

Bond Performance Audit Tracker
 Status of Performance Audit Recommendations
 October 30, 2019 - Quarterly Report

2015 - Bond Audit Recommendations				
Year	#	Abbreviated Recommendation	Response	Status
2015	1	OSM should ensure that change order work occurs only upon appropriately authorized change order execution.	Concur	Complete
2015	2	Streamline the submittal process on e-Builder.	Concur	Complete
2015	3	Incorporate appropriate design recommendations from IP lessons learned.	Concur	Complete
2015	4	Develop plans for utilizing available contingencies and reserves.	Concur with comment	Complete
2015	5	Establish written policies and procedures in the SOP pertaining to GMP spending.	Concur with comment	Complete
2015	6	Consider increasing the funding for master planning.	Concur with comment	Complete
2015	7	Fully involve user groups and stakeholders in updating the LRFP and Ed Specs.	Concur	Complete
2015	8	Update the currently posted PMP.	Concur	Complete
2015	9	Critical elements of the PTMP should be put in place at the beginning of each project.	Concur	Complete
2015	10	Only use escalation reserve to fund scope changes when escalation will not be needed for other projects.	Completed	Complete
2015	11	OSM should continue to develop systems for uniform filing of documents in e-Builder.	Concur with comment	Complete
2015	12	Clarify where and when SOP requirements and procedures are proscribed for CM/GC and D-B-B projects.	Concur	Complete
2015	13	Revise SOP to provide greater explanation/requirements for value engineering, Project Safety and Security Plans, Site Safety Plans, and project quality.	Concur	Complete
2015	14	Update SOP to provide more detailed and accurate information with respect to alternative contracting.	Concur	Complete
2015	15	Clarify which projects require the use of 1.5 percent for green energy technology.	Completed	Complete
2015	16	Revise elements of the budget perspective reporting.	Nonconcur	Complete
2015	17	Identify opportunities for savings in payroll and management support line items.	Concur with comment	Complete
2015	18	Add specific statutory responsibility requirements to future ITBs.	Completed	Complete
2015	19	Ensure that RFPs clearly state criteria and weighting for choosing between one or more firms.	Completed	Complete
2015	20	Create internal training sessions for OSM and FAM on public contract procurement law.	Concur	Complete
2015	21	Begin work only with signed and executed contracts.	Concur	Complete
2015	22	Remove article 19e from existing and future CM/GC contracts.	Concur	Complete
2015	23	Modify contract language to specify how early work may occur.	Completed	Complete
2015	24	Project communication plans are to be prepared at the start of new projects.	Concur	Complete
2015	25	OSM and PPS academic leadership should jointly develop an involvement plan.	Concur	Complete
2015	26	- Provide more flexibility in the selection of subcontractor PPS contracts - Obtain a written legal opinion about best practices and risks addressing the MWESB aspirational goal.	Concur with comment	Complete

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2015	26 Recommendations, 26 completed	100% Completed

