

**WEST CONTRA COSTA
UNIFIED SCHOOL DISTRICT**

**MEASURES D, M, AND J
PERFORMANCE AUDIT
JUNE 30, 2007**



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

West Contra Costa Unified School District

BOARD OF EDUCATION

June 30, 2007

| | |
|----------------------------|------------------|
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INTRODUCTION

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a bond election 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 Measure J, a measure to authorize the sale of \$400 million in bonds to improve school facilities. The Measure was approved by 56.85 percent of the voters. Because the bond measure, like Measure D mentioned in the preceding paragraph, was placed on the ballot in accordance with Proposition 39, it too required 55 percent of the vote for passage.

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

The District decided to include Measure M funded projects in the scope of the examination even though Measure M was not subject to the performance audit requirements of Proposition 39. Voters previously approved Measure M, a \$150 million two-thirds majority general obligation bond, on November 7, 2000.

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

This report covers the Measure D, Measure J and Measure M funded facilities program and related activities for the period of July 1, 2006, through June 30, 2007. The annual performance audit documents the performance of the bond program and also reports on the improvements instituted by the District to address any audit findings included in the prior reports.

DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of the annual performance audit and midyear reports is limited to Measures M, D and J, it is useful to review the history of the District’s facilities program to place the current program into proper context.

The financial status of the District’s facilities program, documented in the audits and financial reports for the past six fiscal years, is presented in the table below.

| Facilities Program Financial Status | Fiscal Year (as of June 30 for each Fiscal Year) | | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
| Bonds Outstanding ¹ | \$54,340,000 | \$122,450,000 | \$216,455,000 | \$315,155,000 | \$380,634,377 | \$544,027,483 | \$536,503,517 |
| Developer Fees Revenues ² | \$6,069,815 | \$2,749,539 | \$9,094,400 | \$10,498,724 | \$7,759,844 | \$8,813,402 | \$4,840,067 |
| 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 |
| State School Facilities Program New Construction Revenues | None | None | \$12,841,930 | None | None | None | None |
| State School Facilities Program Modernization Revenues | None | None | \$3,494,161 | \$10,159,327 | \$13,562,949 | None | None |

¹ Bonds authorized, sold and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2007. 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.

| Bond Measure (Passage Date) | Authorized | Sold (June 30, 2007) | Outstanding (June 30, 2006) | Outstanding (June 30, 2007) |
|------------------------------|----------------------|----------------------|-----------------------------|-----------------------------|
| Measure E (June 2, 1998) | \$40 million | \$40 million | \$33.2 million | \$32.1 million |
| Measure M (November 7, 2000) | 150 million | 150 million | 145.9 million | 142.8 million |
| Measure D (March 5, 2002) | 300 million | 300 million | 294.9 million | 291.6 million |
| Measure J (November 8, 2005) | 400 million | 70 million | 70 million | 70.0 million |
| Total | \$890 million | \$560 million | \$544.0 million | \$536.5 million |

Education Code Section 15106 states that, for a unified school district, the debt limit “may not exceed 2.5 percent of the taxable property of the district.” Education Code Section 15103 clarifies that “the taxable property of the district shall be determined upon the basis that the district’s assessed valuation has not been reduced by the exemption of the assessed valuation of business inventories in the district or reduced by the homeowner’s property tax exemption.”

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). On 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."

EXECUTIVE SUMMARY

This performance audit, conducted between July 2007 and November 2007, included a review of the following aspects of the District's facilities program:

- District and Professional Services Staffing Plan for the Bond Program
- Master Architect/Engineer Plan
- Standard Construction Documents
- Design and Construction Schedules
- Design and Construction Costs Budgets
- Compliance with State Laws and Guidelines
- District Policies and Guidelines for Facilities Program
- Bidding and Procurement Procedures
- Change Order and Claim Avoidance Procedures
- Payment Procedures
- Best Practices in Procurement
- Quality Control Program
- Participation by Local Firms
- Effectiveness of Communication within the Bond Program
- Overall Bond Program

In accordance with the scope of this assignment, TSS reviewed and examined the documentation and processes pertaining to the facilities program for the period from July 1, 2006 through June 30, 2007. The scope of this report also included a review of findings and recommendations from the prior annual performance audits and midyear reports, and an evaluation of the District administration responses and actions in regard to addressing those findings and implementing any accompanying recommendations.

The District's official financial records for the Measure D, Measure M and Measure J bond programs are presented in the tables in Appendix E. Schedule I represents the consolidated revenues of Measures M, D and J for the period of November 2000 through June 30, 2007, Schedule II presents the consolidated expenditures of Measures M, D and J for the same time period, and Schedule III presents the individual revenues and expenditures for Measures M, D and J.

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, Measure M 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, 2007. 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 D funds are being expensed in accordance with Resolution No. 42-0102 passed by the Board of Education on November 28, 2001. It is also our opinion, for the period ending June 30, 2007, the expenditures of the funds generated through Measure D bonds were only for projects included in Resolution No. 42-0102 establishing the scope of work to be completed with Measure D funds.

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, 2007, the expenditures of the funds generated through Measure J bonds were only for projects included in Resolution No. 25-0506 establishing the scope of work to be completed with Measure J funds.

In regard to the spending of Measure M funds, it is our determination that all expenditures as of June 30, 2007, were for projects within the scope of Measure M, in accordance with Resolution No. 33-0001, approved by the Board of Education on July 24, 2000.

This performance audit was conducted in accordance with the District 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

November 15, 2007

COMPLIANCE WITH BALLOT LANGUAGE

MEASURE M

On July 24, 2000, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$150 million bond measure (Measure M) on the ballot with the adoption of Resolution No. 33-0001.

The ballot language contained in Measure M is presented in detail in Appendix A. The following excerpt summarizes the essence of the bond measure:

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

Measure M, a general obligation bond measure requiring two-thirds approval, passed on November 7, 2000, with 77.3 percent of the vote. The bond language restricted the use of Measure M funds to elementary schools and required, although not mandated by law, the appointment of a citizens' bond oversight committee.

As of June 30, 2006, the District has expended \$167,219,109 (111.5%) of the \$150 million in bond funds, plus interest earnings and refunding of prior bond issues. All of the expenditures for Measure M were for projects within the scope of its ballot language. Total School Solutions finds the West Contra Costa Unified School District in compliance with the language contained in the Measure M ballot.

Because, as of the end of Fiscal Year 2005-06, all of the funds generated through Measure M have been expended, the subsequent midyear report for the period of July 1, 2007, through December 31, 2007, and any future reports will not include an examination of the Measure M projects and the related expenditures. However, measure M will continue to be included in the historical perspective of the bond program for reference and to explain the historical progression of the facilities program.

MEASURE D

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 attached hereto as Appendix B. The following text 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 language primarily focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all District schools (taken from Bond Project List, Appendix B, Exhibit A):

I. All School Sites

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

II. Elementary School Projects

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

III. Secondary School Projects

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

As required by Proposition 39, a citizens' bond oversight committee was established to provide requisite oversight. On April 19, 2003, the Board of Education merged the Measure M and 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.

As of June 30, 2006, the District had expended \$139,413,304 (46.5 percent) of the \$300 million Measure D bond funds. All of the expenditures of Measure D funds were for projects within the scope of the ballot language. TSS finds the West Contra Costa Unified School District in compliance with the language contained in Resolution 42-0102.

MEASURE J

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

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

The complete ballot language contained in Measure J is attached hereto as Appendix C. The following text 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
- Site-work

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 board decided to have the existing Measure D and Measure M oversight committee to serve as the Measure J oversight committee as well.

As of June 30, 2007, 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 appears to be compliant with all requirements for Measure J as set forth in Resolution 25-0506.

FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District’s facilities program and the chronology of events and/or decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place from July 1, 2006, through June 30, 2007. For a discussion of prior Board agenda items and actions, the reader may 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, 2006.

| DATE | ACTION | AMOUNT |
|--------------------------|---|---------------|
| July 12, 2006 (E.8) | Ratification or Approval of Engineering Services Contracts for the Bond Program | \$144,600 |
| July 12, 2006 (E.9) | Preliminary Geotechnical Engineering Services Contract for Measure J Phase 1 Projects | |
| July 12, 2006 (E.10) | Ratification and Approval of Negotiated Change Orders | (\$32,505) |
| July 12, 2006 (E.11) | El Cerrito High School Energy Services Agreement and Roofing Services Contract | |
| July 12, 2006 (E.12) | Gompers High School Energy Services Agreement and Roofing Services Contract | |
| July 12, 2006 (E.13) | Hercules Middle High School Paining Project | |
| July 12, 2006 (E.14) | Amend Boar Bylaw Regarding Candidate Forums in Governing Board Elections | |
| July 12, 2006 (E.18) | Phase I Environmental Review Engineering Services Contract for Measure J Phase I Projects | \$25,500 |
| July 12, 2006 (E.19) | Award contract for Vista Hills Education Center, Alren Construction (Measure D, 3 bids) | \$3,376,906 |
| July 12, 2006 (F.3) | Resolution No. 02-0607: Adoption of Nystrom Revitalization Effort Resolution | |
| July 12, 2006 (G.1) | Consultant Services Agreement Procedures | |
| July 12, 2006 (G.2) | Status Report – Operations Division | |
| August 2, 2006 (E.8) | Ratification or Approval of Engineering Services Contracts for the Bond Program | \$58,330 |
| August 2, 2006 (E.9) | El Cerrito High School Energy Services Agreement and Roofing Services Contract (Measure D) | \$2,119,122 |
| August 2, 2006 (E.11) | Award Contract for Riverside Sitework Project Contract for Construction, Suaren and Munoz (Measure D, 2 bids) | \$622,052 |
| August 2, 2006 (E.12) | Collins Roofing Project Contract for Construction, Western Roofing (Deferred Maintenance) | \$1,090,833 |
| August 2, 2006 (E.18) | Paving and Related Work at El Cerrito High School and Portola Middle School (Deferred Maintenance) | |
| August 2, 2006 (G.2) | Construction Status Reports | |

| DATE | ACTION | AMOUNT |
|------------------------------|---|---------------------|
| August 16, 2006 (D.2) | Citizens' Bond Oversight Committee Report | |
| August 16, 2006 (E.16) | Measure J Technology Bond Funded Projects | \$4,260,000 |
| August 16, 2006 (E.18) | Ratification or Approval of Engineering Services Contracts for the Bond Program | \$204,176 |
| August 16, 2006 (E.19) | Ratification and Approval of Negotiated Change Orders | \$297,626 |
| August 16, 2006 (E.20) | Selection of Pre-Qualified Pool of Architectural Firms for Measure J Projects | |
| August 16, 2006 (E.21) | Architectural services contract with Interactive Resources for preliminary design of Maritime Center – Nystrom (Measure J) | \$47,910 |
| August 16, 2006 (E.22) | Notice of Completions: Bid M04104 Bayview Reconstruction, M05020 Montalvin Site Improvements, MO5032 Downer Stone Columns/Site Work, and D05034 Vista Hills Roof Repair. | |
| August 16, 2006 (E.23) | Paving and Related Work at El Cerrito High School, Portola Middle School and Kensington Elementary School (Measure D) | \$245,341 |
| September 6, 2006 (E.11) | Award of contract to Lathrop Construction Associates for El Cerrito High School Main Campus Construction (Measure D, 3 bids) | \$54,264,000 |
| September 6, 2006 (E.12) | Ratification or Approval of Engineering Services Contracts for the Bond Program | \$92,980 |
| September 6, 2006 (E.13) | Award contract to Maguire Hester for Kennedy High School Track and Field (Measure D, 3 bids) | \$2,840,000 |
| September 6, 2006 (E.14) | Award contract to Suarez and Munoz for Hercules Middle High School Parking and Landscape Phase II (Developer Fees, 2 bids) | \$804,244 |
| September 6, 2006 (E.15) | Ratification and Approval of Negotiated Change Orders | \$193,237 |
| September 6, 2006 (E.16) | Authorization for Superintendent to Negotiate Lease for Portables Staging Area with Overaa Construction, Parr Boulevard, Richmond | \$50,000 |
| September 6, 2006 (E.17) | Valley View YMCA Childcare & Parent Modularity Project Contract and Authorization for Superintendent to Execute Associated Lease of Facility | \$200,000 |
| September 6, 2006 (E.23) | Citizens' Bond Oversight Committee Appointment: Robert Sewell | |
| September 6, 2006 (G.2) | Status Reports – Construction | |
| September 20, 2006 (E.9) | Approval of WLC Architects and Seville Group to Provide Services on Measure J Projects | No additional costs |
| September 20, 2006 (E.12) | Citizens' Bond Oversight Committee Appointment: Kevin Rivard and Sue Pricco | |
| September 20, 2006 (E.13) | Resolution No. 17-0607: Regarding District Standards for Equipment, Products and Materials for District Construction and Adoption of Findings Required by Public Contract Code for Sole Source Specifications | |
| September 20, 2006 (E.14) | Award Contract to Kin Wo Construction for Tara Hills and Hardware (Measure D, 2 bids) | \$99,000 |
| September 20, 2006 (E.21) | Architectural Services Contract with Powell & Partners and HMC Architects for Programming and Master Planning for Kennedy High School (Measure J) | \$294,190 |

| DATE | ACTION | AMOUNT |
|------------------------------|---|---------------|
| September 20, 2006 (E.22) | Ratification and Approval of Negotiated Change Orders | (\$38,896) |
| September 27, 2006 (B.1) | Role of Citizens' Bond Oversight Committee | |
| September 27, 2006 (B.2) | Information request from CBOC so that the CBOC can become more efficient and effective in providing oversight to the bond program. Staff support for CBOC. | |
| September 27, 2006 (B.3) | Staff Report: factors or components that influence the cost of renovation and new construction. | |
| September 27, 2006 (B.4) | Future bond proposals – when and what to include. | |
| October 4, 2006 (E.9) | Notice of Completions: Bid D05037 El Cerrito High School Grading, M06045 Harding, Peres, Montalvin Interior Work, D05033 Hercules Middle High School Envelope Repair. | |
| October 4, 2006 (E.11) | Approval of Settlement of Laurel Lane Damage Claim with Neighbors of Sheldon School | \$15,000 |
| October 4, 2006 (E.12) | Award contract to Bay Cities Paving and Grading for Sheldon Sitework Project (Measure D, 3 bids) | \$1,065,000 |
| October 4, 2006 (G.1) | Helms Project Update | |
| October 4, 2006 (G.2) | Construction Status Reports | |
| October 18, 2006 (E.9) | Ratification or Approval of Engineering Services Contract | \$79,665 |
| October 18, 2006 (E.10) | Ratification and Approval of Negotiated Changes Orders | \$425,273 |
| October 18, 2006 (E.13) | Citizens' Bond Oversight Committee Appointment: Charleen Raines, City of Hercules; Michael Slade, Public Employees Union, Local 1. | |
| October 18, 2006 (E.14) | Award contract to Bay Cities Paving and Grading for Tara Hills Sitework Project (Measure D, 6 bids) | \$1,557,000 |
| October 18, 2006 (E.16) | Resolution No. 26-0607, in Support of Applications for Eligibility Determination, Hardship Applications, and Signature Authorization for Applications and Associated Documents for the Office of Public School Construction | |
| October 18, 2006 (E.17) | Contract Amendment for Quattrochi Kwok Architects to Add Hercules Middle High School Artificial Field Installation to Current Baseball & Softball Field Project (Developer Fees) | \$126,000 |
| October 18, 2006 (E.21) | Notice of Completion: Bid W05022 Ohlone Elementary School Roof Repair | |
| October 18, 2006 (F.4) | Public Hearing to Receive Document and Accept comments on Draft Preliminary Endangerment Assessment for the Helms Middle School Underground Contamination | |
| October 18, 2006 (F.7) | Maritime Center Facility at Nystrom School – Request for Monetary Commitment (Measure J) | \$1,000,000 |

| DATE | ACTION | AMOUNT |
|----------------------------|--|---------------|
| November 8, 2006 (E.6) | Citizens' Bond Oversight Committee Alternate Appointment: Kathy Cleberg, alternate for Kevin Rivard | |
| November 8, 2006 (E.8) | Ratification and Approval of Negotiated Change Orders | \$373,903 |
| November 8, 2006 (E.12) | Mira Vista Landscape & Sitework Project Contract for Construction (tabled) | |
| November 8, 2006 (E.13) | Award contract to West Coast Contractors for Pinole Middle New Classroom & Gym Project (Measure D, 4 bids) | \$20,661,000 |
| November 8, 2006 (E.14) | Award contract to Mobile Modular for Portable Buildings Relocation (Measure D, 2 bids) | \$208,694 |
| November 8, 2006 (E.15) | Award contract to Bay Cities Paving and Grading for Bayview Sitework Project (Measure D, 6 bids) | \$1,125,000 |
| November 8, 2006 (E.16) | Notice of Completions: Bid M05030 Harding Auditorium Demo & Abatement, W06057 Hercules MHS Painting Project and Bid M04142 Murphy Reconstruction | |
| November 8, 2006 (G.2) | Construction Status Report | |
| November 15, 2006 (E.7) | Award contract to Ghilotti Bros. for Mira Vista Landscape & Sitework Project (Measure D, 6 bids) | \$863,747 |
| November 15, 2006 (E.8) | Resolution No. 34-0607: Authorizing the Establishment of a Special Reserve Fund for Capital Outlay Projects | |
| December 6, 2006 (E.8) | Ratification or Approval of Engineering Services Contracts | \$188,068 |
| December 6, 2006 (E.9) | Ratification and Approval of Negotiated Change Orders | \$632,413 |
| December 6, 2006 (E.12) | E-Rate Funding – Form 470 Technology Services | \$3,000,000 |
| December 6, 2006 (E.13) | Amendment to Real Property Purchase and Sale Agreement (El Portal) | |
| December 6, 2006 (E.15) | Award contract to Blackshear Construction for Hercules Middle High School Press Box (Developer Fees, 5 bids) | \$283,000 |
| December 6, 2006 (E.18) | Architectural Services Contract with WLC Architects for Programming and Master Planning for Pinole Valley High School (Measure J) | \$324,125 |
| December 6, 2006 (F.4) | Site Master Plan and Budget for De Anza High School, King Elementary School, and Ford Elementary School | \$99,000,000 |
| December 6, 2006 (F.5) | Modification of Measure J Project Phasing Plan to move Ohlone Elementary School to Phase I | |
| December 6, 2006 (G.2) | Status Reports – Operations Division | |
| January 3, 2007 (E.10) | Ratification or Approval of Engineering Services Contracts for the Bond Program | \$97,900 |
| January 3, 2007 (E.11) | Ratification and Approval of Negotiated Change Orders | \$622,382 |
| January 3, 2007 (E.12) | Award contract to Kel Tec Builders for Community Kitchens Phase I Project (Montalvin Manor, Tara Hills and Bayview) (Measure D, 5 bids) | \$619,986 |
| January 3, 2007 (E.15) | Award contract to Crusader Fence Co. for Hercules Middle high School Fence and Gates Project (Developer Fees, 3 bids) | \$439,223 |

| DATE | ACTION | AMOUNT |
|----------------------------|---|-------------------------------|
| January 3, 2007 (E.16) | Notice of Completions: bid D05038 Pinole Middle School Site and Grading Work | |
| January 3, 2007 (E.17) | E-Rate Funding – Form 470 Technology Services | \$3,000,000 |
| January 3, 2007 (E.18) | Citizens’ Bond Oversight Committee Appointment: Michael Witwear and Antonio Medrano (Tabled) | |
| January 3, 2007 (F.6) | Public Hearing – Resolution No. 40-0607, Level II and Level III Developer Fees | |
| January 3, 2007 (F.7) | Resolution No. 40-0607, Level II and Level III Developer Fees (from \$3.86/sf to \$3.92/sf) | |
| January 3, 2007 (G.1) | 2007 Facilities Master Plan – Discussion only | |
| January 3, 2007 (G.4) | Board Policy Update – Section 0000, Philosophy, Goals, Objectives and Comprehensive Plans | |
| January 3, 2007 (G.5) | Status Reports – Facilities Planning and Construction | |
| January 17, 2007 (E.8) | Ratification and Approval of Engineering Services Contracts | \$59,970 |
| January 17, 2007 (E.9) | Ratification and Approval of Negotiated Change Orders | \$472,087 |
| January 17, 2007 (E.11) | Hazardous Materials Consultants for Measure J Projects | \$178,126 |
| January 17, 2007 (E.14) | Award contract to Page Construction for Harding Breezeway Improvements (Measure D, 3 bids) | \$291,437 |
| January 17, 2007 (E.15) | Architect Selection for Ohlone Elementary School – Powell & Partners and HMC Architects | |
| January 17, 2007 (E.16) | Citizens’ Bond Oversight Committee Appointment: Michael Witwear | |
| January 17, 2007 (F.4) | Approval of Master Plans for Dover Elementary School | Budget - \$30,439,500 |
| January 17, 2007 (F.5) | Seaview School Site – Discussion as a possible site for the Leadership Public Charter School | |
| January 17, 2007 (F.6) | 2007 Facilities Master Plan – Board approval | |
| January 17, 2007 (G.1) | Portola Middle School Proposals – discussion only | |
| February 7, 2007 (D.6) | Citizens’ Bond Oversight Committee Report | |
| February 7, 2007 (E.4) | Architectural Services Contract Fees for DeAnza High School Campus Reconstruction (DLM Architects, Measure J) | \$7,731,431 |
| February 7, 2007 (E.4) | Measure J Architectural Fees: Sally Swanson Architects, \$1,817,000; HY Architects, \$2,060,000; Quattrochhi Kwok Architects, \$1,377,075 | \$5,254,075 |
| February 7, 2007 (E.5) | Funding for Maritime Center Project (Measure J) | \$2,000,000 (Not budgeted) |
| February 7, 2007 (G.15) | Citizens’ Bond Oversight Alternate member Appointment: Maggie Owens (Alternate for Andres Soto) | |
| February 7, 2007 (G.17) | Ratification and Approval of Negotiated Change Orders | \$233,928 |

| DATE | ACTION | AMOUNT |
|-------------------------------|--|--------------------------|
| February 7, 2007 (G.18) | Ratification and Approval of Engineering Services Contracts | \$80,310 |
| February 7, 2007 (G.19) | Community Kitchens Phase I Project Contract for Construction, Pacific Coast Reconstruction and Building, Inc. (Measure D) | \$667,700 |
| February 7, 2007 (F.1) | Proposition 39 Charter Facilities Agreement: Three Requests | |
| March 7, 2007 (F.2) | Status Reports – Facilities Planning and Construction | |
| March 7, 2007 (G.9) | Ratification and Approval of Engineering Services Contracts | \$757,382 |
| March 7, 2007 (G.10) | Ratification and Approval of Negotiated Change Orders | \$82,432 |
| March 7, 2007 (G.11) | Community Kitchens Phase I Project Contract for Construction, Kin Wo Construction Co. (Measure D, 4 bids) | \$660,200 |
| March 7, 2007 (G.12) | Award Contract for Helms Middle School New Campus Construction (Measure D, 3 bids) | \$50,890,000 |
| March 7, 2007 (G.13) | Approval of master Plans for Nystrom Elementary School | \$26,208,000 (Budget) |
| March 7, 2007 (G.14) | Award Contract for Montalvin Manor Elementary Phase II Sitework, Kudsk Construction (Measure D, 8 bids) | \$291,400 |
| March 7, 2007 (G.16) | Notice of Completions (NOC): Six projects | |
| March 21, 2007 (E.8, E.19) | Resolution No. 53-0607: Public Hearing and Adoption of a Mitigated Negative Declaration for Kay Road Extension Project at Montalvin Manor Elementary School. (Capital Facilities Fund) | \$2,000,000 |
| March 21, 2007 (G.12) | Ratification and Approval of Engineering Services Contracts | \$52,900 |
| March 21, 2007 (G.13) | Ratification and Approval of Negotiated Change Orders | \$548,550 |
| March 21, 2007 (G.15) | Award of Contract to Lathrop Construction for El Cerrito High School Administration / Theater / Library Building (Measure D, 3 bids) | \$22,580,000 |
| March 21, 2007 (G.17) | Approve Budget Adjustment for the Maritime Center Project Adjacent to Nystrom Elementary School | \$1,500,000 |
| March 21, 2007 (G.18) | Citizens' Bond Oversight Committee: Reappointment of Maureen Toms, Representing the City of Pinole | |
| April 4, 2007 (E.1) | Discussion regarding Portola Site Relocation | |
| April 4, 2007 (E.2) | Facilities Master Plan Budget Adjustments (Original FMP approval was January 17, 2007). | |
| April 4, 2007 (F.2) | Status Report – Facilities Planning and Construction | |
| April 4, 2007 (G.10) | Approval of Architect Fees to Interactive Resources of Point Richmond for Nystrom Elementary School (Measure J) | \$2,205,000 |
| April 4, 2007 (G.11) | Ratification and Approval of Negotiate Change Orders | \$106,153 |
| April 4, 2007 (G.12) | Ratification and Approval of Engineering Services Contracts for the Bond Program | \$20,000 |

| DATE | ACTION | AMOUNT |
|---------------------------|--|-------------------------------------|
| April 25, 2007 | Joint Meeting of Board of Education and Citizens' Bond Oversight Committee | |
| May 2, 2007 (E.4) | Presentation of Measures D, M and J Bond Performance Audit by Total School Solutions | |
| May 2, 2007 (F.4) | Status Report – Facilities Planning and Construction | |
| May 2, 2007 (G.15) | Award of Contract to Bay Cities Paving for Murphy Phase II Site Improvements (Measure D, 8 bids) | \$790,000 |
| May 2, 2007 (G.16) | Citizens' Bond Oversight Committee: Appointment of Kathleen Sullivan, Parent Representative | |
| May 2, 2007 (G.19) | Ratification and Approval of Negotiated Change Orders | \$468,057 |
| May 2, 2007 (G.20) | Ratification and Approval of Engineering Services Contracts | \$263,269 |
| May 2, 2007 (G.23) | Notice of Completion: Hercules Middle high School Landscape / Parking Lot | |
| May 2, 2007 (G.25) | Approval of Beverly Prior Architects for Gompers Continuation / Charter School Project | |
| May 16, 2007 (G.10) | Ratification and Approval of Engineering Services Contracts | \$466,818 |
| May 16, 2007 (G.11) | Ratification and Approval of Negotiated Change orders | \$231,405 |
| May 16, 2007 (G.12-14) | Award of Construction Contracts for Community Kitchens, Phase II (Measure D): Package 4 – Kin Wo Construction Co. (2 bids) Package 5 – Kel Tec Builders (2 bids) Package 6 – Kin Wo Construction Co. (2 bids) | \$803,000 \$727,500 \$516,000 |
| May 16, 2007 (G.15) | Citizens' Bond Oversight Committee: Appointment of William Acevedo serving as Tony Thurmond alternative. | |
| May 16, 2007 (G.29) | Notice of Completion: RHSD Building Renovations; Riverside Phase II Site Improvements; Steward Phase II Site Improvements; Tara Hills New Doors & Hardware; Richmond HS Track & Field Project | |
| June 6, 2007 (F.2) | Status Reports – Facilities Planning and Construction | |
| June 6, 2007 (G.13) | Ratification and Approval of Engineering Services Contracts | \$236,800 |
| June 6, 2007 (G.14) | Ratification and Approval of Negotiated Change Orders | \$56,323 |
| June 6, 2007 (G.18) | Award of Contract to Bay Cities Paving and Grading for De Anza HS Track and Field Project (Measure D, 4 bids) | \$3,419,000 |
| June 6, 2007 (G.20) | Award Contract to Peterson Dean for Washington Roof Project | \$104,994 |
| June 6, 2007 (G.21) | Approval of Architect Fees to Interactive Resources for Temporary Campus at Nystrom for Leadership Public Schools Charter. (Measure J) | \$220,000 |
| June 6, 2007 (G.25) | Approval of Contract with the Cooperative Purchasing Network for Furniture Replacement at Various Schools. (Measure J) | \$684,088 |

| DATE | ACTION | AMOUNT |
|-------------------------|---|---------------|
| June 6, 2007 (G.26) | Citizens' Bond Oversight Committee: Appointment of Raul Morales, Representing unincorporated Hercules-Pinole; Liz Smith, Alternate for Sand; Potter, Representing City of El Cerrito; James McClelland, Senior Citizen Organization | |
| June 20, 2007 (G.6) | Ratification and Approval of Engineering Services Contracts | \$343,454 |
| June 20, 2007 (G.7) | Ratification and Approval of Negotiated Change Orders | \$94,745 |
| June 20, 2007 (G.18) | Award of Contract to Interstate Grading and Paving for Hercules Middle High School Fields Project. (Capital Facilities Fund, 4 bids) | \$4,318,000 |
| June 20, 2007 (G.19) | Discussed and tabled Contract to Mobile Modular for Modular Buildings at Richmond College Prep Charter School. (Measure J, Piggyback Contract) | \$186,973 |
| June 20, 2007 (G.20) | Discussed and tabled Contract to Rubecon as the only Responsive Bidder for Richmond High School Renovations Phase II (Deferred Maintenance Funds, 2 bids – 1 rejected) | \$1,237,920 |

The Board of Education approved a Facilities Master Plan on October 18, 2000, prior to any Board action or direction in regard to construction quality standards, a true discussion of educational specifications, a thorough needs assessment, grade-level configuration, school/site sizes (minimum and maximum), potential school closures/consolidation, replacement vs. modernization threshold, the impact of project labor agreements, local bidding climate, school needs assessments, and so forth. That Facilities Master Plan might have provided useful information on the age and conditions of existing schools, inventory of sites and facilities, the need for new schools, replacement needs of some schools and modernization/renovation needs in accordance with prevailing state-wide modernization practices. However, the plan, in absence of a complete set of directions outlined above, estimated total cost of the facilities program at approximately \$500 million including the new construction and modernization; resulting in a severe underestimation of the District’s actual needs.

The original Facilities Master Plan dated October 18, 2000, was updated by the same consultant firm, as documented in a report dated June 26, 2006. The updated Plan analyzed land use planning, enrollment trends and established attendance boundaries based on school capacities, but it still failed to include updated costs normally required by a comprehensive long-range facilities master plan and did not address many of the issues raised in the preceding paragraph. Overall, the updated Facilities Master Plan projected a continuing decline in enrollment from 32,197 in 2005-06 to the lowest point of 30,046 in 2012-13 and increasing slowly thereafter. The existing school capacity identified by the updated plan ranged from 31,108 for a “working” capacity to 38,146 for a “maximum” capacity.

