget	$175.0M
Proposed Increase	$3.0M
Revised Project Budget	$178.0M
Original CIP Allocation	$182.42M
Remaining Capacity Below CIP	$4.42M