

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**MEASURES D AND J  
MIDYEAR REPORT  
DECEMBER 31, 2008**



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

# **West Contra Costa Unified School District**

## **BOARD OF EDUCATION**

**December 31, 2008**

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**Bill Fay, Associate Superintendent for Operations**

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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 the approval of 55 percent of the voters 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 also required the approval of 55 percent of the voters for passage.

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

Besides ensuring that the District uses bond proceeds from each bond measure in conformance with the provisions listed in the corresponding ballot language, the scope of the examination includes a review of design and construction schedules and cost budgets; change orders and claim avoidance procedures; compliance with State law and funding formulas; District policies and guidelines regarding facilities and procurement; the effectiveness of communication channels among stakeholders; and 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 and Measure J, and to help the District improve its overall bond program.

This midyear review covers the Measure D and Measure J funded facilities program and related activities for the period of July 1, 2008, through December 31, 2008, documenting the performance of the bond program and reporting on the improvements instituted by the District to address any findings included in prior reports.

## EXECUTIVE SUMMARY

This is the Midyear Report of the \$300 million Measure D and \$400 million Measure J bond program for the 2008-09 fiscal year. TSS examined documentation and processes and interviewed persons involved in the bond program. Representations made by the District staff and consultants were used, where appropriate, to make assessments and formalize conclusions which are documented in this report. Each component was evaluated separately and collectively based on the materiality of each activity and its impact on the total bond program.

The financial records for the Measure D and Measure J bond programs, reported in the Capital Assets Management Plan Report (CAMP) dated January 28, 2009, prepared by The Seville Group Incorporated (SGI), have been used during the course of this review. The District's financial records were used for testing payments made through the bond fund.

A twenty-one member Citizens' Bond Oversight Committee (CBOC) was established by the Board to provide oversight of the bond program. As of December 31, 2008, the CBOC had sixteen active members and five vacancies. The law requires a CBOC to include at least seven members representing various groups of stakeholder. For the period July 1, 2008 through December 31, 2008, the Committee held five meetings to review facilities projects, including a joint meeting with the Board. A CBOC website, as required by law, exists, and pertinent information is provided, including bylaws, meeting agendas/minutes, facilities projects updates and financial/performance audits. The Committee issued its "2007 CBOC Annual Report" on February 25, 2009.

A concern has been raised regarding the District's ability to fully fund the projects approved by the Board and included in the most recent Measures D and J budgets. That concern is based on a number of factors:

- The sale of authorized but unsold Measure J bonds (\$210 million) is contingent upon approval by the California State Board of Education to increase the District's bonding limit in May 2009.
- A decrease in developer fee collections due to the economic downturn.
- A projected decrease in interest earnings due to low interest rates.
- A delay in the receipt of state match monies for modernization projects due to a current hold on the release of state funds.

To address the potential shortfall in revenues, the District has taken steps to proceed with projects on a "cash available" basis. District staff and SGI are closely monitoring the bond program's revenues and expenditures to ensure fiscal responsibility.

Another significant concern addressed in this report is the management of the bond program. As of December 31, 2008, the District had only three active employees at the Facilities Operation Center due to several vacancies. The internal reassignment of SGI personnel has also created a realignment of program/project management responsibilities to two second level managers during the absence of the first level manager.

Prior annual audit and midyear reports have raised concerns over inefficiencies caused by overlapping services and responsibilities of District staff and consultants. While several earlier concerns have been addressed and resolved by the District, a few concerns are again being addressed in this report, since a matrix of services indicates areas of overlap. To address these concerns, TSS makes the following recommendation:

- The District should update all service agreements to coordinate bond management and eliminate overlap in services. Wherever possible, the District should eliminate duplicative services. There may be a need to have more than one entity provide some services. In those cases, the agreements should indicate which entity has the primary responsibility and how those services are coordinated to avoid confusion and conflict. This process should also include designation of the person/entity with assigned primary responsibility for various functions.

Another concern raised by persons interviewed, deals with facilities “equity” – the fact that some schools have received major funding while other schools have had facilities work deferred to an unspecified future date. This issue cannot be addressed adequately with currently encumbered Measures D and J bond funds and supplementary funding sources without a major redirection of available resources. Therefore, any resolution will have to await the identification of additional resources.

With a current program of approximately \$1.1 billion, and an unknown cost for future work remaining to be done, the District and its communities would be better served by an updated facilities master plan. Such a plan should address all aspects of the District’s facilities needs, including “equity” issues discussed above, grade organization, desired school sizes, possible school consolidation, school boundaries, unmet facilities needs and costs, and an asset management component.

In the absence of a comprehensive plan, the District could find itself in the position of having spent monies on facilities which, in the future, may not be used for educational purposes. Over time, with enrollment increase and/or decline that may occur District wide and/or regionally, practicable plans will need to be formulated to better serve the school communities. The District will need to identify new sources of capital improvement funding, including any existing resources such as surplus properties.

The above narrative addresses three major concerns raised in this Midyear Report: cash-flow, overlapping professional/management services and the need for a comprehensive facilities master plan. It is noted, however, that throughout this report, numerous observations have been made and detailed information has been presented which would provide the reader with a more comprehensive picture of the District’s bond program. For example, such categories as construction quality standards, cost overruns, change orders, bid amounts versus estimates, payment procedures, participation by local firms and the communication process are all important to the overall effectiveness of the bond program.

Although it is outside the scope of this performance audit, the authors of this study note that on February 11, 2009, the West Contra Costa Unified School District Board of Education adopted a resolution that will lead to the closure of El Sobrante Elementary, Castro Elementary, Lake Elementary and Adams Middle School, as well as the Seaview Staff Development Center and a Furniture Warehouse, during the 2009-10 budget year. Shannon Elementary will remain open to 2010-11; beyond that date, it is subject to available funding.

According to the resolution, there are three other schools (Olinda Elementary, Grant Elementary, and Kennedy High School) that will remain open because of financial support from the City of Richmond. In addition, Lake Elementary could come off the closure list if the City of San Pablo offers financial support for 2009-10 and 2010-11.

It should be noted that this Midyear Report has been prepared to provide the District and CBOC with information relevant to the Measures D and J bond program to allow them to address any concerns or issues at the earliest possible opportunity.

## DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of this December 31, 2008 midyear report is limited to Measures D and J funds, it is useful to review the history of the District’s facilities program to place the current program into a fuller context.

The financial status of the District’s facilities program, documented in the audits and financial reports for the past eight fiscal years, is presented in the table below. For a detailed presentation of 2007-08 accounting activity, refer to the “District Accounting Funds” section following this summary.

### Facilities Program – Financial Status

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

<sup>1</sup> Bonds authorized, sold and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2008. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal. At its meeting of June 4, 2008, the Board of Education authorized the sale of \$120 million of Measure J bonds. That sale was completed after June 30, 2008, and will therefore appear on the District’s financial records for 2008-09. The issuance of \$120 million in bonds, plus the prior issuance for \$70 million, leaves a remaining authorization of \$210 million.

### Facilities Program – Funding Resources

Bond Measure (Passage Date)	Authorized	Sold (June 30, 2008)	Outstanding (June 30, 2006)	Outstanding (June 30, 2007)	Outstanding (June 30, 2008)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$33.2 million	\$32.1 million	\$30.8 million
Measure M (November 7, 2000)	150 million	150 million	145.9 million	142.8 million	139.6 million
Measure D (March 5, 2002)	300 million	300 million	294.9 million	291.6 million	287.1 million
Measure J (November 8, 2005)	400 million	70 million	70 million	70.0 million	69.4 million
<b>Total</b>	<b>\$890 million</b>	<b>\$560 million</b>	<b>\$544.0 million</b>	<b>\$536.5 million</b>	<b>\$526.9 million</b>

Education Code Section 15106 states that the debt limit for unified school districts “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.”

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

<sup>3</sup> State revenues received are discussed in detail in the section, “State School Facility Program.” In November – December 2008, the District received \$8,616,005 for its Downer and Helms projects, which will appear on the District’s financial records for 2008-09.



## **District Accounting Funds**

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

<b>Fund</b>	<b>Description<sup>1</sup></b>
14	Deferred Maintenance
21	Building (Including Measures E, M, D and J)
25	Capital Facilities
35	County (State) School Facilities
40	Special Reserves – Capital Outlay

<sup>1</sup> Refer to the following table for a detailed accounting of funds for the 2007-08 fiscal year and an explanation of the use of the funds.

