

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

**MEASURES D AND J
PERFORMANCE AUDIT
JUNE 30, 2010**

December 15, 2010



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

West Contra Costa Unified School District

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June 30, 2010

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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.

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 2002 Measure D and Measure J and to report its findings to the Board of Education and to the independent Citizens' Bond Oversight Committee. The audit does not cover the 2010 Measure D, which passed on June 8, 2010 and for which no bond had been issued as of June 30, 2010, the end of the audit period.

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 and Measure J and to help the District improve its overall bond program.

This report covers the Measure D and Measure J funded facilities program and related activities for the period of July 1, 2009, through June 30, 2010. 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 and \$400 million Measure J bond programs.

In conducting the audit, TSS reviewed and examined documentation and processes within the facilities program for the period from July 1, 2009, through June 30, 2010, and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments and formalize conclusions 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. The scope of this report also includes a review of findings and recommendations from last year's annual performance audit and midyear report as well as an evaluation of the District administration responses and actions in addressing those findings and implementing any recommendations.

Financial data, prepared by Seville Group, Inc. (SGI), reported in the Capital Assets Management Plan Report (CAMP), has 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. Overall, although there remains room for improvement, the District's facilities program has improved substantially.

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.

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 D and Measure J funded bond program of the West Contra Costa Unified School District (the "District") as of and for the year ended June 30, 2010. 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, 2010, 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.

This performance audit was conducted in accordance with the District's defined scope of performance audit of the school facilities program. The District, however, is required to request and obtain an independent financial audit of Measures D and J 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.

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.

Total School Solutions

A handwritten signature in blue ink that reads "Total School Solutions". The signature is written in a cursive, flowing style.

December 15, 2010

DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of the annual audit for fiscal year 2009-10 is limited to Measures D and J funds, it is useful to review the history of the District's facilities program to place the current program into a more complex context.

The financial status of the District's facilities program, documented in the audits and financial reports for the past 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 \$0.7 million in 2009-10; (3) developer fee balances have decreased significantly from a high of \$34.2 million in 2005-06 to the balance of June 30, 2010, of \$4.7 million; and (4) state match funds totaling \$73 million have been received from 2002-03 through 2009-10. (See Facilities Program Financial Status table.)

On July 8, 2009, the Board authorized the not-to-exceed sale of up to \$160,000,000 of Measure J bonds. According to information provided to TSS, the net sale proceeds of 2009 Series C consisted of the following:

2009 General Obligation Bonds, Series C-1

\$52,084,759.30 Tax Exempt Bonds¹

5,137,322.65 Bond Premium

\$57,222,081.95 Total

2009 General Obligation Bonds, Series C-2

\$52,825,000.00 Build America Bonds¹

2009 General Obligation Bonds, Refunding Bonds

\$57,860,000.00 Tax Exempt Bonds

1,402,786.10 Bond Premium

\$59,262,786.10 Total

169,309,868.05 Total Bond & Premiums

¹ Total of \$105 million reduces bond authorization.

With the above 2009 Series C sale, the Measure J bond authorization was reduced by \$105 million; neither the bond premium nor refunded bonds reduced the bond authorization.

On August 19, 2009, the Board authorized the administration to submit a state application for Qualified School Construction Bonds (QSCB) in the amount of \$25 million (non-interest bearing bonds), for which the District obtained approval. On April 28, 2010, the Board authorized the issuance of \$25 million of QSCB bonds and \$5 million of Measure J bonds. On June 24, 2010, Measure J, 2010 Series D closed, as follows:

\$25,000,000.00	QSCB Bonds
2,499,949.20	Tax Exempt Bonds
\$27,499,949.20	Total New Bonds
3,438,328.80	Bond Premium ¹
\$30,938,278.00	Total Cash Received

¹ \$2,618,638.51 was deposited in the Debt Service Fund, \$599,690.70 paid for the Costs of Issuance and Insurance Premiums, \$219,999.59 for the Underwriter's Discount.

With the above 2010 Series D sale, the Measure J bond authorization was reduced by \$27.5 million.

As discussed later in this section, the District applied for, and was granted, a waiver that increased its bonding capacity limit from 2.5 to 3.5 percent of the assessed valuation. As a consequence of that waiver, as of June 30, 2010, 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.

Facilities Program – Financial Status

Source	Fiscal Year (as of June 30 for each Fiscal Year)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Bonds Outstanding ¹	\$54,340,000	\$122,450,000	\$216,455,000	\$315,155,000	\$380,634,377	\$544,027,483	\$536,503,517	\$527,016,427	\$636,220,230	\$758,222,822
Developer Fees Revenues ²	6,060,815	2,749,539	9,094,400	10,498,724	7,759,844	8,813,402	4,840,067	2,373,524	812,727	652,236
Developer Fees Ending Balance	3,526,019	1,293,876	8,928,225	21,037,513	27,533,708	34,162,499	10,730,179	4,909,598	4,869,292	4,725,448
State School Facilities Program New Construction Revenues ³	None	None	12,841,930	None	None	None	None	None	None	570,548
State School Facilities Program Modernization, Emergency Repair Program and Joint-Use Revenues ³	None	None	\$3,494,161	\$10,159,327	\$13,090,449	None	\$1,556,430	\$3,779,285	\$23,145,219	\$4,349,029

¹ Bonds authorized, sold, and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2010. 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, 2010)	Outstanding (June 30, 2006)	Outstanding (June 30, 2007)	Outstanding (June 30, 2008)	Outstanding (June 30, 2009)	Outstanding¹ (June 30, 2010)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$33.2 million	\$32.1 million	\$30.8 million	\$29.5 million	\$28,195,000
Measure M (November 7, 2000)	150 million	150 million	145.9 million	142.8 million	139.6 million	136.3 million	132,765,000
Measure D (March 5, 2002)	300 million	300 million	294.9 million	291.6 million	287.1 million	282.2 million	276,858,114
Measure J (November 8, 2005)	400 million	322.5 million	70 million	70 million	69.4 million	188.2 million	320,404,708
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	\$544.0 million	\$536.5 million	\$526.9 million	\$636.2 million	\$758,222,822

¹ Outstanding bonds reflect the refunding of some Measure D and Measure J bonds during 2009-10. See District financial audit report for detail. Refunded bonds do not reduce the unsold authorization of \$77.5 million of Measure J bonds.

District Accounting Funds

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

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

¹ Refer to the table on the following page for a detailed accounting of funds for the 2007-08 through 2009-10 fiscal years and an explanation of the use of the funds.

From the Capital Facilities Funds table, the ending balance for June 30, 2010, for all funds combined was \$204,347,501. 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 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
Total	\$144,857,879

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, 2008	Fund 14 Deferred Maint. Fund¹	Fund 21 Building Fund²	Fund 25 Capital Facilities Fund³	Fund 35 County School Facilities Fund⁴	Fund 40 Special Reserves Capital Outlay Fund⁵	Total
Beginning Balance	\$4,061,837	\$191,878,162	\$10,730,179	\$4,853,474	\$998,210	\$212,521,862
Revenues	1,418,355	5,764,674	2,373,524	192,995	3,079,414	12,828,962
Expenditures	2,295,424	128,252,880	8,194,105	(17,716)	432,939	139,157,632
Transfers Net	1,339,820	(2,539,820)	0	0	(12,093)	(1,212,093)
Source	0	0	0	0	0	0
Net Change	462,751	(125,028,026)	(5,820,581)	210,711	2,634,382	(127,540,763)
Ending Balance	\$4,524,588	\$66,850,136	\$4,909,598	\$5,064,185	\$3,632,592	\$84,981,099

CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2009	Fund 14 Deferred Maint. Fund¹	Fund 21 Building Fund²	Fund 25 Capital Facilities Fund³	Fund 35 County School Facilities Fund⁴	Fund 40 Special Reserves Capital Outlay Fund⁵	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. 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	\$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

¹ The Deferred Maintenance Fund is used for projects identified in the District's Five-Year Deferred Maintenance Plan. Funding comes from a District match contribution (transfers from the Building Fund) and a state match contribution. (Note: Education Code Section 15278(c) (4) governing a Citizens' Bond Oversight Committee permits that committee to receive and review copies of any deferred maintenance proposals or plans.) See separate write-up for detail on the transfer of \$4 million in 2009-10.

² The 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.

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

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

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

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

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.

Subsequent to 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)	\$190,380,451
Cash with Fiscal Agent	\$10,537,509
Investments-Local Agency Investment Fund (LAIF)	\$42,351,584
Total	\$243,269,544

¹ West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2009, Perry-Smith, LLP, Accountants, December 10, 2009.

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, 2009, 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.

The proceeds of bond sales are subject to arbitrage rules. As of June 30, 2009, the 2008-09 financial audit reported that there was no incidences of any arbitrage problems.

By utilizing county and state pooled funds, the bond proceeds earn low-risk interest from the time the bonds are sold until proceeds are expended. Pooled funds with the County are immediately accessible by the District to meet its cash-flow needs. Funds in the LAIF require District action to withdraw. 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.

Measure J General Obligation Bonds, Series D-1 (QSCB) and D-2 (Tax-exempt)

On April 28, 2010, the Board authorized the issuance of \$30 million of Measure J bonds to consist of \$25 million of Qualified School Construction Bonds (QSCB), which are interest-free, and \$5 million of traditional tax-exempt bonds.

In a report dated June 18, 2010, prepared by KNN Public Finance, the costs of issuance of the above-identified bonds were \$250,000, consisting of the following items:

**West Contra Costa Unified School District
General Obligation Bonds, Election of 2005,
D-1 (QSCBS)
and
Series D-2 (Tax-exempt Bonds)
Costs Related to Bond Issuance**

Cost of Issuance	Consultant	Total
Bond Counsel	Staddling Yocca & Rauth	\$55,000.00
Disclosure Counsel	Garcia Calderon Ruiz	45,000.00
Disclosure Counsel Reimbursement	Garcia Calderon Ruiz	2,500.00
Rating	Moody's Investor Service	11,600.00
Rating	Standard & Poor's	15,000.00
Rating	Fitch Ratings	15,000.00
Financial Advisor	KNN Public Finance	80,000.00
Financial Advisor Reimbursement	KNN Public Finance	5,500.00
Paying Agent	Bank of New York Mellon Trust	1,500.00
Printing	Imagemaster	4,500.00
Miscellaneous		14,400.00
Costs of Issuance		\$250,000.00

The Official Book Entry, consisted of the following:

Cost of Issuance	\$250,000.00
Insurance Premiums	349,690.70
<u>Subtotal</u>	<u>599,690.70</u>
Underwriter's Discount ¹	219,999.59
<u>Total</u>	<u>\$819,690.29</u>

¹ Amount paid to the Underwriter.

All of the above costs were paid out of the \$3,438,328.80 bond premium, leaving a \$2,618,638.51 cash balance that was deposited in the Debt Service Fund.

The Costs of Issuance (\$250,000) is 0.9 percent of the total bonds sold (\$27,499,949.20). Industry standards suggest that the cost of issuance should range between 0.4 and 0.8 percent. However, the WCCUSD bond sale consisted of two series: D-1 \$25,000,000 and D-2 \$2,499,949.20; therefore, a cost of issuance total of 0.9 percent is reasonable.

However, if the Underwriter discount and insurance premiums are included in the total cost of issuance, the cost is 2.98 percent of the total bond sold. In that case, one could argue that the total cost of issuance was higher than the norm.

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 following table summarizes the Interim Arbitrage Rebate Analysis¹ reports for thirteen District bond series which covered bonds totaling \$588,862,483. For the interim periods analyzed, there were no rebate amounts owed.

Total School Solutions is reporting only on the analysis reports provided and draws no conclusions regarding other bonds or for other computation periods.

¹ Reports prepared by Bond Logistix, LLC and confirmed by Orrick, Herrington & Sutcliffe, LLP. At the time of this writing, the arbitrage rebate analysis had not been prepared for the Series 1998, Series C General Obligation Bond.

Interim Arbitrage Rebate Analysis
Reports Dated December 16, 2009

Bond Issuance	Amount	Computation Period	Allowable Yield	Rebate Amount
1998 General Obligation Bonds, Series A	\$10,000,000	8/18/1998 - 8/1/2003	4.962274%	0
1998 General Obligation Bonds, Series B	10,000,000	2/9/1999 - 7/31/2003	4.895643%	0
1998 General Obligation Bonds, Series D	10,000,000	8/9/2000 - 8/1/2005	5.270701%	0
2000 General Obligation Bonds, Series A	15,000,000	5/15/2001 - 5/15/2006	5.213694%	0
2000 General Obligation Bonds, Series B	40,000,000	2/26/2002 - 2/26/2007	4.816611%	0
2000 General Obligation Bonds, Series C	95,000,000	4/22/2003 - 4/22/2008	4.635699%	0
2001 General Obligation Refunding Bonds, Series A	28,610,000	11/6/2001 - 11/6/2006	5.382767%	0
2001 General Obligation Refunding Bonds, Series B	10,255,000	11/6/2001 - 11/6/2006	5.762210%	0
2002 General Obligation Bonds, Series A	30,000,000	6/26/2002 - 6/26/2007	4.903895%	0
2002 General Obligation Bonds, Series B	100,000,000	8/25/2003 - 8/25/2008	4.780453%	0
2002 General Obligation Bonds, Series C	69,999,377	8/11/2004 - 8/11/2009	5.219751%	0
2002 General Obligation Bonds, Series D	99,998,106	10/19/2005 - 8/1/2009	4.915078%	0
2005 General Obligation Bonds, Series A	70,000,000	5/17/2006 - 8/1/2009	4.553586%	0
Totals	\$588,862,483			0

COMPLIANCE WITH BALLOT LANGUAGE

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

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

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

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

I. All School Sites

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

II. Elementary School Projects

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

III. Secondary School Projects

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

- Gompers High School
- North Campus High School
- Vista Alternative High School
- Middle College High School

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

Based on the Capital Assets Management Plan dated June 23, 2010, prepared prior to the June 30, 2010 closing of the District’s financial records, the District had expended \$257.6 million (75.8 percent) of the reported Measure D budget, which was \$340.3 million (see “Expenditures Reports for Measures D and J section.”¹) 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.

¹ The CAMP report was used as being closest to the closing date. A later report prepared by SGI, Projected and Available Funds, dated October 13, 2010, and presented in the “Design and Construction Cost Budget” section presents different totals.

MEASURE J

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

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

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

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

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

I. All School Sites

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

- Property
- Sitework

II. School Projects

- Complete Remaining Elementary School Projects
- Complete Remaining Secondary School Projects
- Reconstruction Projects
 - a. Health and Life Safety Improvements
 - b. Systems Upgrades
 - c. Technology Improvements
 - d. Instructional Technology Improvements
- Specific Sites Listed for Reconstruction or New Construction
 - De Anza High School
 - Kennedy High School
 - Pinole Valley High School
 - Richmond High School
 - Castro Elementary School
 - Coronado Elementary School
 - Dover Elementary School
 - Fairmont Elementary School
 - Ford Elementary School
 - Grant Elementary School
 - Highland Elementary School
 - King Elementary School
 - Lake Elementary School
 - Nystrom Elementary School
 - Ohlone Elementary School
 - Valley View Elementary School
 - Wilson Elementary School

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

Based on the Capital Assets Management Plan dated June 23, 2010, prepared prior to the June 30, 2010 closing of the District's financial records, the District had expended \$94.0 million (27.9 percent) of the reported Measure J budget of \$337.4 million (see "Expenditures Reports for Measures D and J section.¹). 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.

¹ The CAMP report was used as being closest to the closing date. A later report prepared by SGI, Projected and Available Funds, dated October 13, 2010, and presented in the "Design and Construction Cost Budget" section presents different totals.

FACILITIES PROGRAM HISTORY/STATUS

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

Chronology of Facilities Board Agenda items since July 1, 2009.¹

DATE	ACTION	AMOUNT
July 08, 2009 (Consent Item # C.6)	Notice of Completion Bid D06081, El Cerrito High School Administration/ Theater Building.	
July 08, 2009 (Consent Item # C.8)	Ratification and Approval of Engineering Services Contracts.	\$236,672
July 08, 2009 (Consent Item # C.9)	Ratification and Approval of Negotiated Change Orders.	\$40,607
July 08, 2009 (Consent Item # C.10)	Approval of Award of Contract for the Chavez Elementary School Waterproofing & Windows Repair Project to the lowest responsive, responsible bidder, Streamline Builders; \$258,000. Only one bid was received on June 23, 2009. Funded from the Capital Facilities Fund.	\$258,000
July 08, 2009 (Consent Item # C.11)	Approval of Award of Contract for the Coronado Elementary School Plumbing and Countertops Project to the lowest responsive, responsible bidder, ERA Construction; \$22,800. Two bids were received on June 25, 2009. Funded from the Emergency Repair Program (ERP).	\$22,800
July 08, 2009 (Consent Item # C.12)	Approval of Award of Contract for the Coronado Elementary School Ceiling Tiles Replacement Project to the lowest responsive, responsible bidder, Streamline Builders; \$55,000. Three bids were received on June 16, 2009. Funded from the Emergency Repair Program (ERP).	\$55,000
July 08, 2009 (Consent Item # C.13)	Approval of Award of Contract for the Kennedy High School Fire Alarm Project to the lowest responsive, responsible bidder, NEMA Construction; \$675,000. Five bids were received on June 30, 2009. Funded from the Measure J Bond.	\$675,000
July 08, 2009 (Consent Item # C.14)	Approval of Award of Contract for the Multi-Site Painting Project to the lowest responsive, responsible bidder, Color Chart; \$49,220. Five bids were received on June 16, 2009. Funded from the Measure J Bond.	\$49,220
July 08, 2009 (Consent Item # C.15)	Approval of Award of Contract for the Pinole Middle School Temporary Housing Lunch Shelter Project to USA Shade & Fabric Structure under the terms and conditions of the San Joaquin County Office of Education “piggyback” contract dated October 23, 2007; \$88,697.42. Funded from the Measure J Bond.	\$88,697

DATE	ACTION	AMOUNT
July 08, 2009 (Consent Item # C.16)	Approval of Award of Contract for the Multi-Site Play Structures & Surfaces Project to the lowest responsive, responsible bidder, when bids are received on July 2, 2009. Funded from the MRAD.	
July 08, 2009 (Action Item # F.3)	Adoption of Resolution No. 15-0910 authorizing the issuance of not to exceed \$160,000,000 of the District's general obligation bonds, and requesting the Contra Costa Board of Supervisors to issue the bonds on behalf of the District. Bonds will be sold by negotiated sale to Piper Jaffray & Co., as senior managing underwriter, and Siebert Brandford Shank & Co., LLC and Stone & Youngberg, as co-managers. The sale is scheduled for August 11, 2009 with funds becoming available by August 25, 2009. Measure "J" Series "C" Bond Issuance.	\$160,000,000
July 08, 2009 (Action Item # F.6)	Approval of Award of Contract for the Fairmont Elementary School Consolidation Utilities & Sitework Project to the lowest responsive, responsible bidder, when bids are received on July 7, 2009. Funded from the Special Reserve for Capital Outlay Fund 40.	
July 08, 2009 (Discussion Item # G.1)	Status Reports - Facilities Planning and Construction. Engineering Officer's Report - Verbal Presentation Construction Status Reports - Current Construction Projects	
July 29, 2009 (Consent Item # C.7)	Notices of Completion. - Bid E068154, TLC Portable Ramps Replacement - Bid E068155 TLC Fencing & Gate Replacement Project - Bid E068147 Pinole Valley HS Communication system Replacement	
July 29, 2009 (Consent Item # C.11)	Ratification and Approval of Engineering Services Contracts.	\$409,800
July 29, 2009 (Consent Item # C.12)	Ratification and Approval of Negotiated Change Orders.	\$5,450
July 29, 2009 (Consent Item # C.13)	Adoption of Resolution No. 19-0910 in support of Office of Public School Construction applications for Modernization, New Construction and Overcrowding Relief Grants at District Bond Program Sites. Approval of this resolution will support OPSC applications which will provide state funding to the District's bond program.	
July 29, 2009 (Consent Item # C.14)	Approval to reject all bids for the Kennedy High School Fire Alarm Project due to protests from the second low bidder, Del Monte Electric (\$692,500), against the apparent low bidder, NEMA Construction; \$675,000. Six bids were received on June 30, 2009.	
July 29, 2009 (Consent Item # C.15)	Acceptance of bid alternate for Contract for the Coronado Elementary School Fence and Gates Emergency Repair Project previously awarded to Chain Link Fence & Supply, Inc.; \$11,213. Funded from Emergency Repair Program (ERP).	\$11,213

DATE	ACTION	AMOUNT
July 29, 2009 (Consent Item # C.16)	Approval of Award of Contract for the Crespi Middle School Emergency Repair Program, Kitchen Repair Project to the lowest responsive, responsible bidder Michael G. McKim; \$41,334. Three contractors submitted bids on July 21, 2009. Funded from Emergency Repair Program (ERP).	\$41,334
July 29, 2009 (Consent Item # C.17)	Approval of Award of Contract for the Crespi Middle School Emergency Repair Program, Paving Project to the lowest responsive, responsible bidder O.C. Jones.; \$279,300. Six contractors submitted bids on July 21, 2009. Funded from Emergency Repair Program (ERP).	\$279,300
July 29, 2009 (Report Item # D.3)	Report on the Status of Measure J, Series “C” Bond Sales.	
July 29, 2009 (Action Item # F.2)	Adoption of Resolution No. 21-0910 Authorizing the Issuance and Sale of up to \$80,000,000, a refunding of the district’s existing general obligation bonds. By issuing refunding bonds, the district can shift existing obligations coming due in the next several years to later in the repayment period, thereby creating additional capacity to pay interest on the Measure J, Series C Bonds. The Bonds will be sold by negotiated sale by Piper Jaffray & Co., as senior managing underwriter, and Siebert Brandford Shank & Co., LLC and Stone & Youngberg LLC, as co-managers.	\$80,000,000
August 19, 2009 (Consent Item # C.7)	Ratification and approval of Engineering Services Contracts.	\$871,124
August 19, 2009 (Consent Item # C.8)	Ratification and approval of Negotiated Change Orders.	\$110,736
August 19, 2009 (Consent Item # C.9)	Award of contract for 2010 Facilities Master Plan: Asset Management Plan to California Financial Services. (Measure J).	\$97,680
August 19, 2009 (Consent Item # C.10)	Approval of Award of Contract for Multi-Site Play Structures and Surfaces project to the lowest responsive responsible bidder, Goldspring Construction in the amount of \$1,481,889. Three contractors submitted their bids on July 2, 2009. Funded from the Measure J Bond.	\$1,481,889
August 19, 2009 (Consent Item # C.11)	Approval of Award of Contract for Crespi Elementary School Fire Reconstruction project to the lowest responsive responsible bidder, Bollo Construction in the amount of \$3,080,850. Fourteen contractors submitted their bids on July 30, 2009. Funded from Fire Insurance proceeds.	\$3,080,850
August 19, 2009 (Consent Item # C.13)	Approval of Award of Contract for Coronado Elementary School Doors and Hardware Replacement Emergency Repair project to the lowest responsive responsible bidder, NS Construction in the amount of \$58,500. Five contractors submitted their bids on August 11, 2009. Funded by the Emergency Repair Program (ERP).	\$58,500

