

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

**MEASURES D AND J
MIDYEAR REPORT
DECEMBER 31, 2009**

JUNE 15, 2010



**TOTAL SCHOOL SOLUTIONS
4751 MANGELS BOULEVARD
FAIRFIELD, CA 94534**

West Contra Costa Unified School District

BOARD OF EDUCATION

December 31, 2009

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INTRODUCTION

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a bond measure to authorize the sale of \$300 million in bonds to improve school facilities. The measure was approved by 71.6 percent of the voters. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

Subsequently, on November 8, 2005, the West Contra Costa Unified School District submitted for voter approval another bond measure, Measure J to authorize the sale of \$400 million in bonds to improve school facilities. The Measure J was approved by 56.85 percent of the vote. Because the bond measure, like Measure D mentioned in the preceding paragraph, was placed on the ballot in accordance with Proposition 39, it also required 55 percent of the vote for passage.

Article XIII of the California State Constitution requires an annual independent performance audit of Proposition 39 bond funds. The District engaged the firm Total School Solutions (TSS) to conduct this independent performance audit and to report its findings to the Board of Education and to the independent Citizens' Bond Oversight Committee.

Besides ensuring that the District uses bond proceeds from each bond measure in conformance with the provisions listed in the corresponding ballot language, the scope of the examination includes a review of design and construction schedules and cost budgets; change orders and claim avoidance procedures; compliance with state law and funding formulas; District policies and guidelines regarding facilities and procurement; and the effectiveness of communication channels among stakeholders, among other facilities-related issues. This midyear report is designed to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure D and Measure J, and to help the District improve its overall bond program.

This midyear review covers the Measure D and Measure J funded facilities program and related activities for the period of July 1, 2009, through December 31, 2009, documenting the performance of the bond program and reporting on the improvements instituted by the District to address any findings included in prior audit reports.

EXECUTIVE SUMMARY

This midyear report, prepared between February 2010 and April 2010, includes a review of the following aspects of the District's facilities program:

- Compliance with Ballot Language
- District and Professional Services Staffing Plan for the Bond Program
- District Policies and Guidelines for Facilities Program
- Master Architect/Engineer Plan
- Program Management
- Design and Construction Schedules
- Design and Construction Cost Budgets
- Bidding and Procurement Procedures
- Change Order and Claim Avoidance Procedures
- Payment Procedures
- Best Practices in Procurement
- Delivered Quality Control Program
- Participation by Local Firms
- Effectiveness of Communication with the Bond Program

During the development of the last annual audit, through the examination of numerous documents, interviews with personnel involved in the facilities program and the evaluation of related facilities documentation, assessments were made and conclusions were reached. These assessments and conclusions were summarized in the annual report.

Subsequently, in accordance with the scope of its assignment, Total School Solutions reviewed and examined the documentation and processes pertaining to the period of July 1, 2009, through December 31, 2009, to prepare a midyear report on the status of the facilities program. This report has been developed by applying the same methodologies utilized during the development of the annual report. The scope of this midyear review includes a follow-up on the annual report, including the findings and recommendations outlined in the annual report, and an evaluation on the status of implementation of the actions specified in the District responses.

The scope of the performance audit was defined by the management of the District. Total School Solutions performed the annual audit and prepared this midyear report of Measure D and Measure J funded projects within the District's defined scope. Any known significant weaknesses and substantial noncompliance items have been reported to the management of the District.

The midyear report provides the opportunity for the District Board, its management and its independent Citizen's Bond Oversight Committee to assess corrective actions and improvements needed in processes and procedures in their formative stages. The midyear report also serves as a mechanism for management to ensure that the annual audit report's suggestions and recommendations are implemented in a timely manner to reap the benefits of those recommendations and related District actions in the current year.

Although the midyear report mainly serves as a follow-up on the previous fiscal year's annual audit and focuses on issues identified through the assessment and examination of data from that audit, the review team has also reviewed and analyzed data in the subsequent six-month period from July 1, 2009, through December 31, 2009. This examination of more recent data is conducted in an effort to identify any areas that need the attention of District management. The midyear report provides an update of the District's effort in improving systems and controls related to the overall facilities program.

A more detailed and comprehensive discussion of the activities for the 2009-10 fiscal year, their results and their effect on the overall bond program will be presented in the annual performance audit report for fiscal year 2009-10.

DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of this December 31, 2009 midyear report is limited to Measures D and J funds, it is useful to review the history of the District's facilities program to place the current program into a more complex context.

The financial status of the District's facilities program, documented in the audits and financial reports for the past nine fiscal years, is presented in the following "Facilities Program-Financial Status" table and the accompanying "Facilities Program-Funding Resources" table. For a more detailed presentation of accounting activity, refer to the "District Accounting Funds" section following this summary as well as detailed data presented throughout this report.

From the Facilities Program tables, several trends may be noticed: 1) the outstanding bonds total has increased significantly as authorized bonds have been sold; 2) annual developer fee revenues have decreased significantly, from a high of \$10.5 million in 2003-04 to a low of \$0.8 million in 2008-09; 3) developer fee balances have decreased significantly, from a high of \$34.2 million in 2005-06 to the June 30, 2009 balance of \$4.9 million; 4) state match funds of \$19.6 million were received in 2008-09.

As of June 30, 2009, the District had a remaining authorization for the sale of \$210 million in bonds. As discussed later in this section, the District applied for, and was granted, a waiver that increased its bonding capacity limit from 2.5 to 3.5 percent of the assessed valuation. As a consequence of that waiver, the Board of Education, on July 8, 2009, authorized the sale of not-to-exceed \$160 million in Measure J bonds. Then, on July 29, 2009, the Board of Education authorized the refunding of up to \$80 million of outstanding general obligation bonds to shift obligations coming due in the next several years to later in the repayment period, thereby creating additional bonding capacity for the issuance of new bonds. As a result of these actions, the District issued \$105 million of Measure J bonds in September 2009, leaving a remaining authorization for the future sale of \$105 million in Measure J bonds.

On August 19, 2009, the Board authorized the administration to submit a state application for Qualified School Construction Bonds (QSCB) in the amount of \$25 million (non-interest bearing bonds), for which the District obtained approval. On November 4, 2009, the Board authorized the issuance of up to \$25 million of QSCB bonds and \$5 million of Measure J bonds. However, this sale had not occurred as of December 31, 2009.

Facilities Program – Financial Status

Source	Fiscal Year (as of June 30 for each Fiscal Year)								
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Bonds Outstanding ¹	\$54,340,000	\$122,450,000	\$216,455,000	\$315,155,000	\$380,634,377	\$544,027,483	\$536,503,517	\$527,016,427	\$636,220,230
Developer Fees Revenues ²	6,060,815	2,749,539	9,094,400	10,498,724	7,759,844	8,813,402	4,840,067	2,373,524	812,727
Developer Fees Ending Balance	3,526,019	1,293,876	8,928,225	21,037,513	27,533,708	34,162,499	10,730,179	4,909,598	4,869,292
State School Facilities Program New Construction Revenues ³	None	None	12,841,930	None	None	None	None	None	None
State School Facilities Program Modernization and Joint-Use Revenues ³	None	None	\$3,494,161	\$10,159,327	\$13,090,449	None	\$1,500,000	None	19,601,592

¹ Bonds authorized, sold and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2009. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal. At its meeting of June 4, 2008, the Board of Education authorized the sale of \$120 million of Measure J bonds. The issuance of \$120 million in bonds, plus the prior issuance for \$70 million, leaves a remaining authorization of \$210 million as of June 30, 2009.

² Developer fees are imposed on residential additions and commercial projects (Level 1) and new residential construction (Level 2). Total revenues include interest earnings.

³ State revenues received are discussed in detail in the section, “State School Facility Program.”

Facilities Program – Funding Resources

Bond Measure (Passage Date)	Authorized	Sold (June 30, 2009)	Outstanding (June 30, 2006)	Outstanding (June 30, 2007)	Outstanding (June 30, 2008)	Outstanding (June 30, 2009)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$33.2 million	\$32.1 million	\$30.8 million	\$29.5 million
Measure M (November 7, 2000)	150 million	150 million	145.9 million	142.8 million	139.6 million	136.3 million
Measure D (March 5, 2002)	300 million	300 million	294.9 million	291.6 million	287.1 million	282.2million
Measure J (November 8, 2005)	400 million	190 million	70 million	70.0 million	69.4 million	188.2 million
Total	\$890 million	\$680 million	\$544.0 million	\$536.5 million	\$526.9 million	\$636.2 million

District Accounting Funds

The District funds used to account for facilities revenues and expenditures are the following:

Fund	Description¹
14	Deferred Maintenance
21	Building (Including Measures E, M, D and J)
25	Capital Facilities
35	County (State) School Facilities
40	Special Reserves – Capital Outlay

¹ Refer to the following table for a detailed accounting of funds for the 2007-08 and 2008-09 fiscal years and an explanation of the use of the funds.

From the Capital Facilities Funds table, the June 30, 2009, ending balance for all funds combined was \$147,171,558. Additional revenues will be received from authorized, but unsold, Measure J bonds (\$210 million as of June 30, 2009) and projected revenues from interest earnings, developer fees, state match funds, deferred maintenance and special reserves. As reported above, the District issued \$105 million of Measure J bonds on September 30, 2009, leaving \$105 million unsold. The District does not produce detailed financial reports such as the “Unaudited actuals” as of December 31, 2009 and the CAMP report is therefore used to present a financial picture at midyear. (See sections on “Facilities Program History/Status” and “Budget and Expenditure Reports for Measures D and J” for detail.)

Because the District’s facilities program includes “anticipated projects” beyond its current ability to finance those projects, the decision to proceed with some new construction projects is dependent upon the availability of additional revenues. The District and its consultants have identified projects that fall under the following categories based on currently available resources and potential future revenues:

- Projects that include design and construction costs.
- Projects with design costs only.
- Projects that will be unfunded.

Under the worst possible outcome, only projects in the first category will be funded. In the best possible outcome, projects in the second and third categories will move into the first category. Monitoring the facilities program’s revenues and expenditures for the remainder of the current program remains of critical importance.

CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2008	Fund 14 Deferred Maint. Fund¹	Fund 21 Building Fund²	Fund 25 Capital Facilities Fund³	Fund 35 County School Facilities Fund⁴	Fund 40 Special Reserves Capital Outlay Fund⁵	Totals
Beginning Balance	\$4,061,837	\$191,878,162	\$10,730,179	\$4,853,474	\$998,210	\$212,521,862
Revenues	1,418,355	5,764,674	2,373,524	192,995	3,079,414	12,828,962
Expenditures	2,295,424	128,252,880	8,194,105	(17,716)	432,939	139,157,632
Transfers Net	1,339,820	(2,539,820)	0	0	(12,093)	(1,212,093)
Source	0	0	0	0	0	0
Net Change	462,751	(125,028,026)	(5,820,581)	210,711	2,634,385	(127,540,763)
Ending Balance	\$4,524,588	\$66,850,136	\$4,909,598	\$5,064,185	\$3,632,592	\$84,981,099

CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2009	Fund 14 Deferred Maint. Fund¹	Fund 21 Building Fund²	Fund 25 Capital Facilities Fund³	Fund 35 County School Facilities Fund⁴	Fund 40 Special Reserves Capital Outlay Fund⁵	Totals
Beginning Balance	\$4,524,588	\$66,850,137	\$4,909,598	\$5,064,185	\$3,632,591	\$84,981,099
Revenues	1,083,317	3,364,009	812,727	19,700,237	4,412,582	29,372,872
Expenditures ⁶	863,856	46,129,743	853,033	37,991,884	1,343,897	87,182,413
Transfers Net	0	(13,268,519)	0	13,268,519	0	0
Source	0	120,000,000	0	0	0	120,000,000
Net Change	219,461	63,965,747	(40,306)	(5,023,128)	3,068,685	62,190,459
Ending Balance	\$4,744,049	\$130,815,884	\$4,869,292	\$41,057	\$6,701,276	\$147,171,558

¹ The Deferred Maintenance Fund is used for projects identified in the District's Five-Year, Deferred Maintenance Plan. Funding comes from a District match contribution (transfers from the Building Fund) and a state match contribution. (Note: Education Code Section 15278(c) (4) governing a Citizens' Bond Oversight Committee permits that committee to receive and review copies of any deferred maintenance proposals or plans.)

² The Building Fund is used to account for revenues and expenditures from general obligation bond proceeds on acquisition and/or construction of facilities. The source of funds in 2008-09 was the sale of Measure J bonds.

³ The Capital Facilities Fund is used to account for developer fee revenues and expenditures.

⁴ The County School Facilities Fund is used to account for proceeds received from the State Allocation Board for modernization, new construction and related state-match projects.

⁵ The Special Reserves – Capital Outlay Fund is used to account for funds used for the acquisition and/or construction of facilities.

⁶ The "Transfers Net" figure of (\$13,268,519) was a transfer from the Building Fund (Fund 21) to the County School Facilities Fund (Fund 35) to provide the District's match for state-approved modernization projects. The "from" and "to" are both presented in the table (2009 Financial Audit report).

Proposition 39 Bond Sale Limitations

Proposition 39, passed by California voters on November 7, 2000, Assembly Bill 1908, which became law on June 27, 2000, and Assembly Bill 2659, which became law on September 22, 2000, established limitations on bonds that may be issued.

1. Education Code Section 15106

“Any unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. However, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

2. Education Code Section 15270

“The tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, shall not exceed sixty dollars (\$60) per one hundred thousand dollars (\$100,000) of taxable property.”

On July 10, 2002, the Board of Education of the West Contra Costa Unified School District authorized the administration to submit a waiver request to the California State Board of Education (SBE) to increase the District’s bonding limit from 2.5 percent to 3.0 percent of assessed valuation (A/V). At the SBE meeting of November 13-14, 2002, the SBE approved the waiver request for Measures E, M, and D only.

Resolution No. 25-0506 ordering the Measure J bond election stated that “no series of bonds may be issued unless the District shall have received a waiver from the State Board of Education of the District’s statutory debt limit, if required.” At their meeting of January 21, 2009, the Board of Education authorized the administration to submit a waiver request to the SBE to increase the District’s Measure J bonding limit to 3.5 percent of A/V. The SBE approved the District’s waiver request at its meeting of May 6-7, 2009, which enabled the District to issue \$105 million of its remaining authorization of \$210 million Measure J bonds.

In a January 13, 2010 report prepared by the District’s financial advisor, it was reported that the 2009-10 tax rates per \$100,000 of A/V for Measures M, D and J were the following:

Measure M	\$55.20
Measure D	\$58.10
Measure J	\$59.00

All three bond measures currently fall below the statutory limit of \$60.00 per \$100,000 of A/V. However, due to recent decreases in A/V, the remaining \$105 million of Measure J bonds may not be able to be sold in the near future. To raise additional bond funds for its facilities program, the District has authorized an election for \$380 million of new bonds, with a tax rate of \$48 per \$100,000 of A/V, well below the \$60 limit.

Investment of Bond Proceeds

The proceeds from bond sales are invested in various instruments and earn interest until expenditures are made. The District's financial audit¹ for the fiscal year ended June 30, 2008, reported the following cash investments:

Pooled Funds (Cash in County Treasury)	\$132,750,171
Cash with Fiscal Agent	\$13,781,962
Investments-Local Agency Investment Fund (LAIF)	\$41,116,379

¹ West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2008, Perry-Smith, LLP, Accountants, December 11, 2008.

Pooled Funds are short-term investments made by Contra Costa County, and the District's interest earnings are credited quarterly. The District has no control over the investments, and its risk/return is based on the investment decisions of the County Treasurer. The financial auditor reported that, as of June 30, 2008, the pooled fund "contained no derivatives or other investments with similar risk profiles."

Cash with Fiscal Agent represents contract retentions carried in the contractor's name with an independent third party, and the contractor carries all investment risk. As contract payments are made, 10 percent is retained until the completion of the contract and the contractor may request to deposit the retention amount with a Fiscal Agent in an interest bearing account. After a Notice of Completion is filed and all claims resolved, the retention including any earned interest is released to the contractor.

LAIF investments are under the oversight of the Treasurer of the State of California, and consist of pooled funds of governmental agencies. LAIF investments generally have a higher risk/return than local pooled funds, and are generally longer-term investments.

The proceeds of bond sales are subject to arbitrage rules. As of June 30, 2008, the financial auditor reported no incidence of any arbitrage problems.

By utilizing county and state pooled funds, the bond proceeds earn low-risk interest from the time the bonds are sold until proceeds are expended. Pooled funds with the County are immediately accessible by the District to meet its cash-flow needs. Funds in the LAIF require District action to withdraw, and such withdrawals are subject to cash-flow needs. The combination of local and state pooled funds is a sound investment approach to maximize interest earnings between the time the bonds are sold and the funds are expended.

COMPLIANCE WITH BALLOT LANGUAGE

On November 28, 2001, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$300 million bond measure (Measure D) on the ballot with the adoption of Resolution No. 42-0102. Measure D, a Proposition 39 bond measure requiring a 55 percent affirmative vote, passed with 71.6 percent of the vote on March 5, 2002.

The complete ballot language contained in Measure D is included in Appendix A. The following appeared as the summary ballot language:

“To complete repairing all of our schools, improve classroom safety and relieve overcrowding through such projects as: building additional classrooms; making seismic upgrades; repairing and renovating bathrooms, electrical, plumbing, heating and ventilation systems, leaking roofs, and fire safety systems; shall the West Contra Costa Unified School District issue \$300 million in bonds at authorized interest rates, to renovate, acquire, construct and modernize school facilities, and appoint a citizens’ oversight committee to monitor that funds are spent accordingly?”

While the Measure D ballot focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all District schools (taken from Bond Project List, Appendix A, Exhibit A):

I. All School Sites

- Security and Health/Safety Improvements
- Major Facilities Improvements
- Site Work

II. Elementary School Projects

- Complete any remaining Measure M projects as specified in the Request for Qualifications (RFQ) of January 4, 2001, including projects specified in the Long Range Master Plan of October 2, 2000
- Harbour Way Community Day Academy

III. Secondary School Projects

- Adams Middle School
- Juan Crespi Junior High School
- Helms Middle School
- Hercules Middle/High School
- Pinole Middle School
- Portola Middle School
- Richmond Middle School
- El Cerrito High School
- Kennedy High School and Kappa High School
- Richmond High School and Omega High School
- Pinole Valley High School and Sigma High School

- De Anza High School and Delta High School
- Gompers High School
- North Campus High School
- Vista Alternative High School
- Middle College High School

As required by Proposition 39, the District established a Citizens’ Bond Oversight Committee. On April 19, 2003, the Board of Education merged the Measure M and Measure D oversight committees into one body, with the caveat that the new committee would use the more stringent requirements for oversight set forth in Proposition 39.

Based on the Capital Assets Management Plan dated January 27, 2010, the District had expended \$251.3 million (73.8 percent) of the reported Measure D budget which was \$340.5 million. All of the expenditures of Measure D funds during the reporting period were for projects within the scope of the ballot language. TSS finds the West Contra Costa Unified School District in compliance with the language contained in Resolution 42-0102.

MEASURE J

On July 13, 2005, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$400 million bond measure (Measure J) on the ballot with the adoption of Resolution No. 25-0506. Measure J, a Proposition 39 bond measure requiring a 55 percent affirmative vote, passed with 56.85 percent of the vote on November 8, 2005.

As a Proposition 39 bond measure, Measure J is subject to the requirements of California State Constitution, Article XIII which states “every district that passes a ‘Proposition 39’ bond measure must obtain an annual independent performance audit.”

The complete ballot language contained in Measure J is included as Appendix B. The following appeared as the summary ballot language:

“To continue repairing all school facilities, improve classroom safety and technology, and relieve overcrowding shall the West Contra Costa Unified School District issue \$400 million in bonds at legal interest rates, with annual audits and a citizens’ oversight committee to monitor that funds are spent accordingly, and upon receipt of a waiver of the District’s statutory debt limit from the State Board of Education, if required?”

The Measure J ballot language focused on the continued repair, modernization, and reconstruction of District school facilities in the following broad categories:

I. All School Sites

- Security and Health/Safety Improvements
- Major Facilities Improvements
- Special Education Facilities
- Property
- Sitework

II. School Projects

- Complete Remaining Elementary School Projects
- Complete Remaining Secondary School Projects
- Reconstruction Projects
 - a. Health and Life Safety Improvements
 - b. Systems Upgrades
 - c. Technology Improvements
 - d. Instructional Technology Improvements

- Specific Sites Listed for Reconstruction or New Construction
 - De Anza High School
 - Kennedy High School
 - Pinole Valley High School
 - Richmond High School
 - Castro Elementary School
 - Coronado Elementary School
 - Dover Elementary School
 - Fairmont Elementary School
 - Ford Elementary School
 - Grant Elementary School
 - Highland Elementary School
 - King Elementary School
 - Lake Elementary School
 - Nystrom Elementary School
 - Ohlone Elementary School
 - Valley View Elementary School
 - Wilson Elementary School

As required by Proposition 39, the West Contra Costa Unified School District certified the results of the November 8, 2005 bond (Measure J) election at the school board meeting of January 4, 2006. At the same meeting, the school board established the required Citizens' Bond Oversight Committee for Measure J fund expenditures. The Measure D committee now serves as the Measure J committee as well.

Based on the Capital Assets Management Plan dated January 27, 2010, the District had expended \$80.4 million (23.2 percent) of the reported Measure J budget of \$348.9 million. All of the expenditures of Measure J funds were for projects within the scope of the ballot language. The West Contra Costa Unified School District is in compliance with all requirements for Measure J as set forth in Resolution 25-0506.

FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District’s facilities program and the chronology of events and/or decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place since July 1, 2009. For a discussion of prior Board agenda items and actions, refer to earlier annual and midyear reports. Major actions of the Board of Education are listed in the table below.

Chronology of Facilities Board Agenda items since July 1, 2009.¹

DATE	ACTION	AMOUNT
July 08, 2009 (Consent Item # C.6)	Notice of Completion. - Bid D06081, El Cerrito High School Administration/ Theater Building	
July 08, 2009 (Consent Item # C.8)	Ratification and Approval of Engineering Services Contracts.	\$236,672
July 08, 2009 (Consent Item # C.9)	Ratification and Approval of Negotiated Change Orders.	\$40,607.20
July 08, 2009 (Consent Item # C.10)	Approval of Award of Contract for the Chavez Elementary School Waterproofing & Windows Repair Project to the lowest responsive, responsible bidder, Streamline Builders; \$258,000. Only one bid was received on June 23, 2009. Funded from the Capital Facilities Fund.	\$258,000
July 08, 2009 (Consent Item # C.11)	Approval of Award of Contract for the Coronado Elementary School Plumbing and Countertops Project to the lowest responsive, responsible bidder, ERA Construction; \$22,800. Two bids were received on June 25, 2009. Funded from the Emergency Repair Program (ERP).	\$22,800
July 08, 2009 (Consent Item # C.12)	Approval of Award of Contract for the Coronado Elementary School Ceiling Tiles Replacement Project to the lowest responsive, responsible bidder, Streamline Builders; \$55,000. Three bids were received on June 16, 2009. Funded from the Emergency Repair Program (ERP).	\$55,000
July 08, 2009 (Consent Item # C.13)	Approval of Award of Contract for the Kennedy High School Fire Alarm Project to the lowest responsive, responsible bidder, NEMA Construction; \$675,000. Five bids were received on June 30, 2009. Funded from the Measure J Bond.	\$675,000
July 08, 2009 (Consent Item # C.14)	Approval of Award of Contract for the Multi-Site Painting Project to the lowest responsive, responsible bidder, Color Chart; \$49,220. Five bids were received on June 16, 2009. Funded from the Measure J Bond.	\$49,220
July 08, 2009 (Consent Item # C.15)	Approval of Award of Contract for the Pinole Middle School Temporary Housing Lunch Shelter Project to USA Shade & Fabric Structure under the terms and conditions of the San Joaquin County Office of Education “piggyback” contract dated October 23, 2007; \$88,697.42. Funded from the Measure J Bond.	\$88,697.42
July 08, 2009 (Consent Item # C.16)	Approval of Award of Contract for the Multi-Site Play Structures & Surfaces Project to the lowest responsive, responsible bidder, when bids are received on July 2, 2009. Funded from the MRAD.	

