

Meeting Minutes | October 30th, 2019



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

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

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

Not present: Tenzin Gonta

Board members present: Director Andrew Scott, Director Scott Bailey

Guests present: Ken Fisher, Michael Nash, Baruti Artharee, Brian Price, Erin Storlie, Brad Nile, Joe Echeverri, Janna Stacey

PPS/OSM staff present: Marina Cresswell, Darren Lee, Scott Perala, Dan Jung, Derek Henderson, Darwin Dittmar, Chad Hepner, Natasha Grannis, Bryce Gardner, Steve Effros, Jessie Steiger, Brian Oylear, Steve Simonson, Erik Gerding, Cynthia Le

Next meeting: All 2020 Meetings TBD. Derek to send out polling for dates ASAP.
(Polling due 11/1/2019)

I. Welcome & Introductions

Kevin Spellman calls meeting to order at 5:35 pm. Introductions are made around the room.

II. Public Comment

- Baruti Artharee offers overview of Safeguard Security's historical work on PPS Bond Projects and highlights the success and productive working partnership of Safeguard's ongoing work with PPS, highlighting specifically the Grant Modernization project and the partnership with Anderson Colas Construction as well as PPS. Mr. Artharee looks forward to ongoing work with the district and looks forward to continuing to build the best possible working relationship with PPS Bond Projects and all stakeholders involved.
- No other public comment submitted.

III. Balanced Scorecard

Balanced Scorecard: Overall

- OSM notes the Overall balanced scorecard has been updated to reflect Current/Final Budget (instead of average Budget ratings over life of projects) and Current/Final Schedule (instead of average Schedule ratings over life of projects).

Balanced Scorecard: Budget; Budget Updates

- OSM notes that Franklin HS Modernization budget is now showing as fully utilized at completion. OSM is reserving funds for any lingering clean-up of issues post turnover. Most identified issues are minor, however OSM is monitoring some apparent exterior concrete settlement. As all post-turnover issues will be addressed through separate contracts, funds for these issues are being moved to separate eBuilder projects. This will allow OSM to close out the Franklin HS Modernization project and complete the needed evaluation of the alternative procurement process.
- OSM notes that Roosevelt HS Modernization is also now showing as fully utilized at completion. OSM is reserving funds for window repairs/replacement, and forecasting an additional potential need in 2012 Bond contingency.
- OSM notes that the \$11.4M in CET funds approved by Board resolution 5737 has been moved back into 2017 bond funds and added to the Benson HS Modernization budget, as previously approved.
- OSM notes that the Madison HS Modernization Estimate at Completion is showing as on budget, per previous discussions with BAC that Madison's contingency would be absorbing the amount of GMP over the allotted GMP budget. OSM also noted that a Madison Risk Update has been provided in the handouts.
- OSM notes that the 2012 Bond budgets are in the process of being cleaned up, preparatory to closeout of the 2012 Bond program. Currently OSM shows \$4,472,364 in savings in the 2012 Bond program overall; those numbers will continue to fluctuate somewhat as OSM continues working towards closeout of the program.
- OSM provides rough numbers for FY19 interest earnings of \$2M for 2012 Bond and \$10.4M for 2017 Bond. These rough numbers will not be finalized until after the CAFR is completed in December 2019. OSM will show final numbers in the January 2020 BAC report.
- OSM notes that the 2017 forecast includes \$4.4M in program costs due to the corporate receipts tax that will fund the Student Success Act. As these costs were unforeseen at the conception of the 2017 Bond program and the setting of approved budgets for the 2017 modernization projects, OSM is showing them as a separate line for tracking purposes and noting that they will come from 2017 Bond program contingency (not project contingency).

OSM/BAC Discussion:

The BAC inquires about the BOE School Improvement Bond Committee's discussion of uses for the 2012 Bond program savings. The BAC notes that there were IP projects in 2012 that were planned but did not get completed due to funding, and those projects should be considered when the Bond Committee reviews potential uses of the savings.

The BAC discusses the PBOT IGA regarding money set aside for safe routes to schools. OSM and COO Dan Jung note that the agreement set aside 5 million dollars to create and/or improve safe routes to schools as needed by 2012 Bond modernization projects. Any leftover would be used to fund PBOT projects creating and/or improving safe routes to school on 2012 Bond sites. OSM notes that the exact sites/projects are still being confirmed with PBOT.