Subsequently, the administration has prepared a “2007 Facilities Master Plan” which incorporated information from numerous sources to compile a facilities renovation and construction plan. That Master Plan was presented to the Board on January 3, 2007, and was approved by the Board on January 17, 2007. The “2007” Master Plan identified the following revenues from Measures M, D and J and other sources, and included budget adjustments as of June 30, 2007.

| Revenue Source | M | D | J | Total |
|-----------------------|----------------------|----------------------|----------------------|------------------------|
| New Bonds | \$150,000,000 | \$300,000,000 | \$400,000,000 | \$850,000,000 |
| Interest Income | 6,000,000 | 7,000,000 | 14,000,000 | 27,000,000 |
| Developer Fee Income | 24,900,038 | 2,885,528 | 10,500,000 | 38,285,566 |
| State Funds | 30,101,817 | 16,316,744 | 76,157,758 | 122,576,319 |
| E-Rate | 2,413,150 | 888,654 | | 3,301,804 |
| FEMA (Riverside) | 1,000,000 | | | 1,000,000 |
| County (Verde) | 900,000 | | | 900,000 |
| Joint Use | | 4,250,000 | 3,000,000 | 7,250,000 |
| Deferred Maintenance | 0 | 1,200,000 | 0 | 1,200,000 |
| Totals | \$215,315,005 | \$332,540,926 | \$503,657,758 | \$1,051,513,689 |

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

More recent cost estimates for phases M-1A, M-1B, D-1A and J (September 13, 2004, August 22, 2006 and August 22, 2007) are presented, respectively, in Tables 1, 2, 3 and 4 in this section.

A summary of Tables 1, 2, 3 and 4 and associated costs is presented below.

| Table | Phase | Capital Projects Cost Estimates (September 13, 2004) | Capital Projects Cost Estimates (August 22, 2006) | Capital Projects Cost Estimates (August 22, 2007) |
|-------|-------------------------------|--|---|---|
| 1 | M-1A | \$113,204,174 | \$125,423,947 | \$124,801,848 |
| 2 | M-1B | 127,810,707 | 142,624,581 | 143,237,197 |
| | Other Elementary ¹ | | 53,155,596 | 56,235,726 |
| | Subtotal | | 321,204,124 | 324,274,771 |
| 3 | D-1A | 220,858,164 | 238,049,634 | 295,819,495 |
| | Other Secondary ² | | 31,625,449 | 27,441,820 |
| | Subtotal | | 269,675,083 | 323,231,315 |
| 4 | J-I | | 78,431,150 | 137,660,703 |
| | J-II | | 49,268,575 | 0 |
| | J-III | | 59,095,372 | 0 |
| | J-Secondary | | 230,000,000 | 200,300,000 |
| | Other ³ | | 42,361,073 | 66,046,897 |
| | Subtotal | | 459,156,170 | 404,007,600 |
| | Totals | \$461,873,045 | \$1,050,035,377 | \$1,051,513,686 |

¹ Quick start projects, M-2A and M-3 projects, e-rate projects, furniture and equipment, program coordination, miscellaneous portables, renovation and reconciled expenses.

² D-2A and D-3 projects, e-rate projects, furniture and equipment, and program coordination.

³ Furniture and equipment, e-rate projects, program coordination, program contingency and escalation.

While the \$150 million in Measure M funds were originally supposed to address the facilities improvement and renovation needs at all 39 elementary schools, the total facilities needs and costs at those schools remained undetermined when the scope of work and the amount funding needed to address those needs were initially established on July 24, 2000. After the passage of Measure M, the District solicited proposals for the Master Architect/Bond Management services, culminating in a contract with WLC/SGI on August 15, 2001. As WLC started the design work for Phase 1 schools, the WLC/SGI team also proceeded with Quick-Start projects at the 39 Measure M schools, addressing some of the more critical health and safety needs. The Board authorized the Quick-Start projects on March 6, 2002, and approved construction contracts in June 2002, which totaled \$5,558,367.

To provide direction to the WLC/SGI team as well as the future project architects, the Board considered various design and construction quality standards for Measure M projects. At its meeting of May 15, 2002, the Board was presented with a number of options ranging in cost from \$181 million (the estimated total revenues for Measure M including interest) to \$465 million. Those options are presented in the table below.

| Options (Quality Standards) | Measure M Estimated Expenditures in millions of dollars (\$1,000,000s) |
|--|---|
| 1 Modernization Standard (\$100/square foot) | 181 |
| 1A Base Standard (\$145/square foot) | 246 |
| 1B Base Standard (\$145/square foot) | 319 |
| 1C Base Standard (\$145/square foot) | 345 |
| 2A Reconstruction Standard (\$175/square foot) | 387 |
| 2B Reconstruction Standard (\$175/square foot) | 440 |
| 2C Reconstruction Standard (\$175/square foot) | 465 |

After considerable deliberation, the Board of Education selected Option 1C (with projected cost of \$345 million). The available funding at that time estimated to be sufficient to complete the work at the first 18 elementary schools. The board was aware that work at the remaining 21 elementary schools would have to be funded through future funding, thus needing passage of additional local bonds (such as Measure D) or other future funding sources.

Therefore, prior to the adoption of Option 1C standards on May 15, 2002, the board was aware that additional revenues would be needed. The board authorized placing Measure D, a \$300 million bond measure on ballot. That measure was approved by the voters on March 5, 2002. While the primary purpose of Measure D was to address secondary school facilities needs, the bond language allowed funds to be used on elementary school projects as well.

After the adoption of the Option 1C standards and the passage of Measure D, projects were phased into M-1A consisting of nine (9) schools; M-1B, consisting of nine (9) schools; and D-1, involving five (5) schools. The District adjusted the project budgets to reflect Option 1C quality standards, and the WLC/SGI contract was amended to incorporate the increased budget amounts.

The District administration and the board recognized that, as the facilities program reached the construction stage from the initial planning stage, appropriate and adequate program management to manage the construction processes would be needed. Accordingly, the board authorized the employment of eight (8) new positions; hired project architects for phases M-1A and M-1B as well as on-site DSA inspectors; approved a project labor agreement and a labor compliance program; and authorized lease of 112 interim-use portable classrooms; pre-qualified general contractors; and employed the services of a material testing laboratory.

Construction contracts for the nine (9) Measure M-1A schools were awarded in June and July of 2003. The status of the Phase 1A projects is presented in Table 5 in this section. As additional information became available, the District responded by increasing the budgets for M-1A projects. The original Option 1C standard budget of \$83.1 million of June 15, 2002, was adjusted to \$91 million on September 18, 2002; to \$113.2 million in September 2004; to \$120.7 million in August 2005, and to \$124.8 million in August 2007, based on awarded contracts, change orders and other costs.

Many variables have impacted school District construction costs including, but not limited to, the following:

- Establishment of Option 1C quality standards

- Project labor agreements
- Acceleration of construction costs nationwide at a rate higher than projected
- Passage of Proposition 39 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 2007), \$7.3 billion bonds and resulting construction
- Labor compliance law requirements
- International procurement of construction materials by developing economies
- Reconstruction of Iraq and Afghanistan

All Phase M-1A projects have been completed, with construction completion dates ranging from September 29, 2004, to December 30, 2005.

The District submitted eight Phase M-1B projects to the Division of State Architect (DSA) and invited bids between April 2004 and June 2004. (See Table 6). Construction for these eight (8) projects began between May 2004 and July 2004, with construction completion dates ranging from October 9, 2005 to July 28, 2006.

Before initiating bids for M-1A and M-1B projects, the District pre-qualified construction contractors. At the completion of the prequalification process, 32 construction firms were pre-qualified.

The summary listing of the number of bidders on M-1A and M1-B projects follows:

| Phase M-1A | #Bidders | Phase M-1B | # Bidders |
|-------------------|-----------------|-------------------|------------------|
| Harding | 2 | Bayview | 5 |
| Hercules | 3 | Ellerhorst | 3 |
| Lincoln | 3 | Kensington | 3 |
| Madera | 6 | Mira Vista | 3 |
| Montalvin | 4 | Murphy | 4 |
| Peres | 4 | Sheldon | 4 |
| Riverside | 3 | Tara Hills | 3 |
| Stewart | 3 | Washington | 2 |
| Verde | 1 | | |
| Average | 3.2 | Average | 3.4 |

In spite of the District's 32 pre-qualified bidders, the average number of bids ranged between 3.2 and 3.4 bids per project.

Overall, the results of the pre-qualification process can be summarized as follows:

| Processes | Number of Firms |
|----------------------------|------------------------|
| Prequalification | 32 |
| Firms Submitting Bids | 12 |
| Firms Awarded 17 Contracts | 7 |

While the prequalification process helps in excluding unqualified or generally unacceptable construction contractors, the process does not contribute towards obtaining high participation by the bidders.

The District has selected Phase D-1A project architects and a number of projects are under construction. As of June 30, 2007, funding applications (SAB 50-04) have been submitted to OPSC for the El Cerrito High School and Downer Elementary School construction projects.

The District initiated a new “Prequalification of General Contractors” process for Measure D-1A projects, Downer Elementary, and Measure J funded projects. At the June 28, 2006, board meeting, 21 firms were pre-qualified for larger construction projects as follows:

| General Contractor Prequalification Process (June 28, 2006) | |
|--|-----|
| Requests sent to firms | 60+ |
| Firms Responding | 23 |
| Firms Pre-qualified | 21 |

Furthermore, the District initiated a prequalification process for Architect of Record (AOR) for Measure J projects. The results of that process were presented to the board on August 16, 2006:

| Architect Prequalification Process (August 16, 2006) | |
|---|-----|
| Requests sent to firms | 30+ |
| Firms responding | 20+ |
| Firms pre-qualified | 22 |

Table 1. Measure M-1A Projects. Total Estimated Costs (Construction and Soft Costs).

| School | Year Built | Capital Projects ¹ Cost Estimates | Capital Projects ² Cost Estimates | Capital Projects ³ Cost Estimates |
|----------------------------------|------------|---|---|---|
| Harding Elementary | 1943 | \$14,014,301 | \$17,733,309 | \$17,214,145 |
| Hercules/Lupine Hills Elementary | 1966 | 13,615,961 | 13,561,727 | 13,522,775 |
| Lincoln Elementary | 1948 | 15,200,388 | 16,158,738 | 16,095,494 |
| Madera Elementary | 1955 | 9,954,252 | 11,255,611 | 11,262,358 |
| Montalvin Elementary | 1965 | 10,420,290 | 11,708,229 | 11,600,836 |
| Peres Elementary | 1948 | 16,889,728 | 17,957,340 | 17,940,392 |
| Riverside Elementary | 1940 | 11,788,329 | 12,581,826 | 12,476,374 |
| Stewart Elementary | 1963 | 8,945,696 | 10,468,040 | 10,623,985 |
| Verde Elementary | 1950 | 12,375,228 | 13,999,127 | 14,065,488 |
| Total | | \$113,204,173 | \$125,423,947 | \$124,801,847 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

² Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

³ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

Table 2. Measure M-1B Projects. Total Estimated Costs (Construction and Soft Costs).

| School | Year Built | Capital Projects ¹ Cost Estimates | Capital Projects ³ Cost Estimates | Capital Projects ⁴ Cost Estimates |
|--------------------------------|------------|---|---|---|
| Bayview Elementary | 1952 | \$15,552,157 | \$16,049,348 | \$16,473,255 |
| Downer Elementary ² | 1955 | 23,398,756 | 31,228,539 | 30,844,196 |
| Ellerhorst Elementary | 1959 | 11,114,528 | 11,199,265 | 11,084,221 |
| Kensington Elementary | 1949 | 17,006,091 | 18,163,053 | 18,159,938 |
| Mira Vista Elementary | 1949 | 11,911,186 | 13,686,651 | 13,822,899 |
| Murphy Elementary | 1952 | 12,039,309 | 13,069,670 | 13,240,244 |
| Sheldon Elementary | 1951 | 13,017,155 | 12,992,853 | 13,098,542 |
| Tara Hills Elementary | 1958 | 11,435,272 | 11,899,124 | 12,064,185 |
| Washington Elementary | 1940 | 13,033,042 | 14,336,075 | 14,449,718 |
| Total | | \$128,507,496 | \$142,624,578 | \$143,237,198 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

² Downer is identified as a Measure M-1B project, but it is to be funded out of Measure D (See Table 6).

³ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

⁴ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

Table 3. Measure D-1A Projects. Total Estimated Costs. (Construction and Soft Costs).

| School | Year Built | Capital Projects Cost Estimates ¹ | Capital Projects Cost Estimates ² | Capital Projects Cost Estimates ³ |
|-----------------|------------|--|--|--|
| El Cerrito High | 1938 | 97,145,328 | \$106,186,778 | \$119,000,180 |
| Helms Middle | 1953 | 52,559,865 | 56,201,795 | 69,670,649 |
| Pinole Middle | 1966 | 36,859,208 | 39,891,906 | 47,148,666 |
| Portola Middle | 1950 | 34,140,175 | 35,769,154 | 60,000,000 |
| Total | | \$220,704,576 | \$238,049,634 | \$295,819,495 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

² Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

³ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007

Table 4a. Measure J-I Projects. Total Estimated Costs. (Construction and Soft Costs).

| School | Year Built | Capital Projects Cost Estimates ¹ | Capital Projects Cost Estimates ³ |
|--------------------------------|------------|--|--|
| Castro Elementary ² | 1950 | \$13,886,250 | 350,000 |
| Dover Elementary | 1958 | 13,218,099 | 30,439,500 |
| Ford Elementary | 1949 | 11,679,584 | 26,208,000 |
| King Elementary | 1943 | 17,051,831 | 26,500,001 |
| Nystrom Elementary | 1942 | 22,595,384 | 26,208,002 |
| Ohlone Elementary | 1965 | N/A | 27,955,200 |
| Total | | \$78,431,150 | 137,660,703 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

² Subsequent to the January 23, 2007 estimate, a decision was made to de-fund Castro.

³ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

Table 4b. Measure J-II Projects. Total Estimated Costs. (Construction and Soft Costs).

| School | Year Built | Capital Projects Cost Estimates ¹ | Capital Projects Cost Estimates ² |
|------------------------|------------|--|--|
| Coronado Elementary | 1952 | \$12,064,373 | \$0 |
| Fairmont Elementary | 1957 | 11,120,592 | 0 |
| Highland Elementary | 1958 | 14,492,253 | 0 |
| Valley View Elementary | 1962 | 11,591,355 | 0 |
| Total | | \$49,268,575 | \$0 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

² Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

Table 4c. Measure J-III Projects. Total Estimated Costs. (Construction and Soft Costs).

| School | Year Built | Capital Projects Cost Estimates¹ | Capital Projects Cost Estimates² |
|-------------------|-------------------|--|--|
| Grant Elementary | 1945 | \$16,167,942 | \$0 |
| Lake Elementary | 1956 | 13,172,375 | 0 |
| Ohlone Elementary | 1965 | 14,670,642 | 0 |
| Wilson Elementary | 1953 | 15,084,411 | 0 |
| Total | | \$59,095,372 | \$0 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

² Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

Table 4d. Measure J-III Projects. Total Estimated Costs. (Construction and Soft Costs).

| School | Year Built | Capital Projects Cost Estimates¹ | Capital Projects Cost Estimates^{2/3} |
|--------------------|-------------------|--|--|
| DeAnza High | 1955 | \$100,000,000 | \$161,600,000 |
| Pinole Valley High | 1968 | 65,000,000 | 25,000,000 |
| Richmond High | 1946 | 4,000,000 | 5,100,000 |
| Kennedy High | 1965 | 61,000,000 | 8,600,000 |
| Total | | \$230,000,000 | 200,300,000 |

¹ Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

² Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2007.

³ According to the Board-adopted "2007 Facilities Master Plan," the following explanations were presented related to the Measure J-III projects:

DeAnza High: The Board approved the DeAnza Master Plan in December 2006, "which involves the complete demolition and reconstruction of the campus." Because of the expanded scope of work, the revised budget is substantially higher than the original budget.

Pinole Valley High: Measure J funds have been allocated to complete Measure D major secondary projects and to complete DeAnza reconstruction. Due to limited Measure J funds, partial renovations only will be done at Pinole Valley High.

Richmond/Kennedy: As explained above, due to limited Measure J funds, limited renovations only will be done at Richmond and Kennedy High, including restroom renovations, security projects, building upgrades, parking improvements, track and field, and stadium building.

Table 5. Measure M-1A. Budget, Contracts and Schedule.

| School | Harding | Hercules/ Lupine Hills | Lincoln | Madera | Montalvin | Peres | Riverside | Stewart | Verde | Total Phase M-1A |
|---|----------------------------|---------------------------|---------------------------|------------------------|------------------------|----------------------------|------------------------|-------------------------|-------------------------|--------------------------|
| Budget (August 22, 2007) | | | | | | | | | | |
| Construction Costs | 13,273,375 | 10,975,422 | 12,963,239 | 8,931,357 | 9,088,161 | 14,336,285 | 9,573,375 | 8,354,972 | 11,271,729 | 98,767,915 |
| Soft Costs | 3,940,770 | 2,547,353 | 3,132,255 | 2,331,001 | 2,512,675 | 3,604,107 | 2,902,999 | 2,269,013 | 2,793,759 | 26,033,932 |
| Total Budget | 17,214,145 | 13,522,775 | 16,095,494 | 11,262,358 | 11,600,836 | 17,940,392 | 12,476,374 | 10,623,985 | 14,065,488 | 124,801,847 |
| SAB # | 019 | 017 | 015 | 014 | 013 | 011 | 016 | 012 | 010 | |
| SAB Revenues | \$1,948,349 | \$1,147,097 | \$330,404 | \$1,216,917 | \$313,287 | \$1,468,479 | \$1,191,472 | \$1,147,062 | \$1,180,094 | \$9,943,161 |
| Award Date | 7/14/03 | 7/14/03 | 7/9/03 | 6/18/03 | 6/30/03 | 6/30/03 | 7/21/03 | 6/18/03 | 6/18/03 | |
| Contractor | Fedcon Gen. Contractors | S.J. Amoroso | West Coast Contractors | JW & Sons | C. Overra & Co. | Fedcon Gen. Contractors | W.A. Thomas | C. Overra & Co. | C. Overra & Co. | |
| Base Bid | \$8,917,000 | \$9,867,000 | \$8,840,000 | \$6,338,200 | \$5,598,000 | \$9,927,000 | \$7,304,000 | \$5,283,000 | \$8,100,000 | \$70,174,200 |
| Cost of Selected Alternates (Number) | \$468,000 (5) | \$405,500 (10) | \$535,000 (3) | \$253,000 (3) | \$1,225,000 (4) | \$1,022,000 (3) | \$468,000 (5) | \$943,000 (4) | \$133,000 (2) | \$5,452,500 |
| Cost of Unselected Alternates (Number) | \$868,000 (10) | \$803,000 (10) | 535,000 (7) | \$1,229,000 (13) | \$332,000 (6) | \$282,000 (6) | \$485,000 (6) | \$769,000 (8) | \$928,000 (10) | \$6,231,000 |
| Total Bid Contract | \$8,917,000 | \$10,272,500 | \$9,375,000 | \$6,591,200 | \$6,823,000 | \$10,949,000 | \$7,772,000 | \$6,226,000 | \$8,687,000 | \$75,612,700 |
| Approved Change Orders (8/22/07) ¹ | \$2,317,429,000 (26.0%) | \$446,496 (4.3%) | \$2,399,196 (25.6%) | \$1,183,912 (18.0%) | \$1,295,366 (19.0%) | \$2,330,010 (21.3%) | \$1,034,048 (13.3%) | \$1,745,417 (28.0 %) | \$1,855,048 (21.4 %) | \$14,606,922 (19.3 %) |
| Adj. Contract | \$11,234,429 | \$10,718,996 | \$11,774,196 | \$7,775,112 | \$8,118,366 | \$13,279,010 | \$8,806,048 | \$7,971,417 | \$10,542,048 | \$90,219,622 |
| Schedule | | | | | | | | | | |
| Notice to Proceed | 8/18/03 | 8/4/03 | 8/4/03 | 8/11/03 | 8/4/03 | 8/6/03 | 8/18/03 | 8/4/03 | 8/6/03 | |
| Original Completion | 10/06/04 | 12/27/04 | 9/24/04 | 11/15/04 | 10/21/04 | 10/9/04 | 8/6/04 | 9/29/04 | 9/24/04 | |
| Revised Completion | 12/30/05 | 12/27/04 | 7/1/05 | 3/30/05 | 9/29/05 | 9/29/05 | 7/29/05 | 9/29/04 | 4/30/05 | |
| Status Report Date (Percent Complete) | 4/21/06 (100%) | 11/1/04 (100%) | 12/19/05 (100%) | 6/20/05 (100%) | 4/21/06 (100%) | 4/21/06 (100%) | 12/19/05 (100%) | 11/1/04 (100%) | 4/21/06 (100%) | |

¹ Source: Engineering Officer's Report, August 22, 2007. The "Total Bid Contract" and "Approved Change Orders" amounts are reported exactly as presented in the Engineering Officer's Report." Does not include miscellaneous projects: Harding Auditorium Improvement, Site Work Phase II and Breezeway; Madera Site Work; Montalvin Site Work Phase I and II, Riverside Site Work Phase II; and Stewart Site Work Phase II.

Table 6. Measure M-1B. Budget, Contracts and Schedule.

| School | Bayview | Ellerhorst | Kensington | Mira Vista | Murphy | Sheldon | Tara Hills | Washington | Total Phase M-1B |
|--|-----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|----------------------------|------------------------|
| <i>Budget (August 22, 2007)</i> | | | | | | | | | |
| Construction Costs | 13,063,180 | 8,715,467 | 14,331,385 | 10,682,164 | 10,446,733 | 10,295,554 | 9,118,828 | 11,764,485 | 88,417,793 |
| Soft Costs | 3,410,075 | 2,368,754 | 3,828,553 | 3,140,735 | 2,793,511 | 2,802,988 | 2,945,357 | 2,685,233 | 23,975,208 (21.3%) |
| Total Budget | 16,473,255 | 11,084,221 | 18,159,938 | 13,822,899 | 13,240,244 | 13,098,542 | 12,064,185 | 14,449,718 | 112,393,001 |
| SAB # | 024 | 020 | 023 | 025 | 018 | 022 | 021 | 026 | |
| SAB Revenues | \$2,535,074 | \$1,352,870 | \$1,274,844 | \$1,528,265 | \$1,595,572 | \$331,311 | \$1,501,831 | \$2,162,982 | \$12,282,748 |
| Award Date | 6/2/04 | 4/22/04 | 5/19/04 | 5/5/04 | 4/22/04 | 5/5/04 | 5/19/04 | 5/19/04 | |
| Contractor (Number of Bidders) | West Bay Builders (5) | West Bay Builders (3) | JW & Sons (3) | West Bay Builders (3) | West Bay Builders (4) | West Bay Builders (4) | W.A.Thomas (3) | Thompson Pacific (2) | |
| Base Bid | \$10,017,000 | \$7,370,000 | \$10,630,562 | \$7,385,055 | \$7,285,000 | \$8,327,000 | \$7,691,000 | \$8,498,857 | \$67,204,474 |
| Cost of Selected Alternates (Number) | \$396,000 (2) | \$342,500 (2) | \$447,200 (3) | \$326,775 (2) | \$365,000 (2) | \$234,650 (2) | \$217,700 (2) | \$285,050 (2) | \$2,614,875 |
| Total Contract | \$10,413,000 | \$7,712,500 | \$11,077,762 | \$7,711,830 | \$7,650,000 | \$8,561,650 | \$7,243,895 | \$8,809,000 | \$69,179,637 |
| Approved Change Orders (8/22/07) ¹ | \$824,562 (7.9%) | \$528,697 (6.9%) | \$1,278,128 (11.5 %) | \$1,399,278 (18.1%) | \$1,312,166 (17.2%) | \$556,729 (6.5%) | \$392,242 (5.4 %) | \$1,894,652 (21.5 %) | \$8,186,454 (11.8%) |
| Adj. Contract | \$11,237,562 | \$8,241,197 | \$12,355,890 | \$9,111,108 | \$8,962,166 | \$9,118,379 | \$7,636,137 | \$10,703,652 | \$77,366,091 |
| <i>Schedule</i> | | | | | | | | | |
| Notice to Proceed | 7/7/04 | 6/8/04 | 6/3/04 | 5/27/04 | 7/1/04 | 5/27/04 | 5/28/04 | 6/15/04 | |
| Original Completion | 1/13/06 | 8/19/05 | 9/11/05 | 10/9/05 | 8/15/05 | 10/9/05 | 8/19/05 | 12/22/05 | |
| Revised Completion | 7/28/06 | 10/14/05 | 12/15/05 | 12/17/05 | 12/31/05 | 10/9/05 | 10/15/05 | 5/12/06 | |
| Status Report Date (Percent Complete) | 7/18/06 (99%) | 4/21/06 (100%) | 1/18/06 (99%) | 4/21/06 (100%) | 2/7/06 (95%) | 4/21/06 (100%) | 4/21/06 (100%) | 4/21/06 (99%) | |

¹Source: Engineering Officer's Report, August 22, 2007. The "Total Bid Contract" and "Approved Change Orders" amounts are reported exactly as presented in the Engineering Officer's Report." The table above excludes miscellaneous projects: temporary housing, interior improvements, utility removal, portable hook-ups or site work at Bayview, Mira Vista, Murphy, Sheldon and Tara Hills.

Table 7. Measure M-1B. Downer – Funded out of Measure D.

| School | Downer Elementary (Abatement/Demolition) | Downer Elementary (Ground Improvement) | Downer Elementary (Modernization Phase 1) | Downer Elementary (Modernization Phase 2) | Downer Elementary (New Construction) | Total Downer |
|---|--|--|---|---|--------------------------------------|--------------|
| <i>Budget (August 22, 2007)</i> | | | | | | |
| Construction Costs | | | | | | 24,256,584 |
| Soft Costs | | | | | | 6,587,612 |
| Total Budget | | | | | | (27.2%) |
| SAB # | | | | | | 30,844,196 |
| SAB Revenues ¹ | | | | | | |
| Bid Schedule | 9/28/05 | | | | 2/9/06 | |
| Award Date | 10/5/05 | 12/14/06 | | | 3/16/06 | |
| Contractor (Number of Bidders) | WR Forde Associates (3) | Hayward Baker (2) | WR Forde Associates | West Bay Builders | West Bay Builders (4) | |
| Base Bid | \$594,800 | 741,899 | | | \$21,232,027 | |
| Approved Change Orders (8/22/07) ² | (22,860) (-3.8%) | \$116,493 (15.7%) | | | 500,343 (2.4%) | |
| Revised Contract | 572,940 | \$858,392 | | | \$21,732,370 | |
| <i>Schedule</i> | | | | | | |
| Notice to Proceed | 10/25/05 | | 1/30/06 | 5/4/06 | 5/4/06 | |
| Original Completion | 12/24/05 | | 4/30/06 | 8/21/08 | 8/6/08 | |
| Revised Completion | 12/26/05 | | 4/30/06 | 9/24/08 | 8/21/08 | |
| Status Report Date (Percent Complete) | 1/19/06 (100%) | | 4/21/06 (100%) | 7/18/06 (4%) | 2/28/07 (57%) | |

¹ SAB revenues have been budgeted and are likely to be received. SAB documents have been filed and accepted as complete.

² Source: Engineering Officer's Report, August 22, 2007. Does not include E-Rate Project

Table 8. Measure D-1A. Budget, Contracts and Schedule.

| School | El Cerrito High (Temp Housing) | El Cerrito High (Abatement/Demolition) | El Cerrito High (Site Grading) | El Cerrito High (Storm Drain) | El Cerrito High (Phase I) | El Cerrito High (Phase II) | Helms Middle | Pinole Middle (Temp Housing) | Pinole Middle (Site Grading) | Pinole Middle (Total) | Total Phase D-1A |
|---|--------------------------------|--|--------------------------------|-------------------------------|---------------------------|----------------------------|---------------|--------------------------------|------------------------------|------------------------|------------------|
| SAB # | | | | | 57/028 | | | | | 52/01 | |
| SAB Revenues ¹ | | | | | | | | | | \$1,500,000 | |
| Bid Schedule | 2/3/05 (Site) 3/06 (Port) | 10/05 (Site) 2/06 (Bldgs) | 1/06 | | 8/06 | | 2/07 | 6/15/05 and 9/05 (Bldgs) | | | |
| Award Date | 2/9/05 & 3/11/05 | | | 10/19/05 | | | | | | | |
| Contractor (Number of Bidders) | Taber Construction (7) | Silverado Contractors, Inc. (5) | Top Grade Construction | McGuire & Hester (8) | Lathrop Construction | Lathrop Construction | | HJ Integrated System, Inc. | Bay Cities Paving & Grading | West Coast Contractors | |
| Base Bid | \$3,444,000 | 2,078,125 | 1,613,100 (Grading) | 292,562 | 54,264,000 | 22,580,000 | | 529,000 (3 bids) | 905,200 | 20,661,000 | |
| Approved Change Orders (8/22/07) ² | 354,297 (10.3%) | (126,962) (-6.1%) | (31,642) (-2.0%) | 2,704 (0.9%) | 670,620 (1.2%) | 8,604 (0.0%) | | 52,571 (9.9%) | 28,057 (3.0%) | 315,588 (1.5%) | |
| Revised Contract | 3,798,297 | 1,951,163 | 1,581,458 | 295,266 | 54,934,620 | 22,588,604 | | 581,571 | 933,257 | 20,976,588 | |
| Schedule | | | | | | | | | | | |
| Notice to Proceed | 2/22/05 | 5/23/05 | 3/8/06 | | 9/18/06 | 4/23/07 | 4/9/07 | 7/1/05 | 3/20/06 | 11/13/06 | |
| Original Completion | 8/22/05 | 10/31/05 | 7/6/06 | | 11/6/08 | 12/13/08 | 5/28/09 | 8/15/05 | 7/18/06 | 5/23/08 | |
| Revised Completion | 2/28/06 | 10/28/05 | 8/2/06 | | 11/6/08 | 12/13/08 | 5/28/09 | 8/23/05 | 8/03/06 | 5/23/08 | |
| Status Report Date (Percent Complete) | 1/19/06 (100%) | 10/20/05 (99%) | 6/28/06 (40%) | | 8/28/07 (44%) | 8/28/07 (15%) | 8/28/07 (13%) | 12/19/05 (100%) | 7/18/06 (94%) | 8/28/07 (34.1%) | |

¹ SAB revenues for modernization have been budgeted and are likely to be received. SAB documents for El Cerrito have been filed and accepted as complete. A joint use project at Pinole Middle School has been funded by the SAB (\$1,500,000 state/\$1,500,000 District match).

² Source: Engineering Officer's Report, August 22, 2007. Does not include El Cerrito Dismantle & Relocations project, Downer E-Rate, Track & Field projects, portables and site improvements.

