

West Contra Costa Unified School District

**MEASURES D (2002), J (2005)
AND D (2010)
PERFORMANCE AUDIT
JUNE 30, 2011**

March 14, 2012

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

West Contra Costa Unified School District

BOARD OF EDUCATION

June 30, 2011

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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. Measure J was approved by 56.85 percent of the vote. Because the bond measure, like Measure D, was placed on the ballot in accordance with Proposition 39, it also required 55 percent of the vote for passage.

On June 8, 2010, the West Contra Costa Unified School District submitted for voter approval another bond measure, Measure D, to authorize the sale of \$380 million in bonds to improve school facilities. Measure D was approved by 62.62 percent of the vote. Because the bond measure, like Measure D (2002) and Measure J, 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 on the Measure D (2002), Measure J and Measure D (2010) 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 for facilities and procurement; and the effectiveness of communication channels among stakeholders, among other facilities-related issues. This annual report is designed to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure D (2002), Measure J and Measure D (2010) and to help the District improve its overall bond program.

This report covers the Measure D (2002), Measure J and Measure D (2010) funded facilities program and related activities for the period of July 1, 2010, through June 30, 2011. The annual performance audit documents the performance of the bond program and reports on improvements instituted by the District to address any audit findings from prior reports.

EXECUTIVE SUMMARY

This performance audit, conducted by Total School Solutions (TSS), is the annual audit of the \$300 million Measure D (2002), \$400 million Measure J and \$380 million Measure D (2010) bond programs.

In conducting the audit, TSS reviewed and examined documentation and processes within the facilities program for the period from July 1, 2010, through June 30, 2011, and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments, observations and formalize conclusions and recommendations documented in this report. Each audit component was evaluated separately and collectively based on the materiality of each activity and its impact on the total bond program.

For purposes of this performance audit, an observation is defined as an item of evidence found during the audit that relates to the quality of the product, process, or system. Observations may or may not require corrective action and do not rise to the level of a finding.

Financial data, prepared by Seville Group, Inc. (SGI) and the District, reported in the Capital Assets Management Plan Report (CAMP), have been used during the course of this performance audit.

The District's bond program has matured significantly since the passage of Measure M on November 7, 2000, and the facilities management structure that has evolved serves the District well.

It should be noted that this work has been performed to meet the requirements of a performance audit in accordance with Article XIII of the Constitution of the State of California. Any known significant weaknesses or substantial noncompliance items are reported to the District's management. This performance audit is not a fraud audit, which would be much wider in scope and more significant in nature.

This report is intended solely for the use of the management, the Board of Education, and the independent Citizens' Bond Oversight Committee of the West Contra Costa Unified School District, which have taken responsibility for the sufficiency of the scope of work deemed appropriate for this audit. The readers of this report are encouraged to review the report of the independent financial auditors in conjunction with this report before forming opinions and drawing conclusions about the overall operations of the bond program.

INDEPENDENT PERFORMANCE AUDITOR'S REPORT

Board of Education
West Contra Costa Unified School District
Richmond, CA 94804

We have conducted a performance audit of the Measure J and Measure D (2010) funded bond program of the West Contra Costa Unified School District (the "District") as of and for the year ended June 30, 2011. The information provided herein is the responsibility of the District management. Our responsibility is to express an opinion on the pertinent issues included in the scope of our work.

In our opinion, the Measure J funds are being expensed in accordance with Resolution No. 25-0506 passed by the Board of Education on July 13, 2005. It is also our opinion, for the period ending June 30, 2011 the expenditures of the funds generated through Measure J bonds were only for projects included in Resolution No. 25-0506 establishing the scope of work to be completed with Measure J funds.

In our opinion, the Measure D (2010) funds are being expensed in accordance with Resolution No. 76-0910 passed by the Board of Education on March 3, 2010. It is also our opinion, for the period ending June 30, 2011 the expenditures of funds generated through Measure D (2010) bonds were only for projects included Resolution No. 76-0910 establishing the scope of work to be completed with Measure D (2010) funds.

This performance audit was conducted in accordance with government auditing standards. The District, however, is required to request and obtain an independent financial audit of Measure J and Measure D (2010) bond funds. The financial auditor is responsible for evaluating conformance with generally accepted accounting principles and auditing standards pertinent to financial statements. The financial auditor also evaluates and expresses an opinion on such matters as the District's internal controls, controls over financial reporting, and its compliance with laws and regulations. Our opinion and the accompanying report should be read in conjunction with the independent financial auditor's report when considering the results of this performance audit and forming opinions about the District's bond program.

We conducted this performance audit in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total School Solutions



February 9, 2012

COMPOSITE BOND MEASURES FINANCIAL REPORT

Objective

The objective of this section is to report on the financial activities of the District's bond program, incorporating in one report Measures M (2000), D (2002), J (2005) and D (2010). The objective includes analyses of the District's compliance with bond language and legal limitations regarding the issuance of bonds under the terms of the various voter-approved measures and monitoring the bond proceeds after issuance regarding investments and arbitrage regulations.

Scope and Methodology

To meet the above objective, the following aspects of the bonds were analyzed and documented:

- Accounting of Bond Funds
- Capital Debt
- 2010-11 Refunding of Prior Bonds
- Qualified School Construction Bonds (QSCB)
- Proposition 39 Bond Sale Limitations
- Investment of Bond Proceeds
- Deferred Capital Project Fund
- Arbitrage

The methodology applied included collecting data and evidence from various Districts and outside sources to compile financial data for each of the aspects of the bonds identified above, including:

- District Board Meeting Agendas and Minutes
- District Financial Audits
- District Bond Measures Audits
- District Unaudited Actuals Report for 2010-11
- District Financial Reports
- Financial Analyst Reports
- Bond Counsel Reports
- Arbitrage Analyses Reports

Background

The District's bond program effectively began with passage of Measure E on June 2, 1988, a \$40 million 2/3 vote bond measure. Measure E was followed by the passage of Measure M (\$150 million, 2/3 vote) on November 7, 2000, Measure D (\$300 million, 55% vote) on March 5, 2002, Measure J (\$400 million, 55% vote) on November 8, 2005 and Measure D (\$380 million, 55% vote) on June 8, 2010. Collectively, these bond measures, along with other local funds and state funds, comprise a single District Bond Program.

Accounting of Bond Funds

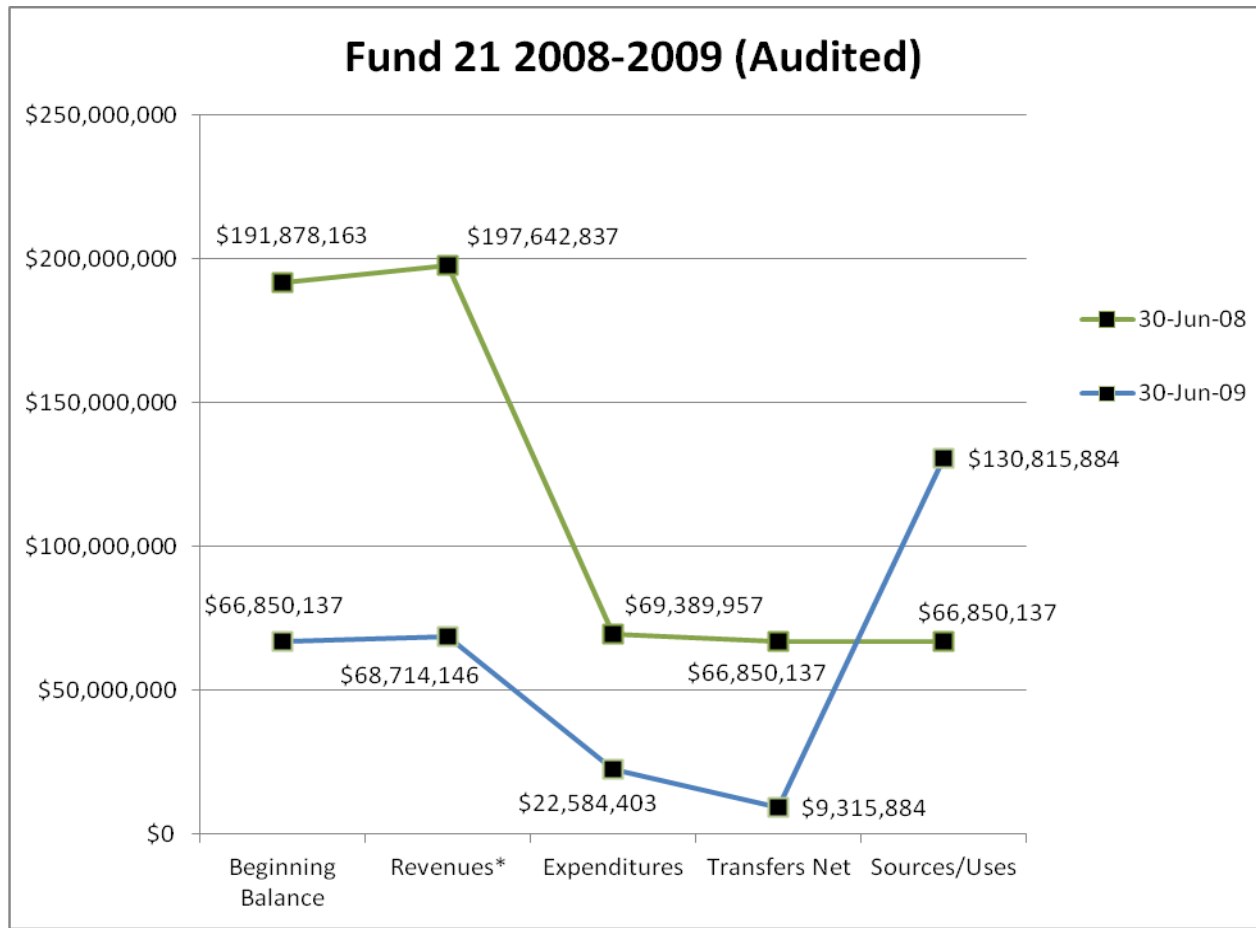
The District's Building Fund (Fund 21) is used to account for bond program revenues and expenditures, including Measures E, M, D (2002), J and D (2010). Financial data for the past four fiscal years is presented in the following table and is represented on the line graphs included in the proceeding pages.

BUILDING FUND (FUND 21)

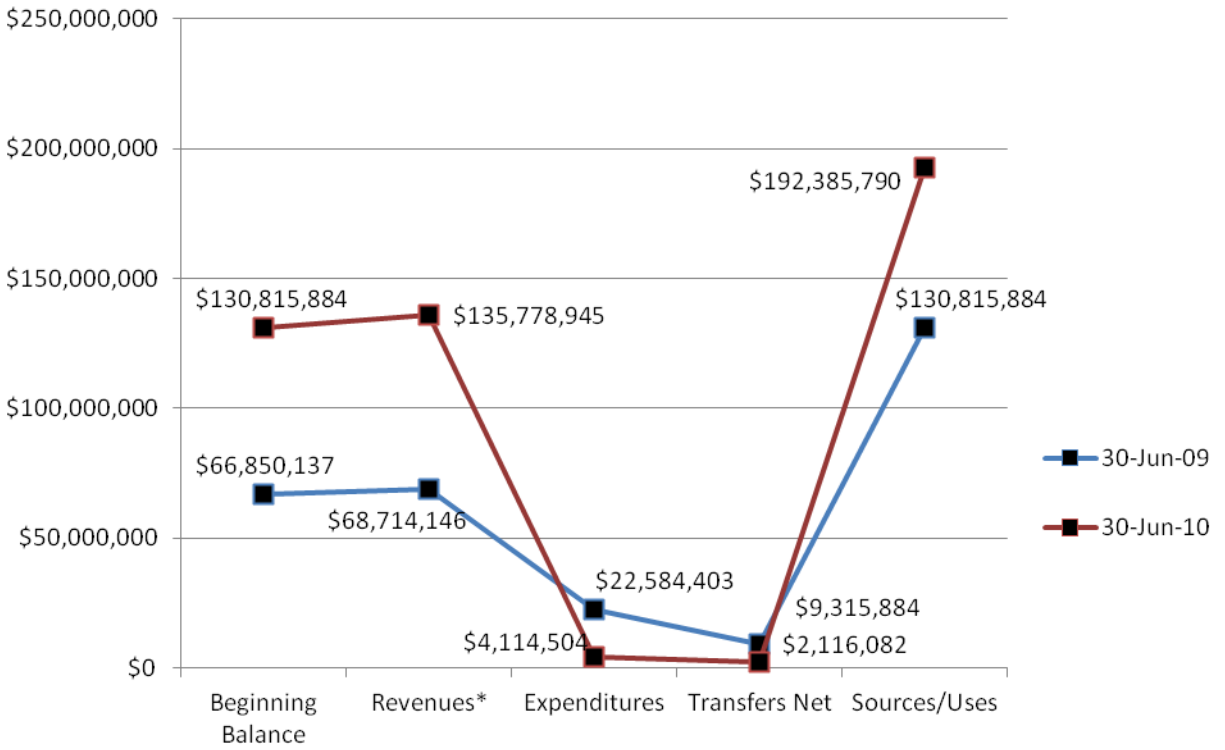
Category	Fund 21 June 30, 2008 (Audited)	Fund 21 June 30, 2009 (Audited)	Fund 21 June 30, 2010 (Audited)	Fund 21 June 30, 2011 (Unaudited)
Beginning Balance	\$191,878,163	\$66,850,137	\$130,815,884	\$192,385,790
Revenues	5,764,674	1,864,009	4,963,061	679,831
Expenditures	128,252,880	46,129,743	131,664,441	79,500,433
Transfers Net	(2,539,820)	(13,268,519)	(1,998,422)	(2,588,194)
Sources/Uses	0	121,500,000	190,269,708	(316,867)
Net Change	(125,028,026)	63,965,747	61,569,906	2,634,382
Ending Balance	\$66,850,137	\$130,815,884	\$192,385,790	\$110,660,126

2008-09

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 \$121,500,000 source of funds in 2008-09 was the sale of Measure J bonds.



Fund 21 2009-2010 (Audited)



2009-10

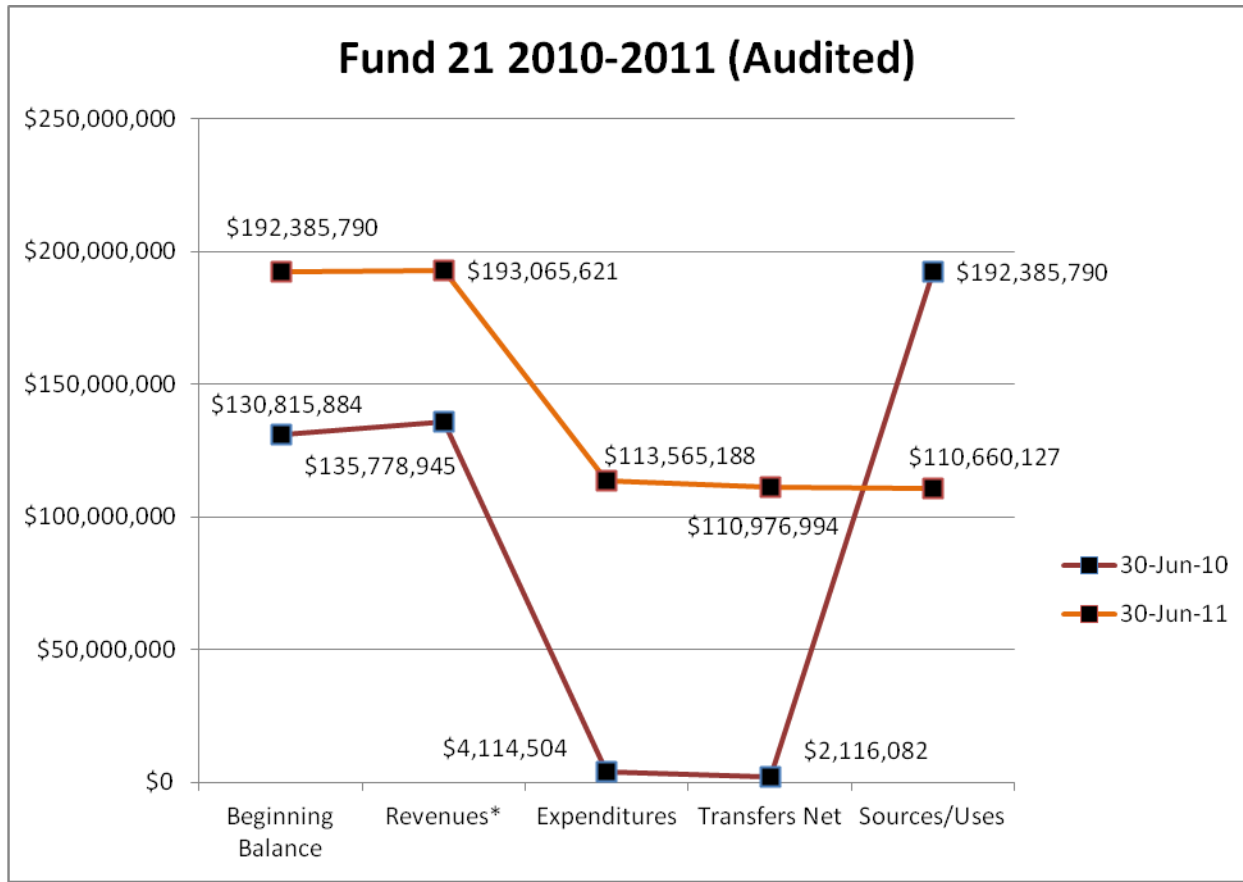
The Measures M, D and J audit report for 2009-10 presented the following combined financial data, which differs from the Fund 21 financial data due to other financial activity in Fund 21, including earlier bonds, interest earnings and refunding prior Measures M and J bonds. (See Capital Debt discussion.)

<u>Category</u>	<u>Fund 21 (Audited)</u>	<u>M, D & J (Audited)</u>
Beginning Balance	\$130,815,884	\$106,452,776
Revenues	4,963,061	313,713
Expenditures	74,879,441	74,879,440
Debt Service	56,785,000	
Transfers Net	(1,998,422)	(1,998,422)
Sources – J Bonds	137,547,032	137,547,032
Sources – Refund Prior Bonds	<u>52,722,676</u>	<u> </u>
Net Change	61,569,906	60,982,883
Ending Balance	\$192,385,790	\$167,435,659

Sources – J Bonds that total \$137,547,032 include \$104,909,759.30 received from the sale of Measure J 2009 Series C bonds, \$5,137,322.65 bond premium for Series C bonds and \$27,499,949.20 from the sale of Measure J 2010 Series D bonds. During the 2009-10 fiscal year, prior bonds were refunded, which impacted outstanding debt.

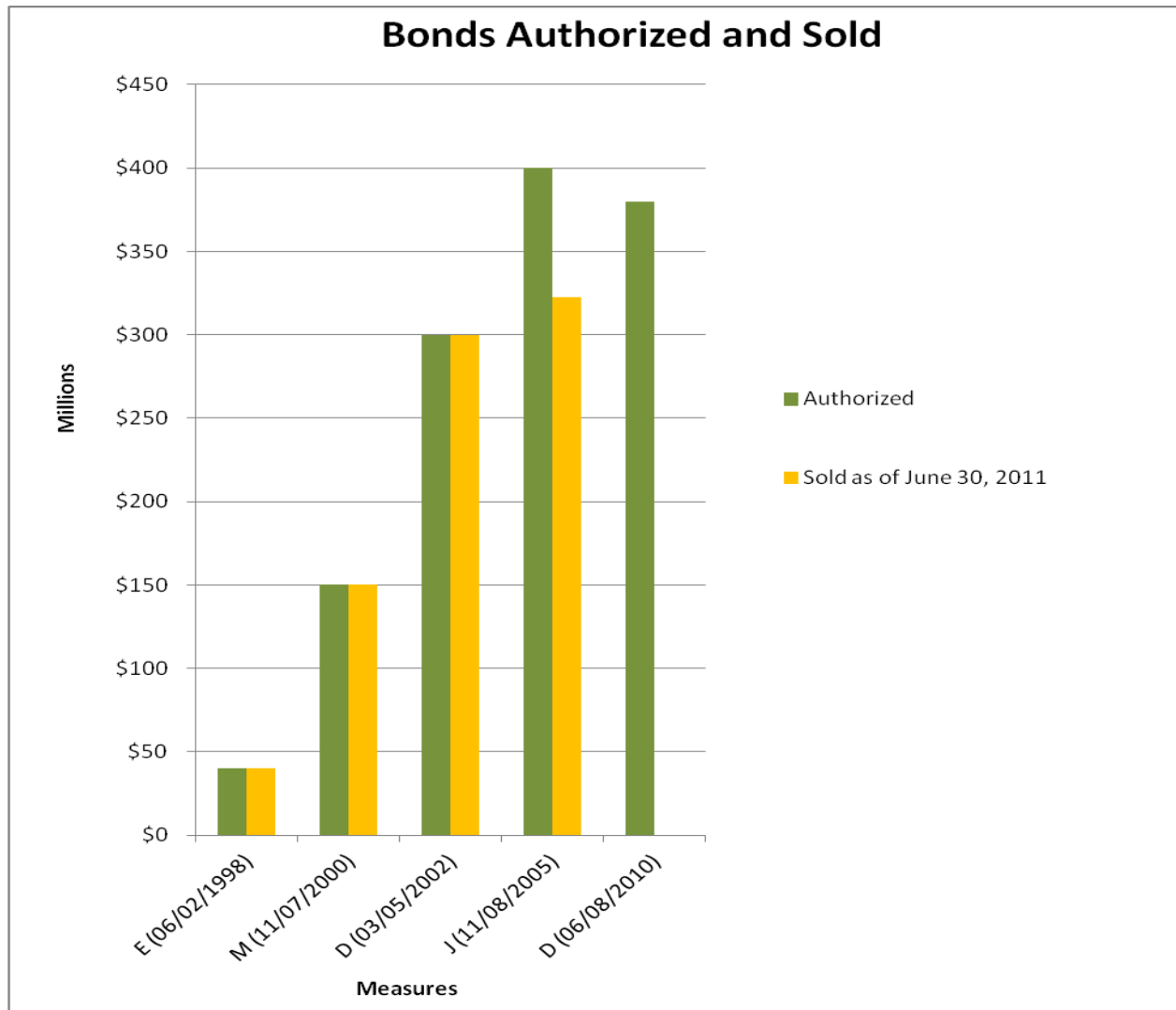
2010-11

The “Transfers Net” figure of (\$2,588,194) consisted of a transfer in of \$9,113,052 and a transfer out of \$11,701,246.



Capital Debt

The District has passed five bond measures, beginning with Measure E in 1998. The amounts of bonds authorized and sold as of June 30, 2011 were as follows:



Authorized Total: \$1,270 million
Sold as of June 30, 2011: \$812.5 million

2010-11 Refunding of Prior Bonds

At the July 28, 2010 Board meeting, information was presented indicating that assessed valuation (A/V) declines would result in Measure D (2002) bonds, previously issued in four series, would exceed \$60 per \$100,000 of A/V. To keep the tax rate below \$60, it was proposed that some of the Measure J Series D bonds issued during 2009-10 be used to refund Measure D (2002) bonds.

According to a September 21, 2011 Board item regarding a future sale of Measure D (2010) bonds, the bond issuance report stated that an \$85,565,000 refunding bond issue closed in August 2011 (2011A General Obligation Refunding Bonds) to refund a portion of Measure D (2002) Series A and B bonds. While this sale occurred after June 30, 2011, the issue originated during the 2010-11 fiscal year and is accordingly reported in the October 1, 2011 column in the Capital Debt table below.

Qualified School Construction Bonds (QSCB)

An April 13, 2011 Board item stated that a QSCB allocation had been approved. Separate sources reveal that approval was granted for \$21 million of QSCB bonds for charter school construction by the California School Finance Authority. A September 21, 2011 Board item, beyond the period of this audit report, stated that a \$100 million Measure D (2010) bond sale would take place in November 2011, consisting of the \$21 million QSCB bonds and \$79 of general obligation bonds.

The District's outstanding debt is presented in the tables below, which include General Obligation bonds and Certificates of Participation. Several prior bond issues were refunded, which are including in the original issuance column and outstanding debt columns, but refunding does not reduce the total bond authorization amounts.

Outstanding Debt

Capital Debt	Original Issuance	Fiscal Year Ending June 30, 2009	Fiscal Year Ending June 30, 2010	As of Oct. 1, 2011 ¹
GO Bonds				
<u>Measure E (June 2, 1998)</u>				
2001 Refunding Series A ²	\$28,610,000	\$21,650,000	\$20,645,000	\$19,530,000
2001 Refunding Series B ²	10,255,000	7,895,000	7,550,000	7,155,000
Total Measure E	\$38,865,000	\$29,545,000	\$28,195,000	\$26,685,000
<u>Measure M (Nov. 7, 2000)</u>				
2001 Series A	\$15,000,000	\$13,235,000	\$0	\$0
2002 Series B	40,000,000	36,185,000	885,000	0
2003 Series C	95,000,000	86,895,000	84,665,000	43,115,000
2009 Refunding Series A & B(3)	47,215,000		47,215,000	39,310,000
2011A Refunding Bonds ⁴	33,960,000			33,960,000
Total Measure M	\$231,175,000	\$136,315,000	\$132,765,000	\$116,385,000
<u>Measure D (March 5, 2002)</u>				
2002 Series A	\$30,000,000	\$27,015,000	\$26,325,000	\$11,515,000
2003 Series B	100,000,000	89,690,000	87,420,000	40,460,000
2004 Series C, Current Interest	40,000,000	37,970,000	37,225,000	35,625,000
2004 Series C, Capital Apprec.	29,999,377	29,589,577	29,217,456	28,179,129
2006 Series D, Capital Apprec.	99,998,106	97,925,654	96,670,658	93,145,012
2011A Refunding Bonds ⁴	51,605,000			51,605,000
Total Measure D (2002)	\$351,602,483	\$282,190,231	\$276,858,114	\$260,529,141
<u>Measure J (Nov. 8, 2005)</u>				
2006 Series A	\$70,000,000	\$68,170,000	\$62,325,000	\$61,280,000
2009 Series B	120,000,000	120,000,000	115,025,000	115,025,000
2009 Refunding Bonds ³	10,645,000		10,645,000	10,645,000
2010 Series C1	52,084,759		52,084,759	52,084,759
2010 Series C2	52,825,000		52,825,000	52,825,000
2010 Series D1	25,000,000		25,000,000	25,000,000
2010 Series D2	2,499,949		2,499,949	2,499,949
Total Measure J	\$333,054,708	\$188,170,000	\$320,404,708	\$319,359,708
Total G. O. Bonds Principal		\$636,220,231	\$758,222,822	\$722,958,849
<u>Bond Premium & Accreted Int.</u>				
G. O. Bonds Premium		\$7,289,215	\$16,645,903	\$16,645,903
Accreted Interest		28,681,797	39,182,929	39,182,929
Total Bonded Debt		\$672,191,243	\$814,051,654	\$778,787,681
<u>Certificates of Participation⁵</u>				
2005 Refund 1994 COP		\$9,780,000	\$9,345,000	\$8,890,000
Total Debt		\$681,971,243	\$823,396,654	\$787,677,681

¹Data from Bond Counsel report, backup to September 21, 2011 Board item regarding the proposed issuance of \$100 million Measure D (2010) bonds.

²The 2001 Refunding Bonds, Series A and B, were issued to refund four series of bonds in the initial aggregate of \$40 million issued under the Measure E authorization.

³The 2009 Refunding Bonds were issued to refund and partially refund four series of bonds issued under Measures M and J authorizations.

⁴The 2011A Refunding Bonds were issued to provide funds to redeem a portion of each of the Measure M and Measure D (2002) authorizations.

⁵Certificates of Participation (COPs) are loans, not a source of revenues. COPs are repaid over time from various sources, such as the Capital Facilities Fund (developer fees) and the General Fund.

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. The first limitation is the bonding capacity of the District, which is based on 2.5 percent of assessed valuation (A/V), which may be increased through a waiver request to the State Board of Education. The second limitation is a maximum tax rate of \$60.00 per \$100,000 of A/V for each bond measure, which may not be increased by filing a waiver request. These two provisions are more fully described in 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, as noted above, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

The District's recent assessed valuation and bonding capacity data are as follows:

Fiscal Year	Total A/V	Annual % Change	Bonding Capacity @ 2.5%	Bonding Capacity @ 5.0%*
2007-08	\$26,971,665,616		\$674.3 million	
2008-09	\$27,062,460,076	0.3	\$676.6 million	
2009-10	\$23,745,753,348	(12.3)	\$593.6 million	
2010-11	\$21,927,157,161	(7.7)	\$548.2 million	
2011-12	\$22,170,563,072	1.1	\$554.3 million	\$1,108.5 million

Source: District Board Item F.1, September 21, 2011, Preliminary Official Statement for the sale of \$100 million, Measure D (2010) bonds consisting of \$21 million QSCB bonds and \$79 million general obligation bonds, citing California Municipal Statistics, Inc.

*The SBE approved waivers in 2002, 2009 and 2010 which resulted in gradual increases in the District's bonding capacity from 2.5% to 3.0% to 3.5% to the current 5.0%.

Education Code Section 15270 further adds:

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.

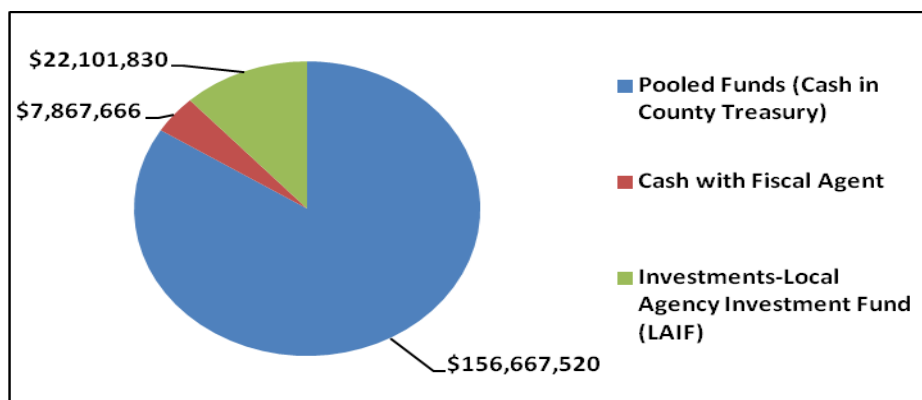
On July 10, 2002, the Board of Education of the West Contra Costa Unified School District authorized the administration to submit a waiver request to the California State Board of Education (SBE) to increase the District's bonding limit from 2.5 percent to 3.0 percent of assessed valuation (A/V). At 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 California State Board of Education of the District’s statutory debt limit, if required.” At its meeting of January 21, 2009, the Board 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 for the five year period from May 2009 through May 2014. 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. During the 2009-10 fiscal year, the District issued \$132.5 million of Measure J bonds, bringing the remaining authorization to \$77.5 million. Because Measure J was at its \$60 limit, thereby delaying the ability to sell the remaining \$77.5 million of Measure J bonds, the District authorized an election for \$380 million of new bonds (Measure D), with a tax rate of \$48 per \$100,000 of A/V, well below the \$60 limit, which was approved by voters on June 8, 2010.

On November 17, 2010, after passage of Measure D (2010), the Board authorized the administration to file a waiver request with the SBE to waive Education Code Sections 15106 (2/3 bonds) and 15270(a) (55% bonds) to raise the bond indebtedness limit for Measure D (2010) from 2.5 percent of assessed value to 5.0 percent until December 31, 2020. Approval was granted with the following conditions: (1) debt may not exceed 5.0 percent of assessed value for the period March 1, 2011 to December 31, 2020; (2) the 5.0 percent limit applies to Measure D (2010) only; and (3) the tax levy may not exceed \$60 per \$100,000 of assessed value.

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, 2010, reports the following cash investments:



Totalling: \$186,637,016

¹ West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2010, Perry-Smith, LLP, Accountants, December 10, 2010. [The June 2010 financial audit was the most recent information provided on Investment of Bond Proceeds].

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, 2010, 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, ten percent is retained until the completion of the contract. 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.

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. 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.

Deferred Capital Project Fund

On February 20, 2009, SBX3 4 was signed into law, providing school districts budgeting flexibility. One of the provisions of SBX3 4 impacted the Deferred Maintenance Program by eliminating the local matching contribution for the years 2008-09 through 2012-13 and by making funding for deferred maintenance flexible by allowing such funds to be used for educational purposes.

The West Contra Costa Unified School District utilized the above provisions of SBX3 4 related to the Deferred Maintenance Program. On March 24, 2010, the Board took action to use the "Tier III State Flexibility for Deferred Maintenance Fund," allocating some of the funds previously set aside in reserve within the Deferred Maintenance Fund to the District's K-3 Class Size Reduction Program. As of June 30, 2010, \$4.0 million of Deferred Maintenance Fund reserves were transferred to the General Fund, Tier III, leaving a \$1.1 million reserve in the Deferred Maintenance Fund.

As a result of the Board's actions, a Deferred Capital Projects fund was created within the General Fund. On April 14, 2010, the Board approved Measure J bond program budget adjustments which included a \$2,342,234 allocation to the Deferred Capital Projects fund for the stated purpose to "support capital maintenance expenditures District-wide."

Arbitrage

When a school district issues general obligation bonds, the investments are subject to arbitrage regulations set forth by the United States Department of the Treasury. The bonds are subject to an allowable yield on investments which, if exceeded, results in a rebate liability that would be owed to the U.S. Department of the Treasury.