DATE	ACTION	AMOUNT
July 08, 2009 (Action Item # F.3)	Adoption of Resolution No. 15-0910 authorizing the issuance of not to exceed \$160,000,000 of the District's general obligation bonds, and requesting the Contra Costa Board of Supervisors to issue the bonds on behalf of the District. Bonds will be sold by negotiated sale to Piper Jaffray & Co., as senior managing underwriter, and Siebert Brandford Shank & co., LLC and Stone & Youngberg, as co-managers. The sale is scheduled for August 11, 2009 with funds becoming available by August 25, 2009. Measure "J" Series "C" Bond Issuance.	\$160,000,000
July 08, 2009 (Action Item # F.6)	Approval of Award of Contract for the Fairmont Elementary School Consolidation Utilities & Sitework Project to the lowest responsive, responsible bidder, when bids are received on July 7, 2009. Funded from the Special Reserve for Capital Outlay Fund 40.	
July 08, 2009 (Discussion Item # G.1)	Status Reports - Facilities Planning and Construction. - Engineering Officer's Report - Verbal Presentation - Construction Status Reports - Current Construction Projects	
July 29, 2009 (Consent Item # C.7)	Notices of Completion. - Bid E068154, TLC Portable Ramps Replacement - Bid E068155 TLC Fencing & Gate Replacement Project - Bid E068147 Pinole Valley HS Communication system Replacement	
July 29, 2009 (Consent Item # C.11)	Ratification and Approval of Engineering Services Contracts.	\$409,800
July 29, 2009 (Consent Item # C.12)	Ratification and Approval of Negotiated Change Orders.	\$5,449.49
July 29, 2009 (Consent Item # C.13)	Adoption of Resolution No. 19-0910 in support of Office of Public School construction Applications for Modernization, New Construction and Overcrowding Relief Grants at District Board Program Sites. Approval of this resolution will support OPSC applications which will provide state funding to the District's bond program.	
July 29, 2009 (Consent Item # C.14)	Approval to reject all bids for the Kennedy High School Fire Alarm Project due to protests from the second low bidder, Del Monte Electric (\$692,500), against the apparent low bidder, NEMA Construction; \$675,000. Six bids were received on June 30, 2009.	
July 29, 2009 (Consent Item # C.15)	Acceptance of bid alternate for Contract for the Coronado Elementary School Fence and Gates Emergency Repair Project previously awarded to Chain Link Fence & Supply, Inc.; \$11,213. Funded from Emergency Repair Program (ERP).	\$11,213
July 29, 2009 (Consent Item # C.16)	Approval of Award of Contract for the Crespi Junior High School Emergency Repair Program, Kitchen Repair Project to the lowest responsive, responsible bidder Michael G. McKim; \$41,334. Three contractors submitted bids on July 21, 2009. Funded from Emergency Repair Program (ERP).	\$41,334
July 29, 2009 (Consent Item # C.17)	Approval of Award of Contract for the Crespi Junior High School Emergency Repair Program, Paving Project to the lowest responsive, responsible bidder O.C. Jones.; \$279,300. Six contractors submitted bids on July 21, 2009. Funded from Emergency Repair Program (ERP).	\$279,300

DATE	ACTION	AMOUNT
July 29, 2009 (Report Item # D.3)	Report on the Status of Measure J, Series “C” Bond Sales.	
July 29, 2009 (Action Item # F.2)	Adoption of Resolution No. 21-0910 Authorizing the Issuance and Sale of up to \$80,000,000, a refunding of the district’s existing general obligation bonds. By issuing refunding bonds, the district can shift existing obligations coming due in the next several years to later in the repayment period, thereby creating additional capacity to pay interest on the Measure J, Series C Bonds. The Bonds will be sold by negotiated sale by Piper Jaffray & Co., as senior managing underwriter, and Siebert Brandford Shank & Co., LLC and Stone & Youngberg LLC, as co-managers. ¹	\$80,000,000
August 19, 2009 (Consent Item # C.7)	Ratification and approval of Engineering Services Contracts	\$871,124
August 19, 2009 (Consent Item # C.8)	Ratification and approval of Negotiated Change Orders	\$110,736
August 19, 2009 (Consent Item # C.9)	Award of contract for 2010 Facilities Master Plan: Asset Management Plan to California Financial Services. (Measure J).	\$97,680
August 19, 2009 (Consent Item # C.10)	Approval of Award of Contract for Multi-Site Play Structures and Surfaces project to the lowest responsive responsible bidder, Goldspring Construction in the amount of \$1,481,889. Three contractors submitted their bids on July 2, 2009 (Measure J).	\$1,481,889
August 19, 2009 (Consent Item # C.11)	Approval of Award of Contract for Crespi Fire Reconstruction project to the lowest responsive responsible bidder, Bollo Construction in the amount of \$3,080,850. Fourteen contractors submitted their bids on July 30, 2009 (Fire Insurance).	\$3,080,850
August 19, 2009 (Consent Item # C.13)	Approval of Award of Contract for Coronado Elementary Doors and Hardware Replacement Emergency Repair project to the lowest responsive responsible bidder, NS Construction in the amount of \$58,500. Five contractors submitted their bids on August 11, 2009 (Emergency Repair Program).	\$58,500
August 19, 2009 (Action Item # F.1)	Adoption of Resolution No. 23-0910, Authorizing the Completion and Submission of an Application for Qualified School Construction Bond (QSCB) allocation from the California Department of Education. The bonds may only be issued for specific purposes, generally limited to new construction or rehabilitation of school facilities and related capital costs including land and equipment, which overlap closely with the District’s own voter-approved Bond Project List. If the district is awarded an allocation, District staff will analyze how and at what costs the bonds can be sold, and make recommendations regarding the QSCBs.	
August 19, 2009 (Action Item # F.4)	Approval of a recommendation by staff to rescind its’ decision to move the Portola Middle School students to modular buildings at El Cerrito High School and consider other options.	

¹ Refunding bonds – a bond that is issued for the purpose of retiring an outstanding bond. Issuers refund bond issues to reduce financing costs, eliminate covenants and alter maturity.

DATE	ACTION	AMOUNT
August 19, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects	
September 2, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects	
September 16, 2009 (Consent Item # C.5)	Approval of Notices of Completion. - Bid J068161 - Pinole Middle School Demolition - Hazmat - Bid J068115 – Pinole Middle School Utility Installation of Interim Kitchen - Bid J068113 – De Anza High School Utilities, Gymnasium and Site Work - Bid J068124 – Kennedy High School Painting of Exterior Walls - Bid J068151 – Dover Elementary School Site Work Phase II, - Bid E068178 – Coronado Elementary School Plumbing/Countertops, - Bid E068169 – Coronado Elementary School Fence & Gate Replacement - Bid E068175 – Coronado Elementary School Ceiling Tile Replacement - Bid E068153 – Coronado Elementary School Portable Replacement - Bid J06810 – Montalvin Elementary School Trash Enclosure. - Bid J068118 – Mira Vista Elementary School Lower Play Yard Repair.	
September 16, 2009 (Consent Item # C.6)	Approval of Award of Contract for Kennedy High School Gym Locker Room Hot Water System project to the lowest responsive responsible bidder, ERA Construction in the amount of \$171,544. Four contractors submitted their bids on September 3, 2009 (Measure J).	\$171,544
September 16, 2009 (Consent Item # C.7)	Approval of Award of Contract for Kennedy High School Restroom Renovations project to the lowest responsive responsible bidder, JDS Builders in the amount of \$1,570,000. Thirteen contractors submitted their bids on September 1, 2009 (Measure J).	\$1,570,000
September 16, 2009 (Consent Item # C.8)	Approval of Award of Contract for Ford Elementary School New Campus project to the lowest responsive responsible bidder, Alten Construction in the amount of \$16,734,206. Fifteen contractors submitted their bids on September 3, 2009 (Measure J).	\$16,734,206
September 16, 2009 (Consent Item # C.9)	Approval of Ratification of Staff Action Amending Approved Contract for Construction to Award Alternate # 1 to the Contractor, O. C. Jones in the net amount of \$92,000. (Emergency Repair Program).	\$92,000
September 16, 2009 (Consent Item # C.10)	Approval of Award of Contract for Kennedy High School Fire Alarm project to the lowest responsive responsible bidder, Emard Electric in the amount of \$516,500. Five contractors submitted their bids on August 25, 2009 (Measure J)	\$516,500
September 16, 2009 (Consent Item # C.11)	Approval of Award of Contract for Pinole Middle School Building A Modernization project to the lowest responsive responsible bidder, Alpha Bay Builders in the amount of \$9,570,735. Seventeen contractors submitted their bids on August 25, 2009 (Measure J).	\$9,570,735
September 16, 2009 (Consent Item # C.12)	Ratification and approval of Negotiated Change Orders.	\$327,809
September 16, 2009 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts.	\$364,974

DATE	ACTION	AMOUNT
October 7, 2009 (Consent Item # C.8)	Ratification and approval of Engineering Services Contracts.	\$80,006
October 7, 2009 (Consent Item # C.9)	Ratification and approval of. Negotiated Change Orders.	\$97,027.39
October 7, 2009 (Consent Item # C.11)	Approval of Award of Contract for De Anza High School Baseball Field Renovation project to the lowest responsive responsible bidder, Bay Cities Paving and Grading in the amount of \$1,350,000. Ten contractors submitted their bids on August 4, 2009 (Measure J).	\$1,350,000
October 7, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects 	
October 21, 2009	Joint Board of Education and Citizen’s Bond Oversight Committee Meeting; B. Bond Program Update. <ol style="list-style-type: none"> 1. Presentation of Coronado Site Master Plan 2. Presentation of Portola Middle School at the Castro Site Master Plan C. CBOC Membership	
October 21, 2009 (Consent Item # C.5)	Approval of Notice of Completion; <ul style="list-style-type: none"> - Bid J068173, Exterior Painting at De Anza High School (Field House), - Sheldon Elementary School and Kennedy High School. 	
October 21, 2009 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts.	\$8,200
October 21, 2009 (Consent Item # C.14)	Ratification and approval of. Negotiated Change Orders.	\$59,771.17
October 21, 2009 (Consent Item # C.15)	Approval of Contract for the Supply of Furniture, Set Up and Installation at Helms Middle School to Young Office Solutions in the amount of \$674,751.51 under a bulk purchasing contract through The Cooperative Purchasing Network (TCPN). This is a “piggyback” contract which meets the state’s procurement requirements for these furnishings. (Measure J).	\$674,751.51
October 21, 2009 (Action Item # F.2)	Approval of the Coronado Elementary School Site Master Plan and the Architectural Services Contract for WLC Architects in the amount of \$2,155,800 to proceed with the next level and the preparation of construction documents for the project. (Measure J).	\$2,155,800
October 21, 2009 (Action Item # F.3)	Approval of the Portola Middle at the Castro Site Master Plan and the Architectural Services Contract for HY Architects in the amount of \$2,790,000 to proceed with the next level and the preparation of construction documents for the project. (Measure J).	\$2,790,000
November 4, 2009 (Consent Item # C.7)	Ratification and approval of Engineering Services Contracts.	\$497,265
November 4, 2009 (Consent Item # C.8)	Ratification and approval of. Negotiated Change Orders.	\$217,801.34

DATE	ACTION	AMOUNT
November 4, 2009 (Consent Item # C.9)	Approval of Award of Contract for Richmond High school Surveillance Camera System project to the lowest responsive responsible bidder, Walsh Electronic Systems in the amount of \$338,988. Five contractors submitted their bids on November 3, 2009 (Measure J).	\$338,898
November 4, 2009 (Action Item # F.2)	Adoption of Resolution No. 46-0910 authorizing the issuance of not to exceed \$30,000,000 of the District's general obligation bonds. The resolution authorizes staff to sell up to \$25,000,000 in Qualified Schools Construction Bonds (QSCB) under the American Reinvestment and Recovery Act (ARRA) of 2009 and \$5,000,000 of District general obligation bonds which shall be issued on behalf of the District by Contra Costa County. (Measure J and D).	\$30,000,000
November 4, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer's Report – Verbal Presentation - Construction Status Reports – Current Construction Projects -	
November 18, 2009 (Consent Item # C.7)	Approval of Notices of Completion. - Bid J068186 – Crespi Play Yard Resurfacing - Bid J068164 – De Anza High School Portable Utility Installation - Bid J068170 – Coronado Window Replacement	
November 18, 2009 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts.	\$53,000
November 18, 2009 (Consent Item # C.15)	Ratification and approval of. Negotiated Change Orders.	(\$58,327)
November 18, 2009 (Consent Item # C.16)	Adoption of Resolution No. 51-0910, Authorizing Adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for and Approval of the John F. Kennedy High School Athletic Field Lighting Project. (Measure J).	
November 18, 2009 (Discussion Item #G.1)	A recommendation that the Board review and discuss the temporary relocation of Portola students away from the current building and that the Board agrees to make a decision on where the temporary relocation be at the December 9, 2009 meeting. (Measure J).	
December 9, 2009 (Consent Item # C.15)	Ratification and approval of Engineering Services Contracts.	\$357,618
December 9, 2009 (Consent Item # C.16)	Ratification and approval of Negotiated Change Orders.	\$348,955.32
December 9, 2009 (Consent Item # C.17)	Approval of Award of Contract to Parsons for Facilities Assessments Component of 2010 Facilities Master Plan. (Measure J).	\$121,550
December 9, 2009 (Consent Item # C.18)	Approval of Rejection of Claim by Signature Properties of November 17, 2009 for any Reduction of Board-approved 2009 developer fees on the Anchor Cove Project in Richmond, California.	
December 9, 2009 (Consent Item # C.19)	Approval of Contract with AT&T for Network Electronics Components and VOIP phone system at Helms Middle School. (Measure J).	\$417,585.54

DATE	ACTION	AMOUNT
December 9, 2009 (Discussion Item #G.2)	Status Reports – Facilities Planning and Construction; - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects	

The Board of Education approved a facilities master plan on October 18, 2000, which was updated in a report dated June 26, 2006. Subsequently, the administration prepared a “2007 Facilities Master Plan,” which incorporated information from numerous sources to compile a facilities renovation and construction plan. That master plan, approved by the Board on January 17, 2007, identified the following revenues from Measures M, D, and J and other sources, as follows:

Revenue Sources – 2007 Facilities Master Plan				
Revenue Source	M	D	J	Total
New Bonds	\$150,000,000	\$300,000,000	\$400,000,000	\$850,000,000
Interest Income	6,000,000	7,000,000	14,000,000	27,000,000
Developer Fees	24,900,038	2,885,528	10,500,000	38,285,566
State Funds	30,101,817	16,316,744	76,157,758	122,576,319
E-Rate	2,413,150	888,654		3,301,804
FEMA (Riverside)	1,000,000			1,000,000
County (Verde)	900,000			900,000
Joint Use		4,250,000	3,000,000	7,250,000
Deferred Maintenance		1,200,000		1,200,000
Totals	\$215,315,005	\$332,540,926	\$503,657,758	\$1,051,513,689

In addition to a discussion of the funded projects, the newly approved 2007 master plan identified numerous unfunded future projects that would require additional revenues for the facilities program before work could proceed. The unfunded projects included twelve elementary school renovation projects; five secondary school renovation projects; five alternative and special education facilities renovation projects; three charter schools; and three District support facilities that house grounds, operations, maintenance, and administration.

On July 30, 2008, the Board approved an updated budget for Measures M, D and J with adjusted allocations and revenues. The July 30, 2008 approved revenue sources were as follows:

Revenue Sources – Board Approved, July 30, 2008				
Revenue Source	M	D	J	Total
New Bonds	\$150,000,000	\$300,000,000	\$400,000,000	\$850,000,000
Interest Income	4,967,794	13,666,472	14,000,000	32,634,266
Developer Fees	24,900,038	2,885,528	10,500,000	38,285,566
State Funds/Interest	43,593,269	16,316,744	47,448,808	107,358,821
E-Rate	2,413,150	888,654		3,301,804
FEMA (Riverside)	1,000,000			1,000,000
County (Verde)	900,000			900,000
Joint Use		4,250,000	3,000,000	7,250,000
Deferred Maintenance		1,200,000		1,200,000
Charter			2,600,000	2,600,000
Totals	\$227,774,251	\$339,207,398	\$477,548,808	\$1,044,530,457
Bond Transfer (D)	99,182,437	(99,182,437)		0
Bond Transfer (J)		88,696,111	(88,696,111)	0
Totals	\$326,956,688	\$328,721,072	\$388,852,697	\$1,044,530,457

A comparison of the January 17, 2007 and July 30, 2008 budgets displays the following adjustments to the revenue sources:

Board Approved Bond Budget M, D and J Revenue Source			
Revenue Source	Board Approval January 17, 2007	Board Approval July 30, 2008	Change
New Bonds	\$850,000,000	\$850,000,000	
Interest Income	27,000,000	32,634,266	\$5,634,266
Developer Fees	38,285,566	38,285,566	
State Funds/Interest	122,576,319	107,358,821	(15,217,498)
E-Rate	3,301,804	3,301,804	
FEMA (Riverside)	1,000,000	1,000,000	
County (Verde)	900,000	900,000	
Joint Use	7,250,000	7,250,000	
Deferred Maintenance	1,200,000	1,200,000	
Charter		2,600,000	2,600,000
Totals	\$1,051,513,689	\$1,044,530,457	(\$6,983,232)

As indicated above, the identified revenue adjustments include an increase in interest income and charter school categories and a decrease in state funds.

On August 26, 2009, staff presented to the CBOC a draft of the updated budgets for Measures M, D and J with adjusted allocations and revenues. Further adjustments to the August 26, 2009 budget draft were presented in the January 27, 2010 CAMP report as follows:

Revenue Sources – Adjusted Budget (Draft), CAMP, January 27, 2010				
Revenue Source	M	D	J	Total
New Bonds	\$150,000,000	\$300,000,000	\$400,000,000	\$850,000,000
Interest Income	4,967,794	13,666,472	3,250,000	21,884,266
Developer Fees	24,900,038	2,885,528	0	27,785,566
State Funds/Interest	43,593,269	16,316,744	47,448,808	107,358,821
E-Rate	2,413,150	888,654		3,301,804
FEMA (Riverside)	1,000,000			1,000,000
County (Verde)	900,000			900,000
Joint Use		4,250,000	3,000,000	7,250,000
Deferred Maintenance		1,200,000		1,200,000
Charter				
Totals	\$227,774,251	\$339,207,398	\$453,698,808	\$1,020,680,457
Bond Transfer (D)	103,495,619	(103,495,619)		0
Bond Transfer (J)		104,825,718	(104,825,719)	0
Totals	\$331,269,870	\$340,537,497	\$348,873,089	\$1,020,680,457

A comparison of the Board approved July 30, 2008 budget and the January 27, 2010 draft budget reveals the following adjustments to the revenue sources:

Bond Budget - M, D and J Revenue Source

Revenue Source	Board Approval July 30, 2008	Adjusted Budget (Draft) January 27, 2010	Change
New Bonds	\$850,000,000	\$850,000,000	
Interest Income	32,634,266	21,884,266	(\$10,750,000)
Developer Fees	38,285,566	27,785,566	(\$10,500,000)
State Funds/Interest	107,358,821	107,358,821	
E-Rate	3,301,804	3,301,804	
FEMA (Riverside)	1,000,000	1,000,000	
County (Verde)	900,000	900,000	
Joint Use	7,250,000	7,250,000	
Deferred Maintenance	1,200,000	1,200,000	
Charter	2,600,000		(2,600,000)
Totals	\$1,044,530,457	\$1,020,680,457	(\$23,850,000)

As indicated above, the identified revenue adjustments reflect a loss of revenue in interest income, developer fees and charter schools.

For more detailed financial data for projects, refer to the “Budget and Expenditure Reports for Measure D and J” section of this report.

To provide direction to the program management team as well as future project architects, the Board considered various design and construction quality standards. At its meeting of May 15, 2002, the Board was presented with a number of options ranging in cost, and the Board settled on a middle option, referred to as Option 1C. However, in practice, a strict standard was not adhered to during the design process, and the standard is now referred to by some as “Option 1C+.”

The District administration and the Board recognized that, as the facilities program transitioned from the initial planning phase to the construction phase, appropriate and adequate program management services would be needed. To address these needs, the Board authorized the creation of new District facilities positions; hired project architects and on-site DSA inspectors; approved a Project Labor Agreement, a Local Capacity Building Program and a Labor Compliance Program; authorized the lease of interim-use portable classrooms; prequalified general contractors; and employed the services of a material testing laboratory.

Many variables may have impacted the school district’s construction costs including, but not limited to, the following:

- Establishment of Option 1C quality standards;
- Project labor agreements;
- Local capacity building program
- Labor compliance law requirements;
- Inflation of construction costs in early 2000’s at a rate higher than projected;
- Passage of Proposition 39 and the 55 percent threshold for the passage of local bonds and resulting construction;
- Passage of Proposition 1A (November 1998), a \$9.2 billion State wide school facilities bond measure and resulting construction;
- Passage of Proposition 47 (November 2002), a \$13.05 billion State wide school facilities bond measure and resulting construction;
- Passage of Proposition 55 (March 2004), a \$10.0 billion State wide school facilities bond measure and resulting construction;

- Passage of Proposition 1D (November 2007), a \$7.3 billion State wide school facilities bond measure and resulting construction.
- Economic recession in late 2007 which created the trend of declining construction costs starting in the mid-2008 thru the current period.

To demonstrate the impact of construction costs during the past few years on the District’s facilities program, the Class B Construction Cost Index is presented below:

Class B Construction Cost Index¹	Index Change	10 Western States Percent Increase	8 CA Cities Percent Increase
January 2002 – January 2003	1.43-1.46	2.10	1.85
January 2003 – January 2004	1.46-1.51	3.42	5.45
January 2004 – January 2005	1.51-1.68	11.263	12.07
January 2005 – January 2006	1.68-1.74	3.657	4.62
January 2006 – January 2007	1.74-1.88	8.05	6.62
January 2007 – January 2008	1.88-1.94	3.219	2.07
January 2008 – January 2009	1.94-2.09	7.73	6.00
January 2009 – January 2010	2.09-1.96	(6.22)	(6.74)

¹ Source: Office of Public School Construction website.

From the date that Measure D passed (March 5, 2002) to January 2009, the Class B Construction Cost Index increased from 1.43 to 2.09 – an increase of 46 percent. From the date that Measure J passed (November 8, 2005) to January 2009, the Class B Construction Index increased from 1.74 to 2.09 – an increase of 20 percent. During the period from January 2009 to -- January 2010, the Cost Index decreased 6.22 percent. (Note: The SAB on January 27, 2010, reduced state grant amounts by 6.74 percent based on the “8 California Cities Class B” construction cost index instead of the “10 Western States Class B” index).

The District implemented a “Prequalification of General Contractors” process for Measure D and Measure J funded projects. At the Board meetings of June 28, 2006 and March 5, 2008, general contracting firms were prequalified for General Contractor prequalification process for construction projects as follows:

General Contractor Prequalification Process

	Measure D (June 28, 2006)	Measure J (March 5, 2008)
Firms Responding	23	25
Firms Prequalified	21	24

The District also conducted a prequalification process for Architect of Record (AOR) for Measure J projects. The results of that process were presented to the Board on August 16, 2006, as follows:

Architect Prequalification Process (August 16, 2006)

Firms prequalified	22
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In addition to the above pre-qualification processes for general contractors and architects, the District more recently conducted the following pre-qualifications:

- Major Projects – Measure J March 25, 2009
- Small Projects – Measure J April 24, 2009
- Small Specialty Projects August 2009

The “Notice to Prospective Bidders” for the above three pre-qualification processes was thorough, ensuring that firms were meeting the criteria for bidding the published projects.

BUDGET AND EXPENDITURE REPORTS FOR MEASURES D AND J

MEASURE D

The budgeted and invoiced amounts contained in the tables below were extracted from the Capital Assets Management Plan Report (CAMP), Number 45, dated January 27, 2010 which is a working document because, at the time data were compiled, the report had not been approved by the Board. (Note: The CAMP report dated March 24, 2010 presented an updated budget (\$340,331,680) based on bid savings and related factors. Invoiced amounts remained unchanged from the January 27, 2010 CAMP report.)

Measure D Budgets and Invoiced Amounts - Summary

Program Category	Budget	Invoiced
MS/HS Major Renovation – New Schools, Phase 1A	\$308,084,637	\$223,673,453
Additional Bond Funded Projects	9,030,903	9,014,185
Site survey Projects, Phase 2A-3	4,805,068	4,796,803
Network/Telecom Technology E-Rate Projects	5,934,718	2,383,639
Furniture & Equipment	4,279,254	3,014,349
Program Coordination & Contingency	8,402,918	8,402,918
Program Totals	\$340,537,498	\$251,285,347 (73.8%)

Middle School/High School Major Renovation and New Schools, Phase 1A

School	Site No.	Project Description	Budget	Invoiced
Helms Middle	210	New School	\$74,990,607	\$65,002,622
Pinole Middle	212	Renovation and New Construction	49,821,143	37,621,901
Portola Middle	214	New School	60,000,000	4,145,570
El Cerrito High	354	New School	123,272,887	116,903,360
Totals			\$308,084,637	\$223,673,453

Additional Bond Funded Projects

School	Site No.	Project Description	Budget	Invoiced
Kennedy High	360	Track and Field	\$3,181,061	\$3,181,061
Pinole Valley High	362	Track and Field	1,666,943	1,657,106
Richmond High	364	Track and Field	4,182,898	4,176,018
Totals			\$9,030,903	\$9,014,185

Site Survey Projects, Phase 2A-3

School	Site No.	Project Description	Budget	Invoiced
Transitions LC	131	Site Survey	\$118,020	\$118,020
Harbour Way	191	Site Survey	121,639	121,639
Adams Middle	202	Site Survey	487,018	487,018
Crespi Middle	206	Site Survey	399,139	399,139
Hercules Middle	211	Site Survey	74,527	74,527
Gompers High	358	Site Survey	532,994	532,994
Kennedy High	360	Site Survey	644,818	644,818
Pinole Valley High	362	Site Survey	701,445	687,058
Richmond High	364	Site Survey	641,600	647,430
Vista High	373	Site Survey	36,044	36,045
North Campus	374	Site Survey	125,032	125,032
Hercules High	376	Site Survey	431,052	431,346
Delta	391	Site Survey	152,564	152,564
Kappa	393	Site Survey	109,809	109,809
Omega	395	Site Survey	118,638	118,638
Sigma	396	Site Survey	110,728	110,728
Totals			\$4,805,068	\$4,796,803

Network/Telecom Technology E-Rate Projects

School	Site No.	Project Description	Budget	Invoiced
Adams Middle	202	E-Rate	\$203,064	\$203,064
Crespi Middle	206	E-Rate	47,106	47,106
DeJean Middle	208	E-Rate	214,532	214,532
Helms Middle	210	E-Rate	1,140,986	269,580
Hercules Middle	211	E-Rate	6,623	6,623
Pinole Middle	212	E-Rate	900,324	47,537
Portola Middle	214	E-Rate	1,051,795	151,795
DeAnza High	352	E-Rate	124,320	124,320
El Cerrito High	354	E-Rate	1,087,682	160,831
Gompers	358	E-Rate	183,109	182,918
Kennedy High	360	E-Rate	546,974	546,974
Pinole Valley High	362	E-Rate	59,855	59,855
Richmond High	364	E-Rate	235,812	235,967
North Campus	374	E-Rate	76,630	76,630
Hercules High	376	E-Rate	3,028	3,028
Program		E-Rate	52,877	52,878
Totals			\$5,934,718	\$2,383,639

Furniture and Equipment

School	Site No.	Project Description	Budget	Invoiced
Helms Middle	210	Furniture and Equipment	\$750,000	\$31,026
Pinole Middle	212	Furniture and Equipment	1,005,031	601,582
Portola Middle	214	Furniture and Equipment	814,562	64,562
El Cerrito High	354	Furniture and Equipment	1,709,661	2,317,180
Totals			\$4,279,254	\$3,014,349

Program Coordination and Contingency

School	Site No.	Project Description	Budget	Invoiced
Central Account	615		\$8,402,918	\$8,402,918
Program Totals			\$340,537,498	\$251,285,347 (73.8%)

MEASURE J

The budgeted and invoiced amounts contained in the tables below were extracted from the Capital Assets Management Plan Report (CAMP), Number 45, dated January 27, 2010, which is a working document because, at the time data were compiled, the report had not been approved by the Board. (Note: The CAMP report dated March 24, 2010 presented an updated budget (\$353,922,564 - - an increase of \$5,049,475) based on bid savings and related factors. Invoiced amounts remained unchanged from the January 27, 2010 CAMP report.)