Table 9. Measure J Phase I - Elementary. Budget, Contracts and Schedule.

| School | Castro ² | Dover | Ford | King | Nystrom | Ohlone | Total Elementary (Phase J-1) |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| <i>Budget (August 22, 2007)</i> | | | | | | | |
| Construction Costs | \$0 | \$23,475,068 | \$20,192,037 | \$20,475,268 | \$20,294,895 | \$21,575,183 | \$106,012,451 |
| Soft Costs | 350,000 (100%) | 6,281,003 (20.6%) | 5,455,284 (20.8%) | 5,198,226 (19.6%) | 5,913,107 (22.6%) | 5,534,054 (19.8%) | 28,731,674 (20.9%) |
| Total Budget | \$350,000 | \$30,439,500 | \$26,208,000 | \$26,500,001 | 26,208,002 | \$27,955,200 | \$137,660,703 |
| SAB # | | | | | | | |
| SAB Revenues ¹ | | | | | | | |
| Bid Schedule | | | | | | | |
| Award Date | | | | | | | |
| Contractor (Number of Bidders) | | | | | | | |
| Base Bid | | | | | | | |
| Temporary Housing | | | | | | | |
| Total Construction | | | | | | | |
| <i>Schedule</i> | | | | | | | |
| Notice to Proceed | | | | | | | |
| Original Completion | | | | | | | |
| Revised Completion | | | | | | | |
| Status Report Date (Percent Complete) | | | | | | | |

¹ SAB revenues have been budgeted and are likely to be received, but SAB documents have not yet been filed.

² After the January 23, 2007 report date, Castro was de-funded.

Table 10. Measure J Phase I - Secondary Budget, Contracts and Schedule.

| School | DeAnza High | Kennedy High | Pinole Valley High | Richmond High (Renovations) | Richmond High (Track & Field) | Richmond High (Total) | Total Secondary (Phase J-1) |
|---------------------------------------|-----------------------|----------------------|----------------------|-----------------------------|-------------------------------|-----------------------|-----------------------------|
| <i>Budget (August 22,, 2007)</i> | | | | | | | |
| Construction Costs | 128,480,706 | 6,847,906 | 19,677,396 | | | 4,263,678 | 159,269,686 |
| Soft Costs | 33,119,294 (20.5%) | 1,752,094 (20.4%) | 5,322,604 (21.3%) | | | 836,322 (16.4%) | 41,030,314 (20.5%) |
| Total Budget | 161,600,000 | 8,600,000 | 25,000,000 | (Deferred Maintenance) | | 5,100,000 | 200,300,000 |
| SAB # | | | | | | | |
| SAB Revenues ¹ | | | | | | | |
| Bid Schedule | | | | | | | |
| Award Date | | | | 6/14/06 | 6/14/06 | | |
| Contractor (Number of Bidders) | | | | IMR Contractor (1) | McGuire & Hester (1) | | |
| Base Bid | | | | \$1,840,000 | \$3,260,489 | | |
| Approved Change Orders | | | | 0 | 272,027 (8.3%) | | |
| Total Construction | | | | \$1,840,000 | \$3,532,516 | | |
| <i>Schedule</i> | | | | | | | |
| Notice to Proceed | | | | 6/22/06 | 6/28/06 | | |
| Original Completion | | | | 10/9/06 | 12/20/06 | | |
| Revised Completion | | | | 10/9/06 | 12/20/06 | | |
| Status Report Date (Percent Complete) | | | | 2/13/07 (95%) | 2/13/07 (90%) | | |

¹SAB revenues have been budgeted and are likely to be received, but SAB documents have not yet been filed.

EXPENDITURE REPORTS FOR MEASURES D, M, AND J

MEASURE D

To ensure a comprehensive performance audit, Total School Solutions (TSS) reviewed all Measure D projects.

Measure D Bond Issuance and Expenditures as of June 30, 2007.

| | |
|--|---------------|
| Total bond authorization | \$300,000,000 |
| Total bond issues as of June 30, 2006 (Series A, B, C and D) | \$300,000,000 |
| Expenditures through June 30, 2007 ¹ | |

Measure D Expenditures Report (June 30, 2007).

| Audit Projects | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 ¹ | 2006-07 ¹ | Total ¹ |
|--------------------------------|---------|-----------|-----------|-------------|----------------------|----------------------|--------------------|
| Bayview Elementary (M-1B) | | | | \$8,247,067 | \$1,755,960 | | \$10,003,027 |
| Chavez Elementary | | | | | 13,533 | | 13,533 |
| Collins Elementary | | | | | 12,451 | | 12,451 |
| Coronado Elementary (J-2) | | | | | 13,634 | | 13,634 |
| Dover Elementary (J-1) | | | | | 14,487 | | 14,487 |
| Downer Elementary (M-1B) | | | | 553,216 | 2,975,994 | | 3,529,210 |
| Ellerhorst Elementary (M-1B) | | | \$301,424 | 5,853,517 | 1,897,359 | | 8,052,300 |
| Fairmont Elementary (J-2) | | | | | 7,911 | | 7,911 |
| Ford Elementary (J-1) | | | | | 12,609 | | 12,609 |
| Grant Elementary (J-3) | | | | | 15,368 | | 15,368 |
| Harding Elementary (M-1A) | | | | 68,487 | 2,191,421 | | 2,259,908 |
| Highland Elementary (J-2) | | | | | 21,181 | | 21,181 |
| Kensington Elementary (M-1B) | | | | 10,816,546 | 2,453,416 | | 13,269,962 |
| Lake Elementary (J-3) | | | | | 7,918 | | 7,918 |
| Transition Learning Center | | \$157,132 | (52,521) | | 0 | | 104,611 |
| Lincoln Elementary (M-1A) | | | | 441,818 | 48,807 | | 490,625 |
| Lupine Hills Elementary (M-1A) | | | | | 15,433 | | 15,433 |
| Madera Elementary (M-1A) | | | | 45,833 | 328,941 | | 374,774 |
| Mira Vista Elementary (M-1B) | | | | 6,979,274 | 1,755,464 | | 8,734,738 |
| Montalvin Elementary (M-1A) | | | | 91,024 | 322,760 | | 413,784 |
| Murphy Elementary (M1B) | | | | | 229,766 | | 29,766 |
| Nystrom Elementary (J-1) | | | | | 2,035 | | 2,035 |

| Audit Projects | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06¹ | 2006-07¹ | Total¹ |
|-------------------------------|----------------|----------------|----------------|----------------|----------------------------|----------------------------|--------------------------|
| Ohlone Elementary (J-33) | | | | | 7,959 | | 7,959 |
| Olinda Elementary | | | | | 7,943 | | 7,943 |
| Peres Elementary (M-1A) | | | | 16,771 | 62,757 | | 79,528 |
| Riverside Elementary (M-1A) | | | | 72,798 | 68,461 | | 141,259 |
| Seaview Elementary | | | | | 10,300 | | 10,300 |
| Shannon Elementary | | | | 44,997 | 432,067 | | 477,064 |
| Sheldon Elementary (M-1B) | | | | 8,854,372 | 1,415,041 | | 10,269,413 |
| Stege Elementary | | | | | 14,008 | | 14,008 |
| Stewart Elementary (M-1A) | | | | 1,956 | 392,361 | | 394,317 |
| Tara Hills Elementary (M-1B) | | | | 6,386,284 | 1,453,998 | | 7,840,282 |
| Verde Elementary (M-1A) | | | | 47,906 | 305,289 | | 353,195 |
| Vista Hills | | | 3,852 | 17,093 | 921,603 | | 942,548 |
| Washington Elementary (M-1B) | | | | 8,074,869 | 1,850,400 | | 9,925,269 |
| Harbour Way Elementary | | 151,969 | (55,232) | | 0 | | 96,737 |
| Adams Middle | | 364,207 | 64,374 | 168,354 | 1 | | 596,936 |
| Crespi Middle | | 350,859 | 56,655 | 17,572 | 1 | | 425,087 |
| Lovonya DeJean Middle | | 1,556,544 | 217,777 | (1,774,321) | (62) | | (62) |
| Helms Middle | | 473,858 | 1,254,346 | 1,506,975 | 3,010,825 | | 6,246,005 |
| Hercules Middle | \$60 | 620,973 | 3,001 | | 85 | | 624,119 |
| Pinole Middle (D-1A) | | 353,758 | 916,981 | 2,440,588 | 2,926,104 | | 6,637,431 |
| Portola Middle (D-1A) | 420 | 410,690 | 873,353 | 1,660,003 | 299,740 | | 3,244,706 |
| DeAnza High (J-3) | | 686,260 | 2,178,362 | 16,920 | 482,083 | | 3,363,625 |
| El Cerrito High (D-1A) | | 656,699 | 2,317,678 | 9,150,276 | 10,333,644 | | 22,458,297 |
| Gompers High) | | 402,142 | 54,369 | 138,915 | 18,361 | | 613,787 |
| Kennedy High (J-3) | | 699,246 | 116,657 | 238,747 | 190,921 | | 1,245,571 |
| Pinole Valley High (J-3) | | 563,775 | 57,621 | | 1,661,267 | | 2,282,663 |
| Richmond High (J-3) | | 658,083 | 70,636 | 129,950 | 497,228 | | 1,355,897 |
| Vista High | | 147,675 | (55,306) | | 0 | | 92,369 |
| North Campus High | | 166,421 | 19,323 | 6,673 | 0 | | 192,418 |
| Hercules High | | 2,495,001 | 216,960 | (135,975) | 0 | | 2,575,986 |
| Delta High | | 158,199 | (25,268) | | 0 | | 132,932 |
| Kappa High | | 155,447 | (53,799) | | 0 | | 101,648 |
| Omega High | | 157,030 | (53,242) | | 0 | | 103,788 |
| Sigma High | | 155,809 | (53,222) | | | | 102,586 |
| Deferred Maintenance Transfer | 1,277,500 | | | | | | 1,277,500 |
| Overall Facilities Program | 262,142 | 1,056,914 | 1,618,088 | 2,722,856 | 1,902,839 | | 7,562,839 |

| Audit Projects | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06¹ | 2006-07¹ | Total¹ |
|------------------------------------|--------------------|---------------------|--------------------|---------------------|----------------------------|----------------------------|--------------------------|
| Totals | \$1,540,122 | \$12,598,691 | \$9,992,867 | \$72,901,361 | \$42,361,672 | | \$139,394,713 |
| Percent of Total Authorized | 1% | 4% | 3% | 24% | 14% | | 46% |

¹ The expenditures in the “Total” column were from the official District records. The 2005-06 expenditures were calculated by subtracting the prior reported expenditures for 2001-02 through 2004-05 from the totals. The official records for the Deferred Maintenance Transfer and Overall Facilities Program were reported under Fiscal and Operations categories for the total Measure D bond program and totaled \$8,840,339. As of the completion of this report on December 20, 2007, the financial information for the 2006-07 fiscal year had not been available.

MEASURE M

To ensure a comprehensive performance audit, TSS reviewed all Measure M projects. As of June 30, 2006, \$167,219,109 (111.5 percent) of Measure M bond funds authorization had been spent. (Note: The percentage exceeds of the bond proceeds because of interest earnings and refinancing of prior bond issues.)

Measure M Bond Issuance and Expenditures as of June 30, 2007.

| | |
|---|---------------|
| Total bond authorization | \$150,000,000 |
| Total bond issues to date (Series A, B and C) | \$150,000,000 |
| Expenditures through June 30, 2007 ³ | |

Measure M Expenditures Report (June 30, 2007).

| Audit Projects ^{1,2} | 2000-01 and 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 ³ | 2006-07 ³ | Total ³ |
|-------------------------------|---------------------------|-----------|-------------|-------------|----------------------|----------------------|--------------------|
| Bayview Elementary (1B) | \$101,179 | \$203,031 | \$1,681,995 | \$1,397,074 | \$258,689 | | \$3,641,968 |
| Chavez Elementary | 3,504 | 60,208 | 55,142 | 360,567 | 5,064 | | 484,485 |
| Castro Elementary | 88,836 | 280,872 | 24,486 | 26,178 | 0 | | 420,371 |
| Collins Elementary | 157,213 | 191,828 | 8,643 | 33,004 | 140 | | 390,828 |
| Coronado Elementary | 143,411 | 303,785 | 29,701 | (195,671) | (44,507) | | 236,719 |
| Dover Elementary | 181,277 | 303,557 | 37,474 | (54,389) | (9,738) | | 458,181 |
| Downer Elementary (1B) | 318,619 | 204,477 | 517,763 | 813,012 | 116,204 | | 1,970,075 |
| Ellerhorst Elementary (1B) | 89,438 | 157,159 | 957,665 | 456,213 | 28,019 | | 1,688,494 |
| El Sobrante Elementary | 138,286 | 284,099 | 31,262 | (207,338) | (79,734) | | 166,575 |
| Highland Elementary | 84,939 | 21,740 | 30,482 | 165,671 | 1,605 | | 304,438 |
| Fairmont Elementary | 100,482 | 506,461 | 15,217 | (257,146) | (83,654) | | 281,360 |
| Ford Elementary | 107,407 | 291,939 | 31,167 | 162,911 | 1 | | 593,425 |
| Grant Elementary | 153,701 | 405,478 | 102,264 | (71,473) | 17,229 | | 607,146 |
| Lupine Hills Elementary (1A) | 343,395 | 697,939 | 9,343,237 | 2,345,485 | 26,754 | | 12,756,809 |
| Harding Elementary (1A) | 183,297 | 740,163 | 6,281,219 | 4,265,357 | 1,349,078 | | 12,819,114 |
| Hanna Ranch Elementary | 6,922 | 22,441 | 49,409 | 506,164 | (1) | | 584,936 |
| Kensington Elementary (1B) | 91,697 | 157,130 | 1,477,853 | 1,295,107 | 43,635 | | 3,065,422 |
| King Elementary | 131,299 | 93,122 | 29,941 | 159,311 | 0 | | 413,673 |
| Lake Elementary | 136,151 | 350,699 | 8,735 | (44,769) | 32,880 | | 483,696 |
| Lincoln Elementary (1A) | 224,573 | 961,351 | 9,145,395 | 4,521,962 | 329,549 | | 15,182,829 |
| Madera Elementary (1A) | 165,816 | 593,822 | 4,684,577 | 3,471,276 | 933,455 | | 9,848,946 |
| Mira Vista Elementary (1B) | 108,130 | 198,594 | 1,307,587 | 834,857 | 257,333 | | 2,706,500 |
| Montalvin Elementary (1A) | 334,828 | 532,197 | 6,308,915 | 3,252,743 | 367,484 | | 10,796,166 |

| Audit Projects ^{1,2} | 2000-01 and 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 ³ | 2006-07 ³ | Total ³ |
|--------------------------------------|------------------------------------|---------------------|---------------------|---------------------|-----------------------------|-----------------------------|---------------------------|
| Murphy Elementary (1B) | 104,689 | 163,346 | 1,415,823 | 6,941,018 | 2,296,188 | | 10,921,063 |
| Nystrom Elementary | 195,481 | 630,579 | 42,268 | (459,959) | (158,688) | | 249,681 |
| Olinda Elementary | 156,424 | 269,010 | 12,345 | 55,794 | 14,025 | | 507,598 |
| Ohlone Elementary | 163,406 | 24,798 | 14,952 | 59,971 | 13,270 | | 276,398 |
| Peres Elementary (1A) | 261,370 | 1,036,846 | 10,590,186 | 3,576,610 | 666,971 | | 16,131,983 |
| Riverside Elementary (1A) | 170,519 | 579,487 | 6,057,103 | 4,000,514 | 414,101 | | 11,221,724 |
| Seaview Elementary | 103,916 | 277,629 | 76,554 | 27,102 | 938 | | 486,139 |
| Shannon Elementary | 88,254 | 208,404 | 10,246 | 62,931 | 138 | | 369,973 |
| Sheldon Elementary(1B) | 100,412 | 193,113 | 1,398,521 | 551,713 | 83,593 | | 2,327,352 |
| Stege Elementary | 147,055 | 348,101 | 50,627 | 252,683 | 0 | | 798,466 |
| Stewart Elementary (1A) | 3,206,595 | 673,232 | 6,505,583 | 1,623,043 | 412,423 | | 12,420,876 |
| Tara Hills Elementary (1B) | 90,010 | 154,853 | 1,359,503 | 507,350 | 163,885 | | 2,275,601 |
| Valley View Elementary | 148,074 | 282,063 | 50,410 | (171,801) | 8,180 | | 316,925 |
| Verde Elementary (1A) | 173,126 | 638,574 | 7,479,327 | 3,487,129 | 409,022 | | 12,187,179 |
| Vista Hills | 2,000 | 0 | 28,382 | (106,124) | 29 | | (75,714) |
| Washington Elementary (1B) | 85,455 | 148,138 | 1,394,871 | 444,274 | 54,590 | | 2,127,328 |
| Wilson Elementary | 135,326 | 339,378 | 24,585 | (191,722) | 7,432 | | 314,998 |
| West Hercules | | | 8,739 | 48,108 | 0 | | 56,847 |
| Adams Middle | 11,492 | | | | 0 | | 11,492 |
| Lovonya DeJean Middle | | | 82,613 | (82,613) | 0 | | 0 |
| Pinole Middle | | | 38 | (38) | 0 | | 0 |
| Deferred Maintenance Transfer | 1,221,639 | 1,218,026 | | | 8 | | 2,439,665 |
| Overall Facilities Program | 624,504 | 3,935,645 | 1,247,044 | 92,949 | See below | | See below |
| Reimbursables | 853,949 | 1,437,622 | 1,997,043 | 461,326 | 1,150,201 | | 11,921,378 |
| Totals | \$11,438,095 | \$20,120,936 | \$82,006,893 | \$44,416,312 | \$9,236,824 | | \$167,219,109 |
| Percent of Total Authorized | 8% | 13% | 55% | 30% | 6% | | 112% |

¹ 1A, and 1B, respectively correspond to projects included in phases 1A, and 1B, of the Measure M facilities program.

² All 39 elementary schools referenced in Measure M were included, to some extent, in the District's Quick-Start projects.

³ The expenditures in the "Total" column were from the official District records. The 2005-06 expenditures were calculated by subtracting the prior reported expenditures for 2000-01 through 2004-05 from the totals. The official records for Deferred Maintenance Transfer, Overall Facilities Program and Reimbursables Categories were reported under Fiscal and Administration Categories for the total Measure M bond program and totaled \$14,361,043. As of the completion of this report on December 20, 2007, the financial information for the 2006-07 fiscal year had not been available.

MEASURE J

To ensure a comprehensive performance audit, TSS reviewed all Measure J projects with expenditures. As of June 30, 2006, \$579,991 (0.1 percent) of total Measure J bond authorization had been spent.

Measure J Bond Issuance and Expenditures as of June 30, 2006.

| | |
|------------------------------------|--|
| Total bond authorization | \$400,000,000 |
| Total bond issues to date | \$ 70,000,000 |
| Expenditures through June 30, 2006 | \$ 579,991 (0.1 percent of total authorization) |

| Audit Projects ¹ | 2005-06 | Total |
|------------------------------------|------------------|------------------|
| Castro Elementary | \$ 48,657 | \$ 48,657 |
| Dover Elementary | 11,750 | 1,750 |
| Ford Elementary | 113,905 | 113,905 |
| King Elementary | 71,824 | 71,824 |
| Lake Elementary | 7,331 | 7,331 |
| Nystrom Elementary | 98,933 | 98,933 |
| Operations | 227,591 | 227,591 |
| Totals | \$579,991 | \$579,991 |
| Percent of Total Authorized | 0.1% | 0.1% |

¹ Source: Budget and Actual Summary by Project – Measure J, program to date as of June 30, 2006. Prepared by District Senior Director, Bond Finance.

STATE SCHOOL FACILITIES PROGRAM

The District has filed facilities applications with the Office of Public School Construction (OPSC) under the following programs:

| | | |
|----|---|------------------|
| 50 | - | New Construction |
| 52 | - | Joint Use |
| 57 | - | Modernization |
| 58 | - | Rehabilitation |

As of June 30, 2007, the District has already received the state grant amounts summarized in the table below. All of the following financial data have been extracted from the OPSC Internet website which maintains a record of the current project status for all school districts in California.

| State Program | SAB# | State Grant Amount | District Match |
|------------------|--|---------------------|---------------------|
| New Construction | 50/001 ¹ | \$12,841,930 | \$12,841,930 |
| Modernization | 57/001-57/009 ² | 3,863,449 | 2,609,434 |
| Modernization | 57/010-57/017 and 57/019 ³ | 9,943,161 | 6,801,923 |
| Modernization | 57/018 and 57/020-57/026 ⁴ | 12,282,748 | 8,320,619 |
| Rehabilitation | 58/001 ⁵ | 654,579 | 0 |
| Joint Use | 52/001 ⁶ | 1,500,000 | 1,500,000 |
| Totals | | \$41,085,867 | \$32,073,906 |

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 60/40 matches and 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 This was a 100 percent state funded project for work at Lincoln Elementary School to correct structural problems.

⁶ This is a Joint Use project at Pinole Middle School.

The amounts received by the District to date, through various state programs available to the District, total \$41,085,867.

STATE NEW CONSTRUCTION STATUS

As reported in the annual performance audit for the period ending June 30, 2004, new construction eligibility was originally established separately in the Hercules and Pinole Valley High School attendance areas based on CBEDS enrollment data through the 2002-03 school year (SAB 50-01, 50-02 and 50-03). Eligibility Forms SAB 50-01, 50-02 and 50-03 were subsequently updated to reflect the CBEDS enrollment data from school year 2003-04, indicating that eligibility no longer existed within the Pinole Valley High School attendance area and that eligibility had declined in the Hercules High School attendance area. The decline in District enrollment has impacted eligibility under the state program. Based on CBEDS enrollment data through 2006-07, the District reports that new construction eligibility currently still exists in the Richmond High School attendance area.

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

New School Site

The District has been collaborating with the City of Hercules to identify and acquire a suitable property for a new school. The status of the site currently under consideration is described below.

Wastewater Treatment Plant Site

This 12 acre property, located in Hercules at the northeast corner of Sycamore Avenue and Willett Street intersection, is the primary site currently under consideration for a new school. A "Preliminary Endangerment Assessment" report prepared by the Department of Toxic Substances Control dated April 26, 2005, identified a number of issues with the site which will require additional investigation and possible mitigation. These identified issues, among other things, include arsenic and lead levels in the soil samples, possible groundwater contamination, and potential impact of adjacent wetlands. Due to the lack of information in regard to any contaminants, their levels and the methodologies needed for mitigation, the ultimate site development cost to construct a new school remains unknown at this time.

According to the District's Program Status Report of September 7, 2005:

"The District and City of Hercules are in the final stages of negotiation for the purchase of the Wastewater Treatment Plant site by the District. This purchase must be completed by September 30th in order for the District to maintain its eligibility for the Federal EPA Brownfield Cleanup Grant which it has received. In anticipation of the sale, the District has prepared and circulated a Request for Qualifications and Request for Proposal (RFQ/RFP) for Environmental Services and Consulting on this project site. The work will include the design and management of all major environmental remediation at the

site: preparation of a Supplemental Site Investigation; Geotechnical/Geohazard Preliminary Review and Coordination with conceptual architectural/structural team; management of site cleanup; coordination and management of the EPA Brownfields Grant; coordination of public outreach; and all associated environmental coordination leading to a clean site, ready for the design and construction of a new school. The Environmental proposals are due September 21st and will be evaluated by staff prior to preparation of a recommendation to the Board.”

Subsequently, the District’s Program Status Report of October 5, 2005, reported the following:

“The District notified the US EPA of the failure of the City and District to reach agreement on sale of the proposed school site property. The District will not be eligible to receive the previously awarded 2005 Brownfields Cleanup Grant for the site. EPA staff have indicated that it will be possible to reapply for the current funding cycle when the District can meet the ownership criteria. Staff will review next steps with the City of Hercules, focusing on a consideration of completing Supplemental Site Investigations to more accurately characterize the required environmental cleanup and costs for the site.”

On November 16, 2005, the District approved the purchase of the above identified Wastewater Treatment Plant property contingent upon a Supplemental Site Investigation regarding clean-up issues. Once the extent of the required clean-up and costs are established, a final contract can be approved or purchase agreement cancelled.

Annual Update

The District reports that discussions with the City of Hercules and study of site issues continue and are ongoing, and that no final agreements have been reached.

STATE MODERNIZATION STATUS

This section provides information in regard to the current status of the modernization of the 65 existing campuses in the District.

Eligibility for a modernization project is established when the Form SAB 50-03 is filed with the state, 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, which establishes funding for a project. If financially advantageous, a district may file a revised SAB 50-03 to reflect the most recent enrollment data. Once the bidding process for a project is complete, the district files form SAB 50-05 to request a release of state share of modernization funds for the project.

Twenty-six elementary school projects that have completed the SAB 50-03, SAB 50-04 and SAB 50-05 processes to date include nine Quick-Start projects, nine Phase M-1A projects, and eight Phase M-1B projects for which the District has respectively received \$3,863,449, \$9,943,161, and \$12,282,748. All available Measure M bond funds have been allocated to these 26 elementary school projects, and no future projects are planned, through Measure M, at the remaining 16 elementary schools.

Several secondary schools to be funded under Measure D are under construction and applications for funding (SAB 50-04) have been filed for Downer and El Cerrito High, but those projects have not yet been approved by the SAB. Also, eligibility documents (SAB 50-03) have been filed for Highland and approved by the SAB.

The tables below summarize Quick-Start, Phase M-1A, and Phase M-1B projects.

State Allocation Board Modernization Funding for Measure M Quick-Start Projects.

| SAB # 57/ | School | SAB Fund Release Date | SAB Grant Amount | District Match Requirement |
|--------------|------------------------|--------------------------|------------------------------------|------------------------------------|
| 1 | Valley View Elementary | 4/28/03 | \$290,214 | \$193,476 |
| 2 | El Sobrante Elementary | 4/28/03 | 369,339 | 280,027 |
| 3 | Nystrom Elementary | 5/27/03 | 861,390 | 574,260 |
| 4 | Coronado Elementary | 5/27/03 | 401,400 | 267,600 |
| 5 | Wilson Elementary | 5/27/03 | 323,957 | 215,971 |
| 6 | Dover Elementary | 5/27/03 | 366,330 | 244,220 |
| 7 | Lake Elementary | 5/27/03 | 309,937 | 206,625 |
| 8 | Grant Elementary | 7/16/03 | 369,288 | 246,192 |
| 9 | Fairmont Elementary | 5/27/03 | 571,594 | 381,063 |
| Total | | | \$3,863,449 (60%) | \$2,609,434 (40%) |

State Allocation Board Modernization Funding for Measure M-1A Projects.

| SAB # 57/ | School | SAB Fund Release Date | SAB Grant Amount¹ | District Match Requirement |
|----------------------|----------------------|----------------------------------|---|---------------------------------------|
| 10 | Verde Elementary | 9/02/03 | \$1,161,510 | \$774,340 |
| | | 5/09/05 | 18,584 | 12,390 |
| 11 | Peres Elementary | 9/25/03 | 1,448,206 | 1,086,084 |
| | | 5/09/05 | 20,273 | 13,515 |
| 12 | Stewart Elementary | 9/25/03 | 1,128,998 | 752,665 |
| | | 5/09/05 | 18,064 | 12,043 |
| 13 | Montalvin Elementary | 10/2/03 | 303,687 | 202,458 |
| | | 5/09/05 | 9,600 | 6,400 |
| 14 | Madera Elementary | 9/02/03 | 1,197,753 | 798,502 |
| | | 5/09/05 | 19,164 | 12,776 |
| 15 | Lincoln Elementary | 9/25/03 | 320,804 | 213,869 |
| | | 5/09/05 | 9,600 | 6,400 |
| 16 | Riverside Elementary | 9/25/03 | 1,172,709 | 781,806 |
| | | 5/09/05 | 18,763 | 12,509 |
| 17 | Hercules Elementary | 9/25/03 | 1,129,032 | 752,688 |
| | | 5/09/05 | 18,065 | 12,043 |
| 19 | Harding Elementary | 9/25/03 | 1,927,340 | 1,337,429 |
| | | 5/09/05 | 21,009 | 14,006 |
| | Total | | \$9,943,161 (60%) | \$6,801,923 (40%) |

State Allocation Board Modernization Funding for Measure M-1B Projects.

| SAB # 57/ | School | SAB Fund Release Date | SAB Grant Amount¹ | District Match Requirement |
|----------------------|-----------------------|----------------------------------|---|---------------------------------------|
| 18 | Murphy Elementary | 10/14/04 | \$1,575,213 | \$1,109,008 |
| | | 5/09/05 | 20,359 | 13,572 |
| 20 | Ellerhorst Elementary | 10/14/04 | 1,333,337 | 888,891 |
| | | 5/09/05 | 19,533 | 13,023 |
| 21 | Tara Hills Elementary | 10/14/04 | 1,481,926 | 987,951 |
| | | 5/09/05 | 19,905 | 13,270 |
| 22 | Sheldon Elementary | 10/14/04 | 321,711 | 214,474 |
| | | 5/09/05 | 9,600 | 6,400 |
| 23 | Kensington Elementary | 10/14/04 | 1,255,505 | 837,003 |
| | | 5/09/05 | 19,339 | 12,892 |
| 24 | Bayview Elementary | 10/18/04 | 2,513,112 | 1,675,408 |
| | | 5/09/05 | 21,962 | 14,641 |
| 25 | Mira Vista Elementary | 10/14/04 | 1,508,020 | 1,078,603 |
| | | 5/09/05 | 20,245 | 13,496 |
| 26 | Washington Elementary | 10/14/04 | 2,141,769 | 1,427,846 |
| | | 5/09/05 | 21,213 | 14,141 |
| | Total | | \$12,282,748 (60%) | \$8,320,619 (40%) |

¹ The supplemental funding for each project was for the state-mandated Labor Compliance Program (LCP) for district/state match programs financed out of the state 2002 and 2004 bond measures.