Please see the Expenditures and Payment Procedures section of this report for more information related to the District's filing of arbitrage reports.

Commendations

- The District is commended for refunding prior bond issuances to keep its tax rate below \$60 per \$100,000 of assessed valuation.
- The District is commended for obtaining increases in its bonding capacity to enable bonds to be sold.

Conclusion

- By restructuring debt and increasing bonding capacity, the District has been able to continue with its Bond Program without delay in spite of declining assessed valuation.

COMPLIANCE WITH BALLOT LANGUAGE

Objective

The objective of this section is to report on the financial activities of the District's bond program, including analyses of the District's compliance with bond language and legal limitations regarding the issuance of bonds under the terms of the voter-approved measure and monitoring the bond proceeds after issuance.

Scope and Methodology

To meet the above objective, the following aspects of the bonds were analyzed and documented:

- Use of Measure D (2002), J (2005) and D (2010) Bond Funds
- Proposition 39 Bond Sale Limitations

The methodology applied included collecting data and evidence from various District and outside sources to compile financial data for each of the aspects of the bonds identified above, including:

- District Board Meeting Agendas and Minutes
- District Financial Audits
- District Financial Reports

Background

The District's bond program effectively began with passage of Measure E on June 2, 1988, a \$40 million two-thirds vote bond measure. Measure E was followed by the passage of Measure M (\$150 million), also a two-thirds vote measure on November 7, 2000, Measure D (\$300 million) was a 55 percent vote measure passed on March 5, 2002, Measure J (\$400 million) also a 55 percent vote measure passed on November 8, 2005 and Measure D (\$380 million) the most recent 55 percent vote bond measure passed on June 8, 2010. Collectively, these bond measures, along with other local funds and state funds, comprise a single District Bond Program.

Measure D (2002) -- 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 (2002) is included in Appendix B. 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 (2002) ballot focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all District schools (Bond Project List, Appendix B, 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 July 25, 2011, the District had expended \$259.7 million (86.6 percent) of the Measure D authorization. All expenditures of Measure D funds during this 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 (2005) -- 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 (2005) 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 C. 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 (2002) committee therefore served as the Measure J committee as well.

Based on the Capital Assets Management Plan dated July 25, 2011, the District had expended \$164.5 million (41.1 percent) of the Measure J authorization. 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.

Measure D (2010) – On March 3, 2010, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$380 million bond measure (Measure D) on the ballot with the adoption of Resolution No. 76-0910. Measure D, a Proposition 39 bond measure requiring a 55 percent affirmative vote, passed with 62.62 percent of the vote on June 8, 2010.

As a Proposition 39 bond measure, Measure D (2010) 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 D is included as Appendix D. The following appeared as the summary ballot language:

To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety/handicap accessibility, remove asbestos, upgrade restrooms, vocational classrooms/technology/energy systems to reduce costs, install lighting and security systems, acquire repair, construct, equipment/sites/facilities, by issuing \$380,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money administrators' salaries?

The Measure D (2010) ballot language focused on the continued repair, modernization, and reconstruction of District school facilities in the following broad categories:

PRIORITY SCHOOL PROJECTS LIST

- School Renovation, Repair and Upgrade Projects
- School Health, Safety and Security, Earthquake Safety and Energy Efficiency School Projects
- District-Wide Wiring and Instructional Technology For Effective Learning Environment and Job Training Projects
- New Construction Education Enhancement/Class Size Reduction Projects at School Sites

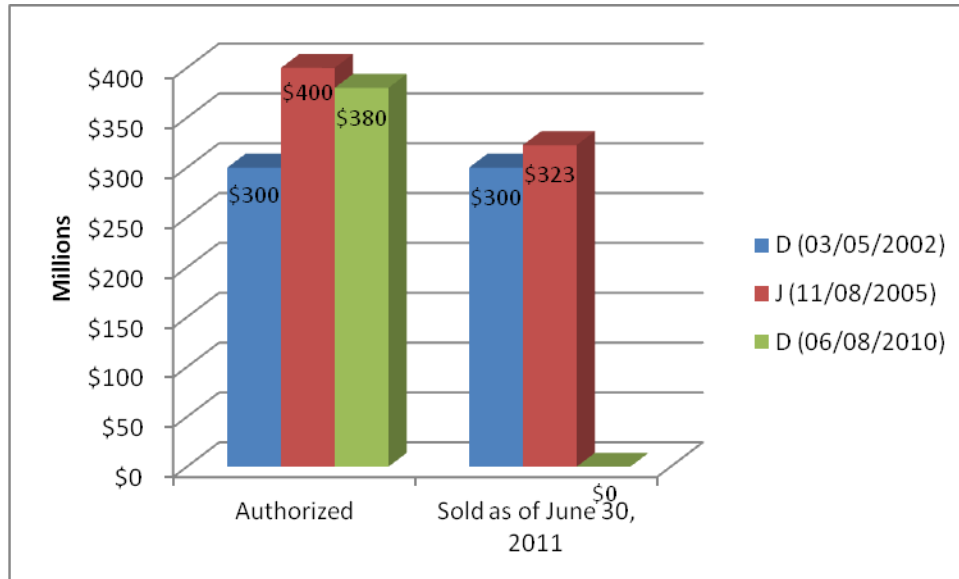
As required by Proposition 39, the West Contra Costa Unified School District certified the results of the June 8, 2010, bond (Measure D) election at the school board meeting of July 28, 2010. At the same meeting, the Board assigned Measure D (2010) oversight to the existing Citizens' Bond Oversight Committee. The Measure D (2002) and J (2005) committee now serves as the Measure D (2010) committee as well.

Based on the Capital Assets Management Plan dated July 25, 2011, the District had expended \$13.6 million (3.6 percent) of the Measure D (2010) authorization. All of the expenditures of Measure D (2010) 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 D (2010) as set forth in Resolution 76-0910.

Use of Measures D (2002), J (2005) and D (2010) Bond Funds

A question regarding the use of general obligation bond funds for program managers and other internal staff is often a concern for school districts and oversight committees. In legal opinion No. 04-110 dated November 9, 2004 the California Attorney General opined that: "A school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure." The District is in compliance with the Attorney General opinion.

As of June 30, 2011, the District has issued the following bonds:



Authorized Total: \$1,080 billion
Sold as of June 30, 2011: \$622.5 million

Total Measure D (2002), J (2005) and D (2010) expenditures totaling \$437,689,334 as of June 30, 2011, are 40.5 percent of the \$1,080 billion authorization. All of the expenditures of bond funds were for projects within the scope of the ballot language.

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. The first limitation is the bonding capacity of the District, which is based on 2.5 percent of assessed valuation (A/V), which may be increased through a waiver request to the State Board of Education. The second limitation is a maximum tax rate of \$60.00 per \$100,000 of A/V for each bond measure, which may not be increased by filing a waiver request. These two provisions are more fully described in 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, as noted above, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

The District's recent assessed valuation and bonding capacity data are as follows:

Fiscal Year	Total A/V	Annual % Change	Bonding Capacity 2.5%	Bonding Capacity 5.0%
2011-12	\$22,170,563,072	1.1	\$554.3 million	\$1,108.5 billion

Source: District Board Item F.1, September 21, 2011, Preliminary Official Statement for the sale of \$100 million, Measure D (2010) bonds consisting of \$21 million QSCB bonds and \$79 million general obligation bonds, citing California Municipal Statistics, Inc.

Education Code Section 15270 further adds:

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 California State Board of Education of the District's statutory debt limit, if required." At its meeting of January 21, 2009, the Board 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 for the five year period from May 2009 through May 2014. 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. During the 2009-10 fiscal year the District issued \$132.5 million of Measure J bonds, bringing the remaining authorization to \$77.5 million. Because Measure J was at its \$60 limit, thereby delaying the ability to sell the remaining \$77.5 million of Measure J bonds, the District authorized an election for \$380 million of new bonds (Measure D), with a tax rate of \$48 per \$100,000 of A/V, well below the \$60 limit, which was approved by voters on June 8, 2010.

On November 17, 2010, after passage of Measure D (2010), the Board authorized the administration to file a waiver request with the SBE to waive Education Code Sections 15106 (2/3 bonds) and 15270(a) (55% bonds) to raise the bond indebtedness limit for Measure D (2010) from 2.5 percent of assessed value to 5.0 percent until December 31, 2020. Approval was granted with the following conditions: (1) debt may not exceed 5.0 percent of assessed value for the period March 1, 2011 to December 31, 2020; (2) the 5.0 percent limit applies to Measure D (2010) only; and (3) the tax levy may not exceed \$60 per \$100,000 of assessed value.

Commendation

- The District, being unable to sell additional Measure J bonds, is commended for its actions to seek a \$380,000,000 Measure D (2010) bond measure to enable the bond program to continue without delay.

Conclusions

- Measures D (2002), J (2005) and D (2010) had a combined balance of \$110.1 million as of June 30, 2011, thereby enabling the District to continue implementing its bond program.
- TSS finds the West Contra Costa Unified School District in compliance with the Measures D (2002), J (2005) and D (2010) ballot languages.

Recommendation

- It is recommended that the cash flow requirements of the facilities program be carefully monitored to ensure that adequate funds are available to meet project commitments and schedules.

COMPLIANCE WITH STATE LAW AND REGULATIONS

Objective

The objective of this section is to assess the overall compliance with some of the pertinent legal and regulatory requirements governing a school district facilities program. 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 or a complete analysis of all state law and regulations.

Scope and Methodology

To meet the objective, the following aspects of state law and regulations were analyzed and documented:

- Citizens' Bond Oversight Committee
- State School Facility Program
- State Law Regarding Construction Bidding and Contracting
- Prevailing Wage Law/Labor Compliance Program
- Project Labor Agreement
- State Apprenticeship Program
- State Seismic Mitigation Program

In addition to the compliance issues addressed in this section, other sections in this performance audit report further address specific state law and regulations. 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 on District practices.

Background

There are numerous legal and regulatory requirements associated with Proposition 39 bond measures, a school district facilities program and the delivery of California public school construction projects. Various codes and regulations govern these processes.

State School Facility Program

Filing applications for funding with the State Allocation Board (SAB) is not legally mandatory; however, the District included language in the Measures D (2002), J (2005) and D (2010) resolutions calling for the bond elections that, as a supplement to the local bonds, the District would file for state funding. Accordingly, 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 June 30, 2011, the District received state grant amounts summarized in the table below, which includes \$12,841,930 received in 2003 (matching District funds from Measure E) for Lovonya DeJean Middle School to \$20,387,452 received in 2011 for Overcrowding Relief and Modernization. All of the following financial data was extracted from the OPSC internet website, 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	50/05-001 ¹	\$12,841,930	\$12,841,930
Modernization	57/001-009 ²	3,863,449	2,609,434
Modernization	57/010-017 and 57/019 ³	9,943,161	6,801,923
Modernization	57/018 and 57/020-/026 ⁴	12,282,748	8,320,619
Modernization	57/027 ⁵	4,834,933	3,223,289
Modernization	57/029 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
Emergency Repair	61/0001-015/0155	7,379,342	0
Emergency Repair	61/0152-0/154	4,349,029	0
New Construction	50/02-001 ¹⁰	570,548	570,548
Overcrowding Relief	56/001-002 ¹¹	7,092,482	0
Modernization	57/031-034 ¹²	13,294,970	7,175,549
Totals		\$93,373,830	\$53,088,522

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.

¹⁰ Two Special Day Classrooms (SDC) for 18 pupils at El Cerrito High School.

¹¹ Dover Elementary and Ford Elementary schools.

¹² Dover, Ford and King Elementary schools and Pinole Middle School.

In addition to the above state funds received, the District expects to receive additional state funds for emergency repair projects, overcrowded relief projects, seismic mitigation, additional modernization projects and new construction projects.

The District is in compliance with SAB regulations for all applications it has filed to receive state funding.

State Law Regarding Construction Bidding and Contracting

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.

By state law, a number of items are required to appear in bid documents. To verify that these items were included in the District's bid documents three bid packages were randomly selected and analyzed, as follows:

Kennedy High School Concession Stand and Lights – Bid #J068266

**Architect: Powell & Partners, DSA #110673, Stamp Date: February 22, 2010
Board Approval of Low Bid of \$990,000 by B-Side, Inc.:
January 19, 2011 and February 2, 2011**

All sections listed below except Section 00805.6, Labor Compliance Program, were included in the bid documents. Certification of LCP is not required if state match funds are not involved. (See separate section for a discussion of LCP requirements.)

El Cerrito High School Multi-Purpose Sports Field – Bid #J068267

**Architect: WLC Architects, Inc., DSA #111173, Stamp Date: August 3, 2010
Board Approval of Low Bid of \$3,749,000 by Michael Paul Corp,
January 19, 2011**

All sections listed below except Section 00805.6, Labor Compliance Program, were included in the bid documents. Certification of LCP is not required if state match funds are not involved. (See separate section for a discussion of LCP requirements.)

Ohlone Elementary School Phase I – West Campus – Bid #J068272

**Architect: Powell & Partners, DSA #111365, Stamp Date: March 22, 2011
Board Approval of Low Bid of \$16,961,000 by Zovich Construction:
June 28, 2011**

All sections listed below, including Section 00805.6, Labor Compliance Program, were included in the bid documents.

All three of the bid documents reviewed identified above included Section 00700, General Conditions, Articles I-XXVII. The District periodically reviews and revises the General Conditions section included in the District's bid documents, which are then reviewed and approved by legal counsel. According to SGI program managers, the most recent review and approvals by legal counsel were in April and July 2010.

Required state items to be included in the bid documents, and District section numbers, included the following:

<u>Section</u>	<u>Description</u>
N/A	<i>Certification Page: Division of the State Architect (DSA) approval</i> for individual project/plans and specifications.
00100	<i>Notice To Bidders:</i> 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.
00150	<i>Bid Bond:</i> A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.
00330	<i>Non-collusion Affidavit:</i> A non-collusion affidavit form is provided and demanded of the contractor.
00550	<i>Escrow Agreement for Security Deposits in Lieu of Retention:</i> This item is included as an option, as required.
00610	<i>Performance Bond:</i> 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.
00620	<i>Payment Bond:</i> 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.
00905	<i>Workers' Compensation:</i> The contractor is required to certify compliance with state workers' compensation regulations.
00910	<i>Prevailing Wage and Related Labor Requirements Certification:</i> The contractor is required to certify compliance with the State Public Works Contract requirements.
00911	<i>Apprenticeship Resolution Compliance:</i> The contractor is required to meet the requirements of Labor Code 1777.5.

- 00915 *Drug-Free Workplace Certification:* The contractor is required to provide a drug-free workplace certification.

- 00920 *Tobacco-Free Environment Certification:* The contractor is required to provide a tobacco-free environment certification.

- 00925 *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.

- 00930 *Lead-Based Materials Certification:* The contractor is required to certify compliance with lead-based materials regulations.

- 00935 *Imported Materials Certification:* The contractor is required to certify compliance with imported materials regulations.

- 00940 *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.

In addition to the state requirements listed above, the contractor is required to meet the following District requirements:

- 00808 *Project Labor Agreement:* The contractor is required to meet the PLA requirements, as identified in a list of 36 projects subject to PLA, as amended August 18, 2004. The District’s PLA 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....”

- 00810 *Hazardous Materials Procedures & Requirements:* The contractor is obligated to meet the requirements of hazardous materials regulations that were prepared by the District’s Hazardous Materials Consultant.

- 00900 *Local Hiring and Local Business Utilization Program:* The contractor is required to comply with the District’s Local Capacity Building Program (LCBP) to ensure equal opportunity and equitable treatment to local and small business owners and District residents in awarding and managing its public contracts, including District requirements regarding apprenticeship workers.

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

- 00805.6 *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.

00912 *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.

00110 *Instructions to Bidders*

00510 *Notice of Award*

00520 *Notice to Proceed*

00530 *Agreement*

00540 *Escrow of Bid Documentation*

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.), and they are subject to monitoring by the Division of Labor Standards Enforcement (DLSE) of the Department of Industrial Relations (DIR). 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 a 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. It reestablished the LCP for school district facility construction projects that receive State bond funds. The 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. 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 and the party that bears responsibility for LCP enforcement.

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 reviewed its options for meeting legal requirements on new projects and concluded that it would continue with its practice of using a third-party for labor compliance. On April 13, 2011, the Board approved a contract with Davillier Sloan, Inc. to provide services related to labor compliance, the District's Local Capacity Building Program, informal bidding and DVBE.

Project Labor Agreement (PLA)

The District has had a local Project Labor Agreement in effect since 2003. (See Compliance with District Policies and Regulations section). However, Senate Bill 922 was signed into law on October 2, 2011, authorizing public agencies to enter into project labor agreements under the provisions of the new law. The new law places certain restrictions and requirements on the terms of the agreements going forward. Because the District has a local PLA in effect, it is recommended that it be reviewed by legal counsel to ensure compliance with the provisions of SB 922 in future years.

State Apprenticeship Program

California's Labor Code Sections 1777.5-7 defines the apprenticeship program to which contractors and subcontractors on public works projects must comply. The Chief of the Division of Apprenticeship Standards approves apprenticeship training standards and the California Apprenticeship Council develops rules and regulations. As noted above in District bid documents, Section 00900 also includes local apprenticeship requirements by the Board's adoption of Resolution 80-0203.

State Seismic Mitigation Program

In 2000 AB 300 was passed which directed the Division of State Architect (DSA) to compile a list of buildings in the State which would be subject to failure in a seismic event. The result of that study was a list of projects estimated to cost over \$4 billion to mitigate. In 2006 Proposition 1D was passed by the California voters which included \$199.5 million to mitigate the projects defined as “most vulnerable”. That definition is based on the type of construction, the proximity to known faults and the potential for ground movement that would cause potential failure in these types of buildings.

Funding for seismic mitigation provides for the minimum work necessary to gain DSA approval and includes costs of structural reports on affected buildings. Implementation of seismic mitigation plans includes upgrades as part of modernization projects, school closures, demolitions and replacements of classrooms or buildings. Replacement funding is a cost-share program (50 percent district/50 percent state) while modernizations that include seismic upgrades will incur adjustments to the school’s baseline modernization eligibility to account for classrooms demolished or replaced as a result of seismic mitigation. The current status of the 12 school sites included in the AB300 mitigation list for the District, as reported in the Engineering Officers Report dated September 22, 2010, is shown in the table below:

School Site	Seismic Mitigation Status
Adams Middle School	Closed after Seismic Evaluation
Crespi Middle School (Gym and Cafeteria)	Pending evaluation. Application submitted to the DSA for review.
Downer Elementary School	Demolished and replaced.
El Cerrito High School	Demolished and replaced.
Kennedy High School (Granada)	Pending evaluation.
Pinole Valley High School	Demolition and replacement under way.
Richmond High School (Old Gym and Lockers)	Demolition and replacement under way.
Gompers High School (Roosevelt Jr. High School)	Demolition and replacement under way.
Del Mar School	Sold.
Mira Vista Elementary School (K-8)	Seismic renovations.
King Elementary School (Pullman)	Demolition and replacement under way.
Vista Hills High School	Pending evaluation.

Observations

- A review of the CBOC's materials, website postings, and activities indicate that the CBOC is mostly compliant with the law and BP/ARs although, in some cases, information had not been updated on a timely basis, information on some scheduled meetings was unavailable and annual reports for 2009 and 2010 are posted, but difficult to retrieve.
- The General Conditions included in the bid documents did not identify a version number or date of legal review and approval. A periodic review and subsequent notation ensures the District is keeping abreast of any changes required in the General Conditions.

Commendations

- The District is commended for utilizing all available state funding programs to maximize revenues to meet its facility's needs.
- The District is commended for developing hazardous materials requirements to meet local conditions for inclusion in bid documents and with which contractors must comply.
- The District is commended for developing a Local Capacity Building Program to encourage participation by local and small business owners and District residents in awarding and managing its public contracts, including District requirements regarding apprenticeship workers.

Conclusion

- The District is in compliance with those state laws and regulations analyzed in this section, with the exception of observations made as documented above. The recommendations made below are intended to enable the District to more effectively carry out its bond program.

Recommendation

- It is recommended that the General Conditions included in the bid documents include a version number and date of legal review and approval. If select sections have been revised, those revisions should be noted.

COMPLIANCE WITH DISTRICT POLICIES AND REGULATIONS

Objective

The objective of this section is to assess compliance with some of the pertinent District policies and regulations governing the District's facilities program.

Scope and Methodology

To meet the objective, select Board Policies (BPs) and Administrative Regulations (ARs) from the following series were analyzed and documented: Series 0000 -- Philosophy, Goals, Objectives and Comprehensive Plans, Series 1000 -- Community Relations, Series 3000 -- Business & Non-Instructional Operations and Series 7000 -- Facilities.

In addition to the above BPs and ARs, compliance with the District's Board-approved Option 1C Standard, Project Labor Agreement and Mandatory Local Business Capacity Utilization Program were addressed in this section. Also, other sections in this performance audit report further address specific District regulations.

TSS examined District policies and regulations, reports and other relevant documentation related to the District's bond program. Interviews with key District staff were also held to obtain additional information on District practices.

Background

The Board of Education has adopted BPs and ARs that are organized into various series, ranging from Series 0000 through Series 9000, as follows:

<u>Series</u>	<u>Description</u>
0000	Philosophy, Goals, Objectives and Comprehensive Plans
1000	Community Relations
2000	Administration
3000	Business & Non-Instructional Operations
4000	Personnel
5000	Students
6000	Instruction
7000	Facilities
9000	Board Bylaws

The BPs and ARs represent typical school district policies and regulations and conform to the standard templates recommended by the California School Boards Association (CSBA). The BPs and ARs are maintained on the CSBA's Governance and Management Using Technology (GAMUT) website and are available for review via a link from the District's Board of Education website. Most of the BPs and ARs include references to other authorities, such as the California Constitution, Education Code, Government Code, Labor Code, Public Contract Code, Code of Regulations (Titles 2, 5, 14 and 24), Court Decisions, Attorney General Opinions and State and Federal websites. By reference, other authorities cited become part of the BPs and ARs.

Series 0000 – Philosophy, Goals, Objectives and Comprehensive Plans (Select Item)

BP/AR	Description	Date of Adoption
BP 0420.4	Charter Schools	08/02/2000
	Revised	01/17/2007

The District complies with BP 0420.4 by evaluating petitions to establish a charter school, with the ultimate decision to grant or deny a charter being made by the Governing Board. A number of charter schools have been approved by the Board, including making operational agreements and providing facilities, as required by law. Subsequent to a charter school's approval, the Board monitors the charter to ensure compliance with the agreement and state and federal law.

Series 1000 – Community Relations (Select Items)

BP/AR	Description	Date of Adoption
BP 1100	Communication With the Public	11/07/2007
BP 1112	Media Relations	11/07/2007
BP 1113	District and School Web Sites	11/07/2007
BP 1220	Citizen Advisory Committees	11/07/2007
BP 1400	Relations Between Other Governmental Agencies and the Schools	11/07/2007
BP 1431	Waivers	11/07/2007
BP 1600	Relations Between Non-Public and Other Educational Organizations and the Schools	11/07/2007
BP 1700	Relations Between Private Industry and the Schools	11/07/2007

To ensure that the District is in compliance with its Community Relations BPs, Total School Solutions interviewed staff in the District's facilities program, members of the Citizens' Bond Oversight Committee (CBOC), Board members, and personnel on the bond management team. To facilitate communication of the District's bond program to the community, the District provides information on separate websites, as follows:

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

The District's website provides a link to the Bond Oversight Committee. The Operations Division provides access to the Facilities and Bond Program, the Bond Program website and the Bond Oversight Committee website.

The District is in compliance with its Series 1000 BPs.

Series 3000 – Business & Non-Instructional Operations (Select Items)

BP/AR	Description	Date of Adoption
BP 3111	Deferred Maintenance Funds ¹	02/06/2008
BP 3280	Sale, Lease, Rental of District-owned Real Property	02/06/2008
AR 3280	Sale, Lease, Rental of District-owned Real Property	10/06/2008
BP 3300	Expenditures and Purchases	02/06/2008
BP 3311	Bids	02/06/2008
AR 3311	Bids	10/06/2008
BP 3312	Contracts	02/06/2008
BP 3314	Payment for Goods and Services	02/06/2008
AR 3314	Payment for Goods and Services	10/06/2008
BP 3320	Claims and Actions Against the District	02/06/2008
AR 3320	Claims and Actions Against the District	10/06/2008
BP 3400	Management of District Assets/Accounts	02/06/2008
AR 3400	Management of District Assets/Accounts	10/06/2008
BP 3430	Investing	02/06/2008
AR 3430	Investing	10/06/2008
BP 3460	Financial Reports and Accountability	02/06/2008
AR 3460	Financial Reports and Accountability	10/06/2008
AR 3515.6	Criminal Background Checks for Contractors	10/06/2008
BP 3517	Facilities Inspection	02/06/2008
BP 3600	Consultants	02/06/2008

¹ In view of District action during 2009-10 to transfer Deferred Maintenance Funds into the General Fund, Tier III, and create a Capital Projects Fund, BP 3111 should be revised.

To ensure that the District is in compliance with its Series 3000 BPs and ARs, select aspects of the bond program were reviewed. For example, BP 3111, BP/AR 3400, BP/AR 2430 and BP/AR 3460 were considered in the Composite Bond Measures Financial Report section. BP/AR 3311, BP3312 and AR 3515.6 were considered in the Compliance with State Law and Regulations section. BP 3300, BP/AR 3311, BP 3312 and BP/AR 3314 were considered in the payments and expenditure sections. BP/AR 3320 was considered in the claim avoidance procedures section. BP/AR 3400 was considered in the cash flow section.

Series 7000 – Facilities

BP	Description	Date of Adoption	Most Recent Date of Revision
BP 7000	Concepts and Roles in New Construction	10/2007	01/09/2008
BP 7100	Facilities Master Plan	08/2007	01/09/2008
BP 7115	Educational Facilities Design Standards	08/2007	01/09/2008
BP 7125	Assembling and Preserving Important Documents	08/2007	01/09/2008
BP 7131	Relations with Local Agencies	08/2007	01/09/2008

BP	Description	Date of Adoption	Most Recent Date of Revision
BP 7140	Architectural and Engineering Services	08/2007	01/09/2008
BP 7150	Site Selection and Development	08/2007	01/09/2008
BP 7210	Methods of Financing	08/2007	01/09/2008
BP 7214	General Obligation Bonds	08/2007	01/09/2008
BP 7214.2	Citizens Bond Oversight Committee (CBOC)	08/2007	01/09/2008
AR 7214.2	Citizens Bond Oversight Committee (CBOC)	10/24/2007	
BP 7310	Naming of Facility	08/2007	01/09/2008
BP 7470	Inspection of Completed Project	08/2007	01/09/2008

A number of the Series 7000 BPs and ARs have been written to incorporate local considerations. For example, Board Policy 7214.2 and the related Administrative Regulations provide specific language on 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. As of June 30, 2011, TSS has been informed by Board and CBOC members that AR 7214.2 is undergoing a revision to bifurcate the bylaws from the AR to clarify CBOC duties and responsibilities.

Another example of local considerations is Board Policy 7115, *Educational Facilities Design Standards*, which includes the Collaborative for High Performance Schools (CHPS), 2006 criteria, as a standard for all schools. According to the CHPS website:

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.

"Option 1C" Standard

On May 15, 2002, the Board of Education selected "Option 1C" from among six quality standard options presented by staff. Option 1C was a dollar per square foot standard (\$145 per square foot in 2002 dollars) that was determined at the time to deliver future school projects that are comparable to the design and quality standards of Lovonya De Jean Middle School. The Board provided direction that Measure M projects and subsequent bond projects would be designed in accordance with Option 1C standards. While Option 1C is not referenced in BPs or ARs, it is informally considered to be a practice to be followed, however subjectively.

During the years following Board action regarding Option 1C, a number of variables have influenced 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 (e.g., Katrina impact);
- Reduction in construction costs due to the recession (aka, a favorable bidding climate);
- Labor compliance law requirements; and
- Inadequate School Facilities Program funding.
- Increased consumption of construction materials by emerging economies.

The cumulative impact of external and internal factors on project budgets made adherence to the Option 1C cost per foot standard impossible to achieve. Furthermore, the District established a goal to deliver high quality projects to the community for the benefit of all students in the District. To meet this goal, it became necessary for the Board to make decisions that resulted in adjustments to the standards to fit the situation as the program progressed. Some of these decisions include the following:

- Addition of kitchens (subsequent to planning and, in some cases, construction);
- Seismic problems at various sites resulting in major construction costs;
- Project Labor Agreement and local hiring program;
- 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.

After taking all the factors that have influenced the costs of design and construction into consideration, the District has exceeded the original design and quality standards set by Option 1C.

Project Labor Agreement (PLA)

The Board of Education initially approved a Project Labor Agreement on April 9, 2003. The PLA of April 9, 2003, includes the following stated purpose:

The purposes of this Agreement are to promote efficient construction operations on the Project, to ensure 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 26 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 excerpt above, the District developed a Local Capacity Building Program (LCBP) discussed below and in the "Scope, Process, and Monitoring of Participation by Local Firms" section of this audit report.

Subsequent amendments to add additional projects were approved by the Board. As of June 30, 2011, a total of 36 projects were covered by the PLA.

Senate Bill 922, which authorizes public agencies to enter into project labor agreements, was signed into law on October 2, 2011. The new law places certain restrictions and requirements on the terms of the agreements. Because the District has had its PLA in effect since 2003, it is recommended that the District's PLA be reviewed by legal counsel to ensure that it is compliance with the provisions of SB 922 in the future.

Mandatory Local Business Capacity Utilization Program

On September 15, 2010, the Board adopted an enhanced local capacity building program. The enhanced program was an outgrowth of the initial voluntary program implemented at Helms Middle School. The newly adopted program mandates that contractors who bid on all future construction projects must comply with local business participation goals and requirements.

Observations

- The District's "Option 1C" Standard for construction costs have not kept current with developments that impact construction costs.
- Due to declining construction costs in recent years, the cost to the District of the Option 1C standards has been lower than initially expected.
- BP/AR 7214.2, CBOC, was in the process of being amended as of June 30, 2011, to bifurcate bylaws from regulations. Revisions made after June 30, 2011 will be documented in a future audit report.

Conclusion

- The District is in compliance with those Board policies and regulations analyzed in this section. The recommendations made below are intended to enable the District to more effectively carry out its bond program.

Recommendations

- It is recommended that the Project Labor Agreement, which has been in effect since 2003, be evaluated to determine its effectiveness in meeting its stated objectives. It is also recommended that, in light of SB 922, which authorizes PLAs with restrictions and requirements, that the District's PLA receive legal review to ensure compliance with the new law in future years.
- It is recommended that the District's "Option 1C" Standard be revised to reflect current construction costs and the impact of the bidding climate. Revised cost standards should then be considered when establishing the scope, budget and schedule of future projects.

DISTRICT AND PROFESSIONAL SERVICES STAFFING PLAN FOR THE BOND PROGRAM

Objective

To gain an understanding of the District's policies and approach to in-house staffing and consultant staffing for managing the measures D (2002), J and D (2010) projects and the effectiveness of the staffing related to the number of bond program projects.

Scope and Methodology

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, 2010, and June 30, 2011.

Background

A significant change in the organization of the Facilities Operations Center organization and bond program management staff occurred during the fiscal year 2009-10. Under the management and supervision of the Assistant Superintendent for Operations, the bond program management staff was reorganized into two departments; the facility program controls department and the construction department. The newly hired Director of Facilities has been assigned the responsibility for the facilities program controls department which encompasses the planning, design, estimating and scheduling phases of the program. The Engineering Officer has been assigned responsibility for the construction department which encompasses construction management, communication, field supervision and coordination of construction projects.

The new roles assigned to staff led to the creation of the design team which is composed of the Engineering Officer, Program Manager, Master Scheduler, Contracts Manager and the new Director of Facilities. The design team meets every week to review project schedules and status, planning and design issues, coordination of architects and the efficient management of bond resources. Staff also created the Change Order Committee which is comprised of the District Engineering Officer, Director of Maintenance and Operations, the Director of Bond Facilities and the Deputy Program Manager whose task is to review change order costs and verify the referenced justifications. The committee which also meets every week focuses on adherence to District design standards, ensuring that contractor generated change orders and District requested additions or changes are within the budget and appropriate and necessary for the designed programmatic or educational function of the facility. Staff and management report that these committees have been effective in maintaining the scope and budgets for the projects.

The table below lists District staff and the funding allocations for the bond program for fiscal year 2010-11. Since the annual report of June 30, 2010, the Accountant II and Staff Secretary positions were eliminated. The Staff Secretary position was filled by a School Facilities Planning Specialist position.

DISTRICT STAFFING FOR THE FACILITIES BOND PROGRAM

(Source: District records)

District Staff Position	Other Funds Percent	Bond Fund Percent	Object Code
Bond Finance Office			
Executive Director of Business Services	25	75	2310
Principal Accountant	0	100	2410
Senior Budget Control Clerk	0	100	2410
Senior Account Clerk	50	50	2410
Bond Finance Office Subtotal	0.75 FTE¹	3.25 FTE¹	
Bond Management Office			
Associate Superintendent of Operations	50	50	2130
District Engineering Officer	10	90	2310
School Facilities Planning Specialist	0	100	2410
Director of Facilities and Construction	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Network Planner ²	10	90	2310
Bond Management Office Subtotal	1.00 FTE¹	6.00 FTE¹	
Total for Management and Finance	1.75 FTE¹	9.25 FTE¹	

¹ FTE means 1 full-time equivalent (i.e., a full-time employee who is exempt or works 40 hours per week)

The facilities-related personnel (full-time equivalent or FTE) assigned to the program as of June 30, 2011, 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.