The BAC inquires about the additional need forecasted for OCIP in the 2017 Program budget. OSM explains that the current OCIP does not include the Benson HS Modernization project, due to project timelines. OCIP for Benson will be acquired as the project gets closer to construction, so the forecast includes those costs.

Balanced Scorecard: Equity

- OSM explains reporting discrepancy from last meeting. Equity breakdown was reflecting the makeup of only the certified businesses, so a breakdown by subset of the 17+%. The scorecard has been changed to show the equity breakdown as a percentage of total payments.
- OSM notes a change to the reporting for equity, reflected in this report. Certification breakdown will now show both cumulative (over the life of the bond program) and last 12 months percentages. It is anticipated the addition of the rolling 12-month data will allow for better understanding of current trends and needs.

Balanced Scorecard: Schedule

- OSM notes an addition to the report to track turnover at project end. Green designates turnover completion by the end of opening school year. Yellow indicates turnover completion by the end of the following summer, and Red indicates completion at the end of the following school year. OSM is focusing more on successful turnover as part of its internal metrics, and would like to add this metric to the scorecard for higher visibility at the BAC level.

IV. Program Update

- The Bond Program Performance Audit with Sjoberg Evashenk Consulting (SEC) has completed Year 1. Year 2 kickoff has happened and is well underway, with a visit happening next week.
- OSM notes the updated Performance Audit Tracker has been added to the BAC handouts. Year 1, phases 1 and 2, audit recommendations have been added to the tracker, as well as notes regarding completion. OSM has also put in place an Audit Implementation Team, led by OSM Program Manager Scott Perala, to ensure that recommendations are being implemented in a timely manner.
- OSM notes a draft Program Management Plan is being reviewed by program management staff prior to sending out to staff. In addition, Standard Operating Procedures are being updated and/or created every week, with review and pre-training occurring as part of biweekly Project Teams meetings.
- Staffing Update
 - Director of Construction is still vacant. OSM continues to work on ways to attract applicants. Darren Lee continues as OSM's interim in this role. His support and expertise has been crucial for the program overall, especially during this transitional period.
 - E-Builder Tech Lead is still in recruitment as well. The position was originally advertised under a classification that PPS Human Resources has chosen to retire. OSM is reviewing an alternate classification to resume active recruiting for the position.
 - OSM is adding a contracted Construction Manager to the Secure Schools program. As the program affects most school sites, it requires more construction management time to get to all of the impacted sites on a regular basis.
 - A detailed staffing review is currently planned for December. OSM anticipates reporting out to the BAC at the January meeting.

V. Special Presentation: Benson HS Modernization Update

- Review of Benson complexity of schedules for different phases. 3 considerations:
 - Benson Polytechnic HS
 - Multiple Pathways to Graduation
 - Swing Sites
- Value Engineering
 - No reduction in educational programming
- Swing Sites
 - Swing to Marshall and Kenton
- Multiple Pathways to Graduation
 - Beginning DAG process next week
- Benson Approach
 - Extended pre-construction
 - Utilization of lessons learned on previous projects
 - Increased strategic destructive testing and sampling
 - Target Value Design (Building juncture example, avoid what happened at Grant)
 - Increased structural testing and analysis
 - Anticipation and planning for unforeseen conditions

OSM/BAC Discussion:

There is discussion regarding funding sources for completion of the project in regards to a potential ballot measure. The BAC notes, in response to a question from Director Scott, that the Board has indicated in a resolution that PPS will pursue a Full Faith and Credit Bond in the event that funding for completion of Benson is not passed in a timely manner through a bond measure.

A question is asked about the project team's analysis of the costs of window replacement versus window restoration. Bassetti Architects indicates that window restoration was determined to be the cheapest option for Benson.

There is general discussion regarding swing site schedules and preparation, and a review of the plans and schedule.

VI. Special Presentation: Lincoln HS Replacement Update

- Budget
 - On budget
 - Target-value engineering process highly successful
- Risks
 - Mainly underground issues
- Next Steps
 - Open House
 - Groundbreaking
 - GMP
 - Continued budget refinement

OSM/BAC Discussion:

A question is asked regarding the plan for setting the GMP. OSM clarifies that the GMP will be set at nearly 100 percent construction documents. It is believed that the contract states GMP will be set at an earlier percentage of construction documents, however the LHS project team has made the decision to push the GMP later in order to reduce risk due to buyouts.

