

Meeting Minutes | April 17th, 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

Members present: Kevin Spellman, Tom Peterson, Tenzin Gonta, Dick Steinbrugge, Charlie Johnson

Not present: Cheryl Twete, Karen Weylandt

Board members present: Amy Kohnstamm

Guests present: Ken Fisher, Curtis Matthews, Cathy Brady, Lien Luu

PPS/OSM staff present: Dan Jung, Scott Perala, Dave Ruth, Derek Henderson, Darwin Dittmar, Darren Lee, Cynthia Le, Claire Hertz

Next meeting: July 24th, 2019 (Location TBD)

I. Welcome & Introductions

Kevin Spellman calls meeting to order at 5:35 pm.

II. Public Comment

- No public comment.

III. Program Overview

Bond Accountability Committee

- OSM announces that committee member Dana White has resigned her service on the BAC as she is the new Director of Property and Real Estate Management at Portland Public Schools. Dana has already started the onboarding process and staff is excited to have her expertise.

Staffing

- Interviews for the Benson Construction Manager are underway. There are five candidates from the various firms for this position.
- Requests for candidates from these firms are also out on the street for Health and Safety Construction Manager.

- Bryce Gardner has joined the Grant team as a construction manager and will help them to finish out the project.

Balanced Scorecard: OVERALL PERSPECTIVE

- With the approval of the Benson master plan, all four 2017 bond modernization/new construction projects have board approval. Additional work is being done to consider additional program options for the Benson site using the current Master Plan as the baseline.
- Health and Safety projects continue to progress with large projects planned for summer 2019.
- Madison and Lincoln are progressing through the design phases, meeting with stakeholders, completing value-engineering exercises and tracking towards land use and permit submissions and approvals.
- Kellogg has advertised the RFQ for construction services.
- The Grant project continues to track on schedule for opening in fall 2019.
- Total program resources is approximately \$1.4B, with \$565M spent to date.

Balanced Scorecard: BUDGET

- Grant HS Modernization costs are forecasted over budget. As reflected last quarter, the program contingency has been anticipating an overage and accounted for the costs in the program forecast. The total program continues to track under budget.
- Kellogg bidding is underway. Final bid number anticipated week of 4/15. Kellogg 50% CD estimates showed project was on-budget at that time.
- Madison 50% CD GMP came in \$27M over budget on initial comparisons. Reconciliation efforts brought budget overruns down to \$12M. Team current working on value engineering options to address variance and will bring possible solutions to steering committee for guidance.
- Lincoln 100% DD estimates underway.
- Benson Master Plan continues to evolve at the direction of the BOE. Current program now contemplates swinging BHS to Marshall, Alliance program to Kenton and night school to Grant. MP now calls for new and separate building (100 ksf+) for Alliance and MPG program on the Benson campus. Costs are continuing to be evaluated with follow up presentation to BOE in May for input and guidance.
- **2012 Bond Budget**
 - OSM provides a summary of OCIP review for bond projects and discusses the plan for future projects.
 - OSM is shifting staffing costs from the 2012 Bond to the 2017 Bond as the Grant Modernization Project is wrapping up.

OSM/BAC Discussion: *The BAC has requested a new report on Budget that has a level of transparency more suited for general understanding. The discussion centered around the need for having a budget report that shows the totals and how much has been spent against the totals. EG: 150 million for health and safety create a report that shows the 150 million and then breaks down what has been spent so far and on what. The goal is to create a report for the voter audience. OSM to schedule a separate meeting to discuss in detail with the BAC what this report needs to look like, and what information does it need to convey.*

There was also continued discussion about how to better track significant creep in budget (which is identified as common) to accomplish greater transparency.

OSM/BAC discussion continued about transparency and delegation of funds. If the budget increases, do we still refer to it as savings if it is technically higher than the original budget? Discussion centering around transparency and accountability.

OSM to set up a meeting with the BAC to determine reporting needs and what the data should look like.

- **2017 Bond Budget**

- OSM provides an overview of the 2017 Bond Budget.

OSM/BAC discussion regarding OCIP funding differences between Bond 2012 and Bond 2017. OSM currently reviewing this issue and will not be adding projects to the program until this review is complete. The goal is to identify and implement best practice for this. Consideration of contractor providing insurance, or at least partial insurance to provide cost savings.

Further discussion about providing greater clarity and transparency on reporting. OSM to track and incorporate into separate meeting.

Balance 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 at 27.5% (up from 25%) and 15.34% (up from 14%) for consultants and contractors respectively for certified business participation, for a cumulative of 17%. A 1% increase since last quarter. Qualifying costs breakdown as:
 - MBE: 32.98% (up from 31%)
 - WBE: 50.93% (down from 52%)
 - SDVBE: 0.13% (up from 0.1%)
 - ESB: 15.96% (down from 16%)
- OSM continues to exceed the 20% apprentice trade hours goal (currently 24% overall (down from 26%)). Kellogg is the only active project not currently exceeding the goal, however this data is on demolition only. Demolition has traditionally been a challenging trade to procure apprentices. We anticipate the goal will be met at Kellogg, as well as the other projects.
- OSM met all student engagement goals in 2019. The team is planning for even more engagement in 2020.