State Allocation Board Rehabilitation Funding

| SAB # | School | SAB Fund Release Date | SAB Grant Amount | District Match Requirement |
|--------------------|--------------------|------------------------------|-------------------------|-----------------------------------|
| 01 | Lincoln Elementary | 05/26/05 | \$654,579 (100%) | \$0 (0%) |
| Grand Total | | | \$26,743,937 | \$17,731,976 |

Existing Campuses. Elementary Schools. Updated June 30, 2007

| No. | Existing Campus | Grade | Bond (Phase) ⁰ | SAB# ¹ | SAB Eligibility Approval (50-03) | Eligibility Enrollment | SAB Project Approval (50-04) | SAB Fund Release (50-05) ² | SAB Grant Amount (%) ³ |
|-----|------------------------------|-------|---------------------------|-------------------|----------------------------------|------------------------|------------------------------|---------------------------------------|-----------------------------------|
| 104 | Bayview (1952) | K-6 | M(1B) | 024 | 07/26/00 | 585 | 09/22/04 | 10/18/04 05/09/05 | \$2,513,112 (60%) 21,962 |
| 108 | Cameron (Spec. Ed) | K-6 | | | | | | | |
| 109 | Castro (1950) ⁴ | K-6 | J(1) | 000 | 07/26/00 | 372 | | | |
| 105 | Chavez (1996) | K-5 | | N/A | New school Not eligible | | | | |
| 110 | Collins (1949) ⁴ | K-6 | | 000 | 07/26/00 | 498 | | | |
| 112 | Coronado (1952) (1993) | K-5 | J(2) | 004 | 03/22/00 | 125 | 04/23/03 | 05/27/03 | \$401,400 (60%) |
| 115 | Dover (1958) | K-5 | J(1) | 006 | 07/26/00 | 121 | 04/23/03 | 05/27/03 | \$366,330 (60%) |
| 116 | Downer (1955) ⁴ | K-6 | M(1B) | 027 | 03/22/00 | 952 | Application complete | | |
| 120 | El Sobrante (1950) | K-6 | | 002 | 02/23/00 | 101 | 03/26/03 | 04/28/03 | \$369,339 (60%) |
| 117 | Ellerhorst (1959) | K-6 | M(1B) | 020 | 03/22/00 | 444 | 08/25/04 | 10/14/04 05/09/05 | \$1,333,337 (60%) 19,533 |
| 123 | Fairmont (1957) ³ | K-6 | J(2) | 009 | 03/22/00 | 178 | 04/23/03 | 05/27/03 | \$571,594 (60%) |
| 124 | Ford (1949) ⁴ | K-5 | J(1) | 000 | 03/22/00 | 500 | | | |
| 125 | Grant (1945) | K-6 | J(3) | 008 | 02/23/00 | 115 | 05/28/03 | 07/16/03 | \$369,288 (60%) |
| 128 | Hanna Ranch (1994) | K-5 | | N/A | New school Not eligible | | | | |
| 191 | Harbour Way (1998) | K-6 | | N/A | New school Not eligible | | | | |
| 127 | Harding (1943) | K-6 | M(1A) | 019 | 03/22/00 | 353 | 08/27/03 | 09/25/03 05/09/05 | \$1,927,340 (60%) 21,009 |
| 126 | Hercules (1966) | K-5 | M(1A) | 017 | 03/22/00 | 350 | 08/27/03 | 09/25/03 05/09/05 | \$1,129,032 (60%) 18,065 |
| 122 | Highland (1958) (1993) | K-6 | J(2) | 000 | 03/28/07 | 125 | | | |
| 130 | Kensington (1949) (1994) | K-6 | M(1B) | 023 | 03/22/00 | 275 | 08/25/04 | 10/14/04 05/09/05 | \$1,255,504 (60%) 19,339 |
| 132 | King (1943) ⁴ | K-5 | J(1) | 000 | 07/26/00 | 555 | | | |
| 134 | Lake (1956) (1991) | K-6 | J(3) | 007 | 03/22/00 | 110 | 04/23/03 | 05/27/03 | \$309,937 (60%) |

Note: This table presents the actual tracking of district/state match projects from the time an eligibility application (SAB 50-03) is filed until funding is received (SAB 50-05). Many of the projects have not yet had eligibility applications filed but are eligible, and anticipated state funds have been included in the budget

| No. | Existing Campus | Grade | Bond (Phase) ⁰ | SAB# ¹ | SAB Eligibility Approval (50-03) | Eligibility Enrollment | SAB Project Approval (50-04) | SAB Fund Release (50-05) ² | SAB Grant Amount (%) ³ |
|--|-----------------------------|-------|---------------------------|-----------------------------|----------------------------------|------------------------|------------------------------|---------------------------------------|-----------------------------------|
| 135 | Lincoln (1948) (1994) | K-5 | M(1A) | 015 58/001 ^{1a} | 07/26/00 | 61 | 08/27/03 | 09/25/03 05/09/05 | \$320,804 (60%) 9,600 |
| 137 | Madera (1955) | K-5 | M(1A) | 014 | 07/26/00 | 350 | 07/23/03 | 09/02/03 05/09/05 | \$1,197,753 (60%) 19,164 |
| 139 | Mira Vista (1949) | K-6 | M(1B) | 025 | 07/26/00 | 366 | 08/25/04 | 10/14/04 05/09/05 | \$1,508,020 (60%) 20,245 |
| 140 | Montalvin (1965) (1994) | K-6 | M(1A) | 013 | 02/23/00 | 75 | 08/27/03 | 10/02/03 05/09/05 | \$303,687 (60%) 9,600 |
| 142 | Murphy (1952) | K-6 | M(1B) | 018 | 03/22/00 | 425 | 08/04/04 | 10/14/04 05/09/05 | \$1,575,213 (60%) 20,359 |
| 144 | Nystrom (1942) (1994) | K-5 | J(1) | 003 | 03/22/00 | 205 | 04/23/03 | 05/27/03 | \$861,390 (60%) |
| 146 | Ohlone (1970) ⁴ | K-5 | J(3) | 000 | 07/26/00 | 480 | | | |
| 145 | Olinda (1957) ⁴ | K-6 | | 000 | 03/22/00 | 325 | | | |
| 147 | Peres (1948) ³ | K-6 | M(1A) | 011 | 07/26/00 | 422 | 08/27/03 | 09/25/03 05/09/05 | \$1,448,206 (60%) 20,273 |
| 150 | Riverside (1940) | K-6 | M(1A) | 016 | 03/22/00 | 283 | 08/27/03 | 09/25/03 05/09/05 | \$1,172,709 (60%) 18,763 |
| 152 | Seaview (1972) ⁴ | K-6 | | 000 | 03/22/00 | 340 | | | |
| 154 | Shannon (1967) ⁴ | K-6 | | 000 | 03/22/00 | 369 | | | |
| 155 | Sheldon (1951) (1994) | K-6 | M(1B) | 022 | 07/26/00 | 99 | 08/25/04 | 10/14/04 05/09/05 | \$321,711 (60%) 9,600 |
| 157 | Stege (1943) | K-5 | | N/A | Not eligible | | | | |
| 158 | Stewart (1963) (1994) | K-8 | M(1A) | 012 | 03/22/00 | 408 | 08/27/03 | 09/25/03 05/09/05 | \$1,128,998 (60%) 18,064 |
| 159 | Tara Hills (1958) | K-6 | M(1B) | 021 | 07/26/00 | 420 | 08/25/04 | 10/14/04 05/09/05 | \$1,481,926 (60%) 19,905 |
| 131 | Transition Learning Center | K-6 | | N/A | Not eligible | | | | |
| 160 | Valley View (1962) | K-6 | J(2) | 001 | 07/26/00 | 103 | 03/26/03 | 04/28/03 | \$290,214 (60%) |
| 162 | Verde (1950) | K-6 | M(1A) | 010 | 02/23/00 | 320 | 07/23/03 | 09/02/03 05/09/05 | \$1,161,510 (60%) 18,584 |
| 163 | Vista Hills | | | | | | | | |
| 164 | Washington (1940) | K-5 | M(1B) | 026 | 03/22/00 | 350 | 08/25/04 | 10/14/04 05/09/05 | \$2,141,769 (60%) 21,213 |
| 165 | Wilson (1953) | K-5 | J(3) | 005 | 07/26/00 | 111 | 04/23/03 | 05/27/03 | \$323,957 (60%) |
| Total 42 Elementary Schools⁴ | | | | | | | | | \$26,743,937 |

Existing Campuses. Middle Schools. Updated June 30, 2007

| No. | Existing Campus | Grade | Bond (Phase) ⁰ | SAB# ¹ | SAB Eligibility Approval (50-03) | Eligibility Enrollment | SAB Project Approval (50-04) | SAB Fund Release (50-05) ² | SAB Grant Amount (%) ³ |
|-------------------------------|------------------------------------|-------|---------------------------|-------------------|----------------------------------|------------------------|------------------------------|---------------------------------------|-----------------------------------|
| 202 | Adams (1957) ⁴ | 6-8 | | 000 | 03/22/00 | 1,059 | | | |
| 206 | Crespi (1964) ⁴ | 7-8 | | 000 | 03/22/00 | 1,053 | | | |
| 208 | Lovonya DeJean (2003) | 6-8 | | N/A | New school Not eligible | | | | |
| 210 | Helms (1953) (1991) ⁴ | 6-8 | D(1A) | 000 | 07/26/00 | 634 | | | |
| 211 | Hercules Middle (2000) | 6-8 | | N/A | New school Not eligible | | | | |
| 212 | Pinole Middle (1966) ⁴ | 7-8 | D(1A) | 000 | 07/26/00 | 934 | | | |
| 214 | Portola Middle (1950) ⁴ | 6-8 | D(1A) | 000 | 07/26/00 | 440 | | | |
| Total 7 Middle Schools | | | | | | | | | |

Existing Campuses. High Schools. Updated June 30, 2007

| No. | Existing Campus | Grade | Bond (Phase) ⁰ | SAB# ¹ | SAB Eligibility Approval (50-03) | Eligibility Enrollment | SAB Project Approval (50-04) | SAB Fund Release (50-05) ² | SAB Grant Amount (%) ³ |
|------------------------------|-----------------------------------|-------|---------------------------|-------------------|----------------------------------|------------------------|------------------------------|---------------------------------------|-----------------------------------|
| 352 | De Anza (1955) ⁴ | 9-12 | J(3) | 000 | 07/26/00 | 1,495 | | | |
| 391 | Delta Continuation | 9-12 | | | | | | | |
| 354 | El Cerrito (1938) ⁴ | 9-12 | D(1A) | 028 | 03/22/00 | 1,332 | Application complete | | |
| 376 | Hercules High (2000) | 9-12 | | N/A | New school Not eligible | | | | |
| 360 | Kennedy (1965) ⁴ | 9-12 | J(3) | 000 | 03/22/00 | 1,158 | | | |
| 393 | Kappa Continuation | 9-12 | J(3) | | | | | | |
| 362 | Pinole Valley (1968) ⁴ | 9-12 | J(3) | 000 | 07/26/00 | 2,087 | | | |
| 396 | Sigma Continuation | 9-12 | J(3) | | | | | | |
| 364 | Richmond (1946) ⁴ | 9-12 | J(3) | 000 | 03/22/00 | 1,764 | | | |
| 395 | Omega Continuation | 9-12 | J(3) | | | | | | |
| Total 10 High Schools | | | | | | | | | |

Existing Campuses. Alternative Schools. Updated June 30, 2007

| No. | Existing Campus | Grade | Bond (Phase) ⁰ | SAB# ¹ | SAB Eligibility Approval (50-03) | Eligibility Enrollment | SAB Project Approval (50-04) | SAB Fund Release (50-05) ² | SAB Grant Amount (%) |
|------------------------------------|--------------------------|-------|---------------------------|-------------------|----------------------------------|------------------------|------------------------------|---------------------------------------|----------------------|
| 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 | | | | | | | | |
| Total 6 Alternative Schools | | | | | | | | | |
| Total Schools (65) | | | | | | | | | \$26,743,937 |

⁰ When the “Bond (Phase)” column is blank, the school has not been assigned as a project under Measures M, D or J. Note: Q=Quick-start; M=Measure M; D=Measure D; J=Measure J.

¹ 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-stamped plans and CDE approval. A blank indicates that the status is unknown or that eligibility has not been established.

^{1a} Application for rehabilitation of facilities due to special structural (Title 24) problems. State funding is 100 percent; no District match required.

² Fund releases for 17 projects (57/010-57/026) on May 9, 2005 were for the state mandated Labor Compliance Program (LCP), totaling \$305,278.

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 gone to bid, a construction contract has been awarded, and form SAB 50-05 has been filed. The District must provide its matching share of the project budget.

⁴ Nine elementary schools, five middle schools and five high schools previously had state modernization eligibility approved in 2000 (SAB 50-03), but the applications were rescinded when the project did not move forward. Applications (SAB 50-04) for Downer and El Cerrito High have now been submitted.

**DISTRICT AND PROFESSIONAL SERVICES STAFFING PLAN
FOR THE BOND PROGRAM**

The governance and management of the bond management plan at West Contra Costa Unified School District have evolved over time in response to the changing needs, functions and funding of District’s facilities program. This section provides information in regard to the changes in the administration of the facilities program since July 1, 2003. (For a detailed history of the present structure of the citizens’ bond oversight committee and the bond management team, refer to prior annual performance audit reports and preceding sections of this report.)

FACILITIES STAFFING FOR THE BOND PROGRAM

During the early stages of the Measure M bond program, the WLC/SGI team provided most of the architectural services, including services for the Quick-Start projects at 39 elementary schools. After WLC/SGI completed preliminary design documents, the District hired architects of record (AORs) to develop detailed plans, specifications and bid documents.

As the facilities program progressed over time with the design and construction of Measure M, Measure D and Measure J projects, the District recognized the need of employing key District staff to implement essential functions of the facilities program. The table below lists District staff positions and the funding allocations for those positions from the bond program for the 2006-07 fiscal year.

District Staffing to Fulfill the Facilities Bond Program. (Source: District records)

| District Staff Position | General Fund % | Bond Fund % | Actual Expense to Bond Program |
|---|-----------------------|--------------------|---------------------------------------|
| Bond Finance Office | | | |
| Sr. Director of Bond Finance | 25 | 75 | \$110,808 |
| Director of Capital Projects ¹ | 25 | 75 | 0 |
| Principal Accountant | 0 | 100 | 97,661 |
| <hr/> | | | |
| Administrative Secretary | 25 | 75 | 44,918 |
| Accountant II | 50 | 50 | 21,013 |
| Accountant II ¹ | 50 | 50 | 17,545 |
| Bond Finance Office Subtotal | 1.75 FTE | 4.25 FTE | \$291,945 |

Bond Management Office

| | | | |
|--|-----------------|------------------|------------------|
| District Engineering Officer | 10 | 90 | \$149,031 |
| Staff Secretary ² | 0 | 100 | 0 |
| Facilities Planning Specialist-Classified ³ | 0 | 100 | 80,703 |
| Director of Bond Facilities | 10 | 90 | \$123,841 |
| Bond Regional Facility Project Manager | 10 | 90 | 107,206 |
| Bond Regional Facility Project Manager | 10 | 90 | 104,259 |
| | | | |
| Bond Network Planner | 10 | 90 | 98,206 |
| Associate Superintendent Operations ⁴ | 50 | 50 | 87,513 |
| | | | |
| Bond Management Office Subtotal | 1.0 FTE | 7.0 FTE | 750,758 |
| | | | |
| Total for Management and Finance | 2.75 FTE | 11.25 FTE | 1,042,703 |

¹ This position has been vacant since December 1, 2005. On June 14, 2006, the Board approved a reorganization plan to reallocate position as 75 percent charged to the bond program and 25 percent charged to the general fund. This change was due to the increased workload associated with Measure J. 4 This position became effective July 2006.

² This position is currently vacant.

³ This position became effective July 2006

⁴ Inclusion of this position in the Bond Management Office structure became effective September 2006.

BIFURCATION OF THE MASTER ARCHITECT AGREEMENT

The District bifurcated the Master Architect Agreement in 2004. A new “Agreement for Master Architectural Services” with WLC Architects was signed on December 1, 2004. A new “Agreement for Program, Project and Construction Management Services” with SGI was signed on December 21, 2004.

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

| Category | FTE¹ 2006 | FTE¹ 2007 |
|---|---------------------------------|---------------------------------|
| District Staff | | |
| Bond Finance Office | 3.0 | 4.25 |
| Bond Management Office | 6.4 | 7.0 |
| Subtotal | 9.4 | 11.25 |
| | | |
| Bond Program Manager (SGI) | | |
| Program/Project Management | 5.5 | 6.0 |
| Design Management | 0.75 | 0.75 |
| Construction Management | 12.75 | 12.0 |
| Other (Network Admin., PS2 Coordinator, Receptionist) | 3.0 | 3.0 |

| Category | FTE¹ 2006 | FTE¹ 2007 |
|---|---------------------------------|---------------------------------|
| Subtotal | 22.0 | 21.75 |
| Construction Management (Other) | 3.0 | 3.0 |
| Amanco (SGI Subcontractor), RGM, Van Pelt | | |
| Master Architect (WLC) | 3.0 ² | 3.0 ² |
| Design Phase Management (Measure D1-A) | 2.0 | 2.0 |
| Don Todd Associates | | |
| Subtotal | 8.0 | 8.0 |
| TOTAL Full-Time Equivalent Positions | 39.4 | 41.0 |

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

² The agreement with WLC was amended to an hourly billing structure, resulting in an FTE reduction from 9.0 to an estimated 3.0 fiscal year 2006-07.

The table below provides a detailed program cost breakdown for Measure M, Measure D and Measure J.

Program Management Structure, August 22, 2007

| Budget Category | Measure M & D Budget ¹ | Percentage of Program | Measure J Budget ² | Percentage of Program |
|---------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| Pre-Design Services | 2,056,228 | 0.36% | \$1,229,410 | 0.36% |
| Master Architect | 15,837,006 | 2.80% | 4,306,538 | 1.27% |
| Program Management | 29,804,718 | 5.29% | 18,624,653 | 5.51% |
| Construction Management | 1,094,795 | 0.19% | Included | N/A |
| Design Manager | 2,840,224 | 0.50% | 434,033 | 0.13% |
| Architect of Record | 36,154,628 | 6.41% | 23,911,843 | 7.08% |
| Specialty Consultants/Misc. | 11,101,651 | 1.97% | 9,702,979 | 2.87% |
| Construction Phase Services | 14,192,128 | 2.52% | 11,552,529 | 3.42% |
| Soft Costs Total | 113,122,617 | 20.06% | 69,761,988 | 20.64% |
| Construction Costs Total | 450,735,923 | 79.94% | 268,198,715 | 79.36% |
| Total Program Budget | 563,858,540 | 100.00% | 337,960,703 | 100.00% |

¹ Amounts are taken from the August 22, 2007, Capital Assets Management Plan (PP V-VII) as presented in that report. It is noted that the data have addition error.

² Measure J Phase I elementary and secondary schools.

CONSTRUCTION MANAGEMENT

The data and accompanying information that summarize the number of construction managers employed by SGI, (including subcontractor, Amanco), RGM and Van Pelt is presented in this section. The cost for the bond program manager is also presented, which include various cost components such as program/project management, design management, construction management and other costs. As a percentage of the total construction budgets, the bond program management costs are listed below:

| Measure | PM/CM Cost ¹ | % of Construction Budget | Construction Budget |
|--------------|-------------------------|--------------------------|----------------------|
| M & D | \$30,899,513 | 6.85% | \$450,735,923 |
| J | 18,624,653 | 6.94% | 268,198,715 |
| Total | \$49,524,166 | 6.89% | \$718,934,638 |

¹ PM/CM Cost: Project Management/Construction Management Cost taken from the above table "Capital Assets Management Plan/Reconstruction Report" dated August 22, 2007, categories "Bond Program Manager" and "Construction Manager".

BOND FINANCE OFFICE

TSS performed an analysis of the duties performed by the personnel paid through the bond funds. Currently, the bond program funds 50 percent to 100 percent cost of four fiscal services positions, as follows:

- Director of Fiscal Services – Capital Projects (50 percent bond funds)
- Senior Director of Bond Finance (75 percent bond funds)
- Principal Accountant – Bond Fund (100 percent bond funds)
- Administrative Secretary (75 percent bond funds)
- Accountant II (2 positions at 50 percent each)

HISTORICAL PERSPECTIVE

Prior performance audit reports identified difficulties with the fiscal operations within the bond program, particularly with respect to vendor payment delays, accounting reconciliation between the District and SGI systems, and duplication of work due to several SGI and District personnel assigned to various accounting functions. TSS recommended that the District consider reorganizing functions to improve internal controls and accountability.

Since the passage of Measure J, a new \$400 million Proposition 39 bond, the District staff has taken prudent steps to implement systems and processes to facilitate delivery of another round of projects.

The level of services provided by the Master Architect has been reevaluated. Initially, the Master Architect provided a broad range of services (provided by both WLC and SGI under one contract). Since the bifurcation of the joint agreement, “Master Architect Services” are applicable only to the services provided by WLC. Historically, WLC has provided services that ranged from a broad program view to the more detailed aspects of design. Specific examples of such work include Measure M and D Program Management Plan, Measure M and D Facilities Evaluation Reports, Program Quality Control Document, Master Architect Approach to Standards, WCCUSD Procedures Manual, application of Board adopted standards, and development of various policies and procedures.

Observations

The bond program staffing information above provides a review of bond program management both in financial terms and by number of personnel (position) assigned. As noted in an earlier section of this report, the Master Architect (WLC) staff has been reduced from 9.0 FTE to approximately 3.0 FTE.

With the passage of Measure J, the overall reduction in personnel responsible for the administration and implementation of the District’s facilities program may need to be revisited. Although a net reduction in personnel assigned to the program may still be appropriate, a review of needs and personnel may be needed to ensure that adequate staffing resources remain available to plan and deliver Measure J projects in a timely manner. Additionally, the report by MGT of America, Inc., dated April 4, 2007,

recommends instituting a formal value engineering program. The review of needs and staffing levels recommended above should take this suggestion into account.

Various members of the overall bond program team reported an ongoing difficulty in the coordination of the efforts by the project construction managers with relevant District staff. The construction managers in the field report feeling frustrated by the demands placed upon them by the financial system (requisitions, budget adjustments, and purchase orders). On the other hand, the finance office personnel appear to believe that the CM staff are not diligent enough in complying with the established procedures. Furthermore, although training has been previously provided, it appears that the construction managers, who work as contract consultants, and the “in-house” District staff lack adequate definition and clarity in regard to the roles, responsibilities and authority. Further training may be needed for all participants with the objective of clarifying rolls, responsibilities, and expectations.

In addition to the recommended training above, the District should consider establishing a clear system of accountability, and reporting to the District’s senior staff, for all construction management services staff. Recurring regular evaluation of these services is necessary in order to provide the needed consistency and quality.

Subsequent Period Requests

As required by the revised scope of our agreement, the performance audit process includes an interview with the Citizens Bond Oversight Committee Audit Sub-Committee. In this interview, the Audit Sub-Committee may provide information or request an examination of certain pertinent issues relative to any matters in the bond program that may be of particular interest and which warrant a more detailed review by TSS.

Although TSS requested a meeting with the subcommittee since July, it could not be scheduled until October; late in the audit process. There are four issues identified by the subcommittee which may require additional review:

- A concern that a systemic organizational flaw may exist relative to the geotechnical data provided by a consulting geotechnical engineering firm. There is a need to examine the current conditions of the 17 sites involved and report on the capability of structures to withstand design criteria forces.
- In 2002, the Board of Education established “Life, Health and Safety” as the primary criteria for prioritization and sequencing of projects. There is an interest in verifying adherence to those criteria.
- The Board of Education established what is referred to as the “Option 1C” standard for construction. There is a concern that this established standard has been repeatedly and consistently exceeded. There is an interest in a review of actual decisions, their causes and results.

- The bond program has pursued a practice of acquiring materials and equipment which would assist the maintenance and operations departments of the District in maintaining newly renovated and constructed facilities. There is an interest in determining the effectiveness of that effort.

Since the request was received late in the audit process, these items of interest will be included, as directed by the District staff, in the midyear review to be prepared for the period ending December 31, 2007.

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 Wolf Lang Christopher Architects (WLC) and the Seville Group, Inc. (SGI). The contracted services included a full spectrum of facilities construction and planning related work from overall initial conceptual development through construction contract management services.

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

- Owner
- Architect
- Contractor
- Construction Manager

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

The master architect contract combined all of the elements above except for the contractor. Program management design services and construction management services were, to various degrees, provided under this one contract. This mechanism potentially delivered the advantage of continuity. However, this arrangement also had an inherent flaw in that it runs contrary to the concept of checks and balances typical of more traditional construction programs. Although the master architect contract was creative and potentially productive, this contractual arrangement had the potential for difficulty without the appropriate checks and balances in place.

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

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

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

The 2005 annual performance audit noted that the bifurcation of the contract has been accomplished.

The reorganization appears to now have settled and become more functional. The role of WLC as master architect is now significantly clearer. In particular, the roles of the Architects of Record for the various projects are 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 is better defined. Total School Solutions believes that the District is served well with this new arrangement since there is an improved checks and balances system now in place. Additionally, it appears that other consultants and contractors providing services to the District are managed more effectively due to improved lines of communication.

For a comparison of the costs associated with bond program management services, refer to "District and Professional Services Staffing Plan for the Bond Program" section of this report.

The current Agreement for Master Architectural Services identifies nine sections delineating Responsibilities and Services of Master Architect. These sections articulate the responsibilities of the Master Architect as well as others with whom the Master Architect interacts.

The document defines a "dovetailed" set of services provided by various bond program participants and the Master Architect. The complexity of the relationships provides a virtually infinite number of possible combinations when considering revisions. However, the current Master Architect agreement includes a number of one-time services that may not need repetition in the Measure J program. Furthermore, contracting for a more traditional set of services from the Architects of Record should further reduce the scope of needed Master Architect services.

The Midyear Report for the period ending December 31, 2006, concluded that the staffing plan contained in the current Master Architect agreement totals 30,572 hours (3.26 FTE) from July 1, 2004 through December 31, 2008. The contracted cost for these services is \$4,606,880. This amount divided by the 4.5 years and divided by 3.26 FTE produces an average annual cost of \$314,034 per FTE.

Findings

- There are no findings in this section.

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. The master schedule was compared to the actual schedule for M-1A, M-1B, D-1A and J. The projects scheduled for master planning, programming, District review and other similar activities were also reviewed. For documentation of the design and construction schedules and the budgets for projects in Phases M-1A, M-1B and D-1A, refer to Tables 5, 6, 7, 8, 9 and 10 respectively, presented earlier in this report.

Background

The bond management team has developed documentation systems that include schedules for the Measure M, D and J programs. For the purpose of program management, the Measure M and Measure D master schedule is the most useful of these schedules. The master schedule includes the facilities programs for Measure M and Measure D, beginning with the master planning for Measure M in October 2001 and ending with the completion of the final Measure D projects in August 2010.

The bidding for those initial projects was delayed beyond the period of the 2003 annual performance audit. At that time, insufficient data existed to make an overall determination of schedule compliance. In that annual report, TSS recommended that the bond management team publish updated schedules reflecting adjustments necessary in the process. For the most part, the bond management team has complied with that recommendation.

In prior reports, it was noted that the bond management team continues to provide clear, easily understandable and regularly updated schedule information. The project status reports and the engineering officer's reports continue to serve as an excellent resource of data regarding project schedules.

Majority of Measure M-1A projects (Table 5) were all complete as of June 30, 2007. Six of the remaining projects are substantially complete and in the process of project close-out and documentation. Two other projects are still under construction namely; the Harding Elementary School Breezeway Project (13 percent complete) and the Montalvin Elementary School Site Work Phase 2 Project (32 percent complete).

Majority of Measure M-1B projects (Table 6) were all complete as of June 30, 2007. Three of the remaining projects are substantially complete and in the process of project close-out and documentation. Five other projects (mostly site work projects) are in various stages of completion (27 percent to 87 percent complete). One project, Murphy Elementary School Phase 2 Site Work which was bid on April 11, 2007 has just started construction.

Two of the three Measure M 1B projects which are funded out of Measure D (Table 7) were all complete as of June 30, 2007. The Downer Elementary New School Construction Project is under construction (52 percent complete).

Eight Measure D-1A projects (Tables 8) were all complete as of June 30, 2007 while five others were substantially complete and in the process of project close-out and documentation. Three projects are in various stages construction (25 percent to 67 percent complete) which include the El Cerrito High School New Campus project and the Pinole Middle School New Campus construction project. Three new school construction projects; the El Cerrito High School Admin, Theater and Library Project, Helms Middle School New Campus Project and the Downer Elementary School Project, were bid and awarded during the first quarter of the year 2007, are now now in the early stages of construction (0 percent to 5 percent complete). The Portola Middle School Project is currently undergoing the required environmental review processes (CEQA, EIR, Geotech, Geo Hazard, etc.) and is anticipated to be on the design stage by late 2007 and early 2008.

Measure J Phase 1 – Elementary Schools Projects (Table 9) has five projects in various stages of master planning and design as of June 30, 2007. DSA reviews are anticipated through the early months of 2008. Bidding and construction is scheduled to occur from mid 2008 through late 2010.

Measure J Phase 1 – Secondary School Schools Projects (Table 10) has four school sites with projects in various stages of master planning and design as of June 30, 2007. De Anza High School Field and Track Construction project is now in construction.

Commendation

- The District is commended for maintaining and adhering to published schedules.

Findings

- There are no findings in this section.

DESIGN AND CONSTRUCTION COST BUDGETS

Process Utilized

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

For documentation of the design and construction schedules and the budgets for projects in Phases M-1A, M-1B, D-1A, and J, refer to Tables 5, 6, 7, 8, 9 and 10 respectively, presented earlier in this report.

Background

California public school districts are permitted to develop building standards based on their individual and unique educational, aesthetic and fiscal needs. The California Department of Education (CDE) reviews and approves projects based on a set of criteria that includes toxics review, minimum classroom size, compliance with the California Environmental Quality Act (CEQA) and other standards. The Division of the State Architect (DSA) reviews and approves projects based on their compliance with requirements related to structural (seismic) integrity, fire and life safety, and the Americans with Disabilities Act (ADA). The Office of Public School Construction (OPSC) approves projects based on established district eligibility, 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, industrial shop areas, etc.) and other similar features. Local communities determine these standards or requirements based on local educational programmatic needs, available funds and individual site conditions.

Most 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, which are 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 has 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. Furthermore, the total amounts of these project budgets exceed the total facilities program revenues currently available to the District. It appears that the Board of Education anticipates generating additional local revenues to balance 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.

Construction of the Phase M-1A, M-1B, D-1A projects were mostly completed and/or substantially completed while the remaining projects are in various stages of construction. Measure J Elementary Schools and Secondary Schools Projects were in various stages of master planning, environmental reviews (CQA, EIR, Geo hazards, etc.) preliminary design and state agency reviews and approvals (CDE, DSA, etc.) during the time period covered in this report. As noted above and in the “Design and Construction Schedules” section in this report, detailed data for Measure M, D and J projects are presented in preceding sections of this report.

Observations

Twenty four bond program projects were bid and awarded during the July 1, 2006 thru June 26, 2007 reporting period. Six of these projects were tested and reviewed under the Bidding and Procurement Procedures section. Please refer to Bidding and Procurement Procedures Section of this report for details. All together, these six projects produced a total bid aggregate amount of \$152,481,700 which is higher than the original total estimated construction budgets of \$130,600,000. The total variance amounted to \$21,881,700 or 16.75 percent higher than the estimates. Individually, the projects produced bids which were 11.28 percent, 12.9 percent, 13.08 percent, 29.13 percent, 15.45 percent and 70.95 percent higher than the estimated construction budgets. The De Anza Track & Field Project in particular, exceeded the original construction estimate by \$1,419,000 or 70.95 percent (highest) while the Community Kitchens, Phase 1, Package 2 Project bid exceeded the original construction cost estimates by \$67,700 or 11.28 percent (lowest).

