



SCHOOL BOARD ACTION REPORT

DATE: January 9, 2017
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Dr. Lester Herndon, Associate Superintendent, Facilities and Operations
206-252-0644, lherndon@seattleschools.org

For Introduction: January 17, 2018
For Action: January 31, 2018

1. TITLE

Building Excellence (BEX) and Buildings, Technology and Academics (BTA) Capital Programs Oversight Committee

2. PURPOSE

Revise the charge of the BEX Oversight Committee to include oversight of the Building Excellence (BEX) and Buildings, Technology and Academics (BTA) capital programs.

3. RECOMMENDED MOTION

I move that the “BEX Oversight Committee” charge be amended as attached to the Board action report to provide public oversight of the Buildings, Technology and Academics (BTA) capital program and the name of committee be changed to “BEX/BTA Capital Programs Oversight Committee”.

4. BACKGROUND INFORMATION

a. Background

When the School Board approved the Building Excellence I (BEX I) capital levy as a ballot measure, its members included a requirement for a public oversight committee of subject matter experts to oversee implementation of this capital program. Experience has demonstrated that this oversight has enhanced the accountability and performance of the district’s BEX capital program with projects being completed within budget, in a timely manner and of high quality. Because the BTA IV capital program includes significant school modernization and addition projects to address Seattle Public Schools capacity and facility condition needs, the Capital Projects and Planning office is recommending that the BEX Oversight Committee charge be revised to include oversight of the BTA capital program. In addition, the name of the committee will be revised to reflect the inclusion of the BTA program, as follows: “BEX/BTA Capital Programs Oversight Committee”.

Changes to the committee’s charge include: adding focus on program revenues as well as expenditures for both BEX and BTA capital programs; adding oversight concerning planning future BEX and BTA capital programs; identifying impacts of other district capital measures to the extent they affect the BEX and BTA capital programs; and, converting the oversight committee to be a standing committee of eleven members with overlapping terms, to provide

continuity. The priority will be to ensure that the BEX and BTA capital programs support the three major goals of the district's Strategic Plan: 1) Ensure educational excellence and equity for every student, 2) Improve systems districtwide to support academic outcomes and meet students' needs and 3) Strengthen school, family and community engagement.

b. **Alternatives**

N/A

c. **Research**

N/A

5. **FISCAL IMPACT/REVENUE SOURCE**

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. **COMMUNITY ENGAGEMENT**

With guidance from the district's community engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7. **EQUITY ANALYSIS**

This motion was not put through the process of an equity analysis.

8. **STUDENT BENEFIT**

The BEX Oversight Committee will oversee a broader range of capital projects helping to ensure better facilities for our student population.

9. **WHY BOARD ACTION IS NECESSARY**

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)

Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. _____, [TITLE], provides the Board shall approve this item

Other: The Oversight Committee was created by the Board, giving the Board authority to amend its charge.

10. POLICY IMPLICATION

Board Policy No. 4110, Family and Community Advisory and Oversight Committees states, “It is the policy of the Seattle School Board to encourage participation by members of the community to advise the Superintendent and Board in school district decision-making processes.”

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on January 4, 2018. The Committee moved the item forward to the full Board for consideration.

12. TIMELINE FOR IMPLEMENTATION

Upon Board approval, the Oversight Committee will begin operating under the expanded scope.

13. ATTACHMENTS

- Charge: Building Excellence (BEX) and Buildings, Technology and Academics (BTA) Capital Program Oversight Committee (clean)
- Charge: Building Excellence (BEX) and Buildings, Technology and Academics (BTA) Capital Program Oversight Committee (redline)
- BEX Oversight Committee Report to Board of Directors, December 2017

January 2018

Charge

Building Excellence (BEX) and Buildings, Technology and Academics (BTA) Capital Programs Oversight Committee

1. Authorization:

Appointing Authority: School Board

2. Charge:

Rationale: At the same time the School Board approved the Building Excellence I (BEX I) capital program bond and levy elections in 1994/1995, it included a requirement for a citizen oversight committee to oversee implementation of the program. Experience has demonstrated that a modified committee would enhance the accountability and performance of the district's Building Excellence (BEX) capital programs, as well as the Buildings, Technology and Academics (BTA) capital programs, both present and future. Because the BTA capital program now includes significant school modernization and addition projects, it is recommended that the oversight committee include the BTA capital program. Thus, the title "BEX Oversight Committee" should be changed to reflect the inclusion of the BTA program, as follows: "BEX/BTA Capital Programs Oversight Committee".

