



Meeting Minutes | July 20th, 2016

Portland Public Schools Bond Accountability Committee (BAC)

PORTLAND PUBLIC SCHOOLS
Office of School Modernization

501 North Dixon Street • Portland, OR 97227

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

Not present: John Mohlis

PPS OSM staff present: Darwin Dittmar, David Mayne, Jerry Vincent, Ken Fisher, Derek Henderson, Cheryl Anselone

Board Liaisons present: Amy Kohnstamm

Board Liaisons not present: Pam Knowles, Paul Anthony

Next meeting: October 19th, 2016 at Roosevelt High School

I. Welcome & Introductions

Kevin Spellman called the meeting to order at 5:36pm

II. Public Comment

No public comment

III. Program Overview

- **Program Update - Balanced Scorecard**

- Jerry Vincent began with the program update.
- Certified Business (formerly MWESB) results are continuing to improve. This is partly due to the way the new software B2G is tracking the information. It appears that the early IP work (which had close to 0% MWESB) was not able to be pulled over by the company. However, the resulting information is more reflective of the current efforts. The district is still short of the 18% aspirational goal and will continue to improve their efforts.
- OSM continues to review lessons learned and create new procedures to fine tune the bond process. Mr. Vincent stated that the Franklin High School has really become the pilot project for unforeseen conditions on 80-90 year old facilities. Due to this, the district and teams for the Roosevelt and Grant projects are performing more preconstruction testing and trying to identify items now, instead of having them become problematic during construction.
- The Master Plan processes for Benson, Madison, and Lincoln have all been completed. The DAG process for Grant High School has also completed.

- Andersen/Colas has been awarded the CM/GC contract for the Grant Modernization, with the preconstruction services portion of the contract being executed. The GMP contract/language will be negotiated at a later date. The project has completed the Schematic Design phase and cost estimating is currently being reconciled between the architect, contractor and the district before moving forward.
 - Escalation continues to be a concern for Grant for next year. However, the district is currently using the same 5% factor as last year and is closely tracking the industry movement. The contingency for unforeseen conditions is becoming more important and is tracking closer to 15% (for Franklin), rather than the 10% that was forecast.
 - A contingency replenishment for the Franklin Modernization budget is being finalized and will be taken to the Board on the 16th of August.
 - The committee will take note that completed projects have fallen off the Balance Score Card.
- Updates on Staffing:
 - Kristie Moore, Project Coordinator for Grant, will be leaving. Her last day is July 22, 2016. Recruitment for her replacement has taken place, and a candidate was identified. Human Resources has made an offer. The offer was accepted, the background check was conducted and the new employee will begin August 3rd.
 - Paul Jackowski, Construction Manager for Heery on the Roosevelt project, has moved out of state. Heery has recruited Bruce Fickett to replace Paul. Bruce was on site today and already hit the ground running.
- *Tom Peterson asks: What is the feedback from the Franklin Community now that they have been on the Marshall Campus for a year?*
 - *Jerry Vincent replies: Thanks to the site administration team, the Franklin community has successfully completed a year at the Marshall Campus. The shared office/classroom model is in place for applicable programs. The Maker Space is being implemented and will continue. The district has hired a Project Manager for the Office of Teaching and Learning who is developing procedures for maker space tools procurement, standardization, as well as assisting with professional development for teachers as more of these spaces come online. There are some concerns about the amount of classrooms at the new Franklin construction site. OSM and PPS are evaluating options on this matter. For “year 2”, the Franklin school site asked to have a wall taken down to accommodate their use of the site. OSM is coordinating those efforts. As it turns out, the Grant team identified the same wall as needing to come out, so both concerns are being addressed at one time.*
 - *Amy Kohnstamm adds: I have heard overall that the year went well. Student feedback has been good, and the shared classroom model seems to be fairly well received.*
 - *Ken Fisher states: Transportation concerns were very prevalent going into the Marshall campus, but there have been no concerns raised on this issue since the Franklin community moved in.*
 - *Tom Peterson adds: Franklin is closer to the Marshall Campus, so the issue will be a little different at Grant.*