Measure J Budgets and Invoiced Amounts - Summary

Program Category	Budget	Invoiced
Elementary Schools	\$150,991,067	\$31,974,305
MS/HS Major Renovation & New Schools, Phase 1B	158,161,195	35,053,606
Additional Bond funded Projects – Charter Schools	5,866,490	5,206,305
Network/ Telecom Technology E-Rate Projects	7,800,000	3,238,307
Furniture & Equipment	7,808,723	422,081
Program Coordination	9,741,819	5,014,658
Program Contingency	8,503,796	0
Program Totals	\$348,873,089	\$80,909,263 (23.2%)

Elementary Schools

School	Site No.	Project Description	Budget	Invoiced
Castro	109	Site Survey	\$350,000	\$286,115
Coronado	112	New School	2,875,000	226,533
Dover	115	New School	32,028,549	9,914,102
Ford	124	New School	27,398,815	7,091,426
King	132	New School	23,731,085	9,255,089
Nystrom	144	New School	29,545,546	3,163,774
Ohlone	146	New School	35,062,072	2,037,266
Totals			\$150,991,067	\$31,974,305

MS/HS Major Renovation and New Schools, Phase 1B

School	Site No.	Project Description	Budget	Invoiced
DeAnza High	352	New School	\$136,823,855	\$23,978,353
Kennedy High	360	Renovation	11,021,429	2,877,783
Pinole Valley High	362	Renovation	1,124,171	1,072,951
Richmond High	364	Renovation	9,191,740	7,124,519
Totals			\$158,161,195	\$35,053,606

Additional Bond Funded Projects (Charter Schools)

School	Site No.	Project Description	Budget	Invoiced
Richmond College Prep (Charter)	512	Site Work	\$2,418,763	\$2,298,313
Leadership Public Schools (Charter at Nystrom)	544	Site Work	3,447,727	2,907,992
Totals			\$5,866,490	\$5,206,305

Network Telecom Technology Projects

School	Site No.	Project Description	Budget	Invoiced
Totals all sites (7 sites)		Network-Technology Equipment	\$7,800,000	\$3,238,307

Furniture and Equipment

School	Site No.	Project Description	Budget	Invoiced
Dover Elementary	115	Furniture and Equipment	\$800,000	\$9,331
Ford Elementary	124	Furniture and Equipment	750,000	21,439
King Elementary	132	Furniture and Equipment	700,000	0
Nystrom Elementary	144	Furniture and Equipment	700,000	67,408
Ohlone Elementary	146	Furniture and Equipment	700,000	0
DeAnza High	352	Furniture and Equipment	1,262,180	161,660
Kennedy High	360	Furniture and Equipment	675,000	132,220
Pinole Valley High	362	Furniture and Equipment	30,000	18,813
Richmond High	364	Furniture and Equipment	675,000	11,211
Program	606/615	Furnitur and Equipment	1,516,543	0
Totals			\$7,808,723	\$422,081

Program Coordination

School	Site No.	Project Description	Budget	Invoiced
Central Account	615		\$9,741,819	\$5,014,658

Program Contingency

School	Site No.	Project Description	Budget	Invoiced
Totals all Projects	615		\$8,503,796	\$0
Program Totals			\$348,873,089	\$80,909,263 (23.2%)

STATE SCHOOL FACILITY PROGRAM

The District has filed facilities applications under the following programs:

50	-	New Construction
52	-	Joint Use
56		Overcrowding Relief
57	-	Modernization
58	-	Rehabilitation
61		Emergency Repair Program

As of December 31, 2009, the District received state grant amounts summarized in the table below. All of the following financial data have been extracted from the OPSC Internet Web site, which maintains a record of the current project status for all school districts in California.

State Facilities Funding

State Program	SAB#	State Grant Amount	District Match
New Construction	50/001 ¹	\$12,841,930	\$12,841,930
Modernization	57/001-57/009 ²	3,863,449	2,609,434
Modernization	57/010-57/017 and 57/019 ³	9,943,161	6,801,923
Modernization	57/018 and 57/020-57/026 ⁴	12,282,748	8,320,619
Modernization	57/027 ⁵	4,834,933	3,223,289
Modernization	57/29 ⁶	3,781,072	2,520,715
Modernization	57/030 ⁷	10,985,587	7,524,515
Facility Hardship	58/001 ⁸	654,579	0
Joint Use	52/001 ⁹	1,500,000	1,500,000
Totals		\$60,687,459	\$45,342,425

¹ Lovonya DeJean Middle School was approved for State funding on December 18, 2002, with a 50/50 match. The major funding for the project came from the District's \$40 million Measure E bonds.

² These nine projects were Quick-Start projects funded with 60 percent State Funding (60/40) and 40 percent Measure M bonds.

³ These nine projects were Measure M-1A projects funded with 60/40 matches and Measure M bonds.

⁴ These eight projects were Measure M-1B projects funded with 60/40 matches and Measure M bonds.

⁵ The Downer Elementary School modernization project is a 60/40 match with Measure D bonds.

⁶ The Helms Middle School modernization project is a 60/40 match with Measure D bonds.

⁷ The El Cerrito High School modernization project is a 60/40 match with Measure D bonds.

⁸ This was a 100 percent State-funded project (facility hardship grant program) for work at Lincoln Elementary School to correct structural problems.

⁹ This is a joint-use project at Pinole Middle School.

To date, the District has received a total of \$60,687,459 through various State facilities funding programs.

Projected State Grant Amounts

In addition to the receipt of \$60,687,459 from the State as of December 31, 2009, the District anticipates the receipt of an additional \$56,574,348 in State funds, assuming that all planned projects are completed as scheduled from projected total revenue sources. The additional State funding includes the following categories:

Anticipated State Funding

Schools/Categories	State Grant Amount
Kennedy High School	\$5,147,407
Richmond High School	4,000,000
Pinole Middle School	3,179,932
Portola Middle School(at Castro)	1,514,268
Portola Middle School(Reconstruction Hardship)	12,000,000
Dover Elementary School ¹	3,758,166
Ford Elementary School ¹	3,311,123
King Elementary School	2,635,560
Subtotal	\$35,546,456
Additional State Funding	21,027,892
DeAnza High School	
Nystrom Elementary School	
Ohlone Elementary School	
Joint-Use Projects	
State Grant Inflationary Adjustments	
State Grants Interest Earnings	
Total	\$56,574,348

¹ OPSC/SAB, in a report dated July 31, 2009, set the state grant amounts to be received as shown.

Midyear Update

Applications are on file with OPSC/SAB for the following projects:

State Program	SAB#	School	Students
New Construction	50/02-001	El Cerrito High	18 Severe
Overcrowding Relief	56/05-001	Dover Elementary	233 K-6
Modernization	57/00-031	Dover Elementary	541 K-6, 10 Severe
Modernization	57/00-032	Ford Elementary	500 K-6
Modernization	57/00-033	King Elementary	538 K-6, 17 Severe
Overcrowding Relief Grant		Ford Elementary	

In addition to the above projects on file, the District has been awarded grants for three High Performance School projects, which are discussed elsewhere in this midyear report.

State grant amounts for the above projects will be determined when SAB approvals are made.

STATE NEW CONSTRUCTION STATUS

As of December 31, 2009, the District has SAB-approved new construction eligibility by high school attendance area as follows (OPSC internet site as of February 8, 2010):

<u>High School Area</u>	<u>7-8</u>	<u>9-12</u>	<u>Non-Severe</u>	<u>Severe</u>
01			10	
02				58
03			54	7
04		124	182	10
05		1,033		6
06	222	1,008	15	5

The District utilized new construction eligibility in the El Cerrito High School attendance area to file an application to construct severely-handicapped facilities for 18 students. That application was approved by the SAB on June 24, 2009, and was placed on the “unfunded” list. It is anticipated that the state grant amount of \$561,000 will be received in the 2009-10 fiscal year.

New construction eligibility must be calculated based on the most recent CBEDS enrollment data at the time a district files an application for a new construction project (SAB 50-04). The filing cannot occur until a project has completed the California Environmental Quality Act (CEQA) process, has obtained clearance from the Department of Toxic Substances Control (DTSC), and has approvals from the Division of State Architect (DSA) and from the California Department of Education (CDE). The district cannot submit a State application for funding unless the new construction eligibility is reaffirmed or reestablished.

New School Site

Over the past several years, the District worked cooperatively with the City of Hercules to identify and acquire a suitable property for a new school. However, because of declining enrollment, the District concluded that a new school site was not needed. Plans to acquire a site in Hercules are currently on hold. However, the District is working cooperatively with the City of Hercules on planning for park facilities at the Wastewater Treatment site, which, if needed, could be a part of a future school site.

The District has no current plans to file a new construction application in Hercules.

STATE MODERNIZATION STATUS

This section provides information on the current status of the modernization funding for existing campuses in the District that have not yet been modernized.

Eligibility for a modernization project is established when a district files a Form SAB 50-03, Eligibility Determination, with the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) approves the application. A school district designs and submits a project to the Division of State Architect (DSA) and the California Department of Education (CDE). The district awaits both agencies' approvals before filing Form SAB 50-04, Application for Funding. This establishes the level of project funding. If financially advantageous, a district may file a revised SAB 50-03 to reflect the most recent enrollment data. Once at least 50 percent of the work in the project has signed construction contracts, the district files form SAB 50-05, Fund Release Authorization, to request a release of the state's share of modernization funds for the project.

There are 26 elementary school projects in the District that have completed the SAB 50-03, SAB 50-04, and SAB 50-05 processes to date. These include nine Quick-Start projects, nine Phase M-1A projects, and eight Phase M-1B projects for which the District received \$3,863,449; \$9,943,161; and \$12,282,748 respectively. The 26 completed modernization projects have been excluded from the Elementary Schools table.

Several schools funded under Measure D have had modernization applications (SAB 50-04) filed (Downer Elementary, Helms Middle and El Cerrito High) and funded as listed below:

SAB Modernization Funding for Measure D Projects.

SAB # 57/	School	SAB Fund Release Date	SAB Grant Amount	District Match Requirement
27	Downer Elementary	12/03/08	\$4,834,933	\$3,223,289
29	Helms Middle	11/04/08	\$3,781,072	\$2,520,715
30	El Cerrito High	05/11/09	\$10,985,587	\$7,524,515

Applications for three new modernization projects have been submitted to OPSC/SAB and are under review, as follows:

SAB Modernization F Projects Under Review.

SAB # 57/	School	K-6	Non- Severe	Severe
31	Downer Elementary	541	10	
32	Ford Elementary	500		
33	King Elementary	538		17

Existing Campuses. Elementary Schools - Updated December 31, 2009

No.	Existing Campus	Grade	Bond (Phase) ⁰	SAB# ¹	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ²
108	Cameron (Spec. Ed)	K-6							
109	Castro (1950)	K-6	J(1)	000	07/26/00	372			
105	Chavez (1996)	K-5		N/A	New school Not eligible				
110	Collins (1949)	K-6		000	07/26/00	498			
115	Dover (1958)	K-6		031	Revised	551	Filed		PM Complete
116	Downer (1955)	K-6	D(1)	027	03/22/00	916	12/12/07	12/03/08	\$4,834,933 (60%)
124	Ford (1949)	K-5	J(1)	032	03/22/00	500	Filed		PM Complete
128	Hanna Ranch (1994)	K-5		N/A	New school Not eligible				
191	Harbour Way (1998)	K-6		N/A	New school Not eligible				
122	Highland (1958) (1993)	K-6	J(2)	000	03/28/07	125			
132	King (1943) ⁴	K-5	J(1)	033	07/26/00	555	Filed		Application Complete
146	Ohlone (1970) ⁴	K-5	J(3)	000	07/26/00	480			
145	Olinda (1957) ⁴	K-6		000	03/22/00	325			
152	Seaview (1972) ⁴	K-6		000	03/22/00	340			
154	Shannon (1967) ⁴	K-6		000	03/22/00	369			
157	Stege (1943)	K-5		N/A	Not eligible				
131	Transition Learning Center	K-6		N/A	Not eligible				
163	Vista Hills								

Elementary Schools

Note: The 26 modernization projects filed as Quick-Start, Measure M-1A and Measure M-1B projects (SAB 57/001 – SAB 57-026) have been funded and completed, and have therefore been removed from the original list of 42 schools reported in earlier annual and midyear reports. The elementary schools on the list have either had eligibility established (Form SAB 50-03) or have no eligibility. If any of the schools dropped from the list have additional modernization eligibility, and a new Form SAB 50-03 is filed, they will be added to the list at that time.

Existing Campuses - Middle Schools - Updated December 31, 2009

No.	Existing Campus	Grade	Bond (Phase) ⁰	SAB# ¹	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ²
202	Adams (1957)	6-8		000	03/22/00	1,059			
206	Crespi (1964)	7-8		000	03/22/00	1,053			
208	Lovonya DeJean (2003)	6-8		N/A	New school Not eligible				
210	Helms (1953) (1991)	6-8	D(1A)	029	07/26/00	619	07/23/08	11/04/08	\$3,781,072
211	Hercules Middle (2000)	6-8		N/A	New school Not eligible				
212	Pinole Middle (1966)	7-8	D(1A)	000	07/26/00	934			
214	Portola Middle (1950)	6-8	D(1A)	000	07/26/00	440			
Middle Schools									

Existing Campuses - High Schools - Updated December 31, 2009

No.	Existing Campus	Grade	Bond (Phase) ⁰	SAB# ¹	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ²
352	De Anza (1955)	9-12	J(3)	000	07/26/00	1,495			
391	Delta Continuation	9-12							
354	El Cerrito (1938)	9-12	D(1A)	030	03/22/00	1,332	12/10/08	05/11/09	\$10,985,587 (60%)
376	Hercules High (2000)	9-12		N/A	New school Not eligible				
360	Kennedy (1965)	9-12	J(3)	000	03/22/00	1,158			
393	Kappa Continuation	9-12	J(3)						
362	Pinole Valley (1968)	9-12	J(3)	000	07/26/00	2,087			
396	Sigma Continuation	9-12	J(3)						
364	Richmond (1946)	9-12	J(3)	000	03/22/00	1,764			
395	Omega Continuation	9-12	J(3)						
High Schools									

Existing Campuses - Alternative Schools. Updated December 31, 2009

No.	Existing Campus	Grade	Bond (Phase) ¹	SAB# ²	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ³
358	Gompers (1934)	9-12		000	7/26/00	261			
369	Middle College	9-12							
373	Vista High	K-12							
374	North Campus	9-12		000	3/22/00	123			
408	Adult Education-Serra								
102	Adult Education-Alvarado								
Alternative Schools									

¹ When the “Bond (Phase)” column is blank, the school has not been assigned as a project. Note: D=Measure D; J=Measure J.

² A “000” indicates that form SAB 50-03 had previously been filed to establish eligibility, but the applications were rescinded when the projects did not move forward. A project number is assigned when form SAB 50-04 is filed, which requires DSA approved plans and CDE approval. A blank indicates that the status is unknown or that eligibility has not been established.

³ The State grant amount is 60 percent of the total State modernization budget for project applications (SAB 50-04) filed after April 29, 2002. (Applications filed before April 29, 2002, receive 80 percent in State matching funds.) State funding is released to the District after the project has at least 50 percent of the construction contracts signed and a form SAB 50-05 has been filed. The District must provide its matching share of the project budget.

COMPLIANCE WITH STATE LAW, GUIDELINES AND DISTRICT POLICY

Process Utilized

TSS examined standard bid documents, project manuals, applicable State of California laws and regulations, District policies, reports and other relevant documentation related to the District's bond program. Interviews with key District staff were also held to obtain additional information regarding District practices.

Background

There are numerous legal and regulatory requirements associated with the delivery of California public school construction projects. Various codes and regulations govern these processes.

This review is intended to assess the overall compliance with these legal and regulatory requirements. TSS has developed this assessment of compliance to analyze the functionality of the District's bond facilities program. It should not be viewed or relied upon as a legal opinion. This section does not include a review of compliance with the California Building Code or other related requirements.

TSS has reviewed the following two distinct categories of requirements: (1) compliance with State law and regulations and (2) compliance with District policies and guidelines.

State Law

Many requirements for the construction of public schools appear in different California codes, accompanied by regulations from various agencies. The West Contra Costa Unified School District complies with these requirements through the District's bidding and contract documents. The District also provides Notice To Bidders by referencing and detailing the section requirements, as appropriate.

The District's legal counsel prepares and periodically revises the General Conditions section that is included in the District's bid documents. The most recent revision by legal counsel was in March 2009, which contained Articles I-XXVII.

The following items, which are required to appear in the bid documents, were included in the District's bid documents according to the numbers cited.¹

- *Document 000020, Certification Page: Division of the State Architect (DSA) approval for individual project/plans and specifications*
- *Document 0010001, Bid Documents: Notice To Bidders: The Notice To Bidders includes the required notification for project identity; date, time, and place of bid opening; contractor's license requirements for the type of construction and the validity of that license; bid bond and certified bid security check requirements; payment bond requirements; performance bond requirements; substitution of securities information; definition of prevailing wage requirements; statement establishing blind bid process; and a reservation of the right to reject all bids.*

- *Document 001500, Bid Documents, Bid Bond:* A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.
- *Document 003300, Bid Documents, Bidders Certifications and Affidavits, Non-collusion Affidavit:* A non-collusion affidavit form is provided and demanded of the contractor.
- *Document 005500, Contract Forms, Escrow Agreement for Security Deposits in Lieu of Retention:* This item is included as an option, as required.
- *Document 006100, Contract Forms, Performance Bond:* A performance bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 006200, Contract Forms, Payment Bond:* A payment bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 009050, Contractor Certifications:* The contractor is required to certify compliance with the State workers' compensation regulations.
- *Document 008080, Contract Forms, Project Labor Agreement, Prevailing Wage and Related Labor Requirements Certification:* The contractor is required to certify compliance with the District's PLA, which states: "All employees...shall be paid in accordance with the classification and wage scales contained in the appropriate local agreements which have been negotiated by the historically recognized bargaining parties and in compliance with the applicable general prevailing wage determination..."
- *Document 009150, Contractor Certifications, Drug-Free Workplace Certification:* The contractor is required to provide a drug-free workplace certification.
- *Document 009250, Contractor Certifications, Hazardous Materials Certification:* The contractor is obligated to provide certification that no hazardous materials were to be furnished, installed, or incorporated in any way into the project.
- *Document 009300, Contractor Certifications, Lead-Based Materials Certification:* The contractor is required to certify compliance with lead-based materials regulations.
- *Document 009400, Contractor Certifications, Criminal Background Investigation /Fingerprinting Certification:* The contractor is required to select a method of compliance and to certify compliance with criminal background investigation/fingerprinting requirements.

State law does not require the items listed below; however, they are required for State funding and are found to be included in the District bids.

- *Document 009100, Contractor Certifications, Labor Compliance Certification Form, Prevailing Wage and Related Labor Requirements Certification:* The contractors are required to certify compliance with the State Public Works Contract requirements.
- *Document 009120, Contractor Certifications, Disabled Veteran Business Enterprise (DVBE) Participation Certification:* The contractor is required to certify compliance with the DVBE requirements as set forth in the State's School Facilities Program.

The items below are best practices which are included in the District's contract documents. They are not required by state law or for state funding.

- *Document 001100: Instructions to Bidders*
- *Document 005100: Notice of Award*
- *Document 005200: Notice to Proceed*
- *Document 005300: Agreement*
- *Document 005400 Escrow of Bid Documentation*

¹ Proof of District compliance was established through a review of the bid documents for the “Nystrom Elementary School-Modernization, New Multi-purpose Building” dated November 12, 2009. In addition to the document numbers cited, Document 007000, “General Conditions (GC)” included Articles I-XXVII, which further clarified contractor duties and responsibilities. Additionally, bid documents for “Kennedy High School Restroom Improvements” dated August 2009 were reviewed for compliance, and full compliance was noted.

Prevailing Wage Law/Labor Compliance Program

In California, contractors and subcontractors on public works projects must comply with the California Prevailing Wage Law (Labor Code 1720 et seq.). This law stipulates that workers must be paid the prevailing hourly wages and fringe benefits, as specified by the State Department of Industrial Relations, for the region where a construction project is located.

Traditionally, a school district ensures that the Prevailing Wage Law is complied with by requiring contractors and subcontractors to maintain certified payroll records for each worker.

In 2002, enactment of AB 1506 created the Labor Compliance Program (LCP), which added an additional requirement for school district construction projects that received State funding from Proposition 47 (2002) and Proposition 55 (2004). AB 1506 was intended to ensure that contractors and subcontractors complied with the prevailing wage law. Under AB 1506, a school district must provide assurances in writing, that it, or a third-party contractor, will enforce the required LCP, transmit that information to the State Allocation Board (SAB) and take all appropriate measures throughout the construction project to verify compliance.

In November 2007, Proposition 1D passed without the requirement of a LCP. Subsequent legislation that would have reinstated LCP (SB 18, 2007) for Proposition 1D funding was vetoed by the Governor.

On February 20, 2009, SBX2 9 was signed into law which re-established the LCP for school district facility construction projects that receive State bond funds. Previous LCP program, required school districts to provide LCP services directly, or through third-party providers. SBX2 9 requires the Department of Industrial Relations (DIR) to directly enforce prevailing wage requirements. Funding for this process would be provided by a fee from the School Facilities Program equal to 0.25 percent of the State funding. This fee would be provided directly to the DIR for enforcement of labor compliance. (Note: The SAB grant amounts will be increased accordingly.) School districts that have an approved in-house LCP at the time the new regulations are established may apply for an exemption from the new fee. If a school district contracts with a third-party LCP provider, such services may not be eligible for this exemption.

Regardless of whether a school district is required to have a LCP for state-funded projects, it must fully comply with the prevailing wage law. To ensure compliance with the law, a school district should develop and implement policies and procedures to be applied to all construction projects, regardless of the source of funding.

The District currently contracts with a third party provider for labor compliance services to review contractor certified payrolls and ensure that construction projects comply with the District's Labor Compliance Program, the prevailing wage law and, if required, the SAB Labor Compliance Program. In light of enactment of SBX2 9, the District should review its options for meeting legal requirements on new projects.

Project Labor Agreement (PLA)

The Board of Education initially approved a Project Labor Agreement on April 9, 2003, covering the nine Measure M-1A projects. Subsequent amendments to add additional projects were approved by the Board. The Board date and projects covered included the following:

Projects Subject to Project Labor Agreements

<u>Board Meeting Date</u>	<u>Projects Covered</u>
April 9, 2003	M-1A Projects (1-9)
December 3, 2003	M-1B Projects (10-18)
April 7, 2004	M-1B Portables (19-20)
June 2, 2004	D-1A Projects (21-23)
August 3, 2005	D-1B Projects (24-25)
November 28, 2007	Non-Bond Funded Projects
October 2008	J Projects (26-34)

The April 9, 2003 PLA agreement included the following stated purpose:

PURPOSE

“The purposes of this Agreement are to promote efficient construction operations on the Project, to insure an adequate supply of skilled craftspeople and to provide for peaceful, efficient and binding procedure for settling labor disputes. In so doing, the parties to this Agreement establish the foundation to promote the public interest, to provide a safe work place, to assure high quality construction, to ensure an uninterrupted construction project, and to secure optimum productivity, on-schedule performance and District satisfaction.

It is the intent of the parties to set out uniform and fair working conditions for the efficient completion of the Project, maintain harmonious labor/management relations and eliminate strikes, lockouts and other delays.

To the extent permitted by law, it is in the interest of the parties to this Agreement to utilize resources available in the local area, including those provided by minority-owned, women-owned, small, disadvantaged and other businesses.”

The twenty-six articles in the PLA set forth the requirements for contractors and subcontractors and the District's rights and responsibilities.

It is pointed out, that in keeping with the intent of the third paragraph of the above stated purpose, the District developed a Local Capacity Building Program (LCBP) that is discussed in the “Bidding and Procurement Procedures section.”

District Policy

At the Board of Education meeting of February 8, 2006, the Board voted to establish a policy subcommittee to analyze, review and revise policies, as needed.

At the Board meeting of October 3, 2007, the District policy statement *Series 3000: Business* was presented for a first reading. On February 6, 2008, Series 3000 policies were approved.

At the Board meeting of November 7, 2007, the District policy statement *Series 7000: Facilities* was presented for a first reading. On January 9, 2008, Series 7000 policies were approved.

The Series 7000 policies represent typical school district facility policies and conform to the standard templates recommended by the California School Boards Association. Board Policy 7214.2 and the related Administrative Regulations provide specific language regarding the role of the Citizens’ Bond Oversight Committee (CBOC), including the purpose of the committee, the committee’s duties, the committee composition and the selection process for the committee. These policies and regulations provide the necessary guidelines for appointments to the CBOC and provide committee members with a clear scope of their duties and authority.

The District’s Board Policy 7115, *Educational Facilities Design Standards*, includes the Collaborative for High Performance Schools (CHPS), 2006 criteria, as a standard for all schools. According to the CHPS web site:

“The mission of the Collaborative for High Performance Schools is to facilitate the design, construction and operation of high performance schools: environments that are not only energy and resource efficient, but also healthy, comfortable, well lit, and containing the amenities for a quality education.”

In addition, these standards form the basis for the High Performance Grant Program in the State’s School Facilities Program. This program provides additional funding for the high performance elements in the projects.

