

Meeting Minutes | April 18th, 2017

Portland Public Schools Bond Accountability Committee
(BAC) Location: BESC Board Auditorium



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

Members present: Kevin Spellman, Louis Fontenot, Tenzin Choephel, Charlie Johnson, Tom Peterson

Not present: Willy Paul, Cheryl Twete

PPS OSM staff present: Dan Jung, Ken Fisher, Jerry Vincent, Derek Henderson, Darwin Dittmar, David Mayne, Yousef Awwad

Board Liaisons present: Paul Anthony, Pam Knowles

Board Liaisons not present: Amy Kohnstamm

Board members present: Mike Rosen

Next meeting: July 19th, 2017

I. Welcome & Introductions

Kevin calls meeting to order at 5:30 pm.

II. Public Comment

Baruti Artharee of Safeguard Security, who has been the company subcontracted by Skanska to manage security at the Franklin Modernization site for the last 3 months, gave testimony about their experience working with Skanska, highlighting that there was a lack of communication and responsiveness from Skanska regarding coordination issues on the site, as well as an unprofessional attitude in all dealings with Skanska regarding their contract with them. He recommends that going forward, the district:

- Establish a clear vetting process, which should include a site security plan with a clear budget.
- Ensure that the contractor has a proven track record of delivering on what they say they will deliver on.
- Make sure that OSM has an aggressive tracking policy on making sure the contractor is delivering on all deliverables.

III. Program Overview

- **Program Update - Balanced Scorecard**

- Jerry Vincent begins the program update, providing an overview for new BAC members Tenzin Choephel and Charlie Johnson regarding the OSM quarterly report to the BAC.
- OSM reports that there will be one more issuance for the remaining \$62M of bond principal. This sale will likely coincide with the first sale of the May 2017 bond if it passes.
- Regarding IP 17, all projects have been put on hold in the interest of overall program success. Given the market, bid climate, and this being the end of the 2012 Bond, taking on a fifth financial commitment at this stage proved to be too much risk.
- Jerry Vincent provides an update on tours that were held over the last 6 months. 57 were scheduled, and 31 happened (cancellations due to weather or low sign up). More tours are scheduled for staff and community groups in the coming months.

- Overall Perspective

Updates on Staffing/Moving:

- Kim Yu, Project Coordinator for Roosevelt has left. Neil Scheuerlein, who is managing the completion of the two elevators from IP16 is helping out with construction coordination at Roosevelt. The furniture portion that was Kim's job is currently being contracted out.
- Michelle Chariton, Project Director for Grant, has also left. We are looking to get someone quickly, but also highly qualified. Mike Kwaske and Jamie Hurd continue to work diligently to keep the project moving forward.
- Summer move management is in planning and OSM is working with FAM project management, operations, IT, and building staff to coordinate all that needs to happen and create a timeline.

Tom Peterson asks: Will there be information and expectations communicated to staff about what will be happening when they move in/return?

Dan Jung replies: We are in the process of creating material that will go to school administration and teaching staff before they leave for the summer about what they can expect when they return.

Ken Fisher adds: We have had the first meeting with principals and staff to align the day one expectations.

Kevin Spellman asks: What about custodial and maintenance and the proposed budget cuts?

Jerry Vincent replies: Not much will be cut from either of these budgets. Especially for bond sites. IT has cut three dedicated high school positions which will start in July, but there will be support for bond schools coming online most likely through contracted work.

- The RFP for performance audits going forward is being prepared.

Tom Peterson asks: Can the BAC review the scope of work in the RFP in the interest of having some ideas on how to refine what OSM needs from the new auditors?

Jerry Vincent replies: We can pass along the final draft when it is complete.

Kevin Spellman asks: What is the schedule?

Dan Jung replies: April 25th is the first draft deadline.

- An RFP for Construction Contract Audits of the Roosevelt and Franklin GMP contracts is open. Two firms have provided proposals and we hope to have them under contract in the next few weeks.
- Stakeholder perspective:
 - OSM continues to work on new ways to best capture this feedback. Surveys are either ignored or can be skewed slightly. We are developing methodology that will include the same survey, but will also allow for some deeper feedback. Phone interviews are probably going to be the solution.
- Equity Perspective:
 - Career Learning Equity**
 - Career Learning showing red in tiers 2 and 3, but that will change as we round out this school year and then have internships over the summer.
 - Workforce Equity**
 - Review of Workforce Equity. Numbers are good; OSM continues to exceed the 20% goal
 - Business Equity**
 - Review of Business Equity. This goal has always been a challenge in areas where OSM has little influence.

Louis Fontenot asks: Will you ask Lease Crutcher or Skanska to identify what their successes are and what the challenges have been to determine what we could do better in the future?