- *Jerry Vincent replies: The Grant Community actually developed a separate committee to discuss their transportation concerns. Their committee submitted information to the district for review and comment. Currently, the CFO and the Transportation Director are analyzing that data and will set up a meeting with the committee to discuss their concerns.*
- *Ken Fisher continues: Initial meetings on the transition of FHS back to their campus and GHS to the Marshall Campus have already begun and much of the discussion is centered on the overall synchronization that will need to happen.*
- *Jerry Vincent adds: Coordination is happening across all departments and will improve; custodial, maintenance, technology, project teams, administration and contract requirements to name a few. Details are being considered to find the best possible outcome.*

Balanced Scorecard:

- Overall Perspective
 - Overall perspective continues to track well since the last meeting.
- Stakeholder perspective:
 - Stakeholder perspective has not changed since the last meeting.
- Equity Perspective:
 - **Career Learning Equity**
 - Career Learning continues to track well. The district has added interns to the tracking which puts the balanced scorecard in the green for all three tiers for student engagement.

Workforce Equity

- Workforce Equity also continues to track well.

Business Equity

- Business Equity is improving, largely due to the aforementioned software the district has adopted B2G. With the current projects under construction being bought out, the next large opportunity for the district is when Grant is bought out in May, 2017.
- The monthly reporting in eBuilder is now asking for all expenditures regarding Certified Business (MWESB). This is important because it allows another opportunity outside of the new software that helps us keep better tracking for this item

- *Kevin Spellman remarks: I see that we are missing some colors in this column of the Balance Score Card. Can the project MWESB values still be provided?*
- *Jerry Vincent replies: This is due to the new software not having the data uploaded by the time of this meeting. We anticipate that once we start moving a lot of the work*

happening now into closeout, the information will be uploaded and we can verify the numbers on this. We should have this information by our next meeting.

- Budget perspective:
 - Franklin High School is currently showing red. We will explain in detail when we get to the project update section of this report.
 - IP 2017 is currently forecasted to be over budget, but the projects are in full design. OSM is looking at more investigative work in the beginning to better align what work can and should happen with the budget.
 - The \$75,000 for Nike Grind is not reflected here.
 - Grant High School has received the additional \$5m as a budget adjustment at the completion of Schematic Design and has also received \$2,500 from Energy Trust of Oregon. These values are reflected on slide 10.
 - The Franklin Alumni started a fundraising campaign to purchase brick for the fully modernized Franklin. This came in the amount of \$90,000 which is reflected on slide 10.
 - Roosevelt High School has an additional \$25,000 from the Energy Trust.
 - IP 2016 transfer of scope has occurred due to budget overages.

- *Steve March asks: Can we get a clarification of what the IP 2016 budget and scope changes were for the projects not done?*
- *Tom Peterson asks: Can we get specifics on what is not being done and how this impacts the 2012 Bond?*
 - Meeting Minute Clarification: The following is now provided to answer the questions posed by Steve March and Tom Peterson:
 - There were a total of six construction contracts advertised for IP 2016 and all but two of these contracts were awarded and are now in construction.
 - A contract to upgrade science classrooms at Fernwood, Sunnyside, Vestal, and Winterhaven was advertised but no bids were received.
 - The budget for this work was \$338,813 and this budget was retained in the project to help offset the increased cost of awarded contracts while the scope at these sites has been deferred to be completed in future years of the bond as budget is identified.
 - A contract to restore windows at Grout and Hayhurst was advertised but the District only received one bid. This one bid was deemed to be overpriced and the contract was not awarded.
 - The budget for this work was \$144,000 and the sole base bid was \$429,244.
 - This budget was retained in the project to help offset the increased cost of awarded contracts while the scope at these sites has been deferred to be completed in future years of the bond as budget is identified.

- *Jerry Vincent replies: Given the multitude of moving parts that go into the IP work, but mainly that the main difference between this and our full modernizations is that mark up and time frame are huge.....we do not have the money to complete work in what is*

traditionally a 10 week construction window. OSM will be reviewing this fall to improve the IP process and help overcome the schedule difficulties.