From the Capital Facilities Funds table, the June 30, 2008, Ending Balance for all funds combined was \$84,981,099. Additional revenues will be received from authorized, but yet unsold, Measure J bonds (\$330 million as of June 30, 2008) and projected revenues from interest earnings, developer fees, state match funds, deferred maintenance and special reserves.

Because the District's facilities program includes budgeted projects beyond the current cash flow ability to finance those projects, the decision to proceed with some new construction projects is dependent upon the availability of additional revenues. To address its cash flow needs, the District and its consultants have identified projects that fall under the following categories based on current cash available and potential future revenues:

- Projects that include design and construction costs.(Seven projects)
- Projects with design costs only. (Three projects)
- Projects that will be unfunded. (Two projects)

Under the worst possible outcome, only the seven projects in the first category will be funded. In the best possible outcome, the five projects in the second and third categories will move into the first category.

Monitoring the facilities program's revenues and expenditures for the remainder of the current program is a critical issue. This issue will be examined in greater depth by TSS in the June 30, 2009 annual performance audit, as many of the current funding uncertainties, such as the sale of the remaining Measure J bonds and the release of state matching funds that are now on hold, will be more clear at that time.

## CAPITAL FACILITES FUNDS

Fiscal Year Ending June 30, 2008	Fund 14 Deferred Maint. Fund <sup>1</sup>	Fund 21 Building Fund <sup>2</sup>	Fund 25 Capital Facilities Fund <sup>3</sup>	Fund 35 County School Facilities Fund <sup>4</sup>	Fund 40 Special Reserves Capital Outlay Fund <sup>5</sup>	Totals
Beginning Balance	\$4,061,837	\$191,878,162	\$10,730,179	\$4,853,474	\$998,210	\$212,521,862
Revenues	1,418,355	5,764,674	2,373,524	192,995	3,079,414	12,828,962
Expenditures	2,295,424	128,252,880	8,194,105	(17,716)	432,939	139,157,632
Transfers (Net)	1,339,820	(2,539,820)	0	0	(12,093)	(1,212,093)
Other	0	0	0	0	0	0
Net Change	462,751	(125,028,026)	(5,820,581)	210,711	2,634,382	(127,540,763)
<b>Ending Balance</b>	<b>\$4,524,588</b>	<b>\$66,850,136</b>	<b>\$4,909,598</b>	<b>\$5,064,185</b>	<b>\$3,632,592</b>	<b>\$84,981,099</b>

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

<sup>2</sup> The Building Fund is used to account for revenues and expenditures from G. O. bond proceeds on acquisition and/or construction of facilities. The transfers include \$1,339,820 to the General Fund (which is then transferred to the Deferred Maintenance fund) and \$1,200,000 to the General Fund's Routine Restricted Maintenance Fund.

<sup>3</sup> The Capital Facilities Fund is used to account for developer fee revenue and expenditures.

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

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

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 3.13 percent of assessed valuation (A/V). At the SBE meeting of November 13-14, 2002, the SBE approved the waiver request for Measures E, M, and D only. Resolution No. 25-0506 ordering the Measure J bond election stated that "no series of bonds may be issued unless the District shall have received a waiver from the State Board of Education of the District's statutory debt limit, if required."

At their meeting of January 21, 2009, the Board of Education authorized the administration to submit a waiver request to the SBE to increase the District's Measure J bonding limit to 3.5 percent of A/V. It is anticipated that the SBE will consider the District's waiver request at its meeting of May 6-7, 2009.\* If the SBE approves the waiver, the District intends to issue its remaining \$210 million in voter-authorized Measure J bonds based upon 2008-09 assessed valuation.

The proceeds from bond sales are invested in various instruments and earn interest until expenditures are made. The District's financial audit<sup>1</sup> for the fiscal year ended June 30, 2008, reported the following cash investments:

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

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

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

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

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

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

\* On May 6-7, 2009, SBE approved the District's request to increase allowable bonds from 2.5 percent to 3.13 percent of A/V on a vote of 8-0, with 2 members absent.

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

## COMPLIANCE WITH BALLOT LANGUAGE

### 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 included in Appendix A. The following appeared as the summary ballot language:

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

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

#### I. All School Sites

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

#### II. Elementary School Projects

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

#### III. Secondary School Projects

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

- Richmond High School and Omega High School
- Pinole Valley High School and Sigma High School
- De Anza High School and Delta High School
- Gompers High School
- North Campus High School
- Vista Alternative High School
- Middle College High School

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

As of December 2008, based on the Capital Assets Management Plan dated January 28, 2009, the District has encumbered and expensed \$464.9 million, whereas the reported Measure D budget is \$329.5 million. 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 included as Appendix B. The following appeared as the summary ballot language:

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

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

### **I. All School Sites**

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

## II. School Projects

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

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

As of December 2008, based on the Capital Assets Management Plan dated January 28, 2009, the District had encumbered and expensed \$107.8 million of the reported Measure J budget of \$385 million. All of the expenditures of Measure J funds were for projects within the scope of the ballot language. The West Contra Costa Unified School District is in compliance with all requirements for Measure J as set forth in Resolution 25-0506.

## FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District’s facilities program and the chronology of events and/or decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place since July 1, 2008. For a discussion of prior Board agenda items and actions, refer to earlier annual and midyear reports. Major actions of the Board of Education are listed in the table below.

### **Chronology of Facilities Board Agenda items since July 1, 2008.<sup>1</sup>**

DATE	ACTION	AMOUNT
July 9, 2008 (F.1)	Facilities Planning and Construction Status Reports	
July 9, 2008 (G.11)	Ratification and Approval of Negotiated Change Orders	\$287,834
July 9, 2008 (G.12)	Ratification and Approval of Engineering Services Contracts	\$165,800
July 9, 2008 (G.13)	Ratification of Previously Awarded Contracts:	
	1. IMR Contractors, Lupine Hills Roof Repairs	\$217,000 (6/18/08)
	2. Bay Cities Paving and Grading, DeAnza High School Demolition, Grading and Utilities	\$2,393,000 (6/18/08)
	3. Ghilotti Brothers, Mira Vista Playground Repair (2 <sup>nd</sup> low bidder)	\$422,644 (6/4/08)
July 9, 2008 (G.15)	El Cerrito High School Photovoltaic System (Measure J) Note: There are projected net savings of \$575,000 - \$800,000.	\$800,000
July 9, 2008 (G.16)	Award of Contract to Mobile Modular Management Corp., Ford Temporary Campus Modulares (Measure J – Piggyback)	\$631,517
July 9, 2008 (G.17)	Award of Contract to Evan Brothers, Dover Elementary, Phase I Sitework (Measure J – 3 bids)	\$446,958
July 9, 2008 (G.18)	Award of Contract to Bruce Carone, Pinole Valley High School Access Compliance Sitework (Measure J – 4 bids)	\$51,344
July 9, 2008 (G.20)	Citizens’ Bond Oversight Committee appointments: Richard Leigh, representing Board member Dave Brown Marcus Mitchell, representing Public Employees Union Local 1 Richard Leung, alternate for Marcus Mitchell	
July 30, 2008 (C.2)	Citizens’ Bond Oversight Committee Oral Report	
July 30, 2008 (G.11)	Ratification and approval of Negotiated Change Orders (4 projects)	\$423,835
July 30, 2008 (G.12)	Ratification and approval of Engineering Services Contracts (8 contracts)	\$322,079
July 30, 2008 (G.14)	Award of Contract to Kel Tec Construction, Pinole Valley High School Access Compliance Restrooms project (Measure J – 7 bids)	\$158,750
July 30, 2008 (G.15)	Award of Contract to Bay Cities Paving and Grading, King Elementary Demolition, Sitework and Temporary Playground (Measure J – 4 bids)	\$461,000
July 30, 2008 (G.16)	Approve Agreement with City of Richmond for King Elementary Construction Access, Right of Use and Restoration for Temporary Playground (Measure J)	
July 30, 2008 (G.17)	Approval of Updated Measure J Program Budget with Adjusted Allocations and Revenues	



