

**FI (10) Work Step**

Conduct appropriate investigative steps to test a sample of change orders to assess for appropriate Board approval

**Results of Testing****(A) Historical Change Order Review and Approval Process****Related Allegations**

COA (3) - Change orders are not approved by Board.

COA (4) – Has the District had a process in place to analyze and question change orders before approving?

**Results of Work Performed****Board Approval**

VLS selected a sample of 98 historical change orders and add-services to determine whether the items were approved by the Board.<sup>426,427</sup> The sample was selected from the period July 2009 through June 2015.<sup>428</sup> The results of testing are as follows:

- Ninety-six change orders and add-services were approved by the Board.<sup>429</sup>

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<sup>426</sup> The District is not able to run one report to produce all historical change orders and add-services. A report from Primavera with historical change order information was provided; however, the use of Primavera was implemented in recent years. Additionally, most professional services contracts are not entered into Primavera. The only other listing the District could provide was the change order summary and professional service contract summary that are presented to the Board in each Board packet. Because the purpose of this testing was to determine whether change orders were approved by the Board, VLS used the Primavera report provided to select the sample.

<sup>427</sup> When presented to the Board, all change orders and professional service contracts are listed in summary tables that are included in the agenda packet and are listed as consent items. Change orders and professional services contracts are presented separately. Additionally, the summary table included for professional services contracts includes new contracts as well as add-services, and there is no easy way to distinguish between a new contract or add-service. Because these are presented as consent items, the Board ratifies the approval of change orders and add-services. For purposes of this analysis and discussion, VLS uses the term “approve” or “approval” to indicate the Board action that is taken.

<sup>428</sup> The Primavera report included change order information going back to May 2009.

<sup>429</sup> VLS selected 58 change order line items from the Primavera report provided. Two of the line items selected included multiple separate change orders that were consolidated into one line item when entered into Primavera. VLS tested all of the change orders related to these two line items, which accounted for 42 change orders.

- Two add-services appeared to have information in Primavera that was inconsistent with the actual approvals by the Board. The dates listed in Primavera were subsequent to when the work was performed by that vendor for that particular contract, and the District was unable to provide an explanation as to the reason for the difference. Additionally, the add-service amounts listed in Primavera were less than the Board approved amounts. However, the revised contract amount reflected in Primavera, after adding the add-service, was close to the total amount approved by the Board.<sup>430</sup> The Board approved items and the information in Primavera appears to be for the same contract and add-service; however, because of the discrepancies noted, VLS is unable to conclude this with absolute certainty.

The information presented to the Board for professional add-services is limited and they are presented along with new professional service contracts. See an example of the summary schedule used at **Exhibit F110-01**. The summary does not consistently include a contract number, and there is no clear way to distinguish between new contracts and add-services. In some cases, a “Reference” column will include the language “additional,” which would likely indicate an add-service.

The most recent summary provided to the Board on 7/20/2016 (**Exhibit F110-02**) includes slightly more information than the summary provided in the past; however, there are still limitations to the information presented. See recommendation TC13-9 related to improvements in the information presented to the Board for professional add-services.

#### Change Order Review Process<sup>431</sup>

A proposed change order summary is prepared for each request from a contractor for increased fees. If the proposed change order is approved, it is converted into a change order. Multiple proposed change orders can be packaged into one single change order for approval (for the same vendor and contract). Both the proposed change order summary form and change order form have designated spots for certain SGI and District signatures (see example change order packet included at **Exhibit F110-03**).

In order to gain an understanding of the approval process used for proposed change orders and change orders prior to 7/1/2015, VLS requested that the District provide process and procedure documents that explain the historical process used. The District informed VLS that they did not have historical process and procedure documents related to the approval of change orders. It was suggested by the District that the Bond Program Manager, Karim Nassab, of SGI would have more information regarding the processes used to approve change orders prior to 7/1/2015.

<sup>430</sup> For one add-service, the total amount approved by the Board was \$360,000 and the revised contract amount in Primavera was \$352,675. For the other add-service, the total amount approved by the Board was \$146,500 and the revised contract amount in Primavera was \$149,123.

<sup>431</sup> This section discusses change orders only and does not include professional add-services.

Karim Nassab verbally explained the processes used by the two previous Chief Engineering Officers, Magdy Abdalla, who was in this position from October/November 2011 through December 2014, and Bill Savidge, who was in this position from August 2003 through October 2011.<sup>432</sup> The process used by each was different and Mr. Nassab felt that Mr. Abdalla was much more involved in the change order approval process than Mr. Savidge.