Balance Scorecard: STAKEHOLDER

- OSM reports that stakeholder engagement methods are still in review.

Balance Scorecard: SCHEDULE

- Grant continues to track on overall schedule and 7/30 substantial completion.
 - Punchlist to begin end April. Transition planning underway for summer 2019.
- Roosevelt Phase 3 is substantially complete. Tennis courts and surrounding work will begin in May.
- Kellogg MS abatement and demolition is complete. Construction bids due 4/16.
- Madison HS 50% CD's issued and estimated. CMGC and A/E are working to achieve path to budget. Demolition drawings submitted for permit.
- Lincoln 75% DDs complete and issued to CMGC and 3rd party for estimating. Land use permit application submitted.
- Benson SD completion delayed accommodating BOE determination of future MPG location and completion of Benson HS programming.

GUEST PRESENTATION: 2017 PERFORMANCE AUDIT PHASE 1

Presentation of phase 1 performance audit by Sjoberg Evashenk Consulting (SEC). Cathy Brady and Lien Liu provided a presentation summarizing the work that has been completed thus far and largely targets the 2017 Bond by request of the Board of Education.

Presentation and discussion of next steps for phase/year 1 for the audit, and then planning for year 2 and subsequent years.

BAC observes that there may be concern with audit language that talks about cost containment being interpreted as trying to get back to the 790 million dollar number, when it more accurately is trying to keep the program under 1 billion dollars.

DETAILED STAFF UPDATE: 2017 HEALTH AND SAFETY WORK.

Dave Ruth and Darren Lee provide a detailed update on budget, schedule, and planning for the Health and Safety project work. Including:

- Lead Paint Stabilization
- Water Fixture Repair
- Security Upgrades
- Radon Mitigation
- Consolidated Projects (Roofs, Seismic, Accessibility)
- Asbestos Abatement
- Bid packages for 2019 work on the street
- Fire Alarm – 7 schools

- Roof / Seismic – 4 schools
- Asbestos – 7 schools
- Security Group 1 – 26 schools
- DWS repairs – 500 fixtures
- Procurement for Group 2 & 3 Security projects
- 61 schools slated for work this summer
- Design RFP's for Summer 2020 & FA projects
- Coordinating building closures for Asbestos Abatement and Lead Paint Stabilization projects
- Implement DWS pilot program - 6 schools
- IDIQ for Lead Paint Stabilization **Termination of Fernwood contractor**
- Mediation scheduled for May 30
- Preparation and communication for Summer 2019 projects
- Stakeholder Engagement
- Drinking Water Station (DWS) pilot program & communications
- New water fixture requirements from State...significant uptick in number of “taps” we have to address

Looking Ahead:

- 2020
- Complete Security Improvements
- Complete Fire Alarm upgrades – 19 schools
- Implement DWS replacement (pending successful pilot program)
- Roofs / Seismic - Tentative: Chapman, Ockley-Green, Kelly, Phase 2 Hayhurst & Jackson
- Asbestos – Tentative: Jackson, Ockley-Green, DaVinci, Lent, Sitton, Jefferson
- Lead Paint Stabilization
- 2021 & Beyond
- Lead Paint Stabilization: potentially through 2026
- Roofs / Seismic: 4 – 6 schools per year through 2022 or 2023
- Tentative 2021: Duniway, Glencoe, Irvington, Richmond, W. Sylvan
- Asbestos: 6 – 7 schools per year through 2022 or 2023

OSM provides review of detailed organizational chart for all Health and Safety Projects. OSM also provides detailed breakdown of PPS schools and history of work that has been done, when, and will help track issues for better coordinating.

As part of lessons learned, OSM has begun to engage in earlier design and earlier contracting. Earlier communication and coordination has also been implemented, and a plan is being developed to help align efforts between OSM, FAM, and Maintenance and Operations to communicate to all building use stakeholders about plans and impacts to sites and programs.

OSM/BAC discussion about communication, lessons learned, and the detailed consolidated Health and Safety Matrix presented to the committee. The committee concurs that this is a great tool and provides an excellent level of detail.

IV. Projects Update

GRANT MODERNIZATION

Accomplishments:

- Construction is on-schedule! (zero float)
- Most major equipment deliveries are complete.
- RFI's are slowing down and is the quantity of new unknown issues each week.
- Finishes are going in throughout the building.
- Landscaping and the turf field are underway.