VII. Project Updates

ROOSEVELT MODERNIZATION

- Accomplishments
 - HVAC System Commissioning Completed
 - Punch-List Work Completed
 - Tennis Courts and Site Work Completed
 - Landscape Work Completed
- Next Steps
 - Finalize Outstanding Change Orders
 - Complete Project Close Out
 - Allocate Remaining Project Funds to Window Project
 - A/E Design Contract for Window Project
 - Teen Parent Play Area Project / RFP out for bids
 - Phase IV Strategic Plan Project
- Challenges and Opportunities
 - Contractor lack of detailed back up documentation for large change orders holding up close out

OSM/BAC Discussion:

Community engagement for the Roosevelt HS Phase IV project has begun with a significant push next week in community meetings. Funding for the project is discussed, and clarification that the Board of Education will be confirming the funding source for the project once feedback from the community has been received on the proposed educational programming for the space.

GRANT MODERNIZATION

- Accomplishments:
 - School opened on-schedule on Aug. 28th.
 - Student population is 1875.
 - TCO was achieved on July 29th.
 - Certificate of Occupancy was received on Aug. 27th.
 - We're down to 43 remaining punch list items.
 - There are only 66 open GMPCA's to negotiate.
 - 94% of the close-out submittals have been received.

- The final audit is underway.
- Next Steps:
 - Complete the commissioning process.
 - Complete the punchlist and warranty items.
 - Financially close-out the project.
 - Officially turn-over the project to PPS in eBuilder.
 - Complete the final audit and submit the report.
 - The Estimate at Completion is \$158.8 M.
- Challenges:
 - Paging/bell system issues.
 - DDC HVAC controls programming issues.
 - Overruns in GR's and GC's.
- Safety Update:
 - 12 recordable incidents and 0 reportables.
 - 688,545 total manhours.
 - Our final incident Rate is 3.49.

OSM/BAC Discussion:

BAC thanks OSM staff for the tour of Grant HS prior to the meeting.

OSM clarifies that the final commissioning is still incomplete because the contractor has been behind in getting the final programming done. Once that is done, then the final commissioning can take place.

HEALTH AND SAFETY

- Accomplishments
 - Projects Completing 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 Completing
 - 1 Sprinkler Upgrade Completed
 - Asbestos - 6 Large-Scale Projects Completed
 - Security Upgrades Group 1: 26 schools
 - Security Upgrades Group 2: 31 schools
 - Lead Water
 - Pilot Project – 6 schools Completed
 - DWS repairs – 200 fixtures
 - Lead Paint Stabilization - Ongoing
- Next Steps
 - Contract Execution for Group 3 Security projects – 30 schools
 - Design for Summer 2020 projects (5 Roofing / ADA Projects)
 - Fire / Life Safety
 - Fire Alarm Upgrades Design On Going - 18 schools
 - IDIQ for Lead Paint Stabilization – Re-Bid

- Hiring additional PPS Painters for Lead Paint work
- Challenges and Opportunities
 - Termination of Fernwood contractor
 - Mediation on-going
 - Contractor availability / Escalation of construction costs
 - Communication for summer 2020 project transition started
 - Stakeholder engagement for 2020 projects started

KELLOGG

- Accomplishments
 - Contractor has begun and is proceeding with major construction activities, including the installation of foundations and tilt walls
 - ODOT issued approval for School Speed Zone on Powell at 69th street crossing
- Next Steps
 - Tilt concrete walls will be completed and erected at gym and performing arts wing
 - Roof trusses will arrive to allow the gym structure to be enclosed
 - Steel will arrive at site to start framing for commons, with 3-story learning suites to begin toward the end of the year
- Challenges and Opportunities
 - Later start of construction in June/July following 2-month delay caused by revised music/performing arts wing; OSM team has worked with contractor to provide opportunities for their crew to work overtime to stay on schedule ahead of wet weather
 - Public works permitting is running about a month behind schedule due to combined ODOT & PBOT coordination on Powell; permitting is at 90% review phase, all comments have been responded to, now waiting for final agency review and approval; City has installed water main connection, allowing contractor to proceed with on-site infrastructure work
 - Planning for opening of new school would benefit from selection of KMS planning principal as soon as possible/practical; with anticipated hiring of planning principal in July, 2020, OSM team has prepared draft budget and planning outline for PPS leadership to use as a starting template in anticipation of KMS opening for students in Fall, 2021