According to Mr. Nassab, under Mr. Savidge, the proposed change order approval process was more informal and took place in a weekly team meeting with a change order committee. This committee consisted of Mr. Savidge, Mr. Nassab, and the SGI Construction Manager and District Project Manager that were assigned to the project. The Construction Managers would bring the documents supporting the proposed change orders, and the documents would be discussed. There was no signature form or any other physical documentation that the meeting and approval had occurred. Mr. Savidge would verbally approve the proposed change orders and they would be combined into a change order packet, which would be routed through the normal change order approval process and ultimately taken to the Board for approval.

According to Mr. Nassab, under Mr. Abdalla, the proposed change order approval process changed to a more regimented process. The SGI Construction Manager would bring the proposed change order documentation and support to the Deputy Program Manager (SGI), who would then bring the documentation to Mr. Abdalla once a week. Mr. Abdalla would review the proposed change orders and, if he approved them, he would initial the proposed change order on the top corner. The approved proposed change orders would then be combined into a change order packet, which would be routed through the normal change order approval process and ultimately taken to the Board for approval.

The results of testing showed the following:

- For the time period that Mr. Savidge was the Chief Engineering Officer, VLS was unable to verify this verbal approval process of the proposed change orders by Mr. Savidge as there is no documentation that this occurred. Additionally, the change orders approved under Mr. Savidge did not contain the proposed change order summary form (see **Exhibit F110-04** for an example of a change order approved under Mr. Savidge).<sup>433</sup> Although it appears that an alternate form was sometimes used (called a PCO Justification), the location for the District representative signature was not signed.

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<sup>432</sup> These dates were provided by Mr. Abdalla and Mr. Savidge during their interviews in Phase I. Mr. Savidge was in the role of Chief Engineering Officer his entire time with the District. Mr. Abdalla started with the District in April 2011 as the Director of Facilities. After Mr. Savidge left, Mr. Abdalla filled the role of Chief Engineering Officer in approximately October/November 2011.

<sup>433</sup> It appears that the use of this form was implemented around the time that Mr. Abdalla became the Chief Engineering Officer.

- For the time period that Mr. Abdalla was the Chief Engineering Officer, VLS reviewed the proposed change orders for the signature or initials of Mr. Abdalla. VLS was able to verify what appeared to be Mr. Abdalla's signature/initials on some of the proposed change orders. The example change order packet included at **Exhibit FI10-03** includes a proposed change order summary sheet with what appears to be Mr. Abdalla's signature near the top-left of the document. Not all change orders selected for testing included the proposed change order summary in the packet.<sup>434</sup>
- For the period under Mr. Abdalla and the current Chief Engineering Officer, the same change order and proposed change order forms were used for the historical sample selected as were observed during the Test of Controls portion of testing (see TC (13) Section).
- If there was a proposed change order form attached to a change order, the SGI Construction Manager would usually sign the document; however, a District representative did not consistently sign this document.
- Once the proposed change orders were packaged into a change order, the General Contractor, SGI Construction Manager, Architect of Record, and Bond Program Manager would sign the change order document prior to it going to the Board for approval. After Board approval, the Chief Engineering Officer and the Associate Superintendent of Operations and Bond Program would sign the change order document.

Based on the testing performed, the signatures on the change orders and proposed change order cover sheets were sporadic in their completeness, similar to the beginning months of the Test of Controls period (see TC (13) Section).

### **Conclusion**

Based on the testing performed, change orders and add-services were being presented to the Board for approval. In two instances, VLS is unable to fully conclude that the add-services presented to the Board represented the add-services selected for testing as there were inconsistencies between the information in Primavera and the information presented to the Board.

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<sup>434</sup> The proposed change order summary form includes a location for the Chief Engineering Officer's signature; however, this was often left blank.

**(B) Gompers/Greenwood Construction Change Orders**

This section is included, although not a part of the original work step, because of additional information communicated to VLS by third-party sources during Phase II interviews. VLS has determined that it is important that this information be communicated to the District. A detailed investigation of all change orders on the Gompers/Greenwood project was not part of the scope of Phase II, although VLS attempted to gather as much information as possible to present to the District.

**Related Allegations**

COA (5) - Change orders will be greater than what was communicated by the SGI Construction Manager.