The table below shows a comparison between the construction estimates and the lowest total bids received during the bid process.

| Name of School | Project Description | Estimated Construction Budget | Lowest Total Bid Amount | Variance | % Over Budget | Board Award Approval Date |
|--|---|-------------------------------|-------------------------|-------------|---------------|---------------------------|
| El Cerrito High | New School Buildings Classroom Buildings Increments 1 & 2 | \$47,000,000 | \$54,264,000 | \$7,264,000 | 15.45% | Sept. 6, 2006 |
| Pinole Middle | New Classroom Buildings Gymnasium | \$16,000,000 | \$20,661,000 | \$4,661,000 | 29.13% | Nov. 8, 2006 |
| Community Kitchens, Phase I, Package 2 | Full Cooking Facilities | \$600,000 | \$667,700 | \$67,700 | 11.28% | Feb. 7, 2007 |
| Helms Middle | New Construction Work/Grading | \$45,000,000 | \$50,890,000 | \$5,890,000 | 13.08% | March 7, 2007 |

Construction Budgets vs. Actual Bids (2006 – 2007).

| | | | | | | |
|-----------------|--|----------------------|----------------------|---------------------|---------------|----------------|
| El Cerrito High | New School Buildings Theatre & Admin Bldg A Increment 3 | \$20,000,000 | \$22,580,000 | \$2,580,000 | 12.90% | March 21, 2007 |
| De Anza | Track and Field Project | \$2,000,000 | \$3,419,000 | \$1,419,000 | 70.95% | June 6, 2007 |
| | Total | \$130,600,000 | \$152,481,700 | \$21,881,700 | 16.75% | |

In most school districts, the common practice is to bring to the attention of the Board of Trustees those bids that exceed the budgets and seek approval for budget adjustment/ augmentation, re-allocation of funds, reduction in scope or value engineering of appropriate cost elements prior to the award of contracts. The impact of construction projects that consistently exceed construction budgets is also compounded by the increase in soft costs (Architect Fees, Engineers/Consultants Fees, CM, Project Management, etc.) that increase proportionately with the construction costs. These variances significantly impact the overall construction program budgets. As a result, projects that are scheduled for construction at a later stage of the program suffer severe budget reductions or even elimination from the program project list in order to accommodate or backfill the budget adjustments needed for the current projects.

Commendation

- The District staff is commended for developing and presenting a balanced budget for the District's facilities program. The said budget was reviewed and approved by the board on January 17, 2007.

Findings

- Although budgets are adjusted as needed, the consistent discrepancy between the construction cost estimates and the actual bid results subverts the architects and staffs efforts in creating realistic and achievable program budget.
- Previous performance audit reports have raised serious concerns about the failure to establish and maintain facilities program budget. Although a program budget was presented to the board on January 17, 2007 and adopted, the board has, nonetheless, caused to have numerous scope changes instituted resulting in significant departure from the adopted budget(s). The report from MGT of America, Inc., titled Facilities Use and Management/Safety and Security, dated April 4, 2007, reiterates the need to adhere to established construction budgets and minimize unintended scope expansions.
- The agenda item submitted to the board for the award of contract for the De Anza Track & Field Project did not provide information to the board that the bid exceeded the construction estimate by \$1,419,000 or that the bid was 70.95% higher than the construction cost estimate. The board did not have the opportunity to decide or direct staff on how to accommodate the budget variance. Agenda items for the other projects informed the board that the bids exceeded the construction budgets and that adjustments will be made to the program budgets.

Recommendations

- It is recommended that staff, their architects and consultants establish realistic budgets prior to bid and then exert every effort to adhere to those budgets by exploring available resources to reduce the scope of work or value engineer appropriate cost elements.
- It is recommended that staff provide the board with agenda items for bid awards that contain sufficient information on costs and budgets.

District Responses

- Staff attempts to establish realistic budgets for all projects. We have a very strong structure of internal cost review for each phase of design--including two estimates and reconciliation with the Architect of Record. Unfortunately, the scope of work in the District standard is so comprehensive that it is difficult to limit--this is a major cause of cost increases. Also, the District is facing, along with every Public Agency in the state, huge construction cost increases due to demand, high material and labor prices. Finally, the Board has consistently voted to ensure the highest standards of quality for every project--including providing amenities that increase costs. This program is scope-driven, not budget-driven. The Board has directed staff by its actions to maintain scope at the expense of budget.
- Staff concurs that it is important to provide information to the Board on costs and budgets at the time of award. We have provided this on many occasions, and will be more diligent in providing this information during future awards.

DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM

Process Utilized

In the performance of this examination, Total School Solutions (TSS) interviewed District staff, and reviewed available documentation and manuals for content, language, relevance and completeness in order to develop a comparison with the policies and procedures maintained at the similar school districts. The recent changes in law, as well as the existing policies and procedures, were also taken in consideration.

Background

As in the previous performance audits, for the fiscal year 2006-07, Total School Solutions recommends that the District administration and staff continue to work toward updating policies and regulations related to the facilities program. A number of policies and regulations remain out of date with respect to current law or legislative changes that have taken place in recent years. Similarly, many policies and regulations do not conform to the current unique facilities operations of the West Contra Costa Unified School District.

At the school board meeting of February 8, 2006, the board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies, as needed. It appears that this board subcommittee process has been replaced by the Board Policy Update Project (BPUP) which has been undertaken by the Superintendent with his cabinet members. Beginning in January 2007, the Superintendent has routinely been providing the board with a series of updated draft policies which then are reviewed, amended and adopted. The BPUP process has not yet gotten to the facilities related policies in this process. The BPUP process is schedule to be complete by January 2008, so it is the expectation that updated facility related policies will be available for review during the next performance audit period.

Findings

- There are no findings in this section.

BIDDING AND PROCUREMENT PROCEDURES

Process Utilized

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

Background

District board policy 3311 states, “District purchasing of equipment, supplies, and manpower services shall be based on a competitive bidding process when required by law and in accordance with statutory requirements for bidding and bidding procedures. Advertised bid procedures shall be used whenever the cost of materials or services exceeds the bid limits established by law. Written bids and informal quotations shall be obtained for those purchases that are below the amounts required for advertised bids. In addition, formal bids may be required whenever it appears to be in the best interest of the District.”

The District’s administrative regulation 3311 states, “The District shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. In addition, competitive bids shall be sought through advertisements for contacts exceeding \$69,000 for rent or lease of equipment, material or supplies (Public Contract Code 20111).”

Bids for construction projects are handled by the District’s Engineering Officer; the Purchasing Director along with the Director of Bond Facilities work in together to determine the best method of procuring furniture and/or equipment purchases made through bond funds. The District uses the “piggyback” method when it’s determined to be the most efficient method

The Notice to Bidders is properly advertised in the West County Times. In addition to the minimum publication requirements, project plans are distributed at Ford Graphics in Oakland. The District’s Bond Program website contains a Frequently Asked Questions page that includes the following answers to: “Where can I obtain bid documents for each bid?” and “How can I find out about upcoming bids?” The website also provides a link to Fordgraphics.com. The Construction Manager may also follow up with various contractors in an effort to increase participation in the competitive bidding process. This process provides for maximum exposure.

Bids are received at the Facilities, Operation and Construction (FOC) office. Once the bids are opened, the Board Agenda for the award of bid is prepared. Once the Board approves the contract, a Notice of Award is issued. The contractor has seven days to submit all of the required documents. The Board then approves the Notice to Proceed.

For this annual report, the following bids were reviewed and analyzed for completeness and compliance:

| School | Project | Bid Amount | Bid Opening |
|---------------------------------------|-------------------------------------|-------------------|--------------------|
| Community Kitchens Phase 1, Package 2 | Full cooking facility for community | \$667,700 | January 25, 2007 |
| De Anza Track & Field Project | Track and Field | \$3,349,000 | June 5, 2007 |

The bid documents were found to be complete and in compliance with Public Contract Code and School Facilities Program. Architect and Division of State Architect stamps showed approval of the project scope and drawings were within the bid timelines. Bid document included the following sections:

- Geotech Report
- Labor Compliance Program
- Project Labor Agreement
- Hazardous Materials Procedure
- Release From Claims
- Guarantee
- Milestone Dates and Liquidated Damages
- Escrow Information
- Local Hiring and Work Force Utilization (New condition, started with Helms Bid)
- Workers Compensation Certification
- Prevailing Wage Certification
- Disabled Veterans Business Enterprise Participation
- Drug-Free Workplace Certification
- Imported Materials Certification
- Criminal Background Investigation
- Payment and Performance Bond Requirement

The bid results were selected as audit samples. A narrative for each project follows the table.

| Name of School | Project Description | Estimated Construction Budget | First Advertisement | Bid Opening | Contract Awarded | Contract Amount |
|--|---|-------------------------------|---------------------|-------------|---|-----------------|
| El Cerrito High School | New School Buildings Classroom Bldgs. Increments 1 & 2 | \$47,000,000 | 6/27/2006 | 8/29/2006 | Lathrop Construction | \$54,264,000 |
| Pinole Middle School | New Classroom Buildings Gymnasium | \$16,000,000 | 9/18/2006 | 10/26/2006 | West Coast Contractors | \$20,661,000 |
| Community Kitchens, Phase I, Package 2 | Full Cooking Facilities | \$600,000 | 12/17/2006 | 1/25/07 | Pacific Coast Reconstruction and Building | \$667,700 |
| Helms Middle School | New Construction Work/Grading | \$45,000,000 | 1/10/2007 | 3/2/2007 | West Bay Builders | \$50,890,000 |
| El Cerrito High School | New School Buildings Theatre & Admin Bldg A Increment 3 | \$20,000,000 | 2/5/2007 | 3/15/2007 | Lathrop Construction | \$22,580,000 |
| De Anza | Track and Field Project | \$2,000,000 | 5/11/2007 | 6/5/2007 | Bay Cities Paving and Grading | \$3,419,000 |

The bid for El Cerrito High School – Increments 1 and 2 produced three bids. The base bids totaled \$54,931,000, \$55,237,000 and \$56,463,000. The request to bidders included allowances totaling \$300,000 for unforeseen conditions affecting the work and one deductive alternative for \$967,000. The lowest bid totaled \$54,264,000. The bid exceeded estimated construction costs by 14.8 percent. Staff reports indicate the project cost reflects increased costs of labor and materials in the current construction market and the comprehensive scope of work included in this phase.

The Notice to Bidders for the El Cerrito High School Increment 1 and 2 projects were advertised on June 26, 2006 and June 27, 2006 in the West County Times. Bidders on WCCUSD projects are required to be pre-qualified in accordance with Public Contract Section 20111.5. All prospective bidders were requested to attend one of the two Pre-Bid Conferences/Site Walks on either June 29, 2006 or July 6, 2006. Bids were opened on August 29, 2006. The Notice of Award was issued on September 7, 2006 and the Notice to Proceed was issued on September 18, 2006. In accordance with the Agreement executed by the Contractor, the date of completion is November 6, 2008.

The bid for Pinole Middle School – New Classroom Buildings and Gymnasium produced four bids. The base bids totaled \$20,511,000, \$20,808,000, \$20,904,000 and \$21,657,000. Allowances totaled \$150,000 for unforeseen conditions. The lowest bid totaled \$20,661,000. This Gym project is a joint-use project with the City of Pinole. The project received special funding under the Office of Public School Construction Joint-Use Project program. The bid exceeded estimated construction costs by 28.21 percent. The higher costs were not unexpected, recent estimates had anticipated a bid price of over \$19,000,000.

The bid for Community Kitchens – Phase I produced six bids. This project is for the installation of full cooking facilities for community and school use at Peres, Verde and Washington Elementary Schools. Bids were open on January 25, 2007. The base bids totaled \$634,400, \$667,700, \$668,600, \$745,000, \$746,161 and \$883,676. The apparent low bidder failed to list their subcontractor for mechanical work. A bid protest was received referencing the low bidder's failure to list the subcontractor and requested that the District award to the second low bidder. Legal counsel reviewed the documents and protest and found the lowest bid to be non-responsive for failing to list their mechanical subcontractor. The bid was awarded to second lowest bidder, Pacific Coast Reconstruction and Building for \$667,700.

The bid for Helms Middle School – New Construction produced three bids. The base bids totaled \$49,770,000, \$50,392,000 and \$53,497,500. Allowances for unforeseen conditions were set at \$200,000. The lowest bid totaled \$50,890,000. The bid exceeded the estimated construction costs by 12.64 percent. Staff reported that the District will need to transfer \$650,000 from Measure J Program contingency and reallocate Phase II and III constructions budgets to this project to cover the contract. Future projects at Helms, including demolition of the existing school and field construction will need to be reallocated. Staff will be providing a recommendation for budget adjustments.

The bid for El Cerrito High School – Administration, Theater and Library Buildings produced three bids. The base bid totaled \$22,799,500, \$25,208,000 and \$27,003,709. Allowances were set at \$150,000 and one deductive alternative for \$396,000. The lowest bid totaled \$22,580,000. The bid exceeded estimated construction costs by 12.15 percent. The Notice of Award was issued on March 28, 2007.

The bid for De Anza Track and Field project produced four bids. The bids were opened on June 5, 2007. The preferred product base bids with all unit prices and allowances were: \$3,419,000, \$3,622,000, \$3,789,535 and \$3,809,600. The lowest responsible bidder was Bay Cities Paving and Grading. The bid exceeded estimated construction costs by 70.95 percent. The notice of award was issued on June 8, 2007 and the notice to proceed was issued on July 5, 2007.

Commendations

- More extensive testing and investigation of geotechnical data have been included for new projects after problems encountered in the Measure M projects. The inclusion of these reports in the front end bid documents greatly improves bidder's response and accurate pricing. The former problems with incorrect geotechnical data caused construction delays and financial setbacks.

- Pre-qualification of contractors continues to shorten bid time. This system has been in place since the start of Measure M projects and has been carried out smoothly for the current bids.
- The installation of electronic access for the plan room is an added convenience for bidders and sub-contractors interested in bidding. The accessibility and ease of use enhances the generation of additional sub-contractors and increasing competition among bidders.
- The District has committed to the establishment of a Local Capacity Building Program (LCBP) to encourage and facilitate full and equal opportunities for local and small business owners. This practice involves setting of priority areas, sharing of hiring hall dispatch with potential bidders, solicitation from Youth Build and other community based organization. These additional requirements started with the Helms Middle School project. This is a positive move towards utilizing bond money raised by the community on community vendors, a beneficial relationship that encourages community pride and competition in bidding.

Observations

In August 2006, the District awarded Increments 1 and 2 for El Cerrito High School to Lathrop Construction in the amount of \$54,264,000. Subsequently, in March 2007, Increment 3 was bid with the low bidder again being Lathrop Construction. The risk of having multiple general contractors on one site at the same time is a distinct possibility when projects are bid in overlapping phases (or increments) is substantial. While this bid situation was unavoidable, caution should be used when bidding increments to avoid the potential for multiple contracts working concurrently on the same site.

The bid for De Anza High School Track and Field project was opened June 5, 2007 and was Board approved on June 6. Staff urgently put it on the Board soon after the bid opening. The contract was issued timely on June 8, but the contractor did not return the completed contracts until June 29, which delayed the Notice to Proceed until July 16. It is stated in the bid document that awarded bidder are to execute contract within seven days. To avoid delays on projects, it would be useful to follow-up and remind bidders of the timelines or institute a form of financial penalty.

Finding

- There are no findings in this section. However, for a detailed discussion of relevant issues, refer to the Change Order section of this report.

District Response

- The District is in constant communication with Contractors relating to timing of the Notice to Proceed. Staff has found that a cooperative setting of the NTP is best--that both parties agree on a date which was what occurred in this case. This makes for better Contractor/District relations at the start of the project. Financial penalties at this time would be extremely counter productive.

CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

Process Utilized

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the Facilities and Construction Management Team. Information provided from the 2006-07 Board of Education meeting agendas and minutes related to the bond measure was used in the review.

Background

Change Orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Because small repairs are made over time and the changes are not reflected in the District's archived drawings, the architects may miss such information until the incompatibility is discovered during construction. At other times, problematic site conditions are not discovered until a wall or floor is uncovered. Typically, change orders for modernization cannot be avoided because of the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous materials or other unknown conditions – all of which contribute to the need for authorizing change orders for additional work. The industry-wide percentage for change orders for modernization or facility improvement projects generally ranges from 7 percent to 8 percent of the original contract amount. (The change order standard for new construction tends to be 3 percent to 4 percent.)

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

Due to the urgent nature of school construction work, issues are sometimes resolved verbally at weekly construction meetings, where the architect, facilities project manager, construction manager, inspector, and contractor's job superintendent are present. Decisions are formalized in the meeting minutes and followed up with a change directive to authorize the work and eventual payment. The District is not liable for the cost of any extra work, substitutions, changes, additions, omissions, or deviations from the drawings and specifications unless it authorizes the work and the change, including costs. The change must be approved in writing through a CO (Change Order) or through a CCD (Construction Change Directive).

The following tables summarize the change orders for Measure M and D projects:

Measure M Phase 1A:

| Project | Construction Contract | % Complete | Approved Change Orders | Potential Change Orders | Total Change Orders | Change Order % |
|--------------------------|-----------------------|------------|------------------------|-------------------------|---------------------|----------------|
| Harding ES Phase 1A | \$8,917,000 | 100% | \$2,985,464 | 0 | \$2,985,464 | 33.48% |
| Harding ES Auditorium | 388,000 | 98.9% | 306,345 | 0 | 306,345 | 78.95% |
| Harding ES Site Work | 1,397,477 | ??? | 139,000 | 0 | 139,000 | 9.95% |
| Harding ES Site Work PII | 1,417,477 | 100% | 143,881 | 36,000 | 179,881 | 12.69% |
| Harding ES Breezeway | 291,437 | 13% | 0 | 0 | 0 | 0% |
| Lupine Hills ES P1A | 10,272,500 | 100% | 446,496 | 0 | 446,496 | 4.35% |
| Lincoln ES P1A | 9,375,000 | 100% | 2,399,196 | 0 | 2,399,196 | 25.59% |
| Madera ES P1A | 6,591,200 | 98.8% | 1,183,912 | 0 | 1,183,912 | 17.96% |
| Madera ES Site Work | 319,500 | 100% | 4,046 | 0 | 4,046 | 1.27% |
| Montalvin ES Phase 1A | 6,823,000 | 100% | 1,295,365 | 0 | 1,295,365 | 18.99% |
| Montalvin ES Site Work | 332,173 | 99.13% | 148,842 | 0 | 148,842 | 44.8% |
| Montalvin ES PII | 291,400 | 32.36% | 0 | 0 | 0 | 0% |
| Peres ES Phase 1A | 10,949,000 | 100% | 2,332,008 | 0 | 2,332,008 | 21.30% |
| Riverside ES Phase 1A | 7,772,000 | 100% | 1,034,048 | 0 | 1,034,048 | 13.30% |
| Riverside ES Site Work | 622,052 | 95.89% | 34,018 | 0 | 34,018 | 5.47% |
| Stewart ES Phase 1A | 6,226,000 | 100% | 1,745,417 | 0 | 1,745,417 | 28.03% |
| Stewart ES Site Work | 1,501,000 | 90.96% | 208,551 | 0 | 208,551 | 13.89% |
| Verde ES Phase 1A | 8,687,000 | 99.57% | 1,855,048 | 0 | 1,855,048 | 21.35% |
| TOTAL | \$82,173,216 | | \$16,261,637 | \$36,000 | \$16,297,637 | 19.83% |

Measure M Phase 1B

| Project | Construction Contract | % Complete | Approved Change Orders | Potential Change Orders | Total Change Orders | Change Order % |
|---|-----------------------|------------|------------------------|-------------------------|---------------------|----------------|
| Bayview ES Phase 1B | \$10,413,000 | 99.78% | \$824,562 | 0 | \$824,562 | 7.92% |
| Bayview ES Site Work | 1,125,000 | 27.44% | 0 | 50,000 | 50,000 | 4.4% |
| Eller Horst ES Phase 1B | 7,712,500 | 100% | 528,697 | 0 | 528,696 | 6.86% |
| Mira Vista ES Phase 1B | 7,711,830 | 100% | 1,399,278 | 0 | 1,399,278 | 18.14% |
| Mira Vista ES PII Site Work | 863,747 | 39.09% | 10,525 | 20,000 | 30,525 | 3.5% |
| Murphy ES Phase 1B | 7,650,000 | 99.69% | 1,312,165 | 0 | 1,312,165 | 17.15% |
| Murphy ES Phase II Site Work | 790,000 | 0% | 0 | 0 | 0 | 0% |
| Sheldon ES P1B Mod | 8,561,650 | 100% | 556,729 | 0 | 556,729 | 6.50% |
| Sheldon ES P1B Mod II | 1,065,000 | 86.80% | 47,747 | 20,000 | 67,747 | 6.36% |
| Tara Hills ES Phase 1B | 7,243,895 | 100% | 392,256 | 0 | 392,256 | 5.41% |
| Tara Hills ES Phase II | 1,557,000 | 69.25% | 10,676 | 25,000 | 35,676 | 22.91% |
| Tara Hills ES Doors | 99,000 | 73.02% | 4,100 | 10,000 | 14,100 | 14.24% |
| Kensington ES 1B | 11,077,762 | 100% | 1,278,128 | 0 | 1,278,128 | 11.54% |
| Washington ES Phase 1B | 8,809,000 | 99.91% | 1,894,652 | 0 | 1,894,652 | 21.51% |
| Measure M Schools Interior Improvements | 477,780 | 100% | 144,618 | 0 | 144,618 | 30.27% |
| Measure M Utility Removal | 499,380 | 100% | 61,952 | 0 | 61,952 | 12.41% |
| Harding & Sheldon Portables | 74,820 | 100% | 17,235 | 0 | 17,235 | 23.04% |
| Shannon ES Portables | 259,976 | 100% | 6,122 | 0 | 6,122 | 2.35% |
| TOTAL | \$75,991,340 | | \$8,489,442 | \$125,000 | \$8,614,441 | 11.34% |

Measure D

| Project | Construction Contract | % Complete | Approved Change Orders | Potential Change Orders | Total Change Orders | Change Order % |
|---|------------------------------|-------------------|-------------------------------|--------------------------------|----------------------------|-----------------------|
| El Cerrito HS Temp Housing | \$3,444,000 | 99.99% | \$354,297 | \$0 | \$354,297 | 10.29% |
| El Cerrito HS Demolition | 2,078,125 | 99.74% | (126,962) | 0 | (126,962) | -6.11% |
| El Cerrito HS Storm Drain | 292,562 | 100% | 2,704 | 0 | 2,704 | 0.92% |
| El Cerrito HS Modular Building | 2,762,960 | 67.84% | 916,103 | 0 | 916,103 | 33.16% |
| El Cerrito HS Grading | 1,613,100 | 100% | (31,642) | 0 | (31,642) | -1.96% |
| El Cerrito HS New School | 54,264,000 | 29.24% | 253,184 | 50,000 | 303,184 | 0.55% |
| El Cerrito HS Admin/Lib | 22,580,000 | 0% | 0 | 0 | 0 | 0% |
| Pinole MS Temporary Housing | 529,000 | 100% | 52,571 | 0 | 52,571 | 9.94% |
| Pinole MS Site Grading | 905,200 | 100% | 28,057 | 0 | 28,057 | 3.10% |
| Pinole MS New School | 20,661,000 | 25.98% | 158,693 | 150,000 | 308,693 | 1.49% |
| Helms MS New Campus | 50,890,000 | 3.93% | 0 | 0 | 0 | 0% |
| Pinole Valley HS Fields | 1,492,000 | 100% | 75,500 | 0 | 75,500 | 5.06% |
| Pinole Valley HS Running Track | 595,000 | | 71,284 | 0 | 71,284 | 11.98% |
| Downer ES New School | 21,232,027 | 52.47% | 173,957 | 50,000 | 223,957 | 1.05% |
| Downer Demo/ Site Work | \$594,800 | 100% | -22,099 | 0 | -22,099 | -3.72% |
| Downer Stone Columns | 741,000 | 100% | 116,493 | 0 | 116,493 | 15.72% |
| Downer ES Tech E Rate | 330,648 | 0% | 49,202 | 0 | 49,202 | 14.88% |
| Vista Hills Roof Repair | 200,420 | 100% | 4,304 | 0 | 4,304 | 2.15% |
| Vista Hills Ed Center Portables | 3,376,906 | 95.85% | 588,005 | 0 | 588,005 | 17.41% |
| Richmond HS Track/Field | 3,260,489 | 98.5% | 272,027 | 15,000 | 287,027 | 8.8% |
| Richmond High School Renovation | 1,840,000 | | 251,794 | 0 | 251,794 | 13.68% |
| Measure D Paving | 245,341 | 100% | -20,000 | 0 | -20,000 | -8.15% |
| Kennedy HS Track/Field | 2,740,000 | 98.92% | 47,307 | 15,000 | 62,307 | 2.27% |
| Hercules MS Painting | 442,000 | | 62,958 | 0 | 62,958 | 14.24% |
| Hercules MS Water Intrusion/Envelope Repair | 332,000 | | 104,414 | 0 | 104,414 | 31.45% |
| Community Kitchen 1 | 619,986 | 80.96% | 0 | 0 | 0 | 0% |
| Community Kitchen 2 | 667,700 | 23.09% | 0 | 0 | 0 | 0% |
| Community Kitchen 3 | 660,200 | | 0 | 0 | 0 | 0% |
| Community Kitchen 4 | 803,000 | | 0 | 0 | 0 | 0% |
| Community Kitchen 5 | 727,500 | | 0 | 0 | 0 | 0% |
| Community Kitchen 6 | 516,000 | | 0 | 0 | 0 | 0% |
| Washington ES Roof | 104,994 | | 0 | 0 | 0 | 0% |
| TOTAL | \$201,541,958 | | \$3,382,151 | \$280,000 | \$3,662,151 | 1.82% |

Allowances

During the fiscal year 2006–07, the District bid 30 contracts for bond program projects with predetermined amounts included as “Allowances”. These allowances were included in the contracts for the purpose of setting aside funds, within the contract itself to be used for unforeseen conditions and known but indeterminate items, including anticipated concealed problems such as hazardous materials. The District authorizes the use of and approves cost items to be charged to the allowances. Unused allowances are credited back to the District.

RFI’s, PCO’s/ price proposals, Change Orders and other documents relating to all cost items charged to or drawn against the allowances for the projects were reviewed and analyzed. The results and or findings for the projects selected for review are shown in the table below:

| Project | Base Bid | Allowance | Total Contract Award | Cost Items Charged to Allowances. |
|---|-------------------------|------------------|-----------------------------|--|
| Riverside Elementary School Site Work | \$602,052 | \$20,000 | \$622,052 | None. Unused allowance was credited back to the District under CO # 4. |
| Bayview Elementary School PII Site Work | 1,170,000 ¹ | 20,000 | 1,125,000 | None as of June 30, 2007. |
| El Cerrito High School New School Construction | 54,931,000 ² | 300,000 | 54,264,000 | Disposal of Class 2 soil (Hazmat) to Richmond Landfill under CO # 5 and 8. Total Cost = \$145,549. |
| Pinole Middle School New Building and Gymnasium | 20,511,000 | 150,000 | 20,661,000 | None as of June 30, 2007. |

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

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

10 Percent Limitation on Change Orders

In prior audit reports TSS indicated that allowing change orders in excess of 10 percent aggregate may be inconsistent with Public Contracting Code 20018.4. In the June 30, 2003 audit report it was recommended that the District’s legal counsel review the board policy on change orders exceeding 10 percent of the original contract amount. In response, the District had its legal counsel review District practices in this area. As a result, the District legal counsel validated the District’s practice of allowing “aggregate” change orders in excess of 10 percent of the contract amount and confirmed that the 10 percent limitation applies to “individual” change orders.

The following table shows projects with some individual change orders exceeding 10 percent of the original contract amount.

| Project | Original Contract Amount | % Complete | Change Order # | Change Order Amount | Change Order % |
|-------------------------------------|---------------------------------|-------------------|-----------------------|----------------------------|-----------------------|
| Harding ES Auditorium | \$388,000 | 98.9 % | 1 | \$83,170.36 | 21.43% |
| | | | 2 | 223,174.87 | 57.51% |
| | | | Total | \$306,345.23 | 78.95% |
| Montalvin ES Site Work | 332,173 | 99.13% | 1 | 92,561.99 | 27.86% |
| | | | 2 | 44,363.46 | 13.35% |
| | | | 3 | 11,916.43 | 3.58% |
| | | | Total | \$148,841.88 | 44.81% |
| Measure M Interior Improvements | \$477,779 | 100% | 1 | 24,407.93 | 5.10% |
| | | | 2 | 16,039.78 | 3.35% |
| | | | 3 | 103,955.84 | 21.75% |
| | | | Total | \$144,403.55 | 30.33% |
| Harding & Sheldon Portables | \$74,820 | 100% | 1 | \$17,234.75 | 23.03% |
| El Cerrito HS Modular Buildings | \$2,762,960 | 67.84% | 1 | \$95,444 | 3.45% |
| | | | 2 | 23,438 | 0.84% |
| | | | 3 | 563,112 | 20.38% |
| | | | 4 | 235,509 | 8.5% |
| | | | 5 | 600 | 0.02% |
| | | | Total | \$916,103.00 | 33.16% |
| Hercules MS Painting | \$442,000 | | | \$17,173 | 3.88% |
| | | | Total | \$62,958 | 14.23% % |
| Hercules MS Water Intrusion Repairs | \$332,000 | | 1 | \$61,495 | 18.52% |
| | | | 2 | 42,919 | 12.92% |
| | | | Total | \$104,414 | 31.45% |

Presentation of change orders for Board ratification/approval is accomplished by means of requesting Board “ratification” of up to 10 percent of the original contract amount and “approval” of any amount in excess of 10 percent regardless of the change order total value as a percentage of the original contract amount. For example, the Harding Elementary School Auditorium project had two change orders. The Board was asked (January 3, 2007 Change Order Ratification Summary) to “ratify” \$38,800.00, which is 10 percent of the original contract amount. It was also asked, on the same agenda item, to “approve” the balance of \$152,947.24. The two change orders each exceeded the 10 percent limit (see the above table).

