



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

CAREY UPTON
CHIEF OPERATIONS OFFICER

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June 8, 2020

To: Educators, staff and parents at Lincoln, Grant and Muir/SMASH
From: Carey Upton, Chief Operations Officer
Re: Postponement of Window/Paint/Floor & HVAC Modernization projects

We need to postpone the modernization projects scheduled to begin this summer at Lincoln Middle School, Grant Elementary School and Muir Elementary/SMASH. Over the past several years, the district's Facility Improvement Projects department has been designing and constructing heating, ventilation and air conditioning (HVAC) improvement projects at campuses throughout Santa Monica and Malibu. Designs have been completed for the three sites with a plan to construct these projects during the summers of 2020 and 2021.

After completing a competitive selection process, the district entered into a lease-leaseback partnership with construction firm, Bernards, to build these improvements. Bernards worked with the subcontracting community to establish final construction costs for each portion of the work and an overall guaranteed maximum price (GMP) for the project. Unfortunately, the GMP is now complete and the cost of the project is over \$34 million, nearly twice the \$18 million estimated by the design team and budgeted by the district for this work.

The FIP department has completed many similar projects over the last several years, and we feel that we have a good understanding of what a construction project of this magnitude should cost. As a result, we have elected not to proceed with this GMP.

We have already started the process of rethinking our approach to these projects. That includes changes to the scope of work to reduce costs and also changes to the schedule. As a result, we will not be starting this work during the summer of 2020.

Over the next several months, we will continue to work with Bernards on a new GMP. Our goal is to make value-oriented changes that bring the construction cost in line with the district's budget. If we are unable to reach that goal over the next few months, we will consider changing our approach from lease-leaseback to a traditional design-bid-build model. As always, our goal is to bring the best value to the district.

We share the disappointment of this postponement with you and will keep you informed of our progress to get these important projects scheduled for your school communities.

Warmly,

A handwritten signature in black ink, appearing to read 'Carey Upton', with a stylized flourish at the end.

Carey Upton
Chief Operations Officer

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