DATE	ACTION	AMOUNT
August 19, 2009 (Action Item # F.1)	Adoption of Resolution No. 23-0910, Authorizing the Completion and Submission of an Application for Qualified School Construction Bond (QSCB) allocation from the California Department of Education. The bonds may only be issued for specific purposes, generally limited to new construction or rehabilitation of school facilities and related capital costs including land and equipment, which overlap closely with the District's own voter-approved Bond Project List. If the district is awarded an allocation, District staff will analyze how and at what costs the bonds can be sold, and make recommendations regarding the QSCBs.	
August 19, 2009 (Action Item # F.4)	Approval of a recommendation by staff to rescind its' decision to move the Portola Middle School students to modular buildings at El Cerrito High School and consider other options.	
August 19, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; Engineering Officer's Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
September 2, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; Engineering Officer's Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
September 16, 2009 (Consent Item # C.5)	Approval of Notices of Completion. Bid J068161 - Pinole Middle School Demolition - Hazmat Bid J068115 – Pinole Middle School Utility Installation of Interim Kitchen Bid J068113 – De Anza High School Utilities, Gymnasium and Site Work Bid J068124 – Kennedy High School Painting of Exterior Walls Bid J068151 – Dover Elementary School Site Work Phase II Bid E068178 – Coronado Elementary School Plumbing/Countertops Bid E068169 – Coronado Elementary School Fence/Gate Replacement Bid E068175 – Coronado Elementary School Ceiling Tile Replacement Bid E068153 – Coronado Elementary School Portable Replacement Bid J06810 – Montalvin Elementary School Trash Enclosure Bid J068118 – Mira Vista Elementary School Lower Play Yard Repair	
September 16, 2009 (Consent Item # C.6)	Approval of Award of Contract for Kennedy High School Gym Locker Room Hot Water System project to the lowest responsive responsible bidder, ERA Construction in the amount of \$171,544. Four contractors submitted their bids on September 3, 2009. Funded from the Measure J Bond.	\$171,544
September 16, 2009 (Consent Item # C.7)	Approval of Award of Contract for Kennedy High School Restroom Renovations project to the lowest responsive responsible bidder, JDS Builders in the amount of \$1,570,000. Thirteen contractors submitted their bids on September 1, 2009. Funded from the Measure J Bond.	\$1,570,000

DATE	ACTION	AMOUNT
September 16, 2009 (Consent Item # C.8)	Approval of Award of Contract for Ford Elementary School New Campus project to the lowest responsive responsible bidder, Alten Construction in the amount of \$16,734,206. Fifteen contractors submitted their bids on September 3, 2009. Funded from the Measure J Bond.	\$16,734,206
September 16, 2009 (Consent Item # C.9)	Approval of Ratification of Staff Action Amending Approved Contract for Construction to Award Alternate # 1 to the Contractor, O. C. Jones in the net amount of \$92,000. Funded from the Emergency Repair Program (ERP).	\$92,000
September 16, 2009 (Consent Item # C.10)	Approval of Award of Contract for Kennedy High School Fire Alarm project to the lowest responsive responsible bidder, Emarad Electric in the amount of \$516,500. Five contractors submitted their bids on August 25, 2009. Funded from the Measure J Bond.	\$516,500
September 16, 2009 (Consent Item # C.11)	Approval of Award of Contract for Pinole Middle School Building A Modernization project to the lowest responsive responsible bidder, Alpha Bay Builders in the amount of \$9,570,735. Seventeen contractors submitted their bids on August 25, 2009. Funded from the Measure J Bond.	\$9,570,735
September 16, 2009 (Consent Item # C.12)	Ratification and approval of Negotiated Change Orders.	\$327,809
September 16, 2009 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts.	\$364,974
October 7, 2009 (Consent Item # C.8)	Ratification and approval of Engineering Services Contracts.	\$80,006
October 7, 2009 (Consent Item # C.9)	Ratification and approval of. Negotiated Change Orders.	\$97,027.39
October 7, 2009 (Consent Item # C.11)	Approval of Award of Contract for De Anza High School Baseball Field Renovation project to the lowest responsive responsible bidder, Bay Cities Paving and Grading in the amount of \$1,350,000. Ten contractors submitted their bids on August 4, 2009. Funded from the Measure J Bond.	\$1,350,000
October 7, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; Engineering Officer’s Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
October 21, 2009	Joint Board of Education and Citizen’s Bond Oversight Committee Meeting; B. Bond Program Update. 1. Presentation of Coronado Site Master Plan 2. Presentation Portola Middle School at the Castro Site Master Plan C. CBOC Membership	

DATE	ACTION	AMOUNT
October 21, 2009 (Consent Item # C.5)	Approval of Notice of Completion; Bid J068173, Exterior Painting at De Anza High School (Field House), Sheldon Elementary School and Kennedy High School.	
October 21, 2009 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts.	\$8,200
October 21, 2009 (Consent Item # C.14)	Ratification and approval of. Negotiated Change Orders.	\$59,771
October 21, 2009 (Consent Item # C.15)	Approval of Contract for the Supply of Furniture, Set Up and Installation at Helms Middle School to Young Office Solutions in the amount of \$674,751.51 under a bulk purchasing contract through The Cooperative Purchasing Network (TCPN). This is a “piggyback” contract which meets the state’s procurement requirements for these furnishings. Funded from the Measure J Bond.	\$674,752
October 21, 2009 (Action Item # F.2)	Approval of the Coronado Elementary School Site Master Plan and the Architectural Services Contract for WLC Architects in the amount of \$2,155,800 to proceed with the next level and the preparation of construction documents for the project. Funded from the Measure J Bond.	\$2,155,800
October 21, 2009 (Action Item # F.3)	Approval of the Portola Middle at the Castro Site Master Plan and the Architectural Services Contract for HY Architects in the amount of \$2,790,000 to proceed with the next level and the preparation of construction documents for the project. Funded from the Measure J Bond.	\$2,790,000
November 4, 2009 (Consent Item # C.7)	Ratification and approval of Engineering Services Contracts.	\$497,265
November 4, 2009 (Consent Item # C.8)	Ratification and approval of Negotiated Change Orders.	\$217,801
November 4, 2009 (Consent Item # C.9)	Approval of Award of Contract for Richmond High School Surveillance Camera System project to the lowest responsive responsible bidder, Walsh Electronic Systems in the amount of \$338,988. Five contractors submitted their bids on November 3, 2009. Funded from the Measure J Bond.	\$338,998
November 4, 2009 (Action Item # F.2)	Adoption of Resolution No. 46-0910 authorizing the issuance of not to exceed \$30,000,000 of the District’s general obligation bonds. The resolution authorizes staff to sell up to \$25,000,000 in Qualified Schools Construction Bonds (QSCB) under the American Reinvestment and Recovery Act (ARRA) of 2009 and \$5,000,000 of District general obligation bonds which shall be issued on behalf of the District by Contra Costa County. Funded from the Measure J and D Bonds.	\$30,000,000
November 4, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; Engineering Officer’s Report – Verbal Presentation Construction Status Reports – Current Construction Projects	

DATE	ACTION	AMOUNT
November 18, 2009 (Consent Item # C.7)	Approval of Notices of Completion. Bid J068186 – Crespi Elementary School Play Yard Resurfacing Bid J068164 – De Anza High School Portable Utility Installation Bid J068170 – Coronado Elementary School Window Replacement	
November 18, 2009 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts.	\$53,000
November 18, 2009 (Consent Item # C.15)	Ratification and approval of Negotiated Change Orders.	(\$58,327)
November 18, 2009 (Consent Item # C.16)	Adoption of Resolution No. 51-0910, Authorizing Adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for and Approval of the John F. Kennedy High School Athletic Field Lighting Project. Funded from the Measure J Bond.	
November 18, 2009 (Discussion Item #G.1)	A recommendation that the Board review and discuss the temporary relocation of Portola Middle School students away from the current building and that the Board agrees to make a decision on where the temporary relocation be at the December 9, 2009 meeting. Funded from the Measure J Bond.	
December 9, 2009 (Consent Item # C.15)	Ratification and approval of Engineering Services Contracts.	\$357,618
December 9, 2009 (Consent Item # C.16)	Ratification and approval of Negotiated Change Orders.	\$348,955
December 9, 2009 (Consent Item # C.17)	Approval of Award of Contract to Parsons for Facilities Assessments Component of 2010 Facilities Master Plan. Funded from Measure J Bond.	\$121,550
December 9, 2009 (Consent Item # C.18)	Approval of Rejection of Claim by Signature Properties of November 17, 2009 for any Reduction of Board-approved 2009 developer fees on the Anchor Cove Project in Richmond, California.	
December 9, 2009 (Consent Item # C.19)	Approval of Contract with AT&T for Network Electronics Components and VOIP phone system at Helms Middle School. Funded from Measure J Bond.	\$417,586
December 9, 2009 (Discussion Item #G.2)	Status Reports – Facilities Planning and Construction; Engineering Officer’s Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
January 6, 2010 (Consent Item # C.7)	Approved the Job Description of Director of Facilities and Construction.	
January 6, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts.	\$68,500
January 6, 2010 (Consent Item # C.11)	Ratification and approval of. Negotiated Change Orders.	\$84,130

DATE	ACTION	AMOUNT
January 6, 2010 (Action Item # F.1)	Approved the recommendation to rescind the decision to house the Portola Middle School students at El Cerrito High School campus so that those portables can be removed and the field project completed there. Estimated savings is \$92,000 per month. Funded from Measure J Bond.	
January 6, 2010 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; Engineering Officer’s Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
January 20, 2010 (Consent Item #C.9)	Approved the Job Description of School Facilities Planning Specialist.	
January 20, 2010 (Discussion Item #G.1)	Board discussion on feedback received from three successive evenings of staff facilitated parent forums beginning January 12, 2009 at Kennedy High School, Portola Middle School and Mira Vista Elementary School. These forums discussed the intent expressed by the Board at their meeting of January 6, 2010 to temporarily relocate the students/staff from the facilities of Portola Middle School and to solicit alternative ideas.	
February 10, 2010 (Consent Item # C.11)	Approval of Award of Contract for the Hercules Middle High School Quad Landscape and Parking Lot Project to the lowest responsive, responsible bidder, McNabb Construction; \$247,450. Eighteen bids were received on December 17, 2009. Funded from the Capital Facilities Fund, Fund 25.	\$247,450
February 10, 2010 (Consent Item # C.13)	The Pinole City Council, at their meeting on December 19, 2009, appointed Timothy Banuelos as Pinole’s representative to the WCCUSD Citizen’s Bond Oversight Committee.	
February 10, 2010 (Consent Item # C.14)	Ratification and approval of Negotiated Change Orders.	\$27,337
February 10, 2010 (Consent Item # C.15)	Ratification and approval of Engineering Services Contracts. All items approved except Kleinfelder Contract, which shall be brought back at a later date.	\$355,500
February 10, 2010 (Consent Item # C.17)	Authorize staff to issue the Notice of Award of Contract for the El Cerrito High School Temporary Campus Removal Project at the completion of the Bid Protest period, to the lowest responsive, responsible bidder, ERA Construction at \$278,000. Award will be brought back to the Board for ratification at a future meeting. Thirteen bids were received on February 9, 2010. Funded from Measure J Bond.	\$278,000
February 10, 2010 (Consent Item # C.18)	Approval of Award of Contract for the Kennedy High School Intercom Upgrade Project to the lowest responsive, responsible bidder, Sound Signal. \$37,100. Two bids were received on February 9, 2010. Funded from Measure J Bond.	\$37,100
February 10, 2010 (Consent Item # C.19)	Approval of Award of Contract for Richmond High School Fence and Gates Project to the lowest responsive, responsible bidder, CF Contracting \$898,000 after a coin-toss tie breaker resolution with Riverview Construction. Bid is awarded at \$738,800 (excluding Alternate #1). Four bids were received on January 28, 2010. Funded from Measure J Bond.	\$738,800

DATE	ACTION	AMOUNT
February 10, 2010 (Consent Item # C.20)	Approval of Award of Contract for the Crespi Middle School Windows and Doors Replacement Project to the lowest responsive, responsible bidder, Pinguelo Construction at \$253,908 (Including Alternate # 1). Ten bids were received on February 2, 2010. Funded from Emergency Repair Program (ERP).	\$253,908
February 10, 2010 (Action Item # F.4)	Approval of the relocation of the Portola Middle School to a temporary lower pad area of the campus, a consensus location upon consideration of a variety of options and extensive community input. Funded from the Measure J Bond.	\$3,500,000
March 3, 2010 (Consent Item # C.4)	Approval of Notices of Completion: Bid E068180 - Coronado Doors & Hardware Replacement, J068110 - Ford ES Demolition & Site Work, W068186 - Fairmont ES Portable Classroom Utility Installation.	
March 3, 2010 (Consent Item # C.10)	Ratification and approval of Engineering Services Contracts.	\$309,485
March 3, 2010 (Consent Item # C.11)	Ratification and approval of Negotiated Change Orders.	\$154,837
March 3, 2010 (Consent Item # C.12)	Citizen's Bond Oversight Committee (CBOC) Appointments: Niccore Tyler and Peter Tyler new appointees to fill vacant membership to the CBOC to meet Proposition 39 Requirements. Change of Status of Mr. Robert Studdiford from "Board of Trustees WCCUSD"-Board Member Ramsey appointee to "Parent/guardian & PTA" appointee to ensure that the District's CBOC has filled this important-statutorily required position on the committee.	
March 3, 2010 (Consent Item # C.13)	Adopt findings of futility and approve Change Order to Walsh Electronic Systems for the Richmond High School Surveillance Camera Installation Project. Staff determined that a much higher resolution camera is required for the project in order to meet Richmond Police Department evidentiary requirements. District staff believes that re-bidding the work would result in waste and delay, which would be at the expense of the District and at the potential expense of public safety. Thus, re-bidding will not produce an advantage to the District. Funded from the Measure J Bond.	\$220,312
March 3, 2010 (Consent Item # C.15)	Rejection of Government Code Claim from West Coast Contractors, dated January 21, 2010, related to construction of Pinole Middle School New Gym and Classroom Building. Funded from the Measure J Bond.	TBD
March 3, 2010 (Action Item # F.2)	Approval of Resolution No. 76-0910: Resolution of the Board of Education of the West Contra Costa Unified School District Ordering a School Bond Election for June 8, 2010 and Authorizing Necessary Actions in Connection Therewith.	
March 3, 2010 (Action Item # F.6)	Accept Annual Performance Audit Report of the District Bond Program for Fiscal Year 2008-09, Dated December 15, 2009.	
March 3, 2010 (Discussion Item # G.1)	Status Reports – Facilities Planning and Construction. Engineering Officer's Report – Verbal Presentation Construction Status Reports – Current Construction Projects.	

DATE	ACTION	AMOUNT
March 24, 2010 (Consent Item # C.15)	Approval of Additional Program Management General Conditions Reimbursable Expenses to SGI in the amount of \$535,448. Additional services related to more intensive cost estimating and scheduling have been requested by the District and the costs for these services are included in this action. Funded from the Measure J Bond.	\$535,448
March 24, 2010 (Consent Item # C.16)	Approval of Citizen's Bond Oversight Committee (CBOC) New Appointments and Reappointments: Ms. Cecilia Valdez is appointed by the City of San Pablo to replace Leonard McNeil while Mr. Alex Gomez (representing Business Organization) and Mr. Don Gosney (representing Board of Trustee) are seeking approval to serve a second term.	
March 24, 2010 (Consent Item # C.17)	Ratification and approval of Engineering Services Contracts.	\$250,678
March 24, 2010 (Consent Item # C.18)	Ratification and approval of Negotiated Change Orders.	\$186,005
April 14, 2010 (Consent Item # C.12)	Authorized staff to issue the Notice of Award of Contract for De Anza High School Main Campus Construction Project at the completion of the Bid Protest period, to the lowest responsive, responsible bidder, Wright Contracting at \$62,508,000 (Base Bid + Alt. #1 –Renewable Energy System). Award will be brought back to the Board for ratification at a future meeting. Nine bids were received on April 13, 2010. Funded from the Measure J Bond.	\$62,508,000
April 14, 2010 (Consent Item # C.13)	Approval of the Award of Contract for Portola Middle School Temporary Campus Small Projects to the lowest responsive, responsible bidders; Portable Building Demolition and Site Work package to Bohm International at \$64,624 and the Reconditioning of Electrical Switchgear Package to Del Monte Electric at \$41,892. Bids were received on April 13, 2010 under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) bid process. Funded from the Measure J Bond.	\$64,624 \$41,892
April 14, 2010 (Consent Item # C.14)	Approval of the Award of Contract for New Helms Middle School Maintenance and Custodial Equipment to the lowest responsive, responsible bidders (multiple vendors) for a total cost of \$37,396. Bids were received on February 23, 2010 on a public bid proposal process. Funded from the Measure J Bond.	\$37,397
April 14, 2010 (Consent Item # C.15)	Approval of the Ratification of Previously Awarded Contract for the Richmond High School Surveillance Camera Installation Project to Walsh Electronic Systems at \$338,988 as authorized by the Board on November 4, 2009. Funded from the Measure J Bond.	\$338,988
April 14, 2010 (Consent Item # C.16)	Approval of the Ratification of Previously Awarded Contract for the Leadership Temporary Campus Drainage Repairs Project to Michael G. McKim at \$64,000 on a bid received on April 5, 2010 under the CUPCCAA bid process. Funded from the Measure J Bond.	\$64,000
April 14, 2010 (Consent Item # C.17)	Ratification and approval of Negotiated Change Orders.	\$36,810

DATE	ACTION	AMOUNT
April 14, 2010 (Consent Item # C.18)	Ratification and approval of Engineering Services Contracts.	\$393,500
April 14, 2010 (Action Item # F.2)	Accept Annual Financial Audit Report of the District Bond Program for the Fiscal Year ending June 30, 2009.	
April 14, 2010 (Action Item # F.3)	Approval of Measure J Bond Program Budget Adjustments as originally presented to the Board's Facilities Subcommittee on March 9, 2010, updated as recommended to include additional projects and returned to the committee on April 13, 2010 for recommendation to the full Board. Budget adjustments are a combined result of lower bids for construction, reduction in interest and Developer Fee income, increases in current project budgets and projected bid savings. Funded from the Measure J Bond.	
April 14, 2010 (Action Item # G.1)	Status Reports – Facilities Planning and Construction. Engineering Officer's Report – Verbal Presentation Construction Status Reports – Current Construction Projects.	
April 28, 2010 (Consent Item # C.6)	Approval of Notices of Completion; Bid J068097 – Richmond High School New Bleacher and Field House (West Bay Builders). Bid J068163 – Verde Elementary School Playground and Site Work Upgrades (Bay Cities Paving). Bid W068172 – Chavez Elementary School Wall and Window Repair (Streamline Builders).	
April 28, 2010 (Consent Item # C.15)	Approval of Request that the Board delegate authority to award informal contracts under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) bid process to specific staff members. That the Board delegate authorization to award contracts \$100,000 or less to the Superintendent and the Associate Superintendent of Operations.	
April 28, 2010 (Consent Item # C.17)	Approval of the Award of Contract for Crespi Middle School Emergency Repair Program Gym Wall Repair Project to the lowest responsive, responsible bidder, Alpha Restoration at \$206,850. Five bids were received on April 1, 2010. The District declared the low bidder Ionian Construction at \$174,000 as non-responsive after receiving a bid protest and review in consultation with legal counsel. Funded from the Emergency Repair Program (ERP).	\$206,850
April 28, 2010 (Consent Item # C.18)	Ratification and approval of Negotiated Change Orders.	\$101,814
April 28, 2010 (Consent Item # C.19)	Ratification and approval of Engineering Services Contracts.	\$667,603
April 28, 2010 (Consent Item # C.20)	Citizen's Bond Oversight Committee (CBOC) Appointments: Approval to change the status of Mr. Anton Jungherr from "Board of Trustees WCCUSD" – Board Member Miles appointee to "Senior Citizen Group" appointee, in order to fill a vacant membership position required by Prop 39.	
April 28, 2010 (Consent Item # C.21)	Approval of Contract for the Supply and Installation of Furniture at Kennedy High School to Young Office Solutions at \$235,401.94 under a "piggyback" contract through The Cooperative Purchasing Network (TCPN Contract M0732) and through the CPA Number CA 1201. Funded from the Measure J Bond.	\$235,402