In addition to the foregoing, it also appears that change orders are taken to the Board for ratification/approval prior to being finalized. Using the same example, the Harding Elementary School Auditorium project, the Board ratified/approved a total amount of \$191,747.24 as shown in the Board agenda materials and subsequent minutes. However, the Engineering Officers Report dated May 23, 2007 and financial system data dated July 24, 2007 each list the total amount for Change Orders 1 and 2 as \$306,345.23. The difference of \$114,597.99 does not appear to have been presented for Board approval.

Findings

- A number of “individual” change orders for projects in the preceding table exceeded 10 percent of the contract price – this practice is not in compliance with Public Contract Code 20118.4.a.1 and b. The District’s legal counsel validated the practice of allowing “aggregate” change order totals exceeding 10 percent of the contract price. The determination does not exempt the District from the code requirement to formally secure bids for “individual” change orders that exceed 10 percent of the original contract price.
- Twenty six of fifty five Measure M and D projects listed in the preceding tables had aggregate change order totals exceeding 10 percent of the original contract amounts. Harding ES Auditorium Project generated 78.95 percent in change orders while 5 other projects exceeded 30 percent and another 6 projects exceeded 20 percent of the original contract amounts. The high percentage of change orders could be an indication that the scope of these projects have not been clearly defined and communicated to the architects of record and consultants prior to design and bidding of the project.
- Board agenda items for Ratification and Approval of Negotiated Change Orders include the following statement:

“In accordance with Public Contract Code 20118.4, the Board, by approving and ratifying these Change Orders, finds that it would have been futile to publicly bid the work in question because of the tight time frames to complete this work without affecting the operations of the District, and that the public is best served by having this work completed by the contractor on the project”.

A review of Subdivision (b) of article 20118.4 suggests that relief from the 10 percent rule applies only to school districts having an average daily attendance of 400,000 or more. Since WCCUSD’s average daily attendance is below 400,000, Article 20118.4(b) does not apply. It further appears to set a 25 percent limit on change orders approved under its provisions. In two instances in the above table individual change orders exceeded the higher 25 percent limit. Another requirement of the section is that for change orders in excess of 15 percent a vote of not less than 75 percent of the members of the governing board is required for approval. This language is not referenced in the back-up information provided to the Board. The provision also limits its use to “reconstruction or rehabilitation work, other than for the construction of new buildings or other new structures”.

Recommendations

- The District should exert more effort in complying with Public Contract Code 20118. 4. A formal bid process should be conducted for all individual change orders exceeding 10 percent of the original contract price.
- The District should again seek the advice of legal counsel concerning the proper interpretation of PCC 20118.4 in its entirety.
- The District should exert more effort to ensure that the scope of the project and design standards are properly defined and communicated to the architects, engineers and consultants in order to minimize design changes and scope additions. In addition, all pre-design tests, assessments, reviews of existing facility, utilities and environmental conditions should be thoroughly accomplished.
- Variances from Board approved change order amounts should be returned to the Board for approval.

District Responses

- The District's approach to change orders over 10 percent is not based on Subdivision (b) of Public Contract Code section 20118.4. The District follows case law that allows a public entity such as the District to make findings that bidding work would be futile and not in the public's best interests. Such findings are made by the Board in connection with each approved change order referenced in the Draft. The language quoted above includes the necessary findings to support the approval of particular change orders that amount to more than the 10 percent change order limitation in Public Contract Code section 20118.4. However, the District will seek further clarity from its legal counsel and make an opinion available for the midyear report.
- District staff fully concurs with this recommendation. The program continues to try to accurately define the scope of projects and communicate this to the architects and engineers. Doing a better job in this area is a high priority for the Engineering Officer. Please also see District response on Page 62 of this report.
- District staff has reviewed this project Change Orders and determined that the Construction Managers may indeed have forwarded Change Orders for approval which were not finalized. This was not known at the time of presentation to the Board. Staff has directed that this process not be repeated. As to Harding project, Staff presented all Change Orders for this project to the Board for approval. We direct your attention to the Change Order Ratification and Approval Board item of March 21, 2007. This item lists "Total COs" as \$306,345.23. So all Change Orders have been presented to the Board for approval. However, as agreed to, the staff will convene a meeting with the auditors to fully reconcile the discrepancies in the District records and the information available to the audit team during the midyear review.

PAYMENT PROCEDURES

Process Utilized

The appropriate District staff and the Bond Team from SGI were interviewed about payment procedures; documentation was reviewed; and processes were observed in the course of this examination.

Background

As noted in the midyear report and in prior year reports, a recurring issue that has required the attention of both the bond team and District staff has been the amount of time it takes for vendors to be paid for goods and/or services.

In the course of this examination documents indicate that payment requisitions continue to be initiated after the receipt an invoice, thus causing delays in the process. Another issue that may be responsible for delays in payments is the need to increase the amount on a purchase order in order to process invoices. Increases are primarily due to change orders, increased scope or unforeseen conditions on a project or lack of funds on an open purchase order.

It appears that both the bond team and District staff are working to improve these issues. The bond team is monitoring and tracking invoices once received; biweekly meetings are held with all parties involved to go over the status of invoices, payments, purchase orders and to discuss any problems or issues. The Bond Finance Director has provided training to the Bond Team and District staff on purchasing procedures and how to follow and expedite the process. The Associate Superintendent of Operations no longer signs off on the payment request form; this step was deemed unnecessary since the purchase order and contract amount have already been approved and awarded. One resource code is now being used to account for all Measure J and D bond expenditures; having so many different resource codes required numerous budget adjustments which caused constant delays in approving purchase orders, budget transfers and payments. The Bond Project Controls Engineer monitors the board minutes for the approval of contracts and/or change orders to ensure the purchase order requisition/purchase order increase process is expedited. However, until the process is followed completely by everyone involved, delays in payments will likely continue to be an issue.

Sample

Eighty-eight invoices that were paid during the period from July 1, 2006 – June 30, 2007 from Measure M, D and J funds were selected in the course of this examination. The payments were reviewed for proper backup documentation, adherence to the District's purchasing processes and procedures, authorized signatures were present, and the reasonability of payment to vendor timelines. Although several issues were identified, the prevalent cause of the delay in payment appears to be the failure to establish purchase orders before the work is requested and performed.

For the purpose of illustration, the chart below from the midyear report has been updated. At the time of the midyear report all of the invoices listed were outstanding. The chart has been updated for the annual report to provide the status of those payments.

| Vendor Name | Invoice(s) Total | Invoice Date | PO Date | PO Number | Warrant Date | Comment |
|---------------------------------------|------------------|------------------|-----------|-----------|--------------|---|
| Alan Kropp Associates | \$13,740.00 | 2/1/2007 | 1/17/07 | M0780051 | 4/4/07 | Late pay |
| Alan Kropp Associates | \$11,672.00 | 2/1/2007 | 1/17/07 | M0780051 | 4/25/07 | Late pay |
| Alan Lutz | \$11,266.00 | 2/28/2007 | 6/30/06 | D0680188 | 3/31/07 | Paid on time |
| Bay Vilar Architects | \$18,840.00 | 2/5/2007 | 11/10/05 | D0580086 | 5/16/07 | PO had to be increased 4/11/07; late pay |
| Bay Cities Crane & Rigging | \$1,384.36 | 1/10/2007 | 3/16/07 | D0780089 | 3/28/07 | PO generated after receipt inv.; late pay |
| Bay Cities Crane & Rigging | \$1,384.36 | 1/16/2007 | 3/16/07 | D0780089 | 3/28/07 | PO generated after receipt inv.; late pay |
| Bethel Electric | \$2,641.82 | 2/2/2007 | 8/31/06 | M0780032 | 3/21/07 | Paid on time |
| California Dept. of Education | \$2,841.11 | 1/12/2007 | 3/19/07 | M0780084 | 3/21/07 | PO generated after receipt inv; late pay |
| DTSC (Dept. Toxic Substance Controls) | \$7,359.00 | 1/30/2007 | 3/16/07 | M0780090 | 3/28/07 | PO generated after receipt of invoice; okay |
| GHA Technology | \$152.90 | 2/7/2007 | 2/7/07 | J0780034 | 4/12/07 | Invoice sent to wrong address; late pay |
| Hertz (sum of 14 invoices) | \$11,941.78 | 1/1/07 -1/29/07 | 3/5/07 | D0780083 | 4/25/07 | PO generated after receipt inv; late pay |
| Interactive Resources | \$29,369.76 | 12/31/2006 | - | - | - | Could not locate PO or payment |
| Kin Wo Construction | \$7,482.00 | 9/30/2006 | 11/4/2005 | M0680081 | 5/23/07 | Retention; late pay |
| Kin Wo Construction | \$15,511.27 | 9/30/2006 | 3/13/07 | M0780167 | 3/21/07 | PO generated after receipt inv; Change Order over 10%; late pay |
| Kory Gilbert | \$14,733.05 | 2/28/2007 | 10/9/06 | D0680153 | 3/21/07 | Paid on time |
| Kris Gilbert | \$14,733.33 | 2/28/2007 | 4/25/06 | D0680152 | 3/21/07 | Paid on time |
| Luk & Associates | \$2,100.00 | 1/17/2007 | 2/8/06 | M0680171 | 4/4/07 | FOC stamp in date 1/19/07; log in date 2/12/07 tracking; late pay |
| Matriscope | \$11,994.20 | 2/22/2007 | 2/6/07 | M0680051 | 3/21/07 | Paid on time |
| MLE Capital Management | \$14,733.00 | 2/28/2007 | 4/20/06 | M0680230 | 3/21/07 | Paid on time |
| Production Tech. Services | \$20,700.00 | 2/28/2007 | 4/20/06 | D0680149 | 3/21/07 | Paid on time |
| RGA Environmental | \$2,775.00 | 12/7/2006 | 3/23/07 | D0780091 | 4/4/07 | PO generated after receipt inv; late pay |
| RGA Environmental | \$11,070.00 | 1/9/2007 | 3/23/07 | D0780091 | 4/4/07 | PO generated after receipt inv; late pay |
| Sally Swanson Architects | \$18,170.00 | 1/30/2007 | 3/13/07 | J0780041 | 3/21/07 | PO generated after receipt inv; late pay |
| Tech Futures (sum of 4 invoices) | \$548.80 | 7/31/06-11/30/06 | 3/12/07 | D0780082 | 3/14/07 | PO generated after receipt inv; late pay |
| Trans Pacific Geotechnical | \$1,005.70 | 12/28/2006 | 3/16/07 | D0780088 | 3/28/07 | PO generated after receipt inv; PM initialed inv 1/8/07, logged 2/12/07; late pay |
| Van Pelt Construction | \$27,500.00 | 2/28/2007 | 1/25/07 | D0580090 | 3/21/07 | Paid on time |
| Washington Construction | \$11,266.00 | 2/28/2007 | 4/6/06 | M068005 | 3/21/07 | Paid on time |

Note: The information in this chart and conclusions are based on the dates of Purchase Orders. However, it should be noted the sole fact that a purchase order was issued two years ago, does not mean it was timely. If services were rendered prior to a purchase order being replenished to cover the cost of those services, the purchase order, although technically issued prior to the request for the rendered services, could have a negative impact on the payment processing and deadlines.

The forty-three invoices identified on the chart showed the following: 1) payment approval forms for forty-two invoices have been reviewed and approved by the appropriate District staff and the Bond Team; 2) ten invoices or 22.3 percent were processed within thirty-days of the receipt of the invoice; 3) one invoice had no record of being paid or having a purchase order assigned; 4) thirty-two or 74.4 percent were paid after thirty-days; 5) one purchase order required an increase before the invoice could be paid; and 6) eleven purchase order had not been initiated until after the receipt of invoices.

Observations

A large number of purchase requisitions continue to be initiated only after the receipt of an invoice. The purchase order requisition process should begin as soon as goods or services are approved; delaying the process until after the receipt of goods or services will only exacerbate the problem of late payments.

In the course of the examination, it was noted that six invoices were received from Hertz Corporation; all of the invoices were dated January 7, 2007 totaling \$5,154.74. A purchase requisition was initiated on March 5, 2007 in the amount of \$5,154.74. The invoices were paid on March 14, 2007; well over thirty days from the receipt of the invoices. Twenty-one additional invoices were received from Hertz Corporation, the invoices were dated between December 4, 2006 and February 1, 2007 totaling \$13,945.74. In order to process the invoices, the purchase order noted above had to be increased in order to process the additional invoices. Had the amount of the purchase order been adequate when created, an increase would not have been necessary. It was also noted that each of the invoices were prepared individually using the payment history/approval form and routed through the approval process, which included obtaining approvals from Bond Program Controls, Deputy Program Manager, Bond Program Manager, Facilities Manager and WCCUSD Fiscal Controls. Since the invoices were processed for payment during the same period it would seem reasonable to have attached all of the invoices to one payment request form, requiring approval from staff one time rather than twenty-one times.

Another example of when of an open purchase order would be beneficial is to the Department of Toxic Substances Control. Seven separate purchase orders were created during the period of the audit, amounts paid range from \$85.19 - \$101,311.15. Establishing an open purchase order with an estimated budget to carry the projects through the year and monitoring the purchase order periodically to see if an increase or decrease to the purchase order is warranted could save staff valuable time from having to create individual purchase requisitions, obtaining all of the necessary signatures, budget approval and purchase order processing time.

Bond Controls maintains an invoice log for tracking the status of invoices. If an invoice is circulating for approval, the log will show the date in which an invoice was last approved and by whom and how many days it has been in circulation or "in process". This tool is used to easily monitor the status of an invoice and its location, as well as track how long it takes before an invoice is actually paid. The date that is used for starting the clock that monitors the 30-day timeline is the date in which Bond Controls (SGI) receives the invoice and logs into their system. The amount of time between the

actual invoice date and the date that it is received by Bond Controls appears to be significant in some cases. It was observed that some of the invoices had been logged into the system at a later date than the invoices were actually received, documentation showed that some of the invoices had been received/date stamped by other departments prior to being routed to Bond Controls and in some cases the invoices showed signatures/approval dates by the project manager prior to the receipt date reported on the log. In this observation, the number of days reported for processing was slightly understated.

Staff reports that the on-line system will be utilized in the future for routing, approving and processing payment applications and invoices; this system should help expedite the process.

Commendations

- Beginning July 2007, staff and the Bond Team began using an electronic purchase requisition system and on-line approval process. Staff and the Bond Team are able to enter purchase requisitions directly into the system. Once entered, the requisition is automatically routed to all of the designated signers for approval. Once the requisition is approved it is routed to Purchasing. This automated process should expedite the process and help eliminate delays.
- The bond control website contains a link to invoices and purchase orders. Staff or vendors may access the link to view the status of an invoice or purchase order. To use this feature a vendor must request a login and password.
- Once a payment request is received by the Accounts Payable office it is processed in a timely manner. The accounts payable technician for construction is very responsive to vendor inquiries.
- In our observations and interviews it has been generally reported that the overall communication between Bond Controls, Facilities, Purchasing and SGI has improved significantly.

Findings

- In the audit sample, it was found that eleven purchase order requisitions, affecting 38 of the 43 transaction in the sample (88 percent), were initiated and processed only after the receipt of an invoice in violation of the District's Policy 3310 – Purchasing Procedures. The policy states the following:

All District purchases for supplies, material, equipment or leasing of equipment, or other service to be performed shall be channeled through the District purchasing department on the appropriate District forms or in the case of orders for work to be done (construction and/or repair) shall be channeled through the Purchasing Department on the appropriate District forms.

All purchases made or contracts let or authorized not in accordance with the above prescribed channels and/or procedure shall remain the personal

liability of the individual(s) who initiated the purchase agreement with the vendor.

Additionally, this practice exacerbates the problem of late payments. Although the board strongly desires to have the payments for the services made in a timely and prompt manner within a 30-day timeframe, the delayed processing of the purchase orders works counterproductively against the possible achievement of that goal.

- Thirty-two (74.4 percent) of the forty-three the invoices sampled were not paid within thirty days; in prior discussions following the presentation of the performance audit reports, the Board of Education has identified prompt payments to vendors as one of their highest priorities. Board Policy 3314 – Payment for Goods and Services sites Public Contract Code 20104.50 - Construction Progress Payments which states the following:

“Any local agency which fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract shall pay interest to the contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure”.

Recommendations

- It is recommended that staff utilize an electronic on-line approval process, upon its implementation, for routing, approving and processing payment applications and invoices; an on-line system would help expedite the process. This automated process should expedite the process and help eliminate delays.
- Vendors should be reminded that construction invoices should be sent directly to the Facilities Operations Construction (FOC) address. Doing so may help reduce the amount of time it takes for an invoice to be routed to Bond Controls and logged into the invoice log tracking system.
- Requisitions should be initiated in advance of authorizing work, services or obtaining goods. In the event the services or goods are of an urgent nature, a requisition should be processed as soon as possible.
- The District should direct the SGI staff to initiate the requisition process and establish a purchase order before the work is allowed to be performed and/or services are rendered.
- Open purchase orders should be utilized when possible. The amount of the purchase order should be reasonable.
- The District should revisit the payment history/approval form and determine the necessity of the number of signatures currently required.

District Responses

- The District implemented an on-line purchasing system in July 2007. Effective January 1, 2008, this system will be the only means of generating a purchase order. Also on January 1, 2008, the District is implementing an on-line accounts payable process. In the application all invoices and payment authorizations will be forwarded, processed and approved within the on-line system and hard copies will no longer be required nor will physical mailing documents between sites.
- Staff concurs that invoices for services should be sent to the FOC directly. Construction invoices are always processed "in the field" at the construction site before being brought to the FOC for processing by controls.
- Staff concurs with the recommendation. We continue to try to ensure that purchase orders are processed prior to the start of work. The District has convened a series of meetings in 2007 to address this problem with Bond Program staff.
- Staff concurs with the recommendation.
- Open purchase order may be appropriate in some cases however, on the example provided by the auditor, these expenditures are site specific and as such must be charged to the project expenditure records directly. To do this through the purchasing process, an account code must be included in the initial purchase order. As we do not know in advance the details of ALL upcoming transactions, this practice would not be practical. The District does use open purchase orders within site projects for things such as testing and inspection where one purchase order will cover dozens of smaller purchases.
- With the implementation of the on-line accounts payable system there will no longer be a need for this manual tracking form which should shorten the length of time required to approve a payment when compared to the current system.

BEST PRACTICES IN PROCUREMENT

Processes Utilized

In the process of this examination, numerous purchasing documents were reviewed. The payment documentation pertaining to new construction and modernization projects was examined and analyzed. Additionally, various staff members were interviewed.

Background

Best practices in procurement of materials and services ensure the most efficient use of resources. Efficiency can be gained by enforcement of contract language, management of consultants, and the understanding of cause and effect of market economy. It was the intent of this component of the examination to determine that best practices are promoted.

Board policy delegate's authority to the purchasing department to engage in contracts to ensure that the best-quality products at the most economical prices are obtained and to enforce the contract and all its rights afforded the District. The board policy sets fiscal controls to ensure monies disbursed are within budgeted appropriations set by the board.

The District uses the "piggyback" method when it's determined to be the most efficient method for procuring supplies, equipment and/or material. This method allows a district to use the pricing from a piggyback contract held by another school district or public agency to negotiate a contract in the absence of any additional public bidding.

Observations

The purchasing department is not directly involved with bidding or negotiating contracts for construction projects funded by the bond or facilities program. Their involvement with procuring furniture, supplies and equipment through the bond program is also very limited. They do however require the Bond Team to include the bid number, quote or reference to the piggyback and board approval date to be specified on the purchase requisition to indicate they have complied with public contract code, bidding process and board policy. If this information is not provided on the requisition, staff indicated that follow up with the Bond Team should occur.

Procurement of the Measure J Bond funded technology projects, which included the purchase of computer equipment, was handled through the Information Technology Department. The technology department set the standards for the District and Dell products is the preferred product. The District is a participating member of the Western States Contracting Alliance, which has a Master Price Agreement with Dell Marketing L.P. On August 16, 2006 the Board of Education approved \$4,260,000 for Measure J Technology Bond Projects. The board item referenced that the projects had been reviewed by staff and the District's Bond Attorney.

In June 2003 the District entered into a contract with SBC to provide certain equipment and installation of a Wide Area Network (WAN) to all of the schools and District office. However, as GigaMAN (Wide Area Network) technology emerged, the current

bandwidth was not enough to support or have function properly an IP/CVS phone system and network at the sites or District. The District decided to enter into a new contract through CALNET with SBC (nullifying the original contract) to include the evolved technology needs and requirements. There has been confusion in the billing due to not having a clear reconciliation of what was paid on the original contract and if any duplications in equipment or installation is occurring on the new contract. In October there were four invoices with ATT&MCI totaling \$514,000 in dispute. Several issues are compounding the problems, buy-out of SBC by AT&T/MCI, District's representative with SBC changed and District staff has not been able to locate or provide copies of the original contract or current contract. It is recommended that staff provide a reconciliation of the services and costs analysis have been made between both contracts.

Recommendations

- Purchase requisitions should always include the bid number, piggyback reference and board approval date for public work exceeding \$15,000 and supplies, materials or equipment exceed \$69,000. For contracts under the threshold of public contract code the quote should be referenced.
- While the piggyback provision is a convenient way for school districts to save time and work, it may be necessary to acquire a copy of the original bid provision to find out if the bid is renewed by the initiating school district beyond the initial term. It is also helpful for the Board approval date for using the piggyback provision to be included in the purchase order to indicate compliance to due process.
- The Department of General Services (DGS) bills each agency utilizing CMAS contracts an administrative fee. Certified small business vendors are exempted from the administrative fee charged, but the majority of vendors used by the District will likely qualify. It can take up to two years for DGS to invoice a district. According to staff, furniture and/or equipment purchased through CMAS contracts are not being tracked. To avoid confusion the district should track purchases made through CMAS.
- For the purchases previously made through CMAS but not tracked, the District should consider establishing a reserve of approximately \$200,000 to avoid future unexpected and unfunded general fund expense.
- Division of State Architect (DSA) computes the project review fees based on the actual construction cost several months after the project close-out. Since the District has experienced significant variances between the initial projected cost and final bid amounts, the exposure to charges by DSA for increase in plan review fees is significant. Therefore, it is recommended that the District consider establishing a reserve for this purpose as well.

District Responses

- Staff concurs with the recommendation.
- Staff concurs with the recommendation. The Bond Program uses very few piggyback purchases. When such a purchase is anticipated staff provides the material and original piggyback to legal counsel to review prior to preparing for Board approval.
- Staff concurs with the recommendation. The primary Bond Program CMAS purchases are for furniture and equipment. We are instituting a tracking program for these purchases.
- Staff agrees that there may be some future financial liability. After confirming our total CMAS purchases to date, staff will develop a potential assessment of future payments.
- Staff agrees that there may be some future financial liability. The District has made many "final" DSA payments for projects, so the outstanding liability may not be large. Note also that DSA fee budgets in project budgets used by the Bond Program are based upon the updated estimated construction cost.

QUALITY CONTROL PROGRAM

A “Quality Control Program” can be defined to encompass a full range of concepts, from initial conceptual planning considerations to furnishing a completed school construction project with furniture, equipment and materials, as well as managing change orders throughout the construction process.

In 2002-03, after considerable discussion by the citizens’ bond oversight committee and the District administration, the District’s legal counsel advised Total School Solutions of the following:

In this task, the Auditor will evaluate the District’s quality control programs. To perform this task, the performance auditors will evaluate the SGI/WLC memorandum describing the Bond Team’s approach to quality control. Total School Solutions will interview key staff/consultants and review necessary documents to assess how the District has implemented this program. This task will not duplicate any of the information provided in the performance auditor’s review and evaluation of the Bond Management Plan and will focus on the quality assurance process, not the particular quality outcomes that the bond program has achieved.

In accordance with the above direction, the performance audit team was provided with a Bond Program Quality Control document prepared by WLC/SGI, which contained three major components, as follows:

- Pre-construction Quality Control
- Procurement Quality Control
- Construction Quality Control

Each component of the document was evaluated, and a review of related documents was performed. The findings had been included in the annual audit reports for the last four years.

I. Pre-construction Quality Control

The weaknesses encountered during Phase 1A project design and bidding have not been experienced since the development of revised cost estimates for subsequent projects, based on the full knowledge of Option 1C standards. Additionally, the District has benefited from effective document development and bid sequencing process. These initial weaknesses were illustrated by the inordinate number of addenda issued to correct, amend, or otherwise change the published bid documents. A large number of addenda, issued for the early projects in the program, created confusion and misunderstandings that ultimately impacted the construction process. This kind of confusion can result in materials used in the projects that were not originally planned or additional costs incurred for those that were intended. Ultimately, it can impact the costs associated with construction.

II. Procurement Quality Control

While the Pre-construction Quality Control Process was mostly carried out by the master architect (WLC), the Procurement Quality Control Process was under the purview of the bond manager (SGI). Because the Procurement Quality Control process has been established and faithfully followed, satisfactory outcomes have been achieved. The process has resulted in substantial compliance with the plans and specifications published at bid time. For more detailed discussion, refer to the preceding sections of this report.

III. Construction Quality Control

The Construction Quality Control process is implemented by the bond program manager and the master architect, as required by the Program Management Plan (revised on May 12, 2003), and appears to be complete and comprehensive. It is implemented and followed with fidelity and satisfactory progress has been reported. It should be noted, however, that many projects have experienced substantially higher final costs due to change orders. These increased costs are not attributable to the original scope of work. The increase in costs has been mainly due to discovery of unforeseen conditions or the expansion of scope subsequent to award of contracts.

As stated above, TSS was initially asked to report on the processes and not the outcomes in this section. However, at the request of the Citizens' Bond Oversight Committee and the District in the 2006-07 Midyear Report, TSS included a detailed one-time analysis of Peres and Kensington Elementary Schools in a section titled "Delivered Quality Review." Unless specifically requested by the District administration, it is not anticipated that such reviews of additional future projects will occur.

Based on the experiences of the already completed projects, TSS believes the District needs a commissioning process for delivery of significant projects. A systematic testing of all systems, an evaluation of materials and products actually used, and a review of overall project acceptability could be useful in at least two different ways. First, it would help in identifying problems which may not be otherwise identified through the current processes. Second, it could assist in establishing realistic, achievable and practicable expectations of the end users in regard to the future projects.

The District staff reports that it is initiating such a process in accordance with the Collaborative for High Performance Schools (CHPS) requirements. The staff also reports that CHPS standards have been adopted. CHPS promotes efficient use of water, natural resources, and energy. It also addresses the provisions for indoor air quality, acoustics, and lighting. The State School Facilities Program provides additional funding for this effort.

While implementation of CHPS is commendable, it does not replace a commissioning process designed to meet specific district needs based on the local educational objectives as well as the evaluation of products and materials used in construction of schools. CHPS compliance, such as any other minimum standard compliance requirements, is important but cannot be expected to indicate fulfillment of educational objectives.

Recommendation

- It is recommended that the District initiate a comprehensive commissioning process.

District Response

- District staff is preparing an RFP for Commissioning of all Measure J projects.

SCOPE, PROCESS AND MONITORING OF PARTICIPATION BY LOCAL FIRMS

Process Utilized

During the process of this examination, Total School Solutions (TSS) interviewed a few members of the Board of Education, Citizens' Bond Oversight Committee and staff, reviewed the documentation in regard to local capacity building efforts, and observed the processes encouraging and assisting local firms to participate in the bond program.

Background

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

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

At the August 17, 2005, board meeting, Davillier Sloan's contract for the Local Capacity Building Program for outreach to local contractors and workforce was extended, and at the June 14, 2006, board meeting, Davillier Sloan was awarded an additional contract to conduct a pilot project for Helms Middle School. In its report to the Board, dated June 14, 2006, Davillier Sloan outlined the goals, timelines and implementation strategy of the Local Capacity Building Program, and reported on the status of local participation in the District's bond program. The participation enhancement efforts would be directed toward increasing participation in the defined "local area" in the following order of priority: 1) Western Contra Costa County cities, 2) whole Contra Costa County and 3) Contra Costa, Northern Alameda and Southern Solano County region.

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 specifically designed for smaller firms. All identified firms within the "local area" were contacted and invited to attend the workshops, where Davillier-Sloan was able to provide local firms the information about the project and the entire WCC facility program. These workshops also provided opportunities for the local and smaller contractors to meet with and be introduced to the general contractors and other firms and individuals that could provide help to the smaller local contractor in preparing bids/proposals and in responding to the bidding process.

It appears that this training and guidance offered by the bond management team, in coordination with Davillier Sloan, has improved the local firms' participation in the program for the Helms Middle School Project. An analysis of the Helms project indicates that work in the amount of \$477,469 (roughly 1 percent of the total contract amount) was awarded to the priority one subcontractors; \$3,028,129 (6 percent of the total contract amount) was awarded to priority two subcontractors; and \$12,652,502 (25 percent of the total contract amount) was awarded to the priority three contractors.

The increased participation by local firms, directly correlates to an increase in percentage of construction workers hired from the local area. A May 2007 report by Davillier Sloan quantifies the hiring of workers residing in the local area (Priority 1, 2 and 3 areas) as follows: Western Contra Costa Cities, 11.22 percent; Contra Costa County, 33.74 percent; and East Bay Communities, 60.02 percent.

Commendations

- The District staff and the bond management team are commended for their efforts in building local firms' or vendors' capacity in a systematic fashion, informing the local vendors/contractors of the opportunities and making the projects accessible to them.
- The District is commended for continuing to arrange training and consequently increasing the potential contract or employment opportunities for local firms and workers.
- The District board and administration are commended for advancing their goal of increasing the local participation while remaining within the constraints of law and for using this opportunity to build pride and ownership of the local community in their school.

Recommendation

- The District should request that Davillier-Sloan provide a "post-pilot" review of this process to increase effectiveness of the program before the next project begins, so that the positive experiences from the Helms project could be replicated and/or improved upon for future projects, and additional efforts can be made to increase priority one subcontractors.

District Response

- Staff concurs that a post-project evaluation of the Helms Local Capacity Pilot would be very effective and useful. We anticipate that this will be completed prior to bidding major Measure J projects.

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

Process Utilized

During the process of this examination, Total School Solutions (TSS) interviewed personnel in facilities, purchasing and fiscal services departments; consultants; associate superintendent and other parties involved in the District's facilities program. A number of board members, members of the bond oversight committee audit-subcommittee and key personnel on the bond management team were also interviewed. The communication channels and public outreach were among the topic of discussion in these interviews.

Background

To facilitate communication regarding the West Contra Costa Unified School District's facilities program, the District maintains a communications office, has hired a public relations consultant and provides information about the District and the facilities program on three separate websites:

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

To facilitate access to bond information and the oversight committee, the District's website provides links to the Bond Oversight Committee and Bond Program websites. The Bond Oversight Committee website link from the main school district web page was not consistently working during a recent review of these websites.

