



June 27, 2018

TO: THE DISTRICT BOARD OF TRUSTEES
OF VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: DOWNTOWN CAMPUS – GUARANTEED MAXIMUM PRICE (GMP) AND
EQUIPMENT FUNDING

The District Board of Trustees of Valencia College authorized the expenditure of funds by the College on September 27, 2017, to complete the design and construction of the Tenant Improvements to the leased space in the new building that will be home to the Walt Disney World School of Hospitality and Culinary Arts to be constructed within the Creative Village Campus. As part of the approved lease agreement, Valencia College is financially responsible for the tenant buildout and equipment costs associated with its academic space on the 3rd, 4th and 5th floors as well as the restaurant space located on the first floor of the building. The design and tenant improvement budget (after philanthropic contributions) are estimated at \$14 million.

In order to promote cost effectiveness and efficiency, leverage economies of scale, and ensure coordination and schedule completion with the contractor who is also working with the University of Central Florida within the same building, Batson Cook is acting as the construction manager overseeing the tenant build out of the Valencia academic spaces. Based on this unique project and third party relationship, Valencia has been actively engaged in a detailed review of all subcontractor bids, approving cost estimates, and benchmarking of overall project costs. In addition, Batson Cook has been transparent in its operations and has exhibited internal processing controls consistent with the Colleges' practices and the requirements as detailed in the lease agreement.

Batson Cook's proposed GMP for Valencia's tenant improvement and the related equipment needs totals \$9,769,544, which is within the budgeted expectations for the project. This GMP proposal includes the Owner Direct Purchase of equipment with Johnson-Lancaster and Associates, Inc. that will be processed by Valencia in light of its tax exempt Status. This method of procurement will reduce purchase costs by \$133,255.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College authorize the College to approve and fund the \$6,843,933 GMP submitted by Batson Cook to complete the design and construction of leased building space within the Creative Village Campus and to issue and fund an Owner Direct Purchase Order to Johnson-Lancaster and Associates, Inc. for \$2,925,611 for related equipment.

President