Recommendations Marked as Complete Since Last Reporting

2015	25	In response to this recommendation, 2017 Bond projects have developed detailed stakeholder engagement plans that are reviewed on a regular basis with all senior leadership and ensure teacher, administration and educational leadership are extensively involved in decision making. Project steering committees have also been put in place for every 2017 Bond modernization project that assist in reviewing and vetting decisions; these committees always include academic leadership, among other key stakeholders. OSM believes this meets the requirement to have academic leadership actively involved in ensuring extensive academic stakeholder engagement.
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2016 - Bond Audit Recommendations				
Year	#	Abbreviated Recommendation	Response	Status
2016	1	Update monthly project budget projections in timely way and include ROM estimates of potential changes.	Concur	Complete
2016	2a	CM/GC contracts to require proactive participation of CM/GC with architect.	Nonconcur	Complete
2016	2b	Ensure GMPs are executed at contractually proscribed point in design.	Concur with comment	Complete
2016	3	Ensure GMP amendments are consistent with applicable law and policy.	Completed	Complete
2016	4	Consider increases for general conditions work for change orders only when time is extended.	Concur	Complete
2016	5a	Provide a format in e-Builder for processing CM/GC contract changes quickly.	Completed	Complete
2016	5b	Ensure that CM/GC change orders and draw downs receive appropriate approvals.	Completed	Complete
2016	6	Provide more information to evaluation committee to help in scoring proposals.	Completed	Complete
2016	7	Complete any VE, scope reductions, budget increases, etc by end of SD.	Completed	Complete
2016	8a	Modify SOPs to add more specific project contingency ranges at different design stages.	Nonconcur	Complete
2016	8b	Modify SOPs to add more specificity on how program provides project budget oversight.	Nonconcur	Complete
2016	8c	Develop comprehensive and detailed PTMP templates for renovation projects, new construction projects, and IP work.	Concur with comment	Complete
2016	8d	Hold PMs accountable for creating PTMP prior to beginning SD phase (at latest).	Concur with comment	Working
2016	8e	Develop and record lessons learned from completed projects.	Completed	Complete
2016	9	Modify SOPs to add specific guidelines for line item budgeting for master planning.	Nonconcur	Complete
2016	10a	Assess reasons for IP projects bidding over budgets.	Completed	Complete
2016	10b	Start design of IP projects earlier and issue ITB earlier.	Completed	Complete
2016	10c	Add minimum quals for designated systems into bid specs.	Concur	Complete
2016	11a	Provide greater oversight of program during transition period.	Completed	Complete
2016	11b	Update the PMP/SOP, and train/require staff to use it.	Concur with comment	Working
2016	12	Evaluate effectiveness of CM/GC and consider other delivery models.	Completed	Complete
2016	13	Procure CM/GC by beginning or mid-point of schematic design.	Completed	Complete
2016	14	Complete Ed Specs sufficiently ahead of master planning for projects.	Completed	Complete
2016	15	Allow CM/GC to procure subcontractors by competitive quote up to defined dollar limit without prior approval of district.	Completed	Complete

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2016	24 Recommendations, 22 completed	92% Completed

Status Notes on Recommendations Not Completed

2016	8d	Draft PTMPs have been completed for Kellogg, Lincoln, Benson and Madison. OSM is reviewing an e-Builder workflow that will require completion of the PTMP before the project can proceed into SD Phase.
2016	11b	The PMP/SOPs are reviewed and updated on an annual basis (please see 2017 audit findings for comment on most recent updates). Comprehensive trainings were last provided in 2015. OSM has completed a first draft of the 2019 PMP and will roll out training once the this issuance has been finalized.

Recommendations Marked as **Complete** Since Last Reporting

2016	10c	The 2016 audit is not clear what "designated systems" would need additional minimum qualifications. Quality assurance through minimum qualifications and installation specifications are industry standard. For cabinet installation (the example in the audit), Kellogg MS provides a current example of labor qualifications in specification 06 41 00, 1.5, A (manufacturer) and B (installer). Installation quality is also managed through installation specifications, as seen in section 3.3 of the same Kellogg specification. OSM believes this meets the intent of the recommendation.
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2017 - Bond Audit Recommendations				
Year	#	Abbreviated Recommendation	Response	Status
2017	1	Utilities for unoccupied sites should be paid for by the contractor.	Concur with comment	Complete
2017	2	Provide contingency in bond program budget for unforeseen scope changes.	Concur with comment	Complete
2017	3a	Do outreach to contractors.	Concur with comment	Complete
2017	3b	Research why contractors don't want to bid on PPS projects.	Concur with comment	Complete
2017	4	Develop a BIM model that works for both OSM and FAM.	Completed	Complete
2017	5	P&C and legal counsel to review all proposed OSM contract changes.	Concur with comment	Complete
2017	6	Reduce profit and overhead percentages for change orders.	Concur with comment	Complete
2017	7a	Additional GMP contingency only allowed for scope increases.	Concur	Working
2017	7b	Notify contractors of personnel's limits of authority.	Concur	Complete
2017	8	Start projects earlier and allow more time contingency in project schedules.	Concur with comment	Complete
2017	9	Hold CM/GC accountable for GMP. Identify what changes must be covered in the GMP.	Concur with comment	Complete
2017	10	At time of GMP amendment, identify alternates that could be added back later at the same price.	Concur	Complete
2017	11	Audit FHS and RHS CM/GC monthly billings. For GHS, evaluate benefit of monthly audit of billings against a schedule of values vs billings of actual costs.	Concur with comment	Working
2017	12	Amend Heery contract to reflect levels of financial authority for Heery personnel.	Concur	Complete
2017	13a	Reduce employee turnover.	Concur with comment	Complete
2017	13b	Provide promotional opportunities when vacancies occur.	Concur with comment	Complete
2017	14a	P&C should stop scoring cost of work in CM/GC proposals and only score proposed fees.	Concur	Complete
2017	14b	Review and negotiate profit and overhead rates to ensure they are industry-standard.	Concur	Complete
2017	15	Update the PMP/SOP, and add a template for the PTMP.	Concur	Working