A review of the District and bond program websites indicated that information about the bond and facility construction programs were current, and included relevant information about ongoing and upcoming projects, community meeting dates and schedules, and meeting minutes. Interested members of the community with access to the Internet would be able to readily ascertain current information about the bond program. There were however some sections of the bond program website that had not been updated since 2006.

The District has a board policy on media relations and a procedures manual for print and electronic communications and media relations. These structures have been established to provide a framework in which the District may convey information to the public and the individuals involved in the bond program.

TSS has previously recommended the District consider conducting a comprehensive public information program to keep the District personnel and the community informed about the bond program. The District employed the services of Craig Communications to develop and implement a public information program to inform and educate the community about the rationale for various board decisions and their impacts on the bond program, individual schools and specific school communities.

Observations

The level of awareness among the stakeholders closest to the bond program and specific projects continues to be high. When a project is impacting a particular community, there seems to be general awareness of the program; however the larger West Contra Costa Unified School District community is not fully engaged or aware of the status of the bond program. The size of the District and varying demographic differences within the District's communities provide some rationale for this lack of District-wide awareness. In order to combat and avoid potential "bond fatigue" on the part of the community, a strong, planning is underway to create a communication tool that is clear, easy to comprehend and cost-effective to produce.

The District plans to create and publish a newspaper-like communiqué that could be widely distributed, but cost-effectively produced. There have been some delays in this publication, but bond management staff indicates that the planning process has been completed. A RFP will be distributed to local publishing/printing firms and vendors, with a goal to publish the first newspaper-communiqué before the end of the 2007 calendar year.

The District has continued its efforts in facilitating the dissemination of information among different groups, to improve general awareness of the bond program and to enhance communication among the stakeholders. The Director of Bond Facilities continues to work with the consultant, Craig Communications to manage communication regarding community meetings and ongoing projects to impacted school communities via Parent-Teacher Associations, School Site Councils, and other local agencies and organizations affiliated with specific West Contra Costa communities. More creativity in reaching certain sub-groups within specific communities is needed to ensure that decisions are made based on the needs of the whole community and not just a vocal minority of participants.

The Director of Bond Facilities, for whom communication for the bond program is a primary responsibility, indicates that a more cohesive and inclusive process has been undertaken which includes involvement by the District's Public Information Officer (PIO), who has been able to provide valuable insights and feedback. Additionally it has been reported that for newer projects the impacted communities are involved at an earlier stage, allowing for up-front communication regarding the objectives, scope and processes utilized before the project begins.

The involvement of the District's PIO is a positive step towards achieving a more integrated and District-wide communication program. The PIO has begun to provide bond program updates in the District e-weekly newsletter and has taken responsibility for keeping information about the various bond projects included in the bigger picture, District-wide communications.

Commendations

- The District is commended for its continuing efforts to enhance awareness, within the school community and community at large, of the bond program.

- The District is commended for maintaining an up to date and comprehensive bond program website with easy to access information.
- The District is commended for taking a broader approach to the communication delivery to stakeholders, by involving the District Public Information Officer.
- The District is commended for planning the new Community newspaper-like publication in an effort to reach out to the diverse District communities.

Additional Observations

- The CBOC website continues to list out of date information and was not accessible at least on one occasion in 2006-07 fiscal year, though it is linked to the bond program site that has current information listed.
- The staff indicated that initiating regular meetings with the bond management staff and obtaining current bond project information and photographs has been difficult.

Recommendations

- It is recommended that the District staff keep current information listed on the CBOC website regarding the bond program projects.
- It is recommended that the District plan for how feedback will be gathered once the new publication is distributed in order to ascertain the level of effectiveness and satisfaction among community members.
- It is recommended that the bond management staff and the office of the PIO should work closely. Such partnership would begin to provide the community with more than just a construction update and instead create human connections to the projects, in turn creating more community connectedness to the work of the entire District.

District Responses

- Staff concurs with the recommendation and has been working diligently to keep the CBOC Website updated.
- Staff is working with a new communications consultant to develop a new publication and a process for gathering input from the community.
- Staff concurs with the recommendation. The Facilities Department has continued to work more closely with the PIO over the course of 2006-07. For example: the PIO has begun to include construction photos in the District's "E-Weekly".

CITIZENS' OVERSIGHT COMMITTEE

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

Commendations

- The District is commended for forming a citizens' oversight committee consisting of community members that represent all incorporated entities and geographical communities in excess of the minimum requirement of seven (7) members. Membership includes all categories of required committee representation – business representative, senior citizens' organization, taxpayers' organization, parent or guardian, and parent-teacher organization.
- The District is commended for providing the Committee with materials delineating all revenues, expenditures and status reports of projects on a regular basis.
- The District and Committee are commended for holding two (2) joint meetings during each fiscal year.
- The Committee is commended for holding monthly meetings and presenting regular oral reports to the Board.

Finding

- The Committee is out of compliance with the law by failing to prepare an annual report as required by law. Education Code Section 15278(b) states, in part: "The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues." Education Code Section 15280(b) further delineates its duty by stating, in part: "The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year."

Recommendation

- It is recommended that the Committee prepare and present to the Board and community an annual report in accordance with law.

District Responses

- Staff concurs with the recommendation. The 2006 Annual Report has been in draft form for over 6 months. It is anticipated that it will be approved at the December 2007 meeting.
- Staff will prepare a schedule for completion of the 2007 Annual Report.

OVERALL BOND PROGRAM

During the process of this performance audit, Total School Solutions (TSS) has made certain determinations about the overall bond program through interviews with appropriate and related individuals, a review of pertinent documentation and processes, and observations of relationships and interactions. Although these observations may not be specifically related to any particular component of the audit, the audit team believes that these issues could have a significant impact on the overall bond program and, as such, must be reported to the management of the District.

Observations

- For the period covered under this audit (July 1, 2006 through June 30, 2007), the audit team has noticed specific improvements in bond management and administration including efforts to contain cost and improve efficiency.
- Although the District continues to expend funds from its bond program to modernize and/or reconstruct school facilities, such expenditures are being made without a comprehensive and proactive Asset Management Plan. Therefore, in absence of deliberation and eventual decisions regarding closing and/or re-opening of schools, and adjusting the use of the school facilities, the District may find itself in a position of having spent substantial amount of funds on a school facility which is subsequently not used for educational purposes. Furthermore, the District may need to identify sources of capital improvement funds, besides those provided by any additional future facilities bonds to complete its facilities program. An Asset Management Plan can help identify surplus property and develop recommendations in regard to generation of either sale proceed or property lease revenues for the District's use.
- The District has allocated a considerable amount of funds in expanding, improving and furnishing school kitchens to make them compatible for use by certain community groups. This expenditure is consistent with many other board decisions by which the scope of the construction projects has been substantially expanded impacting the project budgets and, consequently, the overall program budget. While the audit team commends the District and its board for wanting to provide best possible facilities for their students and the community-at-large, we remain significantly concerned in regard to maintaining the integrity of the District program budget, finally adopted on January 17, 2007.
- The actions by the Board of Education expanding the scope of the projects at the time of bid award can have a damaging effect on the quality control and cost-containment efforts of the District. The scope added, without the careful consideration and input of the professional staff and consultants may not be best suited to serve the intended purposes. Additionally, regardless of the best intentions, the temptation to add and expand scope of work on projects, due to the influence of a few individuals or a small contingent of stakeholders, can have an unintended negative consequence since additions to the scope of work half-way through the process may render school facilities inequitable.

- The District has developed and the Board of Education has approved an overall program budget as recommended by the 2005-06 audit report. The adherence to this budget is needed to ensure that all projects funded through this plan are completed with the available funding.
- The communication among the stakeholders, specifically those charged with the administration of the program, still remains an area needing improvement. The board has previously discussed, during the discussion of audit findings, and agreed to designate the Associate Superintendent – Operations as the District’s single point of contact with the consultants, contractors and others in the bond program. However, that decision of the board has not been fully implemented. Consequently, there continue to be formal and informal discussions affecting the bond program by individuals other than the designee.
- Although the board and the administration has consistently stated that the District desires to process payments to the vendors and contractors within 30 days of the receipt of invoices, there continue to be significant delays in processing payments as outlined in a previous section of this report. These delays are counterproductive to the efforts made by the District in improving the participation by the local smaller contractor in the District’s bond program.
- The District has taken step to streamline its operations and has required a corresponding reduction in staff provided by consulting firms. However, as previously mentioned in this report, the District may have a need to revisit the personnel resources available to satisfactorily carryout the oversight and coordination functions needed for the program of this magnitude. Adequate management of resources may require additional District staff.
- As also highlighted in the previous annual audit report, the Independent Citizen’s Bond Oversight Committee has not issued an annual report as required by law.
- Overall, although there still remains room for improvement, the District facilities program has improved substantially. More importantly, the expenditures incurred through Measure M, Measure D and Measure J bond programs appear to be appropriate and in compliance with the ballot language of each measure respectively.

Recommendations

- The District should consider developing and adopting a comprehensive Asset Management Plan.
- The District should adhere to the established standards and budgets, and avoid expanding scope of the projects beyond the prevailing and agreed upon scope and criteria.

- The District should hold a board discussion and ask the board to reaffirm the designation of the Associate Superintendent – Operations as the single point of contact between the District and the bond program professionals to ensure that all communication occurs through the appropriate channels.
- The District should take steps to streamline and expedite the process of purchase order issuance in order to improve its record of delayed payments to vendors and contractors, thus facilitating enhanced participation by the local contractors.
- The CBOC should prepare and publish an annual report in conformance with the legal requirements.

District Responses

- Staff concurs with the recommendation. The Engineering Officer will be working to prepare a comprehensive Facilities Master Plan for 2008 which will include an Asset Management Plan.
- Staff concurs with the recommendation.
- Staff concurs with the recommendation.
- Staff concurs with the recommendation. As previously noted, the District has instituted additional training sessions on process and workflow for Purchase Orders and Payments.
- Staff concurs with the recommendation.

APPENDIX A

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 M. 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 M 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 M will be funded beyond the local revenues generated by Measure M. 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 _____ day of _____, 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.

APPENDIX B

BOND MEASURE D
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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

FULL TEXT OF BOND MEASURE D

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to

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

BOND PROJECT LIST

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

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

FURTHER SPECIFICATIONS

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

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

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

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

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

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

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

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

Dated: November 30, 2001.

Gloria Johnson, Superintendent
West Contra Costa Unified School District

Exhibit A

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

SECTION I

PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES

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

Security and Health/Safety Improvements

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

Major Facilities Improvements

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

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

Sitework

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

SECTION II

ELEMENTARY SCHOOL PROJECTS

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

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

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

| | |
|------------------------------------|---|
| <u>PROJECT TYPE</u> | <u>Adams Middle School</u> <u>5000 Patterson Circle, Richmond, CA 94805-1599</u> <u>Project List</u> |
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Replace fold-down tables in cafeteria. • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Juan Crespi Junior High School</u> <u>1121 Allview Avenue, El Sobrante, CA 94803-1099</u> <u>Project List</u> |
|--|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • 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 |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Replace fold down tables in cafeteria. • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Helms Middle School</u> <u>2500 Road 20, San Pablo, CA 94806-5010</u> <u>Project List</u> |
|--|---|
| | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Major Building Systems</u> | <ul style="list-style-type: none"> • Improve/replace roof and skylights. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • Improve/replace glass block walls. • Improve/replace floor surfaces. • Improve/replace ceilings. • Repaint locker rooms. • Replace carpet. • Improve and paint interior walls. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace two portable classrooms. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Revise parking and traffic circulation. • Improve/replace fence. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Hercules Middle/High School</u> <u>1900 Refugio Valley Road, Hercules, CA</u> <u>Project List</u> |
|------------------------------------|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Major Building Systems</u> | <ul style="list-style-type: none"> • Add additional buildings or portables to address overcrowding. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • Install additional outdoor and indoor water fountains. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install lockers. • Provide and install new furniture and equipment. |

| <u>PROJECT TYPE</u> | <u>Pinole Middle School</u> <u>1575 Mann Drive, Pinole, CA 94564-2596</u> <u>Project List</u> |
|--|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace approximately 23 portable classrooms. • Expand or construct new library. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Remove chalkboards from computer room. • Install dust recovery system in woodshop. • Install or replace whiteboards, tackboards and counters. • Replace fold down tables in cafeteria. |

| <u>PROJECT TYPE</u> | <u>Portola Middle School</u> <u>1021 Navellier Street, El Cerrito, CA 94530-2691</u> <u>Project List</u> |
|--|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Construct/install restrooms for staff. • Renovate 500 wing. • Reconfigure/expand band room. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Improve and expand parking on site. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Richmond Middle School</u> <u>130 3rd. St., Richmond, CA 94801</u> <u>Project List</u> |
|-------------------------------|---|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Major Building Systems</u> | <ul style="list-style-type: none"> • Construct new maintenance building. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Lockers • Provide and install new furniture and equipment. |

| <u>PROJECT TYPE</u> | <u>El Cerrito High School</u> <u>540 Ashbury Avenue, El Cerrito, CA 94530-3299</u> <u>Project List</u> |
|--|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace approximately twenty-six (26) portable classrooms. • Renovate Home Economics room into a classroom. • Add storage areas. • Renovate woodshop. • Remodel art room. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Improve/replace fence around perimeter of school. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. • Improve/replace hydraulic lift in auto shop. • Replace pullout bleachers in gymnasium. • Replace science lab tables. |

| <u>PROJECT TYPE</u> | <u>Kennedy High School and Kappa High School</u> <u>4300 Cutting Boulevard, Richmond, CA 94804-3399</u> <u>Project List</u> |
|--|--|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Major Building Systems</u> | <ul style="list-style-type: none"> • Replace lighting. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace approximately six (6) portable classrooms. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Improve/replace fence. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • 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. |

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| <u>PROJECT TYPE</u> | <u>Richmond High School and Omega High School</u> <u>1250 23rd. Street, Richmond, CA 94804-1091</u> <u>Project List</u> |
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • 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. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Improve parking and traffic circulation. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • 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. |

| <u>PROJECT TYPE</u> | <u>Pinole Valley High School and Sigma High School</u> <u>2900 Pinole Valley Road, Pinole, CA 94564-1499</u> <u>Project List</u> |
|--|---|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace approximately thirty-five (35) portable classrooms. • Add/provide flexible teaching areas and parent/teacher rooms. • Add storage. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Add new soundboard in cafeteria. • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>De Anza High School and Delta High School</u> <u>5000 Valley View Road, Richmond, CA 94803-2599</u> <u>Project List</u> |
|--|---|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Demolish and replace approximately fourteen (14) portable classrooms. • Increase size of gymnasium. • Add storage areas. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Replace cabinets in 300 wing. • Replace wooden bleachers. • Add mirrors to girls locker room. • Install or replace whiteboards, tackboards and counters. |

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| <u>PROJECT TYPE</u> | <u>Gompers High School</u> <u>1157 9th. Street, Richmond, CA 94801-3597</u> <u>Project List</u> |
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • 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. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Add science lab. • Add lunch area for students. • Add area for bicycle parking. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. |
| <u>PROJECT TYPE</u> | <u>North Campus High School</u> <u>and Transition Learning Center</u> <u>2465 Dolan Way, San Pablo, CA 94806-1644</u> <u>Project List</u> |
| | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Security and Health/Safety Improvements</u> | <ul style="list-style-type: none"> • Improve fences and gates to alleviate security issues. |
| <u>Improvements/Rehabilitation</u> | <ul style="list-style-type: none"> • Remodel offices. • Add weather protection for walkways and doors. • Improve and paint interior walls. • Improve/replace ceiling tiles. • Replace carpet. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Add multi-purpose room. • Add cafeteria. • Add library. • Move/add time-out room. • Add flexible teaching areas, counseling, and conference rooms. |
| <u>Site and Grounds Improvements</u> | <ul style="list-style-type: none"> • Add play structures/playgrounds. • Improve site circulation. • Add bicycle parking to site. • Resolve parking inadequacy. |
| <u>School Support Facilities</u> | <ul style="list-style-type: none"> • Add storage space. • Add restrooms for students and staff. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Vista Alternative High School</u> <u>2600 Morage Road, San Pablo, CA 94806</u> <u>Project List</u> |
|--|---|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Major Building Systems</u> | <ul style="list-style-type: none"> • Add water supply to portable classrooms. |
| <u>Construction/Renovation of Classroom and Instructional Facilities</u> | <ul style="list-style-type: none"> • Add storage space. • Add mini-science lab. • Add bookshelves. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Install or replace whiteboards, tackboards and counters. |

| <u>PROJECT TYPE</u> | <u>Middle College High School</u> <u>2600 Mission Bell Drive, San Pablo, CA 94806</u> <u>Project List</u> |
|-----------------------------|---|
| - | <ul style="list-style-type: none"> • Projects as appropriate from the “All School Sites” list. |
| <u>Furnishing/Equipping</u> | <ul style="list-style-type: none"> • Refurbish/replace and install furnishings and equipment, as needed. |

APPENDIX C

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Resolution No. 25-0506

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

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

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

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

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

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

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

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

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

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

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

Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 *et seq.*, and section 15266 of the California Education Code, an election shall be held within the boundaries of the West Contra Costa Unified School District on November 8, 2005, for the purpose of submitting to the registered voters of the District the following proposition:

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

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

appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

BOND PROJECT LIST

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

FURTHER SPECIFICATIONS

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

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

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

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

To continue repairing all school facilities, improve classroom safety and technology, and relieve overcrowding shall the West Contra Costa Unified School District issue \$400 million in bonds at legal interest rates, with annual audits and a citizens' oversight

committee to monitor that funds are spent accordingly, and upon receipt of a waiver of the District's statutory debt limit from the State Board of Education, if required?"

Section 3. Voter Pamphlet. The Registrar of Voters of the County is hereby requested to reprint Section 1 hereof (including Exhibit A hereto) in its entirety in the voter information pamphlet to be distributed to voters pursuant to section 13307 of the California Elections Code. In the event Section 1 is not reprinted in the voter information pamphlet in its entirety, the Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

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

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

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

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

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

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

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

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

Section 10. Further Authorization. The members of this Board, the Superintendent, and all other officers of the District are hereby authorized and directed, individually and collectively, to do

any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution.

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

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

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

Attest:

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

CLERK'S CERTIFICATE

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

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

The resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

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

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

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

EXHIBIT A

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

SECTION I

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

Security and Health/Safety Improvements

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

Major Facilities Improvements

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

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

Special Education Facilities

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

Property

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

Sitework

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

SECTION II ELEMENTARY SCHOOL PROJECTS

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

SECONDARY SCHOOL PROJECTS

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

RECONSTRUCTION PROJECTS

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

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

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

PROJECT SCOPE

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

EXHIBIT B
TAX RATE STATEMENT

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

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

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

Superintendent

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

APPENDIX D

REFERENCE DOCUMENTS

Measures M, D & J Ballot Language

Bond Measure M – Ballot Language. November 7, 2000.

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

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

Audit Reports

WCCUSD Audit Reports, Fiscal Years 2000-01 through 2005-06.

WCCUSD Unaudited Actuals Report, Fiscal Year 2006-07

WCCUSD Bond Financial Audit Report, Fiscal Years 2000-01 through 2005-06.

Measures M and D Budget/Expenditure Reports

WCCUSD Measures M and D Expenditure Reports through June 30, 2007.

WCCUSD Engineering Officer's Reports through August 2007.

WCCUSD Capital Assets Management Plan/Reconciliation Reports, through August 2007.

Program Management

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

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

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

WCCUSD Board of Education Meeting Packets, July 1, 2006, through August 2007.

WCCUSD Program Status Reports, July 1, 2006, through August 2007.

OPSC Internet Site, WCCUSD State Facility Program Status.

Measures M & D Bonds and Bond Oversight Committee

WCCUSD Measures M, D and J Bond Program Documents from Website.

WCCUSD Measures M, D and J Bond Oversight Committee Documents from Website.

WCCUSD Packet for Meetings of Measure M & D Bond Oversight Committee, July 1, 2006, through July 2007.

WCCUSD Packets for Special Joint Study Sessions, Board of Education and Measures M & D Bond Oversight Committee, September 27, 2006 and April 25, 2007.

Performance Evaluation

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

APPENDIX E

Measures D, M and J District Financial Records

(Note: Financial Records as of June 30, 2007 are not yet available.)

**West Contra Costa Unified School District
Facilities Construction Program
General Obligation Bond Measures M, D and J and Other Revenue Sources
Schedule of Budget and Actual Revenues and Expenditures Program to Date
For the Period Beginning November 2000 through June 30, 2006**

| School/Project Description | Original * Budget | Current ** Budget | Actual to Date | Budget Variance, Positive or (Negative) | Variance as a Percent of Budget |
|---|----------------------|----------------------|-----------------------|--|---------------------------------------|
| Revenues | | | | | |
| Measure M Bond Proceeds | \$ 150,000,000 | \$ 150,000,000 | \$ 150,000,000 | \$ - | 0.00% |
| Measure D Bond Proceeds | 300,000,000 | 300,000,000 | 299,997,483 | (2,517) | 0.00% |
| Measure J Bond Proceeds | - | 400,000,000 | 70,000,000 | (330,000,000) | -82.50% |
| State Facilities Appropriations | 87,765,630 | 103,775,335 | 40,058,367 | (63,716,968) | -61.40% |
| E-Rate Reimbursement | - | 3,301,804 | 2,597,426 | (704,378) | -21.33% |
| FEMA Reimbursement | - | 1,000,000 | 310,600 | (689,400) | -68.94% |
| Joint Use Agreements | 2,900,000 | 8,150,000 | 900,000 | (7,250,000) | -88.96% |
| Interest Earnings | 12,000,000 | 27,000,000 | 14,715,556 | (12,284,444) | -45.50% |
| Developer Fees | - | 38,285,566 | - | (38,285,566) | -100.00% |
| Deferred Maintenance | - | 1,200,000 | 1,218,026 | 18,026 | 1.50% |
| Other Miscellaneous Revenues | - | - | 1,799,172 | 1,799,172 | -100.00% |
| Amount to be Identified | 786,071,160 | 17,433,600 | - | (17,433,600) | -100.00% |
| Total Revenues | 1,338,736,790 | 1,050,146,305 | 581,596,630 | (468,549,675) | -44.62% |
| Expenditures (see schedule XX) | 1,338,736,790 | 1,050,146,305 | 351,454,510 | 698,691,795 | 66.53% |
| Funds Currently Available or (Funds Needed) for Project Completion | \$ - | \$ - | \$ 230,142,120 | \$ 230,142,120 | |

* The Original Budget represents the budget presented in the first Capital Asset Management Plan on November 19, 2003.

This budget included cost projections to complete renovations projects at substantially all campuses in the District.

** The current budget is the budget presented to the bond Oversight Committee on June 29, 2006 included in the CAMP report.

**West Contra Costa Unified School District
Facilities Construction Program
General Obligation Bond Measures M, D and J and Other Revenue Sources
Schedule of Budget and Actual Expenditures Program to Date
For the Period Beginning November 2000 through June 30, 2006**

| School/Project Description | Site # | Original * Budget | Current ** Budget | Actual Expenditures to Date | Budget Variance, Positive or (Negative) | Variance as a Percent of Budget |
|----------------------------|--------|----------------------|----------------------|-----------------------------------|--|---------------------------------------|
| Elementary Schools | | | | | | |
| Bayview | 104 | \$ 16,070,480 | \$ 18,250,236 | \$ 16,723,543 | \$ 1,526,693 | 8.37% |
| Cameron | 108 | - | 2,442 | - | 2,442 | 100.00% |
| Castro | 109 | 12,609,402 | 15,418,849 | 469,028 | 14,949,821 | 96.96% |
| Chavez | 105 | 517,323 | 565,377 | 504,832 | 60,545 | 10.71% |
| Collins | 110 | 15,106,955 | 475,497 | 403,908 | 71,589 | 15.06% |
| Coronado | 112 | 11,200,106 | 13,544,680 | 518,285 | 13,026,395 | 96.17% |
| Dover | 115 | 12,411,502 | 14,998,762 | 729,067 | 14,269,695 | 95.14% |
| Downer | 116 | 29,317,693 | 31,174,045 | 5,844,017 | 25,330,028 | 81.25% |
| El Sobrante | 120 | 10,094,823 | 505,383 | 447,088 | 58,295 | 11.53% |
| Ellerhorst | 117 | 11,108,955 | 11,618,708 | 11,302,777 | 315,931 | 2.72% |
| Fairmont | 123 | 10,881,095 | 12,811,285 | 670,334 | 12,140,951 | 94.77% |
| Ford | 124 | 10,946,431 | 13,228,872 | 720,365 | 12,508,507 | 94.55% |
| Grant | 125 | 14,635,922 | 18,318,136 | 869,321 | 17,448,815 | 95.25% |
| Hanna Ranch | 128 | 522,244 | 808,399 | 743,875 | 64,524 | 7.98% |
| Harbor Way | 191 | 3,665,811 | - | 96,737 | (96,737) | -100.00% |
| Harding | 127 | 14,614,433 | 19,805,522 | 17,357,421 | 2,448,101 | 12.36% |
| Highland | 122 | 13,098,342 | 16,113,322 | 325,619 | 15,787,703 | 97.98% |
| Kensington | 130 | 16,409,903 | 18,885,615 | 18,609,839 | 275,776 | 1.46% |
| King | 132 | 15,954,624 | 18,890,366 | 485,554 | 18,404,812 | 97.43% |
| Lake | 134 | 12,122,084 | 14,954,216 | 706,263 | 14,247,953 | 95.28% |
| Lincoln | 135 | 15,531,744 | 16,651,647 | 16,681,124 | (29,477) | -0.18% |
| Lupine Hills | 126 | 15,543,208 | 13,988,361 | 14,159,204 | (170,843) | -1.22% |
| Madera | 137 | 10,635,250 | 11,416,422 | 11,752,627 | (336,205) | -2.94% |
| Mira Vista | 139 | 12,717,895 | 15,079,067 | 14,007,339 | 1,071,728 | 7.11% |

| School/Project Description | Site # | Original * Budget | Current ** Budget | Actual Expenditures to Date | Budget Variance, Positive or (Negative) | Variance as a Percent of Budget |
|--|--------|----------------------|----------------------|-----------------------------------|--|---------------------------------------|
| Montalvin | 140 | 10,944,114 | 12,995,083 | 12,115,414 | 879,669 | 6.77% |
| Murphy | 142 | 12,462,005 | 14,354,151 | 13,416,614 | 937,537 | 6.53% |
| Nystrom | 144 | 20,966,814 | 25,343,620 | 924,909 | 24,418,711 | 96.35% |
| Ohlone | 145 | 13,469,357 | 16,143,460 | 515,557 | 15,627,903 | 96.81% |
| Olinda | 146 | 7,575,692 | 474,825 | 284,341 | 190,485 | 40.12% |
| Peres | 147 | 17,662,421 | 18,467,710 | 18,338,924 | 128,786 | 0.70% |
| Riverside | 150 | 12,410,695 | 13,652,485 | 13,322,230 | 330,255 | 2.42% |
| Seaview | 152 | 8,459,415 | 511,224 | 496,734 | 14,490 | 2.83% |
| Shannon | 154 | 7,886,806 | 879,808 | 849,040 | 30,768 | 3.50% |
| Sheldon | 155 | 14,214,736 | 14,348,892 | 13,425,046 | 923,846 | 6.44% |
| Stege | 157 | 12,561,538 | 761,811 | 815,417 | (53,606) | -7.04% |
| Stewart | 158 | 12,977,517 | 14,709,894 | 14,215,511 | 494,383 | 3.36% |
| Tara Hills | 159 | 12,371,514 | 14,380,720 | 12,266,229 | 2,114,491 | 14.70% |
| Transition LC | 131 | - | 118,020 | 104,611 | 13,409 | 11.36% |
| Valley View | 160 | 11,009,475 | 13,027,578 | 510,401 | 12,517,177 | 96.08% |
| Verde | 162 | 14,005,656 | 14,439,377 | 14,085,125 | 354,252 | 2.45% |
| Vista Hills | 163 | - | 3,567,040 | 866,891 | 2,700,149 | 75.70% |
| Washington | 164 | 13,829,061 | 14,588,038 | 14,665,133 | (77,095) | -0.53% |
| Wilson | 165 | 13,674,654 | 16,819,809 | 530,969 | 16,288,840 | 96.84% |
| New Hercules | 180 | 29,611,825 | 216,684 | 56,847 | 159,837 | 73.77% |
| Totals for Elementary School Projects | | 531,809,522 | 507,305,438 | 265,934,111 | 241,371,327 | 47.58% |
| Middle Schools | | | | | | |
| Adams MS | 202 | 42,834,869 | 709,727 | 608,428 | 101,299 | 14.27% |
| Crespi MS | 206 | 38,494,363 | 454,645 | 425,087 | 29,558 | 6.50% |
| DeJean MS | 208 | 1,284,709 | 142,095 | 12,841,866 | (12,699,771) | -8937.52% |
| Helms MS | 210 | 63,000,000 | 57,196,117 | 6,246,063 | 50,950,054 | 89.08% |
| Hercules MS | 211 | 65,502,276 | - | 640,258 | (640,258) | -100.00% |
| Pinole MS | 212 | 40,000,000 | 40,125,785 | 6,658,300 | 33,467,485 | 83.41% |
| Portola MS | 214 | 39,000,000 | 36,242,242 | 3,248,761 | 32,993,481 | 91.04% |
| Totals for Middle School Projects | | 290,116,217 | 134,870,611 | 30,668,762 | 104,201,849 | 77.26% |

| School/Project Description | Site # | Original * Budget | Current ** Budget | Actual Expenditures to Date | Budget Variance, Positive or (Negative) | Variance as a Percent of Budget |
|---|--------|-------------------------|-------------------------|-----------------------------------|--|---------------------------------------|
| High Schools | | | | | | |
| De Anza HS | 352 | 107,000,000 | 113,160,046 | 3,364,702 | 109,795,344 | 97.03% |
| El Cerrito HS | 354 | 89,000,000 | 107,704,885 | 22,524,749 | 85,180,136 | 79.09% |
| Hercules HS | 376 | 2,632,685 | 4,377,500 | 2,616,025 | 1,761,475 | 40.24% |
| Kennedy HS | 360 | 80,390,258 | 68,954,544 | 1,245,571 | 67,708,973 | 98.19% |
| Pinole Valley HS | 362 | 73,388,191 | 72,713,131 | 2,328,347 | 70,384,784 | 96.80% |
| Richmond HS | 364 | 89,851,858 | 7,329,814 | 1,364,304 | 5,965,510 | 81.39% |
| Totals for High School Projects | | 442,262,992 | 374,239,920 | 33,443,698 | 340,796,222 | 91.06% |
| Alternative Schools | | | | | | |
| Delta HS | 391 | - | 152,564 | 132,932 | 19,632 | 12.87% |
| Gompers HS | 358 | 34,036,112 | 651,623 | 613,787 | 37,836 | 5.81% |
| Kappa HS | 393 | - | 109,810 | 101,648 | 8,162 | 7.43% |
| North Campus | 374 | 22,453,732 | 225,808 | 192,418 | 33,390 | 14.79% |
| Omega HS | 395 | - | 118,638 | 103,788 | 14,850 | 12.52% |
| Sigma HS | 396 | - | 110,727 | 102,586 | 8,141 | 7.35% |
| Vista HS | 373 | 18,058,215 | 155,024 | 92,369 | 62,655 | 40.42% |
| Totals for Alternative School Projects | | 74,548,059 | 1,524,194 | 1,339,527 | 184,667 | 12.12% |
| Support and Program Costs | | | | | | |
| Fiscal | 606 | - | - | 823,419 | (823,419) | -100.00% |
| Operations | 615 | - | 32,206,142 | 19,244,994 | 12,961,148 | 40.24% |
| Total Support and Program Costs | | - | 32,206,142 | 20,068,413 | 12,137,729 | 37.69% |
| Totals for Facilities construction Program | | \$ 1,338,736,790 | \$ 1,050,146,305 | \$ 351,454,510 | \$ 698,691,795 | 66.53% |

* The Original Budget represents the budget presented in the first Capital Asset Management Plan on November 19, 2003.

