



Meeting Minutes | July 15, 2015

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, Cheryl Twete, Steve March, , Tom Peterson & Willy Paul

Board members present:

PPS staff present: Tom Koehler
CJ Sylvester, Jim Owens, Dan Jung, Ken Fisher, Debbie Pearson, Michelle Platter, Michelle Chariton, Darwin Dittmar, David Wynde, David Mayne, Derek Henderson, David Hobbs

Public Present:

Ted Wolf

Next meeting: Wednesday, October 21st, 2015 at TBD location

I. Welcome & Introductions

Kevin Spellman welcomes everyone and starts the meeting. Introductions are made around the room

II. Public Comment

Ted Wolf encourages the Bond Accountability Committee to message the work that they do collectively and individually as members of the BAC in regards to the Bond. He asks them to speak out publicly about the bond program and their oversight role. He states that this is an important message to convey.

III. Program Overview

- Jim Owens provided a synopsis of PPS and program changes since the last BAC meeting. These included: outcome of school board elections, creation of a Board of Education capital committee, increase in overall program budget primarily due to a bond premium from the second bond sale, and important key issues as regards work ongoing this summer.
- BAC presentation to the board currently scheduled for August 4th, 2015.
- A BOE Capital Advisory Committee has been formed to work with Bond matters. The committee includes Chair - Amy Kohnstamm, Paul Anthony, and Pam Knowles. Further details will be shared as they become available.

- **Program Update - Balanced Scorecard**

- Schedule Perspective

- Jim Owens provided an overview of the project schedules. All projects are on schedule to occupy on time. Both Franklin and Roosevelt lost time in early design phases due to programmatic design changes, but are expecting to make up that time during construction phase. Jim notes that construction started on time.
- Regarding the completion of the High School designs after losing time in the process due to programmatic changes, Tom Peterson asked if the quality of the designs were where the team expected. Ken Fisher responded that the design teams and the contractors have worked very well together and there has not been any concern regarding the quality of the designs.
- Stakeholder Perspective
 - Dan Jung briefed the updated stakeholder perspective. Additional feedback has been received from educational staff, maintenance staff and DAG members. Overall feedback has been very positive with the average score being 4.5 out of 5 possible points.
- Budget Perspective
 - Dan Jung provided the program budget update.
 - Bond sale #2 premium was added to the program, increasing the budget by \$33M; however in 2014 the program budget was increased by \$8M to cover the cost of the Additional Criteria funding for RHS and FHS. As stated at the time the \$8M would be covered by a future loan, or a future bond premium. The current bond premium is sufficient to cover the \$8M expense; therefore the net increase at this time is approximately \$25M.
 - Since last meeting GHS saw a significant jump in total budget as the remaining cost escalation was added to the project and the additional criteria funding was also added.
 - The annual IP project scope and budget adjustment has been completed. This process moves budget between projects but is a net zero change to the program overall.
 - Escalation has been applied to IP2016.
 - The Maplewood bids came in higher than expected; \$440k was transferred to that project. That said, considering the current bidding environment and recent experience, some higher than estimated bids were anticipated for the IP projects.
 - The master planning budgets for Benson, Lincoln and Madison have been adjusted to match the current scope.
 - The total program budget is now \$550M.
 - Total commitments are just under \$300M.
 - Paid invoices exceed \$100M.
- Equity Perspective

- Dan Jung provided an overview of the current equity perspective.
 - MWESB percentages have been relatively constant for almost 2 years. We continue to exceed the 18% aspirational goal for consultants, while contractors hover at about 5%. With construction starting on 6 projects last month, we expect to see movement in these numbers over the summer. FHS and RHS are in the middle of buyout right now; we will be able to provide a good idea of where the subcontract amounts are in relation to MWESB at the next meeting.
 - The apprenticeship trade program is working well with the City of Portland. City staff is working directly with the contractors to get them enrolled and monthly monitor progress. All projects are exceeding the 20% goal, averaging about 30% overall.
 - And we already exceeded our goals for the year for student engagement; not including the 12 interns working at various sites and projects over this summer.