BOND PROGRAM STAFFING

<u>Category</u>	<u>FTE¹</u>
District Staff	
Bond Finance Office	3.25
Bond Management Office	6.00
Subtotal	9.25
<hr/>	
Bond Program Manager (SGI)	
Program/Project Management	6.25
Design Management ²	1.00
Construction Management	13.0
Other (Network Admin., PS2 Coordinator, Master Scheduler, Scheduler, Cost Estimator, Receptionist)	7.00
Subtotal	27.25
<hr/>	
Other Construction Managers (Amanco)	2.00
<hr/>	
TOTAL Full-Time Equivalent Positions	38.50

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

²A full-time design manager was hired effective July 1, 2010.

Observations

- There was a significant increase in Bond Program Management (SGI) staffing in the 2010-11 audit year. The Design Manager was hired at the start of the year; the construction management staff increased from 9 FTE in the 2009-10 fiscal year to 15 FTE in the 2010-11 year. It was noted in the 2009-10 audit that the SGI staffing had been reduced by 1.5 FTE and that an increase was anticipated.
- In the 2009-10 audit, it was reported that the Staff Secretary position had been partially filled two days a week through a temporary substitute. This position has been eliminated and the responsibilities assumed by the School Facilities Planning Specialist. The previously vacant District Bond Regional Facilities Program Manager position has been filled.
- Previously, the District utilized the services of a full-time Program Director provided by SGI. During the 2007-08 year, this position was reduced to a 0.33 FTE position. During the 2010-11 year this position has been further reduced to 0.20 FTE. The responsibilities of the Program Director have been assumed by the Bond Program Manager, the Deputy Manager, Construction and the Deputy Manager, Design.
- The positions of Master Scheduler, Scheduler and Cost Estimator have been integrated in to the Bond Program Management staff. As mentioned in other sections of this audit, the addition of the Primavera Expedition software to the Primavera P3 software and the integration of these software packages with the District's accounting software will

provide the District with a more accurate and timely picture of the bond program budgets and schedules.

- Since there have been discussions about the cost of the Scheduler and the Master Scheduler positions, the District requested that TSS review relevant information and opine as to the appropriate source of funding for these positions. After a review of the most recent Program, Project and Construction Management Services Agreement¹, TSS believes that it is the responsibility of the Program Manager (SGI) to provide, through their own staff or, at the cost of the Program Manager, through sub consultants services for preparing, managing and reporting Program and individual Project schedules.

¹Agreement for Program, Project and Construction Management Services related to District Bond Program, Exhibit "A", I.A.3, signed December 21, 2004.

PROGRAM MANAGEMENT

Objective

To gain an understanding of the District's process of managing the measures D (2002), J and D (2010) programs and the effectiveness of the use of staff and consultants in the management and implementation of the planning, design and construction of the program projects.

Scope and Methodology

In the process of developing this section TSS staff interviewed District staff and consultants to review the process of managing the bond programs and the projects within each program. The following documents were obtained through the District's Bond Website and were reviewed for this section:

- Capital Assets Management Plan, No. 58, July 25, 2011.

Background

In the past, the District's structure for managing the bond programs combined the tasks of program and project management and placed these tasks within the scope of the primary Construction Manager for the District. The District also employed the use of a Master Architect to define the scope and standards for projects. The District additionally employed the services of a Design Manager to oversee the process of the design teams hired for individual projects. In a review of the scope of services for these consultants in the 2009-10 Performance Audit it was noted that there were significant overlaps of services and duplication of work. One key element of the prior review was that project scheduling was completed by multiple entities and there was no coordination between the scheduling efforts.

As reported in earlier audits, the services of the Program Manager and the Construction Manager have been bifurcated and separate agreements have been executed. It was reported in the 2009-10 audit that the position of Master Architect had been phased out. However, the July 25, 2011 Capital Asset Management Plan (CAMP) report indicates \$551,540 of expenditures against the Measure D (2010) bond for the Master Architect.

The District primarily relies on outside consultants for program management and other design and construction tasks of the bond program. Outside consultants include the following roles or positions:

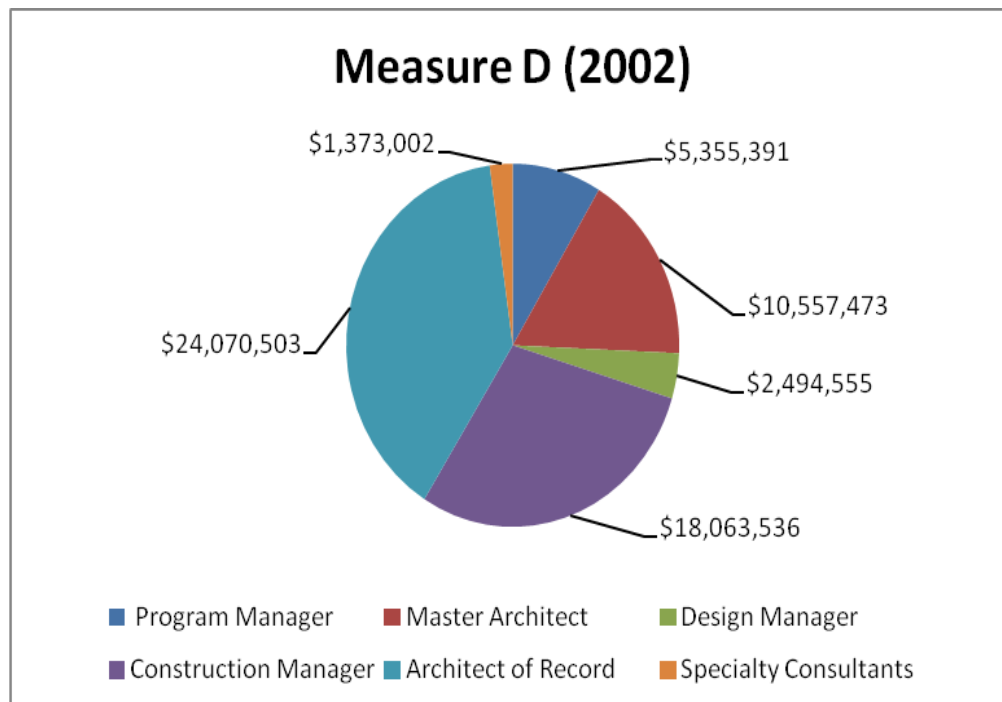
- Program Manager
- Design Manager
- Construction Manager
- Architect of Record (or Project Architect)
- Specialty Consultants
- Geotechnical Engineer
- Inspector of Record
- Labor Compliance Manager

The District contracts with The Seville Group, Inc. (SGI) for most of the program and construction management services. The District Engineering Officer and Director of Facilities and Construction provide oversight for all bond projects and work by SGI. SGI's staff consists of two major teams: (1) a program management team led by the Program Manager and (2) a construction management team lead by the Deputy Program Manager. The Program Manager, formerly the Deputy of Pre-Construction, is also responsible for overseeing all SGI staff on a day-to-day basis and works on bond projects on a full-time basis.

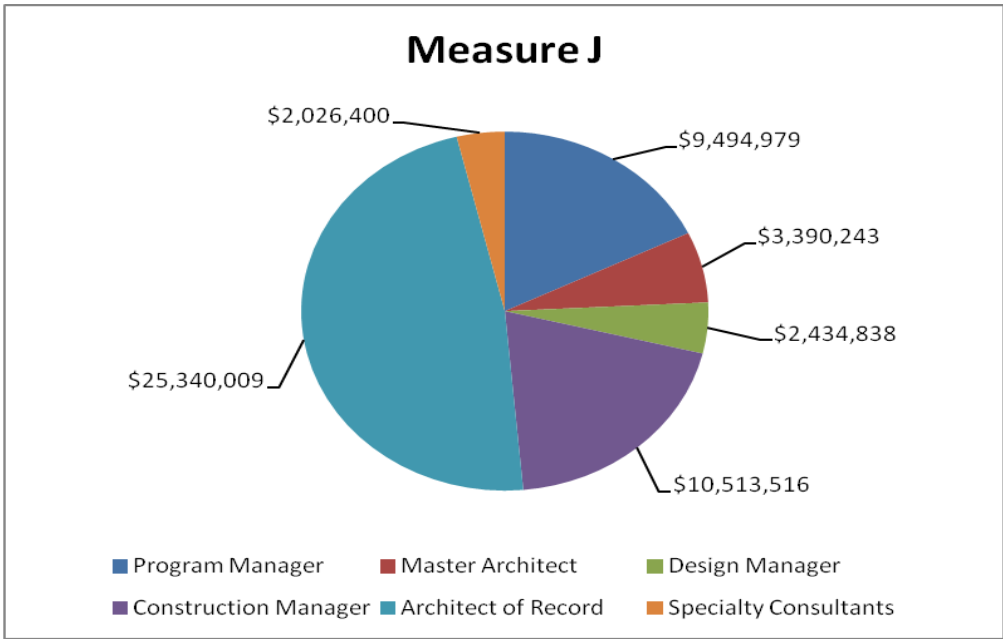
In prior fiscal years, TSS reviewed the service agreements for the Master Architect, Program Manager, Architect of Record, Design Phase Manager, and the Construction Manager. At that time, TSS found substantial overlap in the services and responsibilities between District staff and outside consultants. For example, the Design Phase Manager, the Architect of Record, the Program Manager, and the District staff all had responsibility for creating project schedules. It was not clear who had the ultimate responsibility for maintaining or enforcing project schedules.

In more recent years, District staff has made significant progress toward correcting the problem of duplication of effort. The role of the Master Architect has been eliminated, removing one layer of redundancy. The Program Manager (SGI) has been instructed to assume responsibility for more of the tasks within the bond program. Modifications to the services agreements are in progress.

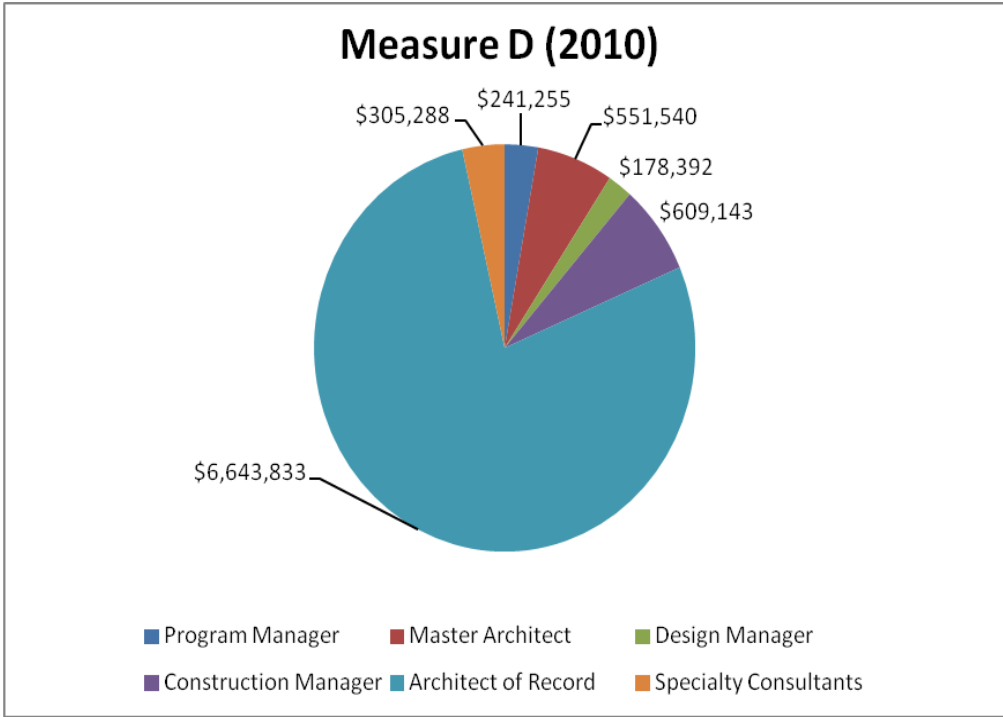
The graphs on the following pages show the amounts the District has spent on program, design, construction management, and other major consultant roles for Measures D (2002), J and D (2010) projects as reported in the July 25, 2011 CAMP document:



Subtotal Measure D (2002): \$61,914,460



Subtotal Measure J: \$53,199,985



Subtotal Measure D (2010): \$8,529,451

Observations

- The District's Program Management consultant has reported transitioning to Primavera Project Planner (P3) software for costs control and Primavera Expedition for schedule control. It was reported that these two systems are compatible and will allow the District to create cost-loaded schedules for cost management and for more accurate schedule monitoring. At the time of this writing the transition to Primavera Expedition was reported to be 90 percent complete. This software is expected to be fully integrated with the District's budgeting software by September, 2012. All projects are currently loaded on P3. The District's Program Management consultant reports that the products are working well, but additional software may be required to create the reports necessary to keep the District informed of project progress.
- The District has implemented a Design Committee and a Change Order Committee, which each meet once per week. The Design Committee has been effective in keeping design projects on schedule and the Change Order Committee has been effective in reviewing change orders for all projects and keeping costs down.
- To further improve schedule adherence, the District hired a full-time Master Scheduler in October 2009 as a 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 the remaining bond projects. The Master Schedule will allow for better tracking of projects and provide managers a tool for evaluating schedule changes. SGI is also in the process of inputting project cost estimates into the Master Schedule to help the District forecast bond cash flow requirements. SGI also hired a Scheduler to assist the Master Scheduler with inputting data into the recently purchased scheduling software. Staff reports that the additional staff has been effective in creating and monitoring the project schedules.
- In the early years of the bond program, the District utilized the services of WLC Architects as Master Architect. Due to problems with the duplication of services among other consultants and other project delivery issues, the Master Architect role has been gradually phased out; SGI's Program Management team now coordinates these comparable services. During the 2009-10 fiscal year, WLC Architect's work as Master Architect was essentially eliminated. However, costs continue to be recorded to projects after the reported phase-out. A total of \$551,540 was reported as committed to projects under Measure D (2010). This bond measure was passed after the reported elimination of the Master Architect services was concluded.

Conclusions

- The District has made significant progress in eliminating the overlap and duplication of services of consultants.
- With the hiring of the schedulers and the implementation of Primavera P3 and Expedition software, the District will be able to more effectively monitor and control project costs and schedules. The bond program costs will be integrated into the District's budgeting and fiscal software to allow the District to view a more complete picture of the fiscal program.
- The implementation of the design and change order committees has provided the District with effective tools to monitor and control costs and schedules on projects from the start of design through the completion of construction.

Recommendation

- The District should define and monitor the duties of the Master Architect.

DESIGN AND CONSTRUCTION SCHEDULES – [CASH FLOW ONLY]

Objective

The objective of this audit section is to review the methods utilized by the District and their consultants to track the schedule of available revenues and expenditures for all projects and to plan each building project in accordance with the availability of funds.

Scope and Methodology

In this process we reviewed the documentation provided by the District and interviewed District and consultant staff to determine what the methods were for tracking revenues and expenditures and the effectiveness of those methods as a planning tool for each project.

Background

Building programs of significant size like that in the WCCUSD are very complex to manage. There are multiple projects of varying sizes and in varying stages of development; multiple funding sources with varying pay out schedules, however it is vitally important to match the schedules of program expenditures with the availability of funding. There are factors that impact the schedule of availability of various funding sources.

- The availability of Bond funds are dependent upon the ability of the District to sell the bonds that have been authorized by the voters. The sale of Proposition 39 bonds is most typically dependent upon the assessed value (AV) of residential and commercial property within the District. Additionally, the District typically does not want to sell bonds until the funds are needed.
- The availability of Developer Fees is dependent upon the economy; specifically on the ability of local developers to build and sell residential units.
- The availability of State funding is dependent upon the District's eligibility in the multiple funding programs that exist and the ability of the State to sell bonds authorized by California voters. In recent years, the State has withheld the release of funds until the bonds can be sold.

Typical instruments used to match these revenues with project expenditures are a cash flow analysis document or a bond draw-down schedule. The TSS auditors were provided with a copy of the "Program Cash flow" document prepared by the District's consultant, SGI and used by the District to manage revenues and expenditures.

Observations

- The "Program Cash flow" document is a comprehensive instrument indicating revenues from the different District bond measures; anticipated State funding; developer fee income; and anticipated interest income from the accounts holding these revenues. The document includes the anticipated timing of bond issuances and the projected revenue

from the State funding programs. Expenditures include actual expenditures which have been incurred and projected expenditures for each project. Expenditures are estimated for each year through 2021-22. This document can be a useful planning tool for the District if updated on a regular basis and when major events occur which impact either revenues and/or expenditures.

- For most of the projections on the “Program Cash flow” document, the Program Contingency has been reduced to \$0.00. A contingency was retained only in Measure J for the years 2011-12, 2012-13 and 2013-14. The budget for each project should include a **project contingency**. Project contingencies are typically larger during the design process and are reduced as more details are developed on the project. During construction, project contingencies are generally included at a level of approximately 3 percent. A **program contingency** should also be included to offset the possibility of events or changes to the program of a larger scale. For example, a 3 percent project contingency may not be sufficient to cover the costs of mitigating underground structures discovered during excavation or an underground fuel storage tank. A program contingency would also cover the cost(s) if a major change in scope due to changing needs on a site occurred.
- There has typically been a sufficient total ending balance to compensate for unforeseen expenses, averaging \$73.9 million per year. However, the total ending balance in 2014-15 is indicated to be only \$14.8 million and in 2016-17 only \$6.7 million. If a significant event or series of events were to occur during one of these periods, one or more of the identified high priority projects may need to be delayed. The inclusion of a program contingency would offset this potential impact on planned projects and disruption to the program.

Conclusion

- During the 2010-11 fiscal year, the District has appropriately and adequately tracked the revenues and expenditures and matched the schedules to maintain a consistent project workflow. With the use of the “Program Cash flow” document, the District has been easily able to see if there are issues with the scheduling of projects and has made adjustments as needed.

Recommendations

- The District should continue the use of the Program Cash flow document to track and schedule expenditures in coordination with availability of revenues.
- The District should review and update the cash flow document on a monthly basis or when major events occur that would have an impact on revenues, expenditures or schedules.
- The District should include a Program Contingency to plan for unforeseen events that could delay high priority projects.

DESIGN AND CONSTRUCTION COSTS AND BUDGETS

Objective

The objective of this section is to gain an understanding of the established District process for the development and adherence to design and construction budgets on bond funded projects in the facilities construction program; to gather and test data in order to determine compliance and measure the effectiveness of controls.

Scope and Methodology

In the process of preparing this audit section TSS staff interviewed District and consultant staff and reviewed relevant documents supplied by the District. These documents included:

- WCCUSD Projected and Available Funds, 2011;
- Board Agenda Item, April 14, 2010, Approval of Measure J Bond Program Budget Adjustments; and
- Capital Assets Management Plan (CAMP) Reports, Measure M, D, J and D-2010, dated June 22, 2011 and July 25, 2011.

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 on criteria set in the Title 5 Regulations, California Code of Regulations. These regulations include, review for 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. The Office of Public School Construction (OPSC) approves projects based on established district eligibility for funding.

All of these required approvals are based on “minimum standards” criteria established by State laws and codes. There are no existing State standards or minimum requirements in many areas such as technology, architectural style, aesthetics, and other similar features. Local communities determine these standards or requirements based on local educational programmatic needs, available funds and individual site conditions.

There are no State standards for the costs of construction. The State School Facility Program (SFP) provides a District meeting qualifying criteria with funding that the State claims is 50 percent of the costs necessary to fully fund a new construction project (60 percent for modernization projects). However, school districts have found that a much greater level of funding is required to meet their educational needs.

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 resulted in individual project budgets which were 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 routinely took action that resulted in exceeding this standard.

“Option 1C” Standard

On May 15, 2002 the Board of Education selected “Option 1C” from among six quality standard options presented by staff. Option 1C was a dollar per square foot standard (\$145 per square foot in 2002 dollars) that was determined at the time to deliver future school projects that are comparable to the design and quality standards of the Lovonya De Jean Middle School. The Board provided direction that Measure M projects and subsequent bond projects would be designed in accordance with Option 1C standards. However, during subsequent years a number of variables influenced the construction costs. Those variables include the passage of three state wide bonds, a rapid increase in construction costs and, finally, the decline in the overall economy.

The cumulative impact of these external and internal factors on the project budgets made adherence to the Option 1C cost per foot standard difficult to achieve. However, with the recent decline in construction costs, the impact of the earlier increases has eased. Furthermore, the District established a goal to deliver high quality projects to the community for the benefit of all students in the District. To meet this goal it became necessary for the Board to make decisions that resulted in some adjustment to the standards to fit specific situations as the program progressed. Some of these decisions include the following:

- 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.

In 2008, the Board took further action to incorporate the standards of the Collaborative for High Performance Schools (CHPS) into the standards for construction. This has further impacted project budgets.

It appears that after consideration of all the factors that have influenced the costs of design and construction, the District has not only met but exceeded the original design and quality standards set by the Option 1C standard.

Construction Budgets

During the years 2008 and 2009, the construction industry experienced a steep decline in construction costs due to an economic recession that began in 2007. This trend of declining construction costs is evidenced in projects bid during the 2008-09 period that came in generally lower than the construction estimates. It also resulted in high bidder participation for WCCUSD projects since there were substantially fewer public works and private construction projects available in the market. In the past year, construction costs have started to increase again. In January 2012, the State Allocation Board approved an increase in the construction cost index of 3.76 percent, indicating that the construction costs for the 2011 year have increased by that amount. It will be some time before costs return to the levels experienced prior to the economic down turn, however, it is good to keep contingencies at levels that take these increased costs into account.

The following table, “Construction Budgets vs. Actual Bids, 2010-11”, show examples of projects bid and awarded during the period from July 1, 2010 through June 30, 2011. During this period, bidder participation ranged from 2 to 13 bidders and was significantly higher compared to the previous years.

CONSTRUCTION BUDGETS VS. ACTUAL BIDS 2010-11

Project	Project Description	Bid Number	Project Budget	Contract Amount	Variance
Helms Middle School	Buildings Demolition Project	J068218	\$2,727,554	\$2,442,000	\$285,554
Cesar Chavez Elementary School	Painting and Repairs	J068222		\$83,300	
Helms Middle School	Street Improvements	J068247	\$76,675	\$45,200	\$31,475
Helms Middle School	Rear Access Road	J068245		\$93,000	
Ohlone Elementary School	Temporary Roofing Repairs	J068248	\$279,367	\$169,800	\$109,567
Chavez Elementary School	Window and Door Replacements	J068223		\$366,935	
Verde Elementary School	Tile Wall Repairs	J068252	\$168,577	\$143,688	\$24,889
Lupine Hills Elementary School	Tile Wall Repairs	J068249	\$185,822	\$152,540	\$33,282
Harding Elementary School	Window, Exterior Walls and Roof Repairs	J068255	\$74,448	\$48,000	\$26,448
Kennedy High School	Field Building and Lighting	J068266	\$991,146	\$990,000	\$1,146
El Cerrito High School	Multi-Use Sports Fields Phase I	J068267	\$3,952,353	\$3,749,000	\$203,353
Portola Middle School	Temporary Campus Additional Site Work	J068270	\$282,491	\$288,950	(\$6,459)
Five School Sites	Portable Classrooms for School Consolidation	J068275	\$4,418,141	\$498,586	\$3,919,555
Madera Elementary School	Site Work for Modular Classrooms	J068281	\$176,705	\$149,000	\$27,705
Mira Vista Elementary School	Site Work for Modular Classrooms	J068282	\$176,705	\$104,889	\$71,816
Madera Elementary School	Wall Surface Repairs	J068283	\$208,593	\$119,800	\$88,793
Stewart Elementary School	Wall Surface Repairs	J068287	\$112,080	\$100,800	\$11,280
Kennedy High School	Administration Area Renovations	J068280	\$334,931	\$370,200	(\$35,269)
Ohlone Elementary School	Reconstruction Project	J068272	\$16,895,487	\$16,961,000	(\$65,513)
Collins Elementary School	Parking and Driveway	J068290	\$244,138	\$178,150	\$65,988
Richmond College Prep Charter	Purchase Modular Buildings			\$92,452.83	
Portola Middle School	Temporary Housing/Rain Shade Structure			\$56,156	
Helms & El Cerrito	Purchase of Maintenance Equipment			\$105,036	
M. L. King Elementary School	Furniture Set-up and Installation			\$254,024	
Lupine Hills Elementary School	Window, Exterior Walls and Roof Repairs		\$96,983	\$61,270	\$35,713
Dover Elementary School	Furniture Set-up and Installation			\$223,986	
Pinole Middle School	Furniture Set-up and Installation			\$31,041	

The variances noted above are generally positive due to declining construction costs during recent years.

EXPENDITURES

Projects	Expenditures To Date June 30, 2011	Forecast Expenditures 2011-2014
Measure D Bond		
Helms Middle School	\$71,314,081	\$6,936,638
Pinole Middle School	\$48,502,221	\$3,168,819
Portola Middle School	\$12,112,202	\$43,450,081
El Cerrito High School	\$120,181,560	\$413,675
Furniture & Equipment	\$4,329,301	\$527,460
Technology	\$3,227,592	\$1,832,869
Total Measure D	\$259,666,957	\$56,329,542
Measure J Bond		
De Anza High School	\$54,495,951	\$20,340,902
Kennedy High School	\$6,876,564	\$4,986,010
Richmond High School	\$11,143,095	(\$18)
Castro Elementary School	\$284,179	\$15,225
Dover Elementary School	\$21,673,586	\$2,738,578
Ford Elementary School	\$21,759,745	\$452,862
King Elementary School	\$20,717,215	\$1,660,167
Nystrom Elementary School	\$7,581,005	\$21,833,220
Ohlone Elementary School	\$3,961,751	\$29,109,975
Furniture & Equipment	\$2,208,675	\$5,466,427
Technology	\$3,856,893	\$3,989,603
Program Coordination	\$8,973,103	\$2,368,716
Program Contingency	0	\$4,533,478
Deferred Capital Projects	\$924,512	\$1,210,089
Total Measure J	\$164,456,274	\$98,705,234
Measure D-2010		
Coronado Elementary	\$2,682,509	\$29,075,469
Highland Elementary	\$182,167	\$34,149,552
Fairmont Elementary	\$394,810	\$33,013,905
Montalvin Elementary	\$0	\$4,000,000
Peres Elementary	\$0	\$2,000,000
Stege Elementary	\$158,619	\$29,841,301
Valley View Elementary	\$379,931	\$33,493,868
Wilson Elementary	\$411,370	\$33,548,495
El Cerrito High School	\$0	\$7,000,000

Projects	Expenditures To Date June 30, 2011	Forecast Expenditures 2011-2014
Kennedy High School	\$0	\$8,000,000
Pinole Valley High School	\$1,985,750	\$117,348,063
Richmond High School	\$0	\$40,000,000
Hercules Middle/High School	\$0	\$12,000,000
Leadership Public School	\$7,370,947	\$41,484,655
Total Measure D-2010	\$13,566,103	\$424,955,308
Total Measure D, J & D-2010	\$437,689,334	\$579,990,084

¹Source: Capital Assets Management Plan (CAMP) Report, Measure M, D, J and D-2010, July 25, 2011.

New Construction Accounting Software

As indicated in other sections of this audit report, the District has transitioned to new project planning and scheduling software. Since 2009 SGI has been using Primavera Project Planner (P3) for scheduling and cost accounting. The District recently adopted Primavera Expedition for more accurate cost accounting. This combination will allow the District to exercise better control over project scheduling and costs. The software will allow the District to have cost-loaded schedules and plan the issuance of future bonds and cash flow more effectively. The new software will also allow the District to tie the cost and scheduling information into the existing District financial software for budgeting and invoicing control. The transition to P3 is complete and the transition to Primavera Expedition is reported to be 90 percent complete. It is estimated that all projects will be tied into the new system and fully integrated into the District's financial software by September, 2012.

Seismic Mitigation Program

As a result of the passage of Assembly Bill 300 in 2000, the DSA was directed to create a list of school projects that would be vulnerable to failure as a result of a significant seismic event. The DSA conducted a survey of the documents that were on file with their office to determine which projects fit into this category. The resulting list was estimated to include over \$4 billion in required repairs to school facilities. In 2006, the Legislature included \$199.5 million in Proposition 1D for the repair of the facilities on this list that were considered "most vulnerable".

Funding for seismic mitigation provides for the minimum work necessary to gain DSA approval and includes costs of structural reports on affected buildings. Implementation of seismic mitigation plans includes upgrades as part of modernization projects, school closures, demolitions and replacements of classrooms or buildings. Replacement funding is a cost-share program (50 percent district/50 percent state) while modernizations that include seismic upgrades will incur adjustments to the school's baseline modernization eligibility to account for classrooms demolished or replaced as a result of seismic mitigation. The current status of the 12 school sites included in the AB300 mitigation list for the District, as reported by staff, is shown in the table below:

SEISMIC MITIGATION

School Site	Seismic Mitigation Status
Adams Middle School	Closed after Seismic Evaluation
Crespi Middle School (Gym and Cafeteria)	Pending evaluation. Application submitted to the DSA for review.
Downer Elementary School	Demolished and replaced.
El Cerrito High School	Demolished and replaced.
Kennedy High School (Granada)	Pending evaluation.
Pinole Valley High School	Demolition and replacement under way.
Richmond High School (Old Gym and Lockers)	Demolition and replacement under way.
Gompers High School (Roosevelt Junior High)	Demolition and replacement under way.
Del Mar School	Sold.
Mira Vista Elementary School (K-8)	Seismic renovations.
King Elementary School (Pullman)	Demolition and replacement under way.
Vista Hills High School	Pending evaluation.

Observations

- The trend of declining construction costs has stabilized, but remains at levels lower than in the early 2000s. Bidder participation has continued at the high levels seen during the previous year. The District has actively taken advantage of this bidding climate. Bid savings realized during these periods allowed the District to make adjustments to the master plan budgets and provide funding to some additional and deferred projects. It has also provided replacement funding for lost revenues resulting from decreases in developer fee collections and interest earnings.
- During 2010-11, the Master Scheduler and estimators hired in the previous year have been integrated into the staff and provided estimating and scheduling services for the facilities construction program. In addition, the new Bond Regional Project Manager and Facilities Planning Specialist have been a positive addition to the staff. These new staff additions are anticipated to provide significant improvements to the program's project and cost control operations.

Commendation

- The District is commended for implementing the use of the Primavera P3 and Expedition software. When fully integrated into the District's accounting software, this system should provide more accurate and timely reports on bond program costs and schedules.

BIDDING AND PROCUREMENT PROCEDURES

Objective

To gather data and verify that District bidding and awarding of bond funded construction projects comply with the requirements of the Public Contracting Code, state and other relevant laws and regulations.

Scope and Methodology

The scope of this section covers the activities of the District relating to the bidding and awarding of construction contracts for projects funded under the Measure D and J bond program for the period from July 1, 2010 through June 30, 2011. TSS conducted interviews with the District staff, program management staff, members of the Board of Education and the members of the Citizens' Bond Oversight Committee (CBOC). In the process of this examination, TSS also reviewed Board agenda items, bid documents and contract documents for the following:

- Verification that bids were advertised in accordance with public contract code;
- Verification of bid results and board approval;
- Verification that contract documents, notices of award, notices to proceed, and other pertinent documentation was processed for the construction projects.

Background

Public Contract Code, Section 20111, known as the formal bid process requires competitive bidding for public projects, subject to the limits imposed by the California State Controller's Office, through official advertisement in a newspaper of general circulation. Section 20111 likewise requires competitive bidding on purchases or lease of equipment, materials or supplies; services, not including construction services, or special services and advice in accounting, financial, legal or administrative matters; and repairs, including maintenance work that is not a public project. In the formal bid process, contracts shall be let to the lowest responsible bidder who shall give such security as the Board of Education requires, or else all bids shall be rejected.

District's Board Policy 3311 on bids (adopted February 6, 2008) states the following:

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 on advertised and competitive bids (adopted October 6, 2008) notes that the District will 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 also shall seek competitive bids through advertisements for contracts exceeding the amount specified in law (effective January 1, 2009 – December 31, 2009). (In 2010, this bid threshold under law 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 complete a pre-qualification questionnaire on District-supplied forms. Bids for certain construction projects are not accepted unless the District has pre-qualified a contractor. The pre-qualification process was designed to recruit established, responsible, and experienced public school construction contractors. (The notice of the required pre-qualification is also included in individual project bid advertisements, with instructions on obtaining forms and with a due date of five days prior to the bid deadline. Contractors without pre-qualification are allowed the opportunity to seek pre-qualification within seven days before bid opening.)

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

District facilities staff prepares the pre-qualification documents. General Building Contractors are required to complete the pre-qualification statement, including a financial statement. Program Management staff (SGI) is responsible for reviewing the pre-qualification statements, checking references, and scoring. Contractors are pre-qualified for one calendar year following the initial date of the pre-qualification. Pre-qualified contractors are posted on the updated list, together with the dates of their pre-qualification for the Measure “J” Program Projects. In 2008-09, the District expanded its pre-qualification process into three categories:

1. Major projects between \$3 million and \$85 million
2. Small projects up to \$1 million, and
3. Small specialty projects up to \$3 million.