<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
July 30, 2008 (G.20)	Citizens' Bond Oversight Committee: Appointment of Kirk Ferreira representing Board President Karen Pfeifer.	
August 20, 2008 (C.3)	Citizens' Bond Oversight Committee Oral Report	
August 20, 2008 (F.1)	Facilities Planning and Construction Status Reports	
August 20, 2008 (G.7)	Notices of Completion: Montalvin Kay Road Extension; Bayview Phase II Site Improvements; Murphy Elementary School Pre School Portable; DeAnza Wood Shop Floor Repair	
August 20, 2008 (G.13)	Ratification and Approval of Negotiated Change Orders (5 projects)	\$811,000
August 20, 2008 (G.14)	Ratification and Approval of Engineering Services contracts (7 contracts)	\$329,944
August 20, 2008 (G.15)	Award of Architect Contract to Powell and Partners + HMC Architects, Ohlone Elementary School	\$2,659,730
August 20, 2008 (G.16)	Award of Contract to Ionian Construction, Kennedy High School Exterior Painting Project (Measure J – 9 bids)	\$253,000
August 20, 2008 (G.18)	Adopt Resolution 19-0809: CEQA Mitigated Negative Declaration for Ford Elementary School Temporary Relocation to Downer	
August 20, 2008 (G.20)	Citizens' Bond Oversight Committee: Reappointment of Sue Pricco, representing the Superintendent and Robert Sewell, Contra Costa Building Trade Council, to second terms	
September 3, 2008 (E.1)	Adopt Resolution 31-0809: CEQA Final EIR for Nystrom, Charter Schools and City of Richmond Martin Luther King Park Renovation Projects	
September 3, 2008 (F.1)	Facilities Planning and Construction Status Reports	
September 3, 2008 (G.15)	Ratification and Approval of Negotiated Change Orders (4 projects)	\$247,284
September 3, 2008 (G.16)	Award of Contract to Bay City Paving, Richmond College Prep Modular Campus Sitework (Measure J – 5 bids)	\$888,000
September 3, 2008 (G.17)	Award of Contract to Mobile Modular Management Corp., Pinole Middle School Temporary Modulares (Measure J – Piggyback contract)	\$114,757
September 3, 2008 (G.18)	Award of Contract to Fitness Concept, DeAnza High School Fitness Equipment (Measure J – 1 bid)	\$168,878
September 3, 2008 (G.19)	Citizens' Bond Oversight Committee: Appointment of City of Pinole Mayor Peter Murray as alternate to Maureen Toms, City of Pinole.	
September 17, 2008	Joint Meeting: Board of Education and Citizens' Bond Oversight Committee	
September 17, 2008 (G.14)	Ratification and Approval of Engineering Services contracts (4 contracts)	\$172,828
September 17, 2008 (G.15)	Ratification and Approval of Negotiated Change Orders (5 projects)	\$30,009
September 17, 2008 (G.18)	Award of Contract, Leadership Public Schools Temporary Campus Sitework (Gompers) (Measure J – 2 bids) Tabled due to bid protest	
September 17, 2008 (G.19)	Award of Contract to Bay Cities Paving, Ford Temporary Campus Modulares (Measure J – 7 bids)	\$914,000
October 1, 2008 (F.1)	Facilities Planning and Construction Status Reports	
October 1, 2008 (G.10)	Ratification and Approval of Engineering Services contracts (4 contracts)	\$321,994
October 1, 2008 (G.11)	Ratification and Approval of Negotiated Change Orders (6 projects)	\$342,078

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
October 1, 2008 (G.12)	Ratification of Previously Awarded Contracts: 1. Kel Tec, Pinole Valley High School Restroom Access Compliance	\$158,750 (7/30/08)
	2. Bay Cities Paving and Grading, King Demolition, Sitework and Temporary Playground	\$461,000 (7/30/08)
	3. Galeridge Construction, Pinole Valley High School Parking Lot Paving	\$151,827 (7/30/08)
	4. Ionian Construction, Kennedy High School Exterior painting	\$253,000 (8/20/08)
	5. Bay Cities Paving and Grading, Richmond College Prep Modular Campus Sitework	\$888,000 (9/3/08)
October 1, 2008 (G.14)	Citizens' Bond Oversight Committee: Appointment of Steven Bates, Parent/Guardian and PTA, recommended by the Superintendent	
October 15, 2008 (G.14)	Ratification and Approval of Engineering Services Contracts (3 contracts)	\$272,719
October 15, 2008 (G.15)	Ratification and Approval of Negotiated Change Orders (4 projects)	\$200,775
October 15, 2008 (G.16)	Ratification of Previously Awarded Contract to Bay Cities Paving and Grading, Leadership Public Schools Temporary Campus	\$1,616,000 (9/17/08)
November 5, 2008 (F.1)	Facilities Planning and Construction Status Reports	
November 5, 2008 (G.9)	Ratification and Approval of Engineering Services contracts (3 contracts)	\$42,612
November 5, 2008 (G.10)	Ratification and Approval of Negotiated Change Orders (3 projects)	\$60,736
November 19, 2008 (C.3)	Citizens' Bond Oversight Committee Oral Report	
November 19, 2008 (G.6)	Ratification and Approval of Engineering Services contracts (6 contracts)	\$335,145
November 19, 2008 (G.7)	Ratification and Approval of Negotiated Change Orders (4 projects)	\$180,315
November 19, 2008 (G.10)	Approval of Lease/Purchase Agreement for 500 workstations, Dell Technology, El Cerrito High School (Bond funds)	
November 19, 2008 (G.13)	Local Hiring and Local Business Participation Goals in Measure J projects	
December 10, 2008 (E.1)	Adopt Resolution 45-0809: CEQA Final EIR for the Construction and Renovation of Castro Elementary to replace Portola Middle School (Measure J)	
December 10, 2008 (E.5)	Adopt Resolution 48-0809: Increase Level II Developer fees from \$3.48 per square foot to \$4.44 per square foot	
December 10, 2008 (G.5)	Notices of Completion: Cameron Re-Roof Project; DeAnza High Track and Field; Pinole Valley High Sitework; Pinole Valley High Parking lot Paving; Lupine Hills, Harding and Tara Hills Roof Repair projects	
December 10, 2008 (G.10)	Ratification and Approval of Engineering Services contracts (12 contracts)	\$350,077
December 10, 2008 (G.11)	Ratification and Approval of Negotiated Change Orders (7 projects)	\$446,044
December 10, 2008 (G.12)	Award of Contract to Trinet Construction, Dover Sitework Phase II Construction (Measure J – 7 bids)	\$77,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
December 10, 2008 (G.13)	Student Shuttle Bus Service for Ford Elementary Temporary Campus (Measure J)	\$41,600
December 10, 2008 (G.16)	Citizens' Bond Oversight Committee: appointment of Paul Gilbert-Snyder, City of El Cerrito Primary Representative	
January 7, 2009 (C.6)	Report on Seismic and Geotechnical Studies for District sites: Portola Middle; Adams Middle; Riverside Elementary; Washington Elementary; Pinole Valley High School	
January 7, 2009 (F.1)	Facilities Planning and Construction Status Reports	
January 7, 2009 (G.11)	Ratification and Approval of Engineering Services contracts (6 contracts)	\$105,009
January 7, 2009 (G.12)	Ratification and Approval of Negotiated Change Orders (3 projects)	\$557,802
January 21, 2009 (E.2)	Charter Facilities Assignments – Proposition 39 Draft Preliminary Offer to Manzanita Charter School	
January 21, 2009 (E.3)	Charter Facilities Assignments – Proposition 39 Draft Preliminary Offer to Richmond College Preparatory K-5 Charter School (RCP)	
January 21, 2009 (E.4)	Charter Facilities Assignments – Proposition 39 Draft Preliminary Offer to Leadership Public Schools, Inc. (LPS)	
January 21, 2009 (E.6)	Temporary Relocation for Portola Middle School and Adams Middle School (Measure J)	
January 21, 2009 (G.5)	Notices of Completion: Transition Learning Center Drainage and Paving; Pinole Valley High Restroom Renovations; Richmond High Building Renovations Phase II; Hercules Middle/High Field Alterations; Pinole Middle New Classroom Building and Gym	
January 21, 2009 (G.8)	Ratification and Approval of Engineering Services contracts (5 contracts)	\$179,003
January 21, 2009 (G.9)	Ratification and Approval of Negotiated Change Orders (11 projects)	\$527,113
January 21, 2009 (G.10)	Award of Contract to Bay Cities Paving and Grading, Ford Elementary Demolition, Sitework and Grading (Measure J – 9 bids)	\$697,000
January 21, 2009 (G.11)	Adopt Resolution 57-0809: Intent to Seek Debt Limit Waiver from State Board of Education for Sale of Remaining General Obligation Bonds (Measure J)	

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

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

**Revenue Sources – 2007 Facilities Master Plan**

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

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

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

**Revenue Sources – Board Approved, July 30, 2008**

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

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

### Board Approved Bond Budget M, D and J Revenue Source

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

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

More recent cost estimates for Measures D and J from the Capital Assets Management Plan prepared by SGI are presented below.

