



Meeting Minutes | April 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, Louis Fontenot, Cheryl Twete, John Mohlis, Steve March, Tom Peterson & Willy Paul

Board members present: Greg Belisle, Tom Koehler, Steve Buel (Board liaisons)

PPS staff present: Jim Owens, Dan Jung, Ken Fisher, Darwin Dittmar, Sharie Lewis, Cheryl Anselone, Derek Henderson, Debbie Pearson, Michelle Platter, Michelle Chariton, Erik Gerding, Patrick LeBoeuf, David Mayne, Jen Sohm, Paul Jackowski, Johnny Metoyer & Mike Kwaske

Public Present: Ted Wolf, Scott Bailey & one other

Next meeting: Wednesday, July 15th 2015 at TBD location

I. Welcome & Introductions

Kevin Spellman opened the meeting. Introductions of committee members, PPS Staff and public.

II. Public Comment

Ted Wolf spoke on behalf of the Community & Parents for Public Schools (CPPS). Below is the narrative Ted presented to the BAC:

April 15, 2015

My name is Ted Wolf (edwardwolf@me.com), and I am vice president of the board of Community & Parents for Public Schools (CPPS). I am making this comment on behalf of the CPPS board of directors.

As the school bond program marks an important transition from the design phase to construction, and as the district begins to lay the groundwork for consideration of a possible capital bond for the next phase of school modernization in 2016, there are two topics we hope will remain prominent on BAC members' radar:

1. Lessons Learned — An easy phrase to say, a hard product to deliver. We urge you to continue to work with the District to request a written compilation of lessons learned from the design stages of the Franklin, Roosevelt, and Faubion projects, in a form that can be shared with the school board and the public, and used to inform the design stage scheduled to begin soon at Grant High School.

2. Design Advisory Process — We understand the charter for Design Advisory Committees is being revised. We urge you to make sure you understand the proposed changes, why they are being adopted, and what benefits the new approach is intended to yield compared with the first round of DAGs, especially regarding meaningful parent and community involvement.

The CPPS board considers these two topics crucial to effective parent and community engagement in the District's capital programs, and to deepening trust in the District, as attention turns to the next phase of public investment that will be needed to continue the modernization of Portland schools.

Thank you.

III. Program Overview

- Jim Owens provided an overview of the last three months. Year 3 of the 8 year program is the busiest based on project starts and construction activity.
- New OSM staff members were introduced...Patrick LeBoeuf is now managing the IP work as Michelle Chariton takes on the GHS full modernization. Theresa Fagin has joined OSM as a project coordinator for the IP work. And Kristie Moore is the new project coordinator on the GHS project. Johnny Metoyer and Paul Jackowski are the new Heery CMs assigned to the FHS and RHS projects respectively. With these additional staff, OSM is well positioned for the significant increase in workload this Spring and Summer. A total of 22 District bond funded staff and 5 Heery staff are in place to manage the work.
- High Schools - Established GMPs for the RHS and FHS projects. Construction for temp facilities has already begun at RHS and is part of the phasing plan. FHS contractor mobilizes on June 15th. Groundbreaking ceremonies at both schools are scheduled for May 2nd (RHS) and May 16th (FHS).
- Extensive VE was conducted at both RHS and FHS. Edspec program remains intact. However, numerous compromises were made with a variety of "fit and finish", site, MEP and risk considerations. Respective DAGs were briefed on the nature and extent of the VE. Jim provided one page summaries of the VE items and budget impacts.
- Grant HS's DAG Charter was shared with the BAC and Jim briefly described how it differs from the RHS and FHS Charters. OSM is incorporating "lessons learned" from community engagements. The RFP is out for the selection of a design team. Expect to award a contract in June.
- Summer 2015 work is on plan. Staff has issued eight "formal" ITBs for construction at 28 separate school sites. Included is the TI work at Tubman Elementary which will serve as Faubion's "swing site". Over \$12M in construction will be accomplished in approx. 65 days which is almost two weeks less than last summer. Staff remains confident the Team will accomplish on time and budget.
- The Faubion replacement project is moving forward. Design team expects to complete 100% DD in early May and update construction cost estimates.
- 2015 Bond performance working draft audit was received on 4/15. BAC members will have an opportunity to review and comment on the report.
- IP 14 elevators at Hosford and James John are in "punch". Expect Beach to be substantially complete in late May.
- Jim briefly outlined the Board memo dated 3/24/15 that described planned uses of the bond sale premiums. A BAC sub-committee was presented with the plans in early March and comments were incorporated in the March 24th memo. The second bond sale was scheduled to occur on 4/16.
- Pre-Master planning activities for Madison, Lincoln and Benson Polytechnic High Schools have begun. Most of the effort centers around partnerships and program development. Staff is preparing more detailed schedules around the master planning efforts.