For all District construction projects, the Program Manager provides for “Bid Marketing” by faxing bid announcements to contractors. The District also publishes advertisement for notice to bidders in the *West County Times*. Project plans are distributed at Ford Graphics in Oakland. Construction managers also follow up directly with various contractors in an effort to increase participation. These processes provide maximum exposure and awareness within the construction community and help ensure a competitive bidding process and pricing.

With respect to the bid documents, the District uses three different sets of front-end documents. (The District's legal counsel updated the documents in February 2009.) 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 more than \$1 million in value.

California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Public Contract Code 22030–22045, otherwise known as the California Uniform Public Construction Cost Accounting Act (CUPCCAA) or the “Act” promulgated by the California State Controller, allows public agencies who elect by resolution to become subject to the specified uniform construction cost accounting standards to increase the threshold for projects that may be performed without competitive bidding to \$30,000 or less, and to use informal bidding procedures for projects \$125,000 (\$137,500 in special circumstances) or less. On May 20, 2009, the Board of Education approved Resolution # 90-0809) to elect that the District become subject to CUPCCAA. Effective July 1, 2011, the informal bid limit has been increased to \$175,000. Formal bidding procedures will now apply to projects over \$175,000.

Under the Act, the District is required to create and maintain a list of qualified contractors for various categories of work. In November of each year, the District is required to publicly invite licensed contractors to submit their names for inclusion on the list.

- a) To contract for projects under \$30,000, the District may select a qualified contractor from this list and negotiate a contract or issue a purchase order without going through a bid process.
- b) To informally bid public projects ranging from \$30,000 to \$175,000, the District must mail bid notices at least 10 days before bids are due to all listed contractors on the appropriate trade category and to specified trade journals. The notices must provide the contractors and trade journals with general information on the type of services sought for the project, as well as the time and place of bid submission.
- c) To formally bid public projects above \$175,000, the District must mail a notice inviting formal bids to all construction trade journals specified in the Cost Accounting Policies and Procedures Manual of the California Uniform Public Construction Cost Accounting Commission at least 30 calendar days before bids are due. The notice to bidders also must be published at least weekly for a period of two weeks in a general circulation newspaper.

The Act also allows the District's governing board to delegate authority to award informal contracts under the program to specific staff members. On April 28, 2010, the Board of Education approved the delegation of authority to award contracts of \$100,000 or less to the Superintendent and the Assistant Superintendent of Operations. According to staff, projects that are formally and informally bid and awarded under the Act are submitted to the Board of Education for ratification. During fiscal year 2010-11, the board ratified the following bond-funded projects through the Act's informal bidding process:

- Helms Street Improvements Project
- Helms Rear Access Road Project

Bidding Practices for Roofing Projects

On August 30, 2009, the state legislature passed AB 635, which added an “urgency basis” provision to the Public Contracting Code. AB 635 is the result of a lengthy investigation by the Assembly Committee on Accountability and Administrative Review and the June 30, 2010, hearing that uncovered evidence of consistent overcharging on school roofing projects despite Public Contract Code provisions that require competitive bidding in publicly funded construction. According to the report, the investigation confirmed that proprietary specifications were used in bidding documents on school roofing projects to force contractors to use a specific manufacturer’s products even though there were other roofing manufacturers supplying similar products. Some contractors also could not bid on certain jobs because they did not have manufacturer approval for the proprietary specifications in the project. It was concluded that this process often leads to inflated project costs and overcharging on school roofing projects.

To help promote competition, AB 635 requires that the specifications for any roofing project name at least three separate manufacturers with the ability to supply the product or comply with the required performance standards of the specified material or system. The measure also provides several enhancements, including a process of evaluating “equal” products and verifying that specifications are designed to conform to state codes. The intent of the measure is to avoid inflated prices and concomitant problems that arise from specification of one “propriety” roofing product for roofing projects.

According to staff, the District has, in the past, specified proprietary product roofing systems as its standard product for roofing replacement and repairs projects. The specified roof type was a built-up roofing system comprised of multiple layers of asphalt roofing material and a cap sheet. This product or system was specified and used on construction projects funded under Measure M and in earlier projects funded with Measure D (2002) bonds. However, after experiencing problems with product quality issues on the specified roofing system, the District commissioned a roofing consultant to review the District’s standard roofing specifications and to develop recommended roofing system specifications and product quality standards for future projects.

The District roofing consultant developed new specifications for modified bitumen roofing systems that do not require proprietary materials or products, thereby allowing several manufacturers and bidders to participate in the bid process while providing materials, products, or services compliant with the District’s specifications.

Review of Projects Bid and Awarded

The following table details all of the Measure J projects bid and contracts awarded during fiscal year 2010-11. It provides the bid opening date, the number of participants, results, and variances between bids.

**Bid Schedule and Results – Measure J Projects
July 2010 – June 2011**

Site	Project Description	Bid Number	Bid Opening Date	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Helms Middle School	Buildings Demolition Project	J068218	06/15/2010	4	\$2,870,000	\$2,442,000	(\$428,000)	07/07/2010	Evans Brothers	\$2,442,000
Cesar Chavez Elementary School	Painting and Repairs	J068222	06/24/2010	7	\$165,000	\$83,300	(\$81,700)	07/07/2010	Fairway Painting	\$83,300
Helms Middle School	Street Improvements	J068247	07/21/2010 CUPCCAA	6	\$94,000	\$45,200	(\$48,800)	08/18/2010	Alaniz Construction	\$45,200
Helms Middle School	Rear Access Road	J068245	08/02/2010 CUPCCAA		\$126,748	\$93,000	(\$33,748)	08/18/2010	Calico Construction	\$93,000
Ohlone Elementary School	Temporary Roofing Repairs	J068248	08/08/2010	5	\$246,000	\$169,800	(\$76,200)	09/01/2010	Western Roofing, Inc.	\$169,800
Chavez Elementary School	Window and Door Replacements	J068223	09/21/2010	3	\$328,075	\$262,510	(\$65,565)	10/06/2010	Pinguelo Construction	\$366,935 ¹
Verde Elementary School	Tile Wall Repairs	J068252	09/23/2010	8	\$275,845	\$143,688	(\$132,157)	10/06/2010	Southland Construction	\$143,688
Lupine Hills Elementary School	Tile Wall Repairs	J068249	09/23/2010	8	\$395,953	\$152,540	(\$243,413)	10/06/2010	Southland Construction	\$152,540
Harding Elementary School	Window, Exterior Walls and Roof Repairs	J068255	10/21/2010	1		\$48,000		11/03/2010	IMR Contractors, Inc.	\$48,000
Kennedy High School	Field Building and Lighting	J068266	01/11/2011	13	\$1,743,000	\$990,000	(\$753,000)	02/02/2011	B-Side , Inc.	\$990,000
El Cerrito High School	Multi-Use Sports Fields Phase I	J068267	01/11/2011	11	\$4,300,830	\$3,749,000	(\$551,830)	01/19/2011	Michael Paul Corp.	\$3,749,000
Portola Middle School	Temporary Campus Additional Site Work	J068270	02/14/2011	10	\$392,900	\$288,950	(\$103,950)	03/02/2011	Ray's Electric	\$288,950
Five School Sites	Portable Classrooms for School Consolidation	J068275	05/13/2011	2	\$509,270	\$498,586	(\$10,684)	05/18/2011	Williams Scotsman, Inc.	\$498,586
Madera Elementary School	Site Work for Modular Classrooms	J068281	06/08/2011	3	\$159,000	\$149,000	(\$10,000)	06/14/2011	AM Woo Construction	\$149,000

Site	Project Description	Bid Number	Bid Opening Date	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Mira Vista Elementary School	Site Work for Modular Classrooms	J068282	06/08/2011	3	\$173,000	\$104,889	(\$68,111)	06/14/2011	Calico Construction	\$104,889
Madera Elementary School	Wall Surface Repairs	J068283	06/10/2011	5	\$164,000	\$119,800	(\$44,200)	06/28/2011	Streamline Builders	\$119,800
Stewart Elementary School	Wall Surface Repairs	J068287	06/10/2011	5	\$144,942	\$100,800	(\$44,142)	06/28/2011	Streamline Builders	\$100,800
Kennedy High School	Administration Area Renovations	J068280	06/16/2011	5	\$540,900	\$370,200	(\$170,700)	06/28/2011	AM Woo Construction	\$370,200
Ohlone Elementary School	Reconstruction Project	J068272	06/23/2011	7	\$22,710,000	\$16,961,000	(\$5,749,000)	06/28/2011	Zovich Construction	\$16,961,000
Collins Elementary School	Parking and Driveway	J068290	06/15/2011	6	\$321,000	\$178,750	(\$142,250)	06/28/2011	Michael McKim Const.	\$178,150
Richmond College Prep Charter	Purchase Modular Buildings		(Piggyback) ² 5/10/2010	5		\$92,453		07/28/2010	Mobile Modular	\$92,453
Portola Middle School	Temporary Housing/Rain Shade Structure		(Piggyback) ³ 10/23/2007			\$56,156		07/28/2010	US Shade and Fabric Structures, Inc.	\$56,156
Helms & El Cerrito	Purchase of Maintenance Equipment			2		\$105,036		07/28/2010	Toyota Material Handling/Advance	\$105,036
M. L. King Elementary School	Furniture Set-up and Installation		11/30/2010	2	\$486,024	\$254,024	(\$231,999)	12/08/2010	Young Office Solutions	\$254,024
Lupine Hills Elementary School	Window, Exterior Walls and Roof Repairs		11/18/2010	1		\$61,270		01/05/2011	Pinguelo Construction	\$61,270
Dover Elementary School	Furniture Set-up and Installation		01/06/2011	3	\$290,282	\$223,986	(\$66,296)	01/19/2011	Contrax Furnishings	\$223,986
Pinole Middle School	Furniture Set-up and Installation		05/10/2011	2	\$317,578	\$311,042	(\$6,536)	05/18/2011	Contrax Furnishings	\$31,041
Various School Sites	Modular Classrooms for School Consolidation		05/13/2011	2	\$509,271	\$498,586	\$10,685	05/18/2011	Williams Scotsman	\$498,586

¹ Bid was awarded for a contract amount of \$366,935 which included Additive Alternates 1, 2 and 3 or a total of \$104,425.

² Bid price is based on the bid received from Mobile Modular on a public bid dated May 10, 2010 for the Portola Middle School Temporary Campus project.

³ A "piggyback" contract with the San Joaquin County Office of Education contract with USA Shade Structures and Fabrics, Inc., dated October 23, 2007 for the supply and installation of shade structures.

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

Ohlone ES Temporary Roof Repairs - # J068248

The Bid Advertisement for the project was published on July 25, 2010 and August 1, 2010, in the *West County Times*. The bid 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 10, 2010. Five bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Western Roofing	\$169,800
Solano County Roofing	\$203,223
Jeffco Roofing	\$209,000
IMR Contractor	\$220,000
Pioneer Contractors	\$246,000

(Estimate = \$190,000. A \$15,000 Unforeseen Condition allowance included in the base bids.)

After reviewing bid documents, the District declared Western Roofing as the lowest responsible bidder with a responsive bid for the project. The estimated budget for this project was \$190,000. Award of contract was approved by the Board of Education on September 1, 2010. The Notice of Award was issued on August 19, 2010. Upon receipt of contract documents—the signed copies of contract agreement, performance bond, payment bond, and certificates of insurance—the Notice to Proceed was issued on September 2, 2010. The Notice to Proceed specified that the contract commenced on September 7, 2010, and the anticipated date of completion would be October 5, 2010.

Cesar Chavez ES Window/Door Repairs – #J068223

The Bid Advertisement for the project was published on August 22 and 29, 2010, in the *West County Times*. The bid 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 21, 2010. Three bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Pinguelo Construction	\$262,510
E. F. Brett Company	\$302,942
On Point Construction	\$328,075

(Estimate = \$ (not shown). A \$25,000 Unforeseen Condition allowance included in the base bids.)

After reviewing the bid documents, the District declared Pinguelo Construction as the lowest responsible bidder with a responsive bid for the project. The project's estimated budget was not shown in the bid tabulation document. Award of contract was approved by the Board of Education on October 6, 2010. The Notice of Award was issued on November 10, 2010. Upon receipt of the required contract documents—the signed contract agreement, bid securities, and other documentation—the Notice to Proceed was issued on November 10, 2010. The Notice to Proceed specified that the contract commenced on October 27, 2010, with an anticipated date of completion on January 27, 2011.

Kennedy High School Restroom Building and Field Lighting – # J068266

The Bid Advertisement for the project was published on December 12, and 19, 2010, 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 January 11, 2011. Thirteen bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
B-Side Inc.	\$990,000
S & H Construction	\$1,050,000
KMS, Inc.	\$1,366,930
River View Construction	\$1,457,000
JH Fitzmaurice	\$1,485,000
Eternal Construction	\$1,485,000
B Bros Construction	\$1,516,500
Rodan Builders	\$1,595,000
Robert L Brown	\$1,635,000
DL Faulk	\$1,639,000
John Plane Construction	\$1,656,153
BHM Construction	\$1,688,737
Bay Construction	\$1,743,000

(Estimate = \$ (Not shown). There is no allowance included in the base bids.)

After reviewing the bid documents, the District declared B - Side Inc. the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on February 2, 2011. The Notice of Award was issued on February 3, 2011. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on March 11, 2011. The Notice to Proceed specified that the contract commenced on April 1, 2011, with an anticipated date of completion on October 28, 2011.

El Cerrito HS Multi-Use Sports Fields - # J068267

The Bid Advertisement for this project was published on December 12, and December 19, 2010, 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 January 12, 2011. A total of eleven bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Michael Paul Company.	\$3,749,000
OC Jones & Sons	\$3,788,700
Ghillotti Brothers	\$3,797,000
Sausal Corporation	\$3,812,335
DL Falk Construction	\$3,844,000
Bay Cities Paving	\$3,868,000
McGuire Hester	\$4,169,800
Interstate Grading	\$4,197,000
Suarez and Munoz	\$4,238,000
Roebellen	\$4,245,000
Park West	\$4,300,830

(Estimate = \$ (Not shown). There is no contract allowance included in the base bids.)

After reviewing the bid documents, the District declared Michael Paul Company, the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on January 19. The Notice of Award was issued on January 20, 2011. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on February 2, 2011. The Notice to Proceed specified that the contract commenced on February 21, 2011, with an anticipated date of completion on September 19, 2011.

Kennedy HS ADA Upgrades and Elevator – #J068288

The Notice to Bidders was advertised on June 12 and 19, 2011, in the *West County Times*. The notice 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 July 6, 2011. A total of four bids were received but one bidder was declared non-responsive due to missing required documents. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
CF Contracting	\$836,880
S & H Construction	\$957,000
Vila Construction	\$1,030,697

(Estimate = \$850,000. There is no contract allowance included in the base bids.)

After reviewing the bid documents, the District declared CF Contracting Inc., the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on July 13, 2011. The Notice of Award was issued on July 18, 2011. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on July 27, 2011. The Notice to Proceed specified that the contract commenced on August 15, 2011, with an anticipated date of completion on March 12, 2012.

Ohlone ES Reconstruction – Phase I Bid #J068272

The Notice to Bidders was advertised on May 8, and 15, 2011 in the *West County Times*. The notice 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 June 23, 2011. A total of seven bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Zovich Construction	\$16,961,000
West Bay	\$17,233,900
Alten Construction	\$17,544,000
SJ Amoroso	\$17,663,100
Lathrop Construction	\$17,865,000
Arntz Builders	\$18,053,400
BRCO Constructors	\$22,710,000

(Estimate = \$15,000,000. There is no contract allowance included in the base bids.)

After reviewing the bid documents, the District declared Zovich and Sons Construction, the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on June 28, 2011. The Notice of Award was issued on June 30, 2011. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on August 5, 2011. The Notice to Proceed specified that the contract commenced on August 1, 2011. The anticipated date of completion was July 20, 2013.

Kennedy HS Administration Area Renovations – #J068280

The Notice to Bidders was advertised on May 20 and 29, 2011, in the *West County Times*. The notice 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 June 16, 2011. A total of five bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
S & H Construction	\$290,000
AM Woo Construction	\$366,000
AE Emaar	\$398,700
Villa Construction	\$425,716
B Brothers Construction	\$525,500

(Estimate = \$330,000,000. There is no contract allowance included in the base bids.)

After reviewing the bid documents, the District declared S & H Construction, the lowest bidder a non-responsive bid for the project. After reviewing the bid documents, the District declared the second low bidder, AM Woo Construction, the lowest responsible bidder with a responsive bid for the project. The estimated budget for this project was \$330,000. Award of contract was approved by the Board of Education on June 28, 2011 in the amount of \$370,200, which includes an additive alternate of \$4,200. The Notice of Award was issued on June 16, 2011. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on June 21, 2011. The Notice to Proceed specified that the contract commenced on June 22, 2011. The anticipated date of completion was August 7, 2011.

Cooperative Purchasing and Piggyback Contracts

In addition to the contracts procured in compliance with the Public Contract Code and the Act processes, the District also procured purchase contracts through the cooperative/bulk purchasing agreements and “piggyback” contracting agreements available to school districts and other public agencies. (See Best Practices in Procurement section for further discussions.) These purchase contracts include the following:

- Portola Middle School Temporary Housing for the supply and installation of an additional 30’ wide x 40’ long x 12’ high temporary rain/shade shelter using a modular, pre-approved system with PVC-coated fabric covering on the playground area for sun and rain protection. Contract award is a “piggyback” on the pricing under the San Joaquin County Office of Education contract with the USA Shade & Fabric Structures, Inc., dated October 27, 2007. The West Contra Costa Unified School district is a named additional district in the piggyback contract.

Observations

- Bid documents on projects bid and awarded during the 2010-11 audit period provided verification that the District sought competitive bids for construction contracts and equipment purchases for projects funded under the Measure D (2002) and J bonds and awarded projects to lowest responsive responsible bidders.
- The District has maintained the list of pre-qualified contractors to perform work for Measure J, D (2002) and D (2010) bond projects for the District current and in compliance with CUPCCAA informal bidding requirements. Twenty-three general contractors obtained their most current pre-qualification updates on May 18, 2011.
- The District submitted to the Board of Education for ratification all formally and informally bid contracts awarded in accordance with the requirements of the CUPCCAA.
- Majority of the projects bid and awarded during 2010-11 continue to come below the District's estimated construction costs. Additionally, bid participation was high at 3 to 10 bidders per project. It appears that the reported favorable bidding climate that resulted from the economic slowdown of public and private works projects has continued.
- Late in the audit process, it was reported to TSS that the District has used the requisition process to utilize contract awards approved for specific-sites for similar work performed at other District sites. Due the lateness of reporting of this information in the audit process, TSS did not have an opportunity to verify the information. Therefore, this issue will be visited during the next audit period.

Conclusion

- The District is in compliance with the requirements of the Public Contract Code Section 20111 – competitive bidding for public projects and Sections 22030-22045 (CUPCCAA) – alternative informal bidding process for public projects, in the bidding and awarding of bond funded construction projects.

CHANGE ORDER PROCEDURES

Objective

To gather data and review change order documents to verify that the processing of change orders for bond funded construction projects comply with the requirements of the Public Contract Code, state laws and other regulations.

Scope and Methodology

The scope of the verification process in this section covers change orders generated by the construction team and approved by the Board of Education during the period from July 1, 2010 through June 30, 2011. In the process of this examination, TSS obtained relevant documents and conducted interviews with staff. An analysis of change orders was prepared to determine the cost of change orders for each construction project and to determine if any of these change orders exceeded the limitations prescribed under the public contracting code. Information from the 2010-11 Board of Education meeting agendas and minutes, and facilities documents related to change orders was also used in preparing this analysis.

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 to facilities over time and because changes are not typically reflected in the District's archived drawings, architects may miss such information until the issue is discovered during construction.

At other times, problematic site conditions are not discovered until a wall or floor, for example, is uncovered. In general, change orders for modernization cannot be avoided due to 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 additional work.

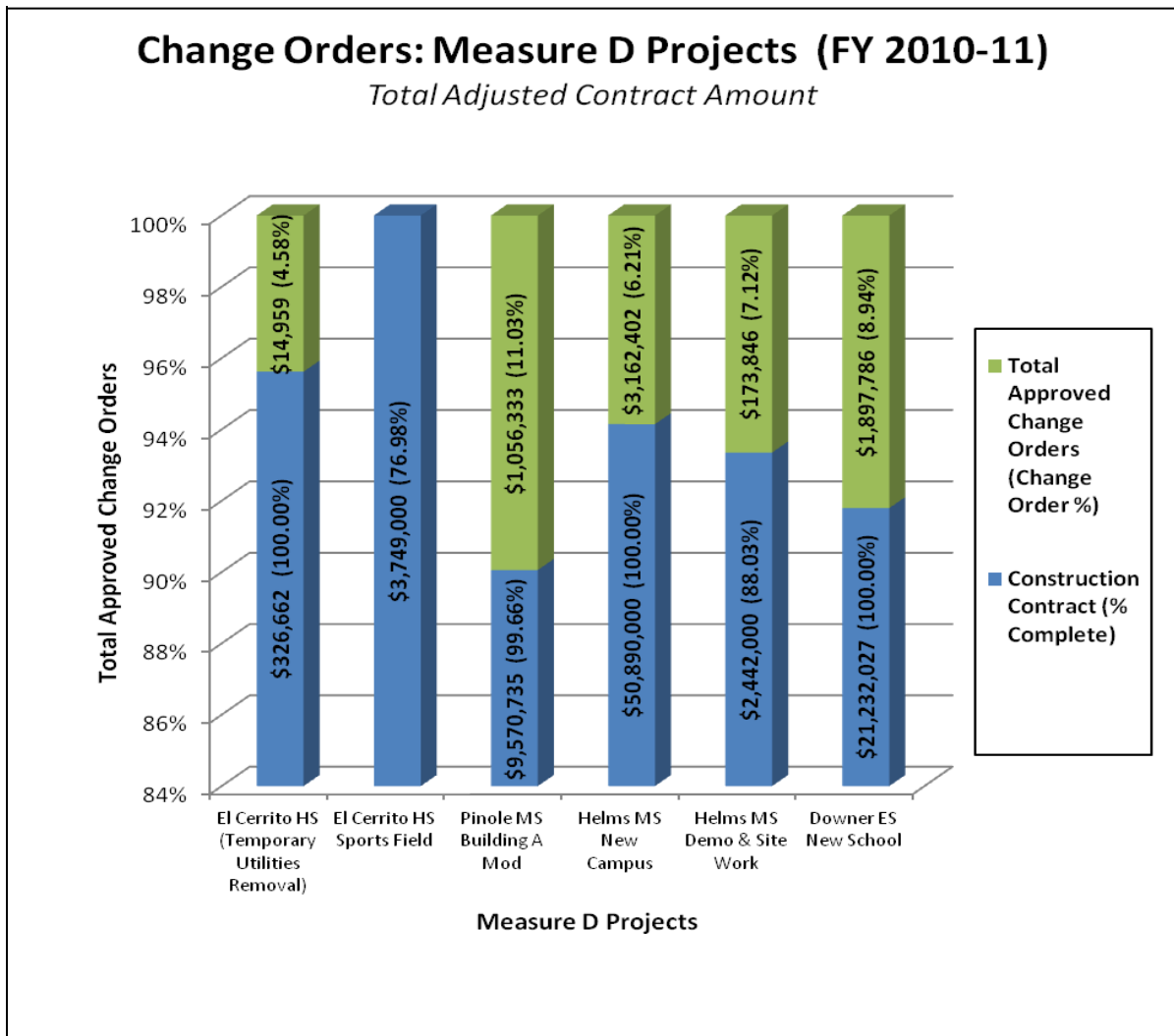
Change orders may also be triggered by the owner's request for change in scope. Most change orders, however, are triggered by a Request for Information (RFI) – a request for clarification in the drawings or specifications, which the architect and/or project engineers then review and address. The architect's response or directive determines whether additional or alternative work is necessary. If it is determined that work additions, reductions, or deletions are necessary, the contractor submits a Proposed Change Order (PCO) for the additional cost, a reduction in cost, and/or a time extension based on the determination.

In the field, change orders are reviewed by the construction team; this team includes the Construction Manager (CM), the Project Inspector, and the Architect of Record (AOR). Minor change orders with cost impacts of up to \$5,000 are authorized by the construction team. Potential change orders that have high-cost impacts, involve major changes to the design, or involve additions and deletions to the scope of construction are reviewed and evaluated by the Change Order Committee. This committee, which meets every Tuesday to review potential change orders, includes the District Engineering Officer, Director of Maintenance and Operations, Director of Facilities, and the Deputy Program Manager. The committee's primary

focus includes adherence to District design standards, ensuring that contractor-generated change orders and District-requested additions or changes to a project's scope are appropriate and necessary for the facility's designed programmatic or educational function. The committee then submits its recommendations to the Associate Superintendent for Operations for approval and submittal to the Board of Education for ratification or approval.

To provide the Board of Education with a more informed perspective and understanding of change orders submitted by staff for approval or ratification, District staff provides a written summary of change orders on the Board calendar, in time for the Board agenda review and to include in the Friday memo to the Board.

The visuals below summarize the change orders generated by Measure D and J construction projects that were active during fiscal year 2010-11:



Totals
Construction Contract: \$88,210,424
% Complete: ---
Total Approved: \$6,305,326
Change Order %: 7.14%
Total Adjusted Contract Amount: \$94,515,750

Measure J Projects	Construction Contract	Total Approved Change Orders	Total Adjusted Contract Amount
Chavez ES Window Sash	366,935	-23,842	343,093
Collins ES Parking & Driveway	178,750		178,750
Crespi MS Fire Mop-Up	168,900		168,900
De Anza HS Baseball Field Renovation	1,350,000	83,906	1,433,906
De Anza HS Baseball Field Renovation	62,508,000	427,511	62,935,511
Dover ES New Campus Construction	21,491,000	493,416	21,984,416
Ford ES New Campus Construction	16,734,206	1,298,388	18,032,594
Gompers Demo and Site Work	1,693,000	50,012	1,743,012
Grant ES Building Improvements	498,800	-5,998	492,802
Hanna Ranch ES Roof Repair	88,286	6,675	94,961
Kennedy HS Restroom Renovations	1,570,000	36,554	1,606,554
Kennedy HS Fencing	467,000	32,097	499,097
Kennedy HS Concession Restroom	990,000	88,684	1,078,684
Kennedy HS Admin Interior Renovation	370,200	69,822	440,022
Kennedy HS ADA and Elevator	836,880		836,880
Kennedy HS Fire Alarm	516,500	-10,071	506,429
King ES New Campus Construction	15,595,000	494,240	16,089,240
Lupine Hills ES Tile Wall Repairs	152,540	-2,282	150,258
Lupine Hills Windows, Walls, Roof	61,271	-60,121	1,150
Lupine Hills Windows & Walls Repairs	135,000		135,000
Madera ES Restroom Project	119,800	20,541	140,341
Madera ES Portable Utilities	149,000		149,000
Madera ES Parking & Driveway	178,750		178,750
Mira Vista ES Portable Utilities	104,899		104,899
Multi-Site Play Structures and Surfaces	1,481,889	24,967	1,506,856
Nystrom ES MPR	5,240,107	76,198	5,316,305
Ohlone ES Roof Repairs	169,800	19	169,819
Ohlone ES New School	16,961,000		16,961,000
Portola Middle School Portable Utility Installation	1,357,000	130,228	1,487,228
Portola Middle School Underground Utilities	389,000	11,351	400,351
Portola MS Site Work	288,950		288,950

Measure J Projects	Construction Contract	Total Approved Change Orders	Total Adjusted Contract Amount
Richmond HS Bleachers/Field House	5,556,000	489,016	6,045,016
Richmond HS Camera Surveillance System	338,988	251,187	590,175
Richmond HS Security Fencing	308,988	248,787	557,775
Richmond HS ERP Project	4,156,000	291,697	4,447,697
Richmond College Prep Site Work	99,250	-1,095	-1.10%
Stege ES Building Improvements	224,667		224,667
Stewart ES Restroom Project	100,800	13,969	114,769
Verde ES Tile Wall Repairs	143,688	-19,392	124,296
TOTAL	\$163,140,844	\$4,516,464	\$167,559,153

Analysis of Change Orders

Change orders are presented to the Board of Education for ratification and approval. Each change order is comprised of several Proposed Change Orders (PCOs) previously reviewed by the construction team or the Change Order Committee and approved by the Superintendent's designees. PCOs are tabulated in the Summary Sheet, which is an attachment to the change order document. The Summary Sheet lists the PCO number, the reasons for the changes, reference documents (e.g., RFIs, Construction Change Directives, etc.), requested time extensions, and negotiated amounts.

TSS reviewed the change orders and supporting documents generated by three Measure D and five Measure J construction projects during the July 2010-June 2011 period. All of the sample projects were under construction during the review period. The resulting data are summarized in the following table;

Change Order Analysis, FY 2010-11

Project/ Contractor/ Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	Owner Requested Changes			Totals
				Changes to Materials/ Scope	Safety Issues	Adds/ Other Issues	
Measure D							
Helms MS New Construction/ West Bay Builders/ (CO # 10 thru 13)	(\$30,604) (6.74%)	\$53,600 11.8%	\$255,197 56.19%	\$336,783 74.15%	\$0 0%	(\$160,807) (35.4%)	\$454,169 100%
Pinole MS Mod. PII, Bldg A/ Alpha Bay Builders, Inc. / CO # 2 thru 16)	\$251,746 28.94%	\$0 0%	\$445,324 51.19%	\$122,086 14.03%	\$2,685 0.31%	\$48,099 5.53%	\$869,941 100%
Helms MS Building Demo/ Evans Brothers (CO # 1 thru 2)	\$173,823 99.98%	\$0 0%	\$0 0%	\$28 0.02%	\$0 0%	\$0 0%	\$173,851 100%
Measure J							
King ES Demolition & New Construction/ West Bay Builders/ (CO# 4 – 10)	\$2,261 0.55%	\$0 0%	\$350,152 85.57%	\$29,963 7.32%	\$0 0%	\$26,825 6.56%	\$409,201 100%
Dover ES Increment 2/ Alten Const./ (CO# 6 thru 13)	\$49,012 12.79%	\$0 0%	\$94,761 24.72%	\$186,056 48.54%	\$0 0%	\$53,503 13.96%	\$383,332 100%
Verde ES Playground & Site Work/ Bay Cities Paving/ (CO# 4)	\$17,563 100%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$17,563 100%
Ford ES New School Construction/ Alten Construction/ (CO # 6 thru 23)	\$161,138 11.45%	\$0 0%	\$1,090,849 77.50%	\$150,271 10.68%	\$0 0%	\$5,202 0.37%	\$1,407,460 100%
De Anza HS Baseball Field Renovation/ Bay Cities Paving/ (CO #4 thru 6)	\$2,531 10.98%	\$0 0%	\$11,417 49.54%	\$9,098 39.48%	\$0 0%	\$0 0%	\$23,046 100%
Total	\$627,470 16.78%	\$53,600 1.43%	\$2,247,700 60.12%	\$834,285 22.32%	\$2,685 0.07%	(\$27,178) (0.73%)	\$3,738,562 100%

- Unforeseen conditions accounted for 16.78 percent of the cost of change orders for the projects examined during this period. The disposal of soil contaminated with hazardous materials (e.g., asbestos, petroleum products), hazardous demolition debris, and waste were the most common unforeseen conditions encountered during this period. Other unforeseen conditions included tree removals engineering of discovered soil conditions, and relocations of underground utilities (e.g., sewer/storm drain lines, electrical cables, etc.) not clearly identified in record drawings.
- DSA and Other Code Revisions accounted for 1.43 percent of changes and additional installations as directed by the DSA field engineer or other agencies (e.g., Health Department, City, etc.) to comply with revisions to structural, safety, and other codes.
- Architect Design Issues accounted for 60.12 percent of the overall cost of change orders generated for the projects examined. These changes included 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 various sections or details of the contract drawings and specifications. Design issues included low roof redesign, fire system revisions and dimensional conflicts. [Martin may provide response which we will add if we get it].
- Owner Requested Changes constituted 21.66 percent of all change orders. These changes included 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 such as addition of a video surveillance system, intrusion alarm, computer access and IDFs, etc. The District may also call for weekend and overtime work in order to recover time-schedule and meet completion targets.

Allowances

Measure D and J bond program projects are usually bid with predetermined amounts for allowances in order to set aside funds within the contract itself to be used for unforeseen conditions, known but indeterminate items, discrepancies between record drawings and actual conditions, and any other 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.

As part of the sampling process for this audit, change orders for construction projects were reviewed to track and verify the use allowances. The results and observations made on the projects selected for review are shown in the table below.

Project	Base Bid	Allowance	Total Contract Award	Use of Contract Allowance.
Helms MS New Construction	\$50,890,000	\$200,000	\$50,890,000	Contract allowance unused. Credited back to the District (\$200,000) under CO # 12, dated 03/28/2011
Pinole MS New Building and Gymnasium	\$20,511,000	\$150,000	\$20,661,000	Contract allowance used under CO # 19 (\$55,011), 9/15/2008. Notice of Completion was approved on 1/21/2009.
King ES New Construction	\$15,520,000	\$75,000	\$15,595,000	Contract allowance used under CO #1 (\$5,511), and CO #6 (\$69,362), dated 11/04/2010.
Dover ES New School Construction	\$21,416,000	\$75,000	\$21,491,000	Contract allowance remains unused as of June 30, 2011.
Ford ES New School Construction	\$16,654,206	\$75,000	\$16,734,206	Contract allowance remains unused as of June 30, 2010.
De Anza Baseball Playfield Improvements	\$1,320,000	\$30,000	\$1,350,000	Contract allowance used under CO #4 (\$26,037.75) dated 07/29/2010 and CO #5 (\$3,962.25) dated 10/04/2010.