#### Summary of Cost Estimates

Phase	Capital Projects Cost Estimates (August 22, 2007)	Capital Projects Cost Estimates (June 25, 2008)	Capital Projects Cost Estimates (January 28, 2009)
D-1A	\$295,819,495	\$301,521,119	\$301,521,119
Other Secondary <sup>1</sup>	27,441,820	27,310,891	27,979,025
<b>Subtotal</b>	<b>\$323,261,315</b>	<b>\$328,832,010</b>	<b>\$329,500,144</b>
J-I	137,660,703	170,314,837	169,534,289
J-Secondary	200,300,000	175,962,570	176,364,145
Other <sup>2</sup>	66,046,897	41,180,909	39,028,380
<b>Subtotal</b>	<b>\$404,007,600</b>	<b>\$387,458,316</b>	<b>\$384,926,814</b>

<sup>1</sup> D-2A and D-3 projects, e-rate projects, furniture and equipment, and program coordination.

<sup>2</sup> Charter schools, Gompers, furniture and equipment, e-rate projects, program coordination, and program contingency.

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

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

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

- Establishment and evolution of Option 1C quality standards;
- Project labor agreements;
- Labor compliance law requirements;
- Inflation of construction costs in early 2000’s at a rate higher than projected;
- Passage of Proposition 39 and the 55 percent threshold for the passage of local bonds and resulting construction;
- Passage of Proposition 1A (November 1998), a \$9.2 billion State wide school facilities bond measure and resulting construction;
- Passage of Proposition 47 (November 2002), a \$13.05 billion State wide school facilities bond measure and resulting construction;
- Passage of Proposition 55 (March 2004), a \$10.0 billion State wide school facilities bond measure and resulting construction;
- Passage of Proposition 1D (November 2007), a \$7.3 billion State wide school facilities bond measure and resulting construction.

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

<b>Class B Construction Cost Index<sup>1</sup></b>	<b>Index Change</b>	<b>Percent Increase</b>
January 2002 – January 2003	1.43-1.46	2.1
January 2003 – January 2004	1.46-1.51	3.4
January 2004 – January 2005	1.51-1.68	11.3
January 2005 – January 2006	1.68-1.74	3.6
January 2006 – January 2007	1.74-1.88	8.0
January 2007 – January 2008	1.88-1.94	3.2
January 2008 – January 2009	1.94-2.09	7.7

<sup>1</sup> Source: Office of Public School Construction website.

From the date that Measure D passed (March 5, 2002) to January 2009, the Class B Construction Cost Index increased from 1.43 to 2.09 – an increase of 46 percent.

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

**General Contractor Prequalification Process**

	<b>Measure D (June 28, 2006)</b>	<b>Measure J (March 5, 2008)</b>
Requests sent to firms	60+	40+
Firms Responding	23	25
Firms Prequalified	21	24

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

<b>Architect Prequalification Process (August 16, 2006)</b>	
Requests sent to firms	30+
Firms responding	20+
Firms prequalified	22

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

<b>School</b>	<b>Year Built</b>	<b>Capital Projects Cost Estimates<sup>1</sup></b>	<b>Capital Projects Cost Estimates<sup>2</sup></b>	<b>Capital Projects Cost Budget<sup>3</sup></b>
El Cerrito High	1938	\$119,000,180	\$119,000,180	\$119,000,180
Helms Middle	1953	69,670,649	69,714,268	69,714,268
Pinole Middle	1966	47,148,666	52,806,672	52,806,672
Portola Middle	1950	60,000,000	60,000,000	60,000,000
<b>Total</b>		<b>\$295,819,495</b>	<b>\$301,521,119</b>	<b>\$301,521,119</b>

<sup>1</sup> Budgets from Capital Assets Management Plan, August 22, 2007.

<sup>2</sup> Budgets from Capital Assets Management Plan, June 25, 2008.

<sup>3</sup> Budgets from Capital Assets Management Plan, January 28, 2009.

**Table 2a. Measure J Phase I Projects - Total Estimated Costs. (Construction and Soft Costs)**

<b>School</b>	<b>Year Built</b>	<b>Capital Projects Cost Estimates<sup>1</sup></b>	<b>Capital Projects Cost Estimates<sup>2</sup></b>	<b>Capital Projects Cost Budget<sup>3</sup></b>
Castro Elementary	1950	\$350,000	\$350,000	\$350,000
Dover Elementary	1958	30,439,500	38,733,539	38,733,539
Ford Elementary	1949	26,208,000	32,176,617	32,176,617
King Elementary	1943	26,500,001	33,891,479	33,801,479
Nystrom Elementary	1942	26,208,002	31,208,001	30,517,453
Ohlone Elementary	1965	27,955,200	33,955,200	33,955,200
<b>Total</b>		<b>\$137,660,703</b>	<b>\$170,314,837</b>	<b>\$169,534,289</b>

<sup>1</sup> Budgets from Capital Assets Management Plan, August 22, 2007. A decision was made to defund the Castro Elementary School project. Due to the project being defunded, the \$350,000 cost estimate as of August 22, 2007, reflects "costs incurred to date."

<sup>2</sup> Budgets from Capital Assets Management Plan, June 25, 2008.

<sup>3</sup> Budgets from Capital Assets Management Plan, January 28, 2009.

**Table 2b. Measure J Secondary School Projects - Total Estimated Costs. (Construction and Soft Costs)**

School	Year Built	Capital Projects Cost Estimates <sup>1/2</sup>	Capital Projects Cost Estimates <sup>3</sup>	Capital Projects Cost Budget <sup>4</sup>
De Anza High	1955	\$161,600,000	\$160,100,000	\$160,100,000
Pinole Valley High	1968	25,000,000	1,000,000	1,000,000
Richmond High	1946	5,100,000	6,262,570	6,834,145
Kennedy High	1965	8,600,000	8,600,000	8,430,000
<b>Total</b>		<b>\$200,300,000</b>	<b>\$175,962,570</b>	<b>\$176,364,145</b>

<sup>1</sup> Budgets from Capital Assets Management Plan, August 22, 2007.

<sup>2</sup> According to the Board-adopted “2007 Facilities Master Plan,” the following explanations were presented for Measure J Secondary School projects:

De Anza High: The Board approved the De Anza 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 De Anza 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, only partial renovations only will be done at Richmond and Kennedy high schools, including restroom modernization, security projects, building upgrades, parking improvements, track and field, and stadium building.

<sup>3</sup> Budget from Capital Assets Management Plan, June 25, 2008.

<sup>4</sup> Budget from Capital Assets Management Plan, January 28, 2009.



## EXPENDITURE REPORTS FOR MEASURES D AND J

### MEASURE D

The budget and expenditure totals contained in the table below were extracted from the Capital Assets Management Plan Report (CAMP), Number 36, dated January 28, 2009.

#### Measure D Bond Issuance and Expensed Amounts As Of January 28, 2009

Total bond authorization	\$300,000,000
Total bond issues as of June 30, 2008 (Series A, B, C and D)	\$300,000,000
Expensed per CAMP dated, January 28, 2009	\$222,013,674

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

School	Site No.	Project Description	Project Budget	Expensed to Date
Helms Middle	210	New School	\$69,714,268	\$44,260,734
Pinole Middle	212	Renovation and New Construction	52,806,672	34,514,473
Portola Middle	214	New School	60,000,000	3,763,544
El Cerrito High	354	New School	119,000,180	112,984,580
<b>Totals</b>			<b>\$301,521,120</b>	<b>\$195,523,331</b>

#### Additional Bond Funded Projects

School	Site No.	Project Description	Project Budget	Expensed to Date
Kennedy High	360	Track and Field	\$3,167,748	\$3,165,549
Pinole Valley High	362	Track and Field	1,667,193	1,642,806
Richmond High	364	Track and Field	4,207,616	4,193,818
<b>Totals</b>			<b>\$9,042,557</b>	<b>\$9,002,174</b>