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2017	19 Recommendations, 16 completed	84% Completed

Status Notes on Recommendations Not Completed

2017	7a	For the Grant project, the original focus of the recommendation, no increases in GMP contingency without concomitant increase in scope have been allowed. That constraint has been frequently been communicated to the CM/GC. Contract language is being reviewed in all CM/GC contracts to ensure language is clear.
2017	11	The FHS and RHS audits are being finalized. The GHS audit is in progress. Work to evaluate benefit of monthly audits of billings against schedule of values has indicated that it would be beneficial to proceed with monthly audits. Such audits are currently occurring with Grant and will be occurring with all future CM/GC projects. Once the FHS and RHS audits are final, this recommendation will be marked as complete.
2017	15	Preliminary draft of the October 2019 PMP update has been distributed to operational staff for review. A template for the PTMP was previously provided as part of the PMP; it is also being revised to better address project needs. SOPs are being developed on prioritized basis and rolled out bi-weekly at PM/CM dept meeting.

Recommendations Marked as **Complete** Since Last Reporting

2017	7b	Limits of authority are already built in to the structured workflow of eBuilder. In eBuilder, Senior PMs are unable to approve any changes greater than \$10,000. OSM believes this provides sufficient constraint on PM limits of authority, and meets the intent of the recommendation.
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2019 Phase 1 - Bond Audit Recommendations				
Year	#	Abbreviated Recommendation	Response	Status
2019 Ph I	1	Develop and consistently apply a formal cost estimation methodology across projects regardless if developed in-house or by external consultants, including documentation of the reasons for any deviations from the established methodology.	Concur	Complete
2019 Ph I	2	Compare and analyze cost estimate assumptions and factors with historic practices and other comparable bonds or districts to determine whether adjustments to estimation methodology seem warranted.	Concur	Working
2019 Ph I	3	Establish a central location to retain final estimates at each project phase (master planning, schematic design, design document, construction documents), including any supporting documentation used to develop each estimate.	Concur	Complete
2019 Ph I	4	Discuss comparison of cost estimation methodology used with past PPS experiences, current market conditions, and estimates developed by peer districts when presenting cost estimates to the Board and public stakeholders.	Concur	Working
2019 Ph I	5	Categorize the reasons for variances in project costs, and aggregate those changes to the program-level to provide information on why costs varied from original bond, as well as report this information to the Board and public stakeholders.	Concur	Complete
2019 Ph I	6	Conduct an analysis to determine to what degree various factors, especially scope changes and changes in construction costs, caused an increase in construction costs for the 2017 Bond projects. This could include comparing assumptions used across various project milestone reports and/or reconciling line items amounts to subcontractor bids.	Concur	Complete
2019 Ph I	7	Analyze results of variances to make adjustments to future estimation models and methodology as well as to analyze whether changes are needed in the delivery of projects to ensure stronger cost containment.	Concur	Complete
2019 Ph I	8	Ensure project milestone reports use consistent data across all projects and clearly identify deviations.	Concur	Working