Observations

- The overall averages of change orders for Measure D and J projects during the current audit period are well below 10 percent of the original contract amount, which is the limit prescribed by Public Contract Code. As shown in the change orders tables, the average change order percentages to date for Measure D and Measure J projects are 7.14 percent and 2.76 percent, respectively.
- Four construction contracts; a) Richmond High School Security Fencing, b) Richmond High School Surveillance Cameras, Lupine Hills Elementary School Tile Wall Repairs and Verde Elementary School Tile Wall Repairs, each generated individual change orders that were in excess of 10 percent of the original contract amount. The Board of Education approved the change order amounts, which exceeded the cost limits set forth under Public Contract Code 20118.4.a and 20118.4.b, based on special findings that it would have been futile and impractical to formally secure bids for the additional work because of the tight time frames. Staff explained that conducting a competitive bid for the additional work would only result in unnecessary expense and a delay at the expense of the District and public safety and would not produce any advantage for the District.

- The use of allowances to pay for additional costs reported in the above projects was consistent with the intended purposes of the allowances for each contract. However, in the previous year's audit, TSS did not find change order documents that specifically credited the remaining unused contract allowance back to the District for the Pinole Middle School New Building and Gymnasium Project. The project has since been completed and a Notice of Completion has been issued.
- Staff terminated the remaining phases of Verde and Lupine Hills Elementary Schools contracts due to changes in scope of work that will generate change orders in excess of Public Contract Code limits. Remaining phases of the work will be publicly bid and constructed.

Conclusion

- The District is in compliance with the requirements of Public Contract Code Section 20118.4a and b which sets the threshold for change orders at 10 percent of the contract amount.

Recommendation

- It is recommended that the District review change order documents for Pinole Middle School New Building and Gymnasium Project to verify that the remaining unused allowance for the project is credited back to the District. It is further recommended that contract allowances for all bond-funded construction contracts are properly tracked to ensure that unused allowances are properly credited back to the District prior to final payment and project close-out.

CLAIM AVOIDANCE PROCEDURES

Objective

In this section, TSS evaluates and reviews the procedures used to limit the number of claims filed against the District related to construction projects.

Scope and Methodology

The TSS audit team interviewed members of the SGI staff and the District staff to better understand the reasons for the limited number of claims.

Background

Over the life of the bond program, there have been few claims filed against the District. In previous reporting periods TSS indicated that the District had two outstanding claims. As of this reporting period both of those claims have been resolved.

The most common causes for a claim are for delays to the contractor's process or for changes required by inaccurate documents prepared by the design team. Delays can be caused by a lack of information or the lack of a decision on how best to proceed. Resolving issues quickly is the most effective method of reducing the probability of a claim due to delays. For a contractor to effectively claim a delay they must demonstrate that an issue has impacted their construction schedule. One of the provisions of the contract documents is for the contractor to submit a critical path method schedule (CPM). CPM schedules are generally required to be submitted by the contractor within 30 days of the issuance of the Notice to Proceed. A properly developed CPM schedule lists all the tasks necessary for the proper completion of the project and the planned duration for each task. Tasks are linked with the completion of other related and required tasks. Linking all the critical tasks in this manner allows the contractor to indicate the total required duration of the project and the tasks that, if delayed, would cause a delay in completion. There are many tasks in a project which, if delayed, would not impact the critical path. A delay to these tasks would not be justification for a delay claim until such point as there was an impact on the critical path. It is important that the contractor submit the initial CPM schedule and update that schedule every month. When there is a claim for delay, the contractor must demonstrate how the delay impacted the critical path. Without an accurate schedule there is no basis for the delay claim. It is common for contractors to be delinquent in the submittal of the CPM schedule and it is critical that the owner's representative ensure that the schedule is developed accurately and regularly maintained.

Another common cause for claims is vague or inaccurate documentation. Lack of clarity or inaccuracies require clarification or change. The process of getting the information to the contractor in a timely manner is critical to reducing claims for delays. The contract documents indicate the schedule for review and response to any requests for information (RFI) issued by the contractor. If this schedule is not maintained, delay claims can result. However, even if the review schedule is met, a contractor can claim a delay if there is an impact on the critical path.

Disputes over the cost of those changes can also lead to claims. The first line of defense in this case is to have accurate documentation. However, even the best set of documents requires some clarification during construction. When a Request for Information (RFI) is issued by the contractor it is imperative that the issue be resolved quickly so that there is no cause for a delay claim. If a change order is required, decisions from the District should be rendered expeditiously to avoid additional delays. If the cost of the change cannot be agreed upon, a construction change directive (CCD) should be issued, instructing the contractor to proceed with the work while a cost is being negotiated.

Observations

- It was noted in the 2010 Performance Audit that two claims had been submitted during that audit period: West Coast Contractors and West Bay Contractors. Both claims were for additional costs due to project delays. After a delay consultant reviewed the West Coast claim, it was rejected by the District and no further action has been taken by the contractor. The West Bay claim was settled. No further claims were reported.
- The District has implemented a number of procedures to deal with and/or prevent potential claims. Several years ago, a Design Manager was contracted by the District to coordinate the work of the design teams and to assist in the process of ensuring that the documents were as accurate as possible. One of the responsibilities of the Design Manager is to perform constructability and coordination reviews of documents for each project. The comments from these reviews are incorporated into the documents. The result has been more accurate documentation and less opportunity for claims.
- To help with delay claims the District has implemented procedures that have shortened the time required for the approval of changes. On site project managers can now approve changes that do not exceed \$5,000. All other change requests go before the Change Order Committee for review. The committee meets weekly to review change requests. The committee reviews the contractor generated change requests for validity and cost and they are also reviewed for conformance with the District's design standards. Owner generated change requests are reviewed for conformance with the project program, the District's design standards and impact on the project budget.
- The preconstruction review procedures established by the District provide the opportunity to reduce the number of changes required during construction and the number of potential claims on each project. Care should be taken to ensure that the comments to constructability and coordination reviews are reviewed thoroughly by the design teams and incorporated into the documents.

Conclusion

- The construction change review process established by the District has been effective in reducing the number of claims submitted by the contractors. Allowing on site managers to approve smaller changes results in shorter approval times and less opportunity for delay claims.

Recommendations

- The District should ensure that CPM schedules are submitted and updated in a timely manner as required by the contract documents. An accurate contractor's schedule is the primary tool in determining the validity of a delay claim.
- The District should endeavor to keep owner generated changes during construction to a minimum. A thorough review of the documents by the District during the preconstruction phases provides the opportunity for any required changes. Changes during construction are not cost effective and can increase the possibility of claims.
- The District should maintain the Change Order Committee to review requested changes to projects.

MEASURE J EXPENDITURES AND PAYMENT PROCEDURES

Objective

The objective of this performance audit section was to verify that the District was compliant with its policies and procedures related to Proposition 39 expenditures and payments.

Scope and Methodology

The scope of this performance audit section was to verify transactions of Measure J funds expended during the fiscal year ended June 30, 2011. During this period, only Measure J funds had financial activity as Measure D and Measure M funds were closed out in prior periods. TSS analyzed Measure J payment activities and compared the results to the Measure J bond language. TSS judgmentally selected Measure J expenditures for review, focusing on transactions with higher dollar amounts and higher audit risks, and verified that the funds were used in accordance with the taxpayer-approved purposes.

In the process of this performance audit, numerous purchasing and payment documents pertaining to expenditures funded by Measure J were reviewed. Interviews were held with District and SGI program management staff related to the payment policies and procedures for Measure J funds.

The audit 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 backup documentation, including authorized signatures, were present on payment requests; and
- Determination that timely payments were made to vendors.

Background

As part of the bond program's financial controls, the following processes and procedures are in place and followed:

- Requisitions are entered into the requisition workflow system and routed for approval in the following order:
 - SGI Bond Program Control
 - SGI Program Manager or SGI Senior Controls Manager
 - District Engineering Officer
 - District Principal Accountant for Bond Finance or Executive Director for Bond Finance
 - District Associate Superintendent for Operations, and
 - Purchasing Buyer.

- Approximately 95 percent of bond related invoices are mailed directly to the District's facilities office. SGI staff collects all invoices that are submitted directly to the District daily to ensure timely processing of vendor invoices.
- Once invoices are received for approved requisitions, SGI staff logs information into the invoice tracking/monitoring system.
- A payment history and payment approval form are prepared and routed for authorization signatures to designated individuals, which includes program controls (SGI), the Bond Program Manager (SGI), District Engineering Officer, District Principal Accountant for Bond Finance or Executive Director for Bond Finance and the District Associate Superintendent for Operations (if applicable). Each signer is responsible for verifying that the work has been performed; goods have been received; the invoice and/or payment application is accurate; the expenditure is for an authorized bond project; the payment coding is correct; and to determine that sufficient funding remain in the purchase order.
- SGI staff is responsible for obtaining SGI signatures and the District engineer's signature, and forwards the payment request form to the District's Bond Finance Senior Budget Clerk.
- The District's Bond Finance Senior Budget Clerk enters the payment information into the District's financial system and is responsible for obtaining the District's Principal Accountant for Bond Finance (invoices < \$50,000) or Executive Director for Bond Finance (invoices < \$100,000), and/or the District's Associate Superintendent for Operations (invoices > \$100,000) signatures.
- The District's accounts payable staff initiates and processes the actual warrants.

The time elapsed between payment entries to warrant issuance is approximately one week.

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

Testing Performed

Sample

TSS obtained the District's check register for all Measure J payments made from July 1, 2010 to June 30, 2011. It was noted that 18 different contractors received total payments in excess of \$1 million dollars during the fiscal year ended June 30, 2011. The aggregate amount of the contractors whose total payments exceeded \$1,000,000 totaled \$86,040,345. The total payments of Measure J expenditures made during the 2010-11 fiscal year were \$102,454,042.

TSS selected a sample of 33 checks that focused on vendors that collected more than \$1,000,000 during the fiscal year ended June 20, 2011. In addition, TSS scanned the summary report of vendors paid for unusual activity and selected payments made to the Internal Revenue Service, Trust accounts, Law firms, and the Employer’s Advocate, Inc. The total dollar amount sampled was \$24,943,060. TSS also made inquiries during their interviews with board members and District staff whether they were aware of complaints for delays in vendor payments.

Fiscal Year	Number of Checks	Sample Size (Dollar Amount)	Percentage Paid Within 30 Days
2010-11 Annual	33	\$24,943,060	100%

The District has continued to improve the timeliness of its vendor payments over the past four fiscal years. In 2007-08, approximately 87 percent of invoices were paid within 30-days, in 2008-09 the percentage improved to 90 percent, and in 2009-10 the percentage improved to 95.5 percent. In 2010-11 within the samples selected, 100 percent of the items tested were paid timely in accordance with District policy.

The TSS sample of vendor payments selected for review was designed to provide conclusions on the following: 1) that expenditures charged to the Measure J funds were authorized and reasonable expenditures in accordance with the bond language, 2) that expenditures were authorized in accordance with the District’s policies and procedures, 3) that expenditures were supported with proper documentation, including authorized signatures and original invoices, and 4) that payments were made timely in accordance with the District’s 30 day policy to pay vendors within 30 days of SGI’s receipt of the invoice. Sample transactions for testing were judgmentally selected.

The sample of payments included the following Measure J projects:

- Coronado Elementary School
- Dover Elementary School
- Ford Elementary School
- King Elementary School
- Nystrom Elementary School
- Stege Elementary School Middle School
- Pinole Middle School
- Portola Middle School
- De Anza High School
- El Cerrito High School
- Kennedy High School
- Richmond High School

The results of this performance audit showed that, with the exceptions noted in the findings and observations sections, the bond expenditures were used for approved bond program purposes, invoices had been reviewed and approved, the District’s policies and procedures were followed, and vendor payment timelines were followed. Several exceptions were identified and are discussed in the findings and observations sections below.

SGI's Invoices Paid Register

TSS obtained SGI's invoices paid register and noted that a total of 2,621 invoices were paid during fiscal year ended June 30, 2011. This register listed summary totals that highlighted a total of 80 invoices (3.05 percent) were paid 30 days subsequent of SGI's receipt of the invoices and 2,541 invoices (96.95 percent) were paid within 30 days of SGI's receipt of the invoices.

Review of Financial Audit of Bond Funds

TSS reviewed the District's Bond Financial Audit for 2009-10, as the 2010-11 was not available. Perry-Smith, LLP conducted the 2009-10 financial audit for Measures M, D, and J and issued an unqualified audit opinion. TSS verified that Perry-Smith's financial audit report contained no significant deficiencies of material weakness based on their limited purpose review of internal controls over financial reporting and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. TSS also verified that Perry-Smith concluded for the items tested, nothing came to the auditor's attention that the District did not comply with state laws and regulations.

Findings

- In the TSS sample of 33 checks reviewed, six (6) of these checks did not include all of the required authorized signatures in accordance with the District's bond payment approval policy. The District's bond payment approval policy requires SGI staff to obtain signatures from the SGI bond control signer, SGI Program Manager, SGI Bond Program Manager, and the District Engineering Officer and the District staff to obtain signatures from the District's Principal Accountant for Bond Finance or Executive Director (Bond) for Business Services and the Associate Superintendent for Operations. In all six (6) instances of non-compliance with the District's bond payment approval policy for authorized signers, the Associate Superintendent for Operations signature (for invoices > \$100,000) was missing on the payment approval form. In one (1) instance of non-compliance, the former Bond Fiscal Services Manager's signature was missing on the payment approval form.
- In the TSS sample of 33 checks reviewed, one (1) check disbursed was made to the Internal Revenue Service (IRS). This payment made to the IRS related to an Arbitrage Rebate Calculation was for a 1998 Measure E, Series C Bond. The total payment made to the IRS was \$316,867 and included \$87,773, which related to late fees for a failure to file the arbitrage rebate timely. An outside financial consultant performed the arbitrage rebate calculation and the check was supported by authorized signatures within the fiscal department and included the signature of the Associate Superintendent for Business Services. TSS has communicated to district staff that they seek a legal opinion from bond attorneys as to the appropriateness of the use of Measure J funds for these expenditures. As of the date of this report, TSS cannot conclude that the IRS payments related to the 1998 Measure E arbitrage rebate is an appropriate use of Measure J funds.

- In the TSS Sample of 33 checks reviewed, one (1) check was made to the Bank of New York Trust in the amount of \$1,600,000. The supporting documentation indicated that this payment related to use of Measure J bond proceeds to defease Measure D bonds. TSS verified that the District Board approved this payment at its June 28, 2010 Board meeting and verified that the check was supported by authorized signatures within the fiscal department and included the signature of the Associate Superintendent for Business Services. TSS has communicated to district staff that they seek a legal opinion from bond attorneys as to the appropriateness of the use of Measure J funds for these expenditures. As of the date of this report, TSS cannot conclude that the use of Measure J bond proceeds to defease Measure D is an appropriate use of Measure J funds.
- In the TSS sample of 33 checks reviewed, two (2) checks were made to Employers Advocate, Inc. The supporting documentation indicated that the payments were for consultant hours related to handling grievances with contractors and grievances with unions. The total payments made to Employers Advocate Inc. were \$25,665 for the fiscal year ended June 30, 2011. The approval forms were signed by all of the authorized signers. TSS has communicated to district staff that they seek a legal opinion from bond attorneys as to the appropriateness of the use of Measure J funds for these expenditures. As of the date of this report, TSS cannot conclude that the use of Measure J bond proceeds to pay consultants to handle grievances with contractors and labor unions, is an appropriate use of Measure J funds.

Observations

- District staff was asked to provide TSS with written procedures that outline specific policies and practices to approve and pay Measure J bond proceeds. TSS received an informal written desk manual that was prepared by the Senior Budget Clerk for Bond Finance. The desk manual details the process and payment procedures that have been informally accepted and documented over a period of time. Currently, the district requires the signatures of various bond finance personnel depending on the invoice amounts. For invoices less than \$50,000 the District's Principal Accountant for Bond Finance is required to sign, and for invoices less than \$100,000 the Executive Director for Bond Finance is required to sign and for invoices greater than \$100,000 both the Executive Director for Bond Finance and the Associate Superintendent for Operations are required to sign. Due to District staff turnover in the past two years and the significant dollar amounts of bond payments, it is important that the District have formally adopted written policies that outline the District's policies and procedures for approvals of bond payments.
- Board members and District staff were asked to discuss issues or complaints received related to timely vendor payments. Based on interviews with a board member and District staff, it was noted that sub-contractors have complained that West Bay Builders have been slow to pay for work that sub-contractors performed. Based on the invoices that TSS reviewed during the fiscal year ended June 30, 2011, the District paid West Bay Builders timely and within the District's 30-day policy.

Recommendations

- Currently, only the District's finance department reviews invoices and approves payments related to financial matters. Examples of checks reviewed by TSS were payments made to the IRS, a Law firm, and a Trust company. TSS recommends that the payment review and approval process for bond-funded projects and related expenditures should be followed for all bond-funded expenditures.
- The District should adopt a formal written desk manual and policy for its staff related to processing, approving, and paying all bond-funded expenditures.
- The District should assign responsible staff to investigate and address the complaints made by sub-contractors that West Bay Builders have not made timely payments to certain sub-contractors and vendors.
- The District should assign a responsible person to prepare arbitrage rebate calculations in accordance with federal laws. A rebate computation and payment to the Federal Government, if applicable, is required to be made at least every five years or each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds "Final Rebate Computation Date". The payment is due to the Federal Government within 60 days from either each Rebate Installment Computation Date or Final Rebate Computation Date. Failure to comply with these Federal Rebate Requirements could lead to substantial late filing penalties and interest and or, potentially the loss of tax-exempt status for the bonds.

District Response

- The District will provide additional training to ensure compliance with the bond payment approval policy for authorized signers.
- The District has received legal advice from our bond counsel. The District's payment for the expenditures listed in the findings section above is appropriate use of bond funds.

BEST PRACTICES IN PROCUREMENT

Objective

To gather data and verify that District bidding and awarding of bond funded construction projects comply with the requirements of the Public Contracting Code, and other relevant laws and regulations and to ensure that best practices in procurement are followed.

Scope and Methodology

The scope of this section covers the activities of the District relating to the bidding and awarding of procurement contracts for projects funded under the Measure J and D bond program for the period from July 1, 2010 through June 30, 2011. TSS conducted interviews with District staff and Program Management staff from SGI. TSS also reviewed Board agenda items and minutes specific to the informal bid process contracts awarded for bond funded projects and analyzed purchasing and payment documents.

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. To best serve the District's interests, the Superintendent or designee shall develop and maintain effective purchasing procedures that are consistent with sound financial controls to 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 purchases of equipment, materials, or supplies to be furnished, sold, or leased to the school district. Effective January 1, 2010 – December 31, 2010, the bid threshold was increased to \$78,500.

Public Contract Code Section 20118 (K-12) allows school districts to utilize contracts which have been publicly bid, or negotiated by other public entities. In the "piggyback" procurement method, the District uses pricing from a cooperative purchasing contract held by another school District or public agency to negotiate a contract with the vendors/suppliers without conducting formal bid. The District or public agency who originally conducted the formal bidding process includes a clause in the final contract agreement that allows other public school districts, community college districts and public agencies throughout the state of California to "piggyback" on the same contract. Some advantages and disadvantages associated with the use of the process are:

- Districts can use this delivery method to avoid the time, expense, and market uncertainties associated with formal bidding.
- Although a formal bid process is conducted by the originating agency, the public may perceive the end result as a “no bid” contract.

Sample

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

Temporary Housing Rain/Shade Structure

- Portola Middle School

Modular Classrooms

- Richmond College Prep Charter Campus

Temporary Housing Rain/Shade Structure – Portola Middle School

On July 28, 2010, the Board approved a contract with USA Shade & Fabric Structures, Inc. for a temporary housing rain/shade structure at Portola Middle School for \$56,155.95 (Measure J funds). The District utilized the “piggyback” method of procurement through a San Joaquin County Office of Education award dated October 23, 2007, with contract prices updated annually to reflect current pricing.

Modular Classrooms – Richmond College Prep Charter Schools

On July 28, 2010, the Board approved a contract with Mobile Modular for the purchase of two modular classrooms at Richmond College Prep Charter Campus for \$92,452.83 (Measure J funds). The District utilized the “piggyback” method of procurement through a competitive bid process in the District for the Portola Temp Campus, whereby Mobile Modular was the lowest bidder among five vendors.

In addition to “piggyback” contracts, the Board of Education likewise authorized the use of cooperative and bulk purchasing agreements that are available for the use of public agencies and school districts. As a best practice, the district may use existing cooperative purchasing and bulk purchasing contracts for the procurement of supplies, computers, equipment, and services at discounted rates in an effort to save the District time and resources associated with a formal or informal bid process. Examples of these cooperative and bulk purchasing agencies include:

- The Cooperative Purchasing Network (TCPN). TCPN is a Texas government agency administering a cooperative purchasing program. The network provides its members, of which the District is one, with contracts and services that are compliant with the law at no cost to member districts.
- The Western State Contract Alliance (WSCA). WSCA is a non-profit government purchasing cooperative that assists local and state government agencies, school districts (K-12), higher education and non-profits in reducing the costs of purchased goods and services through pooling of the purchasing power of public agencies in the western states

and nationwide. This is accomplished through competitively bidding contracts for quality products through a “lead public agency” or a “lead state”.

- The California Multiple Award Schedule (CMAS). CMAS is also a non-profit purchasing cooperative that provide agencies with a listing of vendors and schedule of prices for various products previously bid and approved through cooperative purchasing method.

Public Contract Code 22030–22045, otherwise known as the California Uniform Public Construction Cost Accounting Act (CUPCCAA) or the “Act” promulgated by the California State Controller, allows public agencies who elect by resolution to become subject to the specified uniform construction cost accounting standards to increase the threshold for projects that may be performed without competitive bidding to \$30,000 or less, and to use informal bidding procedures for projects \$125,000 (\$137,500 in special circumstances) or less. Effective July 1, 2011, the informal bid limit has been increased to \$175,000. Formal bidding procedures will now apply to projects over \$175,000.

On May 20, 2009, the Board of Education approved Resolution # 90-0809 to elect that the District become subject to CUPCCAA and avail of the savings in time and resources that could be derived from the “Act”.

Sample

During the current audit period, the CUPCCAA informal bidding procedure was utilized in the procurement of the following construction projects where the contract amounts were within the informal bid limit of \$175,000:

Street Improvements

- Helms Middle School

Construction of Rear Access Road

- Helms Middle School

Observations

- The cooperative and bulk purchasing agreements made available by the TCPN, WSCA and CMAS purchasing cooperatives benefits the construction program substantially in the procurement of goods and services for the Measure D and J bond projects at reduced costs through competitively solicited contracts for quality products by these purchasing cooperatives.
- The “piggyback” method for procuring goods and services is a commonly used method in which public entities let contracts. It is primarily used because it meets the requirements under Public Contract code, prices are presumed to be at a discounted rate, and additionally it saves time and staff resources. However, during the current economic downturn, it may be beneficial for the District to solicit bids publically for goods such as furniture and equipment to determine what pricing may be available. The District has experienced high bid turnouts and had substantial bid savings in construction costs for the last several years.

- It was noted in prior performance audit reports 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. Helping to ensure that 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 operates with minimal staff.

Conclusion

- The results of this examination showed that the procurement methods utilized were in compliance with District policy and the requirements of Public Contract Code Sections 20111, 20118 and 22030 thru 22045.

DELIVERED QUALITY

Objective

To evaluate the District's processes related to setting standards for products and systems to be included in the facilities projects, to ensure that the standards are incorporated into the design and documentation, and to ensure that the designed systems are included in the final construction of the project. An additional objective was to gather and test data in order to determine compliance and measure the effectiveness of controls.

Scope and Methodology

The TSS 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 District has formally adopted a sole source policy for some design elements and wants to ensure that these elements are implemented in the projects.

In the process of this evaluation, TSS staff met with District staff and consultants to review the quality assurance processes. The following documents were supplied by the District and reviewed for this audit section:

- District Master Product List, July 2007/ Revised and Reissued, February, 2008.
- New School Construction, Increment II at Dover Elementary School, Project Plans, Specifications and product submittals.

Background

The Dover Elementary School New Construction, Increment II project was identified as the focus of this quality review for the 2010-11 audit period. A sample of the products and systems used in the Dover project was developed for this analysis. This sample included:

Modified Bituminous Membrane Roofing
Aluminum Windows
Carpeting
Linoleum Flooring
Roller Window Shades
Package Air Conditioners

Within this sample, the Aluminum Windows and the Package Air Conditioners were among the elements that were approved to be sole sourced.

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 incorporated into the design documents, and how the District tracked and verified that the products were installed in the project during construction.

This section will provide an evaluation of the standards that were in place at the commencement of this project, the criteria that was provided to the Architect of Record (AOR) 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.

For the purposes 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 researched 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. TSS also reviewed the contract documents and construction submittals for the sampled products listed above.

Typically, those managing projects and products used in the construction of public school facilities must allow "equal" products to be submitted and used. In limited cases, a district may specify a product or system and not allow equal products to be substituted. In July 2007, the Board approved 6 categories of products that could be sole sourced. These are:

- Irrigation controllers;
- Aluminum classroom windows;
- Door hardware, locks, panic bars and closers;
- Food service equipment;
- High efficiency classroom furnaces, classroom furnace enclosures and energy management systems; and
- Low voltage systems.

The District Product List was revised to include criteria from the Collaborative for High Performance Schools (CHPS) in February, 2008. The standards include the manufacturer to be used and, where necessary, the product model or line. For other than the six listed above, the products listed are recommendations which are to be included in the construction documents.

Dover Elementary New School Construction Increment II

This project began in 2007 after the adoption of the initial District standards, but prior to the adoption of the standards that included the CHPS criteria. However, the Architect of Record for the project was familiar with the standards and the desire of the District to include CHPS standards in their projects. The District met with the AOR and made the goals for inclusion of the CHPS criteria clear. The AOR met the goals of the District in this respect.

The CHPS program is a green building rating program, similar to Leadership in Energy and Environmental Design (LEED), designed specifically for K-12 schools. Points are given for meeting certain criteria such as using recycled content products, improving building energy efficiency, reducing anticipated domestic water consumption, etc. The District adopted a resolution to design remaining Measure J projects to meet CHPS criteria in 2008.

To develop the construction documents, the Architect of Record held several meetings with various District departments during the design phase. Meetings were held with the Program Manager, the District Engineering Officer, District Maintenance personnel and other key stakeholders. At the meetings, the AOR, SGI staff and District personnel discussed key components for the project, the major systems to be included, and the CHPS goals to be implemented. The District and SGI staff reviewed construction documents and provided feedback as to what criteria or District standards to incorporate and other design items to address. A District Project Manager was not assigned to this project throughout the design and construction phases, making it somewhat more difficult to get input and approval of design issues.

The District standards include several products that are approved for sole source delivery. For these products, no equal submittal was allowed. In the case of one product, the specification did not include the requirement that no equal was allowed. However, it was made clear to the contractors during the bidding process that no equals would be allowed for the District approved products. The District standards were met with the products approved for this project.

The table below provides a comparison of each product and/or system that was included in the design as compared to what was installed for the Dover Increment II project.

Observations

- The District has incorporated many CHPS goals into the building specifications, such as the specification of linoleum flooring with recycled material content, carpet tiles with recycled content, metal with recycled content, automatically controlled window sunshades, lighting control systems, and energy efficient air conditioners.
- Based on the sampling of products and systems, the project construction documents incorporated the District's standards and criteria as defined in the initial design phase.
- A representative from the Architect of Record's office monitored the construction of this project. The product submittals were reviewed and approved by the AOR's office. Although the District's standards were not referenced during the submittal review process, the specifications were sufficiently worded to allow only the products that were indicated on the standards. In the case of one proprietary item, the Aluminum Classroom Windows, the bid documents allowed an equal product to be used. However, this was clarified during the bidding process and the appropriate product was approved.

Commendations

- The District is commended for incorporating the CHPS standards into their product standards.
- The Architect of Record is commended for diligently reviewing the design standards presented by the District and ensuring that the standards were incorporated into the construction documents.

Recommendations

- In the prior year's performance audit report, TSS recommended that the District develop a formal process for updating the District's standards. The District is actively updating their product standards. Some previous standards are no longer valid simply due to the District adoption of CHPS goals. The District should update the standards, incorporating new CHPS goals, as soon as possible in the event that new green building products being specified may be too difficult to maintain or not compatible with existing systems. This may be difficult until some CHPS related products are installed and evaluated. For example, metal wall panels for some building exterior walls were specified on the Nystrom project although maintenance staff typically prefers stucco. The new metal wall panels can be made of recycled products and provide other aesthetic or CHPS-related benefits; however the different systems have entirely different maintenance needs.
- The building specifications, in general, were open to multiple products versus sole-sourced products. However, to achieve CHPS goals, some of the technical specifications only allowed for one manufacturer's product, such as the linoleum flooring. This sole sourcing can lead to higher bid prices. If possible, more than one manufacturer's product should be allowed even for systems designed around CHPS criteria. It is recognized that this may be difficult due to the limited number of green building products currently on the market.

DELIVERED QUALITY – Comparison of Design Standards and Installed Products
Dover Elementary School New Construction Increment II

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Roller Window Shades	12492	Automatically operated roller window shades for energy efficiency, manual shades in some locations.	Shades Manufacturers/products: MechoShade Systems Inc. “Mecho/5” for Manual Shades and “Electro 2” for Electric Shades. Solar Tracking Controller Manufacturers/products: MechoShade Systems, Inc. SolarTrac-PC.	X			For Shade Manufacturers/products: The Contractor will provide the shade system as specified; MechoShade Systems Inc. “Mecho/5” for Manual Shades and “Electro 2” for Electric Shades. This is as specified so it was approved.
Roof Membrane	075216	Non-proprietary Modified Bituminous Membrane Roofing system (i.e. not a Garland only product). Two (2) ply system; Modified Asphalt sheet with white granular cap sheet or metal foil cap sheet.	Non-proprietary Styrene-Butadiene-Styrene SBS Modified Bituminous Membrane Roofing system. Two (2) ply system; Modified Asphalt. Specifications do not indicate that that a white granular cap sheet is required. Manufacturers/products: Siplast or equal product with allowable manufacturers Bitec, CertainTeed, Danoza, Consolidated Fiber Glass Products, Garland, Siplast and several others.	X			The contractor will provide a product as specified.

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Aluminum Windows	8525	Solid aluminum windows system, DeVAC Series 400. Factory installed glazing. Aluminum frame with clear anodized finish.	Aluminum windows DeVAC Series 400 or equal. Factory installed glazing. North, east and south facing windows; Clear glass with solar heat gain coefficient 0.67 maximum. Aluminum frame with factory applied, high performance 3 coating finish. Manufacturers: DeVAC by Mon-Ray; EFCO Corporation; Graham Architectural Products; Moduline Window Systems; Boyd Aluminum Manufacturing and others.	X			The contractor will provide a product as specified.
Linoleum Floor Coverings	9650	Use Linoleum versus Vinyl Composition Tile for CHPS credit.	Sheet linoleum meeting CHPS Credit EQ2.2.1 for low-emitting materials and CHPS Credit ME 4.2.2 using 36 percent rapidly renewable resources. Manufacturer/Product: Armstrong World Industries, Inc. Marmorette.	X			The contractor will provide a product as specified – Armstrong Marmorette.

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Carpeting	9688	Meet CHPS criteria	Carpet tile meeting CHPS Credit EQ2.2.1 for low-emitting materials and CHPS Credit ME4.1.3 with 10 percent post-consumer recycled content. Manufacturers/Product; InterfaceFlor Entropy, Shaw commercial Carpet Expose, Miliken Remix.	X			Carpet tile was not used in the Dover project. Roll carpet was approved as specified.
Package Air Conditioners	15800	Meet CHPS Indoor Environmental Quality prerequisites and credits. High Efficiency Units controlled by EMS System.	No reference to CHPS standards or verification requirements. Relatively high efficiency units specified; Carrier-Centurion 48PG0* 14.8 SEER Units for Classrooms, Library and Computer Lab, 14.0 SEER Unit for Parent room, 11.6 EER Unit for Multiuse room, 14.0 SEER Unit for Stage, EMS system. Manufacturers/Product: Carrier-Centurion, Trane, McQuay.	X			Contractor will supply Carrier units with Team Manufacturing enclosures as per the District Standard.

SCOPE, PROCESS, AND MONITORING OF PARTICIPATION BY LOCAL FIRMS

Objective

The objective of this performance audit section is to report on the status of the Local Capacity Building Program (LCBP) as outlined in the District's Project Labor Agreement (PLA).

Scope and Methodology

The scope of this audit section is a review of LCBP advisory committee minutes for the period July 1, 2010 through June 30, 2011 and review of LCBP hiring summary reports. This review included interviews with members of the Board of Education, the CBOC, as well as SGI and District staff.