- Jim concluded that the Program remains very healthy and the primary “on time”, “on budget” and “visible to the community” objectives are being achieved. He also described what to expect over the next three months. Jim also introduced the two documents handed out around capital seismic and accessibility. These respond to the BAC’s Charter regarding providing the School Board with advice.

Q: Steve Buel asks - Can you talk about the Oregonian (Steve Duin) story that came out yesterday? (Referring to VE for RHS and FHS) A: Jim Owens replies: Reporter was looking for an explanation of VE and what it meant, looking for understanding of what this means to the community. Big part was why the construction budget changing. I walked through the VE process and explained how the district is looking at keeping the Ed Spec program. The message I tried to convey, was that we are on time and on budget and that the Educational programs were intact. Only “fit and finish” changes were made. Jim asks Debbie Pearson to provide more detail.

Debbie Pearson adds: Brick on facility....we still have a lot but some had to be removed. Attempt to be strategic and mindful of all aspects of the project. A track change...this scope of work was not part of the project, but as more detail became available this became less feasible. Comments were shared with the DAG. Large community, some feel very strongly about brick, others feel very strongly about the elevated walkway. The effort is always to take everyone’s feedback and suggestions and incorporate them into the project while remaining on time and on budget. In every situation we tried to VE to accommodate all perspectives

Steve Buel asks: If I told my neighbor who knows nothing about this, what would I say?

Kevin Spellman clarifies: The process is a little design, a little development, and this goes on. Question posed to the committee.

Willy Paul asks: Who was responsible for this? Jim Owens replies: DOWA IBI, Skanska, initial estimates from the architect, DOWA and Skanska had separate estimators, and then reconciled the budget.

Willy Paul states: So my answer would be that you start with concept and then refine the design. This would create more risk.

Tom Peterson adds: In my experience VE provides better ways or more cost effective ways to still get what we wanted. Maybe that means we don’t have the finish that we wanted. Civil work is notorious for unknowns, so I am not surprised the VE came out. We also have a very different market right now than when the estimates came out. Prices are being driven up, and sometimes timing is of the essence. Tom Peterson continues highlighting the process from design to construction and the changes that can and do happen in cost and scope.

Jim Owens adds: Another important message is program that supports education function versus details that don’t diminish the program support functionality. A very basic example is someone building a home, the program is bedrooms, square footage, kitchen. Etc....but the fit and finish is what kind of countertops you can afford. The program does not change.

Tom Koehler asks: So now it’s the expectation that is the issue? Jim Owens replies: We are taking this into consideration on Grant and will work to better educate all involved in the beginning.

Kevin Spellman states: One of the lessons learned is that we do a better job about educating people at the front end. Design is a change process. Jim Owens states: There was a lot considered from the community.

Ken Fisher states: This is a great discussion about the process CMGC budget. Traditional bids would have come in too high. We made the right decision.

Tom Peterson states: This was a good process. I agree that this was the right way to go.

Willy Paul asks: Education piece is key. I would challenge how many board members understand the processes. Is there ability to look at design assist for GHS? Jim Owens replies: There is. Our plan is to bring the builder on in schematics, and then set the GMP. The teams went top to bottom evaluating everything. Jim asks Michelle Platter to clarify further.