### Site Survey Projects, Phase 2A-3

School	Site No.	Project Description	Project Budget	Expensed to Date
Transitions LC	131	Site Survey	\$118,020	\$118,020
Vista Hill	163	Site Survey	119,235	119,235
Harbour Way	191	Site Survey	121,639	121,639
Adams Middle	202	Site Survey	467,199	467,199
Crespi Middle	206	Site Survey	399,139	399,139
Hercules Middle	211	Site Survey	76,448	74,527
Gompers High	358	Site Survey	549,876	517,378
Kennedy High	360	Site Survey	660,518	660,518
Pinole Valley High	362	Site Survey	703,106	702,071
Richmond High	364	Site Survey	641,600	647,430
Vista High	373	Site Survey	35,789	35,789
North Campus	374	Site Survey	125,032	125,032
Hercules High	376	Site Survey	426,346	426,346
Delta	391	Site Survey	152,564	152,564
Kappa	393	Site Survey	109,809	109,809
Omega	395	Site Survey	118,638	118,638
Sigma	396	Site Survey	110,728	110,728
<b>Totals</b>			<b>\$4,935,686</b>	<b>\$4,906,061</b>

### Network/Telecom Technology E-Rate Projects

School	Site No.	Project Description	Project Budget	Expensed to Date
Adams Middle	202	E-Rate	\$203,064	\$203,064
Crespi Middle	206	E-Rate	47,106	47,106
DeJean Middle	208	E-Rate	226,880	214,532
Helms Middle	210	E-Rate	240,987	240,986
Hercules Middle	211	E-Rate	6,623	6,623
Pinole Middle	212	E-Rate	47,537	47,537
Portola Middle	214	E-Rate	151,809	151,795
DeAnza High	352	E-Rate	124,320	124,320
El Cerrito High	354	E-Rate	141,208	141,208
Gompers	358	E-Rate	183,109	182,918
Kennedy High	360	E-Rate	546,988	546,974
Pinole Valley High	362	E-Rate	59,855	59,855
Richmond High	364	E-Rate	235,826	235,967
North Campus	374	E-Rate	76,630	76,630
Hercules High	376	E-Rate	3,028	3,028
Progam		E-Rate	52,877	52,878
<b>Totals</b>			<b>\$2,347,847</b>	<b>\$2,335,421</b>

### **Furniture and Equipment**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Project Budget</b>	<b>Expensed to Date</b>
Helms Middle	210	Furniture and Equipment	\$536,393	\$0
Pinole Middle	212	Furniture and Equipment	637,430	527,787
Portola Middle	214	Furniture and Equipment	547,586	64,562
El Cerrito High	354	Furniture and Equipment	1,528,592	1,251,404
<b>Totals</b>			<b>\$3,250,001</b>	<b>\$1,843,753</b>

### **Program Coordination and Contingency**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Project Budget</b>	<b>Expensed to Date</b>
Central Account	615		\$8,402,934	\$8,402,934

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<b>Program Totals</b>			<b>\$329,500,145</b>	<b>\$222,013,674</b>
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## MEASURE J

The budget and expenditure totals contained in the table below were extracted from the Capital Assets Management Plan Report (CAMP), Number 36, dated January 28, 2009.

### Measure J Bond Issuance and Expensed as of January 28, 2009

Total bond authorization	\$400,000,000
Total bond issues to date	\$190,000,000
Expensed per CAMP dated January 28, 2009	\$44,764,893

#### Elementary Schools

School	Site No.	Project Description	Project Budget <sup>1</sup>	Expensed to Date <sup>1</sup>
Castro	109	Site Survey	\$350,000	\$294,520
Dover	115	New School	38,733,539	3,088,309
Ford	124	New School	32,176,617	3,783,476
King	132	New School	33,801,479	2,288,237
Nystrom	144	Modernization and New Building	30,517,453	2,243,600
Ohlone	146	New School	33,955,200	747,933
<b>Totals</b>			<b>\$169,534,289</b>	<b>\$12,446,076</b>

<sup>1</sup> Totals do not match due to rounding.

#### Major Renovation and New Schools, Phase 1B

School	Site No.	Project Description	Project Budget	Expensed to Date
DeAnza High	352	New School	\$160,100,000	\$20,457,669
Kennedy High	360	Renovation	8,430,000	1,566,813
Pinole Valley High	362	Renovation	1,000,000	958,766
Richmond High	364	Renovation	6,834,145	2,588,803
<b>Totals</b>			<b>\$176,364,145</b>	<b>\$25,572,051</b>

#### Additional Bond Funded Projects

School	Site No.	Project Description	Project Budget	Expensed to Date
Richmond College Prep (Charter) Leadership Public Schools (Charter at Nystrom)	512	Modular-Permanent Campus	\$2,482,494	\$1,711,731
	544	Modular-Temporary Campus	3,377,072	2,317,000
<b>Totals</b>			<b>\$5,859,566</b>	<b>\$4,028,731</b>

## Network Telecom Technology Projects

School	Site No.	Project Description	Project Budget	Expensed to Date
Totals all sites		Network-Technology Equipment	\$7,800,000	\$1,104,276

## Furniture and Equipment

School	Site No.	Project Description	Project Budget	Expensed to Date
Ford	124	Furniture and Equipment	\$1,735	\$0
Nystrom	144	Furniture and Equipment	43,142	7,428
DeAnza High	352	Furniture and Equipment	181,670	5,028
Kennedy High	360	Furniture and Equipment	197,313	86,462
Pinole Valley High	362	Furniture and Equipment	29,820	20,139
Richmond High	364	Furniture and Equipment	11,235	11,211
Richmond College Prep	512	Furniture and Equipment	1,242	1,242
Leadership Public Schools	544	Furniture and Equipment	1,136	0
Program	606/615	Furniture and Equipment	8,032,707	0
<b>Totals</b>			<b>\$8,500,000</b>	<b>\$131,510</b>

## Program Coordination

School	Site No.	Project Description	Project Budget	Expensed to Date
Central Account	615		\$8,541,819	\$1,482,250

## Program Contingency

School	Site No.	Project Description	Project Budget	Expensed to Date
Totals all Projects	615		\$8,326,995	\$0

<b>Program Totals</b>			<b>\$384,926,814</b>	<b>\$44,764,893</b>
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## STATE SCHOOL FACILITY PROGRAM

The District has filed facilities applications under the following programs:

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

As of December 31, 2008, the District received state grant amounts summarized in the table below. These amounts include \$3,781,072 for Helms released on November 4, 2008 and \$4,834,933 for Downer released on December 3, 2008. All of the following financial data have been extracted from the OPSC Internet Web site, which maintains a record of the current project status for all school districts in California.

### State Facilities Funding

State Program	SAB#	State Grant Amount	District Match
New Construction	50/001 <sup>1</sup>	\$12,841,930	\$12,841,930
Modernization	57/001-57/009 <sup>2</sup>	3,863,449	2,609,434
Modernization	57/010-57/017 and 57/019 <sup>3</sup>	9,943,161	6,801,923
Modernization	57/018 and 57/020-57/026 <sup>4</sup>	12,282,748	8,320,619
Modernization	57/027 <sup>5</sup>	4,834,933	3,223,289
Modernization	57/029 <sup>6</sup>	3,781,072	2,520,715
Rehabilitation	58/001 <sup>7</sup>	654,579	0
Joint Use	52/001 <sup>8</sup>	1,500,000	1,500,000
<b>Totals</b>		<b>\$49,701,872</b>	<b>\$37,817,910</b>

<sup>1</sup> 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.

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

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

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

<sup>5</sup> The Downer modernization project is a 60/40 match with Measure D bonds.

<sup>6</sup> The Helms modernization project is a 60/40 match with Measure D bonds.

<sup>7</sup> This was a 100 percent State-funded project for work at Lincoln Elementary School to correct structural problems.

<sup>8</sup> This is a joint-use project at Pinole Middle School.

To date, the District has received a total of \$49,701,872 through various State facilities funding programs.

## **Projected State Grant Amounts**

In addition to the receipt of \$49,701,872 from the State as of December 31, 2008, the District anticipates the receipt of an additional \$64,614,323 in State funds, assuming that all planned projects are completed as scheduled from projected total revenue sources. The additional State funding includes the following categories:

<b>Anticipated State Funding Schools/Categories</b>	<b>State Grant Amount</b>
El Cerrito High School (SAB Approved)	\$10,985,587
Kennedy High School	5,147,407
Richmond High School	4,000,000
Pinole Middle school	3,179,932
Portola Middle (at Castro)	1,514,268
Portola Middle (Reconstruction Hardship)	12,000,000
Dover Elementary School <sup>1</sup>	1,861,349
Ford Elementary School <sup>1</sup>	2,262,320
King Elementary School	2,635,560
<b>Subtotal</b>	<b>\$43,586,423</b>
Additional State Funding <sup>2</sup>	21,027,892
<b>Total</b>	<b>\$64,614,315</b>

<sup>1</sup> The District staff indicated that Dover and Ford will have, in addition to State modernization projects, applications under the Overcrowded Relief Grant (ORG) program. This would result in an unspecified additional amount of State funding.

