

**Building Excellence II Levy Oversight Committee
Meeting Notes, January 8, 2004
Stanford Center, Room 3802, 7:30a - 9:30a**

ATTENDANCE:

Members Present

Ron Jelaco
Jay Keiper
Karin Nyrop
Ed Peters
Jim Travis

District Staff

Gary Baldasari
Ron English
Don Gillmore
Julie Krick
Nan Stavshoj
John Vacchiery

Heery International Staff

Roxann Robinson
Ralph Rohwer

Members Absent

David Hudd
Joey Ing

APPROVAL OF NOVEMBER 13, 2003 REVISED MEETING NOTES AND DECEMBER 11 MEETING NOTES

- The November 13, 2003 revised notes and the December 11, 2003 notes were approved.
- Mr. Peters offered the two members absent last meeting the opportunity for questions and comments on the SDT and Beacon Hill and Nathan Hale presentations.
 - It was noted that the Board may determine that some of the major unforeseens at Beacon Hill and Hale should not have been unforeseen. A clarification of “unprogrammed” (design phase) and “unforeseen” (construction phase) would be helpful in this regard. For example, having to replace the gas furnaces and roof trusses at Beacon Hill is viewed as “unprogrammed” rather than “unforeseen” by Gary Baldasari, program manager.

REVIEW OF DRAFT REPORT TO SCHOOL BOARD

Items 1 and 2 of the draft - 1) Committee charge and purpose, 2) Membership, organization and meeting format.

- Reverse the order of the first two bullets. The focus of this first report is to introduce the Committee and gain the Board’s confidence. Provide the Board with written material on the backgrounds of Committee members so that the Board understands the Committee is experienced, broadly representative, and has the ability to ask hard questions.
- The Board should know the Committee is at their service. Establish with the Board that this group provides a unique view or “window” on the BEX II program. The Committee is always available in its role as an advisory group.
- The Committee should impart its opinion that staff has credibility and is doing a good job. Staff is the first place the Board should go if they have questions or concerns about BEX II projects.
- There will be many opportunities to go into project details but this first report should focus on the Committee membership. The report will only be 10 minutes long with about 10 minutes Q&A. Committee members should attend if possible.

Item 3 of the draft - General conclusions to date

- The Committee is “respectfully skeptical” and will be diligent in monitoring and responding to concerns.
- The word “inherently” is too strong in the sentence “Large-scale construction is inherently risky.”. The risk or uncertainty can be managed with the proper staff and tools.

- This is a well-managed construction program that has challenges.

Item 4 of the draft - Case study of a current major issue.

- Briefly discuss Beacon Hill, Nathan Hale, contingencies, and ending fund balances. The community needs confirmation the program is being delivered as promised.
- Clarify “unforeseen conditions” and “off-site improvements”.
- Five percent (5%) across the board is a general way of handling off-site improvement costs in the planning stage without spending a great deal of time and money discovering specifics. Renovation will usually cost more.
- The costs are not always cut and dried. While there are regulatory requirements for many aspects of construction, negotiation is often what determines an actual expenditure.

MEETING SCHEDULE

- Ron will be teaching a class at WSU in Pullman every Thursday until May. He leaves Wednesday afternoons and is not available for Thursday meetings.
- After a discussion and review of calendars the Committee decided to reschedule the meetings to the second Friday of each month at the same time. The next meeting will be February 13 rather than February 12.

REVIEW OF MONTHLY REPORT

- Program-wide comments
 - Project cost summary – integrate the high school improvement fund into the ending fund balance
- Inflation is built into the costs. Inflation was added to each project’s planning budget to create the current operating budget.
- The program master schedule will be corrected for January’s report to show the “actual” timeline.

PROJECT UPDATES

Beacon Hill

- The City has agreed to fund their piece of the water line, which is \$150,000. This brings the budget overage down to \$585,000. However, the City wants the District to front-fund the project and then would reimburse us. In order to get the project done on time, this is often the best solution and it also provides the City with actual costs. This has been done before in BEX and other District projects and the City has always paid the actual cost. The prudent course then is to continue to show \$750,000 with notation of the agreement.