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2019 Ph I	8 Recommendations, 5 completed	63% Completed

Status Notes on Recommendations Not Completed

2019 Ph I	2	2020 Bond planning efforts for modernization projects (as seen in the 2020 Conceptual Master Plan projects for Jefferson HS, Wilson HS and Cleveland HS) are utilizing professional cost estimators for hard costs and escalation; soft costs will follow the cost estimating methodology already established by OSM and confirmed in the 2019 Phase 2 Report. Once 2020 Bond planning efforts are complete, this recommendation will be marked as complete.
2019 Ph I	4	2020 Bond planning efforts intend to incorporate this recommendation. Once 2020 Bond planning efforts are complete, this recommendation will be marked as complete.
2019 Ph I	8	2017 Bond modernization project teams utilize the same phase milestones and complete a standardized Design Phase Approval (DPA) process in eBuilder. OSM is unclear whether this recommendation has been superceded by the 2019 Phase 2 Report, and will reach out to the auditors for clarification.

Recommendations Marked as Complete Since Last Reporting

2019 Ph I	1	As noted in 2019 Phase 2 Report, OSM has developed and followed an established methodology for cost estimating. This recommendation is superceded by the Phase 2 report and refined by Recommendation #3 in 2019 Phase 2 (see below). As such, OSM is marking this recommendation as complete.
2019 Ph I	3	All 2017 Bond projects are required to complete a Design Phase Approval (DPA) process in eBuilder at the end of each design phase, including master planning, schematic design, design development, and construction documents. The DPA requires attachment of final cost estimates for that phase, and all documents associated with the process are retained within eBuilder as the archive of record.

Recommendations Marked as **Complete** Since Last Reporting

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| 2019 Ph I | 5 | In November 2018 OSM prepared two documents for the Bond Accountability Committee's review. One document compared PPS project costs to other relevant K-12 projects nationally; the second document provided a detailed cost breakdown of Madison and Lincoln, broken down by individual Construction Specification Institute (CSI) division and compared each division of work to recently PPS projects: Roosevelt, Franklin and Grant. Additionally, OSM staff highlighted individual cost variances between the projects and provided a division by division analysis of the costs and provided reasons for the variances. In an effort to provide additional outside review of PPS project costs, in January 2019 OSM hired professional construction cost estimating firm, Rider Levell Bucknall, to compare current PPS project costs to other relevant K-12 projects. That report has recently been provided to the BAC. |
| 2019 Ph I | 6 | Please see Recommendation #5 above. In addition to the above, Dan Jung, Chief Operating Officer, provided a memo dated May 7, 2019 to the Board of Education that aggregated and summarized the cost variance factors in the 2017 Bond. |
| 2019 Ph I | 7 | OSM has already incorporated lessons learned from the above-noted variance analysis into current cost estimates. For example, OSM has worked with professional cost estimators to identify where a "market volatility" factor should be applied to cost estimates. |

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2019 Phase 2 - Bond Audit Recommendations				
Year	#	Abbreviated Recommendation	Response	Status
2019 Ph 2	1	Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendation noted in prior audits of 2012 Bond projects.	Concur	Working
2019 Ph 2	2	Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and Bond Accountability Committee	Complete	Complete
2019 Ph 2	3	Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E - in addition to other cost components - including variations or deviations from stated methodology.	Concur	Working
2019 Ph 2	4	Implement the new cash flow planning process as intended at the start of the Fiscal Year 2019-2020, and update cash flows regularly.	Concur w/ comment	Working
2019 Ph 2	5	Immediately allocate and concentrate efforts on completing the overdue Fiscal Year 2018-2019 reconciliations between e-Builder construction management system and the PeopleSoft financial system, as well as ensure future reconciliations are regularly performed in a timely manner	Concur	Working
2019 Ph 2	6	Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.	Concur	Working
2019 Ph 2	7	Formally communicate, clarify and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage.	Concur	Working
2019 Ph 2	8	Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented	Concur w/ comment	Working
2019 Ph 2	9	Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location	Concur w/ comment	Working
2019 Ph 2	10	Supplement the "Decision Making Hierarchy" process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice for value engineering deviations - as well as Ed Spec and Design Standard deviations	Concur w/ comment	Working
2019 Ph 2	11	Better document lessons learned by: categorizing lessons learned log items into separate subcategory section allowing project managers to more easily identify relevant items; and summarizing lessons learned and regularly distribute or discuss items with project teams.	Concur	Working

