



# Meeting Minutes | January 18<sup>th</sup>, 2017

## Portland Public Schools Bond Accountability Committee (BAC)

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

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

*PPS OSM staff present:* Jerry Vincent, Dan Jung, Ken Fisher, Darwin Dittmar, David Mayne, Derek Henderson, Erik Gerding,

*BAC candidates:* Tenzin Choephel, Charlie Johnson

*Board Liaisons:* Amy Kohnstamm

*Next meeting:* Wednesday April 19<sup>th</sup>, 2017. Location: TBD

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### I. Welcome & Introductions

Kevin Spellman calls the meeting to order at 5:32pm and welcomes everyone. Introductions are made by all present. Kevin welcomes two new candidates for the BAC.

### II. Public Comment

No public presence.

### III. Program Overview

- Jerry Vincent provides an overview of current events.
  - Snow days highlighted with impact to the schedule for all sites. All current projects anticipate schedule impacts due to the recent snow and ice. Total impact of the weather delays is still being evaluation and recovery schedules produced.
  - Update on school schedule as well. Anticipation for this to be pushed back which will affect the summer construction schedule.
  - *Kevin Spellman asks: In regard to working on cross pollenating between projects, will there be a lessons learned review of everything to date?*
  - *Jerry Vincent responds: Yes. We are working on identifying the impact of everything from material delivery to the inability to find sub-contractors.*
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- **Program Update - Balanced Scorecard**
  - **Stakeholder Perspective**

- OSM currently working on new ways to collect this in order to gain better quality feedback. The feedback received has largely been positive.
- **Equity Perspective**
  - **Business Equity:** Overview of current program status to date provided. PPS Purchasing and Contracting continue to work on getting this data from B2G delineated by project. Overall the program is reporting at 11.5% with some bright spots including Lease Crutcher Lewis currently coming in over 20% overall.
  - **Career Learning:** Contractors continue to exceed Career Learning goals. All 2016 goals were exceeded. OSM expects this to continue in 2017 with even more events being planned.
  - **Workforce Equity:** Most contractors continue to exceed this as well. The average is 26 percent. Tubman and IP 16 are the only ones that have not exceeded the 20 percent.
- **Budget Perspective**
  - The overall program budget has not changed since October. Project details have changed and will be discussed in the project update section.
- **Program Cost Update**
  - Overview provided. See detail by project.

Conversation regarding Equity:

*Kevin Spellman asks: The certified business numbers, these are for payments made to date?*

*Jerry Vincent replies: Yes.*

*Kevin Spellman asks: Are these numbers just for big contracts?*

*Dan Jung replies: Yes.*

*Kevin Spellman asks: Is there an update on the software tracking?*

*Dan Jung replies: Purchasing and Contracting are working on the software so we can report by project.*

*Jerry Vincent replies: We are working with Emily to get this done and hopefully will have more detail by the next BAC meeting in April.*

*Derek Henderson gives an update on student engagement and the types of activities that have been happening, and what kind of opportunities will be available to students in the near future.*

Conversation regarding Budget:

*Louis Fontenot asks: Can you explain IP 17 now being under by 5 million?*

*Dan Jung responds: The majority of the IP 17 is on hold due to market escalation and budget constraints. Two scopes of work continue with design. Lewis Elementary received an SRGP award in 2016 for approximately \$350k. Through the design process we now know the cost of the work will be more than three times that amount; therefore we have returned the original grant and have reapplied for the maximum SRGP amount: \$1.5 million. The work will proceed if the grant is awarded. The other scope of work continuing with design is the final 6 science labs. There is a possibility this scope will be included in the May bond request; this scope of work can be bid after the ballot and still be completed in 2017. All other work is currently on hold.*

*Cheryl Twete asks: What are your thoughts for IP 18/19?*

*Dan Jung replies: Those are effectively on hold.*

*Louis Fontenot asks: So, IP 17 has not had a budget reduction, rather a scope reduction?*