Brighton

- The contractor has provided a revised schedule and the month of January will be crucial in seeing how they perform, particularly with the roof. Ralph did review the project schedule with similar BEX projects at this time of year and the contractor is on the edge of the late-start targets.

Cleveland

- The costs of area increases in the gym and library were offset by savings in mechanical.
- The redesign of the gym and library did point out an oversight from the current SDT process. The SDT was so focused on the four small academies that they made a decision on the gym that left it too small for a comprehensive high school if the Cleveland program ever returns to that concept. The library area was also too small, was awkwardly sited, and should have been reviewed again by the District’s head librarian. He reviews at a program level but should also review again when changes

are made to libraries at individual projects. Both of these issues were identified and corrected through the District's review process.

Dearborn Park

- The project is in the pre-planning phase of the SDT process. This precedes design concept planning.

Garfield

- There is another SDT meeting on January 13 at 2:30p.
- Ed Peters and Joey Ing attended the last SDT and were pleasantly surprised at the large number of community representatives in attendance. Don said that was unusually high attendance by the community. SDT members (not the project team) were able to explain and defend design decisions to the community.
- Some department design decisions still have to be made.

Graham Hill

- The contractor is still behind schedule but it is not impacting the move-in date.
- Move-in will be phased over winter break 2003, mid-winter break 2004, and summer of 2004.
- The portables will be demolished.

Nathan Hale

- The negotiation with Sellen (GCCM) has been completed and the Board motion to approve the change order will be introduced at the next meeting. The budget shortage of \$750,000 is now about \$700,000.
- If the bids come in less than the GMP, the contractor gets 50% of the savings to use during the project. The owner gets the other 50%. At the end of the project the owner gets 75% and the contractor gets 25% of whatever is left in the contract. The contractor's contingency fund is 3% and it is well defined what the contingency fund can be used for. Three percent (3%) contingency plus half the buyout savings is the contractor's to use during the project.

Madison

- The project is on time and on budget.

Maple

- The fire flow test results have not yet been received. The improvements at Cleveland will affect the fire flow at Maple.

Roosevelt

- The GCCM/GMP change order was introduced last night to the Board and there were no questions.
- The City Department of Planning and Development (DPD, formerly DCLU) is still reviewing the documents.
- The community wants to spend the \$5M allocated to buy property. The District position is to reserve those funds until 2009 when the risk of catastrophic unforeseens has passed. DPD agreed that was a reasonable approach and has tentatively agreed to wait until 2009 to resolve the parking problems. There has not yet been a ruling from the DPD director.
- The project is within the construction budget.

Chief Sealth

- The project is getting ready to bid.
- There is a phone number for bid results.

South Shore

- Program issues are still not resolved. If these decisions are not made by March the project will be delayed.
- It is difficult to get the right people together to make the decision. There are some very fundamental instructional issues embedded in this decision and the situation is complex. For example, a change in the way bilingual students are handled would affect this project. The people making the instructional decisions are aware of the project issues but that is not their highest priority.

Wing Luke

- There is a critical issue on scope because additions are occurring on each side of the gym. There is not enough money to improve the gym and it is tired and needs upgrading. Gym improvements are a bid alternate but there may not be enough budget to award them.

Change order summary:

- Change orders for Graham Hill and Brighton are reasonable.
- Project managers assign change orders by category.
- The non-Heery projects are not included in this summary. Center School and Ingraham are complete.
- This report will track all projects through the term of the program. As projects come on line they will be added.

Project costs summaries

- Spending is behind schedule on most projects. This chart is a great tool to provide a snapshot of the project.

Other

- Jay would like information on how a commitment to diversity is incorporated into the BEX II program.
- There is interest in having a general contractor on the Committee. There was a retired general contractor on the BEX Committee. The recruitment process would start with the superintendent recommending to the Board that an additional member be added. Ralph offered to forward some names to the Committee. It has to be a contractor with no conflict of interest.

NEXT AGENDA

- Review on monthly report and change order summary
- Report on Board report
- Maple concept presentation; Dearborn Park concept presentation in March
- Bid results
- Discuss site visits – where and when

Adjourned at 9:35a