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 goal of the Local Capacity Building Program (LCBP), which is managed by Davillier-Sloan, Inc. a Labor-Management consulting firm, is to enhance and encourage equal opportunities for local, small, ethnic minority and female business owners who are interested in doing business with or working in the District's facilities construction program. A three-tier system was developed to more clearly define “the local area”, whereby the most immediate local area, which includes the West Contra Costa communities of Crockett, El Cerrito, El Sobrante, Hercules, Kensington, Pinole, Richmond, Rodeo, and San Pablo are considered the first priority area. The second priority area includes the remaining communities within in Contra Costa County, Alamo, Antioch, Bay Point, Bethel Island, Blackhawk, Brentwood, Byron, Canyon, Clayton, Clyde, Concord, Danville, Diablo, Discovery Bay, Knightsen, Lafayette, Martinez, Moraga, Oakley, Orinda, Pacheco, Pittsburg, Pleasant Hill, Port Chicago, Port Costa, San Ramon, West Pittsburg and Walnut Creek. The third priority area includes the greater East Bay area, which encompasses portions of Contra Costa, Northern Alameda and Southern Solano Counties including the communities of Alameda, Albany, American Canyon, Benicia, Berkeley, Castro Valley, Elmira, Emeryville, Fairfield, Hayward, Nut Tree, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville, and Vallejo.

After a pilot of the program in 2006 on the Helms Middle School project, on November 18, 2008, the School Board approved the recommendation that Local Hiring and Local Business Participation goals be included for future projects.

Davillier-Sloan manages a Local Advisory Committee consisting of representatives of local, minority and female business organizations, trade unions, community-based organizations and other interested organizations and individuals. The purpose of the committee is to assist the District in advising and monitoring the program to maximize success as well as serving as community liaison for the program. The committee meets monthly or as needed to discuss progress, projections, individual and mutual concerns. Additionally, the Local Advisory Committee has provided valuable insights and feedback for the development of a proposed mandatory local capacity business utilization policy under discussion in the District.

As noted in the 2009-10 audit, on May 20, 2010 Davillier-Sloan provided to district staff a proposed Mandatory Local Capacity Business Utilization Program policy and protocols for consideration. The Local Capacity Advisory Committee developed this proposed policy as a method for strengthening the program and to provide assurance that utilization of local businesses was a priority for the District's bond construction program. Staff reviewed the matter and proposed policy with legal counsel and brought the matter to the Board Facilities Subcommittee for review and discussion.

On September 10, 2010, the School Board approved the recommendation of a Mandatory Local Business Capacity Utilization Program for the District's Bond Construction Projects. The board minutes from that meeting reflected that specific contractor capacity recommendations per contractor will come through Davillier-Sloan for analysis, to the Local Advisory Committee and then to the Associate Superintendent for Operations before going out to bid.

During the July 2010-June 2011 period, the LCBP has been applied to the following newly awarded projects, as reported by Davillier-Sloan, Inc.:

- Collins Elementary School Parking and Driveway Improvements
- Collins Elementary School Site Package for Portables
- De Anza High School Replacement Campus
- Dover Elementary School New Construction
- El Cerrito High School Multipurpose Sports Field
- Ford Elementary School New Construction
- Gompers High School Building Demo and Site Work
- Hanna Ranch Elementary School Roof Repairs
- Helms Middle School Digital Surveillance System
- Juan Crespi Middle School Mop Up Project
- Juan Crespi Middle School Gym Floor Replacement
- Kennedy High School ADA Upgrades and Elevator
- Kennedy High School Admin Interiors Phase 1
- Kennedy High School Concession Stand and Lights
- Lupine Hills Elementary School Windows, Exterior Wall and Roof Repairs
- M.L. King Elementary School New Construction and Demo
- Madera Elementary School Portable Installation Site Package
- Madera Elementary School Restroom Resurfacing
- Mira Vista Elementary School Portable Installation Site Package
- Nystrom Elementary School Multipurpose Room Construction
- Ohlone Elementary School Phase 1 West Campus
- Pinole Middle School Modernization Phase 2

- Portola Middle School Temporary Campus, Fencing and Drainage
- Richmond High School Arts Building Fire and Intrusion Alarm Project
- Stewart Elementary School Restroom Resurfacing

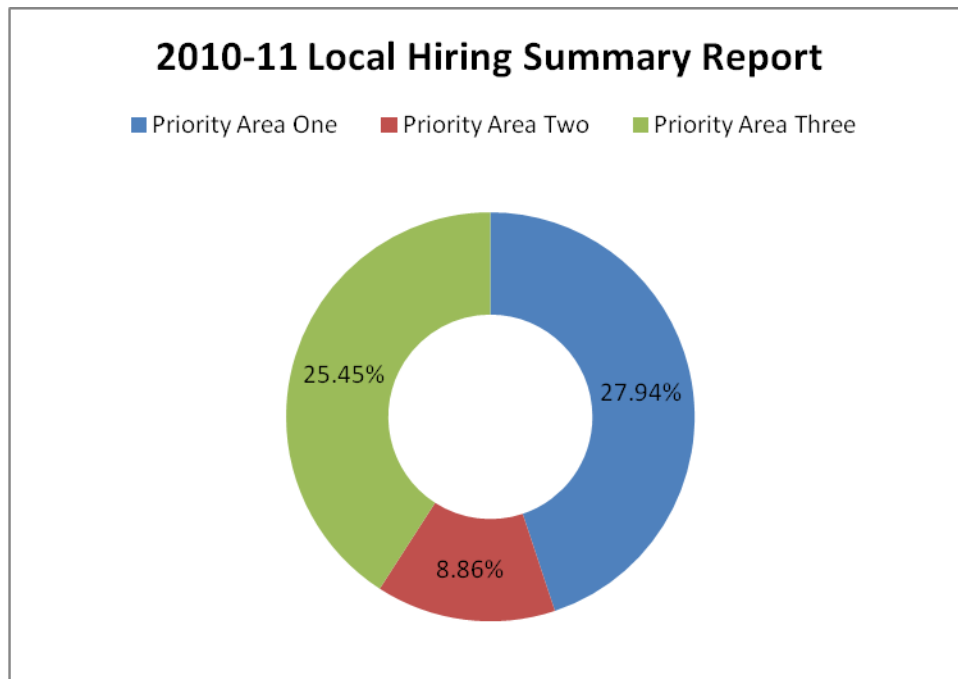
As of June 30, 2011, eighteen (18) of the twenty-five (25) above noted projects were under construction and the reported level of local participation is outlined in the table below. The Helms Middle School results are included to provide a baseline for comparison purposes because the success of the program at Helms Middle School is the foundation for the expansion of the LCBP.

LOCAL HIRING PROJECT REPORT – 2010-11
Projects Under Construction

Project Name	Priority 1	Priority 2	Priority 3	Total Participation
Collins Parking and Driveway	56.72%	5.23%	38.05%	100.0%
Collins Site Package for Portables	0.00%	0.00%	42.11%	42.11%
De Anza Replacement Campus	19.41%	17.69%	20.82%	57.92%
Dover New Construction	23.83%	16.67%	20.37%	60.87%
El Cerrito Multipurpose Sports Field	14.01%	23.51%	20.94%	58.46%
Ford New Construction	17.05%	13.03%	20.60%	50.68%
Gompers Demo and Site Work	12.86%	6.29%	73.13%	92.28%
Juan Crespi Mop Up Project	80.48%	0.00%	19.52%	100.0%
Kennedy Admin Interiors Phase 1	37.36%	7.41%	33.63%	78.40%
Kennedy Concession Stand and Lights	0.98%	3.96%	31.81%	36.75%
M.L. King New Construction and Demo	25.28%	23.18%	17.78%	66.24%
Madera Portable Installation Site Package	61.50%	7.87%	3.08%	72.45%
Madera Restroom Resurfacing	31.37%	0.00%	0.00%	31.37%
Mira Vista Portable Installation Site Package	56.10%	0.00%	0.00%	56.10%
Nystrom Multipurpose Room Construction	17.89%	22.29%	17.89%	58.07%
Pinole Modernization Phase 2	18.03%	12.41%	23.76%	54.20%
Portola Temporary Campus	8.28%	0.00%	74.54%	82.82%
Stewart Restroom Resurfacing	21.71%	0.00%	0.00%	21.71%
Helms Middle School New Construction	20.20%	17.82%	29.71%	67.73%

The Collins Parking and Driveway Improvements, Juan Crespi Mop Up, and Madera Portable Installation, projects had the largest percentage of hiring in priority area one and an overall level of total local hiring participation substantially higher than the Helms Middle School project. The Collins Parking and Driveway Improvements, Crespi Mop Up, Gompers Building Demo and Site Work and Portola Temporary Campus projects had the largest percent hiring in all priority areas and when compared to the Helms Middle School project had an overall increase in local hiring participation of approximately 15-32 percent. The Kennedy Concession Stand and Lights had significantly less participation by local firms, particularly in priority area one. It is noted that this project was less than a million dollars in valuation and as such fell below the PLA requirements. A priority area three electrical contractor (Oakland) was hired for the Kennedy project, which resulted in lower participation in priority areas one and two.

For the 18 projects reported by Davillier-Sloan to be participating the program and under construction during the period July 1, 2010 - June 30, 2011, the following graph outlines the overall results of the LCBP program.



Total Local Participation: 62.25%

Project Labor Agreement Update

In September 2011, the Governor signed SB922 which authorizes public agencies to enter into, and to require contractors to enter into, project labor agreements prior to awarding a contract for construction of a public works project to avoid delays and interruptions to construction caused by strikes, lockouts or work stoppages. Because PLAs have been the subject of controversy and litigation for some public agencies, SB922 codified the legality of these agreements and places certain restrictions and requirements as to the terms. Project Labor Agreements on public works projects are now expressly permitted under California law, thus eliminating some of the uncertainty and controversy that has surrounded them. However, all project labor agreements must include five “taxpayer protection provisions”:

- (1) The agreement prohibits discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation or membership in a labor organization in hiring and dispatching workers for the project;
- (2) The agreement permits all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) The agreement contains an agreed-upon protocol concerning drug testing for workers who will be employed on the project;
- (4) The agreement contains guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project; and
- (5) The agreement provides that disputes arising from the agreement shall be resolved by a neutral arbitrator.

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

Objective

The objective of this section is to determine the effectiveness of the District's communication of the Bond Program and progress to community members and stakeholders.

Scope and Methodology

To meet the objective, all avenues of communication, including public presentations at Board meetings, CBOC activities, District website postings, newsletters and billboards were considered. During the process of this examination, Total School Solutions interviewed Board members, members of the Citizens' Bond Oversight Committee, and District staff. Communication channels and public outreach were among the topics of discussion in these interviews.

The purpose of these interviews and the review of relevant websites and data were to examine the processes and systems used to convey information about the bond program to interested parties. These processes serve as a measurement of the effectiveness of disseminating information among parties involved and stakeholders in the bond program and its operations. These processes and information also indicate the effectiveness of communicating to the school site communities and the community at large.

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.net
- 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 on the front page to the Citizens' Bond Oversight Committee and Bond Program websites. Additionally, the District's webpage includes information about the Facilities and Bond Program and Operations Division. Included are updated staff directories as well as additional links to the CBOC and Bond Program websites, recent Board presentations, previous performance and financial audits, current school construction projects and project status reports

A review of the bond committee website indicated that information about the bond and facility construction programs was current, and included relevant information, community meeting dates and schedules, and meeting minutes.

The bond program website, which was updated significantly during 2010-11, has been improved to include links to each school with an active Bond program project; plans, budget information and reports, pictures or presentations, as well as current information about all construction projects and relevant information about upcoming projects is included. Information about the organizational structure and personnel providing oversight and management of the program is also included.

Board members and CBOC members interviewed during the course of this review indicated that coverage by local media regarding the activities at the District and the Bond program are infrequent and insignificant, as reporters once assigned to WCCUSD are also now covering multiple other school districts in the region and therefore limited coverage is provided.

District staff acknowledged that resources for mass mailings or other public and community relations materials remain limited. It was noted that the Superintendent publishes an e-message each month on a topic of importance to the District. In 2010-11 there were two such e-messages that included information regarding the Bond program. These messages are on the Communications page of the District website. Additionally, the District has a School Community Updates page on the Resources tab on the home page of the District web page. The School Community Updates page does include information from the previous Bond election in June 2010, although there has been no additional information posted since that time.

Observations

- The District has no regular method (except for the Superintendent e-messages) or means for providing consistent information about the Bond Program to members of the WCCUSD community, through the publication of newsletters or regular newspaper reporting.
- District staff provides regular updates and presentations at Board meetings, which often include slideshows and discussions regarding the bond program and ongoing construction projects. Board meetings are televised and materials are available to interested members of the public.
- The Bond Program and CBOC websites should be updated on a regular and timely basis when changes occur to ensure that interested community members and stakeholders have access to accurate information about the bond program.

Recommendation

- The District should provide updated Bond Program information, including links to the CBOC and Bond Program websites and information about CBOC membership and meetings on all school site web pages. Additionally, school site Principals should be provided with regular Bond Program updates that can be easily distributed via school and/or PTA-sponsored listservs and school newsletters. While this information would not reach community members who are not parents of current WCCUSD students, it is a valuable and cost-free means of providing timely and relevant information to the parent community.

REVIEW OF CITIZENS' BOND OVERSIGHT COMMITTEE **MEETING MINUTES**

Objective

The objective of this performance audit section is to validate that the Citizens' Bond Oversight Committee (CBOC) met as scheduled, that meeting minutes were appropriately taken, and that a quorum of members was present to approve the meeting minutes.

Scope and Methodology

The scope of this audit section is a review of CBOC minutes for the period July 1, 2010 through June 30, 2011. This review included interviews with eight (8) members of the committee serving during the period of July 1, 2010 through June 30, 2011, as well as SGI and District staff who are routinely present at CBOC meetings. Additionally, TSS conducted a review of all minutes recorded for meetings held during the 2010-11 reporting period.

Background

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 and By-Laws for the Committee.

The Board adopted policy 7214.2, section 3, revised October 24, 2007, provides the required structure for Committee Operations, including in subsection i., the following:

“A person designated by the chairperson shall keep minutes of each Committee meeting, which shall be supported by audio tape recording or equivalent. The minutes shall be distributed to each Committee member, and the Board, if requested, at the earliest possible date prior to the next subsequent meeting. Minutes of Committee proceedings and all documents received and reports issued shall be a matter of public record.”

Committee Meetings and Membership

During the July 1, 2010 through June 30, 2011 audit period, the CBOC met nine times, and once in a joint meeting with the Board of Education, as shown below. Meeting schedules, agendas and minutes are posted on the CBOC website. The minutes from the June 22, 2011 meeting are posted in draft form only and as of this writing have not been approved by the CBOC.

Meeting Date	Members/Alternates In Attendance	Members Absent	Quorum
July 28, 2010 ¹	9	unknown	unknown
August 25, 2010	7	4	Yes
September 22, 2010	9	5	Yes
December 15, 2010	10	6	Yes
January 26, 2011	15	5	Yes
February 23, 2011	13	8	Yes
March 23, 2011	14	6	Yes
April 27, 2011	13	7	Yes
May 25, 2011	11	8	Yes
June 22, 2011 ²	10	10	No

¹Joint meeting with Board of Education.

²Draft minutes only.

The CBOC maintains a website, with access via the District's website, in compliance with Education Code Section 15280(b). The meeting minute section of the CBOC website included meeting agendas and minutes from all meetings indicated on the meeting schedule page of the same website.

The results of this performance audit showed that, with the exceptions noted in the findings and observations portion of this audit section, the CBOC meetings were conducted for the intended purpose of providing oversight of bond program expenditures, and that the committee did not engage in unauthorized discussions and/or activities. The exceptions that were identified are discussed in the findings and observations sections below. It is noted that some of the delays and omissions in timely approval and posting, have been reported to be due to staff turnover caused by District-initiated changes.

TSS was asked to review the minutes and other documentation, including a recorded copy of the meeting, of the June 22, 2011 CBOC meeting for purposes of clarifying a reported discrepancy between the written recorded draft minutes and the audio recording of the meeting related to agenda item A.6. A member of the CBOC audit subcommittee provided TSS with a personal copy of an audio recording of the meeting and the draft written minutes were retrieved from the CBOC website. A district recorded audio recording was not available. It is noted that the minutes from the June 22, 2011 meeting have not yet been approved by the committee, so any changes or amendments to these draft minutes were not available for review.

Agenda item A.6., the Chair's Report, includes information shared by the committee chair related to membership and the status of vacancies, etc. on the committee. On June 22, 2011 the chair provided a brief update on the status of various committee vacancies and some individual members who had indicated that they would no longer be serving on the CBOC. The written draft minutes for this meeting reflect that in addition to this routine membership update, a motion was made, seconded and carried to remove the member who represents the City of Hercules from the CBOC. The audio recording of this same meeting provided to TSS included the chairperson's membership update, but did not include discussion or a motion related to removing the City of Hercules representative or any member from the committee.

Observations

- Meeting minutes from the July 28, 2010, August 25, 2010, September 22, 2010, October 27, 2010 and November 10, 2010 meetings were not approved until the January 26, 2011 meeting of the CBOC. The meeting minutes from the December 15, 2010, January 26, 2011, and March 23, 2011 meetings were not approved until the meeting on April 27, 2011. These lengthy delays in approval and subsequent posting of approved minutes results in a failure by the CBOC to provide timely information to the public about the use of bond proceeds and the related activities in the bond program.
- It appears that the delay in meeting minute approval was related to a lack of approved guidelines for minute taking and recording. Therefore, lengthy discussions related to the content and format of minutes appeared to consume significant time during CBOC meetings in 2010-11.
- Although approved by CBOC action on January 26, 2011, the posted minutes from August 25, 2010 and September 22, 2010 remain marked as “draft”. The posted minutes from the January 26, 2011 meeting are incorrectly dated as “January 26, 2010” and are marked as “draft”, although approved on April 27, 2011. The posted minutes from the February 23, 2011 meeting, which were approved by the CBOC on March 23, 2011, are also marked as “draft”.
- Board policy 7214.2 states that, “A person designated by the chairperson shall keep minutes of each Committee meeting, which shall be supported by audio tape recording or equivalent”. A standard format or protocols for taking meeting minutes is not included in the policy. During the 2010-11 audit period, there were multiple CBOC discussions related to the format and content of meeting minutes and meetings were not in all cases supported by an audio recording.
- Board policy 7214.2 states that, “The Committee and Board shall hold joint meetings during the first quarter (January-March) and the third quarter (July-September) of each year”. During the 2010-11 audit period, the CBOC and Board of Education held one joint meeting on July 28, 2010.

Conclusions

- The CBOC met at least quarterly; the Superintendent and/or his designee attended committee meetings; and members of the Board of Education were present at committee meetings as necessary or desirable.
- Roll call was taken at each meeting and those members either present or absent were noted in the written meeting minutes. The committee duly elected a chairperson and other officers.
- The committee officers prepared agendas and District staff sent copies to committee members at least three (3) days prior to each meeting. Meetings were conducted in a manner consistent with the Ralph M. Brown Act, Government Code, section 54950 et seq., and meetings were open to the public. Committee decisions and recommendations were made by a “50 percent plus one” vote of the total membership.

Recommendation

- The content and format of meeting minutes is one of the most critical aspects of a meeting, especially a public meeting. There is no standard format for minutes of citizens' bond oversight committees however there are basic guidelines which TSS recommends the WCCUSD CBOC should utilize to establish a format that will provide an accurate and objective summary record of the important matters discussed at each meeting. The basic guidelines are as follows:
 - Name of the Group/Organization
 - Name of the Meeting, Address, Venue
 - Designations and names of participants, presenters, speakers and attendees
 - Time of meeting commencement
 - Agenda Items, including purpose (e.g., information, action, etc.)
 - Decisions/Motions (i.e., short, transparent statements)
 - Carry Forwards (e.g., issues to be tabled until later time/meeting)
 - Time of meeting conclusion

CITIZENS' BOND OVERSIGHT COMMITTEE

Objective

The objective of this performance audit section is to assess the overall compliance of the Citizens' Bond Oversight Committee (CBOC) with law, the District's Board Policy 7214.2 and the Committee's bylaws. This section, together with the section entitled "Review of Citizens' Bond Oversight Committee Meeting Minutes," provides a comprehensive assessment.

Scope and Methodology

The scope of this audit section included a review of CBOC activities for the period July 1, 2010 through June 30, 2011, interviews with eight members of the committee serving during the audit period, interviews with SGI and District staff and a review of all Board and CBOC minutes for meetings held during the 2010-11 reporting period. Board Policy 7214.2 was revised after June 30, 2011 and, although beyond the audit period, Board actions taken on the revision have also been included.

Background

California Education Code Sections 15278-15282 set the duties of a school district and its citizens' bond oversight committee. (See Appendix E for legal requirements.) In addition to law, the District has adopted BP/AR 7214.2 and Bylaws for the Committee.

The CBOC provides oversight of measures M, D (2002), J and D (2010). Measure E (2010) was added to the CBOC's responsibilities by the Board on July 28, 2010.

Board Policy 7214.2 – Citizens' Bond Oversight Committee

Board Policy 7214.2 was revised by a subcommittee of the CBOC to clarify and expand upon some of the Committee's duties and operations and was recommended for Board approval. The policy was discussed by the Board at its meeting of August 17, 2011. The policy was further revised and brought back to the Board on October 4, 2011, when it was approved.

Subsequent to Board approval on October 4, 2011, further revisions were made to the policy, which the Board approved on November 16, 2011. The additional revisions included striking the requirement to include a member of the Citizens Advisory Committee for Special Education and to add the following language to the section on operations:

“The CBOC shall establish a set of bylaws and operational rules to manage the operation of the committee. These bylaws and operational rules shall be in compliance with Board Policy and all applicable laws.”

Committee Membership

The CBOC for Measures M, D, and J (Proposition 39 bonds) had, as of June 30, 2011, 21 designated membership positions with the following categories, exceeding the mandatory minimum seven members:

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
<hr/>	<hr/>
Total Membership	21

During the period from July 1, 2010 through June 30, 2011, CBOC membership, as reported in meeting minutes, ranged from a low of 11 members as of August 25, 2010, to a high of 21 members as of February 23, 2011, as the Board appointed members to fill vacancies. For the last meeting during the audit period, June 22, 2011, the CBOC minutes reported 20 members.

Based upon the revised BP 7214.2 discussed above, the Council of Industries membership and the CAC on Special Education membership was dropped.

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."

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 bylaws reiterate the above code language and further state:

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 bylaws, District staff and its consultants regularly provide materials to the CBOC and attend its meetings to enable the committee to fulfill its purpose. However, the CBOC members do not control and/or exercise supervision of the staff responsible for taking and providing minutes and for timely posting of required information.

CBOC Website

The CBOC maintains a website with a link from the District's website and via the Operations Division, in compliance with Education Code Section 15280(b). In addition to the CBOC website materials, the Operations Division provides a link to the District's facilities and bond program website and the bond program website, which includes information on bond measures and detailed reports.

CBOC Annual Report

Education Code Section 15280(b) notes that the citizens' oversight committee shall issue a report at least once a year. However, the CBOC website's last posted annual report was for 2008, with an approval date of March 24, 2010. The CBOC is therefore delinquent in posting annual reports for 2009 and 2010.

Observation

- The CBOC agendas cover a broad range of activities, with reports prepared and presented by various District staff and consultants. The broad scope reflected in the agendas indicates CBOC oversight that exceeds the requirements set forth in Education Code Section 15278.

Conclusion

- A review of the CBOC's materials, website postings, and activities indicate that the CBOC is mostly compliant with the law and BP/ARs although, in some cases, information had not been updated on a timely basis, information on some scheduled meetings was unavailable and annual reports for 2009 and 2010 had not been posted.

Recommendation

- It is recommended that the CBOC website be kept current to provide timely information for public review, and to timely prepare annual written reports.

District Response

- The annual reports are on the website in a different section.

DISTRICT PROVIDED INFORMATION

The information on the succeeding pages was compiled by TSS staff from a District source and/or provided by District staff or consultants for informational purposes only. The information provided here has not been audited.

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, 2010. 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; July 1, 2010 thru June 30, 2011.

DATE	ACTION	AMOUNT
July 7, 2010 (Consent Item # C.11)	Ratification and approval of Engineering Services Contracts.	\$617,627
July 7, 2010 (Consent Item # C.12)	Ratification and approval of Negotiated Change Orders.	\$86,526
July 7, 2010 (Consent Item # C.13)	Approve Construction Access, Right of Use and Restoration License Agreement with the City of Richmond for Temporary Construction Staging, Staff Parking and Pedestrian access at Nystrom Elementary School. (Measure J Funds).	
July 7, 2010 (Consent Item # C.14)	Approval of the Award of Contract for Helms Middle School Buildings Demolition Project to the lowest responsive, responsible bidder, Evans Brothers, in the amount of \$2,442,000 (Base Bid). Four bids were received on June 15, 2010. (Measure J Funds).	\$2,442,000
July 7, 2010 (Consent Item # C.15)	Approval of the Award of Contract for Stege Elementary School Emergency Repairs Project to the lowest responsive, responsible bidder, ERA Construction, in the amount of \$224,667 (Base Bid + Alternate # 2). Two bids were received on May 18, 2010. (Emergency Repair Program (ERP) Fund).	\$224,667
July 7, 2010 (Consent Item # C.16)	Approval of the Award of Contract for Cesar Chavez Elementary School Painting & Repairs Project to the lowest responsive, responsible bidder, Fairway Painting, in the amount of \$83,300 (Base Bid). Seven bids were received on June 24, 2010. (Measure J Funds).	\$83,300
July 7, 2010 (Discussion Item # G.3)	A discussion on the Status of General Obligation Bond Debt and Potential Refunding needs. KNN representative provides information on the District's outstanding bond debt, how the tax rates are impacted by assessed valuation and refunding strategies to keep tax rates at or below the \$60.00 per \$100,000 limit.	
July 7, 2010 (Discussion Item # G.5)	Status Reports – Facilities Planning and Construction. <ul style="list-style-type: none"> • Engineering Officer's Report – Verbal Presentation • Construction Status Reports – Current Construction Projects. 	
July 28, 2010 (Discussion Item # B.1)	A discussion on the Nystrom Project between the Citizens Bond Oversight Committee (CBOC) and members of the Board.	
July 28, 2010 (Discussion Item # B.2)	A discussion on the Qualified School Construction Bonds with Dave Olson of KNN Public Finance, the economic benefits of the construction bonds and the future of the District's bond program.	
July 28, 2010 (Discussion Item # B.3)	A discussion on how the Citizen's Bond Oversight Committee (CBOC) communicates with the Board of Trustees, the clarity of the relationship and the	

DATE	ACTION	AMOUNT
July 28, 2010 (Discussion Item # B.4)	primary task of the CBOC being to provide advice to the Board. Engineering Officer's Update: a discussion on the construction program and progress on the schools under construction and the multitude of factors faced from design planning through construction and completion.	
July 28, 2010 (Consent Item # C.8)	Approval of Notices of Completion: <ul style="list-style-type: none"> • Bid J068182 - Richmond High School Security Camera Project • Bid J068228 - Portola Middle School Portable Building Demolition and Site Work • Bid W068181 - Various Site Play Yard Improvements • J068229 - Portola Middle School Reconditioning of Existing Electrical Switchboard 	
July 28, 2010 (Consent Item # C.12)	Ratification and approval of Engineering Services Contracts	\$461,574
July 28, 2010 (Consent Item # C.13)	Ratification and approval of Negotiated Change Orders	\$55,204
July 28, 2010 (Consent Item # C.15)	Rejection of Bids for the Kennedy High School Field Building and Field Lighting Project and Authorization for staff to rebid the project with changes to the design.	
July 28, 2010 (Consent Item # C.16)	Approval of the Lease of Modular Buildings for Gompers Continuation High School. (Measure J – Gompers/LPS Project budget)	\$99,504
July 28, 2010 (Consent Item # C.17)	Approval of the Award of Contract for the Purchase of Modular Buildings for Richmond College Prep Charter Campus. (Measure J – Richmond College Prep Charter budget)	\$92,453
July 28, 2010 (Consent Item # C.18)	Approval of the Award of Contract for the Purchase of Modular Buildings for Richmond College Prep Charter Campus and Valley View Elementary School. (Measure J – Richmond College Prep Charter budget (\$92,453) and Special Reserve for Capital Facilities Fund 40 (\$31,621.00)	\$92,453.00 \$31,621
July 28, 2010 (Consent Item # C.19)	Approval of the Award of Contract for the Portola Middle School Temporary Housing Rain/Shade Structure to US Shade & Fabric Structures, Inc. under a "piggyback" contract with the San Joaquin County Office of Education. (Measure J Funds)	\$56,156
July 28, 2010 (Consent Item # C.20)	Approval of the Purchase of Maintenance Equipment for Helms and El Cerrito High School Projects. (Measure J Funds)	\$105,036
July 28, 2010 (Consent Item # C.21)	Approval of Contracts for the Program and Construction Management Services for additional services and staffing on additional projects: <ul style="list-style-type: none"> • Nystrom Multi-Purpose Building Construction Management. (\$428,188) • Restroom Wall Cracks Repair Project, (\$39,984) • Program Management Services /General Condition Reimbursable (\$1,255,247). (Measure J Funds) 	\$1,723,419
July 28, 2010 (Consent Item # C.22)	Approval of Inspector of Record (IOR) Contracts for the Bond Program Projects for 2010 -11. (Measure J Funds)	\$990,560
July 28, 2010 (Consent Item # C.23)	Approval of Recommendation to Add the Oversight of Measure D 2010 Bond Program to the Existing Responsibilities of the CBOC.	