COA (7) - A change order was processed as a settlement to a contractor; therefore, the amount paid to the contractor is not captured as change orders (Greenwood project).

**Results of Work Performed**

The Sylvester Greenwood Academy, originally called the Gompers Continuation High School (construction project #3581366-05) began in July 2012 and continued through February 2016. VLS refers to this project as the Gompers/Greenwood project.

During Phase I interviews, the allegations communicated to VLS related to the Gompers/Greenwood project were:

- SGI was not submitting change orders on the Gompers/Greenwood project through Primavera as required by the District.
- SGI delayed processing change orders on the Gompers/Greenwood project, so there was a “build-up.” Because change orders took so long to come forward, the District negotiated a settlement. The settlement was done part-way through the project rather than at the end.
- The District did not process the settlement as a change order, so it will not “show up.”

During interviews conducted in Phase II, VLS inquired about the delay in submitting and processing change orders for the Gompers/Greenwood project. According to sources outside of the District, one of the issues with change orders on this project was that the most recent SGI Construction Manager, Gregory Smith, entertained some change orders from the General Contractor that should not have been, as outlined further below. During the course of this project, there were two different SGI Construction Managers. Tim Peel was the Construction

Manager from the start of the project through 8/14/2013.<sup>435</sup> From 8/15/2013 through the project's close in early 2016, Gregory Smith was the Construction Manager.

The following paragraphs summarize the statements made to VLS regarding the Gompers/Greenwood project change orders. These are not direct quotes and may include paraphrasing by VLS. Where possible, VLS attempted to use the same wording/phrasing as stated by the interviewee.

#### Individual with Knowledge of the Project #1 – First Interview

VLS interviewed this individual in person on 5/25/2016. This individual has knowledge of this project for the period from approximately February 2014 through September/October 2015 and was on the site full-time during this time. This individual communicated the following to VLS:

- Mr. Smith preceded this individual on the project by a short period of time.
- The main person responsible for justifying the appropriateness of a change order was the SGI Construction Manager, who was more involved in the negotiation of the change order on behalf of the District.
- Mr. Smith was entertaining anything that the contractor came forward with. There were many change orders that this individual thought SGI did not have to entertain. Ultimately, it was the Construction Manager's call.
- When this individual pointed out that some change orders were from two years prior, Mr. Smith told this individual that they were going to entertain them and it was their call.
- This individual felt that Mr. Smith had a sympathetic ear for the General Contractor.
- This individual recalled advising Mr. Smith that he could say "no" because something was already in the construction documents.
- This individual did not know why Mr. Smith was entertaining so many change orders from the General Contractor. When questioned about it, Mr. Smith said that he had to "pick his battles."
- This individual recalled that SGI put an additional person on the project for the last nine months to a year of construction. This person's role was to assist Mr. Smith with

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<sup>435</sup> According to SGI invoices and the hours billed for Mr. Peel and Mr. Smith.

processing change orders. Some weeks this person was on site full-time and other weeks this person spent a little time working on other projects.

#### Individual with Knowledge of the Project #2

VLS interviewed this individual by phone on 6/21/2016. This individual has knowledge of this project for the full duration of the project. In addition to the information shared below, this individual has additional documentation and information that could further identify questionable change orders. According to this individual, gathering this documentation would take significant time and this individual expects compensation for this time. Consequently, no further information or records were provided by this individual to VLS. This individual communicated the following to VLS during a phone call on 6/21/2016:

- This individual was not formally involved in the review and approval of change orders; however, this individual would provide an opinion if Mr. Smith asked. Ultimately, Mr. Smith would resolve change orders with Andrew Mixer, the District's Project Manager, and the District.
- Mr. Peel was not receptive to change orders and would argue with the General Contractor. This individual recalled that Mr. Peel said change orders were very low, less than 0.5%.
- Mr. Smith was very liberal when it came to approving change orders, and he tended to side with the General Contractor. This individual believed that change orders ended up totaling 7.5% to 8.0% by the end of the project.
- As a rule of thumb, new construction should have change orders in the range of 3.0% to 5.0%.
- The General Contractor brought forward change orders that Mr. Peel had previously rejected. In the last year, the General Contractor went all the way back to the Request for Information (RFI) to find anything that they could recover.
- In this individual's experience, the contract specifications give contractors up to 30 or 60 days to submit a claim. That was not in the front-end documents for this project.
- This individual believes that there were many change orders that were paid that were unfounded. One example was the pouring of a flag pole that was done without an inspection. It had been poured without rebar. It had to be excavated and replaced. This happened at Building A. Mr. Smith approved the change order to replace the flagpole, which this individual said was the contractor's mistake. This individual believed the

change order amount was \$20,000 to \$30,000.<sup>436</sup> There were several other change orders like this, but this individual would have to review project documents to identify them.

