



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	III E
Date:	November 12, 2015
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Frank Gonzalez, Chief Growth Officer
RE:	Magnolia Science Academy Santa Ana, Gym Building

Proposed Board Recommendation

I move that the board authorize staff to request bids to develop the gymnasium building for Magnolia Science Academy Santa Ana. Staff will present a detailed plan to the Magnolia Board of Directors Facility Committee in December 2015 with a detailed schedule, sources and uses statement and a cost analysis to the schools 5-year budget for review. Staff will return to the Magnolia Board of Directors for authorization to proceed with the project and award contracts to build the gym in January 2016.

Background

Magnolia Public Schools is currently constructing a new facility for up to 1,020 students in grades TK-12th grade for MSA Santa Ana. The construction of the two story school building, outdoor play areas, landscaping and parking lots will be completed in late July 2016. The school will occupy the new facility on or about August 22, 2016. The State Allocation Board voted to convert the award at its September 2015 meeting to 'Funded Final Apportionment' with full funding expected to be received in the next six (6) weeks.

During the planning, design and development of the project, a gymnasium/multipurpose room with an attached serving kitchen and covered lunch shelter with tables was designed and approved by all state agencies including the California Department of Education (CDE) and the Division of the State Architect (DSA). At that time in 2013 it was determined that the Prop. 1D award did not provide sufficient funding to construct the gymnasium building as the estimate for construction of the gym was approximately \$2.5-\$2.7MM. Additionally revenue rates during that time were low and a different financing option could not be found. Consequently during the initial bid period the construction of the gym building was pulled from the construction bid package due to lack of available funding. It then took Magnolia Public Schools over a year and a half to receive Financial Soundness Determination from the California School Finance Authority, with the project being rebid in Spring 2015 and awarded in July 2015. The Prime General contract awarded to RC Construction services for the construction of the school building and site development for \$12.5MM does not include construction of the gym building.



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The leadership team has been exploring ways to construct the gym. We have utilized the expertise of existing professionals that are working on the project to develop a preliminary schedule and plan; preliminary estimates to construct the gymnasium; discussed the construction of the gym with the Prime General Contractor, GC Construction; and, sought multiple financing options.

The construction and on time delivery of the school building is of primary importance to MSA Santa Ana. The construction scope and schedule dictates that the construction of the gym building be coordinated with the existing General Contractor, RC Construction, who is delivering the school building and associated site improvements in July 2016.

Timing

Various options are being explored to allow for construction of the gymnasium building. The current preferred plan is to begin construction of the gymnasium building in March 2016, after the school building has been erected, which would mean that the gym building would be delivered during the holiday break in January 2017. The schedule can potentially be shortened by 60-90 days through careful planning and coordination with the general contractor. Details on the plan and schedule can be found in the attached document, 'MSA SA Conceptual Gym Schedule.' The intent is to deliver the gym building in an efficient manner while maintaining high quality construction standards.

Issues and Solutions

1. Given that the construction of the gymnasium will be financed privately, what is the appropriate manner to bid and award the prime general contract? Multiple options are being explored, including an amendment to the existing contracts, public bids and private bids following MPS policy.
2. Completion of the gymnasium is currently scheduled to be after the start of the school year. Up to 60-90 days can potentially be cut from the schedule with planning and coordination.
3. Multiple financing options are being explored to keep the costs of the gym as affordable as possible for MSA Santa Ana.
4. Student safety is paramount. We will ensure student safety by completing the shell of the gymnasium building before school begins and students are present.

Budget Implications

Magnolia Science Academy Santa Ana has received state Proposition 1D Funding. Half of the funding for the project is a grant from the state while the other half is a 30-year loan at 3% interest, which makes the project affordable. The first payment for the facility is not due until one year after occupancy, allowing the school to stabilize its budget and begin to build reserves in future years.



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Once MSA Santa Ana has increased enrollment, the school will have sufficient funding to pay for the cost of constructing the gymnasium building.

Financing of at least 10 years at prevailing interest rates are being sought, which would make the construction of the gym affordable. We have already started exploring financing options including financing through bond companies, commercial banks and Community Development Financial Institutions. A full sources and uses statement and cost analysis will be brought to the Facilities Committee in December 2015 for review and feedback.

Name of Staff Originator:

Frank Gonzalez, Chief Growth Officer

Attachments

Conceptual Gym Construction Options Schedule
Preliminary Estimate to Construct Gymnasium Building

MSA SANTA ANA**GYM BUILDING ESTIMATED COSTS-PRELIMINARY**

GENERAL CONDITIONS	\$	26,000.00
CONCRETE	\$	145,000.00
REBAR	\$	36,400.00
MASONRY	\$	348,400.00
STEEL	\$	26,000.00
METAL DECK	\$	30,000.00
ROOF	\$	60,000.00
SHEET METAL	\$	11,000.00
DRYWALL/METAL STUDS	\$	245,000.00
PAINT	\$	45,000.00
PLUMBING/FIRE SPRINKLERS	\$	165,000.00
HVAC	\$	115,000.00
ELECTRICAL	\$	170,000.00
LOW VOLTAGE	\$	58,000.00
FIRE ALARM	INC	
SUBTOTAL	\$	1,480,800.00
CONTINGENCY	\$	148,080.00
GC FEE @ 5%	\$	72,753.00
BOND @1%	\$	15,508.00
INSURANCE @1.5%	\$	22,918.00
BUILDER'S RISK	\$	10,000.00
CONSTRUCTION MANAGEMENT	\$	95,000.00
A + E CONSTRUCTION SERVICES	\$	105,000.00
TOTAL	\$	1,950,059.00