<sup>2</sup> Includes additional school projects (DeAnza High School, Nystrom Elementary School, Ohlone Elementary School), joint-use projects, interest and inflationary adjustments to State grants.

The actual State grant amounts to be received will be determined when the District files the necessary paperwork to OPSC/SAB and SAB approvals are obtained.

## **STATE NEW CONSTRUCTION STATUS**

During the annual performance audit period ending June 30, 2008, new construction eligibility was established based on California Basic Educational Data System (CBEDS) data through 2007-08 for four high school attendance areas, with subsequent certified eligibility for 124 students in grades 9-12, 246 non-severe needs special education students, and 48 severe needs special education students. There has been no new construction eligibility established since June 30, 2008.

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

### **New School Site**

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

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



## STATE MODERNIZATION STATUS

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

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

There are 26 West Contra Costa Unified School District elementary school projects that have completed the SAB 50-03, SAB 50-04, and SAB 50-05 processes to date. These include nine Quick-Start projects, nine Phase M-1A projects, and eight Phase M-1B projects for which the District received \$3,863,449; \$9,943,161; and \$12,282,748 respectively. All available Measure M bond funds have been allocated to these 26 elementary school projects, and no future projects are planned using Measure M funds. The 26 completed modernization projects have been excluded from the Elementary Schools table below.

Several secondary schools funded under Measure D have had modernization applications (SAB 50-04) filed (Downer, Helms and El Cerrito High). The Downer project was approved by the SAB on December 12, 2007 and funds were released on December 3, 2008. The Helms project was approved by the SAB on July 23, 2008 and funds were released on November 4, 2008. The El Cerrito project was approved by the SAB on December 10, 2008 and funds are yet to be released.

### **State Allocation Board Modernization Funding for Measure D Projects.**

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

**Existing Campuses. Elementary Schools - Updated December 31, 2008**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>2</sup>
108	Cameron (Spec. Ed)	K-6							
109	Castro (1950)	K-6	J(1)	000	07/26/00	372			
105	Chavez (1996)	K-5		N/A	New school Not eligible				
110	Collins (1949)	K-6		000	07/26/00	498			
115	Dover (1958)	K-6		000	07/26/00	121			
116	Downer (1955)	K-6	D(1)	027	03/22/00	916	12/12/07	12/03/08	\$4,834,933 (60%)
124	Ford (1949)	K-5	J(1)	000	03/22/00	500			
128	Hanna Ranch (1994)	K-5		N/A	New school Not eligible				
191	Harbour Way (1998)	K-6		N/A	New school Not eligible				
122	Highland (1958) (1993)	K-6	J(2)	000	03/28/07	125			
132	King (1943) <sup>4</sup>	K-5	J(1)	000	07/26/00	555			
146	Ohlone (1970) <sup>4</sup>	K-5	J(3)	000	07/26/00	480			
145	Olinda (1957) <sup>4</sup>	K-6		000	03/22/00	325			
152	Seaview (1972) <sup>4</sup>	K-6		000	03/22/00	340			
154	Shannon (1967) <sup>4</sup>	K-6		000	03/22/00	369			
157	Stege (1943)	K-5		N/A	Not eligible				
131	Transition Learning Center	K-6		N/A	Not eligible				
163	Vista Hills								
<b>Elementary Schools</b>									

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

**Existing Campuses - Middle Schools - Updated December 31, 2008**

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

**Existing Campuses - High Schools - Updated December 31, 2008**

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

**Existing Campuses - Alternative Schools. Updated December 31, 2008**

No.	Existing Campus	Grade	Bond (Phase) <sup>1</sup>	SAB# <sup>2</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>3</sup>
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								
<b>Alternative Schools</b>									

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

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

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

## COMPLIANCE WITH STATE LAW, GUIDELINES AND DISTRICT POLICY

### Process Utilized

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

### Background

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

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

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

### State Law

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

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

- *Document 00060, Introductory Information, DSA Form 103-1: Division of the State Architect (DSA) approval* for individual project/plans and specifications
- *Document 00100, Bid Documents: Notice To Bidders:* The Notice To Bidders includes the required notification for project identity; date, time, and place of bid opening; contractor's license requirements for the type construction and the validity of that license; bid bond and certified bid security check requirements; payment bond requirements; performance bond requirements; substitution of securities information; definition of prevailing wage requirements; statement establishing blind bid process; and a reservation of the right to reject all bids.
- *Document 00150, Bid Documents, Bid Bond:* A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.

- *Document 00330, Bidders Certifications and Affidavits, Non-collusion Affidavit:* A non-collusion affidavit form is provided and demanded of the contractor.
- *Document 00550, Contract Forms, Escrow Agreement for Security Deposits in Lieu of Retention:* This item is included as an option, as required.
- *Document 00610, Contract Forms:* A performance bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 00620, Contract Forms:* A payment bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 00905, Contractor Certifications:* The contractor is required to certify compliance with the State workers' compensation regulations.
- *Document 00808, Contract Forms, Project Labor Agreement, Prevailing Wage and Related Labor Requirements Certification:* The contractor is required to certify compliance with the District's PLA, which states: "All employees...shall be paid in accordance with the classification and wage scales contained in the appropriate local agreements which have been negotiated by the historically recognized bargaining parties and in compliance with the applicable general prevailing wage determination..."
- *Document 00915, Contractor Certifications, Drug-Free Workplace Certification:* The contractor is required to provide drug-free workplace certification.
- *Document 00925, Contractor Certifications, Hazardous Materials Certification:* The contractor is obligated to provide certification that no hazardous materials were to be furnished, installed, or incorporated in any way into the project.
- *Document 00930, Contractor Certifications, Lead-Based Materials Certification:* The contractor is required to certify compliance with lead-based materials regulations.
- *Document 00940, Contractor Certifications, Criminal Background Investigation/Fingerprinting Certification:* The contractor is required to select a method of compliance and to certify compliance with criminal background investigation/fingerprinting requirements.

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

- *Document 00910, Contractor Certifications, Labor Compliance Certification Form, Prevailing Wage and Related Labor Requirements Certification:* The contractors are required to certify compliance with the State Public Works Contract requirements.
- *Document 00912, Contractor Certifications, Disabled Veteran Business Enterprise (DVBE) Participation Certification:* The contractor is required to certify compliance with the DVBE requirements as set forth in the State's School Facilities Program.

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

- *Document 00110: Instructions to Bidders*

- *Document 00510: Notice of Award*
- *Document 00520: Notice to Proceed*
- *Document 00530: Agreement*
- *Document 00540 Escrow of Bid Documentation*

<sup>1</sup> Proof of District compliance was taken from the bid document for the “New School Construction Increment II at Dover Elementary School” project dated March 2009. In addition to the document numbers cited, Document 00700, “General Conditions (GC)” included Articles I-XXVII, which further clarified contractor duties and responsibilities.

### **Prevailing Wage Law/Labor Compliance Program**

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

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

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

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

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

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

## **Midyear Update**

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

## **Project Labor Agreement (PLA)**

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

### **Projects Subject to Project Labor Agreements**

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

<sup>1</sup> Bid documents for the Dover Elementary School "New School Construction Increment II" dated, March 2009, include PLA requirements that reference a project list approved in October 2008. However, no Board item could be located indicating that Measure J projects were covered by the PLA.

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

### **PURPOSE**

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

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

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



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

No follow-up evaluation has been conducted to determine the effectiveness of the PLA. It is pointed out, however, that in keeping with the intent of the third paragraph of the above stated purpose, the District developed a Local Capacity Building Program (LCBP) that is discussed in sections "Compliance with State Law, Guidelines and District Policy" and "Bidding and Procurement Procedures."

### **District Policy**

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

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

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

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

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

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

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

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

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

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

**Series 7000 – Facilities**

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

## **High Performance Schools**

TSS staff reviewed the High Performance scorecard on three schools: Dover Elementary School, Ford Elementary School and De Anza High School. The scorecard is based on the Collaborative for High Performance Schools criteria and is used as the basis for funding in the High Performance Schools Grant program. The information presented here is based solely on the scorecards since plans and specifications were not reviewed to verify the content of the scorecard.