- Mr. Smith told this individual that he approved these change orders in order to keep open communication with the General Contractor.
- When asked why the District would have let these change orders be approved, this individual indicated that Mr. Smith was in control of what was presented to the District and the Project Manager, and Mr. Smith presented information that favored the contractor.

#### Project Manager – Current District Employee

VLS interviewed the Project Manager in person on 7/6/2016. This was the District Project Manager assigned to the Gompers/Greenwood project. The Project Manager communicated the following to VLS:

- The Project Manager became more actively involved in the Gompers/Greenwood project approximately six months after construction started when Mr. Abdalla directed the Project Managers to be more involved with the projects. That was when the Project Managers started attending the weekly meetings with SGI and the Architect of Record.
- The Project Manager did not direct the General Contractor's work but expressed comments and opinions as the District's representative on site. The actual work was being directed and handled by SGI. The Project Manager was involved in the meetings, with approving change orders, and being knowledgeable about the project.
- According to the Project Manager, each change order was different. It was not a situation in which Mr. Smith came in and started approving them. Some of the change orders that were approved by Mr. Smith had previously been rejected by Mr. Peel, but they did not go away. When a change order has not been approved or rejected and dropped, it is an open change order.
- Mr. Smith managed the whole process of the outstanding change orders and brought the project to a financial conclusion. There were a lot of intense meetings regarding this matter.

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<sup>436</sup> VLS attempted to identify this change order for further analysis but was not successful. VLS would require additional information from this individual in order to identify this change order.



- The District seeks the approval of the Architect of Record but is not required to have it before moving forward with a change order. The Project Manager recalled that there were instances in which the Architect of Record disagreed with a change order and said the item was in the drawings. According to the Project Manager, there is a difference of opinion on whether something is in the drawings and the completeness of the drawings.
- The Project Manager acknowledged that the change orders cost the District money; however, he did not believe that it cost the District money “unnecessarily.”
- The Project Manager indicated that there was a process for fully vetting change orders and an estimator was used by the District.
- The Project Manager believes that SGI was not sharing everything with the District, but he does not know that SGI was intentionally withholding information from the District.

#### Chief Engineering Officer – Current District Employee

VLS interviewed the current Chief Engineering Officer in person on 7/7/2016. The current Chief Engineering Officer has been in this role since mid-October 2014. The Chief Engineering Officer communicated the following to VLS:

- Mr. Peel was the Construction Manager on the project prior to the current Chief Engineering Officer; therefore, he was not able to speak to Mr. Peel’s time on the project.
- As projects wrap-up, change orders come up. As this project was wrapping up, change orders kept coming forward.
- The District started talking with the General Contractor regarding the change orders on this project starting in spring of 2015.
- The project was bid at a time when the market was at its lowest. The General Contractor had experienced losses through failed subcontractors, and they had to go get bids for those failed subcontractors. The names of a few failed subcontractors were provided. The Chief Engineering Officer acknowledged that it was not the District’s problem, but it was what the District was dealing with.
- The General Contractor had originally planned for a 24-month construction period. It ended up being 30 to 36 months.

- For this project, the District was willing to talk through these things with the General Contractor and reach a settlement. The Chief Engineering Officer did not believe the District “gave away the farm.”
- The Chief Engineering Officer believes that Mr. Smith did a great job in trying to understand the potential risk.
- There were times that the Architect of Record did not agree with the change orders but they were still processed. The architect may say that an item is in the drawings, but when the drawings are reviewed, there is some ambiguity and it cannot be proven. The District has to make a management decision.
- On this particular project, the District shared some costs related to the woodworking subcontractor that went bankrupt. The District had a commitment to open the school. It was a tight deadline and the District had already made the commitment to move. The District started to negotiate because things started to slow on the project. The General Contractor had cash flow problems. All of these factors came into play.
- When asked if the District entertained change orders to keep things moving forward, the Chief Engineering Officer responded affirmatively. There would have been delay claims and the District was trying to manage that.
- The delay in the processing of change orders did not have anything to do with the two different SGI Construction Managers. Early in a project, it is easy to deny change orders; however, they sometimes come back.
- The District set the framework and talked globally about the issues on the project. It was Mr. Smith and the General Contractor’s Project Manager that negotiated the change orders.
- Once a change order gets to the Chief Engineering Officer, it has usually been fully vetted.

