

BEX/BTA Capital Programs Oversight Committee

September 13, 2019 8:30 – 10:30 a.m.
Conference Room 2750, John Stanford Center
2445 3rd Avenue South, Seattle WA 98134

Minutes

Call to Order (John Palewicz)

1. John Palewicz called the meeting to order at 8:30.
2. Guests introduced themselves around the room.
3. Roll Call:
 - a. Committee Members Present: John Palewicz, Steve Goldblatt, Freeman Fong, Janet Donelsen, Warren Johnson, Kyle Wang, Sheri Edquid, Rob Stephenson (arrived at 9:01)
 - b. Committee Members Absent: Steve Tatge, Duncan Griffin, Daniel Williams
 - c. Board Attendees Present: Director Geary and Director Mack
 - d. Staff Present: Fred Podesta, Richard Best, Eric Becker, Jeanette Imanishi, Melissa Coan, Becky Asencio
4. Approval of Agenda: Janet Donelsen made a motion to accept the agenda. Steve Goldblatt seconded, and the motion passed unanimously.
5. Approval of Minutes from July 12, 2019: Steve Goldblatt made a motion to accept the minutes. Warren Johnson seconded and the motion passed unanimously. Directors Geary and Mack abstained as they did not attend the July meeting.

Employee Recognition (Richard Best)

1. Richard Best introduced Jeanette Imanishi as the new Senior Project Manager of Small Projects, replacing Lucy Morello. Ms. Imanishi formerly served as a Project Manager on the North Team.

Budget Update

1. Melissa Coan reviewed the Program Cost Summary for BEX IV through July 31, 2019
 - a. She reported that the program is in the black
 - b. She highlighted Queen Anne Elementary School and Lincoln High School, indicating that additional expenditures are expected for both projects throughout the first year since opening the sites.
 - c. There were no variances to report
 - d. Richard Best highlighted that all of the Major Projects on BEX IV, with the exception of Wing Luke and Daniel Bagley which are currently under construction, have been accepted by the Board or achieved Substantial Completion. He confirmed that there were no surprises as Queen Anne or Lincoln.
 - e. Mr. Best explained that the budget line for Lincoln High School indicates \$0, because he anticipates spending the entire budget on upcoming work on the East Buildings.
 - f. Ms. Coan explained a, upcoming budget transfer for the Cascadia Robert Eagle Staff project, such that after the project was started additional funds were received from cost savings in BTA III. Those dollars will be moved from the "Other Funding Column" to the project budget.

- g. Mr. Best reported that the Daniel Bagley project is on schedule, but the Wing Luke project is currently behind.
 - h. Mr. Best highlighted the receipt of E-Rate Grant funds, which appear on the report as negative dollars. The E-Rate program reimburses the district for wiring completed at a project. However, the application process and receipt of funds spans a significant amount of time, therefore it is expressed as a negative line item. Director Mack requested that the E-Rate Grant be included in the Grant Funding Report coming to the Board Operations Committee. Mr. Best added that these funds will be applied to Priority 1 Seismic projects.
- 2. Melissa Coan presented the Program Cost Summary for BTA IV through July 31, 2019.
 - a. She reported two recently completed projects in this program as Magnolia Elementary School and Ingraham High School.
 - b. She highlighted the change to the Webster budget, which reflects a \$2.1M Board approved increase. The additional funds were drawn from the Program Contingency fund and an underspend from the roofing projects.
 - c. Richard Best reported that completion dates for the following BTA IV projects: EC Hughes was completed in Fall 2018, Magnolia and Ingraham were completed in Fall of 2019, Webster is under construction, and projecting within budget, due to open Fall 2020.
 - d. Director Geary highlighted the additional six classrooms as Magnolia Elementary, which are scheduled to open in 2021. Mr. Best clarified that the funds for this project were received from OSPI in relation to K-3 Class Size Reduction. The District did not have a view to these dollars when the initial bid and project were drafted. Therefore, the work is proceeding at this time. Director Geary advised Mr. Best on this critical importance of clarity in the BAR to ensure that the Board and the public understand why this additional work is being performed at a new building.
 - e. Director Mack requested that this six-classroom addition be incorporated in enrollment projections.
 - f. Director Mack inquired into the funding for the work at Rising Star school at African American Academy (AAA). Mr. Best stated it was planned for BEX V.
 - g. Melissa Coan explained that the BEX V program funds would be reported in the September 2019 report, which would come to the committee in two months.

Project Status Report

- 1. BEX IV
 - a. Richard Best reported that Wing Luke was projected to be completed in December 2020 at Winter Break. The school could move in as early as January 2021.
 - b. Director Mack asked why the seismic projects at Beacon Hill and Maple were not complete. Mr. Best reported that no bids were received for those projects. They will be rebid for Summer 2020.
 - c. John Palewicz inquired about Job Order Contracting for the smaller projects. Mr. Best stated that the department had not pursued that option, yet.

2. BTA IV

- a. Director Mack asked where the smaller projects were scheduled. Mr. Best indicated that information is captured on the cash flow progress document.
- b. John Palewicz advised Richard Best to remove the completed work from these reports and maintain it as a “hot topics” or “open items” log, for the committee’s assistance.

