



Meeting Minutes | October 15, 2014

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, Steve March,
Tom Peterson

Board members present: Greg Belisle (Board liaison)

PPS staff present: Jim Owens, Dan Jung, Ken Fisher, Darwin Dittmar, Sharie Lewis, Yousef
Awwad, Jan Osborn, Debbie Pearson, Michelle Platter, John Wilhelmi,
David Mayne, Kimm Fox-Middleton, Erik Gerding, Ayana Horn, Sara
King, Jen Mccalley

Concordia staff present: Gary Withers, Kevin Matheny, Denny Stoecklin, Madeline Turnock

Public Present: Ted Wolf: Our Portland Our Schools, Eleni Kehagiaras

Next meeting: Wednesday, January 21st 2015 at Grant High School

I. Welcome & Introductions

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

II. Public Comment

- Ted Wolf, Our Portland Our Schools, gave public comment. Please see attached to these minutes.

III. Concordia University & Faubion Pk-8 Partnership

- Concordia University's Vice President of External Affairs, Gary Withers, presented to the committee about the partnership between Concordia University and PPS' Faubion Pk-8 school
 - 3 to PhD™ - the program developed by the partnership that education starts in the first 3 trimester's of life to pursuing one's highest dreams.
 - Looking to create this project into a model that can be replicated elsewhere in public schools and higher education institutions.
 - Q: "You say that this is a unique enterprise and have not found another similar model out there. How much interest from other school districts and universities has there been, especially in Oregon?" A: There have been some inquiries from the University of Portland already. Concordia is looking to engage their nine university system. We also have some interest from Houston and have also had people from India come to look at the partnership.
- Program Update
 - Improvement Project 2014 (IP14) is another success story for our summer work being completed on time, on budget and visible to the community. All twelve schools

opened on time due to the combined efforts of three design teams, six builder teams and the District. Work on three of the schools to construct elevators will extend into the Winter/Spring as planned. These summer projects have set the tone for the whole program.

- The two high school projects are picking up speed and have completed the master planning and schematic design phases. Both projects are moving aggressively forward and are about to complete 100% Design Development and then move into the construction document phase. Staff expects to set the guaranteed maximum price (GMP) in December for Franklin and February for Roosevelt.
- The Bond Development Committee recently made a recommendation to the Superintendent based on these conclusions:
 - Stay with the 2012 strategy of a focus on high schools for future bond programs.
 - Master plan 3 high schools before Fall 2016 in preparation for a potential Nov 2016 ballot measure.
 - The three high schools identified for 2016 consideration are Benson, Lincoln & Madison.
 - The three high schools identified for 2020 consideration are Cleveland, Jefferson and Wilson.
- Once approved by the board, staff will begin setting timelines for the full master planning of these three schools to be completed prior to Fall 2016.
- Q: "These master plans are done with this bond?" A: Yes, the 2012 bond contains planning for all high schools. There is \$1.5 million budgeted for the master planning of these three schools. The three remaining high schools will have an in-house effort of planning with this bond.
- Q: "You increased the cost of master planning for these three high schools. Where did that come from?" A: Based on what staff saw for both the high school projects, the time taken to complete the master planning, staff efforts needed and the fees for that work. Using the \$1.5 million for the three schools is a more realistic assumption for a useable product in the 2016 bond measure.
- The Faubion project has restarted schematic design which will allow the project to stay on schedule.
 - Staff is working closely with Concordia to develop the Development and Disposition Agreement.
 - Staff is approaching the project as a combined \$44 million investment. \$29 million from PPS bond funds and over \$15 million from Concordia University. The design team will be working with these budget parameters.
- IP14 included three elevator projects which gives the program its first large accessibility improvements to our schools. Two of the elevators are scheduled to be completed by the end of the calendar year and the third should be completed in the spring of 2015. This work continues without disruption to the learning environment in the classrooms. IP14 will be closed out once this work is completed.
 - Staff has seen excellent results in how we managed our change order rates during the project of approximately 5% which is very low and staff feels a

direct correlation between the quality of construction documents produced and the firms performing the work.