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2019 Ph 2	11 Recommendations, 1 completed	9% Completed

Status Notes on Recommendations Not Completed

2019 Ph 2	1	OSM has developed an Audit Implementation Team with OSM's Senior Director and program management staff, and assigned staff coordination responsibility to the OSM Program Manager. The AIT team will determine how recommendations should be implemented, and will determine when recommendations can be marked complete. The first meeting of the AIT was 10/15/19. The written plan for establishing and prioritizing corrective actions is currently in development by the Program Manager for review by the AIT.
2019 Ph 2	3	OSM is working on revising its Standard Operating Procedure (SOP) on cost estimating to specifically require written documentation supporting cost estimates, in addition to continuing to direct project management staff in best practices. Once the SOP has been finalized, this recommendation will be marked as complete.
2019 Ph 2	4	OSM has completed implementation of a standardized, monthly, project cash flow planning process for the large capital projects using e-Builder. Implementation is in progress with Health and Safety projects. Due to the minimal changes that occur in a month's span, program management cash flow planning has historically been performed on a quarterly basis, and will remain on that timeline. Once all H&S projects are regularly completing monthly cash flow plans, this recommendation will be marked as complete.
2019 Ph 2	5	OSM hired an additional financial analyst in 2019. Reconciliations for Fiscal Year 2018-2019 are now complete through September 2019, which is the most recent month of data available. Outliers found through these reconciliations are being addressed. Once all outliers for completed reconciliations are addressed, this recommendation will be marked as complete.

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October 30, 2019 - Quarterly Report

Status Notes on Recommendations Not Completed

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| 2019 Ph 2 | 6 | Preliminary draft of the October 2019 PMP update has been distributed to operational staff for review. Once this issuance of the PMP has been finalized, this recommendation will be marked as complete. Efforts to develop appropriate tools and guides for staff will continue on an ongoing basis. |
| 2019 Ph 2 | 7 | This recommendation is under review by the AIT. OSM is also in the process of ordering PPS computer equipment for all non-PPS staff; OSM will then require that all PPS-related work be performed on PPS equipment utilizing PPS document management systems. |
| 2019 Ph 2 | 8 | A draft template for the design deviation log is in development by OSM program management. |
| 2019 Ph 2 | 9 | This recommendation is under review by the AIT. |
| 2019 Ph 2 | 10 | This recommendation is under review by the AIT. |
| 2019 Ph 2 | 11 | This recommendation is under review by the AIT. |

Recommendations Marked as **Complete** Since Last Reporting

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|-----------|---|---|
| 2019 Ph 2 | 2 | Board Resolution 5780, Authorizing Benson Campus Master Plan as Part of the 2017 Capital Bond Program, lays out the strategy for completing the Benson project through a future capital bond campaign in 2020 or, failing a referral or pass in 2020, use of a Full Faith and Credit bond. Marked as complete in PPS response to audit. |
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Bond Performance Audit Tracker
 Status of Performance Audit Recommendations
 July 24, 2019 - Quarterly Report