Policies from *Series 3000: Business* (select items) and *Series 7000: Facilities* are presented below:

Series 3000 – Business & Non-Instructional Operations (Select Items)		
BP	Description	Date of Adoption
BP 3111	Deferred Maintenance Funds	2/6/08
BP 3280	Sale, Lease, Rental of District-owned Real Property	2/6/08
AP 3280	Sale, Lease, Rental of District-owned Real Property	10/6/08
BP 3300	Expenditures and Purchases	2/6/08
BP 3311	Bids	2/6/08
AP 3311	Bids	10/6/08
BP 3312	Contracts	2/6/08

BP	Description	Date of Adoption
BP 3314	Payment for Goods and Services	2/6/08
AP 3314	Payment for Goods and Services	10/6/08
BP 3320	Claims and Actions Against the District	2/6/08
AP 3320	Claims and Actions Against the District	10/6/08
BP 3400	Management of District Assets/Accounts	2/6/08
AP 3400	Management of District Assets/Accounts	10/6/08
BP 3430	Investing	2/6/08
AP 3430	Investing	10/6/08
BP 3460	Financial Reports and Accountability	2/6/08
AP 3460	Financial Reports and Accountability	10/6/08
BP 3517	Facilities Inspection	2/6/08

Series 7000 – Facilities

BP	Description	Date of Adoption	Most Recent Date of Revision
BP 7000	Concepts and Roles in New Construction	1/9/08	10/07
BP 7100	Facilities Master Plan	1/9/08	8/07
BP 7115	Educational Facilities Design Standards	1/9/08	8/07
BP 7125	Assembling and Preserving Important Documents	1/9/08	8/07
BP 7131	Relations with Local Agencies	1/9/08	8/07
BP 7140	Architectural and Engineering Services	1/9/08	8/07
BP 7150	Site Selection and Development	1/9/08	8/07
BP 7210	Methods of Financing	1/9/08	8/07
BP 7214	General Obligation Bonds	1/9/08	8/07
BP 7214.2	Citizens Bond Oversight Committee (CBOC)	1/9/08	8/07
AP 7214.2	Citizens Bond Oversight Committee (CBOC)	1/9/08	10/24/07
BP 7310	Naming of Facility	1/9/08	8/07
BP 7470	Inspection of Completed Project	1/9/08	8/07

Observation

- A school district is mandated to not only maintain a balanced budget, but to meet its cash-flow requirements. To do this, the law permits a school district to borrow from one fund, such as the Building Fund, to meet obligations in another fund, such as the General Fund. It is appropriate that interest be paid against the borrowed funds if this occurs. According to District staff, as of December 31, 2009, no funds were borrowed from the bond funds.

Recommendation

- It is recommended that any interest earned on funds borrowed from Measure D and Measure J, involving a transfer of cash from one fund to another fund, be transferred back to the funding source.

DISTRICT AND PROFESSIONAL SERVICES STAFFING PLAN FOR THE BOND PROGRAM

The governance and management of the District's bond program have evolved over time to address the changing needs, functions, and funding of the District's facilities program. This section provides information on the changes in the administration of the facilities program between July 1, 2009 and December 31, 2009.

FACILITIES STAFFING FOR THE BOND PROGRAM

The table below lists District staff and the funding allocations for the bond program for fiscal year 2008-09. Since the June 30, 2009 annual report, the Accountant II position has been eliminated.

District Staffing for the Facilities Bond Program (Source: District records)

District Staff Position	Other Funds Percent	Bond Fund Percent	Object Code
Bond Finance Office			
Sr. Director of Bond Finance	25	75	2310
Principal Accountant	0	100	2410
Senior Budget Control Clerk	0	100	2410
Senior Account Clerk ²	50	50	2410
Bond Finance Office Subtotal	.75 FTE¹	3.25 FTE¹	
Bond Management Office			
Associate Superintendent of Operations	50	50	2130
District Engineering Officer	10	90	2310
Staff Secretary ²	0	100	2410
Facilities Planning Spec. – Classified ²	0	100	2410
Director of Bond Facilities ²	10	90	2310
Bond Regional Facility Project Manager ²	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Bond Network Planner ²	10	90	2310
Bond Management Office Subtotal	1.0 FTE¹	7.0 FTE¹	
Total for Management and Finance	1.75 FTE¹	10.25 FTE¹	

¹FTE means 1 full time equivalent.

² Vacant positions as of December 31, 2009.

The annual compensation costs for the positions charged to the Bond Fund as noted above were \$1,060,474 for the 2008-09 year. This is a \$123,690 decrease from the 2007-08 year. In 2008-09, there were a total of 4.8 FTE vacant of the 10.75 FTE charged to the Bond Program. As of December 31, 2009, there were a total of 6.0 FTE vacant; this accounts for 5.2 FTE of the 10.25 FTE positions charged to the Bond Program.

The facilities-related personnel (full-time equivalent or FTE) assigned to the program as of December 31, 2009, including the internal staff and project and construction management personnel, are presented in the table below. These numbers exclude the design manager, architects/engineers of record, project specialty consultants, inspectors, the communication consultant, the outreach consultant, and the labor compliance consultant.

Category	FTE¹
District Staff	
Bond Finance Office	3.25
Bond Management Office	7.00
Subtotal	10.25
Bond Program Manager (SGI)	
Program/Project Management	5.33
Design Management	0
Construction Management	10.50
Other (Network Admin., PS2 Coordinator, Master Scheduler, Receptionist) ²	4.00
Subtotal	19.83
TOTAL Full-Time Equivalent Positions	30.08

¹ Full-time equivalent (1.0 FTE is a full-time 8 hours per day/12 month employee.)

² 1 FTE Scheduler position was been added in October, 2009. The numbers do not include the Cost Estimator added between January and March 2010, after the midyear review reporting deadline of December 31, 2009.

Midyear Update

At the end of the 2008-09 fiscal year, there were three District employees assigned to the Facilities and Operations Center. Two of these are Bond Regional Facilities Program Managers, whose primary duties are project management. This leaves only the District Engineering Officer to conduct the day to day management of the entire bond program, resulting in some responsibility being delegated to outside consultants such as SGI.

In the 2008-09 annual report, TSS recommended that the District consider assigning additional staff to provide adequate oversight of the program. Internal staff are critical for maintaining a system of checks and balances within a bond program of this size and scope. For example, during this reporting period, it was observed that some invoices for bond related expenses were processed by SGI staff rather than District staff, due to lack of available District personnel.

At the time of the mid-year review, it was noted that one District Bond Regional Facilities Program Manager and one Staff Secretary had retired effective December 31, 2009. These departures have left the District with six vacant positions (5.2 FTE's) in the Bond Finance and Management offices; a Senior Account Clerk (0.5 FTE), a Staff Secretary (1.0 FTE), a Regional Facilities Program Manager (0.9 FTE), a Facilities Planning Specialist (1.0 FTE), a Director of Bond Facilities (0.9 FTE) and a Bond Network Planner (0.9 FTE). The Staff Secretary position has been partially filled two days a week through a temporary substitute who began in January 2010. Although not effective this reporting period, it is worth noting that an additional District Bond Regional Facilities Program Manager (0.9 FTE) has given notice to resign effective March 31, 2010. This will result in seven staff vacancies (6.1 FTE's) in the District's Bond program.

The District is actively recruiting for four of the six vacancies; the two Regional Facilities Program Managers, the Staff Secretary and a Director of Bond Facilities. It was also reported that the District is planning to revise the roles and responsibilities of the Director of Bond Facilities. This position will be a lateral position to the District Engineering Officer. Filling these vacancies will be a positive step toward improving the overall effectiveness of the bond program.

Previously, the District utilized the services of a full-time Program Director provided by the Program Manager, SGI. During the 2007-08 year, this position was reduced to a .33 FTE position. Consequently, a few duties of this position had been assigned to the Deputy Program Director/Pre-Construction and others to the Deputy Program Director/Construction Manager. According to the District staff, this arrangement lacked the continuity needed for an effective delivery of services.

In the most recent annual report (2008-09), Total School Solutions recommended that the District request SGI to assign one full-time Program Director to the bond program. SGI has since promoted the Deputy Program Director/Pre-Construction to the role of full-time Program Manager. This arrangement should lead to more direct oversight and management of the SGI Bond staff. However, it should be noted that this did not result in an increase in total program management staff, which is a concern because of the overall decrease in upper management staffing levels.

In October, 2009, the District hired a Scheduler to work with the SGI Program Management team. After the period covered by this midyear review, it was reported that a Cost Estimator was hired in early 2010 as well. The two positions have been filled by outside consulting firms operating as subcontractors to SGI. The Scheduler is responsible for coordinating with the Construction Managers and other SGI staff, to develop a Master Schedule for the remaining bond projects. The hiring of this position was in response to concerns regarding the lack of a Master Schedule for the program. The Cost Estimator will be primarily responsible for change order review and internal review of bond construction project estimates.

PROGRAM MANAGEMENT

The most significant change affecting the cost of the program management structure was the bifurcation of the program management and construction management services that occurred in 2004. Prior to this change, program management services were included with the construction management services. The bifurcation resulted in an increase of \$642,337 or 3.45 percent in the total cost for the CM and PM fees. This increase is partially offset by a decrease of \$321,613 or 7.47 percent, in the Master Architect fees. Overall, there was a slight increase in soft costs for the Measure M and D projects and a 1.4 percent increase in soft costs for the Measure J projects. Measure J Design Manager fees increased by 469 percent from \$434,033 in 2006-07 to \$2,389,520 in 2007-08. Staff has reported that, in the 2006-07 report, all projects assigned to the Design Manager had not yet been identified. The increase in 2007-08 was due to the assignment of additional projects. There were no further increases observed during the 2008-09 year.

In a prior report, substantial overlap in the services and responsibilities involving the District staff and consultants was reported. TSS reviewed the services agreements for the Master Architect, Program Manager, Architect of Record, Design Phase Manager and the Construction Manager. The following matrix of these services was developed:

PHASE	Design Phase Manager	Project Architect	Program Manager	Construction Manager	Master Architect
PROJECT					
Overall coordination and communication	X				X
Main Contact	X				
Design and Construction Schedules	X	X	X		
Assist in the Selection of Consultants	X				
Implementation Plan	X				
Advise on Green Building Technology	X				
Establish construction budget			X		
Establish project scope			X		
Costs			X		
Visually verify existing conditions		X			X
Storm Water	X				X
Coordinate the submittal of drawings		X			X
Coordinate with utility companies		X			X
Prepare District Standards					X
Review Project Architects' work; recommend approval					X
Prepare, update Master Plan					X
Prepare, update master schedule					X
Prepare, update master budget					X
PRE-DESIGN					
Advise on regulatory agencies	X	X	X		X
Coordination with agencies		X	X		X
Facilities Assessment		X			
Prepare, develop and refine site Master Plan options		X			
Chair meetings, take minutes	X	X	X		X

PHASE	Design Phase Manager	Architect	Program Manager	Construction Manager	Master Architect
Maintain log of all meetings	X		X		
Project Schedule	X	X	X		
Preliminary Cost Estimates			X		
DESIGN					
Value Engineering reviews	X	X	X		
Constructability Reviews	X		X		X
Provide cost estimate	X	X	X		
Scheduling		X	X		
Coordinate with utility agencies		X			X
Chair meetings, take minutes		X			
CONSTRUCTION DOCUMENTS					
Coordinate submittal to agencies	X	X			X
Provide cost estimate	X	X	X		
Prepare General Conditions	X				X
Conduct site meetings, minutes		X			
Scheduling			X		
Coordinate and monitor work of AOR		X	X	X	X
BIDDING					
Conduct meetings; prepare minutes	X	X	X		
Prepare Bidder's list	X		X		
Market bids	X		X		
Assist District with Ads	X		X		
Coordinate delivery of bid docs	X		X		
Estimate cost of addenda	X				
Bid Analysis	X		X		
Pre-bid Conference	X		X		
Assist District in responding to questions		X	X		
Coordinate bids		X			
Coordinate addenda		X			
Develop bid procedures and documents		X	X		
CONSTRUCTION					
Labor compliance	X		X		
Provide 10% alternates		X			
Review submittals		X			
Meeting minutes		X	X		
Chair, conduct meetings			X	X	
Scheduling			X		
Coordinate with DSA Inspector (PI)		X			X
Coordinate the work of the Project Architect					X
PROJECT CLOSEOUT					
Guarantees, keys, manuals, record drawings, etc.		X	X		

During the process of developing project and program schedules, the Design Phase Manager, the Architect of Record, the Program Manager and the District staff all create schedules which, for the sample projects included in this review, had not been coordinated. It was not clear who had the ultimate responsibility for maintaining or enforcing the project schedules. For some services, more than one entity providing the same service can act as an appropriate check and balance to ensure accuracy. However, the agreements did not indicate who has the primary responsibility for program schedules and who provides the verification. These duplications of services can lead to confusion and inefficiencies in the process.

The District staff has made significant progress toward correcting the problem of duplication of effort. The role of the Master Architect has been reduced to “as needed” on an hourly basis, thus removing one layer of redundancy. The Program Manager (SGI) has been instructed in the past year to assume responsibility for coordinating the efforts of all those involved to avoid duplication and streamline the process.

Additionally, the program manager has developed a Bond Program Master Schedule within the past year. This schedule has been built based on each individual project’s schedule. This document allows bond staff to be able to work from the same schedule.

Board Subcommittee on Facilities

In the 2008-09 annual report, TSS commented on the role of Board Members on the Facilities Subcommittee at the request of the District’s CBOC Audit Subcommittee. The Board of Education appoints two of its members to serve on a “Subcommittee on Facilities” that regularly meets to discuss facilities issues. The District’s website provides meeting schedules, agendas and minutes of the subcommittee’s activities.

Because the Subcommittee addresses facilities issues in greater detail than is generally possible at Board meetings, it is not unusual for subcommittee members to request detailed information to assist them in their appointed duties. While this may appear to be micro-management to those who do not participate in the process, it is an appropriate exercise of oversight.

When an individual Board member acts beyond his/her role on the Board or Subcommittee, such acts are considered to be those of a citizen, carrying the same rights as any citizen to be fully informed of the activities of its school district. It is up to each individual Board member to determine the degree of involvement believed necessary to be an effective trustee of the district resources.

Midyear Update

In the 2008-09 annual report, TSS recommended that the District and Program Manager take steps to ensure adherence to the master schedule by all bond program participants. The District concurred and fixed the responsibility for schedule compliance on SGI’s Program Manager. It is anticipated that work in this area will improve with the return of a full-time (from part-time) Program Manager. Within the last six months, the 0.33 FTE Program Manager provided through SGI was increased to full-time through the promotion of the Deputy Program Manager/Pre-construction into that role.

To further improve adherence to schedules, the District hired a full time Master Scheduler in October 2009 as a sub-consultant under the SGI contract. The Master Scheduler is responsible for coordinating with the SGI Program Management team to consolidate project planning, design, construction and move-in schedules into one coordinated Master Schedule for remaining bond projects. The Master Schedule will allow for better tracking of projects and provide managers a tool for evaluating schedule changes. SGI is planning to also input project cost estimates into the Master Schedule to help the District forecast bond cash flow requirements. It is noted that the incumbent in this position does not have any direct authority over the other program Construction Managers or Project Engineers, thus ultimate schedule adherence may still reside with the Program Manager.

During the six months covered by this mid-year review, WLC's role as Master Architect has continued to be minimal. Many of the responsibilities have been consolidated under SGI's Program Manager, providing for a much more effective program management structure. However, the District reports that Design Management and oversight work needs to be strengthened. For example, construction design flaws on some recent construction projects indicate that a better constructability review process, design management, or feedback system would have served the district better.

It is recommended that the District and Program Manager takes steps to hold the Project Architects and/or Design teams more accountable for design flaws or the District may consider hiring additional District bond management staff to provide internal Design Management oversight. At the time of the mid-year report, the District was in the process of filling the vacant position of the Director of Bond Facilities who would be responsible for overseeing the program from Planning through to Design. This position will allow for better internal management of the Design process, thereby strengthening a system of checks and balances.

In the 2008-09 annual report, TSS recommended that the Board of Education consider developing a "Code of Conduct" to provide direction regarding the individual Board member's role on the Facilities Subcommittee. To date, no such action has been initiated.

MASTER ARCHITECT/ENGINEER PLAN

Background

In 2002, the West Contra Costa Unified School District contracted for bond management services through one comprehensive joint contract with WLC Architects and the Seville Group, Inc. (SGI). The contracted services included a full spectrum of facilities construction and planning related work from overall initial conceptual development through construction contract management services.

Typically, in California school construction programs, various participants fulfill a few well-defined and distinct roles. Significant functions or roles generally include the following:

- Owner
- Architect
- Contractor
- Construction Manager

School districts may contract with individuals, firms or agents for services associated with the general functions listed above. This separation of responsibilities allows for a set of checks and balances based on the relationships of the separate entities performing their respective functions.

The master architect contract mentioned in the first paragraph combined all of the elements noted above except for the contractor. Program management design services and construction management services were, to various degrees, provided under this one contract. This mechanism potentially delivered the advantage of continuity. However, this arrangement also had an inherent flaw in that it was contrary to the concept of checks and balances typical of more traditional construction programs.

The annual performance audit report in 2003 found that the master architect arrangement could create the impression that the bond management team functions in a District staff role. This potential for confusion of roles placed the master architect in a number of difficult situations, including; (1) providing services beyond the scope of the contract without payment, (2) declining to provide services, or (3) providing additional services for additional fees. It was recommended that District staff and the leadership of the bond management team meet regularly to review work in progress, planned work and the scope of provided services. The District responded to this finding by strengthening in-house staff to assume more responsibility and defining, or even limiting, consultants' roles. The most notable effort in this regard was to create and fill the position of District Engineering Officer.

The 2003 audit report also found that the two architectural firms under one contract created, or had the potential of creating, uncertainty in the division of roles, duties and responsibilities. The report contained a finding indicating that a conflict of interest existed when one firm reviewed the work of its own partner.

In the 2004 annual performance audit report, it was noted that the District and bond management team had undertaken a thorough review of the master architect contract and initiated a process to bifurcate the contract into two separate contracts.

The 2005 annual performance audit noted that the bifurcation of the contract had been completed.

The 2007 performance audit report indicated that the reorganization appeared to be more functional. The role of WLC as Master Architect was significantly clearer. The roles of the architects of record for the various projects were well defined. Similarly, SGI's role as manager of construction management services, including providing CM services for certain projects and coordination of other construction management providers for all projects, was better defined. District staff reported that the role of the master architect had been significantly reduced and was now limited to minor projects, including the review of designs from other architects for conformity to the program standards. This change is reflected in the reduction in fees for the Master Architect reported in the table "Program Management Structure in the District" and "Professional Services Staffing Plan for the Bond Program" sections of this document. Fees for the Master Architect were budgeted at 2.81 percent of the total program budget for Measures M and D and at only 1.23 percent of the total budget for the Measure J program.

The services of WLC as the Master Architect were further limited by an amendment to the agreement dated April 1, 2006. Currently, services are confined to schematic design reviews for conformance to the design and program standards. This work is conducted on a time and materials basis.

Seismic and Geotechnical Professional Services

The District had asked the Master Architect to engage consultants for geotechnical and soils analysis services and invoice the District as a reimbursable expense at the beginning of the bond program. This arrangement provided some expediency. However, it also had the effect of insulating these services from direct oversight. A consultant, Global Soils was engaged in this manner and soils reports were provided to the District by Global Soils. The reports prepared by Global Soils were determined to be deficient during the 2004-05 year. Initially, there were 17 Measure M projects identified for review of Global Soils geotechnical reports. Additionally, 5 Measure D projects have been identified for seismic and geotechnical review subsequent to the initial reports for these sites.

New processes are now in place for all geotechnical services. The District used a Request for Proposal (RFP) process for Measure D, screening and selecting qualified firms, and then contracting directly for the services. When the District initiated a qualifications based selection process for the geotechnical engineer, 44 firms were asked to participate. Statements of Qualifications (SOQs) were submitted by 17 firms. Those SOQs were evaluated and ranked and Alan Kropp Associates was selected. This systemic change for obtaining needed seismic and geotechnical professional services is a positive step in correcting an identified weakness in the program. Later, another similar process was used for Measure J.

Since this matter became known to the District, the District staff has been actively pursuing resolution for each of the sites, including a peer review of the re-examination results accomplished by Alan Kropp Associates, and reviews by the California Geologic Survey (CGS) and the Division of the State Architect (DSA). Additionally, 17 schools are on the AB 300 Seismic Safety Inventory of California Public Schools list. During this reporting period, the 17 sites had testing and peer review underway to establish the extent of lateral spreading hazard. The process of correction will require ongoing attention for the next several years.

For the details associated with the above summary refer to the “Meeting Seismic and Geotechnical Challenges in West County Schools” presented to the Board of Education on January 7, 2009.

Midyear Update

The services of WLC Architects as the District’s Master Architect continue, but on a limited time and materials basis. The scope of their work has been limited to the review of schematic designs for conformance with established District standards. This minimal involvement by WLC has eliminated the overlap in services with the Program Manager that had been occurring.

Despite their limited role as Master Architect, WLC continues to provide services to the District as the Project Architect on certain construction projects. For example, within the past year, WLC Architects served as the lead Architect for the El Cerrito High School improvements. WLC’s provided the construction bid documents and oversaw the design team, civil, mechanical, electrical and structural engineers and other design consultants. As Project Architect, WLC assisted with the construction bidding, review of construction change orders, Requests for Information (RFI’s), shop drawings and specification submittals.

New projects assigned to WLC Architects between July 1, 2009 and December 31, 2009 consisted work at Coronado Elementary School. On October 21, 2009, the Board authorized a contract to WLC Architects in the amount of \$2,155,800 for the preparation of construction documents for the Coronado Elementary School new construction. WLC provided educational programming and master planning for the renovation/reconstruction of Coronado as authorized by the Board on June 24, 2009. As part of the master planning task, WLC analyzed different alternatives for the campus renovation and presented these options to the District for consideration. The District subsequently selected the option of total campus replacement.

WLC has also served as Project Architect on several smaller non-bond projects, such as school consolidation work at Fairmont Elementary School.

In response to the geotechnical issues noted in the 2008-2009 annual report; the current consultant, Alan Kropp and Associates (Kropp) has completed geotechnical evaluations of seventeen elementary school sites that were originally studied by Global Soils. Kropp has cleared fifteen of the seventeen sites, confirming that no geo-hazards exist and that geotechnical requirements have been adequately addressed through the completed construction work. Kropp’s investigation at two of the sites has identified potentially significant geo-hazards, which do not appear to have been addressed by the project work. At Washington Elementary School, there is a liquefaction concern in one area of the site and further investigation is required. This additional investigation at Washington Elementary has not been completed to date. At Riverside Elementary School, there is a concern regarding seismically-induced lateral spreading at the deep creek bank that borders the site. Kropp has completed three phases of progressively more intensive investigation at the Riverside site and is awaiting results of a peer review by an outside specialist before presenting its recommendations to the District.

DESIGN AND CONSTRUCTION SCHEDULES

Process Utilized

Total School Solutions (TSS) reviewed and analyzed documents, schedules and systems related to construction design and schedule in the course of this examination.

Background

The bond management team has developed documentation systems that include schedules for the Measure M, D and J programs. Design and construction of Measure M, Phase 1A and Phase 1B facilities program construction projects were substantially completed during the fiscal year 2006-07. The current program master schedule includes timelines and schedules for the remaining projects funded under Measure D and J bonds from fiscal year 2009-10 through 2013-14.

District staff, program and construction management staff, architects and consultants meet regularly to review progress, issues, schedules and the status of bond program projects in the various stages of design and construction. Staff communicates the status of projects and the overall progress of the program to the Board of Trustees and the Citizens Bond Oversight Committee (CBOC) once a month during regular Board of Trustees meetings through the “Engineering Officer’s Report” and the “Construction Status Reports”. These reports include verbal presentations, narrative descriptions of construction progress and pictures of essential project activities.

Measure D Projects

The Measure D facilities construction program includes major renovation and new construction projects at Pinole Middle School, construction of two new middle schools, Helms and Portola, and construction of El Cerrito High School. The program also includes upgrades to track and field facilities at three high schools, technology upgrades at fifteen middle and high schools, and furnishing of furniture and equipment to four middle schools. Status of major projects at the end of this reporting period is as follows:

Pinole Middle School. Construction of Temporary Kitchen Utilities and the Demolition of Building A at Pinole Middle School were completed and Notices of Completion were issued. Construction work on the modernization of Building A started in September 2009.

Helms Middle School. Construction of the Helms Middle School new campus project is 96 percent complete and ready for a punch list in February 2010. Demolition of old facilities and construction of new site work is scheduled to occur in early 2010.

El Cerrito High School. Notice of Completion was issued for the construction of El Cerrito High School Administration, Theater and Library Buildings. Bidding for the Demolition of Temporary Campus and the Construction of Playfield Upgrades is scheduled to occur in early 2010. These projects will now proceed earlier than anticipated after the Board rescinded the plan to house Portola Middle School students on this campus during modernization/new construction.

Portola Middle School. The site master plan for the new Portola Middle School planned for construction at the Castro Elementary School site was approved by the Board on October 21, 2009. The architects have been directed to proceed with final design and preparation of construction documents. The final location of the temporary campus for housing of Portola Middle School students during the construction period remained under Board consideration after the Board rescinded its previous approval for housing the students at the El Cerrito High School temporary campus, due to legal challenges and community resistance.

Measure J Projects

The Measure J facilities construction program includes the modernization and new construction of seven elementary schools, major renovation/ new construction of four high schools, Kennedy, Pinole Valley, Richmond and De Anza, and site work for Richmond College Prep and the Leadership Public School. The program also includes technology upgrades to seven elementary and high schools, and furnishing of furniture and equipment to five elementary and four high schools.

Elementary School Projects: Construction of the new buildings and site work at King Elementary School is in progress and is scheduled for completion in early 2011. Construction of the new Dover Elementary School is 23 percent complete and is anticipated to be completed in the year 2012. Demolition and site work at Ford Elementary School is complete and construction of the new campus is 14 percent complete. The Nystrom Elementary School Modernization/Multipurpose Room project is in the design-construction document stage. The Ohlone Elementary School site work and new campus project is in the developmental design stage. The District awarded a contract for upgrading of play structures and surfaces at 10 elementary schools.