#### Individual with Knowledge of the Project #1 – Second Interview

VLS interviewed this individual by phone on 7/27/2016, and the individual communicated the following to VLS:

- This individual confirmed that the District paid extra to help the General Contractor when there was a subcontractor that went out of business, when the General Contractor was low on capital and needed to “jump start” the project, for mistakes made by the subcontractors, and for coordination problems that were the responsibility

of the General Contractor. There were also legitimate change orders for additional scope of work, but there were a lot of change orders paid for which the District did not get added value.

- This individual stated that the change order documents (including proposed change order documentation) included descriptions stating that the change orders were to help the cash flow of the General Contractor or for subcontractors that had failed.
- This individual felt that Mr. Peel was looking out for the District’s best interests, and Mr. Smith sided with the General Contractor. This individual thought that Mr. Peel would intervene at some point because he became Mr. Smith’s supervisor, but he never did.
- Change orders that were rejected by Mr. Peel came back under Mr. Smith. This individual felt that they had legitimately been rejected and were closed.
- This individual believed that SGI did not meet the expectations of a “strong” construction management firm.
- The 36-month project was rushed at the end, and the General Contractor’s coordination was to blame.
- It is this individual’s recommendation that the change orders for this project be reviewed.

VLS identified the approved change orders for the Greenwood/Gompers project and performed limited analysis related to the allegations and statements made by interviewees. VLS observed the following:

- There were a total of 94 change orders approved for this project, which totaled \$3,689,508. The original construction contract amount was \$53,887,350; therefore, change orders totaled approximately 6.84% of the original contract.<sup>437</sup> See **Exhibit FI10-05** for a list of all the change orders.
- The volume of change orders approved under the two SGI Construction Managers was vastly different in both quantity and amount. While Mr. Peel was the Construction Manager, a total of 12 change orders were approved. These change orders amounted to \$29,749, which was less than 0.01% of the original contract price. While Mr. Smith was

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<sup>437</sup> This excludes a final settlement approved on 7/20/2016 for \$231,500.

the Construction Manager, a total of 82 change orders were approved. These change orders totaled \$3,659,759, which was 6.79% of the original contract price.<sup>438</sup>

- Most construction managers will attempt to keep total change orders under a couple percentage points.<sup>439</sup>
- As identified in the FI (9) Section, there were several negotiated settlement-type payments made during the course of the project (December 2014 through December 2015).
- Generally, the proposed change orders were signed by the Construction Manager (Mr. Peel or Mr. Smith), the estimator, and the Chief Engineering Officer (if the proposed change order was over \$20,000).
- VLS performed a review of a sample of the change orders and proposed change orders that were approved to attempt to identify any language that indicated the purpose was to assist the General Contractor with cash flow or due to failed subcontractors, as stated during interviews conducted. VLS did not identify this language in any of the documents reviewed.<sup>440</sup>

Based on VLS's experience in construction, it would not be appropriate or a prudent business practice to pay contractors to assist with cash flow problems or failed subcontractors, for the mistakes of the contractor/subcontractors, or for contractor coordination problems. When using the general contractor delivery method for construction projects, the general contractor is responsible for coordinating subcontractors and ensuring the accuracy of their work. If a subcontractor fails due to a struggling economy or low bid prices, this is typically the general contractor's responsibility. One of the claims made by the District was that the negotiations occurred to prevent delay claims. However, delays of subcontractors typically fall under the responsibility of the general contractor if they relate to coordination problems. When the District retains a construction management firm that serves as the construction manager on the

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<sup>438</sup> VLS determined which change orders were approved by Mr. Peel and Mr. Smith based on the time periods presented above and a review of the signatures on the change order documents.

<sup>439</sup> This is based on VLS experience. The most important component of a change order is that it provides added value to the owner, is not a result of architect error/omission, and is not the result of contractor/subcontractor mistakes. Added value, unforeseen circumstances, and other owner-directed changes will lead to a higher percentage of change orders.

