

# Meeting Minutes | July 24<sup>th</sup>, 2019



**Portland Public Schools Bond Accountability Committee  
(BAC) Location: Madison High School Library**

**PORTLAND PUBLIC SCHOOLS  
Office of School Modernization**  
501 North Dixon Street • Portland, OR 97227

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*Members present:* Cheryl Twete, Tenzin Gonta, Karen Weylandt, Kevin Spellman, Tom Peterson, Dick Steinbrugge

*Not present:* Charlie Johnson

*Board of Education members present:* No members present

*Guests present:* Elizabeth Miller, Curtis Matthews, Lisa Johnson, Robert Esau

*PPS/OSM staff present:* Dan Jung, Marina Cresswell, Darren Lee, Derek Henderson, Natasha Grannis, Jonathan Garcia, Chad Hepner

*Next meeting:* October 2019 (Date TBD)

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## **I. Welcome & Introductions**

Kevin Spellman calls meeting to order at 5:35 pm. Introductions made for all present.

## **II. Public Comment**

- No public comment.

## **III. Program Overview**

### **Highlights and Updates**

- Master plan process getting underway for the Grant Football Field (aka “The Bowl”)
- OCIP II
- CM’s for Lincoln, Benson, and Summer 2019 Projects
- On-call service agreements for Testing and Inspection
- 2017 Bond Performance Audit— draft Phase 2 report out
- RLB cost comparison almost complete
- On-call service contracts: Locksmith, cleaning, moving, legal
- Overview of Master plan strategy for Jefferson, Wilson, and Cleveland for the fall

## Staffing

- Sr. Director of OSM—OSM is pleased to announce that Marina Cresswell has accepted the position of Senior Director for the Office of School Modernization. Marina replaces Scott Perala, who has been acting as Interim Senior Director, and Scott will resume his regular role of Construction Program Manager. OSM looks forward to their continued expertise and leadership of the bond program.
- Director of Construction—OSM is also pleased to announce that Darren Lee has agreed to take over as Interim Director of Construction for the Office of School Modernization. Darren replaces Dave Ruth. Dave gave notice on July 8<sup>th</sup>, and his last day was July 19<sup>th</sup>, 2019.

## Challenges and Opportunities

- Market conditions – subcontractor attitudes towards work and pricing
- Summer projects - completion and turnover
- ODOT, PBOT and Tri-Met coordination
- Financial impact of Clean Energy Surcharge (City of Portland) and Student Success Act (Oregon HB 3427)

OSM/BAC Discussion: *The BAC requests a copy of the current organizational chart for OSM, to reflect staffing changes.*

*There is discussion regarding the 2017 Performance Audit Phase II Report. OSM notes that the second draft of the report had significant organizational changes from the first draft, and OSM is still working with the auditors to review and comment. OSM has been notified by the Board office that it will likely not be presented to the BOE until September, due to onboarding of new BOE members. OSM asked whether the Phase II final report would be presented just to the BAC subcommittee, or if the BAC would like a special session of the full BAC convened for a presentation.. The BAC requested a special session of the full committee for presentation of the final report.*

*The BAC inquires about the status of the master plan process for Cleveland, Jefferson, and Wilson. OSM updates that designers have been identified and proposals have been requested for a direct contract procurement. 1 firm for each school, with firms selected based on their familiarity with PPS master planning and their strengths relative to the specific school master plans. PPS has elected to proceed with a “due diligence,” conceptual master plan process that will be targeted at identifying overall scope and cost to inform the potential next bond. Full master plan efforts would begin with selected school projects.*

*The BAC also inquires about the potential 2020 bond planning. OSM updates that internal planning is well underway with the goal of collecting background information, forecasting, scoping, and other relevant information to inform the planning of the potential 2020 bond. Most likely this will start in early 2020, and will most likely be similar to the previous Bond Development Committee (BDC-2012) and the Bond Stakeholder Advisory Group (BSAG-2017).*

*On a related note, OSM updates the BAC on the current status of the Board of Education. 3 new members were sworn in on July 2<sup>nd</sup>, and 1 member was sworn in for a second term. The BOE is currently in planning for standard operation procedures, which is common when new members join the board. Potential changes in reporting and oversight include committee/sub-committee creation or other variations on reporting and decision-making processes.*

### **Balanced Scorecard: OVERALL PERSPECTIVE**

- Two Modernization projects, Madison and Kellogg, have begun construction. Kellogg has been issued a building permit, and Madison has been issued a demo permit.
- Multiple Health and Safety projects are in full construction, including three full roof projects and one full interior seismic retrofit.
- Lincoln has completed Design Development and is tracking towards land use and permit submissions and approvals.
- Madison successfully completed the move out of Madison and to Marshall, in close coordination with Grant's move out of Marshall and back to Grant.
- The Grant project continues to track on schedule for opening in fall 2019.
- Total program resources is approximately \$1.4B, with \$650M spent to date.