On June 3, 2009, the Board of Education approved the Facilities Subcommittee's recommendation to add Coronado Elementary School to the approved projects for the Measure J Bond Program. The site master plan was approved by the Board on October 21, 2009 and the architects have been directed to proceed with final design and preparation of construction documents. Full funding for construction of this project is subject to the availability of future funds.

High School Projects: The Baseball Field Improvement and the Fitness Center projects at De Anza High School are under construction while the construction of the new School Campus is anticipated to bid and start construction in early 2010. Upgrades to the Fire Alarm System, Locker Room Hot Water System and Restroom Renovation projects at Kennedy High School are under construction. Remaining projects were in various stages of design and construction document preparation. Construction of the Richmond High School Stadium and Lockers Building project is complete. The Pinole Valley High School project remained on the "deferred" list subject to the availability of future funds.

Charter and Gompers Projects: Notices of Completion for the construction of the Richmond College Prep (RCP) site and utilities and the Leadership Public School (LPS) temporary campus site were approved by the Board of Education on April 1, 2009.

The Facilities Subcommittee's recommendation to start the planning process for the demolition of Gompers High School and Adams Middle School due to severe deterioration and known seismic deficiencies was approved by the Board of Education on June 3, 2009. Cost estimates and timelines will be developed for the demolition of both schools which could include the relocation of the Continuation High School, warehouse and maintenance facilities.

The updated schedule of active remaining projects and planned projects in the Measure D and the Measure J Bond Program is shown in the following table, "Measure D and J Bond Program Schedules". The table also includes the status of projects as of December 30, 2009, in the various stages of planning, design, DSA approval and bidding planned to occur during 2007-2009 and construction, including project completion occurring during 2008-2012.

MEASURE D AND J BOND PROGRAM SCHEDULES

PROJECTS	Program Master Schedule ¹	Status As Of December 30, 2009 ²
Measure D Bond		
Verde Elementary School	2009	Playground and site work In Construction - 96% Complete
Helms Middle School	2007 - 2010	New School – In Construction 96% complete; Demolition – In Design
Pinole Middle School	2009 - 2011	Modernization – In Construction 15% complete
Portola Middle School	Design (2009 – 2010) Const.(2011-2012)	Temporary and New School – In Design
El Cerrito High School	2010	Demolition -Bidding; Field Upgrades – In Design
Furniture & Equipment		
Technology		
Measure J Bond		
De Anza High School	Design (2007 - 2009) Const.(2009-2014)	Fields – In Construction 10% complete; New Campus - at DSA
Kennedy High School	Design (2008 - 2009) Const.(2009-2011)	ADA Upgrades in Design Fence and Gates Projects at DSA Field Building and Lights Project at DSA Restrooms – In Construction 22% complete; New Classrooms – In Design
Richmond High School	2008 - 2010	Stadium/Bleachers – In Construction 99% complete; Surveillance Cameras - In Construction 30% complete Fence and Gate Project at DSA
Dover Elementary School	2008 - 2012	New School – In Construction 18% complete
Ford Elementary School	2009 - 2011	New School – In Construction 10% complete
King Elementary School	2008 - 2011	New School – In Construction 35% complete
Nystrom Elementary School	Design (2007 - 2009) Const.(2010-2012)	Modernization - at DSA; MPR- at DSA
Ohlone Elementary School	Design (2008 - 2009) Const.(2010-2012)	Increment 1 – In Design 75% complete; Increment 2 – In Design 50% complete
Coronado Elementary School	Design (2009-2010) Const. (On Hold)	MPR – In Design 80% complete; New School – In Design 10% complete
Furniture & Equipment		
Technology		
Program Coordination		
Program Contingency		

¹ Source: WCCUSD Measure M, D & J Bond Program Master Schedule, August 18, 2009.

² Source: WCCUSD Measure M, D & J Bond Program Project Status Report, January 7, 2010.

Midyear Update

The analysis of scheduling responsibilities based on contracts, agreements and actual delivery of services conducted in the previous reports revealed that there is duplication of effort in scheduling and a lack of specific assigned responsibility for primary schedule controls, maintenance, and distribution. The District recognized the problem and directed SGI to employ a bond program scheduler who would be assigned the primary responsibility of developing the overall program schedule and ensuring that it was maintained, communicated and adhered to by all parties involved.

- On October 2009, the District hired a Scheduler through the SGI program management contract. The Scheduler assumed specific responsibility for the development and maintenance of the overall program master schedule. The new Scheduler meets with the District staff, program and construction management staff, architects and consultants in order to obtain input and updates the master schedule. New information and data requiring schedule adjustments that impact the critical milestones of project timelines in the master schedule are coordinated through the program manager and the District's Engineering Officer. Recommended changes and adjustments to the master schedule are submitted to the Facilities Sub-Committee for review and approval.

In regards to the development and control of the master schedule, the Scheduler is assigned the responsibility of uploading approved project/construction budgets and actual costs into the master schedule. Once a budget and cost-loaded master schedule is fully developed, staff anticipates that the Scheduler will be able to maintain and provide real time information on program cash flow that will improve the District's program control and management.

- According to staff, the District is in the process of hiring for the vacant position of Director of Facilities. When in place, the new director shall be responsible for bond program control which includes planning, design, estimating and scheduling phases of the program. This addition to the District's management staff is anticipated to allow the Engineering Officer to focus on the construction phase of the program which includes construction management, communication, field supervision and coordination of construction projects.
- Staff plans to further increase the Maintenance and Operations (M & O) department's input into the facilities construction program, through the M&O staff's involvement in the review of plans and drawings during the design phase. In addition, M & O will be required to participate in site visits and inspections of completed construction projects during the construction close-out process and provide feedback to the design and construction team on their findings.

DESIGN AND CONSTRUCTION COST BUDGET

Process Utilized

TSS conducted interviews with the District staff and members of the bond management team. These interviews covered a variety of topics, including project costs and budgets. Available documentation on the project bidding and contract award processes were also reviewed and analyzed. The bond management team provided TSS with project budgets for review.

Background

California public school districts are permitted to develop building standards based on their individual and unique educational, aesthetic and fiscal needs. The California Department of Education (CDE) reviews and approves projects based criteria set in the Title 5 Regulations, California Code of Regulations. These regulations include, review for toxic substances, educational adequacy, compliance with the California Environmental Quality Act (CEQA) and other standards. The Division of the State Architect (DSA) reviews and approves projects based on conformance with the California Building Code, Title 24, California Code of Regulations, with requirements related to structural (seismic) integrity, fire and life safety, and the accessibility for the disabled. The Office of Public School Construction (OPSC) approves projects based on established district eligibility for funding, CDE approval and DSA approval. All of these required approvals are based on “minimum standards” criteria established by these agencies. There are no existing State standards or minimum requirements in many areas such as technology, architectural style, aesthetics, specialty educational space (e.g., art, science, and industrial shop areas) and other similar features. Local communities determine these standards or requirements based on local educational programmatic needs, available funds and individual site conditions.

Many California school districts adhere strictly to the state’s School Facilities Program (SFP) budgetary standards. In those districts, projects are designed based on the total revenues produced through the SFP calculations. The eligibility is generally the sum of the SFP per pupil grant and the required local district match. Generally, school districts simply use this formula for the purpose of determining available SFP revenues from the State. Under this scenario, project budgets usually exceed the State formula. The amount in excess of the State formula is referred to as “additional” local match, which is permitted by SFP regulations. With respect to State funding through the SFP, the only State requirement for eligible projects is that the school district provides its minimum match through local funds.

Through actions of the Board of Education, the West Contra Costa Unified School District originally established standards known as “Option 1C Standards” to guide its projects. These standards result in individual project budgets which are significantly higher than the budgets that would be based solely on the SFP formula. Subsequent to the adoption of the Option 1C Standard the District has taken actions that resulted in exceeding this standard (see “Option 1C” Standard section below). It appears that the Board of Education anticipates generating additional local revenues to balance the program budget. It is expected that these funds will become available through local sources, including the authorization and issuance of additional local general obligation bonds.

Forecast revenue and expenditure data beginning January 20, 2010, through the forecast completion of the bond program in the year 2013-14, is summarized in the following tables - “Measure D & J Bond Program Revenue and Expenditures”.

MEASURE D & J BOND PROGRAM REVENUE AND EXPENDITURES¹

REVENUE

FUNDS	Beginning Balance Jan. 20, 2010 ¹	Forecast Revenue 2010-2014	Cash Flow Update
Bond Sales	179,446,565		\$179,446,565
State/Local Funding (Already received awaiting fund transfers)	5,295,817		\$5,295,817
Measure J Bonds (With Approved Waiver)	0	105,000,000	\$105,000,000
Interest Reconciliation Fund Transfers	15,803,043		\$15,803,043
El Cerrito High School (State Allocation #2)	0	561,563	\$561,563
Pinole Middle School (Modernization)	0	3,179,932	\$3,179,932
Portola Middle School (Modernization)	0	2,197,279	\$2,197,279
Current Eligibility State Funds (Elementary Phase 1))	0	10,377,191	\$10,377,191
Projected State Funding (Secondary School)	0	15,064,985	\$15,064,985
Developer Fee Income	0	\$0	\$0
Projected Interest Income	0	3,250,000	\$3,250,000
State Fund Interest	0	1,283,442	\$1,283,442
Potential Joint-Use Community Projects Revenue	0	3,000,000	\$3,000,000
Portola Middle School Reconstruction Hardship	0	12,000,000	\$12,000,000
Projected Additional State Funding	0	6,500,000	\$6,500,000
Total	\$200,545,425	\$162,414,392	\$362,959,817

¹Source: WCCUSD Projected and Available Funds, Jan. 20, 2010

EXPENDITURES

PROJECTS	Expenditures To Date June 30, 2009	Forecast Expenditures 2009-2014
Measure D Bond		
Additional Bond Funded Projects	312,648	7,264,207
Verde Elementary School	107,662	1,025,846
Helms Middle School	65,002,621	9,587,467
Pinole Middle School	37,621,901	12,910,531
Portola Middle School	4,145,570	55,854,430
El Cerrito High School	116,903,361	5,169,606
Furniture & Equipment	3,014,349	1,938,548
Technology	3,291,620	2,652,787
Total	\$230,399,732	\$96,403,422
Measure J Bond		
De Anza High School	\$23,761,311	\$113,174,700
Kennedy High School	3,127,502	8,786,310
Richmond High School	6,982,841	2,147,916
Dover Elementary School	9,782,345	22,246,203
Ford Elementary School	6,475,155	21,044,085
King Elementary School	9,256,353	14,474,731
Nystrom Elementary School	3,266,436	26,279,111
Ohlone Elementary School	2,037,266	33,024,806
Coronado Elementary School	226,533	2,648,467
Furniture & Equipment	1,949,812	5,858,911
Technology	3,238,307	4,561,693
Program Coordination	5,014,658	4,727,160
Program Contingency	0	7,582,300
Total	\$75,118,520	\$266,556,394
Measure D & J Total	\$305,518,252	\$362,959,817

¹Source: WCCUSD Projected and Available Funds, Jan. 20, 2010.

Measure D

Generally, the updated program budgets for Measure D schools show increases when compared to the Capital Assets Management Plan (CAMP) program budget. Major new construction projects at El Cerrito High School, Helms and Pinole Middle Schools were bid during the high cost construction years in 2006-2007 and received bids that were significantly higher than the construction estimates, resulting in budget increases. These projects are now complete and in the process of close-out. One exception is Pinole Middle School which shows a decrease in budget. The decrease resulted from savings realized when Phase II – Modernization of Building A was bid on August 25, 2009. The low bidder came in at \$9,570,735 as compared to an estimate of \$13,950,000, resulting in bid savings of \$4,379,265.

Measure J

Compared to the Capital Assets Management Plan (CAMP) program budgets the table above shows reduced Measure J schools program budgets. Reductions were based on the bid savings from projects bid through December 31, 2009 and anticipated bid savings from projects going out to bid in the future. Ford Elementary School was bid on September 3, 2009. The low bidder came in at \$16,734,206 as compared to a construction cost estimate of \$24,500,000, therefore resulting in bid savings of \$7,765,794. As of December 31, 2010, the bid for De Anza High School new campus has not occurred.

Construction Budgets

Bidder participation during this period, ranged from 4 to 18 bidders. Significantly high bidder participation is observed especially on projects with estimated construction budgets above one million dollars. The bid for the Hercules Quad Landscape and Teachers Parking Area project drew the highest turn-out of 18 bidders. The majority of the bids received were significantly lower than the estimated construction budgets. The lowest bids for Pinole Middle School Modernization Phase II project and the Ford Elementary School New Building project were 31 percent below the estimated construction budgets, resulting in a combined bid savings of over \$12 million dollars. A listing of projects bid and awarded during the period from July through December 2009 is shown in table below, “Construction Budgets vs. Actual Bids, 2009-10”;

Construction Budgets vs. Actual Bids (2009-2010)

Project Name / Bid No.	Estimated Construction Budget	Lowest Bid Amount/ Bidder	Highest Bid Amount/ Bidder	No. Of Bidders/ Bid Date	Variance (+/-)	% Over/ Under Budget
De Anza High School Baseball Field Improvements Bid # J068184	\$2,000,000	\$1,350,000 Bay Cities Paving & Grading	\$1,706,712 MPC	10 8/04/09	(\$650,000)	-32.50%
Pinole Middle School Mod Phase II (Bldg A) Bid # J068116	\$13,950,000	\$9,570,735 Alpha Bay Builders	\$13,835,000 Best Contracting Services	17 8/25/09	(\$4,379,265)	-31.39%
Kennedy High School Fire Alarm System Replacement Bid # J068190	\$600,000	\$516,500 Emard Electric	\$810,642 Gold Spring Construction	5 08/25/09	(\$83,500)	-13.92%
Kennedy High School Restroom Renovations J068191	\$2,300,000	\$1,570,000 JDS Builders Group	\$2,025,501 IMR Contractors	13 09/01/09	(\$730,000)	-31.74%
Kennedy High School Gym Locker Room Hot Water System J068194	\$100,000	\$171,544 ERA Construction	\$209,000 Dowdle & Sons	4 09/03/09	\$71,544	71.54%
Ford Elementary School New School Building Bid # J068158	\$24,500,000	\$16,734,206 Alten Construction	\$18,558,569 John Plane Construction	15 9/03/09	(\$7,765,794)	-31.70%
Richmond High School Surveillance Camera System J068182	\$300,000	\$338,988 Walsh Electronics	\$828,500 Stanley Security	5 11/03/09	\$38,988	13.00%
Hercules Middle School Quad Landscape & Teachers Parking Area W068204	\$300,000	\$247,450 McNabb Construction	\$568,000 WR Forde	18 12/17/09	(\$52,550)	-17.52%

“Option 1C” Standard

The “Option 1C” standard was adopted by the Board in May 2002. The “Option 1C” standard is a dollar per square foot standard that was determined, at the time, to be adequate for delivering the quality of work at the Lovonya De Jean Middle School project to eighteen elementary schools utilizing the funds then available.

During the subsequent years a number of variables influenced the construction costs. Those variables include, but are not limited to, the following items that are beyond the control of the District.

- Passage of Proposition 39 (November 2000) and the 55 percent threshold for local bonds and resulting construction;
- Passage of Proposition 1A (November 1998), \$9.2 billion bonds and resulting construction;
- Passage of Proposition 47 (November 2002), \$13.05 billion bonds and resulting construction;
- Passage of Proposition 55 (March 2004), \$10.0 billion bonds and resulting construction;
- Passage of Proposition 1D (November 2006), \$10.4 billion bonds and resulting construction;
- Acceleration of construction costs at a rate higher than projected (i.e., Katrina impact);
- Labor compliance law requirements; and
- Inadequate School Facilities Program funding.

To demonstrate the cumulative impact of these external and internal factors on the project budgets, TSS has conducted a comparison of the State School Facility Program allowance, the architect’s estimate of the project cost based on Option 1C, and the actual project cost at El Cerrito High School.

The following table illustrates the comparative information for the El Cerrito High School project:

El Cerrito High School			
	SSFP²	Option 1C³	Actual Cost⁴
Total Project Budget ¹	\$18,510,102	\$96,500,000	\$124,484,697
Adjustment for Escalation	0	\$21,712,500 ⁵	0
Adjusted Project Budget	\$18,510,102	\$118,212,500	\$124,484,697

¹Total Project Budget includes all construction and “soft” costs.

²State School Facility Program (SSFP) budget includes \$10,985,587 SSFP grant amount (disbursed on April 30, 2009) and \$7,524,515 local match.

³The “Option 1C” amount is derived from the May 2005 CAMP report.

⁴Actual Cost includes any adjustments pending approval as of October 2009.

⁵Project cost escalation based on Class B Construction Cost Index to reconcile the 2005 budget numbers with the 2009 actual expenditures.

It should be noted, as discussed in this report, the State School Facility Program grant amount are almost always inadequate to address school modernization needs. Furthermore, the District decided to reconstruct El Cerrito High School instead of modernizing it, rendering any comparison of actual project cost with the SSFP allowance moot.

The comparison of the architect’s estimate from May 2005 with the actual cost incurred to date (October 2009) indicates a cost increase of \$6,272,197 (5.3 percent) which is within the acceptable industry margin of change orders for modernization/reconstruction.

The above listed items made adherence to the dollar per square foot amount standard increasingly difficult. In addition to these items, there were decisions made by the District that caused an evolution of the standard in use. Examples include:

- Addition of kitchens (subsequent to planning and, in some cases, construction);
- Project labor agreement;
- Addition of playgrounds (subsequent to planning and, in some cases, construction);
- Migration from a modernization program to a full replacement program;
- Key decisions that were often scope driven and not budget driven;
- Comparatively high quality construction standards; and
- Priority given to long-term sustainability over initial cost.

The District has established a goal to deliver high quality projects to the community. The District Board adjusted its standards to fit the situation as the program progressed. In the process it has maintained and actually increased its original “Option 1C” standard. For further discussion on standards, refer to the Delivered Quality section of this report.

Program Completion Cost

The total bond program revenues are currently projected at \$1,041,930,456. Based on current contract amounts and cost estimates for yet to bid projects, this amount will complete the current program. For details of the current program budget refer to the August 26, 2009 Engineering Officer’s Report. However, in order to complete the remaining schools in the District that were not included in the Measure M, D, and J funded projects, it is estimated by the District staff that approximately \$1,100,000,000 in additional funding will be needed. This amount is based on a projection of the costs incurred to date for the completed projects utilizing the current standards. Until it is decided if the same standards will be maintained and individual projects are further developed to enable accurate individual project cost estimating, a more definitive projection cannot be made.

Cash Flow

Subsequent to the 2008-09 reporting period, the District issued the next series of Measure J general obligation bonds in the amount of \$105,000,000. This issuance, in addition to Series A in the amount of \$190,000,000, brings the Measure J issued to date total to \$295,000,000 of the \$400,000,000 authorized by the voters. There is, therefore, \$105,000,000 remaining general obligation bond authorization. The current cash flow plans (August 26, 2009 Engineering Officer’s Report) project \$40,000,000 of that amount to be issued in 2010-11 and the remaining \$65,000,000 in 2011-12. The expense budget and construction schedule are dependent on this source of revenue.

The fall 2009 issuance moved the District to the \$60 per \$100,000 assessed valuation debt service limit imposed by Proposition 39. District’s assessed valuation decreased approximately 12 percent from the 2008 assessments to the 2009 assessments. It is important to note that the District may not have a sufficient increase in assessed valuation to issue the planned bonds when they are needed. For this reason, the District should exercise caution in making commitments beyond actual cash in hand.

The current Measure J projects scheduled for construction are dependent on the above cash flow/assessed valuation discussion and realizing “bid savings” on some projects in order to free budgeted money for the other projects. Again, caution must be exercised to assure obligations do not exceed available resources.

Midyear Update

- Based on the outcome of bids conducted during this review period, it appears that the trend of declining construction costs has continued. Most of the projects received bids lower than the construction estimates. Additionally the bidder participation averaged in double digits with as many as 18 bidders for a single bid. The current bidding climate helps improve the District’s chances of completing more of the construction projects included in the Measure D and J bond project lists. Although several recent economic reports state that the current recession could end soon, it is believed that construction costs could remain at the current levels for a few more years.
- The District plans to employ, through the SGI program management contract, an engineering/estimating firm to provide estimating services for the facilities construction program. The firm will perform the following functions for the program management team:
 1. Preparation of cost and budget estimates for major Measure D and J projects. This function will be performed by the estimators “off-site” or at the subcontractor’s home offices. The firm will replace Javier Silva & Associates and will work in tandem with Don Todd & Associates, the Design Phase Manager, in the preparation of project cost and budget estimates.
 2. Preparation of construction estimates for minor projects and change order costs. This function will be performed “on-site” by an employee of the estimating firm assigned to the SGI program management team at the Facilities Operations Construction Office.

With the addition of an estimator to the program management team, the District anticipates improvement in the cost control aspects of the program through better cost analysis and monitoring of construction costs. Additionally, project cost and budget estimates for major projects will be uploaded into the Master Schedule as well as the actual costs and expenditures of the projects. The District staff anticipates that with a budget and cost loaded master schedule, the Scheduler will be able to maintain and provide information on program cash flow concurrent with the master schedule and improve the District’s program control and management.

- District plans further refinement of the bond program control and oversight by filling the vacant position of Director of Facilities and assigning the office responsibility for bond program control which includes the planning, design, estimating and scheduling phases of the program to this position. Once the Director of Facilities is in place, the Chief Engineering Officer will only focus on and be responsible for the construction phase of the program which encompasses construction management, communication, field supervision and coordination of construction projects.

- During this review period, TSS heard inquiries from some CBOC members regarding the process of updating (increasing or reducing) project budgets and the addition or removal of projects from the bond project list. Budget adjustments and changes to the projects listed in the bond program require Board's approval. Although the Engineering Officer's Reports and Construction Status Reports presented to the Board on a monthly basis include information about the projects, financial activities and budgets, these documents are presented for information only and do not call for a Board action to review and approve. Preparation of recommendations by staff and presentation to the Board for review and approval is the recommended process for updating budgets and project lists.

BIDDING AND PROCUREMENT PROCEDURES

Process Utilized

In the process of this examination, numerous purchasing and bid documents pertaining to new construction and modernization projects were reviewed and analyzed. Interviews with various staff members were also held.

The review consisted of the following:

- Verification that bids were advertised in accordance with public contract code;
- Verification of bid results and board approval;
- Project files include contract documents, notice of award, notice to proceed and other pertinent documentation.

Background

The District's Board Policy 3311; Bids, adopted February 6, 2008, states, "The district shall purchase equipment, supplies and services using competitive bidding when required by law and in accordance with statutory requirements for bidding and bidding procedures. In those circumstances where the law does not require competitive bidding, the Governing Board may request that a contract be competitively bid if the Board determines that it is in the best interest of the district to do so. To assist the District in determining whether bidders are responsible, the Board may require prequalification procedures as allowed by law and specified in administrative regulation."

Administrative Regulation 3311; Advertised/Competitive Bids, adopted October 6, 2008 states the District shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111, 22002). The District shall also seek competitive bids through advertisements for contracts exceeding the amount specified in law (effective January 1, 2009 – December 31, 2009, the bid threshold was increased to \$76,700) for the purchase of equipment, materials, or supplies to be furnished, sold or leased to the District (Contract Code 20111; Government Code 53060).

The administrative regulation specifically addresses the following issues:

- Instructions and Procedures for Advertised Bids
- Bids Not Required
- Sole Sourcing
- Pre-qualification Procedure
- Protests by Bidders

As a condition of bidding construction work on certain District facilities or projects, and in accordance with California Public Contract Code 20111.5 (e), the District requires prospective bidders to fully complete a pre-qualification questionnaire on forms supplied by the District. Bids for certain construction projects are not accepted unless a contractor has been pre-qualified by the District.

The pre-qualification process was designed to help recruit contractors that are established, responsible and experienced in public school construction.

On March 5, 2009, the District published a notice to bidders regarding pre-qualifying for Major Projects – Measure J Program. As a condition of bidding work authorized under Measure J, and in accordance with Public Contract Code 20111.5e the District requires General Building Contractors to complete a pre-qualification statement, including financial statement. Contractors are pre-qualified for one calendar year following the initial date of the pre-qualification.

The notice of the required pre-qualification is also included in individual project bid advertisements, with instructions on where to get the forms and a notation that they are due 5 days prior to bid.

In 2008-09, the District expanded its pre-qualification process into three categories, (1) major projects ranging in cost between \$3 million and \$85 million, (2) small projects with costs up to \$1 million and (3) small specialty projects costs up to \$3 million.

The Facilities staff prepares the pre-qualification documents. Staff from SGI is responsible for reviewing the pre-qualification statements, checking references and scoring.

The District also has a Project Labor Agreement (PLA) with various construction unions. The PLA was designed to promote efficient construction operations, ensure adequate supply of skilled craftspeople and provide procedures for settling labor disputes. The PLA is applied to bond projects that are over one million dollars in value.

Bids for construction projects are handled by the Purchasing Director and the District's Engineering Officer, who work together to determine the best method of procuring furniture and/or equipment purchased with bond funds.

For all construction projects bid by the District, the Program Manager provides for "Bid Marketing" by faxing bid announcements to contractors. The District also publishes the advertisement for notice to bidders in the West County Times. Contractors that have not been pre-qualified are allowed the opportunity to do so within seven days before the bid opening. In addition to the minimum publication requirements, project plans are distributed at Ford Graphics in Oakland. The construction managers may also follow up directly with various contractors in an effort to increase participation. This process provides maximum exposure, thereby ensuring a competitive bidding process.

The District uses three different sets of front end documents; the District's legal counsel updated the documents in January and February of 2009.

Bids are received at the Facilities, Operation and Construction (FOC) office. After the bids are opened and reviewed, staff prepares the board agenda for award of bid item. When the Board approves the contract, a notice of award is issued. The contractor then has seven days to submit all of the required documents. The notice to proceed is issued by the District staff upon receipt of all signed Contract Documents.