- Balanced Score Card
 - Overall Perspective
 - Remains green and gives a summary of the program over several different perspectives.
 - Schedule
 - The cells in red for the Franklin and Roosevelt projects is for work that has been already completed but were not completed in our performance targets. Both projects are working on making up this time in their schedules.
 - RHS remains yellow due to the challenges around construction phasing. The school now has more students than anticipated when the bond was built. This is creating additional efforts to relocate students on the site using portables and working closely with the builder on how work can be phased. The project is expected to be complete for the fall of 2017 but exterior site work will continue into late fall.
 - Q: “Is DD 100% complete for Franklin?” A: Yes, it is complete. This is a snapshot in time. Monthly reporting data for the projects is pulled on the last working day of each month.
 - Q: “Roosevelt is yellow?” A: Yes. It is at 75 % DD.
- Stakeholder
 - Staff has started to use a different tool to get stakeholder feedback on the projects. Staff is now using Survey Monkey to collect this data.
 - IP14 feedback has been very positive.
 - Maintenance and Operations are key stakeholders.
 - DAGs (Design Advisory Group) - Roosevelt had very limited feedback and staff is trying to get more feedback from that group. All DAGs will have another round of meetings starting up again.
 - Q: “Is there an opportunity to change the make-up of the DAGs?” A: Staff will be using stakeholder input and lessons learned to use in the creation of our new DAGs. Staff is evaluating the process used to stand the DAGs up. We moved very quickly through this process in the creation of the current DAGs and wanted a broad representation on these groups. We didn’t initially get a lot of applicants for the groups. With these issues we landed on a different framework than was originally expected. Staff does want the DAGs to represent different constituents to be a part of the DAGs. Staff chose not to engage the DAGs on budget development, soft costs versus hard costs and VE. We might have had more PPS staff in the groups than anticipated but many see the building staff as part of the community and not as PPS staff.
 - Q: “This is a difficult balance to get people to participate. PPS is asking a lot of a person to commit that amount of time.” A: Yes, the amount of engagement held for the community through master planning and the schematic design phase took over a year to complete.
- Budget
 - Green overall. The program has spent just shy of \$83 million to date.

- IP13 transferred \$1 million into the CSM program contingency and staff is expecting to sweep an additional \$95,000 out of that program once the final invoices for the drainage work are paid.
- IP14 will have some budget savings and staff will be moving that out soon into Program contingency.
- The program has added \$23 million to the budget since July
 - Additional criteria funding of \$8 million which PPS will obtain if and when necessary
 - Increased Faubion budget by \$15 million as an estimate of Concordia's expected contribution. Staff needed to do this to establish cost management parameters for the total project.
- Q: "Swing sites. Roosevelt will use relocatable portable facilities to support construction phasing operations. Will this come from the Roosevelt project budget or the swing site budget?" A: Yes, they will use portables and depending on the cost of the portable complex, some money from the limited swing site budget will be used to support this effort. The Bond Program began with \$10 million for swing site/transportation.
- Q: "Master planning budget numbers will change next month?" A: Yes, master planning budgets will be augmented to reflect the appropriate budget for the three high schools.
- Staff has been sharpening pencils on oversight costs where we had previous concerns about their levels and those costs are now on budget.
- Q: "Does staff have concern about the balance of \$81,000 on the CSM contingency line?" A: Staff is watching this closely but this is tight. Staff is looking to the access to bond premiums and the return of budget from the IP14 project.
- Q: "Are you seeing that the OCIP program is cost neutral?" A: Our management consultant is looking to see if it is cost neutral and evaluate comparing costs of work.
- Equity-
 - Career Learning-staff has updated performance targets to look at them based on program level over a calendar year instead of per project. Have met program career learning goals largely based on summer programs and outreach to high school projects.
 - Workforce – Marshall and IP14 were the first projects to participate in this program managed by the City of Portland. There was a steep learning curve for contractors but projects exceeded the aspirational goal of 20% apprenticeable hours worked per project.
 - Q: "What is the feedback from contactors on this program?" A: Staff is still getting feedback from them. What we have heard to this point is that it is a steep learning curve and the program is easier for some trades to participate in versus others.
- MWESB
 - The program is currently below 10% threshold for MWESB with a District aspirational goal of 18%.