MADISON

- Accomplishments
 - Gross building demo and abatement nearly complete
 - Phase II structural permit received
 - Phase III building permit submitted
 - GMP approved by BOE
 - Steel shop drawings nearly complete
- Next Steps
 - Foundations in new construction areas
 - Design validation with stakeholders
 - Submittals and shop drawings
- Challenges and Opportunities

- Drywell decommissioning
- Tieback conflicts / soil conditions
- Pursuing several VE options \$200-500k
- Safety Update:
 - 0 recordable incidents and 0 reportables.
 - 70,662 worker hours to date. Incident Rate is 0.0.
 - Recent Incidents: None

OSM/BAC Discussion:

OSM reminds the BAC that a Madison Risk Update has been included in the meeting packet. OSM notes that OSM anticipates having a more detailed risk update from the Madison project team at the January 2020 BAC meeting. At that point, the project will have completed its high-risk groundwork, and will be able to report more confidently on remaining risks to the budget and schedule.

LINCOLN

- Accomplishments
 - Land Use approved by Portland Design Commission
 - 50% CD milestone completed
 - Project is under budget at 50% CD Estimate
 - Permit Package 1 submitted for review with BDS
 - Trade partners selected for Mechanical, Plumbing, Electrical, Drywall & Stud Framing
 - First bid package for footings and foundations issued
- Next Steps
 - Construction Contract Amendment for Early Work starting in January 2020
 - Completion of Construction Documents scheduled for December 13th, 2019
 - Submission of 60% Public Works design documents.
 - Development of GMP proposal
- Challenges and Opportunities
 - Continued site due diligence testing for existing utility locations and soils conditions.
 - Video inspection of Tanner Creek drainage pipe determined the facility is in good condition.
 - Starting community stakeholder engagement regarding upcoming construction activities.
 - Potential partnerships with PSU and the MAC are no longer active.

BENSON

- Accomplishments
 - CMGC Contract Approval
 - Stakeholder Review of 100% SD Documents complete
 - BOE Resolution approval for BHS and MPG
 - VE Summit and continued budget revisions. Path to Budget for SD complete
 - Historic Landmarks Commission (HLC) DAR #1
 - Completed GC procurement plan for BHS, MPG, Swing Sites
 - Summer 2019 investigation complete

- Completed DAG #1 for MPG
- Schematic Design Open House & Student DAG Grant construction tour
- Benson Tech DAG engagement & project updates
- Steering Committee approval for auxiliary shop building at Marshall
- Next Steps
 - Complete investigation work at BHS
 - Continue discussions with PPR regarding south driveway/Buckman field connection
 - Complete DAR #2 with the HLC. Submit for HLC Design Review.
 - 50% DD Package for BHS
 - SD and DD Packages complete for Swing Sites
 - RFQ process for selection of the GC at Marshall
 - Obtain approval and implement PPS staffing plan
 - Stakeholder and DAG engagement for MPG
 - FF&E Scope Development
 - CTE equipment planning & consolidation
- Challenges and Opportunities
 - Compressed timing of swing site build out at Marshall & move-in
 - Coordination of work needed in 2020 with De La Salle HS at Kenton
 - Early co-location on site to advance knowledge of the site, and be efficient in the design development process
 - Continue student engagement
 - Developing scope of work for improvements required around Buckman Field
 - Opportunity to engage Alumni and community partners in the design process / Planning and messaging for relocation to swing sites for 3 year construction period

VIII. Questions

OSM/BAC Discussion:

The BAC discusses the amendment to the BAC Charter to review and provide advice on cost estimating process and risk management strategies related to bond development. The BAC sets a time with staff to discuss the revised role and how materials will be presented for this future review.

The potential 2020 Bond ballot measure and current status of planning is discussed. Dan Jung provides an update that PPS is still in the information-gathering phase. PPS is working on prioritization of a series of items including, but not limited to, SPED, capacity, and the Conceptual Master Plan process for Jefferson, Cleveland and Wilson.

OSM ACTION ITEMS

- OSM to poll committee for 2020 meeting dates. Due 11/1/2019.
- OSM to verify date for BOE quarterly update from BAC/OSM.

IX. Adjournment

Kevin adjourned the meeting at 8:20 PM.