Sample

The table on the following page details all of the Measure J projects that were bid and contracts awarded during the July – December 2009 period. The table provides the bid opening date, the number of participants, results and variances between bids.

**Bid Schedule and Results – Measure J Projects
July 2009 – December 2009**

Site	Project Description	Bid Number	Bid Opening	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Various Sites	Play Yard Improvements	W068181	7/02/2009	3	\$1,967,973	\$1,481,889	(\$486,084)	8/19/09	Goldspring Const.	\$1,481,889
De Anza High School	Baseball Field Improvements	J068184	8/04/2009	10	\$1,706,712	\$1,350,000	(\$356,712)	10/7/09	Bay Cities Grading	\$1,350,000
Kennedy High School	Fire Alarm Replacement	J068190	8/25/2009	5	\$810,642	\$516,500	(\$294,142)	9/16/09	Emard Electric	\$516,500
Pinole Middle School	Modernization Phase 2	J068116	8/25/2009	17	\$13,835,000	\$9,570,735	(\$4,264,265)	9/16/09	Alpha Bay Builders	\$9,570,735
Kennedy High School	Restroom Improvements	J068191	9/01/2009	13	\$2,025,501	\$1,570,000	(\$455,501)	9/16/09	JDS Builders Group	\$1,570,000
Kennedy High School	Domestic Water Heater Replacement	J068194	9/03/2009	4	\$209,000	\$171,544	(\$37,456)	9/16/09	ERA Construction	\$171,544
Ford Elementary School	New School Building	J068158	9/03/2009	15	\$18,558,569	\$16,734,206	(\$1,824,363)	9/16/09	Alten Construction	\$16,734,206
Richmond High School	Security Camera Project	J068182	11/03/2009	5	\$828,500	\$338,988	(\$489,512)	11/04/09	Walsh Electronic Systems	\$338,898
Helms Middle School	Furniture/Equipment Moving	J068201	11/24/2009	5	\$39,914	\$12,254	(\$27,660)		Crown Construction	
Hercules Middle/ High School	Quad Landscape & Parking Lot Improvements	W068204	12/17/2009	18	\$568,000	\$247,450	(\$320,550)		WR Forde	

The following bids were reviewed and analyzed for completeness and compliance:

De Anza High School Baseball Field Improvements – J068184

The notice to bidders was advertised on June 28, 2009 and July 5, 2009, in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least fourteen days between the first bid publication and bid opening, as required by law. The bids were opened on August 4, 2009. Ten bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Bay Cities Paving	\$1,350,000
Ghilotti Bros	\$1,426,690
AHI	\$1,462,492
Team Ghilotti Inc.	\$1,493,377
AJF / BHM	\$1,496,690
Valley Crest	\$1,507,000
Evans Brothers	\$1,536,988
Maguire Hester	\$1,595,900
Cleary Brothers Landscape	\$1,663,000
MPC	\$1,706,712

Bay Cities Paving was the low bidder. The estimated budget for this project was \$2,000,000. The Notice of Award was issued on October 9, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on October 21, 2009.

Evidence of the following documents was provided:

- Agreement
- Escrow Bid Documents
- Performance Bond
- Payment Bond
- Insurance Certificates and Endorsements
- Workers' Compensation Certification
- Prevailing Wage and Related Labor Requirements Certification
- Drug-Free Workplace Certification
- Hazardous Materials Certification
- Lead-Based Materials Certification
- Criminal Background Investigation/Fingerprinting Certification

Kennedy High School Restroom Improvements – #J068191

The notice to bidders was advertised on August 2, 2009 and August 9, 2009 in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on September 1, 2009. Twelve bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Contractor</u>	<u>Base Bid</u>
JDS Builders Group	\$1,570,000	Albay Const.	\$1,697,000
Evra Const.	\$1,570,000	John Plane Const.	\$1,725,000
DL Faulk Const.	\$1,609,000	Alten Const.	\$1,826,955
BRCO Contractors	\$1,659,000	JW & Sons	\$1,936,900
Bay Const. Co.	\$1,675,000	IMR Contractors	\$2,025,501
Cal-Pacific	\$1,676,000		
BHM Construction	\$1,686,524		

JDS Builders Group and Evra Construction were tied as lowest responsive, responsible bidders. On September 9, 2009, a coin toss was held to determine “by lot which bid shall be accepted”, in accordance with Public contract code Section 20117. With the District’s Board approval, the winner of the coin toss, JDS Builders Group was declared the lowest responsive, responsible bidder. The estimated budget for this project was \$2,300,000. The Notice of Award was issued on September 18, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on October 1, 2009. Evidence of the required bid documents was provided.

Pinole Middle School Modernization, Phase II - Bid # J068116

The notice to bidders was advertised on July 19, 2009 and July 26, 2009 in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on August 25, 2009. Seventeen bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Contractor</u>	<u>Base Bid</u>
Alpha Bay Builders	\$9,570,735	JW & Sons	\$10,521,000
Alten Construction	\$9,743,000	WA Thomas	\$10,722,000
Wright Construction	\$9,769,000	Ralph Larsen	\$10,724,000
Zovich & Sons	\$10,099,000	Cal Pacific	\$10,767,000
Mid State Const.	\$10,294,000	Jeff Luchetti	\$10,799,000
Bollo Construction	\$10,356,850	West Coast Const.	\$10,866,000
West Bay Builders	\$10,365,000	Albay Const.	\$11,165,000
John Plane Const.	\$10,456,000	Best Contracting	\$13,835,000
BRCO Const.	\$10,487,000		

A protest was received from the second low bidder regarding issues relating to subcontractor listings. The protest and responses from the low bidder were reviewed by legal counsel who made a determination that there were no legal grounds to declare low bidder non-responsiveness. Alpha Bay Builders remained the lowest responsive, responsible bidder. The estimated budget for this project was \$13,950,000. The Board approved the award of contract on September 16, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on September 28, 2009. Evidence of the required bid documents was provided.

Ford Elementary School, New School Building - Bid # J068158

The notice to bidders was advertised on July 12, 2009 and July 19, 2009 in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on September 03, 2009. A total of fifteen bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Contractor</u>	<u>Base Bid</u>
Alten Const.	\$16,734,206	C. Overaa & Co.	\$17,796,000
Wright Contracting	\$17,189,000	Jeff Luchetti Const.	\$17,839,000
Cal Pacific	\$17,343,000	WA Thomas	\$17,882,938
Lathrop Construction	\$17,485,000	BRCO	\$18,175,000
West Bay Builders	\$17,628,000	S J Amoroso	\$18,367,000
Midstate Construction	\$17,695,000	West Coast Const.	\$18,371,000
Roebellen Const.	\$17,704,000	John Plane Const.	\$18,558,569
Zovich & Sons	\$17,775,000		

Alten Construction was the apparent low bidder. The estimated budget for this project was \$24,500,000. The Notice of Award was issued on September 17, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on September 29, 2009. Evidence of the required bid documents was provided.

Piggyback Contracts

In addition to the contracts procured through the public bid process, the District procured the following contracts/purchases through the “piggyback” method:

- Pinole Middle School Temporary Housing Lunch Shelter project. Contract was awarded to USA Shade & Fabric Structure under the terms and conditions of the San Joaquin County Office of Education contract dated October 23, 2007.
- Helms Middle School supply of furniture, set up and installation. Contract was awarded to Young Office Solutions under a bulk purchasing contract through The Cooperative Purchasing Network (TCPN).

Midyear Update

- During the July – December 2009 period, the District continued the process of reviewing, checking references and scoring pre-qualification statement submittals for general contractors in the categories of Major Projects and Small Projects for Measure J projects. The current list of prequalified contractors provided by staff included the dates of prequalification and project category.
- Review of projects bid and awarded during this review period show evidence that the procurement method was in accordance with Public Contract Code 20112. All legal notices were published on two separate occasions, 7 days apart.
- Bid turnout and results on publicly bid projects during the July – December 2009 period continued to be highly favorable to the facilities construction program. The observed economic climate and slow down of public and private works projects resulted in high bidder participation and bid amounts coming in at an average of 30 percent below the estimated construction budgets. For more detailed information regarding project estimates and bid results refer to the section, Design and Construction Cost Budgets of this report. The significant number of general contractors have been prequalified to bid on Measure J projects, 46 for major projects and 37 for small projects. The fact that many of these contractors are already working within the area with equipment readily available at many of the District's school campuses has certainly contributed to the higher participation on these publicly bid projects.

CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

Process Utilized

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the Facilities and Construction Management Team. Information provided from the July – December 2009 Board of Education meeting agendas and minutes related to the bond program was used in the review.

Background

Change orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Because small repairs are made over time and the changes are not reflected in the District's archived drawings, the architects may miss such information until the incompatibility is discovered during construction. At other times, problematic site conditions are not discovered until a wall or floor is uncovered. Typically, change orders for modernization cannot be avoided because of the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous materials or other unknown conditions – all of which contribute to the need for authorizing change orders for additional work. The industry-wide percentage for change orders¹ for modernization or facility improvement projects generally ranges from seven percent to eight percent of the original contract amount. (The change order percentage for new construction tends to be three percent to four percent.)

Most change orders are triggered by a Request for Information (RFI) – a request for clarification in the drawings or specifications which is reviewed and responded to by the architect and/or project engineers. Change orders could also be triggered by the owner's request for change in scope. The architect's response or directive determines whether additional or alternative work is necessary. If it is determined that additional work or a reduction/deletion in work is necessary, the contractor submits a Proposed Change Order (PCO), for the additional cost, a reduction in cost and/or time extension based on the determination. The Project Manager (PM) reviews the proposal with the Project Inspector and the Architect of Record (AOR). If accepted, a change directive is issued. The increase or decrease in contract price may be determined at the District's discretion through the acceptance of a PCO flat fee, through unit prices in the original bid, or by utilizing a time-and-materials methodology as agreed upon by the District and the contractor. At times, this process may go through several cycles due to a disagreement over price.

The District bids contracts for some bond program projects with predetermined amounts as "Allowances." These allowances are included in the contracts for the purpose of setting aside funds within the contract itself to be used for unforeseen conditions and known but indeterminate items, including anticipated concealed problems such as hazardous materials. The District authorizes the use of and approves cost items to be charged to, the allowances. Unused allowances are credited back to the District.

¹ An article published in the American School and University Magazine, on November 1, 2005, recommended carrying 2 to 5 percent contingency for change orders. An even higher contingency is recommended for renovations or to accommodate difficult site conditions.

The following tables entitled, “Change Orders: Bond Program Projects”, summarize the change orders generated for Measure D and J projects from start of construction through December 31 2009.

Change Orders: Bond Program Projects

Measure D

Measure D Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
El Cerrito HS Temp Housing	\$3,444,000	99.99%	\$354,297	\$3,798,297	10.29%
El Cerrito HS Demolition	2,078,125	99.74%	-126,962	1,951,163	-6.11%
El Cerrito HS Storm Drain	292,562	100.00%	2,704	295,266	0.92%
El Cerrito HS Modular Building	4,654,800	99.34%	0	4,654,800	0.00%
El Cerrito HS Grading	1,613,100	100.00%	-31,642	1,581,458	-1.96%
El Cerrito HS New School	54,264,000	100.00%	3,120,902	57,384,902	5.75%
El Cerrito HS Admin/Lib/Theater	22,580,000	100.00%	1,029,269	23,609,269	4.56%
Pinole MS Temporary Housing	529,000	100.00%	52,571	581,571	9.94%
Pinole MS Site Grading	905,200	100.00%	28,057	933,257	3.10%
Pinole MS New School	20,661,000	100.00%	2,257,844	22,918,844	10.93%
Pinole MS Bldg A Demolition Project	835,000	100.00%	-75,000	760,000	-8.98%
Pinole MS Temporary Kitchen Utilities	175,000	100.00%	17,455	192,455	9.97%
Pinole MS Building A Modernization	9,570,735	8.56%	0	9,570,735	0.00%
Helms MS New Campus	50,890,000	98.25%	1,966,918	52,856,918	3.87%
Pinole Valley HS Fields	1,492,000	100.00%	75,500	1,567,500	5.06%
Pinole Valley HS Running Track	595,000	100.00%	71,284	666,284	11.98%
Downer ES New School	21,232,027	99.91%	1,928,243	23,160,270	9.08%
Downer ES Demo/ Site Work	\$594,800	100.00%	-22,099	572,701	-3.72%
Downer ES Stone Columns	741,000	100.00%	116,493	857,493	15.72%
Downer ES Tech E Rate	330,648	100.00%	92,294	422,942	27.91%
Vista Hills Roof Repair	200,420	100.00%	4,304	204,724	2.15%
Vista Hills Ed Center Portables	3,376,906	100.00%	632,141	4,009,047	18.72%
Richmond HS Track/Field	3,260,489	100.00%	272,027	3,532,516	8.34%
Measure D Paving	245,341	100.00%	-20,000	225,341	-8.15%
Kennedy HS Track/Field	2,740,000	100.00%	48,699	2,788,699	1.78%
Community Kitchen 1	619,986	100.00%	-48,274	571,712	-7.79%
Community Kitchen 2	667,700	100.00%	-2,127	665,573	-0.32%
Community Kitchen 3	660,200	100.00%	-1,791	658,409	-0.27%
Community Kitchen 4	803,000	100.00%	5,741	808,741	0.71%
Community Kitchen 5	727,500	100.00%	-41,261	686,239	-5.67%
Community Kitchen 6	516,000	100.00%	-3,169	512,831	-0.61%
TOTAL	\$211,295,539		\$11,704,418	\$222,999,956	5.54%

Measure J

Measure J Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
De Anza HS Track & Field	\$3,349,000	100.00%	\$187,124	\$3,536,124	5.59%
De Anza HS Field House	3,130,800	100.00%	364,321	3,495,121	11.64%
De Anza HS Demo, Grading & Utilities	2,393,000	100.00%	379,315	2,772,315	15.85%
De Anza HS Fitness Center Site Work	188,278	100.00%	66,943	255,221	35.56%
De Anza HS Baseball Field Renovation	1,350,000	16.24%	0	1,350,000	0.00%
Richmond HS New Bleachers/Fieldhouse	5,556,000	95.38%	216,415	5,772,415	3.90%
Richmond HS Camera Surveillance Syst.	338,898	15.96%	0	338,898	0.00%
Lupine/Harding/Tara Hills Roof Repairs	217,000	100.00%	37,950	254,950	17.49%
King ES Demo/Site Work	461,000	100.00%	23,231	484,231	5.04%
King ES New Campus Construction	15,595,000	35.46%	26,297	15,621,297	0.17%
Dover ES Demo/Site Work	446,958	100.00%	42,170	489,128	9.43%
Dover ES Sitework Phase II	75,500	100.00%	38,290	113,790	50.72%
Dover ES New Campus Construction	21,491,000	23.49%	88,873	21,597,873	0.41%
Pinole Valley HS Site Work	51,344	100.00%	9,897	61,241	19.28%
Pinole Valley HS Restroom Renovations	158,750	100.00%	8,851	167,601	5.58%
Ford ES Temp. Campus Site Prep.	914,000	100.00%	151,461	1,065,461	16.57%
Ford ES Demo, Sitework & Grading	697,000	68.40%	-18,661	678,339	-2.68%
Ford ES New Campus Construction	16,734,206	6.36%	0	16,734,206	0.00%
Richmond College Prep PI Extension	888,000	100.00%	78,622	966,622	8.85%
Leadership PS Temp Campus Site Work	1,616,000	100.00%	120,858	1,736,858	7.48%
Kennedy HS Painting	253,000	100.00%	9,965	262,965	3.94%
Kennedy HS Portable Maint. Repair	389,500	100.00%	42,450	431,950	10.90%
Kennedy HS Fire Alarm	516,500	53.91%	0	516,500	0.00%
Kennedy HS Gym Locker Room Hot Water System	171,544	80.33%	0	171,544	0.00%
Kennedy HS Restroom Renovations	1,570,000	12.63%	0	1,570,000	0.00%
Verde ES Sitework Playground Renovations	726,000	100.00%	79,856	805,856	11.0%
Multi-Site Painting	49,222	100.00%	3,200	52,420	6.50%
Multi-Site Play Structures and Surfaces	1,481,889	45.76%	0	1,481,889	0.00%
TOTAL	\$80,809,387		\$1,957,926	\$82,767,313	2.42%

Reasons for Change Orders

For the July - December 2009 audit period, TSS reviewed the change order documents of three Measure D and three Measure J projects from the start of construction through December 31, 2009. Two of these Measure D projects achieved substantial completion during the period. The resulting data are summarized in the table entitled, "Change Order Analysis (July 2008 – December 2009)".

Change Order Analysis (July 2008 thru December 2009)

Project/ (Contractor) Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	Owner Requested Changes			Totals
				Changes to Mat'l's/Scope	Safety Issues	Adds/Other Issues	
MEASURE D							
El Cerrito HS New Construction Lathrop Const. Assoc. (CO # 1 thru 38)	\$328,134 10.51%	\$149,548 4.79%	\$1,604,478 51.41%	\$427,198 13.69%	\$797 0.03%	\$610,747 19.57%	\$3,120,902 100.00%
El Cerrito HS New Admin/ Theater Lathrop Const. Assoc. (CO # 1 thru 24)	\$15,559 1.52%	\$12,739 1.25%	\$671,039 65.72%	\$22,607 2.21%	\$0 0.00%	\$299,064 29.29%	\$1,021,008 100.00%
Helms MS New Construction West Bay Builders (CO # 1 thru 8)	\$1,120,456 56.95%	\$0 0.00%	\$491,316 24.97%	\$236,207 12.01%	\$0 0.00%	\$119,562 6.08%	\$1,967,541 100.00%
MEASURE J							
King ES Demo. & New Const. West Bay Builders (CO# 1)	(\$2,230.00) -8.32%	\$0.00 0.00%	\$23,830.00 88.93%	\$0.00 0.00%	\$0.00 0.00%	\$5,197.00 19.39%	\$26,797.00 100.00%
Dover ES Increment 2 New School Alten Const. (CO# 1 thru 3)	\$33,772.00 38.00%	\$1,878.00 2.11%	\$35,216.00 39.63%	\$8,782.00 9.88%	\$0.00 0.00%	\$9,225.00 10.38%	\$88,873.00 100.00%
Verde ES Playground & Site Work Bay Cities Paving (CO# 1 thru 3)	\$62,292.58 100.00%	\$0.00 0.00%	\$0.00 0.00%	\$0.00 0.00%	\$0.00 0.00%	\$0.00 0.00%	\$62,292.58 100.00%
Total	\$1,557,984 24.78%	\$164,165 2.61%	\$2,825,879 44.95%	\$694,794 11.05%	\$797 0.01%	\$1,043,795 16.60%	\$6,287,414 100.00%

- “Architect Design Issues” accounted for 44.95 percent of the overall cost of change orders generated for the projects examined. These changes include additions, deletions and revisions in the work triggered by document coordination, disagreements regarding interpretation (e.g., dimensions, elevations, locations, etc.) and errors and omissions in the various sections or details of the contract drawings and specifications.
- “Owner Requested Changes” constitute 27.66 percent of the all change orders. These changes include substitutions or upgrades to specified materials or products like windows, floor or wall finishes. Districts also add to or delete from the scope of work during the course of construction. The District may also call for weekend and overtime work in order to recover time-schedule and meet completion targets.
- “Unforeseen Conditions” accounted for 24.78 percent of the cost of change orders generated during this period. The disposal of soil contaminated with hazardous materials (asbestos, petroleum products, etc.), hazardous demolition debris and equipment were the most common unforeseen conditions encountered during this period.
- “DSA and Other Code Revisions” at 2.61 percent are changes and additional installations directed by the DSA field engineer or other agencies (e.g. Health Department, City, etc.) in order to comply with revisions to structural, safety and other codes.

Contractor Claims:

At Pinole Middle School New Gym Classroom Building Project, a change order request was submitted for additional compensation due to delays and inefficiencies in the project, allegedly caused by design issues, encountered during the course of construction. The change order request was submitted by the general contractor, West Coast Contractors (\$676,347) and two sub-contractors; Del Monte Electric (\$145,220) and Cal-Air (\$62,000). The issues were analyzed by a delay consultant, hired by legal counsel, and the District rejected all claims. Del Monte Electric and Cal-Air withdrew/released their claims. West Coast Contractors has filed a Government Code claim. The District Board rejected the claim. The Contractor has requested mediation. The District is working with the Architect and CM to respond.

At Helms Middle School New Campus Construction Project, the general contractor West Bay Builders, submitted a request for compensable time extension of 110 days due to delays in the project, allegedly caused by unforeseen conditions, design issues and scope changes, encountered during the course of construction. The District hired a delay consultant to analyze the issues. The District proposed a settlement in the form of a change order to recognize concurrent delays, adjust contract times and offset payments to extended General Conditions (GC). The Contractor never executed the proposed 110 day delay change order. The District is preparing a full delay impact analysis of the project and beginning discussions regarding the responsibility for delays.

Allowances

As part of the sampling/testing process, documents relating to the cost items charged to or drawn against the allowances for the projects were reviewed and analyzed. The results and/or findings for the projects selected for review are shown in the table below:

Project	Base Bid	Allowance	Total Contract Award	Cost Items Charged to Allowances.
Bayview Elementary School PII Site Work	\$1,170,000 ¹	\$20,000	\$1,125,000	Allowance was expended for the disposal of hazardous materials contaminated soil under Change Order #2.
El Cerrito High School New School Construction	54,931,000 ²	300,000	54,264,000	Allowance was expended for the disposal of Class 2 soil (Hazmat) to Richmond Landfill under CO # 5, 10, 13 and 33.
Pinole Middle School New Building and Gymnasium	20,511,000	150,000	20,661,000	Miscellaneous items under PCO # 0379, CO# 19. (\$55,011)
El Cerrito HS Admin/Theater Construction	22,580,000	300,000	22,580,000	Allowance was expended on the installation of sump pump system at the orchestra pit under CO# 6, and premium time cost associated with attaining Substantial Completion and beneficial occupancy under CO #19.
Helms MS New Construction	\$50,890,000	\$200,000	\$50,890,000	Contract allowance unused as of December 31, 2009.

¹ A deductive Alternate Bid of \$65,000 was deducted from the Base Bid.

² A deductive Alternate Bid of \$967,000 was deducted from the Base Bid.

TSS reviewed the backup documents supporting all approved change orders and confirmed that the use of allowances to pay for the additional costs reported in the above noted projects were consistent with the intended purposes of the allowances included in each contract.

Midyear Update

- To ensure that the Board has adequate information available during the review, approval and ratification of change orders, the District staff has initiated the practice of providing the Board with a summary of change orders and copies of change order documents in the board packets for review prior to the Board meeting. Documents include the Proposed Change Order (PCO) summary sheets which describe the scope of changes, reasons, costs and reference documents.
- The District plans to improve the process of controlling the costs and volume of change orders generated during construction phase of the program through involvement of the Cost Estimator and the creation of a Change Order Committee. (Please refer to the Design and Construction Budgets section and the Delivered Quality section of this report for further discussion). In addition to the preparation of cost estimates for minor construction projects, the Cost Estimator, who is anticipated to be in place by early 2010, will be responsible for reviewing and preparing cost estimates for change orders. The Change Order Committee which will be comprised of the District Engineering Officer, Director of Maintenance & Operations, the Cost Estimator and the Director of Bond Facilities, who is anticipated to be in place by mid 2010, will review change order costs and verify the referenced justifications. The committee will then submit to the Associate Superintendent for Operations their recommendations for the rejection, approval and/or ratification of change orders. Primary focus of the committee will include adherence to District design standards, ensuring that contractor generated change orders and District requested additions or changes are appropriate and necessary for the designed programmatic or educational function of the facility. The Radio Station Classroom and Studios at El Cerrito High School, which had to be

redone via a change order thrice, is one example of incidents that could have been prevented by the proposed committee review and approval process.

- “Architect/Design Issues” (44.95 percent) was the most prevalent reason for change orders in the projects reviewed during this review period. According to staff, when the number and costs of change orders due to architect’s errors and omissions is beyond the prevailing Standard of Care, staff makes efforts to recoup these costs. In the past, the District has initiated several claim actions against architects and successfully recovered costs related to errors and omissions on projects. Additionally, the District retained the services of a delay claims analyst to evaluate and review delayed projects in order to recover costs attributed to contractors and architects contract performance.

PAYMENT PROCEDURES

Process Utilized

In the process of this examination, numerous purchasing and payment documents pertaining to expenditures funded through Measure J were reviewed. Interviews were held with District staff and program management staff from SGI.

The review consisted of the following:

- Verification that expenditures charged to the Measure J bond were authorized as Measure J projects;
- Compliance with the District's Purchasing and Payment policies and procedures;
- Verification that back up documentation, including authorized signatures, were present on payment requests; and
- Vendor payment timelines.

Background

As part of the bond program's financial controls, the following processes and procedures are in place and followed, invoices are typically mailed directly to the facilities office, once received they are logged into the invoice tracking/monitoring system, a payment approval form and payment history/approval form are prepared and routed to designated individuals for approval. They are responsible for verifying that the work has been performed; goods have been received; check the accuracy of the invoice and/or payment application; verify the expenditure is an authorized bond project; coding is correct; and sufficient funding remain in the purchase order. Payment requests are then forwarded to accounts payable for processing. The time elapsed between the entering of a payment to the issuing of a warrant is approximately one week.

The payment history form contains the following information: project number, invoice, number, project description, date, vendor/contractor, period work was provided, contract amount, change order amount(s) if applicable, previous amount paid, invoice amount, purchase order balance after payment, and account code. The payment approval contains some of the same information and evidence of approvals (signatures) from the following SGI staff and district staff, bond controls, bond program manager, facilities, fiscal services and associate superintendent (if applicable).

Midyear Update

The 2008-09 annual performance audit noticed that the timeline for vendor payments continued to improve. In an effort to uphold the thirty-day timeline for processing invoices, the Program Manager maintains an invoice tracking worksheet. It is updated weekly and reviewed at the Directors' meetings. It summarizes the status of payments and days remaining in attaining the thirty-day goal.

Sample

One-hundred-sixteen invoices totaling \$11,723,511.02, paid with Measure J funds were reviewed in the course of this examination. The review consisted of verification that expenditures charged to the Measure J Bond were authorized as Measure J projects, evidence of appropriate approvals were present (i.e., owner, architect and inspector); verification of the invoice amount; and the processing time to pay vendors or service providers.