- Q: "How do you influence this to increase your percentage?" A: Staff has a greater influence on our consultant proposals. Our Div 48 numbers are a much higher percentage. Staff has much less influence in contractor procurements with formal ITBs.
- Q: "With the structuring of the RFPs is it a required component and if not achieved will it factor in if they don't succeed and participate in another RFP?" A: It is part of the negotiation process and negotiating fees but staff has no visibility at that time on who subs will be. Staff expects we'll see an increase as we move into CM/GC. Both Lease Crutcher Lewis and Skanska feel that they can meet this. Both firms just presented to NAMC (National Association of Minority Contractors) and have strong plans for these projects.
- Q: "Do they have sub consultants identified early?" A: No not always and those firms can change. Staff looks to the prime to inform us on how they are approaching this.
- Q: "With the real estate development industry heating up has this had impacts on the results? And how can we counter?" A: There is a very competitive playing field out there and many firms that are not hungry for work anymore. Staff saw this impact on the IP14 summer work bids and competition. MWESB firms represent a percentage in the area and number of firms that are available. Staff has started to use commissioning agents now which we have not in the past. The bond program was front loaded for a reason and now staff is cost growth also happening.
- Projects
 - Franklin High School
 - Budget is at \$104.4 million
 - Project is currently behind schedule but staff has committed to a recovery schedule that complete prior to the original CD milestone.
 - The land use application was submitted to the city
 - GMP estimating at 100% completion of the DD set with estimated completion by the end of December
 - Schedules slide has been updated to include more detail of the CD packages and permits.
 - Q: "Anything out of the ordinary on land use?" A: No, land use review is proceeding as expected.
 - Q: "The only adjustment to the schedule slide would be to show the original packages and then how you broke them out into different packages." A: Staff will make these changes.
 - Marshall Campus
 - Budget is at \$4 million with no unforeseen conditions to affect the budget.
 - Working under a pre-GMP amendment with Skanska to complete work for this project.
 - Fire alarm at 70% and estimated to be complete this winter.
 - The new turf field (a non-bond funded project) was completed this summer.
 - Roosevelt High School
 - Budget is at \$92.2 million

- At the next BAC meeting dollars from the swing site budget will be allocated to the project
 - The design schedule has been updated to start to include the phasing of this project and the temporary facilities need to complete the project.
 - 75% DD was completed in September.
 - GMP will be established on 100% DD set estimated to be completed in January.
- Grant High School
 - The budget of \$93.5 million has been broken out based on what staff has currently experienced with the other high school projects.
 - The report on the bricks has come back. The bricks are structurally sound but have some spalling. Staff will provide this information to the A/E team when they come on board in spring 2015.
- Faubion Pk-8
 - Project budget change to \$44.2 million
 - The DDA between PPS and Concordia University will lock in the \$15 million portion from Concordia to the project.
 - Q: "Is there a target date for when construction contract is negotiated and when money is in place from Concordia?" A: Yes. We have to have funds in place before we can issue a solicitation.
 - Staff has discussed whether to use CM/GC or the Design/Bid/Build process for construction. Staff agreed that Design/Bid/Build was best for this project. Staff is looking at a two-step process for this.
- IP13
 - Final payment to the last small contract is to be made this week and then this project will be completely closed out.
 - This is the last time this project will be presented in this forum.
- IP14
 - There have been very minor budget changes made.
 - The three elevator projects have work continuing while school is in progress with construction happening during off hours. Principals are attending weekly meetings with Project Managers and staff has received no complaints. Staff will watch closely as we complete these projects.
- IP15
 - There is one design team for IP15 – Oh Planning and Design. The Project Team has broken up into two groups for the 8 schools in the project. Both groups are in DD.
- IP15SCI
 - There are two design teams for IP15SCI – MCA Architects and Leeka Architecture for the 18 schools in this project. This project is in DD.
 - These projects will be completed by the summer of 2016 and focuses on science classroom upgrades and some ADA improvements.
 - This corrects an issue when K-8 conversions took place and the feedback from teachers has been very positive.