*Dan Jung replies: Yes.*

*Louis Fontenot asks: Is this the same for 2018?*

*Dan Jung replies: This is the same budget that was developed in 2012.*

*Dan Jung continues: The bond language states that we will do physical facility improvements at "up to 63 schools". This language was intentional to effectively allow for the IP program to be a relief valve if funding became too tight.*

*Jerry Vincent adds: We have been to 54 schools, and 7 of them we have been twice. With the next Bond, it will be similar.*

*Kevin Spellman refers to the 2012 Bond map and the schools that were listed and that people will most likely use that as the measure of how good this Bond was.*

*Dan Jung adds: That is a good point, however it is a zero sum game with bond funding. The Bond is for capital improvements exclusively, money spent on one site, means money not spent on another. It's really just about priorities.*

#### **IV. Project Update**

- **Introduction**

- Overall, there is continued incorporation of new practices and ideas from lessons learned.

- Roosevelt turned over Phase 1b. OSM is very happy with the outcome of this project. The vandalism work has also been turned over.
- Franklin is still tracking to have the gym building done on time.
- Faubion had a slight schedule slip and will be looking to make up this time going forward.

- **Franklin**

- Review of change in the assessment of the project
- Updates on budget changes:
  - Now showing 287K in contingency. The project is now out of the “unknown” and has pretty much moved into finishes. OSM is currently managing every dollar remaining in the project.
  - The project continues to receive new ideas that are good, but implementing these ideas gets down to a matter of funding.
  - Skanska is preparing to move the construction parking lot to begin work on the field. This was scheduled to begin at the beginning of January but weather events have delayed this.

*Cheryl Twete asks: Will sports teams be able to use the field this summer for practice.*

*Ken Fisher replies: Grant and Franklin have a plan in place to have all activities take place at Marshall this summer. As this will continue until July to be an active construction site the school will not be able to use the facility. This will continually be assessed.*

*Jerry Vincent adds: We worked with athletics to create a “worst case scenario” plan in case the fields were not ready.*

- **Roosevelt**

- Current projections on budget suggest an overage.
- The district received a QZAB loan that was originally intended for Kellogg, however if Kellogg is to be rebuilt, the QZAB funds cannot be applied to that project. Due to the unknown aspect of Kellogg and the restrictions of QZAB funds, PPS has decided to spend the entirety of the funds on Roosevelt. QZAB is a 20 year no interest government loan that is required to be used for school building renovation. Looking to divert 3.8M to assist with renovation budget challenges at Roosevelt.
- 1 minor recordable accident at the site since the last BAC meeting.

*Tom Peterson clarifies: So, the report is saying that there is a 3% contingency, but in reality there is no contingency?*

*Dan Jung clarifies: Correct, the project is currently projecting over budget but that will change with the additional QZAB funds.*

*Kevin Spellman asks: Can we do the same for Roosevelt that we did for Franklin and moving the 6M and showing where this comes from?*

*Ken Fisher replies: Yes.*

*Jerry Vincent adds: We had an interesting conversation with the Vice Principal at Roosevelt and the vandalism issue. The students responsible were from a different district, and the Roosevelt student body was upset that someone would do this to their new school. He indicated that the need for discipline is way down this year, and they attribute this to the new and renovated buildings the students are in and a renewed sense of pride they feel in their school.*

- **Grant**

- Last time we met, the contingency was at 10%, and now we are showing 9%.
- We are tracking a budget shortfall going into CD's. Anderson Colas has come back with their cost estimate, and RLB (who is Mahlum's cost estimator) will be finalizing theirs.
- We have been tracking higher estimates in the market in general. This could be fear factor with all of the unforeseen conditions at Franklin, or it could be anticipation of construction costs projected in 2019.
- Impact:
  - Schedule: We are looking to start permitting at 50% CD's. We are also looking to set the GMP at 50% CD's.