DATE	ACTION	AMOUNT
April 28, 2010 (Action Item # F.2)	Approval of Resolution No. 85-0910, authorizing the issuance of not to exceed \$30,000,000 of the District's General Obligation Bonds. The Series D Bonds will be issued in the amount not-to-exceed \$30,000,000 and will be comprised of \$25,000,000 in Qualified School Construction Bonds (QSCB) and \$5,000,000 in traditional tax-exempt bonds. This resolution will supersede Resolution No. 46-0910 which was approved by the Board in November 2009.	\$30,000,000
May 12, 2010 (Consent Item # C.15)	Ratification and approval of Engineering Services Contracts.	\$311,932
May 12, 2010 (Consent Item # C.16)	Ratification and approval of Negotiated Change Orders.	\$12,349
May 12, 2010 (Consent Item # C.17)	Approval of the Facilities Subcommittee recommendation that master planning contracts be awarded for five elementary schools: <ul style="list-style-type: none"> • HY Architects Fairmont Elementary Schools • Baker Villar Richmond Elementary School • Interactive Resources Wilson Elementary School • Powell & Partners Stege Elementary School • DLM Valley View Elementary School <p>These schools will be constructed as part of the Measure "D" Bond which is on the ballot for June, 2010.</p>	\$1,000,000
May 12, 2010 (Consent Item # C.18)	Approval of Contract for the Supply and Installation of Furniture at Crespi Middle School Administration Building to Young Office Solutions in the amount of \$173,860.25 under a "piggyback" contract through The Cooperative Purchasing Network (TCPN Contract M0732 and MO739) and through the NJPA Umbrella Contract #102908-K11/K1 Contract #OT53795. Funded from Fire Insurance proceeds.	\$173,860
May 12, 2010 (Consent Item # C.19)	Approval of the Award of Contract for Coronado Elementary School Multi-Purpose Building Demolition to the lowest responsive, responsible bidder, Evans Brothers in the amount of \$144,420. Five bids were received on April 29, 2010. Funded from Fire Insurance proceeds).	\$144,420
May 12, 2010 (Consent Item # C.20)	Approval of the Award of Contract for Portola Middle School Temporary Campus Utilities and Sitework to the lowest responsive, responsible bidder, Evans Brothers, in the amount of \$389,000. The apparent low bidder, Carone & Co., in the amount of \$325,000, withdrew their bid due to mathematical errors. Ten bids were received on May 5, 2010. Funded from the Measure J Bond.	\$389,000
May 12, 2010 (Consent Item # C.21)	Authorized staff to issue the Notice of Award of Contract for Portola Middle School Temporary Campus Modularity Project after the completion of the Bid Protest period to the lowest responsive, responsible bidder, Mobile Modular in the amount of \$1,967,327. Award will be brought back to the Board for ratification at a future meeting. Five bids were received on May 10, 2010. Funded from the Measure J Bond.	\$1,967,327

DATE	ACTION	AMOUNT
May 12, 2010 (Consent Item # C.22)	Approval of the Award of Contract for Hercules Middle School Field Lights Project to the lowest responsive, responsible bidder, Bleyco in the amount of \$572,000 (Main Stadium + Allowance). Three bids were received on May 5, 2010. Funded from the Capital Facilities.	\$572,000
May 12, 2010 (Consent Item # C.23)	Approval of the Award of Contract for Richmond High School Emergency Repair Program HVAC Systems Repairs to the lowest responsive, responsible bidder, West Coast Contractors, in the amount of \$4,166,000 (Base Bid + Alternate # 1). Seven bids were received on April 20, 2010. The district declared West Coast Contractors the lowest responsive, responsible bidder after the low bidder KMS withdrew its bid citing mathematical error. Funded from Emergency Repair Program (ERP) and Measure J Bond.	\$4,166,000
May 12, 2010 (Discussion Item # G.1)	Status Reports – Facilities Planning and Construction. Engineering Officer’s Report – Verbal Presentation Construction Status Reports – Current Construction Projects	
June 2, 2010 (Consent Item # C.4)	Approval of Notices of Completion; Bid J068194 – Kennedy High School Domestic Water Heater Replacement for Gymnasium. Bid J068210 – Kennedy High School Audio System Installation	
June 2, 2010 (Consent Item # C.13)	Approval of the Award of Contract for Furniture Set Up and Installation at Kennedy High School to Young Office Solutions in the amount of \$159,856.79 under a bulk purchasing contract through The Cooperative Purchasing Network (TCPN). Funded from the Measure J Bond.	\$159,857
June 2, 2010 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts.	\$734,038
June 2, 2010 (Consent Item # C.15)	Ratification and approval of Negotiated Change Orders.	\$129,768
June 2, 2010 (Consent Item # C.16)	Approval of the Award of Contract for Adams Middle School Emergency Repair Program Paving, and Site Repairs Project to the lowest responsive, responsible bidder, ABSL Construction, in the amount of \$517,542. Thirteen bids were received on April 6, 2010. Funded from Emergency Repair Program (ERP).	\$517,542
June 2, 2010 (Consent Item # C.17)	Approval of the Award of Contract for Adams Middle School Emergency Repair Program Music Room Roof Repair Project to the lowest responsive, responsible bidder, Enterprise Roofing, in the amount of \$57,167. Three bids were received on April 6, 2010. Funded from Emergency Repair Program (ERP).	\$57,167
June 2, 2010 (Consent Item # C.18)	Approval of the Award of Contract for Portola Middle School Temporary Campus Utilities Hookup to the lowest responsive, responsible bidder, B Bros Construction, in the amount of \$1,357,100. There was only one bid received on May 25, 2010. Funded from the Measure J Bond.	\$1,357,100
June 2, 2010 (Consent Item # C.22)	Citizen’s Bond Oversight Committee (CBOC) Appointments: Approval of the appointment of San Pablo resident, Ivette Rico, as Board Member Antonio Medrano’s appointee to CBOC, in order to fill a vacant membership position required by Prop 39.	

DATE	ACTION	AMOUNT
June 22, 2010 (Consent Item # C.18)	Ratification and approval of Engineering Services Contracts.	\$974,575
June 22, 2010 (Consent Item # C.19)	Ratification and approval of Negotiated Change Orders.	\$176,350
June 22, 2010 (Consent Item # C.20)	Approval of the Award of Contract for Nystrom Elementary School Multi-Purpose Building Project to the lowest responsive, responsible bidder, John Plane Construction, in the amount of \$5,240,107. Five bids were received on June 10, 2010. Funded from the Measure J Bond.	\$5,240,107
June 22, 2010 (Consent Item # C.22)	Approval of the Award of Contract for Grant Elementary School Emergency Repairs Project to the lowest responsive, responsible bidder, JMA Construction, in the amount of \$498,000 (Base Bid + Unit Price Hardware Replacement). Eight bids were received on May 20, 2010. Funded from Emergency Repair Program (ERP) and Measure J Bond.	\$498,800
June 22, 2010 (Consent Item # C.23)	Approval of the Award of Contract for Gompers High School Buildings Demolition Project to the lowest responsive, responsible bidder, Evans Brothers Construction, in the amount of \$1,693,000 (Base Bid). The apparent low bidder, Cleveland Wrecking was declared non-responsive after district review of Bid Protest. Five bids were received on June 8, 2010. Funded from the Measure J Bond.	\$1,693,000
June 22, 2010 (Consent Item # C.24)	Approval of the Award of Contract for Kennedy High School Fence and Gates Project to the lowest responsive, responsible bidder, Crusader Fence, in the amount of \$467,000 (Base Bid). The apparent low bidder, Chain Link Fence was declared non-responsive after District review of Bid Protest. Seven bids were received on June 8, 2010. Funded from the Measure J Bond.	\$467,000
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. Funded from the Measure J Bond.	
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. Funded from the Measure J Bond.	\$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. Funded from Emergency Repair Program (ERP).	\$224,667

DATE	ACTION	AMOUNT
July 7, 2010 (Consent Item # C.16)	Approval of the Award of Contract for Cesar Chavez Elementary School Painting and 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. Funded from the Measure J Bond.	\$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. Engineering Officer's Report – Verbal Presentation Construction Status Reports – Current Construction Projects	

¹ Several facilities items included in the list are not related to the bond program, but have been included to present a more complete picture of the District's entire facilities program. Non-bond items should be considered to be information only, and are not a part of the bond performance audit.

EXPENDITURE REPORTS FOR MEASURES D AND J

MEASURE D

The budgeted and invoiced amounts contained in the tables below were extracted from the Capital Assets Management Plan Report (CAMP), Number 48, dated June 23, 2010.

Measure D Budgeted and Invoiced Amounts – Summary¹

<u>Program Category</u>	<u>Budgeted</u>	<u>Invoiced</u>
MS/HS Major Renovation – New Schools, Phase 1A	\$307,195,486	\$228,440,466
Additional Bond Funded Projects	9,014,185	9,014,185
Site survey Projects, Phase 2A-3	4,796,803	4,796,803
Network/Telecom Technology E-Rate Projects	5,944,408	3,646,086
Furniture & Equipment	4,952,897	3,264,575
Program Coordination & Contingency	8,402,918	8,402,918
Program Totals	\$340,306,697	\$257,565,033 (75.8%)

Middle School/High School Major 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	\$74,590,088	\$66,490,200
Pinole Middle	212	Renovation and New Construction	50,532,431	39,524,646
Portola Middle	214	New School	60,000,000	4,922,146
El Cerrito High	354	New School	122,072,966	117,503,474
Totals			\$307,195,485	\$228,440,466

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	1,657,106	1,657,106
Richmond High	364	Track and Field	4,176,018	4,176,018
Totals			\$9,014,185	\$9,014,185

¹ Please note, the “Invoiced” amounts shown above do not match the “Expenditures” amounts reported in the “Design and Construction Budget” section which were taken from the draft of the WCCUSD Projected and Available funds dated October 13, 2010. Continuing financial transactions and adjustments occur during the period between the June 23, 2010 publication of the CAMP report and the closing of the books on June 30, 2010.

Site Survey Projects, Phase 2A-3

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

Network/Telecom Technology E-Rate Projects

School	Site No.	Project Description	Budgeted	Invoiced
Adams Middle	202	E-Rate	\$203,064	\$203,064
Crespi Middle	206	E-Rate	47,106	47,106
DeJean Middle	208	E-Rate	214,532	214,532
Helms Middle	210	E-Rate	1,150,712	904,042
Hercules Middle	211	E-Rate	6,623	6,623
Pinole Middle	212	E-Rate	900,324	111,795
Portola Middle	214	E-Rate	1,051,795	151,795
DeAnza High	352	E-Rate	124,320	124,320
El Cerrito High	354	E-Rate	1,087,646	724,559
Gompers	358	E-Rate	183,109	182,918
Kennedy High	360	E-Rate	546,974	546,974
Pinole Valley High	362	E-Rate	59,855	59,855
Richmond High	364	E-Rate	235,812	235,967
North Campus	374	E-Rate	76,630	76,630
Hercules High	376	E-Rate	3,028	3,028
Program		E-Rate	52,877	52,878
Totals			\$5,944,408	\$3,646,086

Furniture and Equipment

School	Site No.	Project Description	Budgeted	Invoiced
Helms Middle	210	Furniture and Equipment	\$791,402	\$782,523
Pinole Middle	212	Furniture and Equipment	1,005,031	628,464
Portola Middle	214	Furniture and Equipment	814,562	64,562
El Cerrito High	354	Furniture and Equipment	2,341,902	1,789,026
Totals			\$4,952,897	\$3,264,575

Program Coordination and Contingency

School	Site No.	Project Description	Budgeted	Invoiced
Central Account	615		\$8,402,918	\$8,402,918
Program Totals			\$340,306,697	\$257,565,033
				(75.8%)

MEASURE J

The budgeted and invoiced amounts contained in the tables below were extracted from the Capital Assets Management Plan Report (CAMP), Number 48, dated June 23, 2010.

Measure J Budgeted and Invoiced Amounts - Summary

Program Category	Budgeted	Invoiced
Elementary Schools	\$151,111,492	\$41,121,724
MS/HS Major Renovation & New Schools, Phase 1B	142,707,704	37,689,699
Additional Bond funded Projects – Charter Schools	10,824,693	5,278,141
Network/ Telecom Technology E-Rate Projects	7,800,000	3,810,099
Furniture & Equipment	7,808,723	514,769
Program Coordination	9,741,819	5,615,490
Program Contingency	7,370,472	0
Program Totals	\$337,364,904	\$94,029,922 (27.9%)

Elementary Schools

School	Site No.	Project Description	Budgeted	Invoiced
Castro	109	Site Survey	\$350,000	\$286,115
Coronado	112	New School	2,875,000	500,957
Dover	115	New School	32,028,549	13,282,213
Ford	124	New School	27,519,241	8,903,482
King	132	New School	23,731,085	12,366,349
Nystrom	144	New School	29,545,546	3,340,673
Ohlone	146	New School	35,062,072	2,441,937
Totals			\$151,111,492	\$41,121,724

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

School	Site No.	Project Description	Budgeted	Invoiced
DeAnza High	352	New School	\$120,463,514	\$24,927,106
Kennedy High	360	Renovation	11,913,812	4,121,515
Pinole Valley High	362	Renovation	1,199,619	1,103,048
Richmond High	364	Renovation	9,130,759	7,538,030
Totals			\$142,707,704	\$37,689,699

Additional Bond Funded Projects (Charter Schools)

School	Site No.	Project Description	Budgeted	Invoiced
Richmond College Prep (Charter)	512	Site Survey ¹	\$3,800,570	\$2,362,452
Leadership Public Schools (Charter at Nystrom)	544	Site Survey ¹	7,024,123	2,915,689
Totals			\$10,824,693	\$5,278,141

¹ Camp Report dated June 23, 2010, page 75 #48

Network Telecom Technology Projects

School	Site No.	Project Description	Budgeted	Invoiced
Totals all sites (7 sites)		Network-Technology Equipment	\$7,800,000	\$3,810,099

Furniture and Equipment

School	Site No.	Project Description	Budgeted	Invoiced
Dover Elementary	115	Furniture and Equipment	\$800,000	\$11,039
Ford Elementary	124	Furniture and Equipment	750,000	40,928
King Elementary	132	Furniture and Equipment	700,000	0
Nystrom Elementary	144	Furniture and Equipment	700,000	67,408
Ohlone Elementary	146	Furniture and Equipment	700,000	0
DeAnza High	352	Furniture and Equipment	1,262,180	174,061
Kennedy High	360	Furniture and Equipment	675,000	176,269
Pinole Valley High	362	Furniture and Equipment	30,000	20,139
Richmond High	364	Furniture and Equipment	675,000	24,926
Program	606/615	Furniture and Equipment	1,516,543	0
Totals			\$7,808,723	\$514,769

Program Coordination

School	Site No.	Project Description	Budgeted	Invoiced
Central Account	615		\$9,741,819	\$5,615,490

Program Contingency

School	Site No.	Project Description	Budgeted	Invoiced
Totals all Projects	615		\$7,370,472	\$0
Program Totals			\$337,364,904	\$94,029,922 (27.9%)

STATE SCHOOL FACILITIES PROGRAM

The District has filed facilities applications under the following programs:

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

As of June 30, 2010, the District received state grant amounts summarized in the table below. All of the following financial data have been extracted from the OPSC Internet Web site, which maintains a record of the current project status for all school districts in California.

State Facilities Funding

State Program	SAB#	State Grant Amount	District Match
New Construction	50/05-001 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
Totals		\$72,986,378	\$45,912,973

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 SCD classrooms for 18 severe pupils at El Cerrito High School

To date, the District has received a total of \$72,986,378 through various state facilities funding programs.

Projected State Grant Amounts

In addition to the receipt of \$72,986,378 from the state as of June 30, 2010, the District anticipates the receipt of an additional \$72 million in State funds, assuming that all planned projects are completed as scheduled from projected total revenue sources. The additional state funding includes the following categories:

Anticipated State Funding¹

<u>Schools/Categories</u>	<u>State Grant Amount</u>
Kennedy High School	\$5,147,407
Richmond High School	4,000,000
Portola Middle School (At Castro)	1,514,268
Portola Middle School (Reconstruction Hardship)	12,000,000
Unfunded Approvals (See list below)	33,185,440
Emergency Repair Program (See list below)	8,086,433
Additional State Funding	8,229,904
Nystrom Elementary School	
Ohlone Elementary School	
Joint-Use Projects	
State Grant Inflationary Adjustments	
State Grants Interest Earnings	
Total	\$72,163,452

¹ The total state fund amount presented in SGI’s sources and uses document under a “stay the course” scenario assumed the receipt of \$61,107,828 (grants plus interest on state funds). Both numbers are estimates only and will be refined as project planning moves ahead.

Unfunded Approvals

Applications for the following modernization and overcrowded relief projects are on the SAB unfunded list:

<u>State Program</u>	<u>SAB#</u>	<u>School</u>	<u>Students (Type)</u>
Overcrowding Relief	56/05-001	Dover Elementary	233 (K-6)
Overcrowding Relief	56/05-002	Ford Elementary	225 (K-6)
Modernization	57/00-031	Dover Elementary	541 (K-6, 10 Non-Severe)
Modernization	57/00-032	Ford Elementary	500 (K-6)
Modernization	57/00-033	King Elementary	538 (K-6, 17 Severe)
Modernization	57/00-034	Pinole Middle	912 (7-8, 13 Non-Severe, 9 Severe)
Modernization	57/00-035	De Anza High	1,383 (9-12, 74 Non-Severe, 35 Severe)

State grant amounts for the above projects were determined when SAB approvals were made, as shown in the following table:

Unfunded Approvals¹

Application No.	School	SAB Unfunded Approval	State Share
56/05-001	Dover Elementary	1/27/2010	\$3,250,080
56/05-002	Ford Elementary	1/27/2010	3,842,402
57/031	Dover Elementary	2/24/2010	3,669,778
57/032	Ford Elementary	2/24/2010	3,402,970
57/033	King Elementary	6/23/2010	2,531,648
57/034	Pinole Middle	6/23/2010	3,690,574
57/035	De Anza High	8/4/2010	12,797,988
Total			\$33,185,440

¹ The state share for modernization projects includes grants for High Performance Schools.

State Emergency Repair Program

This section provides information on the current status of state emergency program funding existing campuses in the District, as follows:

SAB Emergency Repair Program	
Funded - Prior years	\$7,379,342
Funded - 2009-10	4,349,029
Pending - On Workload	8,086,433
Total	\$19,814,804

As of June 30, 2010, the District has received \$11,728,371. Estimated state grants for an additional \$8,086,433 are anticipated to be received in the future.

Emergency Repair Program

Funded – Prior Years

School(s)	SAB Application No(s).	Funding Type	SAB Date	State Grants
107 Schools	61/0001-0108	Reimbursement	6/27/2007	\$56,430
Transition Learning Center	61/0113	Grant	5/28/2008	835,105
Fairmont Elementary	61/0114	Grant	5/28/2008	68,756
Coronado Elementary	61/0115	Grant	5/28/2008	1,205,935
Castro Elementary	61/0116	Grant	5/28/2008	62,202
Coronado Elementnary	61/0155	Grant	5/28/2008	481,751
32 schools	61/0118-0149	Reimbursement	5/28/2008	105,408
Pinole Valley High	61/0112	Grant	6/25/2008	1,020,128
Coronado Elementary	61/0115	Grant	4/22/2009	(37,450)
Coronado Elementary	61/0155	Grant	4/22/2009	(57,032)
Crespi Jr. High	61/0150	Grant	4/22/2009	2,405,897
Adams Middle	61/0151	Grant	5/27/2009	1,232,212
Total				\$7,379,342

Funded – 2009-10

School(s)	SAB Application No(s).	Funding Type	SAB Date	State Grants
Stege Elementary	61/0152	Grant	8/26/2009	\$114,886
Grant Elementnary	61/0153	Grant	8/26/2009	424,972
Richmond High	61/0154	Grant	8/26/2009	3,809,171
Total				\$4,349,029

Pending – On Workload

School(s)	SAB Application No(s).	OPSC Received	Estimated State Grants
Lake Elementary	61/0157	6/12/2008	\$364,063
Kennedy High	61/0158	6/12/2008	2,365,262
Nystrom Elementayr	61/0159	10/15/2008	1,407,875
Chavez Elementary	61/0160	10/15/2008	62,735
Portola Middle	61/0161	10/15/2008	858,514
LaVanya DeJean	61/0162	10/15/2008	49,969
El Sobrante Elementary	61/0163	10/15/2008	2,978,015
Total			\$8,086,433

STATE NEW CONSTRUCTION STATUS

As of June 30, 2010, the District has SAB-approved new construction eligibility by high school attendance area as follows (OPSC Web site as of September 1, 2010):

<u>High School Area</u>	<u>7-8</u>	<u>9-12</u>	<u>Non-Severe</u>	<u>Severe</u>
01				
02				75
03			69	13
04			141	21
05				
06	108	191	24	23

The District utilized new construction eligibility in the El Cerrito High School attendance area to file an application to construct severely-handicapped facilities for 18 students. That application was approved by the SAB on February 24, 2010, and received a state grant amount of \$570,548 on June 25, 2010.

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

New School Site

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

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

STATE MODERNIZATION STATUS

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

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

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

Applications for five new modernization projects have been submitted to OPSC/SAB, have been approved, and are on the unfunded list, as follows:

SAB Modernization F Projects Approved and on the Unfunded List

SAB#	School	K-6	7-8	9-12	Non-Severe	Severe
57/						
31	Downey Elementary	541			10	
32	Ford Elementary	500				
33	King Elementary	538				
34	Pinole Middle		912			
35	De Anza High			1,383		

Existing Campuses. Elementary Schools - Updated June 30, 2010

No.	Existing Campus	Grade	Bond (Phase) ¹	SAB# ²	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ³
108	Cameron (Spec. Ed)	K-6							
109	Castro (1950)	K-6	J(1)	000	07/26/00	372			
105	Chavez (1996)	K-5		N/A	New school Not eligible				
110	Collins (1949)	K-6		000	07/26/00	498			
115	Dover (1958)	K-6		031	Revised	551	Filed		PM Complete
116	Downer (1955)	K-6	D(1)	027	03/22/00	916	12/12/07	12/03/08	\$4,834,933 (85% 12/2/2009)
124	Ford (1949)	K-5	J(1)	032	03/22/00	500	Filed		PM Complete
128	Hanna Ranch (1994)	K-5		N/A	New school Not eligible				
191	Harbour Way (1998)	K-6		N/A	New school Not eligible				
122	Highland (1958) (1993)	K-6	J(2)	000	03/28/07	125			
132	King (1943)	K-5	J(1)	033	07/26/00	555	Filed		PM Complete
146	Ohlone (1970)	K-5	J(3)	000	07/26/00	480			
145	Olinda (1957)	K-6		000	03/22/00	325			
152	Seaview (1972)	K-6		000	03/22/00	340			
154	Shannon (1967)	K-6		000	03/22/00	369			
157	Stege (1943)	K-5		N/A	Not eligible				
131	Transition Learning Center	K-6		N/A	Not eligible				
163	Vista Hills								

Elementary Schools

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

Existing Campuses - Middle Schools - Updated June 30, 2010

No.	Existing Campus	Grade	Bond (Phase) ¹	SAB# ²	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ³
202	Adams (1957)	6-8		000	03/22/00	1,059			
206	Crespi (1964)	7-8		000	03/22/00	1,053			
208	Lovonya DeJean (2003)	6-8		N/A	New school Not eligible				
210	Helms (1953) (1991)	6-8	D(1A)	029	07/26/00	619	07/23/08	11/04/08	\$3,781,072 (95% 12/2/2009)
211	Hercules Middle (2000)	6-8		N/A	New school Not eligible				
212	Pinole Middle (1966)	7-8	D(1A)	034	07/26/00	934	Filed		PM Complete
214	Portola Middle (1950)	6-8	D(1A)	000	07/26/00	440			

Middle Schools

Existing Campuses. High Schools – Updated June 30, 2010

No.	Existing Campus	Grade	Bond (Phase) ¹	SAB# ²	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) ³
352	De Anza (1955)	9-12	J(3)	035	07/26/00	1,492	Filed		PM Complete
391	Delta Continuation	9-12							
354	El Cerrito (1938)	9-12	D(1A)	030	03/22/00	1,332	12/10/08	05/11/09	\$10,985,587 (Complete 12/4/2009)
376	Hercules High (2000)	9-12		N/A	New school Not eligible				
	Kennedy (1965)	9-12	J(3)	000	03/22/00	1,158			
393	Kappa Continuation	9-12	J(3)						
362	Pinole Valley (1968)	9-12	J(3)	000	07/26/00	2,087			
396	Sigma Continuation	9-12	J(3)						
364	Richmond (1946)	9-12	J(3)	000	03/22/00	1,764			
395	Omega Continuation	9-12	J(3)						

High Schools

Existing Campuses. Alternative Schools – Updated June 30, 2010

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

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

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

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

COMPLIANCE WITH STATE LAW, GUIDELINES AND DISTRICT POLICY

Process Utilized

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

Background

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

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

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

State Law

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

The District periodically reviews and revises the General Conditions section included in the District's bid documents, which are then reviewed and approved by legal counsel. The most recent approval by legal counsel was in February 2009, which contained Articles I-XXVII. As of June 30, 2010, the District was in the process of updating the General Conditions.