### **Balanced Scorecard: BUDGET**

- Grant HS Modernization costs are forecasted on current budget.
- Kellogg is under contract and forecasted to be on-budget
- Madison GMP is currently tracking approximately \$5M over budget. Based on current review of the project scope and potential cost reductions, scope reduction below Ed Spec would be required to meet budget. Project team moving forward utilizing project contingency funds to address budget gap. 2017 Bond project holding \$5M reserve to address overage if needed.
- Lincoln 100% DD estimates are tracking within budget utilizing target value engineering efforts to maintain cost containment
- Benson 100% schematic design is over budget. Structured Value Engineering efforts have yielded \$10M in potential savings. Project team continuing to evaluate design to identify additional areas of cost reductions

### **Balanced Scorecard: EQUITY**

- OSM reviews current numbers for equity goals for Certified Business (Minority, Woman Owned, or Emerging Small Business), Workforce Apprenticeship, and Career Learning efforts.
- Overall OSM is tracking a cumulative 17.91%, up .91% since last quarter for consultants and contractors together. With the departure of Aidan Gronauer from PSS, OSM is working with Purchasing and Contracting for equity reporting. Current breakdown is as follows:
  - MBE: 31.31% (down from 32.98%)
  - WBE: 49.15% (down from 50.93%)
  - SDVBE: less than .000005% (down from 0.13%)
  - ESB: 13.72% (down from 15.96%)
  - Non-Certified (counted for credit from a Certified Business that “graduated” out or did not reapply): 5.79%
- OSM continues to exceed the 20% apprentice-able trade hours goal (currently 24%, same as last quarter).
- OSM met all student engagement goals in 2019. OSM is in process of tabulating all summer CRLE’s and internships for 2019.

## Balanced Scorecard: SCHEDULE

- Grant HS on schedule for 7/30 substantial completion.
- Roosevelt HS tennis courts underway. Phase 3 scheduled to complete before start of school year.
- Kellogg MS building permit issued 7/10. Site prep started prior to permit issuance and site-work underway.
- Madison HS demolition permit received and EWA work began 6/17. GMP submission anticipated on 7/30. Structural package submitted for permit.
- Lincoln 100% DDs complete and submitted for design phase approval. Land use hearing scheduled for 8/1.
- Benson Master Plan scope finalized (BHS modernization + MPG building). CM/GC onboard, destructive testing at BHS started 7/8.

*OSM/BAC Discussion: Discussion regarding the closeout of the Franklin project. OSM clarifies that there have been some small outstanding items for the project which are done, and mainly it has been a capacity issue to finalize this project. Closeout will be completed soon for Franklin and will be reported as such at the next BAC meeting.*

*Discussion regarding the mechanical system at Roosevelt and ongoing issues there with comfort control. OSM clarifies that many challenges have caused this issue. Mechanical system issues have now been resolved in coordination with FAM and contractors. There are still issues with heat gain through windows in the historic part of the building. Replacement of windows was removed from project scope as a cost reduction measure during design. OSM is looking at options to replace windows, within the existing Roosevelt budget.*

*Discussion regarding OCIP and insurance. OSM highlights current evaluation of past and current coverage, and possible plans for future coverage.*

*Discussion regarding program costs and program contingency. OSM updates the BAC on funding, contingency for the program, and an update on non-bond funds that have been added. (e.g. Madison SRGP Grant).*

*Inquiry from the BAC regarding Health and Safety breakdown against the total 150 million. OSM provides the report for Health and Safety. The BAC suggests possibly posting this on the web. The BAC also points out funding allocation for Day CPM under project break-outs and suggests this be moved to the Management allocation. OSM agrees to these suggestions.*

*Discussion regarding the reporting structure for projects and OSM overall. The BAC will consider moving the standard quarterly meeting date from the 3<sup>rd</sup> week of the month to the 4<sup>th</sup> in order to add a sub-committee review of materials prior to the quarterly meeting.*

*Discussion regarding district equity goals. OSM will clarify and get detail on the reporting of these numbers. There has been a change in Purchasing and Contracting and who pulls these reports, and OSM will align with the new process and provide clarification on the new breakdown and any reporting variances. Currently, these percentages are tracked by payment. Discussion about possibly finding other/additional ways to track these goals outside of payments occurred.*