2014 - Bond Audit Recommendations

Year	#	Abbreviated Recommendation	Response	Status
2014	1	Update the Program Management Plan.	Concur with comment	Complete
2014	2	Evaluate the current project scheduling process.	Concur	Complete
2014	3	Annual work plan for Heery	Nonconcur	Complete
2014	4	Improve the Balanced Scorecard	Concur/Nonconcur	Complete
2014	5	Better match the AG's Model Public Contracts Rules	Concur with comment	Complete
2014	6	Consider adopting the Attorney General's Model Contracting Rules	Concur	Complete
2014	7	Consider increasing the change order authority	Concur with comment	Complete
2014	8	ITB language and unit prices	Concur	Complete
2014	9	Lowest responsible bid will be based on Base Bid and Alternatives	Concur	Complete
2014	10	Specify a maximum allowable profit & overhead for Change Order pricing	Concur with comment	Complete
2014	11	Revise RFP ranking methodology	Concur with comment	Complete
2014	12	RFP scoring guidelines for specific categories	Concur	Complete
2014	13	Consider increasing the share of deductible per Builders Risk occurrence.	Concur with comment	Complete
2014	14	CM/GC services RFP revisions	Concur	Complete
2014	15	More proscriptive guidelines for the CM/GC to procure subcontracts	Concur	Complete
2014	16	Clarify GMP cost refinements	Concur	Complete
2014	17	Clarify District intent for P& OH to be allowed to the CM/GC for changes	Concur with comment	Complete
2014	18	Improve the efficiency of the master planning and design efforts	Concur	Complete
2014	19	Complete PPS Design Standards and Guidance	Concur	Complete
2014	20	Project plans and SOPs be developed and implemented by the end of calendar year 2014	Concur	Complete
2014	21	E-Builder filing and indexing	Concur	Complete
2014	22	Streamlined RFI steps	Concur with comment	Complete
2014	23	Validate PCO process before IP 2014 change order work proceeds	Concur with comment	Complete
2014	24	Responsibility by Participant Matrix	Concur	Complete
2014	25	PeopleSoft & e-Builder compatibility	Concur	Complete
2014	26	Update and revise the bond communication plan	Concur	Complete
2014	27	Improve public engagement	Concur with comment	Complete

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2014	27 Recommendations, 27 completed	100% Completed

Bond Performance Audit Tracker
 Status of Performance Audit Recommendations
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2015 - Bond Audit Recommendations

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2015	1	OSM should ensure that change order work occurs only upon appropriately authorized change order execution.	Concur	Complete
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2015	4	Develop plans for utilizing available contingencies and reserves.	Concur with comment	Complete
2015	5	Establish written policies and procedures in the SOP pertaining to GMP spending	Concur with comment	Complete
2015	6	Consider increasing the funding for master planning.	Concur with comment	Complete
2015	7	Fully involve user groups and stakeholders in updating the LRFP and Ed Specs.	Concur	Complete
2015	8	Update the currently posted PMP.	Concur	Complete
2015	9	Critical elements of the PTMP should be put in place at the beginning of each project.	Concur	Complete
2015	10	Only use escalation reserve to fund scope changes when escalation will not be needed for other projects.	Completed	Complete
2015	11	OSM should continue to develop systems for uniform filing of documents in e-Builder.	Concur with comment	Complete
2015	12	Clarify where and when SOP requirements and procedures are proscribed for CM/GC and D-B-B projects.	Concur	Complete
2015	13	Revise SOP to provide greater explanation/requirements for value engineering, Project Safety and Security Plans, Site Safety Plans, and project quality.	Concur	Complete
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2015	16	Revise elements of the budget perspective reporting.	Nonconcur	Complete
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2015	18	Add specific statutory responsibility requirements to future ITBs.	Completed	Complete
2015	19	Ensure that RFPs clearly state criteria and weighting for choosing between one or more firms.	Completed	Complete
2015	20	Create internal training sessions for OSM and FAM on public contract procurement law.	Concur	Complete
2015	21	Begin work only with signed and executed contracts.	Concur	Complete
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2015	23	Modify contract language to specify how early work may occur.	Completed	Complete
2015	24	Project communication plans are to be prepared at the start of new projects	Concur	Complete
2015	25	OSM and PPS academic leadership should jointly develop an involvement plan.	Concur	Working
2015	26	- Provide more flexibility in the selection of subcontractor PPS contracts - Obtain a written legal opinion about best practices and risks addressing the MWESB aspirational goal.	Concur with comment	Complete