Michelle Platter says: One of things at RHS, in our first DAG, we talked about the financial ability of the project versus the design. We often had to bring the conversations back to this.

Tom Koehler states: I have never had a project where the architect's version of it was what the contractor could do. Given that and how we set the expectations....getting the contractor in earlier would be beneficial.

Debbie Pearson adds: The two estimates were in 3 percent of each other. The design on the table was dictated by PPS, design guidelines and Ed Specs.

Jim Owens states: We haven't talked about design guidelines much, but it has been an ongoing effort to refine this due to it previously being done by PPS. How can we be more efficient and communicative?

Louis Fontenot adds: These are complicated projects. Sometimes, you have great design and in the bid process. It happens, and it sounds like the team did the right thing. Everything happened as it should have.

- **Program Update - Balanced Scorecard**

- Schedule Perspective
 - Overall "green" status. However, Roosevelt and Franklin are in "yellow" based on late design phase completions. We're confident that they will be able to course correct in construction phase to meet schedule. Note how performance measures and targets align.
- Stakeholder Perspective
 - Overall "green". Survey monkey is a recently added tool that staff is using for collecting and analyzing all feedback. Work in progress here as we haven't requested feedback from several stakeholders yet. Note that we wait to request feedback until after a project phase is complete.

Q. Why do we not have feedback on design work for RHS? A: We wait until design phase is totally complete until we get stakeholder.

Q: Maintenance Facility views-project scope should be measurable for RHS and FHS? It seems Faubion has this but RHS and FHS do not? Is this correct? A: We need to get the feedback.

- Budget Perspective
 - Dan reported status. We continue to be “green” for the overall budget perspective.
 - Dan noted several changes to the program budget since the last BAC meeting in January 2015:
 - Created a project for Tubman improvements
 - Projected eRate funding
 - SRGP reimbursement for the FHS project
 - Use of bond premium #1 (\$14M)
 - As anticipated, the program continues to forecast increased use of contingency as projects progress.
 - Contingencies reflect where we are currently, not how much we will save.
 - Total program expenditures are exceeding \$100M.

Q: What does eRate reimburse for? A: technology and other items.

Q: Can you describe the temporary work for RHS? A: Temporary classrooms, temporary structures, temporary tent being installed, and temporary infrastructure going up now to accommodate educational needs safely during construction.

Q: Tom Peterson states: it would be useful to have a slide to identify the funding sources in a slide that makes it easier to understand. A. OSM action item: Simple list to be provided to committee.

- Equity Perspective
 - Overall “green”. However we’re continuing to report MWESB performance under the aspirational target. Expect to see improvement as the FHS & RHS projects begin major construction activities.
 - Program exceeded all career learning goals.
 - Staff is very pleased with the work done by our contractors and consultants involving student engagement.
 - Workforce equity goals were exceeded for both projects enrolled in the City of Portland’s Workforce Training & Hiring Program.

*Q: the real opportunity is at RHS with the phased construction. Is LCL doing anything particular?
A: Michelle Platter replies-work that has been going on is in the trades, a field trip style of engagement is planned while construction is happening. This will be to maintain the highest safety standards while keeping the project on schedule.*

Q: Tom Koehler asks: are there actual jobs for students? A: Summer Internships provide paid and unpaid opportunities for students. Some have gone on to have jobs with contractors they have interned for.

Q: Regarding MWESB, we have been waiting for the CMGC, and we report on money. Can we have some other report to give us an earlier sense of MWESB numbers that can be expected? A:

We can ask contractors to provide numbers of firms as well as dollars. We are also going to an online version that contractors will use so we can get better visibility on how they are reporting to us. As this matures further, we will take a look and constantly work to provide information.

Q: Are we able to affect the goal when we set the GMP? A: What we are setting is an aspirational goal. Both continue to be very committed to achieving a goal.