Changes to the charge include adding focus on program revenues as well as expenditures, planning for future BEX and BTA levies and the impacts of other district capital programs to the extent they affect the BEX and BTA programs, and converting the oversight committee to a standing committee of eleven (11) members with overlapping terms, to provide continuity. The priority will be to ensure that the BEX and BTA capital programs support the three major goals of the district's Strategic Plan: 1) Ensure educational excellence and equity for every student, 2) improve systems districtwide to support academic outcomes and meet students' needs and 3) strengthen school, family and community engagement.

Responsibilities and scope of review: The BEX/BTA Capital Oversight Committee will receive periodic briefings by SPS capital projects staff and be asked to comment upon, and make recommendations concerning, progress of the BEX and BTA capital programs. The committee will also oversee the planning, prioritization and implementation of current and future BEX and BTA programs and make recommendations as to the identity, scope and priority of projects to be included in future BEX and BTA capital levies. The committee will monitor the implementation of all approved projects and make recommendations for compliance with goals, priorities, scope, budget, schedule, revenue and other significant factors. A separate committee will oversee the implementation of

the identified technology projects included in either capital levy.

Meeting schedule: Monthly meetings - or more often as required. Because this is a volunteer committee and vacancies occur and are not always promptly filled, the requirement for a quorum is reduced. A quorum shall be at least fifty percent (50%) of the active membership of the committee, but not less than six (6) members.

Manner and timing of the expected work product: Responsibilities include, but are not limited to, regular comments and recommendations to staff regarding all facets of the BEX and BTA capital programs with the submission of semi-annual reports to the School Board.

Term of the committee: The term will be for the duration of the BEX and/or BTA capital programs.

Length of term of individual members: Four (4) years.

Staff support required: Regular attendance by the Director of Capital Projects and Planning and the Director's staff. The Director and staff will provide copies of documents and prepare reports as requested.

Reporting relationship: To the School Board.

Staff contact: The primary contact is the Director of Capital Projects and Planning. The secondary contact is the Associate Superintendent of Facilities and Operations.

3. Member Selection and Qualifications

Number and qualifications of committee members: Familiarity with capital programs components, such as planning, budgeting, cost estimating and controls, organization and management of public agency capital programs, and public and media relations skills are desirable. Committee members should represent one or more of the following areas: architects, construction managers, attorneys, contractors and subcontractors, parents, and others as appropriate. Two School Board Directors should be members of the committee, but no other district employees. The two School Board Directors are in addition to the eleven (11) committee members.

Ethics: Members shall not have any direct or indirect financial interest (except a "remote interest" as defined by RCW 42.23.040), in any contract, purchase of materials, or activity financed from school district funds. Members shall not participate in any action involving a matter in which the individual has a remote interest as defined by state law, nor shall any member seek to influence any other member of the committee or district staff with respect to any such matter. All direct and indirect financial interests, including remote interests,

shall be disclosed in writing to the district promptly upon the member's discovery of the interest.

Selection process: The nine (9) members of the existing BEX Oversight Committee will continue to serve respective two (2) or four (4) year terms on the newly named committee as designated by the Chair of the Committee. Two (2) additional members will be selected by the Board of Directors to terms of two (2) and four (4) years, in order to provide overlapping terms. Members are eligible to serve more than one (1) term.

Final selection will give consideration to those community members and groups who have not historically been active or represented in district decision-making processes, as well as representation by individuals of differing gender, ethnicity, race, age, geography and stakeholder interest groups.

Public notice: None required for existing appointments. New appointments should be advertised via district website, Seattle Council of PTSA, community organizations, applicable trade magazines and groups, district stakeholder contact lists, as appropriate.

Committee orientation: None required.

~~December 16, 2011~~ January 2018

Charge

Building Excellence (BEX) and Buildings, Technology and Academics (BTA) Capital Programs Oversight Committee

1. Authorization:

Appointing Authority: School Board

2. Charge:

Rationale: At the same time the School Board approved the Building Excellence I (BEX I) capital program ~~bond and levy elections in 1994/1995~~, it included a requirement for a citizen oversight committee to oversee implementation of the program. ~~Since that time,~~ ~~e~~Experience has demonstrated that a modified committee would enhance the accountability and performance of the ~~d~~District's ~~entire~~ Building Excellence (BEX) capital programs, as well as the Buildings, Technology and Academics (BTA) capital programs, both present and future. Because the BTA capital program now includes significant school modernization and addition projects, it is recommended that the oversight committee include the BTA capital program. Thus, the title "BEX Oversight Committee" should be changed to reflect the inclusion of the BTA program, as follows: "BEX/BTA Capital Programs Oversight Committee".