*The BAC inquires about the balanced score card and potential reporting changes, calling out the “mystery of the BSC” and how Benson can show yellow when in actuality the project does not have enough funds to complete? OSM notes that the Balanced Scorecard is based on numeric scoring and mathematical averaging that gives equal weight to past and current phase scores.*

#### **IV. Projects Update**

##### **ROOSEVELT MODERNIZATION**

###### Accomplishments:

- Revised piping for mechanical system mixing stations completed.
- Mechanical system commissioning punch-list issues less than 20 items left. AERMEC reps onsite tuning pumps, chillers & boilers.
- Tennis Court area and immediate surroundings started.

###### Next Steps:

- Complete Phase 3
  - Tennis Court area and immediate surroundings scheduled for August completion
- Service and maintenance of mechanical system; closeout commissioning punch list.
- Issue RFP for design / build window replacement.

###### Challenges:

- Soil conditions at Tennis Courts require cement treating in order to achieve compaction.
- Façade heat gain issues and air intrusion issues in the 1929 building classrooms & Admin offices.

###### Safety Update:

- Q2 – 474 Man Hours / YTD 94,772 Man Hours
  - Zero Incidents
  - Zero Recordable Injuries
  - Zero Reportable Injuries

##### **GRANT MODERNIZATION**

###### Accomplishments:

- Construction is still on-schedule!
- Over 70% of the project has been punched.
- All FF&E has been delivered.
- Grant is completely moved out of Marshall.
- The grand staircase at the main entrance is done.
- The turf field and perimeter fence are done.
- Commissioning is going well – no major issues.
- All areas are down to finish carpentry and painting

###### Next Steps:

- Focusing on commissioning and close-out.
- Trainings are 20% complete and are scheduled to be done before school starts.
- The elevator inspections are on July 17<sup>th</sup>.
- The entire project will be punched by July 24<sup>th</sup>.
- Substantial Completion of Grant is on July 30<sup>th</sup>.
- Grant Administrative Staff returns August 5<sup>th</sup>, Athletics begins use of gym and turf fields.
- Teachers return on August 22<sup>st</sup>.

#### Challenges:

- Subcontractor default.
- Late deliveries on whiteboards, kitchen sliding doors, roof ladders, and bridge guardrail panels.
- Subcontractor closeout.
- Finding enough painters to keep-up.
- Overruns in GR's and GC's.

#### Safety Update:

- 12 recordable incidents and 0 reportable.
- 660,059 man-hours to date. Incident Rate is 3.6.
- Latest Incident:
  - 3/7/19 Sheet-metal worker cuts his hand on sharp edge requiring 6 stitches.

### **HEALTH AND SAFETY**

#### Accomplishments

- Projects Under Contract / Construction
- Roofs - 3 Full-Scale Projects
- Seismic - 1 Full Interior Seismic Retrofit
- ADA - 2 Elevators and Additional ADA Work
- Fire / Life Safety
  - 7 Fire Alarm Upgrades
  - 1 Sprinkler Upgrade
- Asbestos - 6 Large-Scale Projects
- Security Upgrades Group 1: 26 schools
- Security Upgrades Group 2: 31 schools
- Lead Water
  - Pilot Project – 6 schools
  - DWS repairs – 200 fixtures
- Lead Paint Stabilization - Ongoing

#### Next Steps

- Contract Negotiation for Group 3 Security projects – 30 schools
- Design RFP's for Summer 2020 projects
- Fire / Life Safety
  - Fire Alarm Upgrades Design - 19 schools
- IDIQ for Lead Paint Stabilization – Re-Bid
- Hiring additional PPS Painters for Lead Paint work
- Site specific communication plans for staff returning

#### Challenges and Opportunities

- Termination of Fernwood contractor
  - Mediation on-going
- Contractor availability / Escalation of construction costs
- Communication for summer 2019 project transition
- Stakeholder engagement for 2020 projects

## **KELLOGG**

### Accomplishments

- Site mobilization: General Contractor (GC) has completed site mobilization.
- Permit: Following close coordination with City of Portland, the building permit was issued on July 10, 2019.

### Next Steps

- Start of construction: With the recent issuance of the building permit, the GC, who had already fully mobilized on the site, is now beginning major construction activities.