DATE	ACTION	AMOUNT
July 28, 2010 (Consent Item # C.24)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> • Jason Gallia - (New) representing Contra Costa Building Trades Council • Marcus Mitchell - (Re-appointment) representing Public Employees Union Local 1 	
July 28, 2010 (Action Item # F.2)	Approve proceeds from Measure "J" Series "D" to refund 2002 Measure "D" bonds in an amount not to exceed \$1,600,000 and authorize the Superintendent and the Associate Superintendent for Business Services to execute and deliver any certificates, notices, agreements or other documents that they may deem necessary in order to accomplish the refunding of such 2002 Measure "D" bonds.	
August 18, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts	\$328,615
August 18, 2010 (Consent Item # C.11)	Ratification and approval of Negotiated Change Orders (Bond and Non-Bond Change Orders)	\$593,847
August 18, 2010 (Consent Item # C.12)	Ratification and approval of Previously Authorized Staff Awarded Contracts: <ul style="list-style-type: none"> • Wright Contracting - De Anza High School Main Campus Project (\$62,508,000). • Mobile Modular - Portola Temporary Campus Modulares Purchase (\$1,937,327). • Alaniz Construction - Helms Street Improvements (\$45,200) CUPCCAA Process. • Calico Construction – Helms Rear Access Road. (\$93,000) CUPCCAA. 	\$64,583,527
August 18, 2010 (Consent Item # C.13)	Approval to Purchase Leased Relocatable Buildings from the State. (Measure J Funds).	\$360,000
August 18, 2010 (Discussion Item # G.3)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> • Engineering Officer's Report - Verbal Presentation • Construction Status Reports - Current Construction Projects. 	
September 1, 2010 (Consent Item # C.8)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> • Wayne Ellis - (New) representing unincorporated areas of Contra Costa. 	
September 1, 2010 (Consent Item # C.9)	Ratification and approval of Negotiated Change Orders.	\$186,386
September 1, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts.	\$250,190
September 1, 2010 (Consent Item # C.11)	Approval of Change Order for the Richmond High School Fence and Gates Project, adopting findings of futility to publicly bid the work due to tight time frames. (Measure J Funds)	\$223,155
September 1, 2010 (Consent Item # C.12)	Ratification and approval of Previously Authorized Staff Awarded Contracts: Western Roofing - Ohlone Elementary School Temporary Roofing Repairs Project (\$169,800). (Measure J Funds)	\$169,800

DATE	ACTION	AMOUNT
September 1, 2010 (Consent Item # C.13)	Approval of Contracts for Construction Management Services for Additional Project and Design Phase Management Component of Program Management Services for: <ul style="list-style-type: none"> Gompers High School Demolition Project. (\$428,188) Design Phase Management Services, (\$320,602) (Measure J and Measure D Funds). 	\$748,790
September 1, 2010 (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. 	
September 15, 2010 (Consent Item # C.7)	Approval of Notices of Completion: <ul style="list-style-type: none"> Bid E068185 - Crespi Kitchen Flooring Demolition and Replacement Project 	
September 15, 2010 (Consent Item # C.12)	Approval of Change Order for the Richmond High School Security Cameras Project, adopting findings of futility to publicly bid the work due to tight time frames. (Measure J Funds)	\$43,001
September 15, 2010 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts	\$910,290
September 15, 2010 (Consent Item # C.14)	Ratification and approval of Negotiated Change Orders	\$126,929
September 15, 2010 (Consent Item # C.15)	Approval of Appointments to the Citizen’s Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> Linda Ruiz-Lozito - (New) representing Contra Costa Taxpayer’s Association. 	
September 15, 2010 (Action Item # F.1)	Adoption of a Mandatory Local Business Capacity Utilization Program for the District’s Bond Construction Projects. (Measure J Funds).	
October 6, 2010 (Consent Item # C.7)	Approval of Notices of Completion: <ul style="list-style-type: none"> Bid D06075 - Helms New Construction Project Bid J068233 - Portola Middle School Temporary Housing Underground Utilities and Site Work Phase I Bid J068236 - Portola Middle School Temporary Housing Underground Utilities and Site Work Phase I Bid J068243 - Richmond College Prep Portable Building Utility Installation & Site Work Bid J068193 - El Cerrito Portable Building Utility Removal & Miscellaneous Site Work Bid J068213 - Crespi Exterior Gymnasium Wall Project Bid W068214 - Coronado MP Demolition Project Bid E068225 - Adams Paving and General Site Work 	
October 6, 2010 (Consent Item # C.13)	The Board affirmed the decision to co-locate Gompers High School and Leadership High School at the Bissell & 8 th Street site and that the Board approves to move ahead with the construction of two campuses as funded by the combination of state funds and funding provided by Measure D 2010.	
October 6, 2010 (Consent Item # C.15)	Approval of Appointments to the Citizen’s Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> Frank Borg - (New) representing Citizens Advisory Committee on 	

DATE	ACTION	AMOUNT
	Special Education.	
October 6, 2010 (Consent Item # C.16)	Ratification and approval of Negotiated Change Orders	\$116,640
October 6, 2010 (Consent Item # C.17)	Ratification and approval of Engineering Services Contracts	\$689,436
October 6, 2010 (Consent Item # C.19)	Approval of the Award of Contract for the Chavez Elementary School Window and Door Replacement Project to Pinguelo Construction, Inc. (Measure J Funds – Deferred Capital Projects Budget)	\$262,510
October 6, 2010 (Consent Item # C.20)	Approval of the Award of Contract for the Verde Elementary School (\$143,688) and Lupine Hills Elementary School Tile Wall Repairs (\$152,540) Projects to Southland Construction, Inc. (Measure J Funds)	\$143,688 \$152,540
October 6, 2010 (Consent Item # C.21)	Recommendations from the Citizens Bond Oversight Committee (CBOC) regarding the Annual Performance Audit.	
October 6, 2010 (Action Item # F.3)	Approval of the Master Plan and Authorizing the District to negotiate a full Architectural Services Contract with WLC Architects for the reconstruction of Pinole Valley High School. (Measure D 2010 Bond Funds)	\$120,000,000
October 6, 2010 (Discussion Item # G.3)	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 20, 2010 (Consent Item # C.9)	Ratification and approval of Negotiated Change Orders.	\$128,554
October 20, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts.	\$114,005
October 20, 2010 (Consent Item # C.11)	Authorize the Architectural Services Contract for the Leadership Public Schools/Gompers Continuation High School Project to Beverly Prior Architects. (Measure J and Measure D 2010 Bonds Funds).	\$2,991,000
October 20, 2010 (Consent Item # C.12)	Ratify and Approve the Purchase of 30 State Relocatable Buildings from the Office of Public School Construction. (Measure J Funds)	\$60,000
November 3, 2010 (Consent Item # C.9)	Approval of the Award of Contract for the Harding Elementary School Window, Exterior Walls and Roof Repairs Project to IMR Contractors, Inc. (Measure J Bond)	\$48,000
November 3, 2010 (Consent Item # C.10)	Approval of Final Change Order for the Richmond High School Fence and Gates Project, adopting findings of futility to publicly bid the work due to tight time frames. (Measure J Funds).	\$57,998
November 3, 2010 (Consent Item # C.11)	Approval of the Bid Alternates # 1, #2 and #3 for the Chavez Elementary School Window and Door Replacement Project to Pinguelo Construction, Inc. (Measure J Funds – Deferred Capital Projects Budget)	\$104,425
November 3, 2010 (Consent Item # C.12)	Approve the List of Architectural Firms as Pre-Qualified to perform work on projects funded under the Measure D 2010 Bond Program.	
November 3, 2010 (Consent Item # C.13)	Ratification and approval of Negotiated Change Orders	\$61,412

DATE	ACTION	AMOUNT
November 3, 2010 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts	\$26,284
November 3, 2010 (Consent Item # C.15)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> • Adrienne Harris - (New) representing the Board of Trustees. 	
November 3, 2010 (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. 	
November 17, 2010 (Consent Item # C.7)	Approval of Notices of Completion: <ul style="list-style-type: none"> • Bid J068425 - Helms Middle School Access Road Project • Bid E068212 - Crespi Middle School Window and Door Replacement Project • Bid E068223 - Crespi Roofing Project • Bid J068222 - Chavez Painting 	
November 17, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts	\$250,001
November 17, 2010 (Consent Item # C.11)	Ratification and approval of Negotiated Change Orders	\$442,205
November 17, 2010 (Consent Item # C.12)	Approval of the Pool of Pre-Qualified Geotechnical Engineers and Boundary/Topographic Surveyors for Measure D 2010 Projects.	
November 17, 2010 (Action Item # F.1)	Notice of Public Hearing Regarding Request for Bond Waiver.	
November 17, 2010 (Action Item # F.2)	Resolution No. 31-1011: Intent to Seek Debt Limit Waiver from the State Board of Education for the sale of remaining General Obligation Bonds as approved by the voters under Measure D, 2010.	
December 8, 2010 (Consent Item # C.11)	Ratification and approval of Engineering Services Contracts	\$308,825
December 8, 2010 (Consent Item # C.12)	Ratification and approval of Negotiated Change Orders	\$367,603
December 8, 2010 (Consent Item # C.13)	Authorize the Architectural Services Contract for the Pinole Valley High School Project to WLC Architects. (Measure J Funds).	\$8,451,539
December 8, 2010 (Consent Item # C.14)	Approval of the Award of Contract for Furniture Setup and Installation at M. L. King Elementary School Project to Young Office Solutions. (Measure J Funds)	\$254,024
December 8, 2010 (Consent Item # C.16)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> • Charlene Raines - (New) appointed by Board of Trustees member Charles Ramsey. 	
December 8, 2010 (Consent Item # C.17)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> • Brent Fetter - (New) appointed by the Superintendent. 	
January 5, 2011 (Consent Item # C.7)	Approval of Notices of Completion: <ul style="list-style-type: none"> • Bid J068247 - Helms Middle School Road 20 Street Improvements 	

Revised: March 14, 2012

DATE	ACTION	AMOUNT
January 5, 2011 (Consent Item # C.11)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> Eduardo Martinez - (New) appointed by Richmond Mayor Gayle McLaughlin Norma Martinez-Rubin - (New) appointed by Contra costa County Supervisor Gayle Uilkema, District 2 Joanne Ward - (New) appointed by Hercules Mayor Nelson Balico. 	
January 5, 2011 (Consent Item # C.12)	Approval of the Award of Contract for the Lupine Hills Elementary School Window, Exterior Walls and Roof Repairs Project to Pinguelo Construction, Inc. (Measure J Funds)	\$61,270
January 5, 2011 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts	\$258,877
January 5, 2011 (Consent Item # C.15)	Ratification and approval of Negotiated Change Orders	\$28,968
January 5, 2011 (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. 	
January 19, 2011 (Consent Item # C.5)	Approval of Notices of Completion: <ul style="list-style-type: none"> Bid J068257 - El Cerrito High School Field Irrigation Bid J068248 - Ohlone Elementary School Re-roofing Project Bid W068204 - Hercules MHS Quad Landscape & Teachers Parking Lot Improvements Bid 068226 - Hercules MHS Playfield Lighting Bid J068184 - De Anza HS Baseball Field Improvements Bid J068191 - Kennedy HS Restroom Improvements Bid J068190 - Kennedy High School Fire alarm Replacement Bid J068199 - Richmond HS Security Fencing and Gates Bid E068234 - Grant Elementary School General Building Improvements ERP Bid E068235 - Stege Elementary School General Building Improvements ERP Bid W068183 - Crespi Fire Damage Reconstruction 	
January 19, 2011 (Consent Item # C.11)	Approval of the Award of Contract for Furniture Setup and Installation at Dover Elementary School Phase I to Contract Furnishings. (Measure J Funds)	\$223,986
January 19, 2011 (Consent Item # C.12)	Approval of the Award of Contract for Kennedy High School Field Building and Field Lighting Project to B-Side, Inc. (Measure J Funds)	\$990,000
January 19, 2011 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts	\$348,518
January 19, 2011 (Consent Item # C.14)	Ratification and approval of Negotiated Change Orders	\$399,443
January 19, 2011 (Action Item # F.2)	Approval of the Award of Contract for El Cerrito High School Fields Phase I Construction project to Michael Paul Corporation. (Measure J Funds)	\$3,749,000

DATE	ACTION	AMOUNT
February 2, 2011 (Consent Item # C.7)	Acceptance of the 2009-10 Bond Financial Audit Report	
February 2, 2011 (Consent Item # C.15)	Ratification and approval of Engineering Services Contracts	\$182,050
February 2, 2011 (Consent Item # C.16)	Ratification and approval of Negotiated Change Orders	\$249,092
February 2, 2011 (Consent Item # C.17)	Acceptance of the 2009-10 Bond Performance Audit Report	
February 2, 2011 (Consent Item # C.18)	Approval of the Award of Contract for Kennedy High School Field Building and Field Lighting Project (Revised Recommendation) to B-Side Inc. (Measure J Funds)	\$990,000
February 2, 2011 (Reports Item # D.2)	Bond Finance Report – District Financial Advisor from KNN.	
February 2, 2011 (Discussion Item # G.2)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> • Engineering Officer’s Report - Verbal Presentation • Construction Status Reports - Current Construction Projects. 	
February 16, 2011 (Consent Item # C.16)	Ratification and approval of Engineering Services Contracts	\$119,962
February 16, 2011 (Consent Item # C.17)	Ratification and approval of Negotiated Change Orders	\$232,983
February 16, 2011 (Consent Item # C.18)	Approval of Architectural Services Contract for El Cerrito High School Fields Phase II project to WLC Architects. (Measure J Funds)	\$648,000
February 23, 2011 (Action Item # B.1)	Approval of Helms Middle School Fields Master Plan and Architectural Services Contract with Baker Villar Architects. (Measure J Funds)	\$625,134
March 2, 2011 (Consent Item # C.7)	Ratification and approval of Engineering Services Contracts	\$492,410
March 2, 2011 (Consent Item # C.8)	Approval of the Award of Contract for Portola Middle School Temporary Campus Additional Site Work Project to Ray’s Electric. (Measure J Funds)	\$288,950
March 2, 2011 (Consent Item # C.9)	Approval of Pre-Qualified Hazardous Materials Consulting Firms for Measure D 2010 Projects. <ul style="list-style-type: none"> • MS Environmental Solutions, Inc. • RGA Environmental • SCA Environmental, Inc. 	
March 2, 2011 (Discussion Item # G.2)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> • Engineering Officer’s Report - Verbal Presentation • Construction Status Reports - Current Construction Projects. 	
March 16, 2011 (Consent Item # C.10)	Approval of Additional Architectural Services for bidding, construction administration and close-out for the Coronado Elementary School Project to WLC Architects. (Measure J Bond).	
March 16, 2011 (Consent Item # C.11)	Approval of Change Orders for the Lupine Hills (\$54,618.25) and Verde (\$25,935.27) Elementary School Restroom Surface Repairs Projects, adopting findings of futility to publicly bid the work due to tight time frames. (Measure J Funds).	\$80,554

DATE	ACTION	AMOUNT
March 16, 2011 (Consent Item # C.12)	Ratification and approval of Engineering Services Contracts	\$422,700
March 16, 2011 (Consent Item # C.13)	Ratification and approval of Negotiated Change Orders	\$570,689
April 13, 2011 (Consent Item # C.15)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> Robert Studdiford - (Re-appointment) representing the Parent/Guardian & PTA. 	
April 13, 2011 (Consent Item # C.16)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> Paul Gilbert-Snyder - (Re-appointment) appointed by the City of El Cerrito. 	
April 13, 2011 (Consent Item # C.17)	Ratification of staff action terminating the contract of Southland Construction for Lupine Hills & Verde Restroom Surface Repairs Project and authorizing staff to re-bid the remaining updated scope of work on the project.	
April 13, 2011 (Consent Item # C.18)	Approval of the proposed Richmond High School Master Plan and authorize staff to develop priority projects for the campus. (Measure D 2010 Bond Funds).	
April 13, 2011 (Consent Item # C.19)	Approval of the addition of AE3 Partners as a Qualified Architectural Firm for small projects in the District's Bond Program. In addition, approve architectural services contracts for AE3 Partners (Collins), Baker Villar (Montalvin), Powell & Partners (Tara Hills) and DLM Architects (Mira Vista). (Measure J Funds).	\$162,050
April 13, 2011 (Consent Item # C.20)	Approval of the proposed Nystrom Temporary Campus on the adjacent MLK Recreation Center site. Ratify Right of Entry Agreement and authorize staff to execute Use and Restoration Agreement with the City of Richmond. (Measure J Funds).	\$3,500,000
April 13, 2011 (Consent Item # C.21)	Approval of Contract Amendments to Program Management General Conditions Reimbursable Expenses to Seville Group (SGI) for the completion of anticipated work during the remainder of the year.	
April 13, 2011 (Consent Item # C.22)	Approval of the selection of Quattrochi Kwok Architects (QKA) for the Highland Elementary School Reconstruction Project.	
April 13, 2011 (Consent Item # C.23)	Approval of a project for temporary surveillance cameras at Pinole Valley High School and direct staff to design, develop and install the cameras by the start of 2011-2012 school year. (Measure J Funds – Not To Exceed \$250,000)	
April 13, 2011 (Consent Item # C.24)	Approval of Contract with Davillier Sloan, Inc. to provide management and consulting services related to District's Bond Program Labor Compliance, Local Capacity Building, Informal Bidding and DVBE.	
April 13, 2011 (Consent Item # C.25)	Ratification and approval of Engineering Services Contracts	\$931,644
April 13, 2011 (Consent Item # C.26)	Ratification and approval of Negotiated Change Orders	\$201,459
April 13, 2011	KNN Financial Advisor and Piper Jaffray Managing Director present	

DATE	ACTION	AMOUNT
(Discussion Item # G.2)	information on the bond finance program including the recently granted waiver by the State Board of Education, the Qualified School Construction Bond allocation and bond issuance in November.	
May 4, 2011 (Consent Item # C.5)	Approval of Notices of Completion: <ul style="list-style-type: none"> • Bid E068230 - Richmond High School HVAC Renovation Project. 	
May 4, 2011 (Consent Item # C.6)	Ratification and approval of Engineering Services Contracts	\$293,071
May 4, 2011 (Consent Item # C.7)	Ratification and approval of Negotiated Change Orders	\$408,791
May 4, 2011 (Consent Item # C.8)	Approval of Fairmont Elementary School Master Plan and Architectural Services Contract for construction documents and construction administration with HY Architects. (Measure D 2010 Bond Funds)	\$2,602,000
May 4, 2011 (Consent Item # C.9)	Approval of the Award of Contract for Kennedy High School ADA Compliance Project to Ray's Electric. (Measure J Funds)	\$848,000
May 4, 2011 (Consent Item # C.10)	Approval of a project for Dental Clinic Renovations at Peres Elementary School.	
May 4, 2011 (Consent Item # C.11)	Approval of an increase in the District funding allocation to the Maritime Center Renovations Project. (Measure J Funds).	\$500,000
May 4, 2011 (Discussion Item # G.1)	<ul style="list-style-type: none"> • Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> • Engineering Officer's Report - Verbal Presentation • Construction Status Reports - Current Construction Projects. 	
May 18, 2011 (Consent Item # C.9)	Approval to reject bids for the Kennedy High School ADA Compliance Project and authorize staff to re-bid the project. (Measure J Funds).	
May 18, 2011 (Consent Item # C.10)	Approval of the Award of Contract for Portable Classrooms for the School Consolidation Project to Williams Scotsman. (Measure J Funds).	\$498,586
May 18, 2011 (Consent Item # C.11)	Approval of the Award of Contract for Furniture, Setup and Installation at Pinole Middle School main building to Contrax Furnishings. (Measure J Funds)	\$311,042
May 18, 2011 (Consent Item # C.12)	Ratification and approval of Engineering Services Contracts	\$350,770
May 18, 2011 (Consent Item # C.13)	Ratification and approval of Negotiated Change Orders	\$251,942
June 1, 2011 (Consent Item # C.5)	Approval of Notices of Completion: <ul style="list-style-type: none"> • Bid J068252 - Verde Elementary School Restroom Surface Repairs • Bid J068249 - Lupine Hills Elementary School Restroom Surface Repairs. 	
June 1, 2011 (Consent Item # C.12)	Ratification and approval of Engineering Services Contracts	\$143,251
June 1, 2011	Ratification and approval of Negotiated Change Orders	\$110,221

DATE	ACTION	AMOUNT
(Consent Item # C.13) June 1, 2011	Approval of Measure J and Measure D 2010 Bond Program Budgets.	
(Consent Item # C.14) June 1, 2011 (Discussion Item # G.2)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> • Engineering Officer’s Report - Verbal Presentation Construction Status Reports - Current Construction Projects	
June 14, 2011 (Consent Item # B.1)	Approval of the Award of Contract for Madera Elementary School Modulars Site Work Project to AM Woo Construction. (Measure J Funds)	\$149,000
June 14, 2011 (Consent Item # B.2)	Approval of the Award of Contract for Mira Vista Elementary School Modulars Site Work Project to Calico Construction. (Measure J Funds)	\$104,889
June 28, 2011 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts	\$801,101
June 28, 2011 (Consent Item # C.15)	Ratification and approval of Negotiated Change Orders	\$98,759
June 28, 2011 (Consent Item # C.16)	Approval of Construction Management Services Contract Adjustments for new project phases or extensions of services required to Seville Group (SGI).	\$421,256
June 28, 2011 (Consent Item # C.17)	Ratification of Staff Awarded Contracts for summer projects. <ul style="list-style-type: none"> • Madera ES Restroom Wall Surface Repairs. (\$119,800). • Stewart ES Restroom Wall Surface Repairs. (100,800). • Kennedy HS Administration Area Renovations. (\$370,200) (Measure J Funds).	\$590,800
June 28, 2011 (Consent Item # C.18)	Approval of the Award of Contract for Ohlone Elementary School Reconstruction Project to Zovich Construction. (Measure J Bond)	\$16,961,000
June 28, 2011 (Consent Item # C.19)	Approval of the Award of Contract for Collins Elementary School Parking and Driveway Project to Michael G. McKim Construction. (Measure J Funds).	\$178,750
June 28, 2011 (Reports Item D.1)	The Bond Finance Team present a report on the impact of assessed valuation on tax rates for outstanding bonds.	

**EXPENDITURE REPORTS FOR
MEASURES D (2002), J (2005), AND D (2010)**

MEASURE 2010D

The budget and expenditure totals contained in the table below were extracted from the Capital Assets Management Plan Report (CAMP), Number 58, dated July 25, 2011.

MEASURE 2010D Budgeted and Invoiced Amounts - Summary¹

Program Category	Budgeted	Invoiced
Renovation & New Construction	441,468,116	13,566,102
Deferred Capital Projects	2,300,000	
Network/Telecom Technology Projects	10,000,000	
Furniture & Equipment	5,000,000	28,861
Program Contingency	6,000,000	
Program Coordination	8,000,000	
	472,768,116	13,594,963
	percent complete	3%

Renovation and New Schools Construction

School	Site No.	Project Description	Budgeted	Invoiced
Coronado	112	New School	32,000,000	2,682,509
Highland	122	New School	34,500,000	182,167
Fairmont	123	New School	33,877,605	394,810
Montalvin	140	Site Work	4,000,000	
Peres	147	Renovation	2,000,000	
Stege	157	New School	30,000,000	158,619
Valley View	160	New School	34,066,383	379,931
Wilson	165	New School	34,000,000	411,370
El Cerrito High	354	Stadium	7,000,000	
Kennedy High	360	Modernization	8,000,000	
Gompers Cont High	358	New School	50,024,128	7,370,947
Pinole Valley High	362	New School	120,000,000	1,985,750
Richmond High	364	Modernization	40,000,000	
Hercules Middle/High	376	Modernization	12,000,000	
			441,468,116	13,566,102

¹ The reported amounts have a transaction cutoff date of July 7, 2011, and additional amounts totaling approximately \$264,000 were booked by the District before the year end close. The first Measure 2010D Bond sale was completed in the Fall of 2011. 2010D Program costs were covered by Measure J Bond funds in the 2010-11 fiscal year.

EXPENDITURE REPORTS FOR MEASURES D, J, AND 2010D

MEASURE J

The budget and expenditure totals contained in the table below were extracted from the Capital Assets Management Plan Report (CAMP), Number 58, dated July 25, 2011.

MEASURE J Budgeted and Invoiced Amounts - Summary¹

Program Category	Budgeted	Invoiced
Elementary Schools Renovation	149,341,786	76,028,073
Middle/High Schools Renovation	139,407,296	72,515,639
Additional Bond Funded Projects	5,066,079	4,275,707
Deferred Capital Projects	2,342,234	924,512
Network and Technology Projects	7,800,000	3,856,893
Furniture & Equipment	7,808,723	2,208,675
Program Contingency	11,341,819	
Program Coordination	4,533,478	8,973,103
	327,641,415	168,782,603
	percent complete	52%

Elementary School Modernization and New Schools

School	Site No.	Project Description	Budgeted	Invoiced
Castro	109	Site Survey	350,000	334,771
Dover	115	New School	32,028,549	21,673,586
Ford	124	New School	27,519,241	21,759,745
King	132	New School	23,731,085	20,717,215
Nystrom	144	New School	32,481,474	7,581,005
Ohlone	146	New School	33,231,437	3,961,751
			149,341,786	76,028,073

Middle School/High School Renovation and New Schools

School	Site No.	Project Description	Budgeted	Invoiced
De Anza High	352	New School	114,710,340	54,495,951
Kennedy High	360	Renovation	13,469,486	6,876,594
Richmond High	364	Renovation	11,227,470	11,143,095
			139,407,296	72,515,639

¹ The reported amounts have a transaction cutoff date of July 7, 2011, and additional amounts totaling approximately \$424,000 were booked by the District before the year end close.

MEASURE J (continued)**Additional Bond Funded Projects**

School	Site No.	Project Description	Budgeted	Invoiced
Madera	137	Site Work	377,470	58,006
Mira Vista	139	Site Work	150,403	5,352
Stewart	158	Site Work	140,136	14,045
Richmond College Prep	512	Site Survey	4,300,570	4,146,806
Program	615	Site Survey	97,500	51,499
			5,066,079	4,275,707

Network/Telecom Technology E-Rate Projects

School	Site No.	Project Description	Budgeted	Invoiced
Dover	115	Network/Telecom/Tech	370,000	250,792
King	124	Network/Telecom/Tech	360,000	
King	132	Network/Telecom/Tech	360,000	179,729
Nystrom	144	Network/Telecom/Tech	430,000	
Ohlone	146	Network/Telecom/Tech	360,000	
De Anza High	352	Network/Telecom/Tech	1,300,000	
Kennedy High	360	Network/Telecom/Tech	360,000	10,281
Program	615	Network/Telecom/Tech	4,260,000	3,416,091
			7,800,000	3,856,893

Furniture and Equipment

School	Site No.	Project Description	Budgeted	Invoiced
Dover	115	Furniture and Equipment	800,000	548,806
Ford	124	Furniture and Equipment	750,000	45,909
King	132	Furniture and Equipment	700,000	377,768
Nystrom	144	Furniture and Equipment	700,000	67,408
Ohlone	146	Furniture and Equipment	700,000	
De Anza High	352	Furniture and Equipment	1,262,180	183,985
Kennedy High	360	Furniture and Equipment	675,000	612,533
Pinole Valley	362	Furniture and Equipment	30,000	
Richmond High	364	Furniture and Equipment	675,000	372,267
Program	615	Furniture and Equipment	1,516,543	
			7,808,723	2,208,675

MEASURE J (continued)

Deferred Capital Projects

School	Site No.	Project Description	Budgeted	Invoiced
Chavez	105	Deferred Capital Project	540,000	392,145
Cameron	108	Deferred Capital Project	40,000	22,206
Collins	110	Deferred Capital Project	199,000	24,175
Highland	122	Deferred Capital Project	50,000	8,601
Grant	125	Deferred Capital Project	268,012	182,490
Hanna Ranch	128	Deferred Capital Project	120,000	
Trans Learning Center	131	Deferred Capital Project	4,220	4,216
Madera	137	Deferred Capital Project	26,442	
Peres	147	Deferred Capital Project	53,787	14,522
Sheldon	155	Deferred Capital Project	6,350	6,350
Stege	157	Deferred Capital Project	172,867	172,867
Stewart	158	Deferred Capital Project	2,100	
Tara Hills	159	Deferred Capital Project	3,850	3,850
Valley View	160	Deferred Capital Project	127,403	
Vista Hills	163	Deferred Capital Project	1,066	1,066
Crespi Jr High	206	Deferred Capital Project	380,000	84,381
DeJean Middle	208	Deferred Capital Project	25,000	7,642
Pinole Valley Program	362 615	Deferred Capital Project	25,000 297,137	
			2,342,234	924,512

Program Coordination and Contingency

School	Site No.	Project Description	Budgeted	Invoiced
Central Account	615	Contingency	4,533,478	
Central Account	615	Program Costs	11,341,819	8,973,103
			15,875,297	8,973,103

Program Totals			327,641,415	168,782,603
			percent complete	52%
				0

EXPENDITURE REPORTS FOR MEASURES D, J, AND 2010D

MEASURE D

The budget and expenditure totals contained in the table below were extracted from the Capital Assets Management Plan Report (CAMP), Number 58, dated July 25, 2011.

Measure D Budgeted and Invoiced Amounts - Summary¹

<u>Program Category</u>	<u>Budgeted</u>	<u>Invoiced</u>
Middle/High School Renovation Phase 1A	310,536,848	252,110,063
Additional Bond Funded Projects	9,030,142	9,030,142
Measure D Phase 2A - 3	4,727,883	4,727,883
Network and Technology Projects	5,124,777	3,227,592
Furniture & Equipment	4,952,635	4,329,301
Program Coordination	8,402,918	8,402,918
	342,775,203	281,827,899
	percent complete	82%

Middle School/High School Renovation and New Schools - Phase 1A

<u>School</u>	<u>Site No.</u>	<u>Project Description</u>	<u>Budgeted</u>	<u>Invoiced</u>
Helms Middle	210	New School	78,527,467	71,314,081
Pinole Jr High	212	Renovation	52,198,359	48,502,221
Portola Jr High	214	New School	56,429,054	12,112,202
El Cerrito High	354	New School	123,381,967	120,181,560
			310,536,847	252,110,063

Additional Bond Funded Projects

<u>School</u>	<u>Site No.</u>	<u>Project Description</u>	<u>Budgeted</u>	<u>Invoiced</u>
Kennedy High	360	Track and Field	3,181,061	3,181,061
Pinole Valley High	362	Track and Field	1,667,232	1,667,232
Richmond High	364	Track and Field	4,181,848	4,181,848
			9,030,141	9,030,142

¹ Measure D Bond funds are expended and closed. During the 2010-2011 year Measure D Projects have been funded through the Measure J Bond. The reported amounts have a transaction cutoff date of July 7, 2011, and additional amounts totaling approximately \$177,000 were booked by the District before the year end close.

MEASURE D (continued)**Site Survey Projects**

School	Site No.	Project Description	Budgeted	Invoiced
Trans Learning Center	131	Site Survey	118,020	118,020
Harbour Way Com Day	191	Site Survey	121,639	121,639
Adams	202	Site Survey	487,018	487,018
Crespi Jr High	206	Site Survey	399,139	399,139
Hercules Middle	211	Site Survey	74,854	74,854
Gompers Cont High	358	Site Survey	532,994	532,994
Kennedy High	360	Site Survey	644,818	644,818
Pinole Valley High	362	Site Survey	622,493	622,493
Richmond High	364	Site Survey	641,600	641,600
Vista High School	373	Site Survey	34,789	34,789
North Campus	374	Site Survey	125,032	125,032
Hercules Sr High	376	Site Survey	433,749	433,749
Delta Nss DeAnza	391	Site Survey	152,564	152,564
Kappa Nss Kennedy	393	Site Survey	109,809	109,809
Omega Nss Richmond	395	Site Survey	118,638	118,638
Sigma Nss Pinole Valley Hig	396	Site Survey	110,728	110,728
			4,727,883	4,727,883

Network/Telecom Technology E-Rate Projects

School	Site No.	Project Description	Budgeted	Invoiced
Adams	202	Network/Telecom/Tech	203,064	203,064
Crespi Jr High	206	Network/Telecom/Tech	47,106	47,106
DeJean Middle	208	Network/Telecom/Tech	214,532	214,532
Helms Middle	210	Network/Telecom/Tech	1,150,712	978,810
Hercules Middle	211	Network/Telecom/Tech	6,623	6,623
Pinole Jr High	212	Network/Telecom/Tech	900,324	104,709
Portola Jr High	214	Network/Telecom/Tech	1,051,795	151,795
De Anza High	352	Network/Telecom/Tech	124,320	124,320
El Cerrito High	354	Network/Telecom/Tech	268,015	238,537
Gompers Cont High	358	Network/Telecom/Tech	183,109	182,918
Kennedy High	360	Network/Telecom/Tech	546,974	546,974
Pinole Valley High	362	Network/Telecom/Tech	59,855	59,855
Richmond High	364	Network/Telecom/Tech	235,812	235,812
North Campus	374	Network/Telecom/Tech	76,630	76,630
Hercules Sr High	376	Network/Telecom/Tech	3,028	3,028
Operational Suppt Srvs Cent	615	Network/Telecom/Tech	52,878	52,878
			5,124,777	3,227,592

MEASURE D (continued)

Furniture and Equipment

School	Site No.	Project Description	Budgeted	Invoiced
Helms Middle	210	Furniture and Equipment	1,110,788	1,090,819
Pinole Jr High	212	Furniture and Equipment	685,383	702,876
Portola Jr High	214	Furniture and Equipment	776,223	167,239
El Cerrito High	354	Furniture and Equipment	2,380,241	2,368,367
			4,952,635	4,329,301

Program Coordination and Contingency

School	Site No.	Project Description	Budgeted	Invoiced
Central Account	615	Program Costs	8,402,918	8,402,918
Program Totals			342,775,202	281,827,899
			percent complete (1)	82% -

DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of the annual audit for fiscal year 2010-11 is limited to Measures J and D (2010) 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 ten fiscal years, is presented in the tables below ("Facilities Program-Financial Status" and "Facilities Program-Funding Resources"). 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 observed: (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 \$0.15 million in 2010-11; (3) developer fee balances have decreased significantly from a high of \$34.2 million in 2005-06 to the balance of June 30, 2011, of \$3.5 million; and (4) state match funds totaling \$72 million have been received from 2002-03 through 2010-11. (See Facilities Program Financial Status table.)

As of June 30, 2011, the District has sold Measure J bonds totaling \$322.5 million, leaving a remaining authorization for the future sale of \$77.5 million in Measure J bonds. The District has \$380 million remaining authorization for future sale of Measure D (2010) bonds.

Facilities Program – Financial Status (in thousands)

Source	Fiscal Year (as of June 30 for each Fiscal Year) in thousands										
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Bonds Outstanding ¹	\$54,340	\$122,450	\$216,455	\$315,155	\$380,634	\$544,027	\$536,504	\$527,016	\$636,220	\$758,223	\$741,277
Developer Fees Revenues ²	6,061	2,750	9,094	10,499	7,760	8,813	4,840	2,374	813	652	152
Developer Fees Ending Balance	3,526	1,294	8,928	21,038	27,534	34,162	10,730	4,910	4,869	4,725	3,468
State School Facilities Program New Construction Revenues ³	None	None	12,842	None	None	None	None	None	None	571	None
State School Facilities Program Modernization, Emergency Repair Program and Joint-Use Revenues ³	None	None	\$3,494	\$10,159	\$13,090	None	\$1,556	\$3,779	\$23,145	\$4,349	\$20,387

¹ Bonds authorized, sold, and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2011. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal.

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, 2011)	Outstanding (June 30, 2007)	Outstanding (June 30, 2008)	Outstanding (June 30, 2009)	Outstanding¹ (June 30, 2010)	Outstanding¹ (June 30, 2011)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$32.1 million	\$30.8 million	\$29.5 million	\$28,195,000	\$26,795,000
Measure M (November 7, 2000)	150 million	150 million	142.8 million	139.6 million	136.3 million	132,765,000	125,570,000
Measure D (March 5, 2002)	300 million	300 million	291.6 million	287.1 million	282.2 million	276,858,114	269,552,284
Measure J (November 8, 2005)	400 million	322.5 million	70 million	69.4 million	188.2 million	320,404,708	319,359,708
Measure D (June 8, 2010)	\$380 million	0 million	N/A	N/A	N/A	N/A	N/A
Total	\$1,270 million	\$812.5 million	\$536.5 million	\$526.9 million	\$636.2 million	\$758,222,822	\$741,276,992

¹ See District financial audit report for detail.

District Accounting Funds

The District funds used to account for facilities revenues and expenditures appear in the table below.

<u>Fund</u>	<u>Description¹</u>
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 table on the following page for a detailed accounting of funds for the 2007-08 through 2010-11 fiscal years and an explanation of the use of the funds.

From the Capital Facilities Funds table, the ending balance for June 30, 2011, for all funds combined was \$122,482,523. Additional revenues will be received from authorized but unsold Measure J bonds and projected revenues from interest earnings, developer fees, state match funds, deferred maintenance, and special reserves. During June 2010, the District issued \$132.5 million of Measure J bonds, leaving \$77.5 million unsold.