<sup>440</sup> VLS reviewed the description on the change order form and the descriptions included on the list of proposed change orders. VLS did not read every page included in the change order packet as some of the packets contained over 200 pages.

job site, it is the construction manager's responsibility to represent the District in all matters related to the project.<sup>441</sup>

The allegation that Greenwood/Gompers change orders were paid as settlements is addressed in the FI (9) Section.

### **Conclusion**

The allegations that SGI was holding back or under-reporting change orders on the Gompers/Greenwood project may actually be an issue of inappropriate change orders that were entertained by the SGI Construction Manager. Based on the statements made by the Architect of Record and the Inspector of Record, both of which are sources outside of the District and SGI, there may be change orders that were approved that were not appropriate. Based on statements made by District employees, it appears that the District may not be aware of change orders submitted by the General Contractor and SGI Construction Manager that were due to contractor/subcontractor error or coordination problems. Additionally, the District negotiated certain change orders that it may not have been legally obligated to pay in order to assist the General Contractor with failed subcontractors and cash flow problems. However, this is based on verbal statements, and VLS has not been provided with evidence to support this claim.

Additional investigation and review of the change order documents on this project would be required to quantify the change orders that may be due to contractor/subcontractor errors and coordination problems. This would require the assistance of the Inspector of Record as he has claimed to have records that support his claims. These claims appear to be corroborated by the fact that the total percentage of change orders approved while Mr. Smith was the Construction Manager was 6.79%.

A detailed investigation of all change orders on the Gompers/Greenwood project was not part of the scope of Phase II, although VLS attempted to gather as much information as possible to present to the District.

See recommendations FI10-1 and FI10-2 related to this area.

### **Recommendations**

See the TC (13) Section for recommendations related to the change order and add-service review and approval process.

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<sup>441</sup> These statements are the opinion of VLS based on experience within the construction industry and the general understanding between districts, general contractor firms, and construction management firms. Whether the District has any legal claims would require a thorough review of the contracts and a legal opinion.

FI10-1. The District should consult with legal counsel to determine whether further investigation is appropriate regarding the claims that change orders on the Gompers/Greenwood project were related to contractor/subcontractor mistakes and coordination problems or were inappropriate.

FI10-2. The District should consult with legal counsel to determine whether further investigation is appropriate regarding the claims that the District entertained change orders to assist the General Contractor with cash flow and the costs related to failed subcontractors.

**Response by District**

FI10-1. District agrees with recommendation to further consult legal counsel on this matter.

FI10-2. District agrees with recommendation to further consult legal counsel on this matter.

**VLS's Assessment of Response by District**

VLS has reviewed the District responses to VLS's recommendations and acknowledges the District's agreement to the recommendations made by VLS.

**FI (11) Work Step**

Conduct appropriate investigative steps to:<sup>442</sup>

- Determine whether Primavera has been fully adopted and is being updated as required **(A)**.
- Review recent projects to determine whether PCOs have been entered into Primavera **(B)**.
- Determine whether any change orders from the period when Primavera went down are currently not recorded in Primavera **(C)**.
- Determine if multiple purchase orders were created for a single contract and determine the control deficiencies that allowed this to occur **(D)**.
- Determine if the KPI and CAMP reports historically provided to the Board were inaccurate **(E)**.

**Results of Testing**

**(A) Work Step - Conduct appropriate investigative steps to determine whether Primavera has been fully adopted and is being updated as required.**

**Related Allegations**

GOV (4) - SGI was slow to adopt and enforce the use of Primavera

PAP (3) - SGI is not inputting information accurately in Primavera

**Results of Work Performed**

The Primavera software is the District’s project management system that includes the P6 Module and PCM Module (see below for an explanation of these modules).<sup>443</sup> Based on interviews with the District, the Primavera system is used for master scheduling and tracking of project information. Additionally, the District obtains reports (such as the Change Order Log, the Proposed Change Order Log and Status Reports) from Primavera that are used to review the potential risk of projects related to the project objectives in terms of time and cost. The Primavera modules are explained below.

- The **P6 Module** is used for planning, managing, and scheduling projects and programs. The Master Scheduler creates a “Master Schedule” for a bond project, which enables the District and construction management firm to envision and assess the impact of their decisions on a project. A Master Schedule consists of several project activities

<sup>442</sup> The letters included in parenthesis after each sentence provides a reference to the applicable section within this work step.

<sup>443</sup> The District’s Primavera software license will expire in December 2016.