IV. Project Update

- Franklin
 - The project is now in its Construction Phase
 - The budget has remained constant with some minor changes in the percentages of the pie chart
 - The bid package status is reflected in the comments section of the first FHS slide
 - Photos give a feel for the ongoing activity
 - No significant change in the schedule other than a number of milestones are now complete as reflected by the green shading
 - The substantial completion has remained constant at the 17th of March 2017
- Marshall
 - Has a little roof work to complete and a lot of FF&E to have installed but we expect it to be ready for school in the fall.
- Roosevelt
 - Much discussion surrounding the Board's consideration of making design changes during the Construction phase. The BAC was unanimous in their agreement that making changes at this stage would likely compromise the project's budget and schedule, and certainly increase risk of failure, perhaps to the point of the schedule being "unrecoverable". Various members indicated the best option is to provide clear and unambiguous information to the decision-makers, including that which cannot be known at this time.

- The BAC noted the difference in phasing between Roosevelt and Franklin - Franklin was observed to have more float than Roosevelt which appears to have close to zero float in Phase 1 and 2. It was noted that since Roosevelt has to work around students and staff and move them around to accommodate construction, a tighter phasing is necessary to meet time deadlines.
 - Roosevelt maker-space concerns: BAC states this needs resolution – any delays or rework will cause a domino effect in costs and time delays. A meeting has been planned to discuss this and determine the effects of changes in maker space and report back to the BAC. BAC wants closure to this issue or options stated.
- Faubion
 - Concordia has signed an agreement to provide their share of funding. Also, the two-step bid process was discussed and will be used. BAC is interested in the results.
- Tubman
 - Substantial completion target date is 8/3. BAC asked about Owner costs (44%) – Ken advised that transportation costs are included in this account.
- Grant
 - Discussion around the DAG incorporating lessons learned from the first three schools. 30 applied but a need for additional diversity is necessary. Potential members are being contacted to round out the group.
- Improvement Project 2014
 - Beech elevator is in process and should complete by end of July. This is the last project remaining.
- Improvement Project 2015
 - All projects are on schedule, benefitting from the earlier procurement process as well as the good weather. The use of contingency at this point is low.
 - The BAC requested clarification and expressed understanding as regards the idea of incremental seismic improvements. Staff discussed the current and historic difficulties in conveying this information to the public in a manner that is understandable. The district is currently using an incremental approach until each school is fully modernized to meet current code requirements.
- Improvement Project 2015 – Science
 - IP 2015, IP 2015 – Maplewood, and IP 2015 – Science projects in combination will be the largest IP program to date. Seismic improvements were discussed and it was stressed that they are planned for safe egress after an event. It doesn't mean the building won't collapse. Full modernization will allow for more aggressive seismic installations.

- Improvement Project 2015 Maplewood
 - Project is on schedule and on its revised budget.
- Improvement Project 2016
 - IP 2016 includes 12 sites.
- Master Plans
 - Madison HS
 - Benson Polytechnic HS
 - Selection of a design firm for EdSpecs and master planning at Benson is in progress.
 - Lincoln HS
 - Lincoln was discussed regarding multi-use. MOU with PSU regarding capital strategy and a feasibility assessment by Eco NW will occur. Report to be shared with the BAC.
- 2014 Performance Audit
 - Discussion around item 18 (Efficiency of master planning and design efforts). Still in the process of being resolved as a survey of stakeholders is underway. Marcia Latta report is forthcoming, and findings will influence Grant, Benson, Lincoln and Madison processes.

V. BAC Discussion

- Kevin Spellman asks for a volunteer to present to the Board of Education on August 4th, 2015.

VI. Wrap-Up

- OSM staff to prepare minutes and follow up on several items notes.
- OSM to provide safety updates for projects at the next BAC meeting.
- OSM to provide more details on the construction schedules at Franklin and Roosevelt with percent to completion updates at the next BAC meeting.

VII. Adjournment

- Kevin ended the meeting at 6:20pm.