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

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

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

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

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

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

- *Instructions to Bidders*
- *Notice of Award*
- *Notice to Proceed*
- *Agreement*
- *Escrow of Bid Documentation*

¹ Proof of District compliance was established through a review of the bid documents for the “Nystrom Elementary School, Multi-purpose Building” dated November 12, 2009. In addition to the document numbers cited, Document 007000, “General Conditions (GC)” include Articles I-XXVII, which further clarified contractor duties and responsibilities. Bid documents for “Kennedy High School Restroom Improvements” and De Anza High School Replacement Campus” were also reviewed for compliance. Full compliance is noted. Also, see the “Bidding and Procurement Procedures” section for detail for various bid documents.

Prevailing Wage Law/Labor Compliance Program

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

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

In 2002, enactment of AB 1506 created the Labor Compliance Program (LCP), which added 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.

Project Labor Agreement (PLA)

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

Projects Subject to Project Labor Agreements

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

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

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

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

The 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 in the "Scope, Process, and Monitoring of Participation by Local Firms" section of this report.

District Policy

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

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

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

The Series 7000 policies represent typical school district facility policies and conform to the standard templates recommended by the California School Boards Association. Board Policy 7214.2 and the related Administrative Regulations provide specific language 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.

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

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

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

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

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

BP	Description	Date of Adoption
BP 3111	Deferred Maintenance Funds ¹	2/6/08
BP 3280	Sale, Lease, Rental of District-owned Real Property	2/6/08
AP 3280	Sale, Lease, Rental of District-owned Real Property	10/6/08
BP 3300	Expenditures and Purchases	2/6/08
BP 3311	Bids	2/6/08
AP 3311	Bids	10/6/08
BP 3312	Contracts	2/6/08
BP 3314	Payment for Goods and Services	2/6/08
AP 3314	Payment for Goods and Services	10/6/08
BP 3320	Claims and Actions Against the District	2/6/08
AP 3320	Claims and Actions Against the District	10/6/08
BP 3400	Management of District Assets/Accounts	2/6/08
AP 3400	Management of District Assets/Accounts	10/6/08
BP 3430	Investing	2/6/08
AP 3430	Investing	10/6/08
BP 3460	Financial Reports and Accountability	2/6/08
AP 3460	Financial Reports and Accountability	10/6/08
BP 3517	Facilities Inspection	2/6/08

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.

Series 7000 – Facilities

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

Observation

- A school district is mandated not only to maintain a balanced budget but to meet its cash-flow requirements. To do this, the law permits a school district to borrow from one fund, such as the Building Fund, to meet obligations in another fund, such as the General Fund. It is appropriate that interest be paid against the borrowed funds if this occurs. According to District staff, no funds were borrowed from the bond funds as of June 30, 2010.

DISTRICT AND PROFESSIONAL SERVICES STAFFING PLAN FOR THE BOND PROGRAM

The governance and management of the District's bond program have evolved over time to address the changing needs, functions, and funding of the District's facilities program. This section provides information on the changes in the administration of the facilities program between July 1, 2009, and June 30, 2010.

New Staff Organization

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 in the new organization 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 Monday 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 new 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 meets every Tuesday focuses on adherence to District design standards, ensuring that contractor generated change orders and District requested additions or changes are appropriate and necessary for the designed programmatic or educational function of the facility. Staff and management anticipate a more streamlined implementation and execution of the bond program as a result of this staff re-organization.

FACILITIES STAFFING FOR THE BOND PROGRAM

The table below lists District staff and the funding allocations for the bond program for fiscal year 2009-10. Since the annual report of June 30, 2009, 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 ²	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)

² Vacant positions as of June 30, 2010.

The annual compensation costs for the positions charged to the bond fund were \$861,814 for the 2009-10 year (\$1,060,474 for the 2008-09 year). This represents a 19 percent decrease from the 2008-09 year. In 2008-09, there were a total of 4.8 FTE vacant of the 10.75 FTE charged to the bond program. As of June 30, 2010, there were only 1.80 FTE vacant of the 9.25 FTE positions charged to the bond program. However, there were several vacancies during the 2009-10 fiscal year, which contributed to the overall decrease in staff salary costs from the prior year.

The facilities-related personnel (full-time equivalent or FTE) assigned to the program as of June 30, 2010, including the internal staff and project and construction management personnel, are presented in the table below. These numbers exclude the design manager, architects/engineers of record, project specialty consultants, inspectors, the communication consultant, the outreach consultant, and the labor compliance consultant.

Category	FTE¹
District Staff	
Bond Finance Office	3.25
Bond Management Office	6.00
Subtotal	9.25
Bond Program Manager (SGI)	
Program/Project Management	5.33
Design Management ²	0
Construction Management	9.00
Other (Network Admin., PS2 Coordinator, Master Scheduler, Scheduler, Cost Estimator, Receptionist)	6.00
Subtotal	20.33
TOTAL Full-Time Equivalent Positions	29.58

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

² A full-time design manager was hired effective July 1, 2010, after the period this report covers.

Observations

- At the end of the 2008-09 fiscal year, there were three District employees assigned to the Facilities and Operations Center. Two of these were Bond Regional Facilities Program Managers, whose primary duties are project management. This left only the District Engineering Officer to conduct the day-to-day management of the entire bond program, resulting in some delegation of responsibility to outside consultants such as SGI.
- In the 2008-09 annual report, TSS recommended that the District consider assigning additional staff to provide adequate oversight of the program. Internal staff is critical for maintaining a system of checks and balances within a bond program of this size and scope. For example, during this reporting period, it was observed that some invoices for bond-related expenses were processed by SGI staff rather than District staff due to lack of available District personnel.

- At the time of the midyear review, it was noted that one District Bond Regional Facilities Program Manager and one Staff Secretary had retired effective December 31, 2009. These departures left the District with six vacancies, 5.2 of which are funded by the bond program, in the bond finance and management offices, as follows:
 - Senior Account Clerk (0.5 FTE bond funded)
 - Staff Secretary (1.0 FTE bond funded)
 - Regional Facilities Program Manager (0.9 FTE bond funded)
 - School Facilities Planning Specialist (1.0 FTE bond funded)
 - Director of Facilities and Construction (0.9 FTE bond funded)
 - Bond Network Planner (0.9 FTE bond funded)

- The Staff Secretary position had been partially filled two days a week through a temporary substitute, who began in January 2010. An additional District Bond Regional Facilities Program Manager (0.9) gave notice to resign effective March 31, 2010. Thus, at one point during the second half of the 2009-10 fiscal year, there were seven staff vacancies (6.1 FTEs bond funded) in the District's bond program.

- During the second half of the 2009-10 fiscal year, the District made significant efforts to fill several of the vacancies. The Staff Secretary Position was eliminated; however, many of the duties have been assumed by a School Facilities Planning Specialist. The Planning Specialist job description was modified in January 2010, and the vacant position subsequently filled. The Director of Facilities and Construction job description was also modified in January 2010 and filled as well. (This position is a lateral position to the District Engineering Officer.) One Regional Facilities Project Manager position was also filled. Hiring for these vacancies was a positive step toward improving the overall effectiveness of the bond program. It is noted that the Senior Account Clerk also returned from leave.

- 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. Consequently, a few duties of this position had been assigned to the Deputy Program Director/Pre-Construction while other duties were shifted to the Deputy Program Director/Construction Manager. According to District staff, this arrangement lacked the continuity needed for the effective delivery of services.

- In the 2008-09 annual report, Total School Solutions recommended that the District request that SGI assign one full-time Program Director to the bond program. SGI has since promoted the Deputy Program Director/Pre-Construction to the role of full-time Program Manager. This arrangement should lead to more direct oversight and management of the SGI bond staff. However, it should be noted that this did not result in an increase in total program management staff since the staff member was already working full-time on bond projects for SGI.

- During the 2009-10 fiscal year, SGI also added three important team members to the bond program staff. In October 2009, the District hired a Master Scheduler to work with the SGI program management team. In addition, another Scheduler was hired in 2010 to assist the Master Scheduler to enter all the data into the new Primavera scheduling software. The Scheduler is responsible for coordinating with the Construction Managers and other SGI staff to develop a Master Schedule for the remaining bond projects. The hiring of this position was in response to concerns about the lack of a Master Schedule for the program. The third position, a Cost Estimator, was filled in early 2010 as well. The Cost Estimator is primarily responsible for change order review and internal review of bond construction project estimates. (These positions have been filled by personnel from outside consulting firms operating as subcontractors to SGI.)
- At the end of 2009-10 fiscal year, SGI had 1.5 FTE fewer positions in construction management than in the prior year. Adjustments were made to reflect construction management staffing needs related to project under construction. It is likely that the number of construction managers and project engineers will change over the next fiscal year depending on the number of projects under construction at any given time.

Commendations

- With several of the vacant positions in the bond program filled, the District has made significant progress toward staffing its program adequately. The hiring of internal staff such as the Director of Facilities and Construction and one Regional Bond Facilities Project Manager to assist the District's Engineering Officer will allow for more oversight of outside consultants and bond projects.

PROGRAM MANAGEMENT

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)
- Master 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 newly hired 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 full-time.

At the end of the 2009-10 fiscal year, SGI's Program Management team consisted of the following staff:

- SGI Senior Vice President
- Program Manager
- Senior Controls Manager
- Project Controls Engineer
- Contract Controls Manager
- Project Engineer
- Design Manager (vacant during the 2009-10 fiscal year)
- Project Controls Specialist
- Network Administrator
- Receptionist
- Master Scheduler
- Scheduler
- Estimator

At the end of the 2009-10 fiscal year, SGI’s construction management team consisted of the following:

- Deputy Program Manager
- 4 Senior Construction Managers
- 3 Construction Managers
- 2 Project Engineers

To a lesser extent, the District also engaged Vanir Construction Management and WJ Robinson and Associates for construction management of the bond program during the 2009-10 fiscal year. Vanir Construction Management provided constructability reviews of construction documents. WJ Robinson and Associates provided construction management for a small number of projects.

In a prior fiscal year, 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.

There also was a duplication of effort among the roles of Master Architect, Program Manager, and other consultants. Having multiple entities provide the same service can help ensure a system of checks and balances for accuracy and thoroughness in processes. However, the duplication of services can lead to confusion and inefficiencies.

Over recent years, District staff has made significant progress toward correcting the problem of duplication of effort. The role of the Master Architect has been reduced to an “as needed” function on an hourly basis, which has removed one layer of redundancy. The Program Manager (SGI) has been instructed to assume responsibility for more of the tasks within the bond program.

The table below shows the cumulative amounts the District has spent on program, design, construction management, and other major consultant roles for Measures D and J projects as reported in the June 23, 2010 CAMP document.

Bond/Role	Amount
Measure D	
Program Manager	\$3,114,609
Master Architect	\$5,967,799
Design Manager	\$2,391,125
Construction Manager	\$10,930,577
Architect of Record	\$15,302,134
Specialty Consultants	\$771,761
Subtotal Measure D	\$38,478,005

Measure J	
Program Manager	\$5,595,464
Master Architect	\$2,704,356
Design Manager	\$1,974,968
Construction Manager	\$3,229,338
Architect of Record	\$19,912,268
Specialty Consultants	\$1,244,026
Subtotal Measure J	\$34,660,420
TOTAL	\$73,138,425

Observations

- Several changes were made by SGI in the 2009-10 year to strengthen oversight and operations of the bond program. These changes included the promotion of a full-time Program Manager and the hiring of two Schedulers and a full-time Estimator.
- In the 2008-09 annual report, TSS recommended that the District and Program Manager take steps to ensure that all bond program participants adhere to the master schedule. The District concurred and assigned the responsibility for schedule compliance to SGI's Program Manager. Work and effort in this area have improved with the return of a full-time (from part-time) Program Manager. During the first half of the 2009-10 fiscal year, the 0.33 FTE Program Manager provided through SGI was increased to full-time through the promotion of the Deputy Program Manager of Pre-construction into that role.
- 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.
- In the 2009-10 fiscal year, the District renewed the contract with Production Technical Services to serve as a Master Inspector of Record for the remaining Measure J bond construction projects. The company will provide supervision of DSA inspection services and some construction utility coordination.

- 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 Architects work as Master Architect was essentially eliminated.

Observations Regarding the Board Subcommittee on Facilities

- In the 2008-09 annual report and at the request of the District's CBOC Audit Subcommittee, TSS commented on the role of board members on the Facilities Subcommittee. The Board of Education appoints two of its members to serve on a Subcommittee on Facilities, which meets regularly to discuss facilities issues. The District's Web site provides meeting schedules, agendas, and minutes of the subcommittee's activities.
- Because the subcommittee addresses facilities issues in greater detail than what is generally possible at Board meetings, it is not unusual for subcommittee members to request detailed information to assist them in their appointed duties.
- A review of the establishment of or activities of District Board committees, with the exception of the CBOC, is not within the scope of a Proposition 39 Performance Audit

MASTER ARCHITECT/ENGINEER PLAN

Background

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

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

- Owner
- Architect
- Contractor
- Construction Manager

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

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

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

The 2003 audit report also found that the two architectural firms under one contract created, or had the potential of creating, uncertainty in the division of roles, duties, and responsibilities between the two. As this report notes in a finding, a conflict of interest exists when one firm is in the position to review the work of its own partner.

In the 2004 annual performance audit report, it is noted that the District and bond management team had undertaken a thorough review of the master architect contract and initiated a process to bifurcate the contract into two separate contracts. The 2005 annual performance audit notes that the bifurcation of the contract had been completed.

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

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

Seismic and Geotechnical Professional Services

The District had requested the master architect to engage consultants for geotechnical and soils analysis services and invoice the District as a reimbursable expense at the beginning of the bond program. This arrangement provided some expediency; however, it also had the effect of insulating these services from direct oversight.

A consultant, Global Soils, was engaged in this manner; and soils reports were provided to the District by Global Soils. The reports prepared by Global Soils were determined to be deficient and/or fraudulently prepared during the 2004-05 year. Seventeen Measure M projects and five Measure D projects have been identified for further soils review as a result of Global Soils' initial geotechnical reports.

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

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

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

Observations

- WLC’s role as Master Architect has essentially been eliminated. The District did not use WLC Architects as the District’s Master Architect in the 2009-10 fiscal year.
- WLC continues to provide services to the District as the Project Architect of Record on certain construction projects. For example, within the past year, WLC Architects served as the lead Architect for the El Cerrito High School improvements. WLC provided the construction bid documents and oversaw the design team consisting of civil, mechanical, electrical, and structural engineers as well as other design consultants and professionals. As Project Architect, WLC assisted with the construction bidding, review of construction change orders, Requests for Information (RFIs), shop drawings, and specification submittals.
- New projects assigned to WLC Architects between July 1, 2009, and June 30, 2010, consisted of work at Coronado Elementary School as Project Architect. On October 21, 2009, the Board authorized a contract to WLC Architects in the amount of \$2,155,800 for the preparation of construction documents for the Coronado Elementary School new construction. WLC provided educational programming and master planning for the renovation/reconstruction of Coronado as authorized by the Board on June 24, 2009. As part of the master planning task, WLC analyzed different alternatives for the campus renovation and presented these options to the District for consideration. The District subsequently selected the option of total campus replacement.
- During the 2009-10 fiscal year, WLC continued work on the Pinole Valley High School Reconstruction Master Plan. WLC provided planning services to provide site master plan options. WLC also served as Project Architect on several smaller non-bond projects, such as school consolidation work at Fairmont Elementary School.

- In response to the geotechnical issues noted in the 2008-09 annual report, the current consultant, Alan Kropp and Associates has completed geotechnical evaluations of 17 elementary school sites originally studied by Global Soils. Kropp has cleared 15 of the 17 sites, confirming that no geo-hazards exist and that geotechnical requirements have been adequately addressed through the completed construction work. Kropp's investigation at two of the sites has identified potentially significant geo-hazards, which do not appear to have been addressed by project work. At Washington Elementary School, there is a liquefaction concern in one area of the site; further investigation is required. This additional investigation at Washington Elementary has not been completed to date. At Riverside Elementary School, there is a concern about seismically induced lateral spreading at the deep creek bank that borders the site. Kropp has completed three phases of progressively more intensive investigation at the Riverside site and is awaiting results of a peer review by an outside specialist before presenting its recommendations to the District.

DESIGN AND CONSTRUCTION SCHEDULES

Process Utilized

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

Background

The District's bond program management team developed documentation systems that include a master schedule for the Measure D and J programs for the purpose of maintaining control and enhancing management of construction projects. The master schedule includes the facilities projects funded by Measure D and Measure J bonds, beginning with the master planning of school facilities and through the whole process of design, construction and completion of projects. Staff communicates the status of projects and the overall progress of the program to the Board of Education and the Citizens' Bond Oversight Committee (CBOC) once a month during regular Board of Education meetings through the "Engineering Officer's Report" and the "Construction Status Reports". These reports include verbal presentations, narrative descriptions of construction progress and pictures of essential project activities.

In the January 30, 2008, Engineering Officer's Report to the Citizens' Bond Oversight Committee (CBOC), staff presented the "Facilities Construction Program Schedule Update, January 2008". The updated schedule included all active remaining projects from the Measure D Bond Program. It also presented the planned projects for the Measure J Bond Program outlining the various stages of master planning, design, DSA approval and bidding planned to occur during 2007-2009 and construction, including project completion occurring during 2008-2012.

In the spring of 2010, the District created the bond program design team which is composed of the Engineering Officer, the Director of Facilities, the Program Manager, the Master Scheduler and the Contracts Manager. Members of the team meet every Monday to review schedules and status of projects in the various stages of design and construction. Also discussed during these meetings are design issues, coordination of design activities and development of plans for the effective use of bond resources on District facilities.

Measure D Projects

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

Pinole Middle School. Construction of Temporary Kitchen Utilities and the Demolition of Building A at Pinole Middle School are complete. Modernization of Building A is under construction (43 percent complete).

Helms Middle School. Construction of the Helms Middle School new campus project is complete and in the process of project close-out. Demolition of old facilities and construction of new site work was bid and awarded in June 2010.

El Cerrito High School. Construction of El Cerrito High School Administration, Theater and Library Buildings is complete including the demolition of the temporary campus. Design of the Playfield Upgrades is in progress and scheduled to bid September 2010. These projects achieved early starts when the Board rescinded the plan to house Portola Middle School students on this campus during modernization/new construction.

Portola Middle School. The District has completed environmental reviews of the proposed Castro site as the future home of Portola Middle School. However, there is a lawsuit pending under the California Environmental Quality Act (CEQA) challenging the decision to locate the middle school at the Castro site. On October 21, 2009, the site master plan for the construction of new Portola Middle School at the Castro Elementary School site was approved by the Board of Education. It also authorized the preparation of construction documents so that the District is ready for construction when the current litigation is resolved. On January 6, 2010, the Board rescinded their previous approval to house Portola Middle School students at the Temporary Housing Portables of El Cerrito High School. After considering numerous options and extensive community input regarding temporary housing of students, the Board approved the relocation of Portola MS students to the lower pad of the campus on February 10, 2010,

Measure J Projects

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

On April 14, 2010, the Board approved the Measure J Bond Program Budget Adjustments plan. The plan included adjustments to forecast projects due to changes in revenue projections for various funding sources, changes to estimated construction costs and realization of savings from bid and completed projects. The resulting availability of funds made possible the inclusion into the program those previously unfunded and deferred projects such as wall repairs, soccer field and play structures at Downer ES, site security and fencing at Verde ES, and other capital projects that support deferred maintenance projects District-wide.

The status of Measure J projects during this reporting period is as follows:

Elementary School Projects: Construction of the new buildings and site work at King Elementary School is in progress and is scheduled to be completed in August 2011. Construction of Phase II of the new Dover Elementary School is 50 percent complete. The overall Dover ES project which includes Phase III & IV is anticipated to be completed in mid 2012. The new Ford Elementary School campus at Downer is in construction and scheduled to be completed in early 2011. The Nystrom Elementary School Modernization/Multipurpose Room project is under construction and scheduled to be completed in early 2012 while the renovation of classrooms is in the design stage. The Ohlone Elementary School is in the design process and scheduled to be completed in 5 construction phases in the year 2015. Upgrading of play structures and surfaces at 10 elementary schools is nearing completion.

On June 3, 2009, the Board of Education approved the Facilities Subcommittee's recommendation to add Coronado Elementary School to the approved projects for the Measure J Bond Program. The project is in the design process and scheduled to be completed in 3 construction phases in late 2012. Full funding for construction of this project is subject to the availability of future funds.

High School Projects: The Baseball Field project at De Anza High School is in construction and scheduled to be completed in August 2010 while the construction of the new replacement School Campus is scheduled to be completed August 2013. Upgrades to the Concession Stand and Restrooms at Kennedy High School are scheduled for rebidding while the remaining projects are in various stages of design and construction document preparation. Construction of the Richmond High School Stadium and Lockers Building project is complete. The Pinole Valley High School project remained on the "deferred" list subject to the availability of future funds.