Changes to the charge include adding focus on program revenues as well as expenditures, planning for future BEX and BTA levies and the ~~Building excellence levies~~, impacts of other ~~d~~District capital programs to the extent they affect the BEX and BTA programs, and converting the oversight committee to a standing committee of eleven (11) members with overlapping terms, to provide continuity. The ~~priority will be~~ ~~focus will remain, however,~~ to ensure ~~assure~~ that the BEX and BTA capital ~~uilding Excellence p~~Programs supports the three major goals of the district's Strategic Plan: 1) Ensure educational excellence and equity for every student, 2) improve systems districtwide to support academic outcomes and meet students' needs and 3) strengthen school, family and community engagement.~~academic achievement in the schools.~~

Responsibilities and scope of review: The BEX/BTA Capital Oversight Committee will receive periodic briefings by SPS capital projects staff and be asked to comment upon, and make recommendations concerning, ~~for~~ progress of the BEX and BTA capital ~~uilding Excellence p~~Programs, ~~and the District's other capital programs, to the extent they affect BEX projects.~~ The committee will also oversee the planning, prioritization and implementation of current and future BEX and BTA programs and make recommendations as to the identity, scope and priority of projects to be included in

future BEX and BTA capital levies, etc. The committee will monitor the implementation of all approved projects and make recommendations for compliance with goals, priorities, scope, budget, schedule, revenue and other significant factors. A separate committee will oversee the implementation of the identified technology projects included in either capital levy.

Meeting schedule: Monthly meetings - ~~(or more often as required)~~. Because this is a volunteer committee and vacancies occur and are not always promptly filled, the requirement for a quorum is reduced. A quorum shall be at least fifty percent (50%) of the active membership of the committee, but not less than six (6) ~~three~~ members.

Manner and timing of the expected work product: Responsibilities include, but are not limited to, ~~r~~Regular comments and recommendations to staff regarding all facets of the BEX and BTA capital programs with the submission of ~~conduct of the BEX Program, with~~ semi-annual reports to the School Board, ~~more often as appropriate~~.

Term of the committee: The term will be for the duration of the BEX and/or BTA capital programs. ~~As long as the Building excellence Program continues in effect.~~

Length of term of individual members: Four (4) years.

Staff support required: Regular attendance by the Director of Capital Projects and Planning and the Director's staff. ~~Facilities Director or Senior Capital Manager, with additional staff attendance as necessary.~~ The Director and sStaff will provide copies of documents and prepare reports as requested.

Reporting relationship: To the School Board.

Staff contact: The primary contact is the Director of Capital Projects and Planning. The secondary contact is the Associate Superintendent of Facilities and Operations. ~~Regular contact is the Facilities Director. Contact Superintendent or Chief Operating Officer as necessary.~~

3. Member Selection and Qualifications

Number and qualifications of committee members: ~~(As oversight committee, should not include any district employees, although they are welcome to attend meetings)~~. Familiarity with large capital programs components, ~~activities~~ such as planning, budgeting, cost estimating and controls, organization and management of public agency capital programs, and public and media relations skills are desirable. Committee members ~~Individuals~~ should represent one ~~1~~ or more of the following areas: architects, construction managers, attorneys, contractors and subcontractors, parents, and others as appropriate. Two School Board Directors should be members of the committee, but no other district employees. The two School Board Directors are in addition to the eleven (11) committee members.

Ethics: Members shall not have any direct or indirect financial interest (except a “remote interest” as defined by RCW 42.23.040), in any contract, purchase of materials, or activity financed from sSchool dDistrict ~~capital~~ funds. Members shall not ~~decline to vote on or~~ participate in any action involving a matter ~~official District business~~ in which the individual has a remote interest as defined by state ~~statute~~ law, nor shall any member seek to influence any other member of the committee or district staff with respect to any such matter. All direct and indirect financial interests, including remote interests, shall be disclosed in writing to the district promptly upon the member’s discovery of the interest. ~~as amended from time to time, provided, that members already serving on the Oversight Committee on April 1, 2011 shall not be in violation of such requirements solely by reason of their interest in contracts for services for the District’s Buildings, Technology and Academics (BTA) Levy, or as a project neutral, provided that any such interests are disclosed and the member does not vote on or participate in any discussion with respect to such contracts and related projects~~

Selection process: The ~~current five (5)~~ nine (9) members of the existing BEX II Oversight Committee will continue to serve respective two (2) or four (4) year terms on the newly named committee as designated by the Chair of the Committee. Two (2) ~~,with terms from 2 (two) to 4 (four) years. Six (6)~~ additional members will be selected by the Board of Directors to ~~,with terms of two (2) and three (3) to~~ four (4) years, in order to provide overlapping terms. Members are eligible to serve more than one (1) term.

Final selection will give consideration to those community members and groups who have not historically been active or represented in dDistrict decision-making processes, as well as representation by individuals of differing gender, ethnicity, race, age, geography and stakeholder interest groups.