- *Steve March asks: The projects that were not on this year, will these projects be rolled to the future?*
- *Jerry Vincent and Ken Fisher concur: Yes.*
- *Kevin Spellman adds: Some of the work that has been designated for the 2012 IP work may not get done on this Bond.*
- *Jerry Vincent states: For the IP work that has happened before, and starting with design, the project had three design firms tackling the various projects. OSM has now reduced this to one for better efficiencies in the design process. There are many benefits for this change, of which better assessment in the beginning phases of the project will help alleviate constraints for the construction window.*
- *Kevin Spellman asks: The two budget items that are pending, are these savings?*
- *Darwin Dittmar replies: Yes.*
- *Kevin Spellman clarifies: So this looks like more money that is coming in, but in actuality these are savings?*
 - *Meeting Minute Clarification: The deltas shown for IP 2014 and IP 2015-Sci on slide 10 are actually savings to the project. They were reflected as a positive value to reflect that they have not yet been moved but were shown in the April presentation as if they had been moved.*
- *Jerry Vincent adds: We have highlighted specific savings from the Tubman swing project.*
- *Ken Fisher adds: Assessing the budget overall, we are forecasting where we think we will land overall on the IP budget. The Cleveland roof will be over, but other projects are tracking well so overall we should land nicely.*
- *Kevin Spellman adds: This feels a little misleading. It seems that IP budgets have not been brought up to realistic standards. We are over what we thought, but not over budget?*
 - *Meeting Minute Clarification:*
 - *A previous assessment is that the original rough order of magnitude values used for budgeting of IP work are generally 21% less than the actual requirements. OSM has planned to adjust the budget for IP 2017 work using this 21% which has resulted in the reported overage of \$8m shown on slide 11 of the presentation.*
 - *Overall we are still within the total budget of \$75.3m for IP work but to stay within the overall budget for IP work we would have to curtail the total amount of work we complete.*
- *Steve March adds: We have rolled projects forward more than backwards.*
- *Ken Fisher states: The good news is that we are still within budget for the program.*
- *Tom Peterson asks: Does the capacity to continue still exist?*
- *Jerry Vincent replies: We have been reviewing a lot of lessons learned on Franklin and the unforeseen conditions that came up there, and it seems that a number of the issues at this site will be an anomaly. We are hopeful to not run into the same issues at Roosevelt and Grant.*
- *Tom Peterson asks: What about bidding early, like the fall?*
- *Jerry Vincent replies: Going forward, we will be using one architect which should help us get a little bit ahead of certain issues.*

- *Ken Fisher adds: One other point about the comparison of Franklin and Roosevelt High Schools is that the main problem at Franklin has been the asbestos in the boiler building and the classroom building. We found this and had to mitigate this hazardous material. Roosevelt tore down their boiler building and had no issue.*
- *Jerry Vincent adds: We have also toured Franklin with the Roosevelt and Grant teams so they know what was found and can hopefully avoid it or not have to deal with this.*
- Schedule Perspective:
 - Roosevelt, Franklin, Faubion and IP16 projects are all currently in construction phase.
 - We have had a relatively dry summer thus far, so there have been no problems on sites where the roofs are off.
 - Structures are coming up out of the ground on the modernization sites.
 - The phasing at Roosevelt is being revised. The move from the historical building is done, and the transition went well. Demolition is currently underway in the historic structure, and school occupied areas are being readied for the start of the 2016-17 School Year.
 - There has been a change to the phasing plan at Roosevelt. Details of this change will be discussed in the Project Update portion of the presentation.
 - Roosevelt has a number of activities happening in the next 30 days to get ready for the return of staff and students. OSM staff overall has been readied to help out as needed to prepare for Fall 2017.
 - Next summer will present significant challenges for OSM. Franklin will move back to their historic campus, Grant will move to Marshall, Roosevelt will open Phase 2 and Faubion will move back to their former location next to Concordia University. IP 2017 work is a concern due to the logistical undertaking next summer with so many moves. OSM is expecting to get the bids out early if this work moves forward.
 - OSM is expecting everything to be ready in the fall of 2017.
 - The Grant modernization is in the red for schedule due to the architectural contract being put out for re-bidding. Currently working on getting design and Andersen/Colas to get closer in cost.
- *Tom Peterson asks: Considering the Value Engineering exercise, better not to skimp on some things because they have better longevity. How are you approaching this?*
- *Jerry Vincent replies: We have the material design standards and we will be reviewing the Educational Specifications. If we have some items in the specs that are consistently Value Engineered, we will look at changing the specifications.*
- *Jerry Vincent adds: We could be experiencing a bit of fear factor with sub-contractor bids. It seems that most of our recent bids from sub-contractors have been leaning toward the conservative side, possibly due to the unforeseen conditions at Franklin and this being the word on the street.*
- *Kevin Spellman adds: This could be just subs throwing numbers out. In this market, they might just be too busy to estimate, so keep that in mind.*
- *Ken Fisher adds: We currently have the two involved estimators reconciling costs.*