Charter and Gompers Projects: The Facilities Subcommittee's recommendation to start the planning process for the demolition of Gompers High School and Adams Middle School due to severe deterioration and known seismic deficiencies was approved by the Board of Education on June 3, 2009. Construction of the Richmond College Prep (RCP) site and the Leadership Public School (LPS) site work are complete. Design of the Gompers/Leadership High School is in progress and construction is scheduled to begin in late 2011.

The updated schedule of active remaining projects and planned projects in the Measure D and the Measure J Bond Program is shown in the following table, "Measure D and J Bond Program Schedules". The table also includes the status of projects in design (planning, design, DSA approval, etc) and construction through project completion:

MEASURE D & J BOND PROGRAM SCHEDULES

PROJECTS	Program Master Schedule ¹	Status of Projects ²
Measure D Bond		
Additional Bond Funded Projects		
Verde Elementary School	2009	Complete
Helms Middle School	Design (2007 - 2010) Const. (2008 – 2011)	Design (Site Work & Fields) In Const. (New School -), In Const. (Demo. & Site Work)
Pinole Middle School	Const. (2009 – 2011)	In Const. (Modernization - 43%)
Portola Middle School	Design (2010 – 2011) Const. (2010- 2011)	Design (New School at Castro) In Const. (Moving Services)
El Cerrito High School	Design (2008 - 2010) Const. (2010)	Design (Track & Field Stadium)
Furniture & Equipment		
Technology		
Program Coordination		
Measure J Bond		
De Anza High School	Design (2007 - 2014) Const. (2009 - 2014)	Design (4 Projects) In Const. (New School – 6%) In Const. (Baseball Field – 16%)
Kennedy High School	Design (2009 - 2010) Const. (2009 - 2011)	Design (5 Projects) In Const. (5 Projects)
Richmond High School	Design (2010 - 2011) Const. (2010 - 2013)	Design (Furniture & Equipment) Design (Richmond HS)
Dover Elementary School	Design (2008 - 2009) Const. 2009 - 2012	In Const. (New School Bldg – 45%)
Ford Elementary School	Const. 2009 - 2011	Design (Soccer Field @ Downer) In Const. (New School Bldg –25%)
King Elementary School	Const. 2009 - 2011	In Const. (New School -75%)
Nystrom Elementary School	Design (2009 - 2011) Const. (2010 - 2012)	Design (Classroom Renovation) Design (Maritime Renovation) In Const. (New MPR – 5%)
Ohlone Elementary School	Design (2009 - 2014) Const. (2010 - 2015)	Design (5 Projects) In Const. (Roofing)
Coronado Elementary School	Design (2010 - 2011) Const. (2011-2012)	Design (New School)
Furniture & Equipment		
Technology		
Program Coordination		
Program Contingency		
Deferred Capital Projects		

¹ Source: WCCUSD Measure M, D & J Bond Program Master Schedule, October 7, 2010.

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

Observations

- The new Director of Facilities was employed by the District during the spring of 2010. He has since initiated the creation of the design team composed of the Engineering Officer, Program Manager, Master Scheduler, Contracts Manager and the new Director of Facilities. The design team meets every Monday to review project schedules and status, planning and design issues, coordination of architects and management of bond resources efficiently. Staff and management anticipate a more streamlined implementation and execution of the bond program.
- The new construction cost accounting software, Expedition by Oracle Software Systems, was purchased by the District to enhance its project and construction cost control program. Actual construction cost data from all measure bond projects are compiled using the new construction cost accounting system. Data are then uploaded on the Primavera (P3) master scheduling system and integrated with budget data uploaded from the Capital Assets Management Plan (CAMP) accounting system to generate consolidated budget and cost loaded master schedules. The system will have the capability of tracking down schedules and costs, capturing “bid savings” and re-allocating funds to other projects in need of funds. It also has the capability to tracking change orders through project completion and flag down potential risks. According to staff, the plan is to ultimately integrate the District’s Bi-Tech accounting system to the complete P3 platform and eliminate the need for tedious reconciliation of data between the different accounting programs.
- The District hired a new Master Scheduler through the SGI program management who is now responsible for the development and overall control of the facilities program master schedules and an active participant in the design team meetings. The new Master Scheduler is currently in the process of uploading data into the P3 master scheduling system. The District hired a temporary staff to assist the new scheduler in uploading cost and budget data in order to expedite the commissioning of the system.
- One of the two vacant positions for Bond Regional Project Manager has been filled. According to staff, it is important to fill the other remaining position to ensure that the District is able provide sufficient coordination of the various architects design activities on a project by project level. The District’s design directives and standards should be properly communicated to the architects or engineering consultants and then actively monitored such that the resulting projects meet the desired objectives of the program

DESIGN AND CONSTRUCTION COST BUDGET

Process Utilized

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

Background

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

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

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

Cash Flow

On August 26, 2009, the Engineering Officer's Report to the Citizens Bond Oversight Committee (CBOC) presented a "Cash Flow Update" that forecasted the availability of bond funds and other funds that are anticipated to contribute additional funding to the bond program. The document likewise forecasted the estimates of expenditures required to complete the design and construction of outstanding projects remaining in the school sites included in the Measure D and Measure J bond project lists. An update of the projected revenue and expenditures beginning fiscal year 2009-10 through the forecast completion of the bond program in the year 2013-14, is summarized in the following tables - "Measure D & J Bond Program Cash Flow Update".

MEASURE D & J BOND PROGRAM CASH FLOW UPDATE¹

REVENUE

FUNDS	Beginning Balance June 30, 2010	Forecast Revenue 2010-2014	Cash Flow Update
Bond Sales/Current Fund Balance	\$184,547,131	\$0	\$184,547,131
Measure J Bonds (With Approved Waiver)	0	77,500,051	77,500,051
El Cerrito High School (State Allocation #2)	0	570,548	570,548
Pinole Middle School (Modernization)	0	3,690,574	3,690,574
Portola Middle School (Modernization)	0	2,197,279	2,197,279
Current Eligibility State Funds (Elementary Phase I)	0	12,379,001	12,379,001
Projected State Funding (Secondary Schools)	0	21,945,395	21,945,395
Developer Fee Income	0	0	0
Projected Interest Income	0	3,250,000	3,250,000
State Fund Interest	0	1,427,629	1,427,629
Potential Joint-Use/ Community Projects Revenue	0	3,000,000	3,000,000
Portola Middle School Reconstruction Hardship	0	12,000,000	12,000,000
Projected Additional State funding	0	6,897,402	6,897,402
Total	\$184,547,131	\$144,857,879	\$329,405,010

¹ **Source:** WCCUSD Projected and Available Funds, October 13, 2010 (Draft). The "Expenditures" shown above do not match the "Invoiced" amounts reported in the "Budget and Expenditures" section which were taken from the CAMP report dated June 23, 2010. Continuing financial transactions and adjustments occur during the period between the June 23, 2010 publication of the CAMP report and the closing of the books on June 30, 2010.

EXPENDITURES

PROJECTS	Expenditures To Date June 30, 2010	Forecast Expenditures 2010-2014
Measure D Bond		
Additional Bond Funded Projects	841,080	7,103,018
Verde Elementary School	966,192	167,316
Helms Middle School	67,068,175	7,558,479
Pinole Middle School	40,443,711	10,097,219
Portola Middle School	5,976,233	54,023,737
El Cerrito High School	118,002,275	4,329,050
Furniture & Equipment	3,941,388	1,076,112
Technology	3,681,072	2,263,335
Total Measure D	\$240,920,126	\$86,618,266
Measure J Bond		
De Anza High School	\$27,261,719	\$93,212,994
Kennedy High School	4,550,915	6,553,078
Richmond High School	8,225,234	973,777
Dover Elementary School	14,890,557	17,130,341
Ford Elementary School	11,404,300	16,510,625
King Elementary School	13,996,348	9,733,992
Nystrom Elementary School	3,467,119	25,607,516
Ohlone Elementary School	2,822,218	30,409,218
Coronado Elementary School	508,457	2,345,376
Furniture & Equipment	1,546,543	6,292,180
Technology	3,810,099	3,989,901
Program Coordination	6,679,495	3,062,324
Program Contingency	0	7,370,472
Deferred Capital Projects	10,400	2,331,834
Total Measure J	\$99,173,405	\$225,593,629
Total Measure D & J	\$340,093,531	\$312,211,894

¹ Source: WCCUSD Projected and Available Funds, October 13, 2010(Draft).

Based on the cash flow update above, there are sufficient planned funds to complete the construction of projects in the school sites included in the Measure D and J Bond project lists. However, the timing and availability of these funds is dependent upon the ability of the District to sell the remaining authorized amount of Measure J Bonds (\$77,500,051) within the forecast period. Satisfactory outcome of the projected expense budgets and construction schedules are solely dependent upon the realization of the sources of revenue. The current WCCUSD Projected and Available Funds anticipate that \$2,500,051 will be issued in 2010-11 and the remaining \$75,000,000 in 2011-12. There are limiting factors such as debt-service ratios and debt limits that the District must comply with in order for the sale of the remaining bonds to materialize. The District's assessed valuations had substantially decreased in the past years and there may no longer be sufficient assessed valuation to issue the remaining bonds according to the schedule.

Measure D and J Bond Program Master Plan Budgets

On April 14, 2010, the Board of Education approved the Measure J Bond Program Budget Adjustments. These needed adjustments which were previously presented to the Board Facilities Subcommittee on March 9, 2010 took into account conditions that impacted the program funding, such as the effects of the continued declining trend of construction costs for which significant bid savings benefited the District, reduction in interest and Developers Fees income, increases to current budgets where the "Cost to Complete" exceeded the current budgets and assignment of funds for Deferred Capital Projects. The adjusted budget also included providing funding allocations to additional projects such as Gompers High School Demolition, schematic design for the new Leadership Public School, and the Maritime Center Classrooms.

Measure D Bond Program Budget

The adjusted budget for the Measure D Program schools increased from \$329,375,503 to \$340,331,681 for a net increase of \$10,956,178. Adjustments to the expenditure budget include additional expenditures to cover the "Cost to Complete" for the remaining projects at Helms Middle School, El Cerrito High School and furnishings/equipment which is estimated to exceed current budgets. It also includes funding reductions to reflect bid savings at the Pinole Middle School project. Projected additional revenue and additional funding allocation for the completion of Measure D program is anticipated to come from receipts of additional state funding (SFP) for El Cerrito High and Helms Middle Schools, a slight increase in interest income and additional fund transfers from the Measure J Bond.

Measure J Bond Program Budget

The adjusted budget for Measure J Program schools decreased from \$384,350,946 to \$358,910,450 for a net decrease of amount of \$25,440,496. Adjustments to the expenditure budget took into account actual bid savings from Pinole Valley High School, Dover, Ford and King Elementary School projects and projected bid savings from De Anza High School. It also includes a reduction in projected expenditures for Nystrom Elementary School and furnishings/equipment where the "Costs to Complete" are estimated to come below current budgets. Projected loss in revenue and funding allocations for the completion of the Measure J program were due to the anticipated decrease in Developer Fee collections and bond fund interest income. It also accounts for reductions in modernization eligibility for Nystrom Elementary School and additional in-fund transfers to the Measure D program to fund increases in "costs to complete" of the remaining projects.

Construction Budgets

During the years 2008 and 2009, the construction industry experienced a steep decline in construction costs due to an economic recession that started 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.

The following table, “Construction Budgets vs. Actual Bids, 2009-10”, show examples of projects bid and awarded during the period from July 2009 through June 2010. During this period, bidder participation ranged from two to 18 bidders and was significantly higher compared to the previous years. Bids for large construction projects such as the Phase II Modernization of Pinole Middle School, the new Ford Elementary School and the construction of a replacement campus for De Anza High School received nine to 17 highly competitive bids which generated \$14.6 million in bid savings for the District. Of the 19 bids shown in the table, 13 bids came in below their estimated construction budgets while the remaining six bids came in above their estimated construction budgets. Generally, bids that came in below the budget ranged from as low as 32.5 percent below the construction estimate for the De Anza High School Baseball Field Improvements Project to 2.96 percent below the construction estimate for the Nystrom Elementary School Multi Purpose Building construction Project.

Construction Budgets vs. Actual Bids (2009-10)

Project/Name Bid No.	Estimated Construction Budget	Lowest Bid Amount/Bid	Highest Bid Amount/Bidder	No. of Bidders/Bid Date	Variance (+ / -)	% Over/ Under Budget
De Anza High School Baseball Field Improvements Bid # J068184	\$2,000,000	\$1,350,000 Bay Cities Paving	\$1,706,712 MPC	10 8/04/09	(\$650,000)	-32.50%
Pinole Middle School Mod Phase II (Bldg A) Bid # J068116	\$13,950,000	\$9,570,735 Alpha Bay Builders	\$13,835,000 Best Contracting	17 8/25/09	(\$4,379,265)	-31.39%
Kennedy High School Fire Alarm System Replacement Bid # J068190	\$600,000	\$516,500 Emard Electric	\$810,642 Gold Spring Construction	5 08/25/09	(\$83,500)	-13.92%
Kennedy High School Restroom Renovations J068191	\$2,300,000	\$1,570,000 JDS Builders Group	\$2,025,501 IMR Contractors	13 09/01/09	(\$730,000)	-31.74%
Kennedy High School Gym Locker Room Hot Water System J068194	\$100,000	\$171,544 ERA Construction	\$209,000 Dowdle & Sons	4 09/03/09	\$71,544	71.54%
Ford Elementary School New School Building Bid # J068158	\$24,500,000	\$16,734,206 Alten Construction	\$18,558,569 John Plane Construction	15 9/03/09	(\$7,765,794)	-31.70%
Richmond High School Surveillance Camera System J068182	\$300,000	\$338,988 Walsh Electronics	\$828,500 Stanley Security	5 11/03/09	\$38,988	13.00%
Hercules Middle School Quad Landscape & Parking Area W068204	\$300,000	\$247,450 McNabb Construction	\$568,000 WR Forde	18 12/17/09	(\$52,550)	-17.52%
El Cerrito High School Temp. Campus Removal J068193	\$350,000	\$278,000 ERA Construction	\$805,000 Bruce Carone	13 2/9/2010	(\$72,000)	-20.57%
Kennedy High School Intercom Upgrade Project J068210	\$45,000	\$37,100 Sound Signal	\$38,400 Pacific Power & Systems	2 2/9/2010	(\$7,900)	-17.56%
Richmond High School Fences and Gates Project J068199	\$750,000	\$898,000 CF Contracting, Inc.	\$1,326,847 Bruce Carone	4 1/28/2010	\$148,000	19.73%

Project/Name Bid No.	Estimated Construction Budget	Lowest Bid Amount/Bid	Highest Bid Amount/Bidder	No. of Bidders/Bid Date	Variance (+ / -)	% Over/ Under Budget
De Anza High School Replacement Campus J068194	\$65,000,000	\$62,508,000 Wright Contracting	\$69,803,000 Hensel Phelps	9 4/13/2010	(\$2,492,000)	-3.83%
Portola Middle School Utilities and Site Work J068233	\$300,000	\$325,000 Evans Brothers 3	\$745,000 Lamon Const.	10 5/5/2010	\$25,000	8.33%
Nystrom Elementary School Multi Purpose building J068218	\$5,400,000	\$5,240,107 John Plane Construction	\$5,750,000 Zovich & Sons	5 6/10/2010	(\$159,893)	-2.96%
Grant Elementary School Emergency Repairs E068234	\$300,000	\$498,800 JMA Construction	\$888,000 CF Contracting	8 5/20/2010	\$198,800	66.27%
Gompers High School Building Demolitions J068237	\$2,300,000	\$1,689,000 Evans Brothers	\$2,322,117 Grant McKay Co.	5 6/8/2010	(\$611,000)	-26.57%
Kennedy High School Fence and Gates Project -J068217	\$450,000	\$461,068 Crusader Fence5	\$644,500 Fence Corp.	7 6/8/2010	\$11,068	2.46%
Helms Middle School Buildings Demolition J068218	\$3,000,000	\$2,442,000 Evans Brothers	\$2,870,000 LVI Environmental	4 6/15/2010	(\$558,000)	-18.60%
Cesar Chavez Elem. School Painting and Repairs J068222	\$95,000	\$83,300 Fairway Painting	\$165,000 B-Side Inc.	7 6/24/2010	(\$11,700)	-12.32%

New Construction Accounting Software

During the fiscal year 2009-10 audit reporting period, the District purchased new construction cost accounting software, Expedition by Oracle Software Systems, to enhance its project and construction cost control program. Actual construction cost data from all bond projects compiled by the new construction cost accounting system will be uploaded and integrated with the Capital Assets Management Plan (CAMP) budget data and the Primavera Project Planner (P3) master scheduling system to generate a consolidated budget and cost-loaded master schedules. This new system is anticipated to enable the program management team to provide current and accurate information on cash flow, costs, budgets and schedules. Once the software and systems are fully functional, the District anticipates improvement in the cost control aspects of the program through improved cost analysis and monitoring of schedules and construction costs. At the end of fiscal year 2009-10, the District's Master Scheduler and assistant were in the process of uploading all necessary construction cost data from all bond funded projects into the system. Staff anticipates presentation of consolidated data to start before the end of the calendar year 2010.

Program Completion Cost

Staff developed an estimate of program completion cost based on projections made using actual costs incurred on projects completed to date. Presently, staff is in the process of updating data on remaining schools that will comprise these future projects, compiling construction cost data and design standards to be used in the development of project cost estimates. It is anticipated that the new cost construction software and the master scheduling software that the Master Scheduler and District Estimators are now in the process of uploading with actual costs, budgets and schedules data will prove to be highly efficient in developing a realistic projection of the program completion cost.

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

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

- Labor compliance law requirements; and
- Inadequate School Facilities Program funding.

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. 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 the 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);
- 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.

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

Seismic Mitigation Program

One of the factors that influenced the construction costs of the school projects are seismic investigation and mitigation costs incurred at the affected schools. The Department of State Architects (DSA) was directed to compile a list of “most vulnerable” buildings throughout the State. 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. AB300 provides for Proposition 1D to supply up to \$199.5 million for seismic mitigation on identified buildings. Seismic Mitigation Funds are targeted for the most vulnerable facilities—a “Category 2” facility—as defined by Division of State Architect (DSA), and which pose an unacceptable risk of injury during a seismic event (Category 2).

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 schools 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 Elementary School	Closed after Seismic Evaluation
Crespi Elementary School (Gym and Cafeteria)	Pending evaluation.
Downer Elementary School	Demolished and replaced.
El Cerrito High School	Demolished and replaced.
Granada (Old Kennedy)	Pending evaluation.
Pinole Valley High School	Scheduled for evaluation and replacement.
Richmond High School (Old Gym and Lockers)	Anticipated demolition and replacement.
Roosevelt Junior High School (Gompers)	Demolition underway and pending replacement.
Del Mar School	Sold.
Mira Vista Elementary School	Seismic renovations.
Pullman Elementary School (King)	Pending demolition as part of current replacement project.
Vista Hills	Pending evaluation.

Observations

- The trend of declining construction costs continues as evidenced by the results of projects bid during 2009-10, wherein a number of projects received bids as much as 33 percent lower than the construction estimates. Bidder participation has likewise continued at the high levels seen during the previous year. The District has actively taken advantage of the 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 2009-10, the District employed two estimators and a Master Scheduler through the SGI program management contract to provide estimating and scheduling services for the facilities construction program. In addition, the District likewise hired a new Bond Regional Project Manager and a Facilities Planning Specialist to the program management team. The new staff additions are anticipated to provide significant improvements to the program's project and cost control operations.
- The District hired a new Director of Facilities during the second half of fiscal 2009-10. As part of the re-organization of the Facilities Operations Center organization, the new Director of Facilities is now responsible for facilities program controls which encompass the planning, design, estimating and scheduling phases of the program. The addition of the Director of Facilities to the program management team has enabled the Engineering Officer to focus on the construction phase of the program which encompasses construction management, communication, field supervision and coordination of construction projects.

BIDDING AND PROCUREMENT PROCEDURES

Process Utilized

Numerous purchasing documents, bid documents, and payment documentation on new construction and modernization projects were reviewed and analyzed. Interviews with various staff members were also held.

The review consisted of the following:

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

Background

The 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.)

The Purchasing Director and the District's Engineering Officer handle and coordinate bids for construction projects. These managers work together to determine the best method for procuring furniture and/or equipment purchased with bond funds as well. The facilities staff also prepares the pre-qualification documents. Staff from SGI is responsible for reviewing the pre-qualification statements, checking references, and scoring.

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.

On March 5, 2009, the District submitted a notice to bidders for pre-qualifications for Major Projects – Measure J Program. As a condition of bidding work authorized under Measure J and in accordance with Public Contract Code 20111.5(e), the District requires General Building Contractors to complete the pre-qualification statement, including a financial statement. Contractors are pre-qualified for one calendar year following the initial date of the pre-qualification. For calendar year 2010, the District evaluated and rated pre-qualified contractors and posted their scores on the updated list, together with the dates of their pre-qualification for the Measure “J” Program Projects. Between March 1, 2010, and May 28, 2010, 27 general contractors submitted the required pre-qualification documents and obtained pre-qualification for Measure J 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).

On May 20, 2009, the Board of Education approved Resolution # 90-0809) to elect that the District become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA or the “Act”) promulgated by the California State Controller. The Act permits school districts that adopt specified uniform cost accounting standards for construction work to increase the threshold for construction projects that may be performed by force account or without competitive bidding and to use certain informal procedures for letting contracts for public projects within a specified range. Effective July 1, 2005, the Act provides that public projects of \$30,000 or less may be performed by force account, negotiated contract, or purchase order; that public projects of \$125,000 (\$137,500 in special circumstances) or less may be performed by informal bidding procedures set forth by the Act; and that public projects over \$125,000 require formal bid procedures.

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 \$124,999, 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 \$125,000, 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 2009-10, the board ratified the following bond-funded projects through the Act’s informal bidding process:

- Portable Building Demolition and Site Work Project and the Reconditioning of Electrical Switchgear Project at the Portola Middle School Temporary Campus
- Drainage Repairs Project at Leadership Temporary Campus

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. The bill is aimed at promoting competition and enhancing bidding practices for the replacement or repair of roofing projects for public schools, community colleges, state universities, or any facility owned or operated by the state. 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.¹

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 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.