- Architect selected for Grant Bowl master plan

Next Steps:

- Focusing on commissioning and close-out.
- Zone A punchlist scheduled for end April
- FF&E deliveries begin on June 3rd.
- Grant will be moved out of Marshall by June 21st.
- Substantial Completion of Grant is on July 30th.
- Athletics start at Grant on August 5th.
- Teachers return on August 21st.

Challenges:

- Subcontractor default
- Critical path scopes
- Below grade water intrusion @ existing walls
- Transition from Marshall

Safety Update:

- 12 recordable incidents and 0 reportables.
- 570,000 manhours to date. Incident Rate is 4.2.
- Recent Incidents:
 - 2/2/19 steel worker falls 7' from ladder and hurts his back.
 - 3/7/19 Sheetmetal worker cuts his hand on sharp edge requiring 6 stitches.

ROOSEVELT MODERNIZATION

- Revised piping for mechanical system mixing stations completed. TAB and commissioning underway.
- Continued progress to addressing MEP system punchlist issues (reduced from 488 items to 40 items).
- Progressing with Phase 3 work
 - Subgrade work and storm water planters complete.
 - Site paving complete
 - Landscape 50% complete
- Complete Phase 3
 - Landscape planting
 - Tennis Court area and immediate surroundings scheduled for May / June completion
- Complete TAB and commissioning of revised mechanical piping. Façade heat gain issues and air intrusion issues in the 1929 building classrooms & Admin offices
- Preventive and deferred maintenance support

KELLOGG

Accomplishments

- City conditional use and adjustment approval
- 100% permit/bid document set completed
- Permit set/application submitted to City as part of Fast-Track, Portland Online Permitting System (POPS)
- 2-step procurement process underway, with Request for Quotes (RFQ) step complete and Invitation to Bid (ITB) step in progress, bids due April 16

Next Steps

- Review of bids and contracting with selected low bid General Contractor (GC)
- Submittals and selection of bid alternates
- Community outreach & "open house" prior to construction start
- Building permit and NTP

Challenges and Opportunities

- While 10 GCs expressed interest at the RFQ step, only 2 GCs submitted proposals and were selected to participate in the ITB step
- Planning for opening of new school would benefit from selection of KMS planning principal as soon as possible/practical
- Planning Principal role vacant until Fall 2020 (lack input on FF&E and administrative items)
- OSM team outlining Kellogg Middle School (KMS) staff budgeting and planning effort for 2021 / 2022 school year
- Staff / Operations budget

MADISON

Accomplishments

- Land use permit approved.
- Demo permit submitted
- 50% CD set completed & estimated
- Approx. 70% of design / assist subs on-board
- Transition planning for Marshall move-in
- Awarded SRGP Grant - \$2.5M

Next Steps

- Budget reconciliation and VE
- Submit foundation / structure permit set
- Issue 95% CD's
- Finalize GMP
- Mobilize and start abatement at the end of June

Challenges and Opportunities

- 50% CD estimate was @ \$12 M over budget. Reconciliation and value engineering efforts for path to budget currently underway. Findings may impact foundation / structure design and permit submission.
- Permit schedule for foundation / structure design leaves little schedule float
- ODOT right of way / offsite improvements

LINCOLN

Accomplishments

- Stakeholder Engagement on final program organization.
- DAG input on exterior design
- Total Value Design (TVD) process ongoing
- 75% DD Completed
- Design process on schedule

Next Steps

- 75% DD Estimates by the CM/GC and ACC due May 3
- PPS Internal Design Review of DD drawings and Specifications
- RFP for early trade partners is on MEP scope.

Challenges and Opportunities

- Early site mobilization scheduled for January 2020 creating a 4 month early start.
- Coordinating athletic swing space
- Alternate method to meet CoP green roof requirement
- Potential partnership for track and field upgrades with PSU
- Potential partnership with Multnomah Athletic Club (MAC) for tennis courts
- Site Constraints – site tour

BENSON

Accomplishments

- Stakeholder engagement for Schematic Design
- DAG tours of GHS, RHS, FHS
- Board Work sessions & Meetings for approval
- CMGC RFP and selection
- Started discussions with PPR about Buckman field use and renovations

Next Steps

- Continued DAG work sessions and DAG tours of GHS, RHS, FHS
- Continue discussions with PPR regarding south driveway/Buckman field connection
- CMGC contract approval
- Schematic Design review
- Master plan revisions for Board by end of May

Challenges and Opportunities

- Site planning & considerations
- Determine feasibility & impacts of off-site swing to Marshall / Kenton
- Multiple Pathways to Graduation schools & program placement
- Value Engineering Charrette & Study

OSM ACTION ITEMS

- OSM to schedule a tour of the Lincoln Modernization Site, not building.
- OSM to provide Benson documents pre-board meeting for review.
- OSM to schedule BAC Meeting to discuss expenditure reporting.
- OSM to schedule a BAC Sub-Committee Audit Review.

Next BOE Presentation: May 21st, 2019

V. Adjournment

Kevin adjourned the meeting at 8:38 PM.