

**GUARANTEED MAXIMUM PRICE  
FOR  
RAVEN PRECISION AGRICULTURE CENTER  
SOUTH DAKOTA STATE UNIVERSITY**

**May 29, 2019**  
OSE#R0316—02X

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**In accordance with Board of Regents Policy 6.4 for Capital Improvements, South Dakota State University (SDSU) requests approval of the Guaranteed Maximum Price (GMP) as submitted by the construction manager at risk (CM@R), McCown Gordon Construction.**

**The Facility Design Plan was approved by the by Board of Regents at the December 2018 meeting.**

McCown Gordon Construction has developed the GMP based on the design consultant's 100% Design Development documents dated April 5th, 2019. McCown Gordon's most recent estimate was higher than the budgeted goal for the construction cost of the building. We have approved a number of cost reductions through value engineering without modifying the essential scope of the project. We have also developed bid alternates and adopted modifications to the budgeted soft costs of the project. We request approval of the CM@R's Guaranteed Maximum Price of \$36,940,235 and the project budget of \$41,600,000.

Items of particular note regarding the GMP include the following:

The project budget includes a CM@R contingency of almost 3% of their GMP. The project budget also includes an owner contingency of 3% of the CM@R's GMP. The total value of these two contingency allowances is \$2,150,394. We believe this 6% contingency is an acceptable contingency allowance for the contractor's risk and future change orders.

A series of bid alternates will be included with final construction documents when bid packages are released for public bidding in June and July of 2019. These will partially reinstate the adopted cost reductions. If bids are favorable, the State will award one or more of the following alternatives.

1. Provide a 50 kilowatt photovoltaic electrical system.
2. Provide epoxy floors in lieu of resilient floor tile in the laboratories.
3. Provide terrazzo flooring in lieu of paver tile flooring in the main lobby and stairway nearest the northeast entrance.
4. Provide horizontal bi-fold doors in lieu of coiling doors.
5. Provide an alternative paver tile flooring in lieu of basic paver tile flooring and resilient flooring in public corridors, collaborative areas and the gallery space.

As noted above, cost reductions have been made to provide a Guaranteed Maximum Price that is close to the budgeted goal and meet the total project cost budget of the project. A partial listing of items that have been considered acceptable include the following:

1. Modify storm sewer piping route that serves the project.
2. Utilize Thermoplastic Olefin roofing in lieu of EPDM roofing. Note: The gauge of the roofing membrane and warranty life are the same.

3. Change the floor finishes in the first floor corridor, atrium space, and gallery space.  
Note: This is now the fifth bid alternate described above.
4. Modify enclosure of a portion of the collaborative meeting locations.
5. Delete furring and gypsum board finish in a series of utility and class lab spaces.  
The finish will become painted concrete block.
6. Utilize a different model and series of acoustical tile throughout the project.
7. Modify design of glazed openings to high bay spaces to meet acoustical requirements in a less costly fashion.
8. Modify species and veneer cut of laboratory casework.
9. Modify piping type for fire sprinkler piping.
10. Reduce the overall building height by approximately 2 feet.
11. Move the mechanical room from the basement to the first floor. Note: This has caused the floor plan of the building to be altered, but no individual rooms have been deleted.

**Approved Funding Source:**

The project funding sources approved via HB1264 is summarized as follows:

FY19 General Funds of the State of South Dakota	\$ 2,000,000
Donations	\$16,600,000
SDSU	\$ 7,500,000
Bonded Funds (2018 bond issue)	<u>\$20,000,000</u>
Total	\$46,100,000

The Architects/Engineers will complete construction documents and issue bid packages for public bidding in June or early July. Construction is scheduled to begin in July of 2019 and completion of the project will be fall semester of 2021.

Attached are floor plans indicating space allocations within the building and two perspective drawings of the exterior the new building for information.

End of report