Samples of Projects Bid and Awarded

The table on the following page details all of the Measure J projects bid and contracts awarded during fiscal year 2009-10. The table provides the bid opening date, the number of participants, results, and variances between bids.

¹ 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

**Bid Schedule and Results – Measure J Projects
July 2009 – June 2010**

Site	Project Description	Bid Number	Bid Opening	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Various Sites	Painting/Anti-Graffiti	J068173	06/16/2009	5	\$150,000	\$49,220	(\$100,780)	7/8/2010	Color Chart	\$49,220
Various Sites	Play Yard Improvements	W068181	7/02/2009	3	\$1,967,973	\$1,481,889	(\$486,084)	8/19/09	Goldspring Construction	\$1,481,889
De Anza High School	Baseball Field Improvements	J068184	8/04/2009	10	\$1,706,712	\$1,350,000	(\$356,712)	10/7/09	Bay Cities Grading	\$1,350,000
Kennedy High School	Fire Alarm Replacement	J068190	8/25/2009	5	\$810,642	\$516,500	(\$294,142)	9/16/09	Emard Electric	\$516,500
Pinole Middle School	Modernization Phase 2, Building A	J068116	8/25/2009	17	\$13,835,000	\$9,570,735	(\$4,264,265)	9/16/09	Alpha Bay Builders	\$9,570,735
Kennedy High School	Restroom Improvements	J068191	9/01/2009	13	\$2,025,501	\$1,570,000	(\$455,501)	9/16/09	JDS Builders Group	\$1,570,000
Kennedy High School	Domestic Water Heater Replacement	J068194	9/03/2009	4	\$209,000	\$171,544	(\$37,456)	9/16/09	ERA Construction	\$171,544
Ford Elementary School	New School Building	J068158	9/03/2009	15	\$18,558,569	\$16,734,206	(\$1,824,363)	9/16/09	Alten Construction	\$16,734,206
Richmond High School	Security Camera Project	J068182	11/03/2009	5	\$828,500	\$338,988	(\$489,512)	11/04/09	Walsh Electronic Systems	\$338,898
El Cerrito High School	Temporary Campus Removal Project	J068193	02/09/2010	13	\$805,000	\$278,000	(\$527,000)	02/10/2010	ERA Construction	\$278,000
Kennedy High School	Intercom Upgrade Project	J068210	02/09/2010	2	\$38,400	\$37,100	(\$1,300)	02/10/2010	Sound Signal	\$37,100
Richmond High School	Fences and Gates Project	J068199	01/28/2010	4	\$1,326,847	\$898,000	(\$428,847)	02/10/2010	CF Contracting, Inc.	\$738,800 ¹
De Anza High School	Construction of Replacement Campus	J068194	04/13/2010	9	\$69,803,000	\$62,508,000	(\$7,295,000)	04/14/2010	Wright Contracting	\$62,508,000
Portola Middle School	Portable Building Demolition and Site Work	J068228	04/13/2010 ²	2	\$104,000	\$64,624	(\$39,376)	04/14/2010	Bohm International	\$64,624
Portola Middle School	Reconditioning of Electrical Switchgear	J068229	04/13/2010 ²	3	\$77,000	\$41,892	(\$35,108)	04/14/2010	Del Monte Electric	\$41,892
Leadership Temporary Campus	Drainage Repairs	W068231	04/05/2010 ²	1	n/a	\$64,000	n/a	04/14/2010	Michael G. McKim	\$64,000
Portola Middle School	Utilities and Site Work	J068233	05/05/2010	10	\$745,000	\$325,000	(\$420,000)	05/12/2010	Evans Brothers ³	\$389,000
Portola Middle School	Temporary Campus Modular Project	J068232	05/10/2010	5	\$2,755,932	\$1,967,326	(\$788,606)	05/12/2010	Mobile Modular	\$1,967,327
Richmond High School	HVAC Systems Repairs	ERP + J	04/20/2010	7	\$5,469,000	\$4,304,641	(\$1,164,359)	05/12/2010	West Coast Contractors ⁴	\$4,166,000

Site	Project Description	Bid Number	Bid Opening	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Nystrom Elementary School	Multi Purpose building	J068218	06/10/2010	5	\$5,750,000	\$5,240,107	(\$509,893)	06/22/2010	John Plane Construction	\$5,240,107
Grant Elementary School	Emergency Repairs	E068234	05/20/2010	8	\$888,000	\$498,800	(\$389,200)	06/22/2010	JMA Construction	\$498,800
Gompers High School	Building Demolitions	J068237	06/08/2010	5	\$2,322,117	\$1,689,000	(\$633,117)	06/22/2010	Evans Brothers	\$1,693,000
Kennedy High School	Fence and Gates Project	J068217	06/08/2010	7	\$644,500	\$461,068	(\$183,432)	06/22/2010	Crusader Fence ⁵	\$467,000
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

¹ Two low bids were tied at \$898,000. A coin toss was used to break the tie. Amount of contract awarded to tie-break winner excluded the Additive Alternate Bid in the amount of \$159,200.

² These bids were obtained through the process prescribed under the California Uniform Public Construction Cost Accounting Act (CUPCAA) standards, which included advertising in a trade journal and mailing notices of bids to pre-qualified contractors 10 days prior to opening of bids.

³ Contract was awarded to the second lowest bidder after the lowest bidder, Carone, Inc., withdrew its bid of \$325,000, citing mathematical errors in its bid.

⁴ Contract was awarded to the second lowest bidder after the lowest bidder, KMS, Inc., withdrew its bid of \$4,304,641, citing mathematical errors in their bid. Amount of contract awarded to successful bidder excluded the Additive Alternate Bid # 2 in the amount of \$620,000.

⁵ Contract was awarded to the second lowest bidder after the lowest bidder, Chain Link Fence, Inc., whose bid was \$461,068, was declared non-responsive after District review of a bid protest.

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

De Anza High School, New Campus Construction - #J068194

The Bid Advertisement for the project was published on February 21, 2010, and February 28, 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 April 13, 2010. Nine bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Wright Contracting	\$62,508,000
C. Overaa & Co.	\$63,387,000
Lathrop Const.	\$63,749,000
Roebbellan Cont.	\$67,839,000
Hensel Phelps	\$69,803,000
West Bay Builders	\$63,982,000
SJ Amoroso	\$66,997,000
McCarthy building	\$65,450,000
Arntz Builders	\$67,635,208

After reviewing bid documents, the District declared Wright Contracting as the lowest responsible bidder with a responsive bid for the project. The estimated budget for this project was \$65,000,000. The Notice of Award was issued on April 15, 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 May 3, 2009. The Notice to Proceed specified that the contract commenced on May 17, 2010, and the anticipated date of completion would be May 1, 2013.

Evidence of the following documents was provided in the review:

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

Nystrom Elementary School, Multi Purpose Building – #J068218

The Bid Advertisement for the project was published on May 2, 2010, and May 9, 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 June 10, 2010. Five bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
John Plane Construction	\$5,240,107
W A Thomas	\$5,449,000
AJF/ BHM	\$5,492,500
Alten Construction	\$5,497,000
Zovich & Sons	\$5,750,000

After reviewing the bid documents, the District declared John Plane Construction as the lowest responsible bidder with a responsive bid for the project. The project's estimated budget was \$5.4 million. The Notice of Award was issued on June 22, 2010. Upon receipt of the required contract documents—the signed contract agreement, bid securities, and other documentation—the Notice to Proceed was issued on July 19, 2010. The Notice to Proceed specified that the contract commenced on July 26, 2010, with an anticipated date of completion on December 23, 2011.

Helms Middle School, Building Demolition and Site Work – Bid # J068221

The Bid Advertisement for the project was published on May 23, 2010, and May 30, 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 June 15, 2010. Four bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Evans Brothers	\$2,442,000
Cleveland Wrecking	\$2,537,000
Parc Services	\$2,733,318
LVI Environmental	\$2,870,000

After reviewing the bid documents, the District declared Evans Brothers the lowest responsible bidder with a responsive bid for the project. The project's estimated budget was \$3 million. The Notice of Award was issued on May 6, 2009. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on August 12, 2010. The Notice to Proceed specified that the contract commenced on August 23, 2010, with an anticipated date of completion on June 19, 2011.

Gompers Middle School, Building Demolition and Site Work - Bid # J068237

The Bid Advertisement for this project was published on May 2, 2010, and May 9, 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 June 8, 2010. A total of five bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Cleveland Wrecking Co.	\$1,689,000
Evans Brothers	\$1,693,000
Parc services, Inc.	\$2,128,054
Grant McKay Co.	\$2,322,117
KMS	\$2,187,390

The second low bidder, Evans Brothers, filed a bid protest for failure of the apparent low bidder to provide a notary acknowledgment for their Non-Collusion Affidavit. After seeking legal counsel advice, the District did not waive the requirement and declared the apparent low bid non-responsive. As such, Evans Brothers was declared the lowest responsible bidder. The estimated budget for this project was \$2.3 million. The Notice of Award was issued on June 23, 2010. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on July 6, 2010. The Notice to Proceed specified that the contract commenced on July 19, 2010, with an anticipated date of completion on March 31, 2011.

Portola Middle School, Purchase of DSA Approved Reconditioned Portable Classroom Buildings – Bid #J068232

The Notice to Bidders was advertised on April 11, 2010, and April 18, 2010, 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 May 10, 2010. A total of five bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Mobile Modular	\$1,967,326.84
Gary Douppnik Manufacturing	\$2,148,382
Silvercreek Industries	\$2,343,180
Williams Scotsman	\$2,747,126.82
Modular Structures, Int'l	\$2,755,932

After reviewing the bid documents, the District declared Mobile Modular, Inc., the lowest responsible bidder with a responsive bid for the project. The Notice of Award was issued on May 13, 2010. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on May 21, 2010. The Notice to Proceed specified that the contract commenced on May 24, 2010. The anticipated date of completion was not specified.

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:

- Helms Middle School purchase of network electronic components (data system switches, fiber optic system modules, UPS and network support components). Contract for these components is under the existing statewide bulk purchasing agreement under the CalNet II pricing program agreement with AT&T.
- Helms Middle School purchase of Voice Over Internet Protocol (“VOIP”) phone system components – primarily handsets. Contract for these components is under the existing bulk purchasing agreement under the Fast Open Contracts Utilization Service (“FOCUS”) pricing program agreement with AT&T.
- Kennedy Elementary School supply of furniture, setup, and installation. Contract was awarded to Young Office Solutions under a bulk purchasing contract through The Cooperative Purchasing Network (TCPN Contract No. M0732) and through the CPA Number CA 1201.

Observations

- Electing to become subject to the Uniform Public Construction Cost Accounting Act (UPCCAA) or “Act” benefits the District in terms of time savings and expeditious execution of projects. This is particularly evident in small projects below \$30,000, which are procured without a bid process from the appropriate pre-qualified vendors. Likewise, the simplified informal bidding process and the relatively short bidding period for projects below \$125,000 benefits the overall schedule and timelines of major new construction projects and the bond program.
- The District has utilized better methods of procuring furniture and/or equipment purchased with bond funds. It has benefited considerably from savings in time, effort, and resources derived from utilizing the simplified process of procurement under the cooperative purchasing agreements and piggyback contracts available to school districts and other public agencies.
- Review of the bid documents on projects bid and awarded during the 2009-10 audit period indicates that the District is in compliance with the bidding procedures prescribed by the Public Contract Code.
- Many of the projects bid and awarded during 2009-10 continue to come below the District’s estimated construction costs. It appears that the previous years’ reported economic climate and slowdown of public and private works projects have continued. For more detailed information on project estimates and bid results, refer to the section “Design and Construction Cost Budgets.”

CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

Process Utilized

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the facilities and construction management team. Information from the Board of Education meeting agendas and minutes (July 2009 – June 2010) related to the bond program was also used in the review.

Background

Change orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Because small repairs are made 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.

The industry-wide percentage for change orders for modernization or facility improvement projects generally ranges from seven percent to eight percent of the original contract amount. An article published in the *American School and University Magazine* (November 1, 2005) recommends carrying a two percent to five percent contingency for change orders. An even higher contingency is recommended for renovations or to accommodate difficult site conditions. Change order percentages for new construction tend to be lower than those for modernization and renovation projects.

Most change orders 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 tables below summarize approved change orders for Measure D and J projects from start of construction through June 30, 2010.

Change Orders: Bond Program Projects – Measure D

Measure D Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
El Cerrito HS Temp Housing	\$3,444,000	99.99%	\$354,297	\$3,798,297	10.29%
El Cerrito HS Demolition	2,078,125	99.74%	(126,962)	1,951,163	-6.11%
El Cerrito HS Storm Drain	292,562	100.00%	2,704	295,266	0.92%
El Cerrito HS Modular Building	4,654,800	99.34%	0	4,654,800	0.00%
El Cerrito HS Grading	1,613,100	100.00%	-31,642	1,581,458	-1.96%
El Cerrito HS New School	54,264,000	100.00%	3,120,902	57,384,902	5.75%
El Cerrito HS Admin/Lib/Theater	22,580,000	100.00%	1,029,269	23,609,269	4.56%
El Cerrito HS Temporary Utilities Removal	326,662	61.83%	3,348	330,010	1.02%
Pinole MS Temporary Housing	529,000	100.00%	52,571	581,571	9.94%
Pinole MS Site Grading	905,200	100.00%	28,057	933,257	3.10%
Pinole MS New School	20,661,000	100.00%	2,257,844	22,918,844	10.93%
Pinole MS Bldg A Demolition Project	835,000	100.00%	(75,000)	760,000	-8.98%
Pinole MS Temporary Kitchen Utilities	175,000	100.00%	17,455	192,455	9.97%
Pinole MS Building A Mod	9,570,735	43.41%	106,587	9,677,322	1.11%
Helms MS New Campus	50,890,000	99.42%	2,068,732	52,958,732	4.07%
Pinole Valley HS Fields	1,492,000	100.00%	75,500	1,567,500	5.06%
Pinole Valley HS Running Track	595,000	100.00%	71,284	666,284	11.98%
Downer ES New School	21,232,027	99.91%	1,928,243	23,160,270	9.08%
Downer Demo/ Site Work	594,800	100.00%	(22,099)	572,701	-3.72%
Downer Stone Columns	741,000	100.00%	116,493	857,493	15.72%
Downer ES Tech E Rate	330,648	100.00%	92,294	422,942	27.91%
Vista Hills Roof Repair	200,420	100.00%	4,304	204,724	2.15%
Vista Hills Ed Center Portables	3,376,906	100.00%	632,141	4,009,047	18.72%
Richmond HS Track/Field	3,260,489	100.00%	272,027	3,532,516	8.34%
Measure D Paving	245,341	100.00%	(20,000)	225,341	-8.15%
Kennedy HS Track/Field	2,740,000	100.00%	48,699	2,788,699	1.78%
Community Kitchen 1	619,986	100.00%	(48,274)	571,712	-7.79%
Community Kitchen 2	667,700	100.00%	(2,127)	665,573	-0.32%
Community Kitchen 3	660,200	100.00%	(1,791)	658,409	-0.27%
Community Kitchen 4	803,000	100.00%	5,741	808,741	0.71%

Change Orders: Bond Program Projects – Measure D

Measure D Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
Community Kitchen 5	727,500	100.00%	(41,261)	686,239	-5.67%
Community Kitchen 6	516,000	100.00%	(3,169)	512,831	-0.61%
TOTAL	\$211,622,201		\$11,916,167	\$223,538,367	5.63%

Change Orders: Bond Program Projects – Measure J

Measure J Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
De Anza HS Track & Field	3,349,000	100.00%	187,124	3,536,124	5.59%
De Anza HS Field House	3,130,800	100.00%	364,321	3,495,121	11.64%
De Anza HS Demo, Grading & Utilities	2,393,000	100.00%	379,315	2,772,315	15.85%
De Anza HS Fitness Center Site Work	188,278	100.00%	66,943	255,221	35.56%
De Anza HS Baseball Field Renovation	1,350,000	16.24%	41,196	1,391,196	3.05%
De Anza HS Baseball Field Renovation	62,508,000	5.57%	0	62,508,000	0.00%
Richmond HS New Bleachers/Field House	5,556,000	95.72%	404,535	5,960,535	7.28%
Richmond HS Camera Surveillance System	338,988	91.20%	220,312 ¹	559,300	64.99%
Richmond HS Security Fencing	738,800	88.61%	25,632	764,432	3.47%
Richmond HS ERP Project	4,156,000	89.15%	40,145	4,196,145	0.97%
Lupine/Harding/Tara Hills Roof Repairs	217,000	100.00%	37,950	254,950	17.49%
King ES Demo/Site Work	461,000	100.00%	23,231	484,231	5.04%
King ES New Campus Construction	15,595,000	74.76%	83,825	15,678,825	0.54%
Dover ES Demo/Site Work	446,958	100.00%	42,170	489,128	9.43%
Dover ES Site Work Phase II	75,500	100.00%	38,290	113,790	50.72%
Dover ES New Campus Construction	21,491,000	44.99%	161,766	21,652,766	0.75%
Pinole Valley HS Site Work	51,344	100.00%	9,897	61,241	19.28%
Pinole Valley HS Restroom Renovations	158,750	100.00%	8,851	167,601	5.58%
Ford ES Temp. Campus Site Prep.	914,000	100.00%	151,461	1,065,461	16.57%
Ford ES Demolition, Site Work & Grading	697,000	68.40%	(18,661)	678,339	-2.68%
Ford ES New Campus Construction	16,734,206	25.30%	116,839	16,851,045	0.70%
Richmond College Prep Phase I Extension	888,000	100.00%	78,622	966,622	8.85%
Leadership PS Temp Campus Site Work	1,616,000	100.00%	120,858	1,736,858	7.48%
Kennedy HS Painting	253,000	100.00%	9,965	262,965	3.94%
Kennedy HS Portable Maint. Repair	389,500	100.00%	42,450	431,950	10.90%
Kennedy HS Fire Alarm	516,500	95.28%	2,915	519,415	0.56%
Kennedy HS Gym Locker Room Hot Water System	171,544	100.00%	2,794	174,338	1.63%
Kennedy HS Restroom Renovations	1,570,000	77.16%	35,096	1,605,096	2.24%
Verde ES Site Work Playground Renovations	726,000	100.00%	79,856	805,856	11.00%

Change Orders: Bond Program Projects – Measure J

Measure J Projects	Construction Contract	% Complete	Total Approved Change Orders	Total Adjusted Contract Amount	Change Order %
Portola Middle School Portable Utility Installation	1,357,000	82.87%	0	1,357,000	0.00%
Portola Middle School Underground Utilities	389,000	55.25%	0	389,000	0.00%
Multi-Site Painting	49,220	100.00%	3,200	52,420	6.50%
Multi-Site Play Structures and Surfaces	1,481,889	98.93%	41,196	1,523,085	2.78%
TOTAL	\$149,958,277		\$2,802,092	\$152,760,369	1.87%

¹ The Board of Education approved the change order amount, which exceeded the cost limits set forth under Public Contract Code 20118.4.a and 20118.4.b, based on findings that it is futile and impractical to formally secure bids for the additional work. Staff believed 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.

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.

For the July 2009-June 2010 audit period, TSS reviewed the change order documents of two Measure D and five Measure J projects from the start of construction through June 30, 2010. All of the sample projects were under construction during the review period. The resulting data are summarized in the table entitled, "Change Order Analysis."

Change Order Analysis

Project/ (Contractor) Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	Owner Requested Changes			Totals
				Changes to Matl's/Scope	Safety Issues	Adds/Other Issues	
MEASURE D							
Helms MS New Construction West Bay Builders (CO # 1 thru 9)	\$1,159,506 56.17%	\$0 0.00%	\$510,917 24.75%	\$279,371 13.53%	\$0 0.00%	\$114,382 5.54%	\$2,064,175 100.00%
Pinole MS Mod. PII, Bldg A Alpha Bay Builders, Inc. (CO # 1)	\$65,441 61.40%	\$0 0.00%	\$38,114 35.76%	\$0 0.00%	\$0 0.00%	\$3,031 2.84%	\$106,587 100.00%
MEASURE J							
King ES Demolition & New Construction West Bay Builders (CO# 1 thru 3)	-\$1,069 -1.28%	\$0 0.00%	\$63,290 75.99%	\$0 0.00%	\$0 0.00%	\$21,064 25.29%	\$83,285 100.00%
Dover ES Increment 2 Alten Const. (CO# 1 thru 5)	\$45,113 27.89%	\$1,878 1.16%	\$81,507 50.39%	\$11,802 7.30%	\$0 0.00%	\$21,466 13.27%	\$161,766 100.00%
Verde ES Playground & Site Work Bay Cities Paving (CO# 1 thru 3)	\$62,293 100.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$62,293 100.00%
Ford ES New School Construction Alten Construction (CO# 1 thru 5)	\$10,612 9.08%	\$0 0.00%	\$105,397 90.21%	\$414 0.35%	\$0 0.00%	\$416 0.36%	\$116,839 100.00%
De Anza HS Baseball Field Renovation Bay Cities Paving (CO# 1 thru 3)	\$14,778 24.28%	\$6,855 11.26%	\$7,765 12.76%	\$0 0.00%	\$0 0.00%	\$31,461 51.69%	\$60,859 100.00%
Total	\$1,356,674 51.08%	\$8,733 0.33%	\$806,990 30.39%	\$291,587 10.98%	\$0 0.00%	\$191,820 7.22%	\$2,655,804 100.00%

- Unforeseen conditions accounted for 51.08 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 revisions, removals, 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 0.33 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 30.39 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.
- Owner Requested Changes constituted 18.20 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. The District may also call for weekend and overtime work in order to recover time-schedule and meet completion targets.

Contractor Claims

West Coast Contractors and two subcontractors, Del Monte Electric and Cal-Air, submitted a change order request for the construction of Pinole Middle School New Gym Classroom Building Project. The change order requested additional compensation due to delays and inefficiencies allegedly caused by design issues encountered during the course of the project. West Coast Contractors requested \$676,347, and Del Monte Electric and Cal-Air requested \$145,220 and \$62,000, respectively.

A delay consultant, hired by legal counsel, analyzed the issues, and the District ultimately rejected all claims. Del Monte Electric and Cal-Air withdrew and released their claims. On January 21, 2010, West Coast Contractors filed a Government Code Claim in the amount of \$127,910 due to framing inefficiencies and framing delay expenses and \$548,437 for extended general conditions due to project delays. On March 3, 2010, upon advice of its legal counsel, the Board of Education approved the rejection of the Government Code Claim of West Coast Contractors within the statutory limit of 45 days after the filing of claim. The contractor and District entered into arbitration proceedings and achieved full settlement of the claim.