Q: There is no goal? A: Under state law, we cannot establish a set goal. Hesitant to report, but we have done a great deal of outreach. Not really fair to do numbers until we do full buy out, but point well taken that we can get a sense of where this is before buy out.

- Summary – Following the Balanced Scorecard update, staff showed a short video of the IP 14 work at Arleta K8. Note student comments about “on time” and “on budget”!

IV. Project Update

- Franklin
 - Project remains on track. Land Use Permits were modified and resubmitted.
 - Review of schedule, timeline and budgets for Franklin. No major changes from last report.
- Marshall
 - Off the report. But, significant work remains to relocate FF&E from Franklin starting in June.
- Roosevelt
 - Temporary facility construction has begun
- Faubion
 - Design schedule has been extended
 - Positive media coverage of late
 - First responder training expected prior to demo in Oct 2015
- Tubman
 - Awaiting bids for critical TI work
 - Significant effort planned to accommodate Faubion students and staff
 - BDS provided exemption for placement of first and second grades on 2nd floor
 - Project budget includes bus transportation costs
- Grant
 - RFP is out...proposals due 4/22
 - Baseline has been established
 - Aligning schedule with FHS
 - DAG charter and application process has begun

- Improvement Project 2014
 - Closeout phase
 - Elevator work continues at Beach
- Improvement Project 2015
 - In bid phase. 4 ITBs
 - Expect to award and issue NTPs by May 1st
 - Shorter summer construction period – 65 days!
- Improvement Project 2015 - Science
 - In bid phase. 2 ITBs
 - Expect to award and issue NTPs by May 1st
 - Upon completion, all K8 science classroom work in bond measure satisfied
- Improvement Project 2015 Maplewood
 - In bid phase. 1 ITB
 - Last of the bids – due 4/28. Very tight schedule.
- Improvement Project 2016
 - 11 schools planned
 - Two A/Es selected – BBL & Oh
 - Two more elevators
 - Expect to add Grout Elementary for historic window work
- Master Plans
 - Madison HS
 - Benson Polytechnic HS
 - Lincoln HS
- 2014 Performance Audit
 - Four outstanding items – relate to update of PPS contracting rules

Kevin Spellman asks: RHS-date that concerns me. Phase one is now July 16. Phase 2 is now mid July 17, which has moved from spring, is this correct? Jim Owens replies: The dates are certainly tight. But, the Project Team and I am confident we can deliver the “complete and usable” spaces on time.

Michelle Platter adds: Because we have students on site and this has mandated how we walk through this processes. This has necessitated that construction goes on longer, we chase them around so we have more time to do FFE so we don't need time on the end.

*Willy Paul asks: Is there a scheduling expert reviewing the schedules with assumptions? Ken Fisher replies: Yes we have **scheduling and information services (SIS)** doing this for the program. Now that the GMP is set, schedules will come out and they will be assessed.*

Tom Peterson asks: I have concern about the schedule change to August for the theater. Can you explain this? Jim Owens replies: We are challenged with permitting and getting the city,

Bureau of Development Services, to align with our projects. There is a huge amount of background work on this.

Willy Paul asks: Are there financial incentives in the contract? Jim Owens replies: No financial incentives for early delivery.

Louis Fontenot asks: Did contractor put in escalations? Jim Owens replies: It is imbedded in the GMP now, so the contingency is being watched closely. Michelle Platter adds: Phase 2, even though this doesn't start till summer 16, this will be bid this summer. There is a ceiling established.

Jim Owens states: We had to adjust contingency, but we are still at 12%.

Kevin Spellman states: We all need to understand that there is a huge transfer of risk to the contractors.

V. BAC Discussion

- Kevin wants a special meeting to review 2015 audit findings
- BOE presentation planned for 5/5. Kevin looking for a volunteer to assist with presentation

VI. Wrap-Up

- OSM staff to prepare minutes and follow up on several items notes.

VII. Adjournment

- Kevin ended the meeting on time at 6:30 PM.