- Performance Audit
 - Staff has completed 67% of audit recommendations up from 41% complete at the last meeting.
 - Staff feel that they are making good progress and should have all recommendations completed on time.

BAC Quarterly Board Presentation
Monday, November 10th

Next BAC Meeting – January 21, 2015
Expect to meet at Grant High School

PPS BOND ACCOUNTABILITY COMMITTEE

15 October 2014

My name is Ted Wolf, and I'm speaking to you as a board member of Community & Parents for Public Schools and our program, Our Portland Our Schools.

The school bond program is nearly two years old, a birthday that provides an opportune moment to take a look not only at the program itself, but at your accountability duties. I want to comment briefly on two provisions of your BAC charter.

The district laid out nine specific areas of concern to guide your on-going review of the scope, schedule, and budget of the bond program. The last of these nine areas is **"Communicating key information related to the bond to the School Board, public groups, organizations and stakeholders."**

In light of that assignment, I'd like to encourage you to look at the Design Advisory Group model, a key link in that communications chain and (in principle) a key point of contact with non-PPS public stakeholders.

In principle, the DAGs are chartered to be stakeholder bodies that advise the PPS project manager and design teams on planning, design, and progress of the major construction projects. In principle, DAG members help to "synthesize community-

wide input to the design process,” presumably by reaching out to and speaking for their own constituencies (for example, cluster parents, community organizations, business and neighborhood groups).

In practice, the DAGs have proven to include more PPS representation than is prudent given that stakeholder function, and few DAG members have been accountable to the stakeholder groups they supposedly represent.

Excluding from this tally the *ex officio* school principals and board representatives that serve on each DAG, the Franklin High School DAG charter implies that 2 of 10 appointed DAG members will be PPS employees (teachers); the actual number of PPS employees on the Franklin DAG is 4 of 10. The Roosevelt High School DAG charter implies that 1 of 10 appointed DAG members will be a PPS employee (a teacher); the actual number of PPS employees on the Roosevelt DAG is 5 of 11.

The Faubion DAG, reflecting the partnership with Concordia, is larger and composed differently.

The nine current and former PPS employees who serve on the Franklin and Roosevelt DAGS obviously make an important contribution and obviously have a stake in the projects. But while there appear to be many internal meetings between PPS employees and the design teams, there are few opportunities other than the

DAGs for public stakeholder representatives to engage in a formal setting with the design teams.

I urge the BAC to consider the effectiveness of stakeholder representation in the design advisory process, and to advise the school board on ways to increase meaningful stakeholder representation at the project level on bond projects going forward.

Second, and more briefly, your charter also directs you to advise the school board on **“alignment (of the bond program) with the goals and principles of the Long Range Facilities Plan.”**

Your work so far has closely tracked the program’s adherence to the principle of **fiscal prudence** through the Balanced Scorecard and other reports, but has not included any systematic look at the program’s adherence to the principles of **sustainability, inclusivity, and (with the exception of Concordia) partnerships.**

I urge you to work with staff to assess the program according to these principles and to provide periodic reports to the school board and to the public that will help us understand whether and how the bond program is fulfilling all four guiding principles of the Long Range Facilities Plan.

Thank you.