Public notice: None required for existing appointments. New appointments should be advertised via dDistrict website, Seattle Council of PTSA ~~(to forward to all site councils and building leadership teams)~~, community organizations, applicable trade magazines and groups, dDistrict stakeholder contact lists, as appropriate. ~~(called the Key Connectors list in 2011)~~

Committee orientation: None required.

BEX Oversight Committee Report to Board of Directors
John Palewicz, Committee Chair

December 7, 2017

1. Committee Members

- Freeman Fong Architect, Freeman Fong Architecture
- Steve Goldblatt Professor Emeritus, Construction Management, UW
- Duncan Griffin Architect, Principle NBBJ
- John Palewicz Architect, Major Projects Director, UW, Retired
- Richard Prentke School construction attorney, Perkins Coie
- Ed Schwartz General Contractor
- Rob Stephenson Development Manager, Seneca Group
- Steve Tatge Architect, Executive Director, Major Projects, UW
- Daniel Williams Architect, DWA design

2. Meetings

Since my last report November 17, 2016, the Committee has met monthly, except August, to review the planning and development status of projects that are part of BEX IV. We have also reviewed the closing out of the BEX III program. We meet for two hours and typically spend half the time reviewing current projects and the overall program budget, with an emphasis on discussing current critical issues, and the second half discussing specific and overall aspects of the program.

3. Project Status Reports

The committee, rather than receive a review of each BEX project at the meetings, discusses significant identified issues for particular projects. This focusing will allow us to spend the time to understand the critical issues and provide our input. The committee members do read the monthly status reports before the meeting and can bring questions to the meeting.

4. Financial Reports

The committee is reviewing and commenting on the monthly financial reports for both BEX III and BEX IV. These reports are distributed directly to the committee members.

5. Project Reviews

The Committee reviews and comments on the design presentations, typically given by the architect, project manager and sometimes the school's principal. We provide comments but do not approve or give direction on the design.

- a. Ingram High School Addition – Design (April)
- b. Bagley Elementary School Addition – Design (May)
- c. Olympic Hills Elementary School - Tour (June)

6. Other Topics

- a. **New Projects Completion:** At the start of each of the last two school years, SPS has opened 5 new schools, plus in 2017 two remodeled existing schools were opened. It

seems that in both years the schools were opened very successfully, on time and ready for students. This is an amazing accomplishment for the everyone involved in the BEX IV Program. The capital projects delivery team has again demonstrated their expertise as a mature and well-functioning organization.

- b. **Lessons Learned:** The capital projects team was asked to compile a list of lessons learned, both what went well and areas for improvement. The Committee was impressed with the thoroughness and objectivity of this review and we spent parts of three meetings discussing these items.
- c. **Overall Program Budget:** At each meeting, the program budget is reviewed and discussed first thing. Each component of the BEX IV may be over or under its allocated budget, but the overall program scope and budget needs to be met. Currently 58% of the program budget has been expended, but 88% of the program contingency (\$30.2 Million of \$34.4 Million) has been used. This raises a serious concern about having enough contingency funds to meet future unforeseen conditions; the Committee is concerned about funding for any added additional project work or scope.
- d. **Closing Out Projects:** A major difficulty with all capital projects is closing out the project budget. Projects tend to stay active for a long time, sometimes many years, as changes and refinements are added, draining project funds. The Committee recommendation is to close the budget after one school year, allowing the building to cycle through the school year and seasons to test the design and systems but avoid the continual financial drain of adding in additional work. This will also allow any project savings to be used to replenish the program contingency.
- e. **Construction Costs and Escalation:** At the July meeting, a panel of contractors and cost estimator discussed costs in the construction market. They all recognized the busy Seattle area market and projected that costs will continue to rise over the next few years. Of concern for BEX V is how to accommodate these hard to determine future costs for construction in the 2020 to 2025 time frame.
- f. **Use of GC/CM:** The district is increasing the use of the alternate project delivery method known as general contractor/construction manager (GC/CM) in which the general contractor is picked, largely on qualifications, early during the project design to help the project be successful. The majority of the Committee members, particularly those with experience in complicated public projects, strongly endorse this method. Another successful project delivery, Design-Build (DB) was presented and discussed. Though not as widely used for school projects, it offers benefits with sub-contractor selection and utilization as well as determining construction costs earlier in the design phase.
- g. **Passive Design and Energy Use:** A strong emphasis from the Committee has been designing schools to be efficient in energy use, which is measured by Energy Use Intensity (EUI), expressed in energy used per square foot of building. The Committee has asked that this be calculated and presented for recent projects as a learning tool to see how successful recent schools have been.