



Board Agenda Item #	IV G Action Item
Date:	November 14, 2019
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“ MPS ”) Board of Directors (the “ Board ”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Appointment of Facilities Committee as an Ad Hoc Committee With Authorization to Approve Change Order Requests by Oltmans Construction Co. for the New Construction Project at 18220 Sherman Way

I. Proposed Recommendation

Staff moves that the Board appoint the MPS Facilities Committee to continue as an Ad Hoc Committee with authority to approve Change Order Requests by Oltmans Construction Co. (“**Oltmans**”) for the new construction project at 18220 Sherman Way (“**18220**”).

II. Background

At the April 11, 2019 board meeting, the Board appointed the MPS Facilities Committee as an Ad Hoc Committee and authorized it to approve change orders for the new construction project at 18220 Sherman Way (the “**Project**”). Specifically such authorization was premised on being “of such a critical nature such that they need to be approved before a subsequent Board meeting.” The Project has been completed and 18220 has been occupied by MSA-1 students.

Given the feverish pace at which the Project was being constructed, Oltmans was unable to present to Staff and, consequently, Staff was unable to present first to the Facilities Committee and then to the Board for review and approval, all project change orders. Oltmans was instructed by MPS Staff to complete the Project by the first day of the 2019-20 school year or as soon thereafter as possible. Therefore, many decisions were required to be made quickly and in the field. Oltmans and Staff concurred that there were sufficient allowance and contingency amounts carried in Oltman’s Project budget to cover most change orders. Therefore, Staff approved many “zero dollar” change orders that were paid from such allowance or contingency amounts carried in Oltman’s Project budget and therefore minimized any change order requests to be ultimately brought to MPS for review and approval.

Board policy requires that all project change orders be brought first to the Facilities Committee and then to the Board for review and approval.



III. Budget Impacts

The cost of any change orders will be paid for from the 2017 Bond account. If the cost of a change order falls within one of the line item allowances or contingencies carried in the Project budget, then such change order will be paid for with such line item amount. To the extent there is not a line item allowance in the Project budget for a change order, the cost thereof will be paid for from the contingency presently being carried in the budget. Staff is confident that the contingency being carried by the Project budget of **\$422,714** will be sufficient to handle all remaining Oltmans change orders and the overall budget of **\$14,188,257** will not be increased. Staff expects that all remaining change orders will be approximately **\$160,000**.