The sample of payments included the following Measure J projects:

- Nystrom Elementary School – Multipurpose Room (MPR)
- Verde Elementary School – Site Work
- Pinole Valley Middle School -Temporary Kitchen
- El Cerrito High School – Music Equipment
- De Anza High School
 - HVAC
 - Fitness Center
 - Fitness Equipment
 - Baseball Field
- Kennedy High School
 - Plumbing Boys/Girls Gym
- Richmond High School – Bleachers
- New Construction
 - Dover Elementary School
 - Ford Elementary School
 - King Elementary School
 - Helms Middle School
- Restrooms Electrical Work Portables – Multiple School Sites
- Exterior Painting – Multiple School Sites
- Play Structures and Surfacing - Eight Elementary School Sites
- Classroom Furniture – Multiple School Sites
- Electronic Irrigation System Software – District Wide
- Specialized Services – Various Sites
 - Geo Technical – Peer Review
 - Testing Services
 - Inspection Services
 - Construction and Program Management Services
 - Hazardous Materials Study
 - Traffic Engineering Services
 - Labor Relations Agreement Services

This review consisted of the following: verification of required approvals and backup documentation; determination that expenditures were in accordance with ballot language from Measure J; verification that the invoice amount and the amount paid correlated; and a review of the timeline from the time invoices were received to the date of warrant issuance. All of the payments had the required approvals and backup documentation; 109 of the invoices were paid within thirty-days and seven of the invoices were paid after 30 days. The delays appear to be due to, change order requiring approval, payment for retention (typically retention payments require additional processing time), insufficient balance on the purchase order which necessitated an increase, and work performed prior to a purchase order requisition being initiated.

The results from this sample of invoices and payments continue to show improvement in regard to payment time (the time between receiving an invoice and processing payments). During the review, it was observed that one purchase order was created after the receipt of an invoice. It is District's policy that work or purchases may not be authorized unless a purchase order has been approved.

Interested members of the community can check on-line to see the contractors and/or vendors that have been paid for the week (for bond funded projects). This information can be viewed by going on the Bond Program link on the District's homepage where the payment information can be found at the Bond Projects Status menu under Paid Contractor Invoices. In addition, information regarding the status of a purchase order may also be obtained at the Bond Projects Status menu under Purchase Order Status. This information is updated weekly on each Wednesday.

BEST PRACTICES IN PROCUREMENT

Process Utilized

In the process of this examination, purchasing documents and payment documentation were reviewed and analyzed. Board agenda items and minutes specific to contracts awarded for Measure J funded projects or purchases during the period of July 1, 2009 through December 31, 2009 were reviewed. Interviews were held with District staff and Program Management staff from SGI.

Background

Best practices in procurement of materials and services ensure the most efficient use of resources. The competitive bid process allows districts to secure the best quality products and services at the best possible price. It is the intent of this component of the review to determine if best practices have been promoted.

Board Policy 3300 states the Governing Board recognizes its fiduciary responsibility to oversee the prudent expenditure of District funds. In order to best serve District's interests, the Superintendent or designee shall develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure that the District receives maximum value for items purchased. He/she shall ensure that records of expenditures and purchases are maintained in accordance with law.

Public Contract Code Section 20111 (a) requires school district governing boards to competitively bid and award any contract for equipment, materials or supplies involving an expenditure of more than \$50,000 (adjusted for inflation) to the lowest responsible bidder. Contracts subject to competitive bidding include purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district. Effective January 1, 2009 – December 31, 2009, the bid threshold was increased to \$76,700.

Sample

The procurement methods used for acquiring equipment and/or professional services for the following projects were reviewed in this examination:

- Furniture, Installation and Set Up – Helms Middle School
- Cabinetry (Musical Instrument) and Installation - El Cerrito High School
- Automated Central Irrigation System

Midyear Update

On October 21, 2009, the Board approved the contract with Young Office Solutions for the purchase, set up and installation of furniture at Helms Middle School for \$674,751.51. The District utilized the "piggy back" method of procurement through an agreement with The Cooperative Purchasing Network (TCPN). This method meets the state's procurement requirements. TCPN is a Texas government agency administered cooperative purchasing program. The network provides its members, the District is one, with contracts and services that are compliant with the law at no cost to member districts. The District has an agreement with TCPN through October 2010.

The District purchased a multi-site irrigation central control system for \$64,376.66. This system allows for multi-site irrigation applications and can be controlled and monitored centrally. Since this is a proprietary system, it was not necessary for the District to solicit multiple quotes. The District's standards for equipment, products and materials for construction and adoption of findings required by public contract code specific to sole source specifications were adhered to through Board Resolution 17-0607 on September 20, 2006.

Additional cabinetry for musical equipment at El Cerrito High School was purchased for \$64,422.23 without going through an informal request for proposal/bid process. This cabinetry was a specified product under the original construction contract; however, the original specifications did not include several necessary pieces. The additional pieces were purchased directly from the vendor in order to match the existing installation.

It was noted in the 2008-09 annual performance audit that the Purchasing Department should have a more active role in the oversight of the procurement of equipment and/or supplies funded through bond proceeds. Beside ensuring the District receives maximum value for items purchased and the procurement methods are in alignment with BP 3300 and Public Contract Code, it would also provide some relief to the Facilities Department, which is currently operating with minimal staff. The District concurred with this recommendation at the time, but it does not appear that any adjustment has been made with regard to the involvement of the Purchasing Department

DELIVERED QUALITY CONTROL PROGRAM

Process Utilized

The Total School Solutions audit team was asked to review the process utilized by the District to define the level of quality for each project and then track that defined quality through construction to ensure that what is delivered in the final project is of the same quality level as originally specified. The Pinole Middle School New Classroom and Gymnasium project was identified as the specific focus of this review for the 2008-09 audit period. A sample of products and systems was developed for this analysis. This sample included:

- Custom Wood Casework
- Roofing Systems
- Classroom Window Systems
- Carpet Glue-Down
- HVAC Units
- Lighting Control Devices

Members of the District staff, the Architect of Record, the Program Manager, the Design Manager, and the Construction Manager were interviewed. The focus of the interviews was to determine what information was delivered to the design team at the beginning of design process, how that information was tracked and verified through the design and construction document process, and, what controls were put in place to ensure that the products/systems that were specified were included in the project during construction.

This section evaluates the standards that were in place at the commencement of this project, the criteria that was provided to the architect of record as the basis for the design, the products and systems that were incorporated into the design, the process used during construction to evaluate submitted systems and the delivered products and systems that were built into the project.

Background

For the purpose of this section, Delivered Quality has been defined as the quality of the finished product as compared to the District's Standards and established design criteria. TSS studied the initial criteria delivered to the design team and the process that was used to track those standards through the development of construction documents and the actual construction process. The documents that were reviewed for this evaluation were the District Master Product List, the Pinole Middle School Program Standards, Volumes 1 and 2, contract documents including plans and specifications, and construction submittals for the sampled products listed above.

Facilities Standards

In the 2008-09 annual report, TSS provided a full evaluation of the importance and function of establishing and maintaining District standards. The report also included a brief history of the District's adopted standards. District design standards are established to provide equity in facilities and also to assist in the preparation of construction documents and construction submittals. District standards can also reduce maintenance and operational costs District-wide, by allowing the maintenance staff to stock fewer replacement parts or consumables, such as HVAC filters and other similar items.

To ensure compliance with current building code changes, changes in District design preferences and other factors, TSS recommended that the District review and update their District standards. TSS also recommended that the District develop a formal process for regular approval of updated standards. It was further recommended, due to late changes in the design of some window systems for the Pinole Middle School project amongst others, that the District consider updating a project specific standards guide not later than at the schematic design phase to avoid construction change orders or project delays.

Pinole Middle School

The Pinole Middle School New Classroom and Gymnasium project was developed during a period of transition in the implementation of the District's standards. The District was reducing the scope of the Master Architect's work and redefining goals for project team members. In previous projects, the Master Architect conducted the programming process, working with District staff and site staff to develop the project design criteria. That criterion was then used by the Master Architect to develop a schematic design package that was delivered to the Architect of Record (AOR) for the project. The schematic design package contained drawings and specifications that defined the size and the appearance of the project. This package also defined the products and systems that were used in the project. In some cases, this process did not result in total support of the design by the AOR. The Pinole Middle School project was one of the first District projects that allowed the schematic design process to be developed by the Architect of Record. In this period of transition, the process and the design criteria were not as well-defined as in previous projects or in subsequent projects. However, design and product standards were in place.

The Design Manager (DM) played a key role in ensuring that the District's standards were met. The DM and representatives from the District attended project meetings to review progress and to review the project for program conformance. Any deviations from the standards were discussed and approved at these meetings. The DM also conducted constructability reviews of the project documents; although an examination of the comments from these reviews indicates that conformance with the program standards were not a significant part of the review.

The Pinole Middle School project had two significant changes in standards that were made late in the project that resulted in construction changes. The District assigned a roofing and water intrusion consultant to this project late in the development of the construction documents. The consultant significantly changed the design of the roofing system. These changes were incorporated into the documents; however, after completion of the roofing system design, changes to the structural detailing required by DSA were not coordinated with the roof design and led to significant changes during construction.

The consultant also altered the detailing of the window flashing which led to changes during construction. Construction changes could be avoided if changes to the documents were made early in the design process and coordinated with other systems in the project. If deemed important to the sustainability and long-term maintenance of the structure, changes should be allowed at any time; however, the project team should evaluate the initial cost of the change related to the long-term economic benefits. In both these cases, it appears that a significant long-term benefit was realized in terms of the reduction in the potential for future water intrusion and related damage.

TSS found that most of the products specified and delivered on the project met the District's established standards. In one case, however, the system incorporated into the construction documents failed to meet the standards. On September 20, 2006, the Board adopted project standards indicating that only DeVac windows by MonRay were to be used. The Pinole Middle School began construction in late November 2006, after the Board approval of the standards. Contrary to the Board adopted standards, the Pinole Middle School project included 3 window manufacturers, in addition to DeVac. Another system was submitted and the District incurred additional costs to change to the Board approved DeVac system during construction.

Midyear Update

In the 2008-09 annual report, TSS recommended that the District develop a formal process for updating the District's standards. TSS further recommended that standards be updated and incorporated into a project scope no later than at the end of the schematic design phase. Changes made to the standards and applied to a project subsequent to this timeframe could lead to increased document preparation costs, delays in project approvals and costly change orders during construction. Changes needed late in the process should be justified by demonstrated significant impact on the long term quality, sustainability and maintainability of the project.

Since the 2008-09 annual report, the District has initiated the process of updating the District Design Standards. The District is currently planning to utilize the Collaborative for High Performance Schools (CHPS) standards for all remaining major Measure J projects including new construction at De Anza High School, Ford Elementary School, Dover Elementary School, King Elementary School, Nystrom Elementary School and Ohlone Elementary School. Elements from the CHPS standards will be incorporated into the revised District standards. Such elements include using dual glazed windows instead of the DeVac windows, using linoleum in lieu of VCT flooring, using cork instead of vinyl tackboard for wall coverings, using drip irrigation instead of spray irrigation for new landscaping, installing synthetic turf as opposed to grass on athletic fields, omitting in-room HVAC closets for noise reduction, and specifying low flush toilets.

In the 2008-09 annual report, TSS also recommended that a better process for monitoring conformance or deviation from the standards be set in place. This includes conformance to the Bond Program Quality Control Manual's identified processes for making changes during project design and construction and, subsequently, better documentation of those changes and decisions. At the time of the annual report, the District staff stated that they were refocusing the Design Manager to this task.

The District is currently working on an internal reorganization within the Facilities Management Office that will potentially allow for better review/control of projects and adherence to design standards. The District intends to fill the vacant Director of Bond Facilities position and is currently updating the job description for this position. The Director of Bond Facilities position will be a lateral position to the District Engineering Officer. The existing duties of the District Engineering Officer will be divided up between the two positions. The District Engineering Officer will retain oversight of the projects during construction, including oversight of contract work done by SGI's Deputy Program Director/Construction Manager. The Director of Bond Facilities position will be in charge of planning and design, including oversight of contract work done by SGI's Program Manager, SGI's Controls Manager team and the new Estimator and Master Scheduler positions.

The District is also actively engaged in developing a better process for controlling costs and the numbers of change orders. The District's Associate Superintendent of Operations has proposed the formation of a Change Order committee consisting of the District Engineering Officer, Director of Bond Facilities (position currently vacant), Director of Maintenance & Operations and the Cost Estimator. The Cost Estimator is a new position that will be filled in the first quarter of 2010 under a sub-contract with SGI. The Cost Estimator's role will primarily be to review and cost out construction change orders and provide construction cost estimates for minor projects. The committee will review change orders collectively to make sure they are justified, reasonable in price and scope and that owner requested change orders are limited to those that meet District standards or long term needs. The committee will likewise ensure that contractor generated change orders and District requested additions or changes are appropriate and necessary for the designed programmatic or educational function of the facility. The Radio Station Classroom and Studios at El Cerrito High School, which had to be redone via change order three times, is one example of incidents that could have been prevented by the proposed committee review and approval process.

During the midyear review, TSS was asked to analyze and comment on the District's process for learning from design mistakes or construction problems on prior projects when planning and designing future school projects. These "Lessons Learned" could include issues with design standards, problems with construction drawings not found in constructability review, or end user issues. For example, the countertops in science classrooms at the newly constructed El Cerrito High School have electrical outlet boxes that are installed on the countertops rather than recessed into or above the backsplash. The outlet boxes decrease the useable space of the countertops and were installed in a location that could result in damage from wet spills occurring during student science experiments. The same design had been earlier used at LaVonya DeJean Middle School, Pinole Middle School and then repeated at El Cerrito. Although not necessarily a design flaw or deviation from District standards, as reported by CBOC and Board members, the placement of the outlet boxes was not considered desirable and could have been modified at El Cerrito High School.

The Bond Program Quality Control Manual identifies the construction document phase and the construction phase, as the stages wherein the process of incorporating "Lessons Learned" from the past into the new projects should be accomplished. However, it appears that the District does not currently have a formal process for incorporating "Lessons Learned" and user feed feedback from past projects. The District acknowledges that the design management process is lacking in this area and could be improved. During interviews with District staff for the midyear review, the staff mentioned they were hoping to solicit more end user feedback in the design process and incorporate "Lessons Learned" on construction projects in the future. One of the ways in which the District hopes to accomplish this is by providing Maintenance & Operations staff more encouragement/opportunity to review construction plans before plans are sent out to bid. District bond management staff and design team members will also perform post-occupancy walk-through reviews with maintenance staff and end user representatives from the site. The issue at El Cerrito High School, for example, could have been prevented with better end user (school educational and maintenance staff) participation, not only from staff involved with the new site location, but also from sites with prior projects of similar scope.

During the midyear review, TSS toured two school sites to see firsthand two of the new school projects. TSS toured the newly completed El Cerrito High School and Helms Middle School (currently under construction).

SCOPE, PROCESS, AND MONITORING OF PARTICIPATION BY LOCAL FIRMS

Process Utilized

During the process of this review, Total School Solutions (TSS) interviewed some members of the bond oversight committee, audit sub-committee, bond program staff members, and reviewed documentation in regard to local capacity building efforts.

Background

The Board of Education has expressed a strong desire to include local businesses in the planning and construction programs funded through Measure M, D and J. One of the purposes of entering into a Project Labor Agreement is stated by the Board as the following:

“To the extent permitted by law, it is in the interest of the parties to this agreement to utilize resources available in the local area, including those provided by minority-owned, women-owned, small, disadvantaged and other businesses.”

The Local Capacity Building Program (LCBP), which is managed by Davillier-Sloan, Inc. a Labor-Management consulting firm, has developed a tiered approach to more clearly define “the local area”, whereby the most immediate local area, which includes the West Contra Costa communities of El Cerrito, El Sobrante, Hercules, Kensington, Montalvin, North Richmond, Pinole, Richmond, San Pablo and Tara are considered the first priority area. The second priority area includes the remaining communities within in Contra Costa County, and the third priority area includes the greater East Bay area, which encompasses the communities of Alameda, Albany, American Canyon, Benicia, Berkeley, Elmira, Emeryville, Fairfield, Hayward, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville, and Vallejo.

The Helms Middle School project was the first project to go to bid that utilized a more formal approach to gaining local firm participation, which did result in improved participation.

On November 18, 2008, the School Board approved the recommendation that Local Hiring and Local Business Participation goals be included for future Measure J projects, which have included:

- De Anza High School Portable Building Installation and Site Work
- Dover Elementary School New Construction
- Martin Luther King Elementary School Demolition and Construction
- Verde Elementary School Playground and Site Work
- Multi-site Exterior Painting Work

In effort to further increase activity and participation in the priority 1 area, Davillier-Sloan, Inc. (DSI) established a LCBP Advisory Committee comprised of local contractors, union leaders, community based organizations and individuals with an interest in the program. Further, DSI built a database of all local businesses who are interested in providing materials and supplies to the contractors who successfully bid work at WCCUSD.

Additionally, DSI and District staff members have developed a working relationship with pre-apprenticeship programs at Youth Build and the Cypress Mandela Training Center to provide work opportunities for local workers who are either already in a trade job or in a pre-apprenticeship program.

Midyear Update

DSI has continued to work with the District staff to ensure that all prequalified firms are encouraged to participate in the bidding process and that all local contractors are notified of all bidding opportunities and emergency work opportunities. The encouraging results of the program during the 2008-2009 period led to discussions among staff, the CBOC and the Board regarding potential enhancements to the program to create an even stronger outreach program to the local building community. DSI has been asked to draft a new policy for the District that would include actual participation requirements and not simply goals. Once completed, this new policy and plans for implementation will be reviewed by the Facilities Subcommittee and the CBOC and discussed in a subsequent performance audit. During the 2009-10 annual performance audit, a review of participation levels under the existing policy will be conducted and new targets discussed.

EFFECTIVENESS OF THE COMMUNICATION CHANNELS AMONG ALL STAKEHOLDERS WITHIN THE BOND PROGRAM

Process Utilized

During the process of this review, Total School Solutions (TSS) interviewed personnel and other parties involved in the District's facilities program. A few members of the school board, the audit-subcommittee and key personnel on the bond management team were also interviewed. The communication channels and public outreach were among the topics of discussion in those interviews.

Background

To facilitate communication regarding the West Contra Costa Unified School District's facilities program, the District provides information about the District and the facilities program on three separate websites:

- West Contra Costa Unified School District: www.wccusd.k12.ca.us
- Bond Oversight Committee: www.wccusd-bond-oversight.com
- Bond Program: www.wccusdbondprogram.com

To facilitate access to bond information and the oversight committee, the District's website provides links to the Bond Oversight Committee and Bond Program websites.

A review of the school district, bond committee and bond program websites indicated that information about the bond and facility construction programs was current, and included relevant information, including a variety of project pictures of ongoing and upcoming projects, community meeting dates and schedules, and meeting minutes.

Midyear Update

In the 2008-09 annual performance audit, it was noted that due to budget reductions the District has discontinued the publication of the *WCCUSD Reporter* and no longer employs a District Information Officer. While these decisions have been made for budgetary reasons, they have left the Bond Program with virtually no community outreach mechanism other than the above noted websites. Public outreach is a key component for any successful bond program. It is important to keep the community informed during each phase of the program. Outreach to the community regarding the status of projects, including priorities, project timelines and updates are important for the District to consistently undertake to manage information and expectations about the Bond Program.

The District staff could convene CBOC meetings throughout the community at various school sites to attract attendance from specific school community areas. This may cause some logistical issues for the CBOC, but, if feasible, these meetings could be scheduled at a time that would be prior to or just after regularly scheduled parent meetings on school campuses. The locations for these meetings should be based on District focus on communities in which outreach and information about the program is specifically needed. The school site staff could promote these meetings to parent and staff groups to encourage participation and the CBOC and District staff could use these opportunities to together feedback from the community, while providing important information about the Bond Program.

District staff may also want to consider providing school site administrators with a regular written update for their use at staff meetings and parent group meetings and for possible inclusion in the school site newsletters and/or listservs. These updates can be a useful method for providing information to the school community.

CITIZENS' OVERSIGHT COMMITTEE

California Education Code Sections 15278-15282 set the duties of a school district and its citizens' bond oversight committee. In addition to law, the West Contra Costa Unified School District has adopted Policy 7214.2 for the Committee (CBOC).

Committee Meetings and Membership

During the July 1, 2009 through February 24, 2010 period, the CBOC met six times, including two joint meetings with the Board of Education, as shown below. Meeting schedules and minutes are posted on the CBOC website.

Meeting Date	Members/Alternates In Attendance	Members Absent	Quorum
July 29, 2009 ¹	12	6	Yes
September 23, 2009	9	5	Yes
October 21, 2009 ¹	9	5	Yes
December 2, 2009	6	7	No
January 27, 2010	8	2	Yes
February 24, 2010	9	2	Yes

¹ Joint meeting with Board of Education.

The CBOC for Measures M, D and J (Proposition 39 bonds) has twenty-one designated membership positions with the following categories:

Statutory Requirements	5
City Council Representatives	5
Unincorporated Area Representatives	2
Board of Education Representatives	5
Council of Industries	1
Building Trades	1
Public Employees Union Local 1	1
CAC on Special Education	1
Total Membership	21

During the review period of July 1, 2009 through February 24, 2010, the CBOC lost a number of members, with only 10 out of 21 designated positions filled as of January 27, 2010. As a consequence, the CBOC has experienced difficulty in establishing a quorum, and failed to have a quorum for its December 2, 2009 meeting.

Education Code Section 15282(a) states that the citizens' oversight committee shall...serve for a term of two years without compensation and for no more than two consecutive terms." Section 15282(b) further states that "no employee or official of the district...no vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee."

While Section 15282(a) is unambiguous regarding “two consecutive terms,” it is silent in regard to the number of terms a member may actually serve. For example, it appears that a member could serve two consecutive terms, leave the committee for a period of time and then again serve two terms under the language in the code. Section 15282(b) is likewise unambiguous regarding eligibility for membership. It is clear that an employee, such as a substitute teacher, could not legally serve on the committee.

District Management Support of CBOC

Education Code Section 15280(a) states that a CBOC shall be provided with “any necessary technical assistance and...administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens’ oversight committee.”

The CBOC By-laws reiterate the above code language and further states: “The Associate Superintendent of Operations will serve as a resource to the Committee. He/she shall assign such other District staff and professional service providers as needed to assist the Committee in carrying out its duties.”

To carry out the above requirement specified in code and the by-laws, District staff and its consultants regularly provide materials to the CBOC and attend its meetings to enable the Committee to fulfill its purpose. This is the appropriate level of support that management should provide to the Committee.

CBOC Website

The CBOC maintains a website, with access via the District’s website, in compliance with Education Code Section 15280(b). In addition to the CBOC website materials, the District’s website has a link to the District’s bond program website, which includes information on Measures M, D, and J and performance audits. Together, the websites provide all documentation required by law and bylaws.

CBOC Annual Report

Education Code Section 15280(b) states: “A report shall be issued at least once a year.” To comply with this requirement, the CBOC regularly attends Board meetings and has issued the following written annual reports which are available for review on the CBOC website.

<u>CBOC Annual Report</u>	<u>CBOC Approval Date</u>
2006	January 30, 2008
2007	February 25, 2009
2008	March 24, 2010

Because the 2008 CBOC Annual Report was approved well after this midyear review period, its content will be addressed in the June 30, 2010 performance audit report.

APPENDIX A

MEASURE D BOND LANGUAGE

**BOND MEASURE D
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

“To complete repairing all of our schools, improve classroom safety and relieve overcrowding through such projects as: building additional classrooms; making seismic upgrades; repairing and renovating bathrooms, electrical, plumbing, heating and ventilation systems, leaking roofs, and fire safety systems; shall the West Contra Costa Unified School District issue \$300 million in bonds at authorized interest rates, to renovate, acquire, construct and modernize school facilities, and appoint a citizens’ oversight committee to monitor that funds are spent accordingly?”

FULL TEXT OF BOND MEASURE D

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the West Contra Costa Unified School District shall be authorized to issue and sell bonds of up to \$300,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of West Contra Costa County may be assured that their money will be spent wisely to address specific facilities needs of the West Contra Costa Unified School District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Education has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the West Contra Costa Unified School District at each campus and facility, and to determine which projects to finance from a local bond at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in Exhibit A.

Independent Citizens’ Oversight Committee. The Board of Education shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Education.

Annual Performance Audits. The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits. The Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Assistant Superintendent-Business of the District shall cause a report

to be filed with the Board no later than January 1 of each year, commencing January 1, 2003, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

The Bond Project List, which is an integral part of this proposition, lists the specific projects the West Contra Costa Unified School District proposes to finance with proceeds of the bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed at a particular school site. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Education cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to Government Code Section 53410.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than 30 years from the date borne by that bond.

**TAX RATE STATEMENT IN CONNECTION WITH
BOND MEASURE D**

An election will be held in the West Contra Costa Unified School District (the "District") on March 5, 2002, to authorize the sale of up to \$300,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in 7 series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.22 cents per \$100 (\$12.20 per \$100,000) of assessed valuation in fiscal year 2002-03.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.94 cents per \$100 (\$59.40 per \$100,000) of assessed valuation in fiscal year 2010-11.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6.00 cents per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2015-16: The tax rate is expected to remain the same in each year.]

Voters should note that estimated tax rate is based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, *not* on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: November 30, 2001.

Gloria Johnson, Superintendent
West Contra Costa Unified School District

Exhibit A

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

SECTION I

PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES

(As needed, upon final evaluation of each site.)

Security and Health/Safety Improvements

- Modifications and renovations necessary for compliance with Americans with Disabilities Act (ADA).
- Improvements required for compliance with applicable building codes including the Field Act.
- Remove, abate, or otherwise mitigate asbestos, lead-based paint and other hazardous materials, as necessary.
- Install closed circuit television (CCTV) systems, as necessary, to provide secure environment for students, staff, and other users of the facilities.
- Survey, assess and mitigate seismic and structural issues and reinforce or replace existing structures, as necessary, except at Hercules Middle/High School and Richmond Middle School.
- Purchase necessary emergency equipment and provide adequate storage for such equipment.