IV. Projects Update

- **Improvement Projects**

- Review of pie chart.
- Discovery of various roof issues.
- Work happening on internal elevators at Chavez and Scott.
- Cleveland roof discovery has revealed Tectum decking that has failed due to water leakage. Strength of this material has been compromised, and a solution has been found and will be installed. Overall, this highlights the need for more assessment and destructive testing.
- Overall, IP 2016 could be completed with less than 10% in changes.
- Cleveland will come in over budget due to the aforementioned roof issues.

- **Franklin High School**

- Review of pie chart.
- One reportable accident since our last meeting. Again, an apprentice having a minor injury involving a thumb.
- Review of schedule.
- Review of contingency.
- *Tom Peterson asks: Is this the issue of the contractor?*
- *Ken Fisher replies: Technically yes.*
- *Jerry Vincent adds: We have some AE drawings that have caused a lot issues.*
- *Kevin Spellman asks: Have we converted to a GMP that meets this?*
- *Ken Fisher replies: We did at Roosevelt.*
- *Kevin Spellman states: If this is within the GMP, then it is not our problem.*
- *Jerry Vincent replies: Yes, this level of detail has just been produced.*
- *Ken Fisher adds: We have a good relationship with the AE team and the contractor that we want to continue. We want all of our contractors and consultants to make fair and reasonable profit because we want them to come back and work with PPS. Looking at the big picture, we also want to maintain a good reputation with the community and not alienate future contracts and bids.*
 - Differences in site report and findings.
 - Did not expect the buyout to be as high as it was.
- *Jerry Vincent adds: VE has caused a lot of this. Taking so much out has caused the after effect of trying to get this back on track.*
- *Kevin Spellman continues: I think you can argue that the design process was less than stellar. Design started, and then Ed Specs were developed and included mid-point, forcing the design to change.*
- *Tom Peterson states: I concur.*
- *Jerry Vincent adds: There are a number of issues with Franklin, VE issues, unforeseen conditions, contract issues and distinct differences in construction styles. However, what you are seeing here are 3 things: what has not been submitted, what they think they need, and what the future could look like.*

- *Kevin Spellman says: This is helpful and exactly what we asked for.*
- *Willy Paul asks: Are cost contingencies included in these projections?*
- *Jerry Vincent replies: Yes, all in here.*

- **Roosevelt High School:**
 - Pie chart review.
 - Almost 300 workers on site today.
 - There has been a change in the phasing plan.
 - Review of schedule.
 - 65 percent completion in a 50 percent time frame. If they don't make it, they will be very close.
 - Performing Arts has slipped in schedule.
 - Potential revision to the phase plan with some facilities anticipated November or after the winter break. Phase plan revision due to safety concerns over crane location.
 - Highlighted the reason for the pass-way. Changing the bell-pass was not feasible due to teacher contracts.
 - Program is being delivered.
- *Kevin Spellman asks: Are these actual dates?*
- *Jerry Vincent replies: We think this looks doable.*
- *Tom Peterson asks: Will the crane be there the whole year?*
- *Ken Fisher replies: We expect the crane to be gone by December.*
- *Kevin Spellman asks: This says potential (revised phasing), is this not?*
- *Ken Fisher replies: This is the plan.*
- *Jerry Vincent adds: We are also reconciling locations for wrap-around services at Roosevelt.*