Community Workforce Agreements

1. Fred Podesta reported on the Student and Community Workforce Agreement (SCWA) Task Force

- a. He reported that the task force will study how a Community Workforce Agreement (CWA) may or may not influence and relate to educational outcomes, such as apprenticeships.
- b. He provided a general outline of the task force. It will be comprised of 15 members with experience in related areas like economic development, or experience with other agencies who’ve created something similar. The application for membership was posted on August 16, 2019 and closed on Friday, September 6, 2019. The selection committee will include two Board Directors, two staff, and two community members. The task force will convene at the end of September. The goal is for the task force to provide information and recommendations to the Board by the end of the year, regarding guidelines, benefits, and costs.
- c. Mr. Podesta conveyed that Seattle Public Schools initiates ad Student and Community Workforce Agreement then it would be the first school district in the state to do so.
- d. Steve Goldblatt reported that he perceived the application for membership as biased in favor of an SCWA and therefore did not apply. He was concerned that the outcome was predetermined. He anticipated that an SCWA would look like the city’s and county’s CWAs. He was particularly concerned about the potential impacts, on voter-approved projects and budgets, of limiting competition in the form of a CWA.
- e. Mr. Podesta assured the Committee that the district will continue to request its perspective and advice.
- f. Director Mack reported hearing that BEX II and BEX III were influenced by estimates from large contractors, and subsequently impacted by the Board’s direction to focus on smaller businesses, which increased costs. She asked if that history would be included in the discussion. Mr. Podesta indicated that there will likely be a cost to employing a SCWA, but it remains to be seen how any potential pricing delta may impact BEX V and how to reconcile it.
- g. Rob Stephenson inquired into the goal of the task force. Mr. Podesta reported that while the work of the task force is articulated in its charter, the goal for the SCWA remains to be determined.

Recommendations from the BEX/BTA Oversight Committee

1. John Palewicz presented a document of three recommendations to the School Board.
 - a. He highlighted that formal recommendations to the Board is a new action for the Committee and that it was initiated in response to input from Director Mack that it would be helpful to the Board to receive the recommendations in a document.

- b. Mr. Palewicz referred to the draft recommendations:
 - i. Delegated Authority:
 - 1. Background: Prompt payment and decision making is critical in meeting the delivery schedules of projects and maintaining effective relationships with providers of goods and services.
 - 2. Recommendation: The Committee recommends that the Board expressly delegate authority on major BEX and BTA projects to the Superintendent or her designee for:
 - a. budget decision-making of \$5 million or less for award of project management, construction, or design professional contracts;
 - b. single increases to any approved project budget of 10% or less; and
 - c. change orders on any existing contract of \$500,000 or less.
 - ii. Alternative Project Delivery:
 - 1. Background: In many complex projects, early input from a selected construction team is critical to achieve the best value for funds available and to meet required completion dates.
 - 2. Recommendation: The Committee recommends that the Board strongly consider RCW 39.10's alternative project delivery, general contractor/construction manager (GC/CM) and design-build (DB), for procurement of qualifying major BEX and BTA projects.
 - iii. Agency Certification:
 - 1. Background: In order to use Alternative Project Delivery methods allowed by the State of Washington RCW 39.10, such as GC/CM and DB, authorization is required by the Project Review Committee, for each individual project or by a three-year agency certification.
 - 2. Recommendation: The Committee recommends that the Board direct the District (through the Director of Capital Projects and Planning) to seek agency certification from the Project Review Committee to effectively internalize the authorization process. Operationally, the Committee would evaluate Capital Projects' proposals for using RCW 39.10 on any individual project and make recommendations to the Board.
- c. Sherry Edquid asked about identifying the current threshold dollar amount. John Palewicz advised keeping the recommendations succinct and high level. He added that there would be significant advantages by raising the threshold in terms of expediting projects and improving vendor relationships. He added that this recommendation represents a strong endorsement of the Capital Projects organization and its ability to handle additional responsibility.
- d. The Committee agreed that approval of a recommendation required approval from a quorum of six members.

- e. Steve Goldblatt made a motion to approve the first Recommendation, with amended language to clarify intent. Warren Johnson seconded and the motion passed with eight approving votes. The two Board Directors abstained from the vote.
- f. Rob Stephenson left at 10:07, after giving his proxy to Freeman Fong.
- g. John Palewicz made a motion to approve the second Recommendation. Warren Johnson requested a revision to include Job Order Contracting (JOC). Janet Donelsen made a motion to approve the recommendation with the amended language. Steve Goldblatt seconded and the motion passed with eight approving votes. The Board Directors abstained.
- h. Steve Goldblatt made a motion to approve the third recommendation. Sherry Edquid seconded and the motion passed with eight approving votes. The Board Directors abstained.

Start of School

1. Eric Becker reported on the openings of four new buildings:
 - a. Ingraham High School
 - b. Queen Anne Elementary School
 - c. Magnolia Elementary School
 - d. Lincoln High School
2. Richard Best reported on the impact on Summer Projects of lost weeks due to the extended school year, in response to snow days, and a labor shortage.
3. He clarified that these issues did not impact the roofing work at Rising Star at AAA. That project was extended due to worse conditions than observed initially.

Next meeting

- Green Resolution update

John Palewicz adjourned the meeting at 10:30.