### **Midyear Update**

The Ford Elementary School Modernization has 44 points out of 77 possible listed on the scorecard. This project showed superior performance in the category of Indoor Environmental Quality. The project received the maximum points for Indoor Air Quality, Acoustics and Thermal Comfort. Daylighting and high performance electric lighting were used to reduce energy consumption.

The project also received 5 points for improving energy performance, more than required by the California Energy Code.

With 44 points in the High Performance Schools Grant Program, the District should receive a 5.08 percent increase in the grants obtained through the School Facilities Program.

Dover Elementary School contained similar high performance elements with two notable exceptions. This project received 2 additional points for the reduction of potable water usage and 3 additional points for the use of recycled materials and rapidly renewable materials. Dover did not perform as well as Ford in other areas but scored a total of 44 points. This project will also receive a 5.08 percent increase in any grants that it receives from the School Facilities Program.

The third scorecard reviewed was for De Anza High School. The primary high performance elements included in this project were the treatment of stormwater runoff, the use of cool roof material to reduce energy consumption, superior energy performance, enhanced commissioning and the recycling of construction waste material. De Anza received a total score of 32 points with which the District should obtain a 2.24 percent increase in the grants from the School Facilities Program.

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

### **Process Utilized**

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

For the 2008-09 Midyear Report, TSS reviewed the consultant services for the Measure J and D bond projects, including the following WCCUSD documents:

Agreement for Master Architectural Services, Final Draft, November 10, 2004.

Agreement for Program and Construction Management Services Related to District Bond Program, December 21, 2004.

Agreement for Architectural Services, Dover Elementary School Project, Arthur Tam Architects, Inc.

Agreement for Design Phase Management Services, August 15, 2004.

Capital Assets Management Plan (CAMP) Measure D and J Program Budgets, January 28, 2009.

TSS also met with members of the District staff, the Program Manager, Construction Manager, Design Phase Manager and representatives from a sample of the architectural firms involved with the District's bond projects.

## FACILITIES STAFFING FOR THE BOND PROGRAM

The table below lists District approved staffing and the associated funding allocations for the bond program for fiscal year 2007-08 and at the time of the midyear review.

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

District Staff Position	2007-08		Midyear Review		Object Code
	General Fund %	Bond Fund %	General Fund %	Bond Fund %	
<b>Bond Finance Office</b>					
Sr. Director of Bond Finance	25	75	25	75	2310
Principal Accountant	25	75	0	0	2410
Principal Accountant	0	100	0	100	
Accountant II	0	0	50	50	2410
Senior Account Clerk	0	100	50	50	2410
Senior Budget Control Clerk <sup>1</sup>	0	0	0	100	2410
Administrative Secretary	25	75	0	0	2410
<b>Bond Finance Office Subtotal</b>	<b>0.75 FTE</b>	<b>4.25 FTE</b>	<b>1.25 FTE</b>	<b>3.75 FTE</b>	
<b>Bond Management Office</b>					
Associate Superintendent of Operations	50	50	50	50	2130
District Engineering Officer	10	90	10	90	2310
Staff Secretary <sup>1</sup>	0	100	0	100	2410
Facilities Planning Specialist - Classified	0	100	0	100	2410
Director of Bond Facilities <sup>1</sup>	10	90	10	90	2310
Bond Regional Facility Project Manager <sup>2</sup>	10	90	10	90	2310
Bond Regional Facility Project Manager	10	90	10	90	2310
Bond Network Planner <sup>1</sup>	0	100	10	90	2310
<b>Bond Management Office Subtotal</b>	<b>0.9 FTE</b>	<b>7.1 FTE</b>	<b>1.0 FTE</b>	<b>7.0 FTE</b>	
<b>Total for Management and Finance</b>	<b>1.65 FTE</b>	<b>11.35 FTE</b>	<b>2.25 FTE</b>	<b>10.75 FTE</b>	

<sup>1</sup> Position is vacant at the time of this report.

<sup>2</sup> One Bond Regional Facility Project Manager is on medical leave.

The facilities-related personnel (full-time equivalent or FTE) assigned to the program, including the internal staff, the project management and construction management personnel are presented in the table below. It should be noted that a number of key positions are currently vacant, rendering the District's facilities program short staffed. These positions include the Senior Budget Control Clerk, Staff Secretary, Director of Bond Facilities and the Bond Network Planner. In addition, one of two Bond Regional Facility Project Managers is out on extended leave. This results in a current available staff level at 46 percent below the authorized level.

These numbers exclude architects/engineers of record, project specialty consultants, inspectors, the communication consultant, the outreach consultant, and the labor compliance consultant.

Category	June 2008 FTE <sup>1</sup>	December 2008 FTE <sup>1</sup>
District Staff		
Bond Finance Office	4.25	3.75
Bond Management Office	7.10	7.00
<b>Subtotal</b>	<b>11.35</b>	<b>10.75</b>
Bond Program Manager (SGI)		
Program/Project Management	6.00	6.00
Design Management	2.00	2.00
Construction Management	12.00	7.50
Other (Network Admin., PS2 Coordinator, Receptionist)	3.00	3.00
<b>Subtotal</b>	<b>23.0</b>	<b>18.50</b>
Construction Management (Other)	3.00	3.00
Amanco (SGI Subcontractor), RGM, Van Pelt		
<b>Subtotal</b>	<b>3.00</b>	<b>3.00</b>
<b>TOTAL Full-Time Equivalent Positions</b>	<b>37.35</b>	<b>32.25</b>

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

The table above indicates the various changes in staffing levels since the 2008 annual performance audit.

On February 6, 2008, the Board of Trustees approved a contract with SGI for Bond Program Management services. This action item indicated that the current level of services would remain the same. The new contract was in the amount of \$7,316,368.

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

**Program Management Structure, (January 28, 2009 CAMP Report)**

<b>Budget Category</b>	<b>Measure M &amp; D Budget<sup>1,4</sup></b>	<b>Percentage of Program</b>	<b>Measure J Budget<sup>2,4</sup></b>	<b>Percentage of Program</b>
Pre-Design Services	\$2,402,990	0.42%	\$1,453,125	0.42%
Master Architect	15,530,088	2.72%	3,844,925	1.11%
Program Management	6,522,840	1.14%	6,970,406	2.02%
Construction Management	24,598,373	4.31%	12,333,235	3.57%
Design Manager	2,854,308	0.50%	2,378,473	0.69%
Architect of Record	36,133,795	6.33%	23,753,544	6.87%
Other Soft Costs	11,255,303	1.97%	6,545,650	1.89%
Construction Phase Services	14,506,465	2.54%	10,380,627	3.00%
<b>Soft Costs Total</b>	<b>113,804,162<sup>4</sup></b>	<b>19.93%</b>	<b>67,665,986<sup>4</sup></b>	<b>19.56%</b>
<b>Construction Costs Total<sup>3</sup></b>	<b>456,861,213<sup>4</sup></b>	<b>80.01%</b>	<b>278,226,298<sup>4</sup></b>	<b>80.44%</b>
<b>Total Program Budget</b>	<b>\$571,020,566<sup>4</sup></b>	<b>99.94%</b>	<b>\$345,898,434<sup>4</sup></b>	<b>100.00%</b>

<sup>1</sup> Amounts are from the January 28, 2009, Capital Assets Management Plan (Measures M, D and J) as presented in that report. Major changes were noted between the July 23, 2008, CAMP report and the January 28, 2009 report.

<sup>2</sup> Measure J, Phase I elementary and secondary schools.

<sup>3</sup> Includes Temporary Housing costs and escalation.

<sup>4</sup> Numbers are as presented in the CAMP report. Mathematical errors exist.

## PROGRAM MANAGEMENT

The most significant change affecting the cost of the program management structure was the bifurcation of the program management and construction management services. Prior to this change, program management services were included with the construction management services. The bifurcation resulted in an increase of \$642,337 or 3.45 percent in the total for the CM and PM fees. This increase is partially offset by a decrease of \$321,613 or 7.47 percent, in the Master Architect fees. Overall, there was a slight increase in soft costs for the Measure M and D projects and a 1.4 percent increase in soft costs for the Measure J projects. There was also a significant increase in the Measure J Design Manager fees from the previous year, which increased by 469 percent from \$434,033 in 2006-07 to \$2,389,520 in 2007-08. Staff has indicated that, in the 2006-07 report, all projects assigned to the Design Manager had not yet been identified. The increase is due to the assignment of additional projects.

