



## CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7701 • FAX (540) 432-7778

TO: Eric Campbell, City Manager  
FROM: G. Chris Brown  
DATE: 4/23/2020  
RE: Change Order for Comprehensive Agreement between Harrisonburg City School Board and Nielson Builders, Inc.

**Summary:** This item is to approve a Change Order dated April 21, 2020 to the previously entered into Comprehensive Agreement between The Harrisonburg City School Board and Nielson Builders, Inc. This Change Order effectively pauses construction of the new Harrisonburg High School until next Spring and provides for stabilization of the new high School site until that time.

**Background:** Last December City Council approved a Comprehensive Agreement between the School Board and Nielson for the construction of a second high school in the City. The City was required to approve the Comprehensive Agreement to approve the School Board entering into the agreement and to provide funding. Construction has been progressing since that time, with significant site improvements taking place. City staff anticipated that the City would issue bonds earlier this year to finance the cost of the new high school, with cost paid for by the City's fund balance until the bond issuance. Due to the COVID-19 pandemic and resulting economic consequences, the City anticipates suffering a significant decline in revenue, and has determined it would be imprudent to issue bonds at this time due to the volatile bond market. Therefore, the School Board and Nielson have agreed to the attached Change Order which effectively halts construction of the new high school until next Spring. At that time, a determination can be made as to the proper schedule for the continuation for the project. This Change Order provides that Nielson will be paid for all work performed thru April 30, 2020, and for Nielson to perform additional work solely for the stabilization of the project site in order to comply with applicable soil and erosion control and stormwater control laws. City and School staff are still finalizing the estimated cost for stabilizing and monitoring the site. Nielson also will be paid retainage withheld from its first three payment applications for the project.

**Key Issues:** Approval of Change Order to pause construction of the new high school and stabilize the site.

**Environmental Impact:** The site will need to be stabilized to comply with applicable soil and erosion control and stormwater management laws.



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**Fiscal Impact:** Nielson will be paid the retainage from its first three payment applications (\$278,017), payment due for the month of April (estimated to be \$2,600,000), and payment for stabilizing and monitoring the site in accordance with applicable law (estimated to be less than \$650,000). The City will not incur additional significant additional construction costs for the new high school for the next year.

**Prior Actions:** Approval of Comprehensive Agreement.

**Alternatives:** (a) Approve Change Order  
(b); or  
(c)

**Community Engagement:**

**Recommendation:** Staff recommends approval of the proposed Change Order, with such changes as approved by the City Manager and City Attorney.

**Attachments:** Draft proposed Change Order.

**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