Major Facilities Improvements

- Provide for required demolition in order to perform all work indicated below as well as the specific school site identified needs.
- Upgrade, install and/or replace, as necessary, intercom, alarm, bell, and clock systems.
- Renovate gymnasiums, or replace, as economically advantageous, and replace or install gymnasium equipment.
- Provide a technology backbone system for voice, data, and video communications to accommodate computer network systems, internet access, and other technology advancements; upgrade or install electrical wiring and power for all systems, and provide computers and other technology equipment.
- Assure that all instructional areas and classrooms are provided with telephone service in order to enhance safety and security.
- Improve, upgrade and/or replace heating, ventilation and air conditioning systems, (including energy management systems).
- Improve, upgrade and/or replace electrical systems and equipment.
- Improve, upgrade and/or replace plumbing lines and equipment.
- Install or upgrade energy efficient systems.
- Improve, replace and/or install new outdoor lighting to improve security, safety and enhance evening educational events or athletic activities.
- Renovate, improve, relocate and/or create adequate trash enclosures.
- Renovate or replace lockers.
- Construct, relocate and/or improve lunch shelters.
- Furnish and/or replace emergency evacuation, building identification and address signage and monument signs.
- Replace doors, hardware, windows and window coverings.

- Create, renovate and/or improve kitchen areas, including replacement of specialized equipment and furnishings.
- Renovate, upgrade or install library areas, including seismic restraints for shelving.
- Renovate, improve or replace restrooms.
- Renovate, improve or replace roofs.
- Re-finish and/or improve exterior and interior surfaces, including walls, ceilings, and floors.
- Upgrade, improve, install and/or replace indoor lighting systems.
- Provide furnishings and equipment for improved or newly constructed classrooms and administrative facilities.
- Replace worn/broken/obsolete instructional and administrative furniture and equipment, as well as site furnishings and equipment.
- Purchase, rent, or construct temporary classrooms and equipment (including portable buildings) as needed to house students displaced during construction.
- Acquire any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase options under a lease for any of these authorized facilities.
- Construct regional School District Maintenance and Operations Yard or Yards at current District locations as necessary.
- As to any major renovation project, replace such facility if doing so would be economically advantageous.

Sitework

- Complete site work, including sitework in connection with new construction or installation or removal of relocatable classrooms.
- Improve or replace athletic fields, equipment rooms, lighting, and scoreboards.
- Improve, resurface, re-stripe and/or replace damaged asphalt and concrete surfaces.
- Improve or replace storm drain and site drainage systems.

SECTION II

ELEMENTARY SCHOOL PROJECTS

- Complete any remaining Measure M projects, as specified in the “West Contra Costa Unified School District Request for Qualifications (RFQ) B-0101 Master Architect/Engineer/Bond Program Management Team for \$150 Million Measure M General Obligation School Facilities Bond Program”, dated January 4, 2001, on file with the District, and acquire the necessary sites therefore. This scope would include projects specified in the District Long Range Master Plan dated October 2, 2000, on file with the District.

All Elementary Schools may include projects, as necessary, from Section I. The following specific projects are authorized at the following identified site.

PROJECT TYPE	Harbour Way Community Day Academy 214 South 11 th . Street, Richmond, CA 94801 Project List
	Projects as appropriate from the “All School Sites” list.
Major Building Systems	Add water supply to portable classrooms.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace two (2) portable classrooms. Install one additional portable classroom.
Site and Grounds Improvements	Add play structures/playgrounds.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.

SECTION III

SECONDARY SCHOOL PROJECTS

All Secondary Schools may include projects, as necessary, from Section I. The following specific projects are authorized at the following identified sites.

PROJECT TYPE	Adams Middle School 5000 Patterson Circle, Richmond, CA 94805-1599 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Replace carpet. Improve/replace floors. Improve and paint stairwells and handrails. Improve and paint interior walls. Improve/replace ceilings. Demolish and replace one portable classroom.
Furnishing/Equipping	Replace fold-down tables in cafeteria. Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Juan Crespi Junior High School 1121 Allview Avenue, El Sobrante, CA 94803-1099 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Renovate library. Improve/replace floors. Replace sinks in science lab. Improve and paint interior walls. Renovate stage. Improve/replace ceilings. Replace acoustic tiles in cafeteria.
Construction/Renovation of Classroom and Instructional Facilities	Renovate cafeteria side room or computer room for itinerant teacher’s room. Expand textbook room. Renovate shower rooms. Renovate shop room. Renovate classroom 602. Expand counseling office

Furnishing/Equipping	Replace fold down tables in cafeteria. Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Helms Middle School 2500 Road 20, San Pablo, CA 94806-5010 Project List
	Projects as appropriate from the "All School Sites" list.
Major Building Systems	Improve/replace roof and skylights.
Improvements/Rehabilitation	Improve/replace glass block walls. Improve/replace floor surfaces. Improve/replace ceilings. Repaint locker rooms. Replace carpet. Improve and paint interior walls.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace two portable classrooms.
Site and Grounds Improvements	Revise parking and traffic circulation. Improve/replace fence.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Hercules Middle/High School 1900 Refugio Valley Road, Hercules, CA Project List
	Projects as appropriate from the "All School Sites" list.
Major Building Systems	Add additional buildings or portables to address overcrowding.
Improvements/Rehabilitation	Install additional outdoor and indoor water fountains.
Furnishing/Equipping	Install lockers. Provide and install new furniture and equipment.
PROJECT TYPE	Pinole Middle School 1575 Mann Drive, Pinole, CA 94564-2596 Project List
	Projects as appropriate from the "All School Sites" list.
Improvements/Rehabilitation	Improve/replace floors. Improve/replace ceilings. Improve/replace exterior doors. Strip wallpaper and paint interior corridors. Add ventilation to Woodshop. Improve/replace overhang at snack bar. Improve and paint interior walls. Improve/replace skylights. Improve/replace ramps. Replace sliding glass door in classroom 11
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately 23 portable classrooms. Expand or construct new library.
Furnishing/Equipping	Remove chalkboards from computer room. Install dust recovery system in woodshop. Install or replace whiteboards, tackboards and counters. Replace fold down tables in cafeteria.

PROJECT TYPE	Portola Middle School 1021 Navellier Street, El Cerrito, CA 94530-2691 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Replace interior and exterior doors. Improve and paint interior walls. Improve/replace ceilings. Improve/replace floor surfaces. Improve/replace overhangs. Replace ceilings and skylights in 400 wing. Replace glass block at band room. Improve/replace concrete interior walls at 500 wing. Eliminate dry rot in classrooms and replace effected materials. Replace walkways, supports, and overhangs outside of 400 wing.
Construction/Renovation of Classroom and Instructional Facilities	Construct/install restrooms for staff. Renovate 500 wing. Reconfigure/expand band room.
Site and Grounds Improvements	Improve and expand parking on site.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Richmond Middle School 130 3 rd St., Richmond, CA 94801 Project List
	Projects as appropriate from the “All School Sites” list.
Major Building Systems	Construct new maintenance building.
Furnishing/Equipping	Lockers Provide and install new furniture and equipment.
PROJECT TYPE	El Cerrito High School 540 Ashbury Avenue, El Cerrito, CA 94530-3299 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Improve/replace floors. Improve/replace ceilings. Replace broken skylights. Improve and paint interior walls. Replace acoustical tiles. Install new floor and lighting in Little Theater. Replace water fountains in gymnasium. Relocate and replace radio antenna.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately twenty-six (26) portable classrooms. Renovate Home Economics room into a classroom. Add storage areas. Renovate woodshop. Remodel art room.
Site and Grounds Improvements	Improve/replace fence around perimeter of school.

Furnishing/Equipping	Install or replace whiteboards, tackboards and counters. Improve/replace hydraulic lift in auto shop. Replace pullout bleachers in gymnasium. Replace science lab tables.
PROJECT TYPE	Kennedy High School and Kappa High School 4300 Cutting Boulevard, Richmond, CA 94804-3399 Project List
	Projects as appropriate from the "All School Sites" list.
Major Building Systems	Replace lighting.
Improvements/Rehabilitation	Replace carpet in classrooms. Improve/replace floor surfaces. Replace interior doors in 200 wing. Replace sinks in science labs. Improve and paint interior walls. Improve/replace ceilings. Replace cabinets at base of stage. Paint acoustic tiles in band room. Resurface stage in cafeteria.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately six (6) portable classrooms.
Site and Grounds Improvements	Improve/replace fence.
Furnishing/Equipping	Replace bleachers in gymnasium. Replace tables in cafeteria. Replace stage curtains in cafeteria. Replace folding partition in classrooms 804 and 805. Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Richmond High School and Omega High School 1250 23 rd . Street, Richmond, CA 94804-1091 Project List
	Projects as appropriate from the "All School Sites" list
Improvements/Rehabilitation	Improve/replace ceilings. Renovate locker rooms. Replace exterior doors in 300 and 400 wings. Improve/replace floor surfaces. Improve and paint interior walls. Replace carpet. Replace locks on classroom doors. Renovate all science labs. Renovate 700 wing. Add water fountains in gymnasium.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately four (4) portable classrooms. Add storage areas. Improve/add staff rooms and teacher work rooms. Add flexible teaching areas. Renovate classroom 508 into auto shop.
Site and Grounds Improvements	Improve parking and traffic circulation.

Furnishing/Equipping	Install or replace whiteboards, tackboards and counters. Add partition walls to the gymnasium and the Little Theater. Replace tables and chairs in cafeteria. Replace equipment in woodshop. Add dust recovery system to woodshop.
PROJECT TYPE	Pinole Valley High School and Sigma High School 2900 Pinole Valley Road, Pinole, CA 94564-1499 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Improve and paint interior walls. Improve/replace ceilings. Improve/replace floors. Replace carpet. Correct or replace ventilation/cooling system in computer lab. Improve partition walls between classrooms 313/311 and 207/209. Reconfigure wires and cables in computer lab. Replace broken skylights.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately thirty-five (35) portable classrooms. Add/provide flexible teaching areas and parent/teacher rooms. Add storage.
Furnishing/Equipping	Add new soundboard in cafeteria. Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	De Anza High School and Delta High School 5000 Valley View Road, Richmond, CA 94803-2599 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Replace/Improve skylights. Improve, or replace, and paint interior walls and ceilings. Improve or add ventilation/cooling system to computer lab. Replace exterior doors. Replace showers in gymnasium.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately fourteen (14) portable classrooms. Increase size of gymnasium. Add storage areas.
Furnishing/Equipping	Replace cabinets in 300 wing. Replace wooden bleachers. Add mirrors to girls locker room. Install or replace whiteboards, tackboards and counters.

PROJECT TYPE	Gompers High School 1157 9 th . Street, Richmond, CA 94801-3597 Project List
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Improve or add ventilation/cooling system to computer lab. Replace outdoor and indoor water fountains. Improve/replace floors and carpet. Add sinks to Stop-Drop classrooms. Improve/replace interior and exterior doors and locks. Add new partition walls in classroom 615. Improve and paint interior walls. Improve/replace ceilings.
Construction/Renovation of Classroom and Instructional Facilities	Add science lab. Add lunch area for students. Add area for bicycle parking.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	North Campus High School and Transition Learning Center 2465 Dolan Way, San Pablo, CA 94806-1644 Project List
	Projects as appropriate from the “All School Sites” list.
Security and Health/Safety Improvements	Improve fences and gates to alleviate security issues.
Improvements/Rehabilitation	Remodel offices. Add weather protection for walkways and doors. Improve and paint interior walls. Improve/replace ceiling tiles. Replace carpet.
Construction/Renovation of Classroom and Instructional Facilities	Add multi-purpose room. Add cafeteria. Add library. Move/add time-out room. Add flexible teaching areas, counseling, and conference rooms.
Site and Grounds Improvements	Add play structures/playgrounds. Improve site circulation. Add bicycle parking to site. Resolve parking inadequacy.
School Support Facilities	Add storage space. Add restrooms for students and staff.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.

PROJECT TYPE	Vista Alternative High School <u>2600 Moraga Road, San Pablo, CA 94806</u> Project List
	Projects as appropriate from the “All School Sites” list.
Major Building Systems	Add water supply to portable classrooms.
Construction/Renovation of Classroom and Instructional Facilities	Add storage space. Add mini-science lab. Add bookshelves.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
PROJECT TYPE	Middle College High School <u>2600 Mission Bell Drive, San Pablo, CA 94806</u> Project List
	Projects as appropriate from the “All School Sites” list.
Furnishing/Equipping	Refurbish/replace and install furnishings and equipment, as needed.

APPENDIX B

MEASURE J BOND LANGUAGE

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Resolution No. 25-0506

RESOLUTION OF THE BOARD OF EDUCATION OF THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT ORDERING A SCHOOL BOND ELECTION, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Board of Education (the “Board”) of the West Contra Costa Unified School District (the “District”), within the County of Contra Costa, California (the “County”), is authorized to order elections within the District and to designate the specifications thereof, pursuant to sections 5304 and 5322 of the California Education Code (the “Education Code”);

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to section 15100 *et seq.* of the California Education Code;

WHEREAS, pursuant to section 18 of Article XVI and section 1 of Article XIII A of the California Constitution, and section 15266 of the California Education Code, school Districts may seek approval of general obligation bonds and levy an *ad valorem* tax to repay those bonds upon a 55% vote of those voting on a proposition for the purpose, provided certain accountability measures are included in the proposition;

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors to be approved by 55% of the votes cast;

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election or special election, or at a regularly scheduled local election, as required by section 15266 of the California Education Code;

WHEREAS, on November 8, 2005, a statewide election is scheduled to occur throughout the District;

WHEREAS, pursuant to section 15270 California Education Code, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed \$60 per year per \$100,000 of assessed valuation of taxable property;

WHEREAS, section 9400 *et seq.* of the California Elections Code requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; and

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Education of the West Contra Costa Unified School District as follows:

Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 *et seq.*, and section 15266 of the California Education Code, an election shall be held within the boundaries of

the West Contra Costa Unified School District on November 8, 2005, for the purpose of submitting to the registered voters of the District the following proposition:

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the West Contra Costa Unified School District shall be authorized to issue and sell bonds of up to \$400,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the West Contra Costa Unified School District may be assured that their money will be spent wisely to address specific facilities needs of the West Contra Costa Unified School District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at section 15264 *et seq.* of the California Education Code).

Evaluation of Needs. The Board of Education has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the West Contra Costa Unified School District, and to determine which projects to finance from a local bond at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in Exhibit A.

Independent Citizens' Oversight Committee. The Board of Education shall establish an independent Citizens' Oversight Committee (section 15278 *et seq.* of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Education.

Annual Performance Audits. The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits. The Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board no later than January 1 of each year, commencing January 1, 2007, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition. The Bond Project List, which is an integral part of this proposition, lists the specific projects the West Contra Costa Unified School District proposes to finance with proceeds of the Bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Education cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to section 53410 of the California Government Code.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than 30 years from the date borne by that bond. No series of bonds may be issued unless the District shall have received a waiver from the State Board of Education of the District's statutory debt limit, if required.

Section 2. Abbreviation of Proposition. Pursuant to section 13247 of the California Elections Code and section 15122 of the California Education Code, the Board hereby directs the Registrar of Voters to use the following abbreviation of the bond proposition on the ballot:

To continue repairing all school facilities, improve classroom safety and technology, and relieve overcrowding shall the West Contra Costa Unified School District issue \$400 million in bonds at legal interest rates, with annual audits and a citizens' oversight committee to monitor that funds are spent accordingly, and upon receipt of a waiver of the District's statutory debt limit from the State Board of Education, if required?"

Section 3. Voter Pamphlet. The Registrar of Voters of the County is hereby requested to reprint Section 1 hereof (including Exhibit A hereto) in its entirety in the voter information pamphlet to be distributed to voters pursuant to section 13307 of the California Elections Code. In the event Section 1 is not reprinted in the voter information pamphlet in its entirety, the Registrar of Voters is hereby

requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

“The above statement is an impartial analysis of Measure J. If you desire a copy of the measure, please call the Contra Costa County Registrar of Voters at (925) 646-4166 and a copy will be mailed at no cost to you.”

Section 4. State Matching Funds. The District hereby requests that the Registrar of Voters include the following statement in the ballot pamphlet, pursuant to section 15122.5 of the California Education Code:

“Approval of Measure J does not guarantee that the proposed project or projects in the West Contra Costa Unified School District that are the subject of bonds under Measure J will be funded beyond the local revenues generated by Measure J. The District’s proposal for the project or projects assumes the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.”

Section 5. Required Vote. Pursuant to section 18 of Article XVI and section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least 55% of those voters voting on the proposition.

Section 6. Request to County Officers to Conduct Election. The Registrar of Voters of the County is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

Section 7. Consolidation Requirement; Canvass. (a) Pursuant to section 15266(a) of the California Education Code, the election shall be consolidated with the statewide election on November 8, 2005. (b) The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, pursuant to section 10411 of the California Elections Code.

Section 8. Delivery of Order of Election to County Officers. The Clerk of the Board of Education of the District is hereby directed to deliver, no later than August 12, 2005 (which date is not fewer than 88 days prior to the date set for the election), one copy of this Resolution to the Registrar of Voters of the County together with the Tax Rate Statement (attached hereto as Exhibit B), completed and signed by the Superintendent, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County.

Section 9. Ballot Arguments. The members of the Board are hereby authorized, but not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the Registrar of Voters.

Section 10. Further Authorization. The members of this Board, the Superintendent, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 11. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, July 13, 2005, by the following vote:

AYES:
NAYS:
ABSTAIN:
ABSENT:
APPROVED:

President of the Board of Education of the West Contra Costa Unified School District

Attest:

Clerk of the Board of Education of the West Contra Costa Unified School District

CLERK'S CERTIFICATE

I, Clerk of the Board of Education of the West Contra Costa Unified School District, of the County of Contra Costa, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Education of the District duly and regularly held at the regular meeting place thereof on July 13, 2005, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present.

The resolution was adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

At least 24 hours before the time of said meeting, a written notice and agenda of the meeting was mailed and received by or personally delivered to each member of the Board of Education not having waived notice thereof, and to each local newspaper of general circulation, radio, and television station requesting such notice in writing, and was posted in a location freely accessible to members of the public, and a brief description of the resolution appeared on said agenda.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13th day of July, 2005.

Clerk of the Board of Education
West Contra Costa Unified School District

EXHIBIT A

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

SECTION I

PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES (AS NEEDED)

Security and Health/Safety Improvements

- Modifications and renovations necessary for compliance with Americans with Disabilities Act (ADA).
- Improvements required for compliance with applicable building codes including the Field Act.
- Remove, abate, or otherwise mitigate asbestos, lead-based paint and other hazardous materials, as necessary.
- Install closed circuit television (CCTV) systems, as necessary, to provide secure environment for students, staff, and other users of the facilities.
- Survey, assess and mitigate seismic and structural issues and reinforce or replace existing structures, as necessary.
- Purchase necessary emergency equipment and provide adequate storage for such equipment.

Major Facilities Improvements

- Provide for required demolition in order to perform all work indicated below as well as the specific school site identified needs.
- Upgrade, install and/or replace, as necessary, intercom, alarm, bell, and clock systems.
- Renovate gymnasiums, or replace, as economically advantageous, and replace or install gymnasium equipment.
- Provide a technology backbone system for voice, data, and video communications to accommodate computer network systems, internet access, and other technology advancements; upgrade or install electrical wiring and power for all systems, and provide computers and other technology equipment.
- Assure that all instructional areas and classrooms are provided with telephone service in order to enhance safety and security.
- Improve, upgrade and/or replace heating, ventilation and air conditioning systems, (including energy management systems).
- Improve, upgrade and/or replace electrical systems and equipment.
- Improve, upgrade and/or replace plumbing lines and equipment.
- Install or upgrade energy efficient systems.
- Improve, replace and/or install new outdoor lighting to improve security, safety and enhance evening educational events or athletic activities.
- Renovate, improve, relocate and/or create adequate trash enclosures.
- Renovate, add, or replace lockers.
- Construct, relocate and/or improve lunch shelters.
- Furnish and/or replace emergency evacuation, building identification and address signage and monument signs.
- Replace doors, hardware, windows and window coverings.
- Construct, renovate and/or improve kitchen areas, including replacement of specialized equipment and furnishings.
- Renovate, upgrade or install library areas, including seismic restraints for shelving.
- Renovate, improve, add, or replace restrooms.

- Renovate, improve or replace roofs.
- Re-finish and/or improve exterior and interior surfaces, including walls, ceilings, and floors.
- Upgrade, improve, install and/or replace indoor lighting systems.
- Provide furnishings and equipment for improved or newly constructed classrooms and administrative facilities.
- Replace worn/broken/obsolete instructional and administrative furniture and equipment, as well as site furnishings and equipment.
- Purchase, rent, or construct temporary classrooms and equipment (including portable buildings) as needed to house students displaced during construction.
- Construct new school facilities, as necessary, to accommodate students displaced by school closures or consolidations.
- Acquire any of the facilities on the Bond Project List through temporary lease or lease purchase arrangements, or execute purchase options under a lease for any of these authorized facilities.
- Renovate current elementary schools into a K-8 configuration as appropriate.
- Move furniture, equipment and supplies, as necessary, because of school closures or changes in grading configuration.
- As to any major renovation project, replace such facility if doing so would be economically advantageous.

Special Education Facilities

- Renovate existing or construct new school facilities designed to meet requirements of student with special needs.

Property

- Purchase property, including existing structures, as necessary for future school sites.

Sitework

- Complete site work, including sitework in connection with new construction or installation or removal of relocatable classrooms.
- Improve or replace athletic fields, equipment rooms, lighting, and scoreboards.
- Improve, resurface, re-stripe and/or replace damaged asphalt and concrete surfaces.
- Improve or replace storm drain and site drainage systems.

SECTION II ELEMENTARY SCHOOL PROJECTS

- Complete any remaining Election of November 7, 2000, Measure M, projects. All Elementary Schools may include projects, as necessary, from Section I.

SECONDARY SCHOOL PROJECTS

- Complete any remaining Election of March 5, 2002, Measure D, projects. All Secondary Schools may include projects, as necessary, from Section I.

RECONSTRUCTION PROJECTS

The following projects will be completed as part of the reconstruction program of the District, as funds allow. The reconstruction program includes the following:

- Health and Life Safety Improvements
- Code upgrades for accessibility
- Seismic upgrades
- Systems Upgrades
- Electrical
- Mechanical
- Plumbing
- Technology
- Security
- Technology Improvements
- Data
- Phone
- CATV (cable television)
- Instructional Technology Improvements
- Whiteboards
- TV/Video
- Projection Screens

In addition, the reconstruction program includes the replacement of portable classrooms with permanent structures, the improvement or replacement of floors, walls, insulation, windows, roofs, ceilings, lighting, playgrounds, landscaping, and parking, as required or appropriate to meet programmatic requirements and depending on the availability of funding.

PROJECT SCOPE

- De Anza High School Reconstruction/New Construction
- Kennedy High School Reconstruction/New Construction
- Pinole Valley High School Reconstruction/New Construction
- Richmond High School Reconstruction
- Castro Elementary School Reconstruction
- Coronado Elementary School Reconstruction
- Dover Elementary School Reconstruction
- Fairmont Elementary School Reconstruction
- Ford Elementary School Reconstruction
- Grant Elementary School Reconstruction
- Highland Elementary School Reconstruction
- King Elementary School Reconstruction
- Lake Elementary School Reconstruction
- Nystrom Elementary School Reconstruction
- Ohlone Elementary School Reconstruction/New Construction
- Valley View Elementary School Reconstruction
- Wilson Elementary School Reconstruction

EXHIBIT B
TAX RATE STATEMENT

An election will be held in the West Contra Costa Unified School District (the "District") on November 8, 2005, to authorize the sale of up to \$400,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in seven (7) series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 3.11 cents per \$100 (\$31.10 per \$100,000) of assessed valuation in fiscal year 2006-2007.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.99 cents per \$100 (\$59.90 per \$100,000) of assessed valuation in fiscal year 2013-2014.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6.00 cents per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2020-2021 through fiscal year 2035-2036. The average tax rate is expected to be 5.55 cent per \$100 (\$55.50 per \$100,000) of assessed valuation over the life of the bonds. Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Superintendent

Dated: July 13, 2005 West Contra Costa Unified School District

APPENDIX C

REFERENCE DOCUMENTS

REFERENCE DOCUMENTS

Measures D & J Ballot Language

Bond Measure D – Ballot Language. March 5, 2002.

Bond Measure J – Ballot Language. November 8, 2005.

Audit Reports

WCCUSD Audit Reports, Fiscal Years 2000-01 through 2008-09.

WCCUSD Bond Financial Audit Reports, Fiscal Years 2000-01 through 2008-09.

Measures M and D Budget/Expenditure Reports

WCCUSD Measures M and D Expenditure Reports through January 27, 2010.

WCCUSD Engineering Officer's Reports through January 2010.

WCCUSD Capital Assets Management Plan, through January 27, 2010.

Program Management

WCCUSD/WLC Agreement for Master Architectural Services, Signed December 1, 2004.

WCCUSD/SGI Agreement for Program, Project and Construction Management Services Related to District Bond Program, Signed December 20, 2004

WCCUSD Board of Education Policy Manual, Facilities and New Construction.

WCCUSD Board of Education Meeting Packets, July 8, 2009, through January 20, 2010.

WCCUSD Program Status Reports, July 2009, through January 2010.

OPSC Internet Site, WCCUSD State Facility Program Status.

Measures M, D & J Bonds and Bond Oversight Committee

WCCUSD Bond Program Documents from Website.

WCCUSD Bond Oversight Committee Documents from Website.

WCCUSD Packet for Meetings of Bond Oversight Committee, July 2009, through January 2010

WCCUSD Packet for Special Joint Study Session, Board of Education and Bond Oversight Committee, October 21, 2009.

Performance Evaluation

WCCUSD Performance Evaluation, MGT of America, Inc., April 4, 2007.