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 depends on the availability of additional revenues. The District and its consultants have identified projects that fall under a “stay the course” projection of revenues and expenditures. In a report dated October 13, 2010, the following revenues were estimated:

Measure J bonds	\$77,500,051
State Funds	59,680,199
Joint-Use Projects	3,000,000
Interest	4,677,629
<u>Total</u>	<u>\$144,857,879</u>

The above estimated revenue, plus stated available resources of \$184,547,131 (July 1, 2010 beginning balance), results in estimated total funds available of \$329,405,010. The estimated expenditures total \$312,211,894, which falls below the estimated revenues.

Because the completion of Measures D and J projects is dependent upon the sale of the remaining authorization of \$77.5 million of Measure J bonds and the receipt of \$59.7 million of state funds, available cash to meet projected expenditures must be closely monitored.

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	Total
Beginning Balance	\$4,524,588	\$66,850,137	\$4,909,598	\$5,064,185	\$3,632,591	\$84,981,099
Revenues	1,083,317	1,864,009	812,727	19,700,237	4,412,582	27,872,872
Expenditures	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	121,500,000	0	0	0	121,500,000
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

CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2010	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	Total
Beginning Balance	\$4,744,049	\$130,815,884	\$4,869,292	\$41,057	\$6,701,276	\$147,171,558
Revenues	1,108,805	900,737	652,236	575,998	4,700,018	7,937,794
Expenditures ⁶	747,610	74,879,440	796,080	1,141,098	5,316,782	82,881,008
Transfers Net	(4,000,000)	(1,998,422)	0	570,548	0	(5,427,874)
Source	0	137,574,031 ⁷	0	0	0	137,547,031
Net Change	(3,638,805)	61,596,906	(143,844)	5,448	(616,764)	57,175,943
Ending Balance	\$1,105,244	\$192,412,790	\$4,725,448	\$46,505	\$6,084,512	\$204,347,501

CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2011	Fund 14 Deferred Maint. Fund ¹	Fund 21 Building Fund ²	Fund 25 Capital Facilities Fund ³	Fund 35 County School Facilities Fund ⁴	Fund 40 Special Reserves Capital Outlay Fund ⁵	Total
Beginning Balance	\$1,105,244	\$192,412,790	\$4,725,448	\$46,505	\$6,084,512	\$204,347,501
Revenues	1,103,343	679,831	(131,522)	20,406,400	4,931,280	26,989,332
Expenditures ⁶	12,129	79,500,433	1,125,510	20,438,952	4,860,419	105,937,443
Transfers Net	(1,000,000)	(2,588,194)	0	0	988,194	(2,600,000)
Source	0	(316,867)	0	0	0	(316,867)
Net Change	91,213	(81,725,664)	(1,257,032)	(32,552)	1,059,055	(81,864,978)
Ending Balance	\$1,196,457	\$110,660,126	\$3,468,416	\$13,956	\$7,143,568	\$122,482,523

¹The 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.)

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

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

⁴The 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.

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

⁶The "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).

⁷"Other sources" that total \$137,547,031 include \$104,909,759.30 received from the sale of Measure J 2009 Series C bonds, \$5,137,322.65 bond premium for Series C bonds and \$27,499,949.20 from the sale of Measure J 2010 Series D bonds.

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. The first limitation is the bonding capacity of the District, which is based on 2.5 percent of assessed valuation (A/V), which may be increased through a waiver request to the State Board of Education. The second limitation is a maximum tax rate of \$60.00 per \$100,000 of A/V for each bond measure, which may not be increased by filing a waiver request. These two provisions are more fully described in 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, as noted above, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

Education Code Section 15270 further adds:

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 its 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. During the 2009-10 fiscal year, the District issued \$132.5 million of Measure J bonds, bringing the remaining authorization to \$77.5 million.

Because Measure J is at its \$60 limit, the District may not be able to sell the remaining \$77.5 million of Measure J bonds in the near future. To raise additional bond funds for its facilities program, the District authorized an election for \$380 million of new bonds (Measure D), with a tax rate of \$48 per \$100,000 of A/V, well below the \$60 limit, which was approved by voters. The district received a waiver in March 2011 which increased bonding capacity to 5%.

During this audit period, in a report prepared by the District's financial advisor provided on December 9, 2010, actual 2010-11 tax rates per \$100,000 of A/V were the following:

Measure E (1998)	\$11.30
Measure M (2000)	\$55.60
Measure D (2002)	\$60.00
Measure J (2005)	\$60.00
Total	\$186.90

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, 2009, reports the following cash investments:

Pooled Funds (Cash in County Treasury)	\$65,960,325
Cash with Fiscal Agent	\$7,935,590
Investments-Local Agency Investment Fund (LAIF)	\$67,873,504
Total	\$141,769,419

¹ West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2011, Crowe Horwath, LLP, Accountants, December 7, 2011.

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, 2011, 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, ten percent is retained until the completion of the contract. 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.

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. 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.

Deferred Capital Project Fund

On February 20, 2009, SBX3 4 was signed into law, providing school districts budgeting flexibility. One of the provisions of SBX3 4 impacted the Deferred Maintenance Program by eliminating the local matching contribution for the years 2008-09 through 2012-13 and by making funding for deferred maintenance flexible by allowing such funds to be used for educational purposes.

The West Contra Costa Unified School District utilized the above provisions of SBX3 4 related to the Deferred Maintenance Program. On March 24, 2010, the Board took action to use the “Tier III State Flexibility for Deferred Maintenance Fund,” allocating some of the funds previously set aside in reserve within the Deferred Maintenance Fund to the District’s K-3 Class Size Reduction Program. As of June 30, 2010, \$4.0 million of Deferred Maintenance Fund reserves were transferred to the General Fund, Tier III, leaving a \$1.1 million reserve in the Deferred Maintenance Fund.

As a result of the Board’s actions, a Deferred Capital Projects fund was created within the General Fund. On April 14, 2010, the Board approved Measure J bond program budget adjustments which included a \$2,342,234 allocation to the Deferred Capital Projects fund for the stated purpose to “support capital maintenance expenditures District-wide.”

Arbitrage

When a school district issues general obligation bonds, the investments are subject to arbitrage regulations set forth by the United States Department of the Treasury. The bonds are subject to an allowable yield on investments which, if exceeded, results in a rebate liability that would be owed to the U.S. Department of the Treasury. The District made a payment to the IRS related to an Arbitrage Rebate Calculation for a 1998 Measure E, Series C Bond in 2010-2011. The total payment made to the IRS was \$316,867.

STATE NEW CONSTRUCTION STATUS

West Contra Costa Unified School District					
2010-11 SAB Approved New Construction Eligibility					
High School Attendance Area	**2010-11 SAB Approved Eligibility				
	K-6	7-8	9-12	Non-Severe	Severe
DeAnza HSAA	0	0	0	0	0
El Cerrito HSAA	0	0	0	0	0
Kennedy HSAA	0	0	0	25	0
Pinole HSAA	0	0	0	138	28
Richmond HSAA	0	0	0	0	0
Hercules HSAAA	0	88	60	28	24
**Expired on October 31, 2011					

STATE MODERNIZATION STATUS

West Contra Costa Unified School District								
Summary of Modernization Eligibility								
2010-11 SAB Approved Modernization								
Elementary Schools	2010-11 Modernization Eligibility Adjustment	Current Modernization Eligibility			Current/Previous State Funding	Year Funded	Program	
		K-6	NS-SDC	S-SDC				
Bayview	N/A	65	0	0	\$2,535,074.00	2004-05	MOD	
Castro	N/A	351	4	19		N/A		
Chavez	N/A	0	0	0		N/A		
Collins	N/A	532	0	19		N/A		
Coronado	2010-11 Facility Adj.	123	0	0	\$401,400.00	2003	MOD	
Dover	N/A	0	0	0	\$363,330.00	2003	MOD	
					\$3,669,778.00	2011	MOD	
					\$3,250,080.00	2011	ORG	
Downer	N/A	14	0	0	\$4,834,933.00	2008	MOD	
Ellerhorst	N/A	0	0	0	\$1,352,870.00	2004-05	MOD	
El Sobrante		201	24	9				
Fairmont	2010-11 CBEDS and Facility Adj	380	0	43	\$571,594.00	2003	MOD	
Ford	N/A	25	0	0	\$3,402,970.00	2011	MOD	
					\$3,842,402.00	2011	ORG	
Grant	N/A	588	13	0	\$369,288.00	2003	MOD	
Hannah Ranch	N/A	0	0	0				
Harding	N/A	19	2	5	\$1,948,349.00	2003-05	MOD	
Hercules	N/A	0	0	0				
Highland	2010-11 Facility Adj.	200	0	0				
Kensington	N/A	50	0	0	\$1,274,843.00	2004-05	MOD	
King	N/A	0	0	0	\$2,531,648.00	2011	MOD	
Lake	N/A	86	0	9	\$309,937.00	2003	MOD	
Lincoln	N/A	36	0	0	\$369,339.00	2003	MOD	
					\$330,404.00	2003-05	MOD	
					\$654,579.00	2005	MOD	
Lupine					\$1,147,097.00	2003-05	MOD	
Madera	N/A	38	0	0	\$1,216,917.00	2003-05	MOD	
Mira Vista	2010-11 CBEDS Adj.	65	29	0	\$1,528,265.00	2004-05	MOD	
Montalvin Manor	N/A	0	0	0	\$313,287.00	2003-05	MOD	
Murphy	2010-11 CBEDS Adj.	0	3	4	\$1,595,572.00	2004-05	MOD	
Nystrom	N/A	95	0	0	\$861,390.00	2003	MOD	
					\$1,037,775.00	unfunded approval	MOD	
Ohlone	N/A	473	0	7				
Olinda	N/A	378	0	0				
Peres	N/A	207	0	0	\$1,468,479.00	2003-05	MOD	
Riverside	N/A	112	0	7	\$1,191,472.00	2003-05	MOD	
Seaview	N/A	336	0	4				
Shannon	N/A	383	0	0				
Sheldon	N/A	0	0	0	\$331,311.00	2004-05	MOD	
Stege	N/A	0	0	0				
Stewart	N/A	85	9	1	\$1,147,062.00	2003-05	MOD	
Tara Hills	2010-11 CBEDS Adj.	55	11	0	\$1,501,831.00	2004-05	MOD	
Valley View	2010-11 Facility Adj.	296	0	0	\$290,214.00	2003	MOD	
Verde	N/A	44	0	0	\$1,180,094.00	2003-05	MOD	
Washington	2010-11 Facility Adj.	37	0	0	\$2,162,982.00	2004-05	MOD	
Wilson	N/A	375	16	0	\$323,957.00	2003	MOD	

West Contra Costa Unified School District							
Summary of Modernization Eligibility							
2010-11 SAB Approved Modernization							
Middle Schools	2010-11 Modernization Eligibility Adjustment	7-8	Non Severe	Severe	Current/Previous State Funding	Year Funded	Program
Adams Middle	N/A	1,005	66	12			
Crespi Middle	N/A	1,005	36	12			
Helms Jr	N/A	16	1	0	\$3,781,072.00	2008	MOD
Hercules Middle	N/A	0	0	0			
Lavonya DeJean Middle	N/A	0	0	0	\$12,841,930.00	2008	New Construction
Pinole Jr.	2010-11 Facility Adj.	0	9	7	\$3,690,574.00	2011	MOD
					\$1,500,000.00	2007	Joint Use Project
Portola Middle	2010-11 Facility Adj.	424	23	8	\$14,302,996.00	not yet submitted	Seismic
High Schools	2010-11 Modernization Eligibility Adjustment	9-12	Non Severe	Severe	Current/Previous State Funding	Year Funded	Program
DeAnza High	N/A	0	0	0	\$13,346,561.00	2012	MOD
El Cerrito High	N/A	0	0	0	\$10,985,587.00	2009	MOD
					\$570,548.00	2010	New Construction
Gompers Cont.	N/A	261	0	0	\$1.8million estimated	not yet submitted	MOD
Hecules High	N/A	0	0	0			
Kennedy High	N/A	1,083	65	10	\$6,100,000.00	submitted to OPSC	MOD
North Campus	N/A	181	0	0			
Pinole Valley High	N/A	2,055	26	9			
Richmond High	N/A	1,698	66	0	\$11,599,844.00	unfunded approval	MOD

APPENDIX A

MEASURE M BOND LANGUAGE

NOTICE OF ELECTION AND THE NOTICE
FIXING AUGUST 15, 2000 AS FINAL DATE TO SUBMIT ARGUMENTS
ON THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND MEASURE
AT ELECTION ON TUESDAY, NOVEMBER 7, 2000

NOTICE IS HEREBY GIVEN that a Bond Measure Election will be held in West Contra Costa Unified School District, Tuesday, November 7, 2000.

NOTICE IS ALSO HERBY GIVEN by the County Clerk of Contra Costa court, Pursuant to Elections Code Section 9502 that the above date is hereby fixed as the final date on which arguments for and against the following measure appearing on the ballot may be submitted to the County Clerk at 524 Main Street, Martinez, California 94553, for printing and distribution to the voters as provided by law.

To improve the learning climate for children and relieve overcrowding by improving elementary schools through building classrooms, repairing and renovating bathrooms, electrical, plumbing, heating and ventilation systems, leaking roofs and fire safety systems, improving technology, making seismic upgrades, and replacing deteriorating portable classrooms and buildings, shall the West Contra Costa Unified School District issue \$150,000,000 in bonds at authorized rates, to renovate, acquire, construct and modernize school facilities, and appoint a citizens' oversight committee to guarantee funds are spent accordingly?

No arguments may exceed three hundred (300) words in length, and all arguments must be accompanied by the statement required by Section 9600 of the Elections Code.

The polling hours will be between the hours of 7:00 AM and 8:00 PM.

Dated: August 7, 2000

STEPHEN L. WEIR
County Clerk
Contra Costa County

APPENDIX B

MEASURE D (2002) 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 is 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 site work 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 C

MEASURE J (2005) 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 D

MEASURE D (2010) BOND LANGUAGE

RESOLUTION NO. 76-0910

RESOLUTION OF THE BOARD OF EDUCATION OF THE
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
ORDERING AN ELECTION, AND ESTABLISHING
SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the West Contra Costa Unified School District (the "District") wishes to keep our schools safe, drug-free and gang free by providing comparable learning communities throughout the District which are accessible to all students, including the physically disabled; and

WHEREAS, the District wishes to increase post-secondary opportunities for both college preparation and career education and technical job training programs to ensure that local students have the opportunity to learn valuable job skills and provide more students with rewarding, high paying jobs; and

WHEREAS, the District must ensure that local students learn in high quality classrooms, with access to computer technology, internet and networking systems; and

WHEREAS, upgrades and repairs to science labs, classrooms, learning centers, libraries restrooms, plumbing, and roofs are needed for the health and safety of students, as is removing lead paint and asbestos; and

WHEREAS, other schools must be replaced or repaired to meet newer seismic standards as well as new accessibility requirements; and

WHEREAS, the District has initiated stakeholder and community outreach efforts involving hundreds of stakeholders, to gather the opinions of parents, teachers, principals, staff, students and community members as to their assessment of the District's facility and safety upgrade needs; and

WHEREAS, notwithstanding concerted and ongoing efforts by the District to obtain sufficient facility money from the State of California (the "State"), the State has been unable to provide the District with enough money for the District to adequately maintain, construct, repair, and equip our schools to provide an effective learning environment for all students; and

WHEREAS, the District may qualify for significant State matching facility improvement money if it were able to contribute to the cost of upgrading its schools and constructing new classrooms; and

WHEREAS, the Board determines that it is necessary to seek additional facility funding to both repair and upgrade District schools and qualify for additional State money; and

WHEREAS, as the Board identifies critical need school improvements to be funded with a local general obligation bond, the Board expects to incorporate into each such project, regardless of whether it is a new construction or a repair and upgrade project, Collaborative for High Performance Schools ("CHPS") and/or Leadership in Energy and Environmental Design ("LEED") sustainability design guidelines and criteria to the extent feasible, such as:

- a. improve student performance, through measures such as daylighting, use of non toxic-emitting materials and sound insulation or isolation to minimize noise and enhance acoustical quality in the classroom; and
- b. minimize both operating costs through energy and water efficiency, as well as the impact of District operations on the environment.

WHEREAS, these energy efficiency projects will reduce the ongoing expenses to the District's budget, allowing more funds to be invested in classroom instruction; and

WHEREAS, Proposition 46, approved by the voters of the State on June 3, 1986 ("Proposition 46"), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those ad valorem taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000 the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which, as of its effective date, reduced the voter threshold for ad valorem tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the "Act") became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, the Board hereby determines, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, that the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for administrative salaries or other operating expenses of the District shall be strictly monitored by the Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, 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 the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the "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

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, June 8,

2010, and to request that the Contra Costa County Registrar of Voters perform certain election services for the District;

NOW THEREFORE, THE BOARD OF EDUCATION OF THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Contra Costa County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$380 million (the "Bonds") shall be issued and sold for the purpose of raising money for the purposes described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be June 8, 2010.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit "A" is subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit "B," evaluated the safety, enrollment trends, capacity, class size reduction and information technology needs of the District as well as the importance of the projects to student achievement and enhanced instruction;

(c) that the Board will prepare an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibit "B" hereto;

(d) that the Board will prepare an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board will appoint a Citizens' Oversight Committee or reappoint an existing committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Elections Code Section 15274; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limit per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 6. That the Contra Costa County Registrar of Voters and the Contra Costa County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 8, 2010 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Contra Costa County Registrar of Voters no later than March 11, 2010.

Section 8. That the maturity of any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to Section 53506 of the Government Code shall have a maturity of not exceeding forty (40) years. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation. Further, the District's Superintendent, or designee, is hereby authorized and directed to make any changes to the full text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of Contra Costa County election officials, and requirements of law.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Contra Costa County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Contra Costa County, such services to include the printing of the Full Text Ballot Proposition in the voter pamphlet, the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 3rd day of March, 2010.

BOARD OF EDUCATION OF THE WEST CONTRA
COSTA UNIFIED SCHOOL DISTRICT

By _____
President, Madeline Kronenberg

Attest:

Secretary, Bruce Harter

STATE OF CALIFORNIA)
)
CONTRA COSTA COUNTY)

I, _____, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Education of the West Contra Costa Unified School District at meeting thereof held on the 3rd day of March, 2010, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary, Bruce Harter

EXHIBIT A

“WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT STUDENT SAFETY/CLASSROOM REPAIR MEASURE. To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety/handicap accessibility, remove asbestos, upgrade restrooms, vocational classrooms/technology/energy systems to reduce costs, install lighting and security systems, acquire, repair, construct, equipment/sites/facilities, by issuing \$380,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators’ salaries?”

Bonds - Yes

Bonds – No

A-1

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 8, 2010

“WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT STUDENT SAFETY/CLASSROOM REPAIR MEASURE. To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety/handicap accessibility, remove asbestos, upgrade restrooms, vocational classrooms/technology/energy systems to reduce costs, install lighting and security systems, acquire, repair, construct, equipment/sites/facilities, by issuing \$380,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators’ salaries?”

PRIORITY SCHOOL PROJECTS LIST

The Board of Education of the West Contra Costa Unified School District certifies that it evaluated the District’s urgent and critical school needs, including school and student safety issues, enrollment trends, class size, overcrowding, energy efficiency and computer technology, seismic safety requirements, and aging, outdated or deteriorating school buildings in developing the scope of projects to be funded, as outlined in the West Contra Costa Unified School District 2010 Bond Program approved by the Board of Education on March 3, 2010, and incorporated herein. In developing the scope of projects, parents, teachers, staff, students and community members have prioritized the key health and safety and sustainability needs so that the most critical school site needs are addressed. The Board conducted a thorough evaluation at all school sites and received public input and review in developing the scope of school projects to be funded, as listed in the 2010 Bond Program. This input concluded that if these needs were not addressed now, the problem would only get worse and more expensive to address in the future. **In approving this Priority School Projects List, the Board of Education determines that:**

- **All students should have access to comparable academic and extracurricular facilities.**
- **Retaining and attracting excellent teachers is a critical element of our facility plans.**
- **All of its schools should be safe learning environments, free from gang or drug influence.**
- **The improvement of school facilities should help the local economy by creating construction jobs for local businesses.**
- **In repairing aging school buildings and classrooms, priority shall be given to basic repairs, such as replacing outdated plumbing, piping, electrical and sewer systems.**
- **All schools should have energy efficient lighting, heating and ventilation systems that conserve electricity and save on costly utility bills.**
- **All energy efficiency cost savings should be redirected to the classrooms and schools.**
- **Out-of-date schools increase the potential for student violence and make it difficult to evacuate schools quickly during an emergency.**

B-1

- High schools must increase the opportunities for vocational and career tech education such as technology skills training, so that students who do not go to college have the opportunity to learn valuable job skills and get good-paying jobs when they graduate high school.
- Since students need physical education programs to stay away from gangs/drugs, focus and perform well in school, the District should fund essential projects necessary for physical education programs important for student health and academic performance.
- Eligibility for State matching grants is vital to the success of our school construction plans.
- Upgrading computer technology and energy efficiency is necessary at every school.
- All bond money must be spent entirely in the District with no money for administrators' salaries and no money shall be transferred to the State.

The 2010 Bond Program is on file at the District Superintendent's Office and includes the following types of projects:

School Renovation, Repair and Upgrade Projects

Goal and Purpose: Schools will benefit from the renovation, repair and upgrade of deteriorating, outdated school buildings, science labs, classrooms, computer learning centers and school libraries and equipment, to ensure compliance with handicap accessibility requirements and that students and teachers have the resources they need to excel and students be prepared for college and the real world when they graduate:

- Repair, upgrade and replace worn-out leaking roofs.
- Replace existing wiring systems to meet current electrical and accessibility codes.
- Additional electrical service capacity to relieve currently overloaded electrical systems.
- Replace existing water, sewer, plumbing and storm drain systems to meet current codes, including the elimination of lead-containing fixtures.
- Upgrade aging and deteriorating school restrooms.
- Replace older ceilings, heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems.
- Install code-compliant ventilating systems in restrooms.
- Provide improved, upgraded computer labs.
- Upgrade and equip classrooms, science labs, multipurpose rooms, physical education facilities, kitchens, auditoriums, libraries, arts and music rooms, childcare, preschool, adult education and educational support spaces.
- Classroom interiors will receive new paint, carpet/vinyl tile/asbestos abatement, white markerboards, tackable surfaces, storage-for instructional materials and equipment.
- Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including site access, parking, staff and student restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.

- Replace old, portable classrooms.
- Repair aging schools.

**School Health, Safety and Security, Earthquake Safety
and Energy Efficiency School Projects**

Goal and Purpose: To ensure that the learning process is not interrupted by gangs and drugs or juvenile crime, to maintain healthy students and improve daily attendance, to help attract and retain excellent teachers, and to deter vandalism, schools and school sites will benefit from a variety of health and safety projects, such as:

- Install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks.
- Remove or abate asbestos, lead paint, mold and hazardous materials.
- Upgrade emergency communication systems.
- Fire alarm systems upgraded to automatic systems, repair fire safety equipment, add sprinklers and fire safety doors.
- Upgrades to schools to meet handicap accessibility requirements.
- Acquire and install a card access system.
- Inspect for/repair gas pipe leaks.
- Replace/upgrade existing signage, bells and clocks.
- Install/replace/upgrade security fencing, cameras and exterior lighting, and establish a standard of complete fencing in good repair at all schools.
- Replace/upgrade existing security and irrigation systems.
- Install energy efficient systems, including solar panels, energy efficient heating, ventilation and cooling systems for cost savings and energy efficiency.
- Replace existing window systems with energy efficient systems.
- Upgrade site playground equipment replacement to meet current safety standards.
- Relocate or improve student drop-off areas for safety, including a separate area for buses.
- Inspect and improve play area fields for safety and drainage.
- Replace existing doors, doorframes and ceilings.
- Add emergency exits for faster evacuation in an emergency.
- Upgrade school site parking, utilities and grounds.
- Repair termite damage to structures and doors/doorframes.
- Strengthen and repair schools and classrooms vulnerable to serious damage in a major earthquake, as required by State law.

**District-Wide Wiring and Instructional Technology
For Effective Learning Environment and Job Training Projects**

Goal and Purpose: To upgrade computer technology, improve both current instruction methods and to expand job training programs by applying modern technology infrastructure:

- Provide and maintain upgraded technology, data and communication equipment.
- Upgrade and expand wireless systems, telecommunications, Internet and network connections.
- Upgrade and replace computers, hardware and software systems.
- Upgrade and replace classroom furniture, equipment and instructional aids.
- Upgrade media and audio/visual equipment.
- Expand bandwidth to allow student greater access to the Internet.
- Install up-to-date learning technology and equipment used in job training programs.

**New Construction Education Enhancement/Class Size
Reduction Projects at School Sites**

Goal and Purpose: To ensure that all students have access to comparable schools throughout the District, some schools would benefit from the construction and expansion of additional earthquake and accessibility code compliant facilities, such as:

- Multi-Purpose rooms, including the cafeteria, serving kitchen, staff and student bathrooms, storage, educational support spaces, and classrooms.
- New classrooms/classroom buildings, which will reduce dependency on portable classrooms.
- Lunch shelters, playground equipment and playground storage for outdoor activities.
- ADA accessibility upgrades as mandated by the Division of the State Architect (DSA).
- Additional electrical service capacity.
- Additional staff and student restrooms.
- Additional staff, visitor and student parking/drop-off areas.

Listed building, repair and rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed repair and construction projects stated above, the Priority School Project Lists and the 2010 Bond Program also include the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease or capital facility note obligations including interim funding incurred to advance fund projects from the Priority School Projects List, or the reimbursement of the District for such reduction, as well as reimbursement for the costs of selling certain prior Measure M, D and J bonds, the construction of new schools, if necessary to serve students, the acquisition of land, the construction or remodeling of administrative support spaces,

installation of signage and fencing, the payment of the costs of preparation of all facility planning, facility assessment reviews, facility master plan updates, environmental studies (including environmental investigation, remediation and monitoring) and construction documentation, gymnasium upgrades, temporary housing of dislocated District activities caused by bond projects and the completion of projects authorized under the District's Measure M, Measure D, and Measure J projects, previously approved by the voters. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection, card access systems, laser printers, digital white boards, document projectors, upgraded voice-over IP, call manager and network security/firewall, and other miscellaneous equipment and software. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating, air conditioning and ventilation systems; upgrade of facilities for energy efficiencies and to reduce fire risks; repair and replacement of worn-out and leaky roofs, windows, walls doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping; build/renovate new gymnasiums, pools and high school stadiums; upgrade or replace inadequate libraries, multi-purpose rooms and kitchens; upgrade locker rooms; install lunch shelters, artificial turf, and bleachers; improve sanitation and recycling; expand parking; build new stadium; install interior and exterior painting and floor covering; replacement of portable classrooms; installation of covered walkways or shelters; addition of administrative support spaces; upgrade school site kitchens; repair rubberized play apparatus surfaces; demolition; and construction of various forms of storage and support spaces; upgrade classrooms; repair, upgrade and install interior and exterior lighting systems; replace water and sewer lines and other plumbing systems; and replace outdated security fences and security systems. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. Possible joint-use projects could include any of the following at various school sites: libraries, gymnasiums, athletic facilities, daycare centers, preschools and career technology centers. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing or installing irrigation, storm drain, and utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. In order to fund the projects and prior to the issuance of any bonds authorized by this Measure, the District may seek a waiver from the State Board of Education of the applicable bonding limit requirements of Section 15106 of the Education Code. The District shall create an

account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

NO ADMINISTRATOR SALARIES. PROCEEDS FROM THE SALE OF THE BONDS AUTHORIZED BY THIS PROPOSITION SHALL BE USED ONLY FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.

FISCAL ACCOUNTABILITY. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE (EDUCATION CODE SECTION 15278 ET SEQ.) TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

APPENDIX E

CITIZENS' OVERSIGHT COMMITTEE

CITIZENS' OVERSIGHT COMMITTEE

The structure and role of a Citizens' Oversight Committee is set forth in Education Code Sections 15278-15282. Because the law is broad, most school districts adopt by-laws and/or policies to enable their committee to better understand their role and responsibility.

A number of resource materials are available to CBOC members, as summarized below, including:

- Proposition 39 Best Practices Handbook (California Coalition for Adequate School Housing (CASH))
- Bond Spending: Expanding and Enhancing Oversight (Little Hoover Commission)
- California League of Bond Oversight Committees

Because the scope of a performance audit is not defined, there has often been confusion and uncertainty regarding its proper role. Some school districts have contracted with their financial auditor to also conduct a performance audit under "agreed-upon procedures". To clarify the requirements of a performance audit, California enacted SB 1473, signed into law on September 25, 2010, which added Section 15286 to the Education Code. The language of that section is as follows:

"Consistent with the provisions contained in subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the required annual, independent financial and performance audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United State for financial and performance audits."

SB 1473 took effect on January 1, 2011, and all performance audits prepared after that date will be subject to the new law.

California Coalition for Adequate School Housing (CASH)

CASH prepared a publication, "Proposition 39 Best Practices Handbook," which documents the bonding process under Proposition 39, the Citizens' Oversight Committee, and applicable laws, including Proposition 39 text (2000), A.B. 1908 (2000) and A.B. 2659 (2000). It is an excellent resource document for CBOC members.

Little Hoover Commission

The State of California's Little Hoover Commission issued a report entitled "Bond Spending: Expanding & Enhancing Oversight" in June 2009. (www.lhc.ca.gov/studies/197/report197.html). That report discussed the role of citizens' oversight committees, some of the perceived limitations of the existing oversight approach, and made recommendations for improvement, specifically the following:

Recommendation 4: To improve local oversight of school and community college school facility construction projects passed under the reduced threshold established by Proposition 39, the state should bolster the capabilities of local bond oversight committees. Specifically, the state must:

- Require mandatory independent training for bond oversight committee members. The State Allocation Board and the California Community Colleges should develop and host a Web site with easy-to-access training materials and easy-to-understand descriptions of the roles and responsibilities of the local citizens' oversight committee members. The Web site should include a mandatory online training course.
- Require civic groups to nominate local committee members, allowing veto power for the school or community college district.
- Clearly delineate the role and responsibility of the local oversight committees and define the purpose and objectives of the annual financial and performance audits.
- Encourage county grand juries to review the annual financial and performance audits of expenditures from local school and community college bond measures.
- Impose sanctions for school and community college districts that fail to adhere to constitutional and statutory requirements of Proposition 39, such as preventing the district from adopting future bond measures under the reduced voter threshold.

California League of Bond Oversight Committees

The California League of Bond Oversight Committees (CALBOC) was formed in 2008 and has a stated mission “to help CBOC members perform the civic duties they have taken on in the best manner possible.” According to their website (www.calboc.org), CALBOC is an all volunteer, non-partisan association of BOC members, current and past, who are interested in helping other Citizens' Bond Oversight Committee (CBOC) members.” The CALBOC website includes information on training and various resource materials.

CALIFORNIA EDUCATION CODE
SECTION 15278-15282
CITIZENS' OVERSIGHT COMMITTEE

15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in school site design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

15280. (a) The governing board of the district shall, without expending bond funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens' oversight committee.

(b) All committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the citizens' oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board.

15282. (a) The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges of the district, such as a member of an advisory council or foundation.

(b) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.

APPENDIX F

GLOSSARY OF TERMS AND ACRONYMS

GLOSSARY OF TERMS AND ACRONYMS

ACSA	Association of California School Administrators
ADA	Americans with Disabilities Act
AIA	American Institute of Architects
AOR	Architect of Record
CASBO	California Association of School Business Officials
C.A.S.H.	Coalition for Adequate School Housing
CBC	California Building Code
CBIA	California Building Industry Association
CBOC	Citizens' Bond Oversight Committee
CCI	Construction Cost Index
CDE	California Department of Education
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CHPS	Collaborative for High Performance Schools
CM	Construction Manager
CO	Change Order
COP	Certificate of Participation
CSBA	California School Boards Association
CUPCCAA	California Uniform Public Construction Cost Accounting Act
DB	Design Build
DBB	Design/Bid/Build
DGS	Department of General Services
DSA	Division of State Architect

DTSC	Department of Toxic Substances Control
DVBE	Disabled Veteran Business Enterprise
EIR	Environmental Impact Report
EMF	Electromagnetic Fields
EMS	Energy Management System
ERP	Emergency Repair Program
ESA	Environmental Site Assessment
GASB	Government Accounting Standards Board
GOB	General Obligation Bond
HVAC	Heating, Ventilation, Air Conditioning
IOR	Inspector of Record
LCP	Labor Compliance Program
LLB	Lease-Lease Back
ND	Negative Declaration
NOC	Notice of Completion
NOD	Notice of Determination
NTP	Notice to Proceed
OPSC	Office of Public School Construction
PEA	Preliminary Environmental Assessment
PLA	Project Labor Agreement
PM	Program Manager
PO	Purchase Order
QSCB	Qualified School Construction Bond
QZAB	Qualified Zone Academy Bond

RFI	Request for Information
RFB	Request for Bid
RFP	Request for Proposal
RFQ	Request for Qualification
SAB	State Allocation Board
SBCTC	State Building and Construction Trades Council
SBE	State Board of Education
SFID	School Facility Improvement District
SFM	State Fire Marshall
SFP	School Facility Program
SFPD	School Facilities Planning Division
TBD	To Be Determined
TSCA	Toxic Substance Control Act