At Helms Middle School New Campus Construction Project, general contractor West Bay Builders submitted a request for a compensable time extension of 110 days due to delays in the project, allegedly caused by unforeseen conditions, design issues, and scope changes encountered during the course of construction. The District hired a delay consultant to analyze the issues. The District proposed a settlement in the form of a change order to recognize concurrent delays, adjust contract times, and offset payments to extended General Conditions. The contractor and District continue with on-going negotiations to settle the claim.

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 that fell under allowances for construction projects were reviewed and analyzed. The results and observations made on the projects selected for review are shown in the table below.

Project	Base Bid	Allowance	Total Contract Award	Cost Items Charged to Allowances.
Helms MS New Construction	\$50,890,000	\$200,000	\$50,890,000	Contract allowance remains unused as of June 30, 2010.
Pinole MS New Building and Gymnasium	\$20,511,000	\$150,000	\$20,661,000	Miscellaneous items under PCO# 0379, CO # 19 (\$55,011) was charged against the allowance.
King ES New Construction	\$15,520,000	\$75,000	\$15,595,000	Removal of unforeseen footing and waterproofing at elevator pit, PCO # 002, 003 (\$5,511), CO # 1, was charged against the allowance.
Dover ES New School Construction	\$21,416,000	\$75,000	\$21,491,000	Contract allowance remains unused as of June 30, 2010.
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 unused as of June 30, 2010.

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

Observations

- The overall averages of change orders for Measure D and J projects are well below 10 percent of the original contract amount, which is the limit prescribed by Public Contract Code. As shown in the two tables entitled “Change Orders: Bond Program Projects,” the average change order percentages to date for Measure D and Measure J projects are 5.63 percent and 1.87 percent, respectively.
- During the review of the change order documents for Pinole MS New Building and Gymnasium Project (100 percent complete), it was observed that only part of the contract allowance was used. However, TSS could not find change order documents that specifically credited the remaining unused contract allowance back to the District.
- In an effort to improve program controls and fiscal responsibility, the District has created the Change Order Committee comprised of the District Engineering Officer, Director of Maintenance and Operations, the new Director of Bond Facilities, and the Deputy Program Manager to review change order costs and verify the referenced justifications. The committee meets every Tuesday to review change orders, focusing its review on adherence to District design standards. The committee also ensures that contractor-generated change orders and District-requested additions or changes are appropriate and necessary for the designed programmatic or educational function of the facility.

Recommendation

- It is recommended that the District review change order documents for Pinole MS New Building and Gymnasium Project to ensure that the remaining unused allowance for the project is credited back to the District. The same practice should be performed for all bond-funded projects to ensure unused allowances are properly credited back to the District at project completion and close-out.

MEASURE J EXPENDITURES AND PAYMENT PROCEDURES

Process Utilized

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

The review consisted of the following:

- Verification that expenditures charged to the Measure J bond were authorized as Measure J projects;
- Compliance with the District's purchasing and payment policies and procedures;
- Verification that backup documentation, including authorized signatures, were present on payment requests; and
- Determination of vendor payment timelines.

To prepare for testing bond expenditures, Total School Solutions also reviewed the District's Bond Financial Audit for 2008-09.

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 electronically for approval in the following order:
 - SGI program manager or SGI senior controls manager
 - District engineering officer
 - District bond finance director
 - Associate Superintendent for Operations, and
 - Purchasing Buyer.
- Invoices are typically mailed directly to the facilities office.
- Once invoices are received for approved requisitions, they are logged into the invoice tracking/monitoring system.
- A payment approval form and payment history/approval form are prepared and routed to designated individuals, which includes program controls (SGI), the bond program manager (SGI), District engineering officer, and the associate superintendent for operations (if applicable) for approval. They are 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 coding is correct; and/or sufficient funding remain in the purchase order.
- Payment requests are forwarded to the bond finance office and entered into the system by the bond secretary.
- Accounts payable staff initiates and processes the actual warrants.

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

The payment history form contains the following information:

- Project number
- Invoice, number
- Project description
- Date
- Vendor/contractor
- Period work was provided
- Contract amount
- Change order amount(s) if applicable
- Previous amount paid
- Invoice amount
- Purchase order balance after payment, and
- Account code

The payment approval contains some of the same information and evidence of approvals (signatures) from SGI staff and District staff, bond controls, the bond program manager, facilities, fiscal services, and the associate superintendent (if, and as applicable).

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.

The 2008-09 financial audit noted that, for items tested, the District was found to be in compliance. The financial auditors also indicated that nothing was brought to their attention beyond the tested items to indicate that the District failed to comply with state laws and regulations. The audit section entitled "schedule of audit findings and questionable costs" indicated there were no matters reported. In addition, interviews were held with board members and District staff regarding complaints for delays in vendor payments.

The 2008-09 Performance Audit and 2009-10 Midyear Review showed vendor timelines had continued to improve from previous years. In an effort to uphold the 30-day timeline for processing invoices, the program manager maintains an invoice tracking worksheet, which is updated weekly and reviewed at the directors' meetings. This tracking worksheet summarizes the status of payments and days remaining in the 30-day payment window.

The TSS sample of vendor payments was designed to provide conclusions about the validity of the payment timeline as well as check internal control and compliance systems. Sample transactions were judgmentally selected.

The results of this examination showed that, in general, the bond expenditures were used for approved bond program purposes, invoices had been reviewed and approved, the District's purchasing and payment policies were followed, and vendor payment timelines were acceptable. Several exceptions were identified and are discussed in observations, findings and recommendations at the end of this section.

The District has continued to improve its vendor payment timeline over the past three fiscal years, as evidenced by the table below. In 2007-08, approximately 87 percent of invoices were paid within 30-days, and by 2009-10, that percentage had increased to about 95.5 percent.

Fiscal Year	Number of Invoices Reviewed	Sample Size (Dollar Amount)	Percentage Paid Within 30-Days
2009-10 Annual	310	\$29,272,647	95.5%
2008-09 Annual	187	\$20,830,928	90%
2007-08 Annual	129	\$35,071,592	87%

Sample

TSS selected a sample of 310 (15.7 percent) vendor invoices out of a total of 1,973 from the time period of July 1, 2009, through June 30, 2010. The total dollar amount sampled was \$29,272,646.67.

The review consisted of verification that expenditures charged to the Measure J bond were authorized and in accordance with ballot language; evidence of appropriate approvals and backup documentation were present (i.e., owner, architect, and inspector); verification of the invoice amount and reconciliation between the invoice and the amount paid; and a review of the timeline from the time invoices were received to the date of warrant issuance (i.e., the processing time to pay vendors or service providers).

The sample of payments included the following Measure J projects:

- Nystrom Elementary School – Multipurpose Room (MPR)
- Verde Elementary School – Site Work
- Helms Middle School
 - Security
 - Furniture/Equipment
- Pinole Valley Middle School
 - Temporary Kitchen
 - Modernization Phase II
- Portolla Middle School
 - Reconditioning Existing Electrical Switchboard
 - Portable Building Demo & Site Work
- El Cerrito High School – Music Equipment
- De Anza High School
 - HVAC
 - Fitness Center
 - Fitness Equipment
 - Baseball Field
 - Installation Utilities Dance Room
 - School Replacement Campus
- Kennedy High School
 - Plumbing Boys/Girls Gym
 - Intercom Upgrade Project
 - Fencing Project

- Richmond High School
 - Bleachers
 - Surveillance Camera Systems, Engineering/Technical
- New Construction
 - Dover Elementary School
 - Ford Elementary School
 - King Elementary School
 - Helms Middle School
- Restrooms Electrical Work Portables – Multiple School Sites
- Exterior Painting – Multiple School Sites
- Play Structures and Surfacing - Eight Elementary School Sites
- Classroom Furniture – Multiple School Sites
- Electronic Irrigation System Software – District-wide
- District Data Manager Project and SIF Horizontal Integration Project (Software)
- Data Warehouse System
- Primavera P6 Enterprise Project
- Rosie the Riveter Trust – Final Payment for the District portion of the Maritime Center Project (Richmond College Prep Charter School)
- Specialized Services – Various Sites
 - Geotechnical – Peer Review
 - Testing Services
 - Inspection Services
 - Construction and Program Management Services
 - Hazardous Materials Study
 - Traffic Engineering Services
 - Labor Relations Agreement Services
 - Architectural Services
 - Arbitrage Rebate Reports
 - Legal Fees

Of the invoices reviewed, 95.5 percent (296 invoices) were paid within 30 days and 4.5 percent (14 invoices) were paid after 30 days. The delays appear to be due to change orders requiring approval; payment for retention (i.e., retention payments require additional processing time); insufficient balance on the purchase orders, which necessitated an increase; and work performed prior to the initiation of a purchase order requisition.

Findings

- The sample of invoices included three invoices for legal fees. The description of legal work referenced legal services related to the bond program and conversations with the District's Engineering Officer. These invoices showed evidence that they were reviewed and approved by the Associate Superintendent for Business Services. However, there was no evidence that the invoices had been reviewed for accuracy or approval by the Engineering Officer or Associate Superintendent of Operations, as with all other bond-funded expenditures. Staff was contacted and asked whether invoices for legal fees are routed to their attention for verification, accuracy, and approval. Staff verified that all of the District's legal fee invoices are handled by business services and currently are not routed through the bond program for review or approval. Staff did indicate, however, that it would be a good practice to also have the invoices routed to the Engineering Officer and/or Associate Superintendent for Operations for review/verification and approval in addition to the Associate Superintendent for Business Services.
- A Board agenda action item incorrectly cited Microsoft Voucher revenue as the funding source for the purchase of hardware for the District's data warehouse project. Details regarding the transaction are provided under Observations.
- The licensing fees associated with the data warehouse project were paid for out of the bond fund in error. Specific details regarding the transaction are provided under the Observations.

Observations

- On October 7, 2009, the Board awarded a contract for the District data warehouse system and services to CPSI, Ltd. Agenda Item CI C.10 reported the fiscal impact to be \$495,400 over five-years and identified the funding source for the purchase as Microsoft voucher money. On November 11, 2010 a purchase order was issued to CPSI, Ltd., in the amount of \$303,300 payable through the bond fund. A payment of \$161,000 was issued January 27, 2010 for licensing fees. According to Director of Technology the purchase of the software/licensing for the data warehouse management system had been preapproved by the Ed Tech settlement claims administrator. According to the Associate Superintendent of Business Services, this expenditure should have been charged to an account that was established for the claims revenue that is held outside of the bond fund.
- Additionally, Board item CI C.20, dated December 9, 2009 approving the hardware purchase of \$144,628.69 through Dell Computers for the data warehouse system, identified the funding source as Microsoft voucher money. However, according to the Director of Technology, the funding source cited on the Board item was incorrect and should have cited the Measure J Bond Fund as the funding source for this purchase. Staff provided a document entitled Accountability Information Technology Services Division Technology Bond Funded Projects 2006-2008 that provides a description of twelve technology projects and costs totaling \$4,260,000. The document noted that the listed expenditures were reviewed with the Bond Attorney to determine the appropriate utilization of Measure J funds. The data warehouse hardware project with a cost of \$300,000 was listed on the document.

- Staff was asked about the status of the information technology bond projects presented on the document including completed projects, total of the costs to date and the balance remaining. According to staff, seven of the projects had been completed, one of the projects included hardware replacements and had some funds remaining for purchases, one was currently being implemented (data warehouse system going live April 15, 2011), and three of the projects had not yet been completed. Due to changes in technology, three of projects were now considered to be obsolete. When asked how much was available, the Director of Technology said he had not been provided with the accounting but understood \$385,000 was remaining. The Executive Director for the Bond Program stated they were in the process of reconciling the costs of these projects and concurred that approximately \$385,000 was remaining for technology purchases.

Recommendations

- In addition to the District's current process for approving legal fees, invoices for legal services initiated by facilities staff should be reviewed for accuracy prior payment. It is in our opinion that the payment approval process for bond-funded projects and related expenditures should be adhered to for all bond-funded expenditures. Transfer the cost of the expenditure totaling \$161,000 for the licensing fees for the data warehouse project to the appropriate fund/resource used for accounting for Microsoft Voucher revenues. If a balance remains on the purchase order or additional payments were made in 2010-11, the coding for the purchase order and/or payment should also be corrected.
- Prior to an item being brought to the Board of Education for approval, it is imperative that staff ensure that the correct funding source is specified.
- Staff responsible for the oversight of District-wide related technology projects and purchases should be provided with an accounting of the actual expenditures to date and remaining dollars for future projects.

District Response

- The District concurs with all three recommendations.

BEST PRACTICES IN PROCUREMENT

Process Utilized

In the process of this examination, purchasing documents and payment documentation were reviewed and analyzed. Board agenda items and minutes specific to contracts awarded for Measure J funded projects or purchases during the period of July 1, 2009 through June 30, 2010 were reviewed. Interviews were held with District staff and Program Management staff from SGI.

Background

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

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

Public Contract Code Section 20111 (a) requires school district governing boards to competitively bid and award any contract for equipment, materials or supplies involving an expenditure of more than \$50,000 (adjusted for inflation) to the lowest responsible bidder. Contracts subject to competitive bidding include purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district. Effective January 1, 2010 – December 31, 2010, the bid threshold was increased to \$78,500.

Public Contract Section 20118 (K-12) allows school districts to utilize contracts which have been publically bid, or negotiated by other public entities. On October 21, 2009, the Board approved the use of specified 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.

The results of this examination showed that the procurement methods utilized were in accordance with District policies and Public Contract Code Section 20118 (K12). Several observations were made and are discussed subsequently in this section under observations.

Sample

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

- Furniture, Installation and Set-Up
 - Helms Middle School
 - Kennedy High School
 - Crespi Elementary School
- Cabinetry (Musical Instrument) and Installation - El Cerrito High School
- Automated Central Irrigation System
- Project Management Software
- District Data Warehouse System (Hardware Service Provider)

Furniture, Installation and Set-Up

On October 21, 2009, the Board approved the contract with Young Office Solutions for the purchase, set up and installation of furniture at Helms Middle School for \$674,751.51. The District utilized the “piggy back” method of procurement through an agreement with The Cooperative Purchasing Network (TCPN Contract #M0739). This method meets the state’s procurement requirements. 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 District has an agreement with TCPN through October 2010.

On May 12, 2010, the Board approved the contract with Young Office Solutions for the purchase, set up and installation of furniture for the reconstruction of the Crespi Elementary School Administration Building caused from fire damage, including office areas, classrooms, library and support spaces in the amount of \$173, 860.25 utilizing the TCPN contracts #M07032, #M0739, and through the NJPA Umbrella Contract #102908-K1/K1 Contract #T53795.

On June 2, 2010, the Board approved the contract with Young Office Solutions for the purchase, set up and installation of furniture at Kennedy High School for \$159,856.79 utilizing the TCPN contract #M0739.

Automated Central Irrigation System

The District purchased an automated central irrigation system for \$64,376.66 for the purpose of expanding operational coverage. This is a proprietary system and therefore it was not necessary for the District to solicit multiple quotes. The District’s standards for equipment, products and materials for District construction and adoption of findings required by public contract code specific to sole source specifications was adopted through Board resolution 17-0607 on September 20, 2006.

El Cerrito High School – Additional Cabinetry

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

Data Warehouse System – Hardware Purchase

The Board of Education approved the implementation of the District Data Warehouse System on June 24, 2009. On December 9, 2009 the Board approved the contract in the amount of \$144,628.69 with Dell Computers as the hardware service provider utilizing the Western State Contract Alliance (WSCA) Master Agreement #A63307 approved by the Board on October 21, 2009.

Project Management and Contract Management Applications

The District purchased the Primavera P6 Project and Contract Manager program through DLT Solutions, LLC under CMAS contract #3-99-70-1047A (California Multiple Award Schedule), which is valid through July 31, 2013 in the amount of \$56,014.60. According to staff, the District made the decision to purchase its own project management software and to move away from the CAMP program and reports which is owned by the District's project management firm. Within six months, staff expects the new system will be fully functional at which point it will be considered the District's software of record. Staff also stated that the Primavera P6 Project program was selected after reviewing several different project management software applications and that it was brought before the Facilities Sub Committee for information and approval. At the time of this writing, the minutes from the Facilities Sub Committee meeting were not made available and therefore could not be verified.

Observations

- It was noted in the 2008-09 Annual Performance Audit and 2009-10 Midyear Report, 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 the District receives maximum value for items purchased and the procurement methods are in alignment with BP 3300 and Public Contract Code, it would also provide some relief to the Facilities Department, which is currently operating with minimal staff. The District agreed with this comment at the time, but it does not appear any permanent adjustment had been made with regard to the involvement of the Purchasing Department.
- 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 last couple of years.

- The funding source was inadvertently cited as Microsoft voucher revenue on Board Item CI C.20 dated December 9, 2009 requesting the approval of the contract to Dell in the amount of \$144,628.69 for the hardware for the data warehouse system. The funding source should have cited Measure J Bond Fund as the funding source.

DELIVERED QUALITY

Process Utilized

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 Nystrom Elementary School Modernization/Multipurpose Room project was identified as the focus of this quality review for the 2009-10 audit period. A sample of the products and systems used in the Nystrom project was developed for this analysis. This sample included:

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

Members of the design team, including the District Engineering Officer, the Program Manager and Architect of Record were interviewed by TSS. 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, tracked and verified through the design and construction document process, and, what controls were put in place to ensure that the products/systems that were specified were actually included 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 as the basis for the design, the products and systems that were incorporated into the design, the process used during construction to evaluate submitted systems and the delivered products and systems that were built into the project.

Background

For the purpose of this section, Delivered Quality has been defined as the quality of the finished product as compared to the District's Standards and established design criteria. TSS 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.

Nystrom Elementary School New Multi-purpose Building

The Nystrom Elementary School New Multi-purpose Building project was developed during a period of transition in the implementation of the District's standards. The District had phased out the scope of the Master Architect's role in the development of Program Standards for projects. The District was also in the process of updating District Standards and working toward incorporating the new Collaborative for High Performance Schools (CHPS) criteria into future projects.

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.

During the 2009-10 fiscal year, the District was no longer engaging WLC Architects as the Master Architect. WLC Architects in earlier years developed Program Standards for school construction projects and provided these to the Architect of Record at the beginning of the design phase. The Program Standards outlined the basic content of the construction documents, referenced relevant District standards, and detailed the major project components. For the Nystrom Elementary Multi-Purpose Room project, the Architect of Record instead worked directly with the District to develop the construction documents and detail the major systems.

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 Architect, 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.

The Architect of Record stated their goal in developing the technical specifications for the Nystrom project was to provide more performance-based specifications versus sole-sourced proprietary specifications. The objective was to provide for more fair and open competition in bidding yet still obtain high quality products for the project. In general, more than one manufacturer and/or model number were specified for products unless a specific District standard applied.

A few products were sole-sourced in the technical specifications to meet CHPS goals. This is sometimes necessary due to limited availability of products on the market meeting CHPS criteria, especially for recycled content, low VOC emissions, and rapidly renewable materials content. The drawback of sole sourcing items is that it can lead to higher construction costs due to the elimination of market bidding competition.

Several products specified in the construction documents for the Nystrom project were also different than previous District standards or typical projects, primarily to meet new CHPS criteria. For example, the specifications called for linoleum flooring versus vinyl composition tile. Linoleum flooring can be made with rapidly renewable products such as cork, linseed oil and jute backing. Another example of a difference is that tile carpeting with recycled content versus rolled carpeting was specified.

The Nystrom Multi-purpose Building is still under construction. The contractor has turned in several of the construction submittals but not all of them had been received. The Architect of Record indicated that they are working diligently to make sure that products being detailed in the construction submittals from the contractor meet the identified technical specifications. This is imperative to ensure that the right products are installed and to ensure the contractor is not trying to substitute less expensive or lower quality products.

It is noted that on at least two occasions, the Architect of Record rejected the contractor's initial construction submittals. For example, the contractor proposed to install a lower quality carpet product than was specified. The contractor also proposed to install a lower quality automatic window sunshade system. In both cases, the Architect rejected the submittals and did not authorize the products for installation.

Observations

- The District has incorporated many CHPS goals into the building specifications, such as the specification of linoleum flooring with recycled and rapidly renewable 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. The project is still under construction so many construction submittals have yet to be submitted and verification completed.
- The Architect of Record is monitoring construction submittals diligently to ensure that the contractor isn't allowed substitution of less expensive or lower quality products.

Commendations

- The District and Architect of Record are commended for preparing open, non-proprietary technical specifications in the building construction documents and also for implementing CHPS criteria in the building design. For example, the roofing specification for modified bitumen or built-up roofing was non-proprietary. Also, the aluminum window specification was non-proprietary even though the specification was written around providing a DeVAC Series 400 window.
- The Architect of Record is commended for diligently reviewing construction submittals for conformance to the technical specifications and for rejecting non-compliant products.

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.

District Response

- The District concurs with both of the recommendations.

DELIVERED QUALITY – Comparison of Design Standards and Installed Products

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Roller Window Shades	122413	Automatically operated roller window shades for energy efficiency, manual shades in some locations.	Automatically operated window shades with automated daylighting solar tracking; 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	Part of the Submittal was approved and part of the submittal was rejected. 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. For the Solar Tracking Controller: The Contractor proposed a Sundialer product. The Architect rejected this as it was not what the specification required and asked for resubmittal with the SolarTrac product.
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 sheet with white granular cap sheet or metal foil cap sheet. Manufacturers/products: Siplast or equal product with allowable manufacturers Bitec, CertainTeed, Danoza, Consolidated Fiber Glass Products, Garland, Siplast and several others.			x	Submittal pending, the construction was not yet at the stage required for this product.

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Aluminum Windows	085113	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	Submittal pending, the construction was not yet at the stage required for this product.
Linoleum Floor Coverings	096540	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 with NATURcote	x			The contractor will provide a product as specified – Armstrong Marmorette with NATURcote.
Tile Carpeting	096813	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			The Contractor initially submitted the InterfaceFlor Cubic product which was not as specified so the Architect rejected it; it was lower in quality than the product specified. The Contractor thus re-submitted with the correct product, Interface Flor Entropy, which was thus approved.

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Package Air Conditioners	238113	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	Submittal pending, the construction was not yet at the stage required for this product.

SCOPE, PROCESS, AND MONITORING OF PARTICIPATION BY LOCAL FIRMS

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

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 interested in doing business with, or working in, the District’s facilities construction program.