- **Grant High School:**
 - Pie review
 - Schedule review

- **Lincoln High School:**
 - *Master Plan process completed.*

- **Madison High School:**
 - *Master Plan process completed.*

- **Benson High School**
 - *Master Plan process completed.*

- **Faubion Replacement:**
 - Pie chart review.
 - Less than 2 percent change rate.

- One safety near miss has occurred on site. The contractor drug tested the employee, and the employee did not return.
 - Schedule review.
- *Kevin Spellman asks: Will bullet number one cause an issue?*
- *Ken Fisher replies: As this is an offsite submittal review it is not expected to impact occupancy but as it is still a city review there is potential to impact our occupancy.*
- **Tubman, IP 15**
 - Closeout
- **IP 17**
 - Budget review
 - Schedule review
- *Tom Peterson asks: Is there any talk about fall protection?*
- *Jerry Vincent replies: Fall protection was not a consideration in the beginning. Now, it is.*
- *Ken Fisher adds: Originally, the Bond Program had specific considerations that did not include this. Also, this was not part of the original Bond budget.*
- *Willy Paul asks: Did the district have a roofing consultant?*
- *Jerry Vincent replies: They do but drawings did not make it into the bond.*
- *Cheryl Twete asks: How have we been doing on permitting and inspection?*
- *Ken Fisher replies: This has been done and we have had very few citations, which points to the quality of the work.*

Audit review: 2015 and 2016.

- *Kevin Spellman states: This is the time for comments from the committee.*
- *Jerry Vincent adds: Many times this can represent a difference in viewpoint. The auditors present a recommendation for policy and OSM thinks it is a concurrence issue. Agreement on the difference is noted.*
- *Cheryl Twete asks: How and when will we be able to formalize audit comments?*
- *Jerry Vincent replies: This will be an effort to set the expectation at the OAC from the beginning. IP is being addressed. Grant is looking at bringing in the General Contractor at 50% DD.*
- *Cheryl Twete asks: How do you systemically make these changes?*
- *Ken Fisher replies: 2 different ways. 1. We have implemented a lessons learned field in monthly reporting to provide input to update the PMP on an annual basis. 2. Audits—these audits are very important to making the program the best that it can be.*
- *Tom Peterson asks: Is there a similar process to what I do?*
- *Ken Fisher replies: There is not a formal process. Referring to the audit, this is a design/build issue.*
- *Jerry Vincent adds: This could be a great thing for some sites.*
- *Tom Peterson states: There is a need for creating a basis for refinement.*
- *Jerry Vincent adds: OSM is investigating use of alternative contracting.*
- *Ken Fisher continues: The original Bond was voted in for a Comprehensive Capacity of 1500 for FHS and GHS with RHS at 1250- 1500, then it changed to 1700 capacity at FHS and GHS with RHS being 1350-1700 which meant larger buildings. The original total bond*

budget was not created with these larger schools in mind so yes, we are very tight on budget.

- *Steve March continues: Regarding issues relating to the alternative contracting methods, has the district sought outside council for the contracting?*
- *Jerry Vincent replies: It is outside of the district—legal council on contracting.*
- *Kevin Spellman adds: We (the BAC) are not doing a good job of tracking the audit results to completion.*
 - Meeting Minute Clarification: OSM was to provide the date for the next Board meeting which is the only BOE meeting in August, Tuesday the 16th.

V. BAC Discussion

- None

VI. Wrap-Up

- Kevin Spellman thanks everyone for coming.

VII. Adjournment

- *Kevin adjourned the meeting at 7:55pm.*