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2015	26 Recommendations, 25 completed	96% Completed

Status Notes on Recommendations Not Completed

2015	25	While 2017 Bond projects have developed detailed stakeholder engagement plans and project steering committees to ensure teachers, administrators and educational leadership are extensively involved in decision making, OSM is still reviewing whether these efforts meet the intent of the recommendation.
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2016	10b	Start design of IP projects earlier and issue ITB earlier.	Completed	Complete
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2016	14	Complete Ed Specs sufficiently ahead of master planning for projects.	Completed	Complete
2016	15	Allow CM/GC to procure subcontractors by competitive quote up to defined dollar limit without prior approval of district.	Completed	Complete

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
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Status Notes on Recommendations Not Completed

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2016	10c	The 2016 audit is not clear what "designated systems" would need additional minimum qualifications. Quality assurance through minimum qualifications and installation specifications are industry standard. For cabinet installation (the example in the audit), Kellogg MS provides a current example of labor qualifications in specification 06 41 00, 1.5, A (manufacturer) and B (installer). Installation quality is also managed through installation specifications, as seen in section 3.3 of the same Kellogg specification.
2016	11b	The PMP/SOPs are reviewed and updated on an annual basis (please see 2017 audit findings for comment on most recent updates). OSM is reviewing how best to deliver regular PMP/SOP training to project staff.

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2017 - Bond Audit Recommendations

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2017	7b	Notify contractors of personnel's limits of authority.	Concur	Working
2017	8	Start projects earlier and allow more time contingency in project schedules	Concur with comment	Complete
2017	9	Hold CM/GC accountable for GMP. Identify what changes must be covered in the GMP.	Concur with comment	Complete
2017	10	At time of GMP amendment, identify alternates that could be added back later at the same price.	Concur	Complete
2017	11	Audit FHS and RHS CM/GC monthly billings. For GHS, evaluate benefit of monthly audit of billings against a schedule of values vs billings of actual costs.	Concur with comment	Working
2017	12	Amend Heery contract to reflect levels of financial authority for Heery personnel	Completed	Complete
2017	13a	Reduce employee turnover.	Concur with comment	Complete
2017	13b	Provide promotional opportunities when vacancies occur.	Concur with comment	Complete
2017	14a	P&C should stop scoring cost of work in CM/GC proposals and only score proposed fees.	Completed	Complete
2017	14b	Review and negotiate profit and overhead rates to ensure they are industry standard.	Completed	Complete
2017	15	Update the PMP/SOP, and add a template for the PTMP.	Concur	Working

<u>Year</u>	<u>Summary of Recommendations</u>	<u>Percent Completed</u>
2017	19 Recommendations, 15 completed	79% Completed

Status Notes on Recommendations Not Completed

2017	7a	For the Grant project, the original focus of the recommendation, no increases in GMP contingency without concomitant increase in scope have been allowed. That constraint has been frequently communicated to the CM/GC. Contract language is being reviewed in all CM/GC contracts to ensure language is clear.
2017	7b	OSM is reviewing whether written notification of limits of authority is necessary, given the limits already built in to the structured workflow of eBuilder. In eBuilder, Senior PMs are unable to approve any changes greater than \$10,000.
2017	11	The FHS and RHS audits are being finalized. The GHS audit is in progress. Work to evaluate benefit of monthly audit of billings against schedule of values has indicated that it would be beneficial to proceed with monthly audits. Such audits are currently occurring with Grant and will be occurring with all future CM/GC projects.
2017	15	The PMP/SOPs are reviewed and updated on an annual basis. The most recent update was September 2017. Upon review in August 2018, it was determined that significant structural/organizational changes to both the PMP and SOPs would best benefit project staff. The September 2018 update is still underway as of July 2019, due to the magnitude of the restructuring. A template for the PTMP was previously provided as part of the PMP; it is also being revised to better address project needs.