This budget included cost projections to complete renovations projects at substantially all campuses in the District.

** The current budget is the budget presented to the bond Oversight Committee on June 29, 2006 included in the CAMP report.

West Contra Costa Unified School District
Budget Summary by Transaction Category - Measures D, M and J
Program to Date As Of June 30, 2006

Schedule III

| Category of Expenditure | Measure D Project Budget | Measure M Project Budget | Measure J Project Budget | Total D, M & J |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|
| Revenues | | | | |
| Sale of Bonds | \$ 300,000,000 | \$ 150,000,000 | \$ 400,000,000 | \$ 850,000,000 |
| Potential State Apportionments | 16,316,745 | 30,101,818 | 57,356,776 | 103,775,339 |
| E-Rate Reimbursement | 888,654 | 2,413,150 | | 3,301,804 |
| FEMA Reimbursement | | 1,000,000 | | 1,000,000 |
| Deferred Maintenance Funding | 1,200,000 | | | 1,200,000 |
| Interest Revenues | 7,000,000 | 6,000,000 | 14,000,000 | 27,000,000 |
| Joint Use Project Revenue | 4,250,000 | 900,000 | 3,000,000 | 8,150,000 |
| Contribution From Measure D | (105,488,312) | 105,488,312 | | - |
| Contribution From Measure J | 43,134,205 | | (43,134,205) | - |
| Developer Fees | 2,885,528 | 24,900,038 | 10,500,000 | 38,285,566 |
| Total Revenues | \$ 270,186,820 | \$ 320,803,318 | \$ 441,722,571 | \$ 1,032,712,709 |
| Amount To Be Identified and Provided | | | \$ 17,433,600 | \$ 17,433,600 |
| Total Measure D, M & J | | | \$ 459,156,171 | \$ 1,050,146,309 |
| Expenditures | | | | |
| Architect and Engineering | \$ 29,014,480 | \$ 27,648,866 | \$ 39,451,880 | \$ 96,115,226 |
| DSA Fees | 1,014,044 | 1,170,034 | 2,320,811 | 4,504,889 |
| CDE Fees | 45,463 | 89,501 | 341,297 | 476,261 |
| Preliminary Tests | 1,011,669 | 718,072 | 2,832,756 | 4,562,497 |
| Other Planning Costs | 16,034,414 | 15,368,787 | 20,449,570 | 51,852,771 |
| Construction | 179,670,202 | 209,692,603 | 336,118,699 | 725,481,504 |
| Construction Management | 18,812,497 | 18,603,078 | 19,656,723 | 57,072,298 |
| Other Construction Costs | 4,066,719 | 3,948,399 | 6,190,968 | 14,206,086 |
| Labor Compliance | 863,391 | 963,981 | - | 1,827,372 |
| Inspections | 3,188,650 | 3,975,613 | 4,334,457 | 11,498,720 |
| Construction Tests | 1,180,556 | 1,367,206 | 4,197,937 | 6,745,699 |
| Furniture and Equipment | 3,250,537 | 4,924,711 | 11,000,000 | 19,175,248 |
| Temporary Housing | 9,534,198 | 19,818,630 | - | 29,352,828 |
| Technology and Telecom | 2,500,000 | 5,809,319 | 12,261,073 | 20,570,392 |
| Quickstart Projects | - | 6,704,518 | - | 6,704,518 |
| Totals | \$ 270,186,820 | \$ 320,803,318 | \$ 1,050,146,309 | \$ 1,641,136,447 |

APPENDIX F

District Status Regarding Prior Years' Audit Findings and Recommendations

As of November 15, 2007

**DISTRICT STATUS REGARDING FINDINGS AND RECOMMENDATIONS
AS OF NOVEMBER 15, 2007**

This appendix includes four reports that address the District's status regarding findings and recommendations included in the performance audit reports for the fiscal years 2002-03, 2003-04, 2004-05 and 2005-06. A subjective improvement rating has been applied to the status of each finding/recommendation, as summarized below. While subjective, the ratings are considered to be a reasonable estimate of improvements in the District's facilities program and may be relied upon as such. When an improvement rating for fiscal years 2002-03, 2003-04 and 2004-05 was satisfactory or better, that section was excluded in this audit report. For a complete understanding of status indicators for prior years, refer to the June 30, 2006 report.

| <u>Improvement Rating</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
|----------------------------------|------------------------|------------------------|------------------------|---------------------------------------|
| Minimal | 1 (Board Policy) | 1 (Board Policy) | 1 (Board Policy) | |
| Some | 1 (Payment Procedures) | 1 (Payment Procedures) | 1 (Payment Procedures) | 2 (Payment Procedures, Change Orders) |
| Satisfactory | 1 | 5 | 1 | 1 |
| Significant | 1 | 4 | 2 | 2 |
| Substantial | 6 | 6 | 4 | 3 |
| Full Resolution | 9 | 4 | 2 | |
| Overall Rating | Substantial | Substantial | Substantial | Significant |

STATUS OF FINDINGS AND RECOMMENDATIONS FOR FISCAL YEAR 2002-03

COMPLIANCE WITH DISTRICT POLICIES AND GUIDELINES

Finding/ Recommendation (Page 46)

Due to ever-evolving state statutes and local changes, it is important for District policies and procedures to be updated regularly. The current policies and regulations do not reflect recent changes in law. It is recommended that the District utilize model policy and procedure documents developed by the California School Board Association (CSBA), the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO) or policies and procedures developed by other school districts in order to update and develop new board policies and administrative regulations related to the facilities program for the West Contra Costa Unified School District.

District Status

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel. However, most of the ARs date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

As noted on the District's website, a Board Policy Update Project is underway, with a projected completion date of January 2008. Because the updates are made section by section, it is anticipated that series 7000 on facilities will be updated during the 2007-08 fiscal year.

PAYMENT PROCEDURES

Findings (Pages 59-60)

The requests for payment received by the accounting office do not have complete backup documentation. For example, the contract is not always kept with the copy of the purchase order to verify the contracted amount for non-construction invoices. Some of the backup documentation does not clearly explain changes in the purchase orders.

Board policy allows payment of up to 10 percent of the contract amount without seeking board approval. One of the Quick-Start projects included construction at nine (9) schools. A change order occurred for this project; and while the change order did not exceed 10 percent of the total contract, the change order amounts at some of the individual schools in that project have exceeded 10 percent.

It was discovered that invoices were not being processed in a timely manner. Some invoices have approvals signed thirty (30) to sixty (60) days after the invoice date. There were numerous invoices dated prior to the receipt of a purchase order by accounts payable from the purchasing department.

Recommendations (Page 60)

It is recommended that the District make an effort to avoid the use of confirming purchase orders. Whenever possible, a purchase order should be processed and issued prior to the performance of work. Instead of confirming purchase orders, the use of open purchase orders might be a better vehicle for certain vendors that have frequent business with the District. However, it must be noted that open purchase orders require detailed backup information and consistent approval processes to avoid misuse or duplicate payments.

It is recommended that the District and its consultant make an effort to expedite the approval of invoices. Because accounts payable cannot process the invoice until all approvals are received, late approvals are affecting the processing of payments. When payments are not timely, vendors and contractors are more likely to factor in a higher margin. Timely payments also encourage bids from high-quality contractors.

It is recommended that the 10 percent contingency allowance be restricted for emergency and unforeseen needs. Change orders should be controlled by each project site so that the maximum savings may be reached.

Because the county does not audit payments, it is recommended that the District conduct self-audits to ensure complete documentation with each payment request. Backup documentation should be required for all change orders detailing reasons for the change, with an itemization of labor and material costs. Bid numbers should be noted on all purchase orders. It is also recommended that payment files include pertinent information such as payment bonds, performance bonds and insurance certificates in the event of financial claims.

It is recommended that the District take steps to improve communication between the purchasing and facilities departments. Instituting a monthly reconciliation meeting between these two departments should be considered.

District Status

Beginning July 2007, staff and the Bond Team began using an electronic purchase requisition system and on-line approval process. Staff and the Bond Team are able to enter purchase requisitions directly into the system. Once entered, the requisition is automatically routed to all of the designated signers for approval. Once the requisition is approved it is routed to Purchasing. This automated process should expedite the process and help eliminate delays.

The bond control website contains a link to invoices and purchase orders. Staff or vendors may access the link to view the status of an invoice or purchase order. To use this feature a vendor must request a login and password.

Once a payment request is received by the Accounts Payable office it is processed in a timely manner. The accounts payable technician for construction is very responsive to vendor inquiries.

In our observations and interviews it has been generally reported that the overall communication between Bond Controls, Facilities, Purchasing and SGI has improved significantly.

***STATUS OF FINDINGS AND RECOMMENDATIONS
FOR FISCAL YEAR 2003-04***

DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM

Recommendation (Page 54)

It is recommended that the District continue to work on revising and updating its policies during the 2004-05 school year.

District Status

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel.

At the Board meeting of February 8, 2006, the Board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies as needed. Most of the Series 7000 (facilities) policies and administration regulations (ARs) date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

As noted on the District's website, a Board Policy Update Project is underway, with a projected completion date of January 2008. Because the updates are made section by section, it is anticipated that series 7000 on facilities will be updated during the 2007-08 fiscal year.

PAYMENT PROCEDURES

Finding/ Recommendation (Pages 66-67)

In the invoices reviewed for the 2003-04 school year, TSS observed that many invoices took more than thirty days to process, with some taking as long as three to four months. The computer analysis illustrates a similar trend in payment history. Of the 1,118 payments examined, one hundred twenty-five (125) payments or 11.2 percent of payments were made 30 days after SGI's document controls section initiated the payment process. It is recommended that the District and its consultants make an effort to expedite the approval of all invoices. Because accounts payable cannot process invoices until all approvals are received, late approvals affect the processing of payments. When payments are not timely, vendors and contractors are more likely to factor in a higher margin. Timely payments also encourage bids from high-quality contractors. Furthermore, the District may incur interest penalties from overdue accounts.

Finding (Pages 67-68)

On average, there is a twenty-eight (28) day delay between the time the program manager (SGI) receives an invoice (usually at the work site) and the time SGI begins to process the invoice for payment. (The median for this lag time is eighteen [18] days.) While SGI's documents control section and the District's fiscal services staff generally process payments, on average, within twenty (20) days—that is, only after SGI secures the signatures from the construction manager, architect and inspector of record—the entire process for payments takes forty-eight (48) days on average from the invoice date to the issuance of payment. This lag time of twenty-eight (28) days occurs between SGI's initial receipt of invoices and the delivery of invoices to its document controls section. SGI's own records, corroborated by a second sampling, indicate that invoices are received well before they are processed. (Note: The official invoice dates on most invoices are at the end of the billing period, so the average above tends to be smaller than if the invoice date were for the beginning of the period.) Some interviewees indicated that invoices had been held because contractors had submitted invoices for work that had not been completed. However, several different classifications of services mirror the slow processing time within SGI's operations, as the following examples illustrate:

Modernization and New Construction: Forty-one (41) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, seventeen (17) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Twenty-four (24) days.

E-rate and GigaMAN-related Projects: Fifty-nine (59) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-five (25) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Thirty-four (34) days.

Environmental Testing and Services: Sixty (60) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, eighteen (18) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Forty-two (42) days.

Landscaping: Thirty-two (32) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, thirteen (13) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Nineteen (19) days.

Moving Services: Forty-two (42) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-three (23) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Nineteen (19) days.

Architects of Record: Fifty-three (53) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-two (22) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Thirty-one (31) days.

Plumbing: Forty-two (42) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, fourteen (14) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Twenty-eight (28) days.

Recommendations (Pages 68-69)

Because the lag time is so widespread (e.g., nearly 25 percent of invoices have a lag time of thirty-seven [37] days) and because there are likely to be legitimate reasons for lag time for some invoices, it is recommended that the District and the bond management team make an effort to process invoices in a timely fashion once they are received, whenever and wherever they are received. If the bond management team receives an invoice prematurely or has to wait some time before the invoice can be initially approved by the construction manager, the architect and the inspector or record, then the bond management team should make a note of the delay and request the vendor to issue a new and accurate invoice with a revised date. (Note: It is important to note that not every category of expenditure experienced this kind of lag time. For example, expenditures associated with inspectors of record had, on average, a difference of three days between the receipt of invoice and the time at which SGI's document controls section started processing the invoice for payment.)

It is recommended that the District and bond management team identify all staff and consultants who typically receive invoices from vendors and emphasize with these employees and consultants the need to process invoices and progress payments regularly, as appropriate.

It is recommended that project and construction managers process their paperwork on a routine basis—perhaps weekly—to avoid the delays at the beginning of the payment process.

It is recommended that all invoices be date-stamped or dated to help ensure the accuracy of invoices. (In the second sampling, TSS observed that some invoices were dated upon receipt while others were not. The dated invoices are within a few days of the invoice date.)

Findings/ Recommendation (Page 69)

A typical request for construction progress payment requires eight signatures, excluding the contractor's. From the initial sampling, TSS observed that the "travel time" within each signature is sometimes as short as the same day or as long as twenty-one (21) days. From the data analysis, the turnaround time for all invoice signatures ranged from the same day to as many as ninety (90) days, with an average of eight (8) days and a median of seven (7) days. It took more than 14 days to secure the business office signatures for 120 payments or 10.7 percent of payments. While the overall average signature time is acceptable, it is recommended that the District and/or the program manager try to process all payment approval signatures expeditiously. If a problem or issue arises with a particular payment, the District or SGI should note it within its records.

Finding/ Recommendations (Page 70)

The existing year-end closing procedure that SGI and accounting use is satisfactory; however, it is not established as a written policy. It is recommended that a written protocol or policy be established for the year-end closing of facilities to ensure smooth transitions in future years. It is further recommended that purchasing be involved with SGI and accounting, as appropriate, in the monthly reconciliation of accounts. This way, purchasing can be aware of stop notices as they occur.

Finding/ Recommendations (Page 70)

Purchase orders that exhibit no activity in 30-60 days are listed and reported to the District. Purchasing closes those purchase orders. This situation should not occur if proper monitoring occurs. It is recommended that the construction manager and vendor communicate regarding the status of contracted work or materials ordered. If contracted work or purchases cannot be delivered, then purchase orders should be closed so that funds are not needlessly tied up and expenditures are not inflated. It is further recommended that the District take steps to improve communication among the purchasing, accounting and facilities departments. Instituting a monthly reconciliation meeting with all departments should be considered.

District Status

The District is striving to comply with the recommendations and has made some progress.

***STATUS OF FINDINGS AND RECOMMENDATIONS
FOR FISCAL YEAR 2004-05***

DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM

Recommendation (page 53)

TSS recommends that the District continue to work on revising and updating its policies.

District Status

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel.

At the Board meeting of February 8, 2006, the Board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies as needed. Most of the Series 7000 (facilities) policies and administration regulations (ARs) date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

As noted on the District's website, a Board Policy Update Project is underway, with a projected completion date of January 2008. Because the updates are made section by section, it is anticipated that series 7000 on facilities will be updated during the 2007-08 fiscal year.

PAYMENT PROCEDURES

Findings (page 59-60)

The time of payments can be shortened. Only twenty five (25) percent of the sampled invoices took four (4) weeks or fewer to pay from the date of the invoice. Forty (40) percent of the sampled invoices took approximately three (3) months or more for payments from the date of the invoice. One of the least timely invoices was for furniture and equipment, which took twenty (20) weeks to pay.

During the course of the audit, one of the sample invoices for \$217,025 was not available for audit because paperwork was not in the file.

One of the sampled invoices showed several handwritten corrections. The contractor's calculations were incorrect and had to be corrected by the construction manager, which prolonged the payment process.

Not all construction invoices had the unconditional waiver release upon progress payment. Consistency should be required for all payments.

Recommendations (page 59-60)

It is recommended that effort be made to reduce the timeline for a budget transfer, which is currently an average of two (2) weeks. By shortening the time for a budget transfer, the payment process can be shortened. Currently, the budget transfer requires approval at four levels. The average line item budget transfer is forty (40) transactions per month, it is recommended that instead of having the Associate Superintendent approve every transaction, a monthly summary should be submitted for review, thereby reducing the levels of approval and shortening the timeline.

It is recommended that effort be made to reduce the timeline for payments. When payments are not timely, vendors and contractors are more likely to factor a higher margin when bidding for projects. Timely payments also encourage bids from high-quality contractors. Late payments may result in service and interest charges.

It is recommended that file documents should be better organized to prevent missing documents and invoices.

It is recommended that no payments of change orders be made until the Board ratifies the change order amount. While it may be necessary to give staff authority to approve change orders to prevent further expense to the project, release of public funds should not occur until Board action is taken.

It is recommended that incorrect contractor invoices be rejected and be sent back for resubmittal. Information presented should be clear and accurate. Contractors should be asked to submit invoices that reflect the true value of their work. Clear and accurate invoices shorten the timeline for payment.

Refer to the section in this report titled “District Professional Services Staffing Plan for the Bond Program” for comments concerning reorganization of accounts payable for Bond Program expenditures.

District Status

The need for improvement in the payment procedure process has been consistently reported in each annual performance audit. The District had made some progress in complying with the recommendations.

STATUS OF FINDINGS AND RECOMMENDATIONS FOR FISCAL YEAR 2005-06

CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

Observations

Requests for Information (RFI's) were sampled during the course of the audit. The questions related to schedules, electrical vault location and low voltage work appeared to have taken the most of the response time.

Of the projects sampled, several had change orders that exceeded ten percent of the original contract.

Currently, it is taking approximately six months to close out projects. Once students and staff are allowed to occupy the classrooms, it is difficult to have contractors come back and make repairs as they may claim the damage was caused by staff or students.

Recommendations

Requests for Information should be addressed expeditiously to avoid delay claims which may require additional compensation.

The District should consider updating the closeout procedures to specify the amount of time deemed appropriate between substantial occupancy and the acceptance of work required for the Notice of Completion.

The District should consider including the school principals in the punchlist walk through process. It can provide a more thorough determination of items needing attention and the amount of time needed to be spent on follow up items.

District Responses

Requests for Information. District contracts with the Architects of Record contain timelines for review of Requests for Information ("RFI's"). These are typically 14 days, with some allowance for more complex reviews, and DSA reviews when required prior to execution of structural components. The Bond Team is constantly working with the design side and the Contractors to expedite responses to RFI's.

Closeout Procedures. It is difficult on a general basis to specify the amount of time between occupancy (Substantial Completion) and Final Completion. Each project is different, and there are sometimes many items to be completed, fixed, repaired, or adjusted which must be done during occupancy. The Bond Team is careful to delineate, through the original and updated punchlists, which items are the responsibility of the Contractor.

Punchlist Walk. The District concur that site staff should walk through the projects prior to occupancy. The Bond Team is constantly assessing appropriate individuals to be involved in the punchlist walkthroughs. We typically invite District staff and key school site members to a pre-occupancy walk through. This is often different than the official contract punchlist walkthrough which is contractually mandated. The site staff usually has concerns which supplement the contract punchlist and the District works on these items—such as scope elements left out of the work.

District Status

The District has made some progress in its change order process but, as reported in this performance audit for the period ending June 30, 2007, there were a number of issues needing attention. Specifically, findings were made regarding the District being out of compliance with the Public Contract Code and District Policy related to the “10%” rule.

PAYMENT PROCEDURES

Observations

Most of the staff in Facilities, Bond Controls, Bond Finance and Accounts Payables believe that the communication among the departments has improved significantly.

Bi-weekly meetings are held among bond control, bond finance and accounts payable to clear up any problems. Staff commented that the meetings have been very productive.

Accounts payable staff reported that there are fewer errors observed now than encountered in the past.

Many purchase order requisitions were initiated and processed only after the receipt of invoices.

Almost all payment requests require budget adjustments.

About 45 percent of the payments were paid after 30 days.

The frequent complaints from vendors regarding late payments have generated an atmosphere of defensiveness. Each group wants to demonstrate and document that it is not responsible for delays. As a result, each group maintains logs showing the dates of receipt and issuance for each invoice at every step of the process. This process of logging requires the purchase requests and purchase orders to visit certain offices more than once. Thus, the process itself contributes to delays.

Finding

Out of a total of 24 purchase orders issued to Mark Raine Paving, 18 were issued after the invoice dates and after the work had been performed. In two instances, it appeared that the project costs were split between more than one purchase order, in violation of Public Contract Code 20111.

Recommendations

Eliminate the practice of starting the requisition process after the work has been completed and upon receipt of the invoice.

Reduce the number of signatures required on the payment approval form.

Distribute the estimated budget expenses early in the process during each fiscal year. This step can help reduce the need for budget revisions.

Consider authorizing the Accounts Payable Technician to correct minor computational errors on the payment requests instead of returning the payment requests for correction.

District Responses

To Finding: Paving Contracts. District accepts the findings. See responses in two other areas related to this issue.

To Recommendations: Start of work. District concurs and continues to make every effort to complete all paperwork processes prior to start of work.

Payment Approval Signatures. District concurs with recommendation. Staff is still working on implementing recommendations, of which this is one, received from the “Purchasing and Payment Procedures related to the Measures M, D, and J Bond Program.”

Budget Revisions. District concurs with this recommendation and is focused on preparing more accurate budgets as part of the yearly cycle which will reduce the need for budget adjustments as a part of payment applications.

Minor Corrections. District concurs with this recommendation, and in many cases Fiscal Services staff do make required minor corrections.

District Status

The need for improvement in the payment procedure process has been consistently reported in each annual performance audit. The District had made some progress in complying with the recommendations.

Beginning July 2007, staff and the Bond Team began using an electronic purchase requisition system and on-line approval process. Staff and the Bond Team are able to enter purchase requisitions directly into the system. Once entered, the requisition is automatically routed to all of the designated signers for approval. Once the requisition is approved it is routed to Purchasing. This automated process should expedite the process and help eliminate delays.

The bond control website contains a link to invoices and purchase orders. Staff or vendors may access the link to view the status of an invoice or purchase order. To use this feature a vendor must request a login and password.

Once a payment request is received by the Accounts Payable office it is processed in a timely manner. The accounts payable technician for construction is very responsive to vendor inquiries.

In our observations and interviews it has been generally reported that the overall communication between Bond Controls, Facilities, Purchasing and SGI has improved significantly.

OVERALL BOND PROGRAM

Observations

In comparison with the previous audits, which have been conducted for the periods 2002-03 through 2004-05, the audit team has noticed significant improvements in many areas within the District's bond program.

At the beginning of the bond program, the Master Architect conducted a detailed examination of all sites. Subsequently, the modernization projects were prioritized with health and safety as the primary consideration. Subsequent to the initial prioritization of the projects, there were a few adjustments made to the list. These adjustments were generally made to provide bond improvements to schools in a manner that recognizes the District's versatile communities. Although this re-ordering of projects did not strictly comply with the original "health and safety first" criterion, it appears that these adjustments and accommodations were necessary to address the needs and demands of the various communities.

Although the District continues to spend funds from its bond program to modernize and/or reconstruct school facilities, it is being done without the benefit of a comprehensive and proactive Asset Management Plan. Therefore, without the decisions in regard to closing schools, reopening schools and adjusting the use of the school facilities, the District may find itself in a position of having spent substantial amount of funds on a school facility which is subsequently not used for educational purposes.

During the course of this audit, numerous individuals spoke about the need to modify and upgrade District's maintenance and housekeeping practices to ensure that the reconstructed/modernized and new facilities are maintained and protected from deterioration over the long term.

The District has spent considerable amount of funds in expanding, improving and furnishing school kitchens to make them compatible for use by certain community groups. While the kitchen facilities, adequate to serve the students in the schools are an appropriate expense of the bond program, the incremental cost incurred due to conversion and expansion of these facilities to fit community use requires careful consideration. The District should ensure that any future community use is for compatible educational purposes with a nexus established in regard to such use furthering the District's educational program and goals.

It appears that the District continues to deviate from its own standards it has previously established through considerable board deliberation. Furthermore, it appears that the scope of work continues to be expanded. The continuing increase in standards and the scope of work causes the project budgets to be overspent; it also makes it virtually impossible to establish a reliable program budget. Furthermore, the additions to the scope of work half-way through the process may render school facilities inequitable.

The District does not have a comprehensive program budget approved by the board. Therefore, the question of how much money program would eventually need remains largely unanswered. In absence of such budget, the board may not have adequate information to understand the consequences of increasing scope of work and approving projects and/or change orders.

Although the board has previously designated the Associate Superintendent of Operations as the District's single point of contact with the consultants, contractors and others in the bond program, it appears that the directive has not effectively conveyed to the participants in the bond program. Thus, there continue to be formal and informal discussions affecting the bond program by individuals other than the designee.

There continue to be significant delays in processing payments to the vendors and contractors as outlined in a previous section of this report.

The District has obtained an updated Facilities Master Plan as recommended in the 2004-05 annual performance audit. However, the updated plan still lacks a few vital components usually included in a complete and comprehensive facilities master plan.

The Independent Citizen's Bond Oversight Committee has not issued an annual report as required by law.

The District has successfully pursued and obtained voter authorization to issue \$400 million in bonds (Measure J) to help address the funding shortfall in the facilities program.

Overall, although there still remains room for improvement, the District facilities program has improved substantially during the last four years. More importantly, the expenditures incurred through Measure M, Measure D and Measure J bond programs appear to be appropriate and in compliance with the ballot language of each measure respectively.

Recommendations

The District should consider developing and adopting a comprehensive Asset Management Plan.

The District should consider a study of its Maintenance & Operations functions, review and implement the recommendations of such study including the staffing levels, housekeeping standards, appropriate training and a system of accountability, to help develop an infrastructure that would provide adequate housekeeping and maintenance of the upgraded facilities.

The District should develop or update its facilities use policy to the kitchen facilities and the educational programs and purposes of the District.

The District should adhere to the established standards and budgets, and avoid expanding scope of the projects beyond the prevailing and agreed upon scope and criteria.

The District should develop a comprehensive program budget for the remaining life of the bond program to enhance controls.

The board should reaffirm the designation of the Assistant Superintendent-Operations as the single point of contact between the District and the bond program professionals and ensure that all communication occurs through the appropriate channels.

The District should implement steps to make the payment process less cumbersome and streamline the process to allow prompt payments to the vendors and contractors.

The District should take steps to ensure that the Facilities Master Plan is complete and includes all needed components customary to a comprehensive facilities master plan.

The CBOC should prepare and publish an annual report in conformance with the legal requirements.

District Responses

Asset Management Plan. The District concurs with the recommendation and anticipates developing an overall Asset Management Plan as a part of preparation of the 2008 Facilities Master Plan.

Maintenance and Operations. The District concurs with the recommendation and notes that there is such a study which has been commissioned during fall and winter of 2006, the MGT Management Study. This study is developing and reviewing information related to M&O levels of service, staffing, etc. and will be the basis for consideration of changes in that area.

Community Kitchens and Facilities Use Policies. The District believes that there is a clear nexus between the installation of the Community Kitchens and the educational programs and purposes of the District. These facilities are designed to allow preparation of food in safe and healthy kitchen facilities at each site. The ability to prepare food on site as a part of the educational day and evening program allows for enhanced daily student life and evening events to include food products. These events, such as PTA meetings, School Site Council meetings, site improvement committee meetings serve the broader educational purposes of the District. The food prepared and served enhances attendance and furthers the goals of the groups supporting the Districts mission.

Scope and Budget. The District concurs with the recommendation. It has been difficult to limit scope at sites which are a part of the program since it is clear that this is a one-time chance for sites to be upgraded. District staff have attempted to keep the Board informed regarding budget impacts.

Program Budget. District staff have developed and presented to the Board on several occasions an overall estimated cost to complete work at all District sites. The program budget currently approved and used for management only addresses sites anticipated to be renovated with available funding. The current Program Budget has been developed and finalized, after this audit, into the **2007 Facilities Master Plan**. The Master Plan Budget for the M, D & J Bond Program has been approved by the Board as part of this document approval. Staff believes that this budget will be an important tool to enhance controls.

Single Point of Contact. The District concurs with the recommendation.

Payment Process. The District concurs with the recommendation. See also responses above in this section. District staff, including Bond Team and Fiscal Services, have been working closely to increase cooperation and working relationships for better service to vendors. We have reviewed and are considering specific recommendations in the "Purchasing and Payment Procedures Related to Measures M, D, and J" report.

Facilities Master Plan. The District concurs and believes that the newly adopted “**2007 Facilities Master Plan**” when considered with the demographic component (Long Range Facilities Master Plan) and the educational specifications component meets that need. In addition, as noted above an Asset Management Plan is the next step to a fully comprehensive plan.

CBOC Annual Report. CBOC members are working together on the 2006 Annual Report.

District Status

The District has made significant progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, Measure D on March 5, 2002 and Measure J on November 8, 2005, the bond management program has evolved into a mature structure. The completion of the District’s Realignment Process—including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants—has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with, the audit team has improved. While there remain weaknesses and problems to be addressed and improved upon—most notably fiscal control issues between the District and SGI, payment procedures, the document control system and the communication process, as discussed throughout this document and prior performance audit reports—such weaknesses and problems are not substantial in comparison to the changes the District has made to improve the delivery of the facilities program.

Because the District identified facilities needs beyond the scopes and funding of Measure M and Measure D, with the passage of Measure J, the current management structure should serve the District well for many years to come as the District constructs and modernizes funded projects. The challenge to the District will be its ability to maintain a cost-effective, cohesive facilities management team as the District addresses future facilities needs and expends available funding for its program. The passage of Measure J, a \$400 million Proposition 39 bond on November 8, 2005, should enable the District to maintain continuity with its management team.