Jerry Vincent replies: Yes, we will do that. Both firms have verbally shared some things with us, but it would be best to have it in the form of a report or something in writing.

Kevin Spellman adds: *This would be a good opportunity for lessons learned.*

Jerry Vincent agrees.

Tom Peterson adds: [We understand timing and scale of other public projects, and that we are competing for the same small businesses and that we acknowledge that those businesses also have capacity limitations with how much work they can take on.](#)

Dan Jung replies: *What we know now is that the RFP process has been successful. Hard bids and breaking things into smaller packages has not been as successful.*

- Budget perspective:
 - Major changes:
 - IP 17 construction has been paused due to budget concerns over Grant and the possibility of DBRAC changing the configuration of schools.
 - Review of QZAB money and how it applies to Roosevelt.

Louis Fontenot asks: *How many schools are affected by the lack of IP 17?*

Dan Jung replies: *Approximately 10 schools.*

Kevin Spellman asks: *What kind of communication has happened with the sites?*

Jerry Vincent replies: *There has been direct site contact about the status of the IP work.*

- Schedule Perspective:
 - Schedule status review.

IV. Projects Update

- **Franklin High School:**
 - Review of Franklin Schedule and Budget.

Kevin Spellman asks: *How has the neighborhood been dealing with the parking?*

Ken Fisher replies: *It is tight, but no major complaints. Most neighbors have mentioned how excited they are to have a new school in the neighborhood.*

- **Roosevelt High School:**
 - Review of Roosevelt Schedule and Budget.
 - Review of construction phases and what will be happening this fall and throughout the next school year.

Kevin Spellman asks: Given the schedule slip, who will be paying for this?

Dan Jung replies: We are still evaluating this and what the factors were that contributed. Weather has been a big issue.

Kevin Spellman asks: Regarding the buyout, can you give me an example?

Dan Jung replies: The project set the GMP at 100% DDs; however the DD cost estimate came in higher than expected causing significant VE as GMP was being established. This caused for additional design changes after the GMP was set that was PPS's risk after the designs were completed.

Jerry Vincent gives an overview of Phase 4 (additional CTE space) and what the current directive is for this building and the need for more detail before this phase happens.

Tom Peterson asks: Has the school thought about what they want?

Jerry Vincent replies: There are a number of issues in play 1) the Board decision to add this space to the project, 2) members from the community giving feedback on what they expect this space to look like, 3) members of the school site questioning why this project is needed, 4) How/When will fundraising partners get to the table and commit in order to lock in the design and budget.

Kevin Spellman adds: This should be the most flexible space in the school.

Jerry Vincent agrees.

- **Grant High School:**

- Review of Roosevelt Schedule and Budget.
- Grant Budget Discussion:
 - There has been significant VE since schematic.
 - Greater due diligence with destructive testing.
 - Pricing—representative of the market. Contractor prices were market numbers that have not matched the estimators.
 - Expectation that there will be budget changes on this project.
 - Overall bond program has had to absorb 150,000 additional square foot in the three high schools as the original Ed Spec was increased from 221,000 SF to 280,000 SF.

Charlie Johnson asks: Who does the estimations?

Ken Fisher replies: RLB is the cost estimator for Grant.

Charlie Johnson asks: Have they done other projects?

OSM replies: Some of them. The architects contract with estimators on their own.

Commented [K1]: I think there was some brief discussion about weather delays and their effect. I might be wrong but I think that maybe Charlie asked about associated costs with this being Dan's answer.

Commented [FK2]: Is this from the last meeting? I do not recall this discussion at this meeting.

Commented [DH3]: I am not sure if it was schedule, but I did record Kevin asking something about who was paying for it Dan mentioning that we were investigating and I believe he mentioned weather delays.

Does this ring any bells? I might have missed part of what Kevin was saying. It was difficult to hear them sometimes from my perch.

- **Faubion Replacement:**
 - Review of Faubion Schedule and Budget.
 - Due to weather, there have been issues with the field and getting it dried out. This may not be ready right away at the beginning of school.

- **Closeout**
 - Tubman
 - IP 15- Complete with one final payment to be made before it is all closed.
 - IP 16—two elevators being finished
 - IP 17—deferred
 - Master Plan Projects—nearly closed (one item at Madison)

Tom Peterson asks: Regarding the schools in the proposed May 2017 bond, will there be another solicitation for design?

Jerry Vincent responds: No that was part of the last solicitation which included the Due Diligence as the first phase.

V. BAC Discussion

- The BAC requests a date for Board Presentation. Date set for June 13th, 2017 (subsequently re-set for June 20).

VI. Wrap-Up

- Kevin Spellman thanks everyone for coming.

VII. Adjournment

- *Kevin adjourned the meeting at 7:30 PM.*