A three-tier system was developed to define “the local area.” The most immediate local area, or first priority area, includes the West Contra Costa communities of El Cerrito, El Sobrante, Hercules, Kensington, Montalvin, North Richmond, Pinole, Richmond, San Pablo, and Tara. The second priority area includes the remaining communities within Contra Costa County, and the third priority area includes the greater East Bay area, which encompasses the communities of Alameda, Albany, American Canyon, Benicia, Berkeley, Elmira, Emeryville, Fairfield, Hayward, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville, and Vallejo.

Background

In 2006, the Helms Middle School project was the first project to go to bid that utilized a more formal approach to gaining local firm participation through a series of special workshops designed to increase local participation. The training and guidance offered by the bond management team, in coordination with Davillier-Sloan, did improve participation in the program for the Helms Middle School project.

On November 18, 2008, the Board approved the recommendation that Local Hiring and Local Business Participation goals be included for future Measure J 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.

During the current report period, the LCBP has been applied to the following newly awarded projects, as reported by Davillier-Sloan, Inc.:

- De Anza High School Baseball Field Improvement
- Dover Elementary Demolition and Site Work
- Ford Elementary New Building
- Ford Elementary Demolition and Site Work
- Juan Crespi Middle School Fire Reconstruction
- Kennedy High School Water Heater Replacement
- Kennedy High School Restroom Improvements
- Kennedy High School Fire Alarm Replacement
- Pinole Middle School Demolition and Hazmat Remediation
- Pinole Middle School Modernization Phase 2
- Richmond High School Security Cameras
- Richmond High School Security Fencing and Gates

The level of local participation for the 11 projects included during this report period is not consistent from project to project. The table below outlines the results for these projects. 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 SUMMARY REPORT, July 2009 - June 2010

Project Name	Priority 1 ¹	Priority 2 ²	Priority 3 ³	Total Participation
De Anza High School Baseball Field Improvement	49.92%	15.89%	18.36%	84.17%
Ford Elementary School Demolition and Site Work	28.45%	23.98%	31.94%	84.37%
Ford Elementary School New Building	13.22%	6.63%	29.96%	49.81%
Juan Crespi Middle School Fire Reconstruction	3.12%	5.74%	5.03%	13.89%
Kennedy High School Water Heater Replacement	18.11%	0.00%	81.89%	100.0%
Kennedy High School Restroom Improvements	1.27%	36.19%	16.72%	54.18%
Kennedy High School Campus Fire Alarm Replacement	4.92%	0.32%	15.99%	21.23%
Pinole Middle School Demolition and Hazmat Remediation	32.28%	9.73%	49.11%	91.12%
Pinole Middle School Modernization Phase 2	19.66%	5.79%	6.18%	31.63%
Richmond High School Security Cameras	6.44%	38.12%	7.65%	52.21%
Richmond High School Security Fencing and Gates	0.00%	0.00%	50.72%	50.72%
Helms Middle School New Construction	20.20%	17.82%	29.71%	67.73%

¹ Priority 1 area includes the West Contra Costa communities of El Cerrito, El Sobrante, Hercules, Kensington, Montalvin, North Richmond, Pinole, Richmond, San Pablo, and Tara.

² Priority 2 area includes the remaining communities within Contra Costa County.

³ Priority 3 area includes the greater East Bay area, which encompasses the communities of Alameda, Albany, American Canyon, Benicia, Berkeley, Elmira, Emeryville, Fairfield, Hayward, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville, and Vallejo.

The De Anza baseball field improvement project and the Pinole Middle School demolition and hazmat remediation project had the largest percentage of hiring in Priority Area 1 and an overall level of total local hiring participation substantially higher than the Helms Middle School project. The Ford Elementary School demolition and site work project had more than 20 percent hiring in all priority areas whereas the Helms Middle School project had an overall increase in local hiring participation of approximately 16 percent. More specialized projects such as security cameras, fire alarms, and security fencing had significantly less participation by local firms, particularly in Priority Area 1.

During the course of this review, five local firms providing services to the District during the 2009-10 period were contacted for feedback on the LCBP program. Of the five firms contacted, there was a wide range of knowledge and experience with the program. Two firms have been actively involved in the program for a number of years; one firm was somewhat familiar with the program; and two firms were completely unaware of the LCBP. However, when asked to rate the successfulness of the program for their business on a scale of 1-5, with one being negative and five being positive, the average ranking was 3.05.

On May 20, 2010, Davillier-Sloan provided District staff with 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 was reviewing the matter and proposed policy with legal counsel and reported that the matter would go before the Board Facilities Subcommittee for review and discussion in fall 2010.

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

Process Utilized

During the process of this review, Total School Solutions (TSS) interviewed staff in the District's facilities program, members of the audit subcommittee, the Citizens' Bond Oversight Committee (CBOC), Board members, and personnel on the bond management team. The communication channels and public outreach were among the topic of discussion in those interviews.

Background

To facilitate communication for the West Contra Costa Unified School District's facilities program, the District provides information on the District and the facilities program on three separate Web sites:

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

To facilitate access to bond information and the oversight committee, the District's Web site provides links to the Bond Oversight Committee and Bond Program Web sites. The bond oversight and bond program Web sites are smaller in scope (i.e., bond program information only) and, therefore, easier for a user to navigate than the District's Web site.

A review of the District Web page indicated outdated information related to the District's communication department, including contact information for the position of Chief Information Officer, which no longer exists. It appears that there has not been an update of the communications information on the Web page since some time before personnel reductions in 2008-09.

A review of the bond committee Web site indicated that information on the bond and facility construction programs was current and included relevant information, including a variety of project photographs of ongoing and upcoming projects, community meeting dates and schedules, and meeting minutes. However, as noted in the CBOC section of this report, there were some inconsistencies between the posted meeting schedule and the posted meeting agendas and minutes.

The bond program Web site did provide current information on construction projects and relevant information on upcoming projects. However, the bond program Web site did not include information on the new organizational structure and additional personnel providing oversight and management of the program.

Board members interviewed during the course of this review did indicate an improvement in coverage by local media on the activities at the District but acknowledged that resources for mass mailings or other public and community relations materials remain limited.

Given that the District has no regular method or means for providing consistent information to members of the WCCUSD community, it is important that the Web sites 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.

CITIZENS' BOND OVERSIGHT COMMITTEE

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

Committee Meetings and Membership

During the audit period of July 1, 2009, through June 30, 2010, the CBOC met eight times, including two joint meetings with the Board of Education, as shown below. Meeting schedules, agendas, and minutes are posted on the CBOC Web site although there are minutes from multiple meetings posted in draft form only. In addition, four meetings are noted on the schedule for which there are no minutes or agendas posted. As such, the scheduled meetings on August 26, 2009, February 16, 2010, March 24, 2010, and April 28, 2010, have been excluded from this review.

Meeting Date	Members/Alternates In Attendance	Members Absent	Quorum
July 29, 2009 ¹	12	6	Yes
September 23, 2009	9	5	Yes
October 21, 2009 ¹	9	5	Yes
December 2, 2009	6	7	No
January 27, 2010	8	2	Yes
February 24, 2010 ²	9	2	Yes
May 26, 2010 ²	8	3	Yes
June 23, 2010 ²	8	4	Yes

¹ Joint meeting with Board of Education.

² Draft minutes only.

The CBOC for measures M, D, and J (Proposition 39 bonds) has 21 designated membership positions with the following categories:

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

During the period from July 1, 2009 through June 30, 2010, the Board of Education appointed or reappointed five members and appointed one alternate. According to the CBOC membership roster dated March 29, 2010, there were ten vacancies with an active membership of eleven.

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

While Section 15282(a) is unambiguous regarding "two consecutive terms," it is silent in regard to the number of terms a member may actually serve. For example, it appears that a member could serve two consecutive terms, leave the committee for a period of time, and then again serve two terms under the language in the code.

Section 15282(b) is in some cases ambiguous regarding eligibility for membership. It is clear that an employee, such as a substitute teacher, could not legally serve on the committee; however, the definition of a senior citizens' organization, for example, is not provided. Currently the member of the CBOC serving as a representative of a senior citizens' organization is a member of the American Association of Retired Persons (AARP), a national nonprofit membership organization for people age 50 and over. AARP is not an organization with a specific purpose in WCCUSD communities; however, it is a well known national organization that advocates for causes related to issues of concern and interest to individuals age 50 and over.

In a previous performance audit it was recommended that the District establish a clear process for the appointment of new Committee members, including the development of an application and questionnaire for those interested in seeking an appointment to the CBOC. Although the system was established and forms were developed, it appears the process for screening applicants for the Committee has not been implemented with fidelity.

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. This is the appropriate level of support that management should provide to the committee. However, the CBOC Subcommittee reports that the CBOC has not been receiving adequate clerical and technology staff support. The District advises that all departments and operations across the District has experienced inadequate clerical and secretarial support due to current financial constraints.

CBOC Web Site

The CBOC maintains a Web site with a link from the District's Web site in compliance with Education Code Section 15280(b). In addition to the CBOC Web site materials, the District's Web site has a link to the District's bond program Web site, which includes information on measures M, D, and J and performance audits. The meeting minute section of the CBOC Web site did not include meeting agendas and minutes from four meetings indicated on the meeting schedule page of the same Web site.

CBOC Annual Report

Education Code Section 15280(b) notes that the citizens' oversight committee shall issue a report at least once a year. However, neither law nor the CBOC's bylaws stipulate that reports must be in writing. To comply with this requirement, members of the CBOC frequently attend Board meetings. During the 2009-10 reporting period, the CBOC participated in two joint meetings with the Board of Education. Additionally, the CBOC has issued a written annual report for 2008 (approval date: March 24, 2010). As of June 30, 2010, the 2009 report had not been issued. Previous annual reports are available for review on the CBOC Web site home page.

Observations

- A review of the CBOC's materials, Web site postings, and activities indicate that the CBOC is compliant with the law and its bylaws although, in some cases, information had not been updated on a timely basis and information on some scheduled meetings was unavailable.
- On two occasions the District has appointed new Committee members who are not eligible for service on the CBOC due to their employment status with the District. To avoid the appointment of ineligible candidates, the application and questionnaire developed for the appointment of new members should be reviewed carefully by staff before a recommendation for appointment is made to the Board.

APPENDIX A

MEASURE D BOND LANGUAGE

BOND MEASURE D
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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

FULL TEXT OF BOND MEASURE D

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any

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

BOND PROJECT LIST

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

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

FURTHER SPECIFICATIONS

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

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

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

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

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

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

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

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which 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 sitework in connection with new construction or installation or removal of relocatable classrooms.
- Improve or replace athletic fields, equipment rooms, lighting, and scoreboards.
- Improve, resurface, re-stripe and/or replace damaged asphalt and concrete surfaces.
- Improve or replace storm drain and site drainage systems.

SECTION II

ELEMENTARY SCHOOL PROJECTS

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

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

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

SECTION III

SECONDARY SCHOOL PROJECTS

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

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

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

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

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

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

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

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

APPENDIX B

MEASURE J BOND LANGUAGE

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Resolution No. 25-0506

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

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

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

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

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

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

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

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

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

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

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

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

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

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

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

BOND PROJECT LIST

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

FURTHER SPECIFICATIONS

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

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

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

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

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

Section 3. Voter Pamphlet. The Registrar of Voters of the County is hereby requested to reprint Section 1 hereof (including Exhibit A hereto) in its entirety in the voter information pamphlet to be distributed to voters pursuant to section 13307 of the California Elections Code. In the event

Section 1 is not reprinted in the voter information pamphlet in its entirety, the Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

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

Attest:

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

CLERK'S CERTIFICATE

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

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

The resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

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

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

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

EXHIBIT A

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

SECTION I

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

Security and Health/Safety Improvements

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

Major Facilities Improvements

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

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

Special Education Facilities

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

Property

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

Sitework

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

SECTION II

ELEMENTARY SCHOOL PROJECTS

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

SECONDARY SCHOOL PROJECTS

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

RECONSTRUCTION PROJECTS

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

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

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

PROJECT SCOPE

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

EXHIBIT B
TAX RATE STATEMENT

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

1. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 3.11 cents per \$100 (\$31.10 per \$100,000) of assessed valuation in fiscal year 2006-2007.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.99 cents per \$100 (\$59.90) per \$100,000) of assessed valuation in fiscal year 2013-2014.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6.00 cents per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2020-2021 through fiscal year 2035-2036. The average tax rate is expected to be 5.55 cent per \$100 (\$55.50 per \$100,000) of assessed valuation over the life of the bonds. Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

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

Superintendent

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

APPENDIX C

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
- California State Controller

Because the scope of a performance audit is not defined, there is often 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". The distinction between a performance audit and agreed-upon procedures has been clarified by the California State Controller in an audit done for the San Joaquin Delta College. While that clarification may not be binding on all school districts, it provides useful information that could assist a school district in determining how to conduct a performance audit.

On September 25, 2010, SB 1473 was signed into law adding 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 will take 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 State Controller

The California State Controller issued an audit report on the San Joaquin Delta College bond program entitled “Measure L and Proposition 1D Bond Proceeds” dated November 2008. While most of the audit report dealt with items specific to the San Joaquin Delta College bond program, some of the findings and recommendations were broader in scope, and could be considered as being applicable to all Proposition 39 bond programs.

In Finding 5 of the audit report, the State Controller stated:

“An agreed-upon procedure review does not constitute a “performance audit” under Generally Accepted Government Auditing Standards. Unlike a performance audit, which requires the auditor to apply appropriate procedures and assume responsibility for accomplishing the audit objectives, an agreed-upon procedure review limits the auditor to performing procedures that were specifically agreed-upon by the auditor and the auditor’s client.”

In response to the above State Controller’s finding, San Joaquin Delta College stated:

“Delta College asserts that it has more than sufficiently met the requirement and objective of the performance audit required under Proposition 39 and related laws.” “The objective of the performance audit has been achieved by the four agreed upon procedures...”

The State Controller, in turn, responded to Delta College’s response as follows:

“Under GAGAS, a clear distinction exists between a “performance audit” and an attestation engagement which includes the performance of “agreed-upon procedures.” “As stated in the external auditors’ report, the auditors performed “agreed-upon procedures” as dictated by the contract between Delta College and its auditors. Yet, Delta College continues to mischaracterize it as a performance audit.”

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 D

GLOSSARY OF TERMS AND ACRONYMS

GLOSSARY OF TERMS AND ACRONYMS

ACSA	Association of California School Administrators
AOR	Architect of Record
CASBO	California Association of School Business Officials
CBOC	Citizens' Bond Oversight Committee
CDE	California Department of Education
CEQA	California Environmental Quality Act
CO	Change Order
CSBA	California School Boards Association
CUPCCAA	California Uniform Public Construction Cost Accounting Act
DSA	Division of State Architect
DTSC	Department of Toxic Substances Control
DVBE	Disabled Veteran Business Enterprise
EIR	Environmental Impact Report
GO Bond	General Obligation Bond
HVAC	Heating, Ventilation, Air Conditioning
IOR	Inspector of Record
LCP	Labor Compliance Program
NOC	Notice of Completion
OPSC	Office of Public School Construction
PEA	Preliminary Environmental Assessment
RFI	Request for Information
RFP	Request of Proposal

RFQ	Request for Qualifications
SAB	State Allocation Board
SFP	School Facility Program
TBD	To Be Determined

APPENDIX E

STATUS REPORT ON FINDINGS AND RECOMMENDATIONS

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

**MEASURES D AND J
PERFORMANCE AUDIT
JUNE 30, 2009**

**STATUS REPORT ON FINDINGS AND RECOMMENDATIONS
OCTOBER 2010**



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

COMPLIANCE WITH STATE LAW, GUIDELINES AND DISTRICT POLICY

Recommendation

It is recommended that any interest earned on borrowed monies from Measure D and Measure J involving a transfer of cash from one fund to another fund be transferred back to the funding source for the duration of the loan period.

Status of Recommendation

District staff concurred with the recommendation. As of June 30, 2010, the District had not borrowed any bond funds to meet its cash flow needs.

PROGRAM MANAGEMENT

Recommendation

The District and program manager should take steps to assure adherence to the master schedule by all bond program participants.

Status of Recommendation

The District concurred with the recommendation regarding schedule adherence by all parties. The Program Manager is responsible for schedule compliance. The District has taken steps to ensure that adherence.

DESIGN AND CONSTRUCTION SCHEDULES

Recommendation

Project schedules should be developed at the conceptual onset of a project, adjusted only when necessary, and communicated to all parties including site staff.

Status of Recommendation

District staff concurred with the recommendation and has taken concrete steps to ensure compliance with, understanding, and communication of schedules to all stakeholders. SGI has now employed a program scheduler, and the recommendation has been met.

BIDDING AND PROCUREMENT PROCEDURES

Recommendations

The list of pre-qualified general contractors should include the date they are pre-qualified and the date of any renewal.

Staff should ensure legal notices for public works are done in accordance with Public Contract Code 20112. Notices should be published on two separate occasions, seven days apart.

Status of Recommendations

District staff concurred with the recommendations. The recommendations have been met.

CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

Recommendations:

It is recommended that staff continue to exert more effort in implementing the constructability review process on all upcoming bond projects to ensure that conflicts between different components of the construction drawings and documents are minimized.

It is recommended that staff provide additional back-up documentation to the board agenda items for the approval and ratification of change orders.

It is recommended that staff initiate discussion with the architects of record to recoup change order marginal mark-up add on cost (normally 15 percent) incurred due to errors and omissions.

Status of Recommendations

The District has taken steps to ensure that the recommendations are met.

PAYMENT PROCEDURES

Finding

The Architect of Record certified with qualification the payment applications #23, #24, #25, #26, #27, and #28 (period of January through June 2009) for the Helms Middle School modernization project. Correspondence between the architect and District showed there were items included on the schedule of values with which the architect did not agree. However, each of the payment applications was processed without adjustment for the items in dispute. It is likely these items would have had an impact on the percentage of work completed and schedule of values. The impact would have likely affected the dollar amount on the payment applications.

Status of Finding

District accepted the finding. The recommendation has been met.

Recommendations

Staff should continue to monitor vendor payment timelines to ensure payments continue to be made within thirty-days of the receipt of invoice.

Vendors should be reminded that all invoices are to be sent directly to the Facilities Department and not handed to the construction managers at the job sites. Payments that are not sent directly to the FOC are more likely to be paid after thirty-days. The Construction manager should be reminded that they have the responsibility to submit any invoices submitted by contractors to FOC in a prompt manner.

Retention should be released only after all change orders are ratified, the Notice of Completion is approved by the Board and filed, and the 35-day timeline has expired.

The District should obtain a legal opinion as to the appropriateness of purchases made through the bond funds for certain types of school maintenance supplies and/or equipment.

Any construction deviations awaiting correction and/or work installed without proper submittals and/or determined to be unacceptable should not be included in the schedule of values.

Payment applications should be adjusted accordingly for work that is disputed or qualified by the architect of record unless the staff has considered the issues at hand and determined otherwise.

Status of Recommendations

The District has taken steps to ensure that the recommendations be met.

BEST PRACTICES IN PROCUREMENT

Finding

Throughout 2008-09, the District purchased various school site custodial equipment and accompanying items that can be classified as supplies, using several vendors. However, it was noted that approximately \$63,000 in items were purchased using a single vendor. According to staff, this vendor and others were selected through a Request for Proposal (RFP) process in 2007. Since the pricing in the initial proposal is likely to be outdated and no longer offered, it is unknown if the District received the maximum value for the items purchased.

Status of Finding

District concurred with finding, however, a legal opinion was not provided.

Recommendations

Staff should ensure the all bidding requirements described under Public Contract codes 20111 are followed when purchasing supplies and/or equipment that exceed the bid threshold.

The procurement methods as described in Board Policy 3300 should be strictly adhered to.

The Purchasing Department should have a more active role in the oversight of the procurement of equipment and/or supplies funded through bond proceeds. Doing so would ensure the District receives maximum value for items purchased and the procurement methods are in alignment with BP 3300 and Public Contract Code.

Purchase orders should specify the method of procurement utilized and board approval date.

The District should obtain a legal opinion to determine if its classification of items purchased with the specialized maintenance equipment as “equipment” is appropriate.

Status of Recommendations

The District has taken steps to ensure that the recommendations be met.

The Purchasing Departments involvement in regards to the procurement of technology related procurement items is limited. It is our opinion 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. Doing so would ensure the District receives maximum value for items purchased and the procurement methods are in alignment with BP 3300 and Public Contract Code.

DELIVERED QUALITY

Recommendations

The District should develop a formal process for updating the District's standards. For each project, these standards should be fixed no later than the end of the schematic design phase. Changes made to the standards and applied to a project subsequent to this could lead to increased document preparation costs, delays in project approvals and costly changes during construction. Changes made late in the process should be justified and shown to have a significant impact on the long term quality, sustainability and maintainability of the project.

The process of monitoring conformance or deviation from the standards should be refined. Documentation of the decisions made during the design and documentation process should be formalized.

Status of Recommendations

The District has taken steps to ensure that the recommendations be met.

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

Recommendation

The District should assign responsibility for communication regarding the bond and construction program to a staff member and provide the necessary resources for program newsletters or other forms of communication to provide timely and consistent information to the community.

Status of Recommendation

Because of budgetary constraints, the District is not in a financial position to provide public information beyond that which is currently provided, such as maintaining District, Bond Program and CBOC websites with up-to-date information.

CITIZENS' BOND OVERSIGHT COMMITTEE

Recommendations

It is recommended that the CBOC, in addition to periodic oral reports at meetings of the Board of Education, and scheduling joint meetings with the Board of Education, prepare and issue annual written reports to the Board of Education and community in a timely manner.

It is recommended that the District either seek a legal opinion regarding the reappointment of a member who has previously served two consecutive terms after a period of non-service, or request a waiver from the State Board of Education regarding reappointment. (Note: The State Board of Education has previously approved such waivers.)

It is recommended that the District establish a clear process for the appointment of new Committee members, including an application and requirement to answer a questionnaire regarding any existing conflict of interest issues. The existing members of the Committee should be asked to periodically report any conflict of interest or lack thereof.

Status of Recommendations

The CBOC has during the 2009-10 fiscal year provided periodic oral reports to the Board as well as the preparation and presentation of an annual report. In addition, there were two joint meetings of the CBOC and Board of Education held during 2009-10.

The process for screening interested applicants for the CBOC has been developed, including an application form. However, it appears that the District has not implemented this process fully and with fidelity.