

__ July 16, 2014

Portland Public Schools Bond Accountability Committee
(BAC)

Members present: Kevin Spellman, Steve March, Tom Peterson, Willy Paul, Louis Fontenot, Cheryl Twete

Board members present: Pam Knowles (Board liaison)

PPS staff present: Jim Owens, Ken Fisher, Darwin Dittmar, Sharie Lewis, Cheryl Anselone, Jan Osborn, Tony Vandenberg, Debbie Pearson, Michelle Platter, Erik Gerdig, Ayana Horn, Sara King, Ryan Dutcher

Public Present: Ted Wolf: Our Portland Our Schools

Next meeting:

Expect to achieve substantial completion August 22nd on all six of the construction contracts

- x The bond program will have three IPs (Improvement Projects) running at any time. One in closeout, one in bid/construction phase and one in design phase
 - x Staff selected and awarded the contract for the IP15 A/E team sooner than IP14 to get started on the facility assessments. An item we had learned from IP13.
 - x Staff has also learned from IP14 and implementation of OCHP we will need to get our construction started sooner for IP15.
- x Both the Franklin and Roosevelt High school projects are fully into design development. With the master plans approved last winter the schematic designs approved in late spring staff is focused on the delivery of completed projects by fall 2017.
- x The Faubion master plan was approved and the partnership with Concordia University is moving forward with positive feedback. The project is currently on a planned hold for Concordia fundraising efforts. Schematic design will continue in September for this project pending on the fundraising. Need to have all funds in place prior to moving forward with the balance of the design.

xQ: "With the Alameda work will there be more billing coming in?" A: Staff
some invoices processing for close out but really we only have one contract
open for the drainage work that is being done and completed by fall. The
project is open and active but all four main contracts have been closed out and
any new expenditures are for the drainage issue only.

xQ: "Are the market conditions influencing bid outcomes?" A: On the con

staff is looking at a more automated way to obtain feedback with an online survey tool rather than the email method currently used.

x Q: "Looking at the yellow for Roosevelt, does this mean that we need to do something to move this projects feedback to green?" A: The results of the feedback are quantitatively scored. The performance measures and targets are just over 3.0 so that is why we are in the yellow. This only one survey of feedback from the 16 people on the Roosevelt DAG. We are working to get more feedback from those members. The project team is looking at the written feedback and taking it into consideration.

x Budget

x Across the program all project budgets are green. There was ~~an~~ increase just over \$136k due to FAM's contribution to the OCIP program and Concordia's contribution to the Faubion project design.

x There have been several changes of budgets internally:

x Improvement Project Reassessment

x IP18 & IP19 scope reduction: \$3 million

- x Q: "What was the discount factor?" A: The program still has access to the program reserve and staff is cautiously optimistic about the bond premium and other changes in the projects as we go forward that we could take advantage of.
- x Q: "Since you have reduced the Escalation Contingency now instead of later, how do I explain the Escalation Contingency to zero several years before we start the project, especially since we do not know the market conditions or the scope at this time? The escalation applied to FHS & RHS were because of market conditions and not additional scope. The program started with 45 million for escalation that at some point would be applied to the projects. We have now applied that amount to the projects.
- x Q: "Have you fudged what the escalation is to be used for to increase the scopes of the projects?" A: We have not used escalation contingency to fund additional scope.
- x Q: "Are you carrying escalation for Grant High school as a separate line item in the project budget?" A: Escalation has been allocated to the GHS project.
- x Q: "Do you have contingency and escalation in each project?" A: Each project contains a contingency line item. It ranges from 10-15% when the project begins.
- x Q: "What is the percentage of construction budget increase in IP14 compared to IP13? A: It was below 2% early on but now has jumped an additional 1.3%. Staff has received good prices on the Marshall campus fire alarm project and the pre-GMP amendment but the IP14 summer work exceeded its construction budget by about \$3 million. The IP13 funds that were left were put back into the IP projects.
- x Q: "With the scope reduction of IP18 & IP19 what is changing?" A: There will be a shaving of scope. Still looking at seismic, roofing, ADA and science classrooms but reducing incrementally how much work will be done. The bond language provided a generalized idea of the work to be done but staff needed to manage the overage of this summer's work and we will look to these projects as other funds come into the program.
- x Q: "For example if IP14 had, say, 5 million in savings, would that go back to these projects?" A: Yes, it would. Staff discusses where the funds for the IP14 overage should come from and felt taking from the end of the program worked best to give us time to get funds back into those projects. No money from the IP budgets went towards the high schools.
- x Q: "IP14's increase of \$3 million was that due to any additional scope?" A: No, it just cost more.
- x Q: "Was the \$3 million out of the bond program exclusively out of escalation?" A: Yes, the majority was.