*Tom Peterson asks: The schedule seems to say this, but how is the project starting before the GMP is set?*

*Dan Jung replies: We will do an early work amendment for demolition.*

*Tom Peterson asks: Do you think this is more manageable than Franklin?*

*Jerry Vincent replies: Yes.*

- **Faubion**

- Roof work is proceeding.
- Window work is going in.
- Electrical work is in progress.
- Current schedule: projecting that we will be student ready on August 1<sup>st</sup>, but there is a potential for some slip.

*Kevin Spellman asks: Does PPS feel good about coordinating move-ins with Concordia?*

*Jerry Vincent replies: Yes. We have regular meeting with Concordia leadership and additional PPS leadership to coordinate on all levels.*

*Cheryl Twete asks: Is OSM fully staffed now?*

*Jerry Vincent replies: No. We are at the point where it is not conducive to bring on permanent PPS staff, so we are using the Heery contract to fill this needs. With the development of the next bond still in progress and the schedule winding down, OSM did not feel it was smart to advertise, interview, and recruit an employee who might not have a job in the next year.*

- **Tubman**
  - Almost in closeout. Minor items to resolve.
- **IP 16**
  - Finishing a couple of elevators.
- **Cleveland Roof**
  - Complete.
- **Science**
  - Overall update.
  - DBRAC is now on hold, which will affect this project as Elementary Science rooms and Middle School Science Rooms have different needs. We did not want to do work that would have to be redone in the near future.
- **Performance Audit**
  - Item #25: currently unable to provide a completion date on this.
  - Item #4: critical.
  - Item #10c: update.
  - PMP: update.

*Kevin Spellman highlights: We had a non-guaranteed GMP at Franklin and Grant. We need to address the holes in this situation.*

*Jerry Vincent replies: Agreed. It was unacceptable.*

*Conversation regarding Audit:*

*Kevin Spellman asks: When does the final audit report happen?*

*Bill Hirsh (bond performance auditor) responds: We will submit the final draft in May.*

*Kevin Spellman asks: What do you think this group (the BAC) could do better?*

*Dick Tracy (bond performance auditor) responds: I think it is very difficult to get into the detail that is needed in the amount of time available to the Committee.*

*Bill Hirsh adds: We encourage you to keep being vigilante for the program and also the community. The biggest challenge we have seen is budget.*

*Kevin Spellman replies: Point well taken. Thank you both for all of your work on this.*

*Jerry Vincent adds: For the 2012 Bond, from inception to implementation, we saw two increases in enrollment, the need for the development of the Ed Specs, and the introduction of shared-space methodology all were things that needed to be addressed and paid for by the first Bond.*

*Tom Peterson: I am not surprised by budget concerns given that the first Bond had too many unknowns. We have a much stronger position with the second Bond.*

*Willy Paul asks: Have you been able to quantify past cost?*

*Dan Jung: This has been difficult, mainly because we simply don't get a lot of bids. Either our project are not attractive, we are not an attractive client, or both.*

*Jerry Vincent adds: And with the current market, especially in relation to the development of the potential May 2017 Bond, contractors are busy.*

*Willy Paul concurs: I agree. This is the condition across the board.*

*Kevin Spellman states: I did not see the cash flow graphic in the packet. **OSM TO PROVIDE AFTER MEETING.***

*Dan Jung provides highlights on the memo that was provided to the BAC regarding Long Range Facilities Plan Alignment.*

*Jerry Vincent adds: OSM is also asking for the 5 million back for Roosevelt that the BOE directed come out of contingency for additional CTE space.*

*Kevin Spellman states: You will not get resistance from the BAC on that initiative.*

*Jerry Vincent adds: We are also working on additional funding for Grant from a private donor.*

## **V. BAC Discussion**

- No further discussion.

## **VI. Wrap-Up**

- Kevin Spellman thanks everyone for coming.

## **VII. Adjournment**

- Kevin ended the meeting at 7:01 pm.