### Challenges and Opportunities

- Public works (PW) permitting: After some delays in response by ODOT, PW permitting is at 90% completion.
- Constrained site: Project team coordinating with GC to minimize impact on neighbors.
- Planning principal: Following confirmation of the planning principal coming on-board in July, 2020, project team preparing for this milestone.
- Program startup: With final completion of construction in February, 2021, project team planning for Middle School Program Startup phase during the March-June, 2021 timeframe.

### Safety Update:

- 0 recordable incidents and 0 reportable accidents
- 1,561 worker hours to date. Incident Rate is 0.

## **LINCOLN**

### Accomplishments

- Stakeholder Engagement on Design Development.
- Design Development Phase completed on budget.
- Target Value Design (TVD) process ongoing.
- MEP Trade partners selected.
- Land Use Application submitted to City for review.
- City approval of green roof area requirement reduction.

### Next Steps

- August 1, 2019 Land Use Hearing with Design Review Commission.
- RFP for early trade partners on pilings and foundation work.
- Issuing structural permit set in September.
- Next round of pricing in September.

### Challenges and Opportunities

- Utilizing procurement of early trade partners for increased labor and cost certainty.
- Coordinating athletic swing space at West Sylvan Middle School and other locations.
- Potential partnership for track and field upgrades with PSU still possible.
- Site Tour with BAC on July 24<sup>th</sup>, 2019.

## **BENSON**

### Accomplishments

- Executed contract with Andersen for Preconstruction services
- Completed VE Workshop for SD Estimate
- Received BOE approval for final scope package and budget that included MPG programs at Benson and Meek

### Next Steps

- Continue evaluation of the SD Estimate
- Continue existing conditions survey and investigations in summer & fall 2019
- Finalize both the Program Management Plan (PMP) as well as the individual Project Team Management Plans (PTMP) for each site
- Continue Master Planning phase for MPG and the Swing Sites

### Challenges and Opportunities

- Budget reconciliation for the SD Phase. Will be completed once investigation work is completed this summer
- Maintaining the design schedule for the Swing Sites as well as MPG this coming Fall
- Future Use Agreement negotiations of Buckman Field with Portland Parks & Recreation
- Confirm requirements of the Historical Landmarks Commission. There are potential schedule and budget impacts due to preliminary requirements that are beyond the precedent of similar projects.

## **MADISON**

### Accomplishments

- Move out of Madison is complete
- Demo permit received
- Mobilization and demo have started
- Structural permit submitted

### Next Steps

- Finalize and approve GMP in July/August
- Abatement and demo of entire structure
- Submittals and shop drawings
- Complete the set-up at Marshall

### Challenges and Opportunities

- GMP projection is approximately \$5M over budget and will be funded by project / program contingency in lieu of program reductions.
- Foundations / structural permit

### Safety Update:

- 0 recordable incidents and 0 reportable incidents.
- 2800 worker hours to date. Incident Rate is 0.0.
- Recent Incidents: None

OSM/BAC Discussion: Discussion regarding alignment of e-Builder accounting and PPS accounting systems and procedures. OSM clarifies that OSM finance routinely reconciles and coordinates with PPS finance to align these two systems. BAC requests an overview of the eBuilder/PeopleSoft reconciliation process.



*Discussion regarding taxes, clean energy act and student success act, implications and forecasted cost impacts to projects starting in 2019 and 2020.*

*Discussion of Benson Value Engineering Workshop and ongoing efforts at value engineering for the project. BAC requests a briefing similar to the one provided for the Lincoln Value Engineering effort.*

*Discussion regarding Benson update, addition of Multiple Pathways building, parking plan, scheduling, estimations, and details on the swing site plans.*

*Discussion regarding Madison and the GMP being set at 100 percent CD versus 75 percent CD. OSM to confirm status of this.*

*Discussion regarding Madison budget and 5 million of program contingency being allocated for potential cost overage. OSM to provide clarity on strategy to overcome the need for this.*

### **BAC Discussion**

*BAC discusses Bond 2020 planning. OSM provides update and plan for 2020 potential measure. Internal planning underway.*

*BAC charter amendment update and status provided. Charter amendment for BAC to recommend and be involved on Bond 2020 options.*

*BAC discussion about next and last BOE presentation. OSM clarifies that the addition of 3 board members and reinstatement of 1 has the board evaluating the operational process they would like to employ.*

*BAC discussion regarding potential new seismic standards.*

Next BOE Presentation: August 27<sup>th</sup>, 2019

Next BAC Meeting: October 23<sup>rd</sup>, 2019 @ Grant High School

### **V. Adjournment**

*Kevin adjourned the meeting at 8:22 PM.*