x Equity

x Staff continues to evaluate and track the MWESB reporting. The District's aspirational goal of 18% is to be re-evaluated annually. OSM staff will be working with others in the District to look at this goal.

x Staff is waiting for the first report from the City of Portland regarding Workforce Equity and the apprenticeable hours reported.

x Q: "Looking at MWESB and the IP14 projects, do you know the extent of the contracts that primes have let to MWESB?" A: Staff has an idea anecdotally but we only receive this data through monthly pay apps from our contractors and haven't received those for IP14 work at this point. Also, OSM is only tracking bond funded work and this is a reflection of our projects, not the District as a whole.

x Q: "You are doing well on the IP work from consultants but not as well with the high schools, why?" A: IP work is currently at a higher percentage and the IP work has three contracts compared to the one contract for each high school project. The design teams for the high school projects are committed to the MWESB aspirational goals and will need to expand as we move forward in the projects but we are still early in the process for consultants and they are not ready to reach out

- x Q: "Escalation is currently at 7.9% is that enough to increase the student capacity to 1700?" A: Yes but that increase was not done with escalation but from the program reserve.
- x The project schedule was off by 89 days at the end of SD.
- x Looking to be at 50% of DD at the end of July and could make up some time on the schedule there.
- x The project still has 7.9 months in CDs where we might be able to make up time.
 - x Q: "GMP is at the end of DD?" A: Yes, at about 90% completion of DD will have the GMP.
 - x Q: "Could it be assigned sooner?" A: Really need to go through the reconciliation process to get to the GMP which will need to be later.

xMarshall

- x Currently in the construction phase working on the fire alarm project, building improvements and the field replacement (non-bond funded work).

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- x DDs began about 110 days off schedule. There is a 3 month parallel overlap of DDs and CDs as the mobilization process begins and the team continues its work on the works the phasing schedule
 - x C: "The phasing piece of this project makes it very complicated and challenging."

xGrant

- x Has become an active project to have brick façade assessed with small contract under \$12k.
- x Staff started assessment now to see if condition would impact the budget and time for the project.
 - x Q: "Comparisons of Grant to Franklin and using the same criteria have been made so why is Grant's budget \$6 million less?" A: Mainly because Grant is a much smaller site and the configuration of the campus is different. Staff was modeling Grant after Franklin because of similar student population sizes. The site that Franklin sits on is completely owned by PPS and a significant portion of the Grant site is owned by Portland Parks & Rec.
 - x Q: "Does Franklin's site costs make up this difference?" A: Yes, the Franklin budget currently has site costs of approximately \$10.5 million
 - x Q: "Is the study of the brick simply for cosmetics or looking at integrity?" A: That is why we're doing the study now to know which it is. The brick is relevant to what portions will be rehabbed and historic and could influence new construction versus rehabilitated. Staff expects to know for the status and report on that at the next BAC meeting.
 - x Q: "What is the schedule for bringing on the project team?" A: We will be bringing on the Project Director in January 2015 and we are looking to have the A/E team in place that spring to start master planning in late June and into the fall. Staff is planning for this project to use the CM/GC delivery method.

xFaubion

- x The project is thro(o)2(j)14(e)3(c)8(t 14()) 5w 3.1n-*j3xl7.1314(e))-2(k)6 :arS

from Concordia University (CU)?" A: We have established a level of written commitments for the partnership and Concordia is comfortable moving forward with a requirement that they may have to do interim borrowing for their portion of the project.

Board Presentation–
Tuesday, August 12

Next BAC Meeting
Wednesday, October 15
Concordia University (ill confirming)
4:00-4:30pm– Project Boards/Project Team
4:30-6:30pm- Meeting