### Midyear Update

There is substantial overlap in the services and responsibilities involving the District staff and consultants. TSS reviewed the services agreements for the Master Architect, Program Manager, Architect of Record, Design Phase Manager and the Construction Manager. A matrix of these services is presented below.

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



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

TSS understands that the role and responsibilities of the Master Architect have changed significantly, as discussed later in this section. However, most projects currently in the program included the services of the Master Architect during the Pre-Construction Phases.

In the process for developing project and program schedules the Design Phase Manager, the Architect of Record, the Program Manager and the District staff all create schedules which, in the case of the sample projects reviewed, were not coordinated. It was not clear who has the ultimate responsibility for maintaining or enforcing the project schedules. For other services, more than one entity providing the same service can act as a check and balance to ensure accuracy. However, the agreements do not indicate who has the primary responsibility and who provides the verification. Another example is chairing meetings and keeping minutes. During the Predesign Phase, the Design Phase Manager, the Architect of Record and the Program Manager all have this responsibility indicated in their respective agreements. These duplications of services can lead to confusion and inefficiencies in the process.

Based on the audit team's professional experience in the school construction industry, the cost of these services appear to be higher than average. If a district includes program and construction management services for a project, typical fees for the Architect of Record, Program Manager and Construction Manager range from 12 percent to 16 percent of total project cost. The January 28, 2009, CAMP report indicates that, for projects in excess of \$10 million in construction costs, these costs range from a low of 13.83 percent to a high of 25.8 percent. The average cost of these services is 18.58 percent of total project cost.

### **Recommendation**

- The District should update all service agreements to coordinate bond management and eliminate overlap in services. Wherever possible, the District should eliminate duplicative services. There may be a need to have more than one entity provide some services. In those cases, the agreements should indicate which entity has the primary responsibility and how those services are coordinated to avoid confusion and conflict. This process should also include designation of the person/entity with assigned primary responsibility for various functions.

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

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

### **Midyear Update**

During the review period of July 1, 2008 through December 31, 2008, the services of the Master Architect continue at a limited rate. As indicated above, WLC continues to provide services in this role on a time and materials basis with limited reviews for conformance with previously established District standards.

Total School Solutions believes that the District is served well with the new division of services 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.

The reduction in the scope of the Master Architect's services indicated in the 2006 amendment is appropriate. The services included in the original agreement included the development of program standards for all projects. These standards have been completed and the current work has been reduced to checking the schematic designs of all projects and verifying that they meet the design standards.

For a complete 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.

## **DESIGN AND CONSTRUCTION SCHEDULES**

### **Process Utilized**

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

### **Background**

The bond management team has developed documentation systems that include schedules for the Measure M, D and J programs. 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.

Measure M, Phase 1A and Phase 1B facilities program construction projects were substantially completed during the fiscal year 2006-07.

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

### **Measure D Projects**

By the end of the 2007-08 reporting period, construction of twenty three Measure D projects was complete. The remaining five projects were in the advanced stages of construction. As of January 2009, four of these projects, the construction of the El Cerrito High School New Campus; the El Cerrito High School Administration, Theater and Library; the Pinole Middle School New Campus; and the Downer Elementary School Project, are complete and are being closed-out. The Downer Elementary School construction project is a Measure M project funded under the Measure J Bond Program. Construction of the Helms Middle School new campus project is 65 percent complete and scheduled to be completed by the end of fiscal year 2008-09.

## **Measure J Projects**

Elementary School Projects: As of January 2009, field demolitions and site work for Dover Elementary School, Ford Elementary School and King Elementary School were in the final stages of completion while the new school buildings were in the design-construction document stage and the public bid-award stage. The Nystrom Elementary School Modernization/Multipurpose Room project is in the design-construction document stage. The Ohlone Elementary School site work and new campus project is in the developmental design stage.

Secondary School Projects: As of January 2009, demolition and site work, and construction of the field house/track and field projects for the De Anza High School were in the final stages of completion. The Main Campus construction project for De Anza High School and the renovation projects for Kennedy High School were in various stages of design and construction document preparation. Construction of the Richmond High School Stadium and Lockers Building project is 55 percent complete. The Pinole Valley High School project remained on the “deferred” list subject to the availability of future funds.

Charter and Gompers Projects: As of January 2009, the construction of the Richmond College Prep (RCP) site and utilities and the Leadership Public School (LPS) temporary campus site were substantially complete and undergoing the project close-out process.

## **Midyear Update**

An analysis of the schedules and scheduling responsibilities based on contracts, agreements and actual delivery of services is needed. Refer to the Midyear Update portion of the District and Professional Services Staffing Plan for the Bond Program section of this report for a detailed explanation of duplicate effort in scheduling and a lack of specific assigned responsibility for primary schedule controls, maintenance, and distribution.

The Design Phase Manager, the Architect of Record, the Program Manager and the District staff create separate project schedules which, in the case of the sample projects reviewed, were not coordinated. It was not clear who has the ultimate responsibility for maintaining and adhering to the project schedule. In some cases, more than one entity providing the same service serves as checks and balances to ensure accuracy. However, the current system makes it difficult to determine which schedule is being adhered to for any particular project.

Project schedules should be developed at the conceptual onset of a project, adjusted only when necessary, and communicated to all parties including site staff. Refer to the District and Professional Services Staffing Plan for the Bond Program section of this report for a specific improvement recommendation.

## **DESIGN AND CONSTRUCTION COST BUDGET**

### **Process Utilized**

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

### **Background**

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

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

Through actions of the Board of Education, the West Contra Costa Unified School District 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. The Board of Education anticipates generating additional local revenues to balance the program budget. It is expected that these funds will become available through local sources, including the authorization and issuance of additional local general obligation bonds and fees on residential and commercial development.

## **Measure D**

As of January 2009, the El Cerrito High School Classrooms, Administration and Theater Buildings projects, the Pinole Middle School New Classrooms, Building B and Gymnasium projects and the Downer Elementary School New School Building (a Measure M project funded under Measure D) projects were substantially complete and undergoing the close-out process. The Helms Middle School Campus new construction is in process (65 percent) and scheduled to be completed before the end of fiscal year 2008-09.

For Pinole Middle School, the Temporary Modular Campus and the Demolition/Hazmat Removal projects are in the process of public bidding and award while the modernization of Building A is in the design process.

## **Measure J**

As of January 2009, construction of site work/demolition for three Measure J Elementary School Projects (Dover Elementary School, Ford Elementary School and King Elementary School) were in various stages of completion while construction of new school buildings were undergoing the final construction document preparation and public bid-award process. The Nystrom Elementary School Modernization/Multipurpose Room project and the Ohlone Elementary School Sitework/New Campus project are in various stages of design development and construction document preparation. These projects are scheduled to be under construction during the fiscal year 2008-09.

The De Anza High School Main Campus construction project and the Kennedy High School renovation projects are in the final stages of design and construction document preparation process. Construction of the De Anza Track and Field and the Field House projects are all in final stages of completion. As of December 31, 2008, construction of the Richmond High School Stadium and Locker Building is at 55 percent completion.

## **Midyear Update**

The following table, "Construction Budgets vs. Actual Bids", show examples of projects bid and awarded during the period from 2006 through the early months of 2009. The projects bid in each year 2006 and 2007 had an average of 3 bidders and resulted in bid amounts that were 12 and 30 percent higher than the construction budgets. In 2008, five bids sampled showed good bidder participation ranging from 2 to 7 bidders and a wide variance in low bids ranging from 77.13 percent to 240.21 percent of the construction budget. Two bids sampled for the year 2009, had a high participation rate of 9 and 14 bidders with low bid amounts coming at 53.53 and 32.20 percent below the construction budget.



### Construction Budgets vs. Actual Bids (2007-2009)

Project Name / Bid No.	Construction Budget	Lowest Bid Amount / Bidder	Highest Bid Amount / Bidder	No. of Bidders / Bid Date	Variance (+ / -)	% Over/ Under Budget
<b>El Cerrito HS</b> New Construction Bid # D06048	\$47,000,000	\$54,264,000 Lathrop Construction	\$55,963,000 West Bay Builders	3 08/29/06	\$7,264,000	15.46%
<b>Pinole MS</b> New Construction Bid # D06068	\$16,000,000	\$20,661,000 West Coast Contractors	\$21,657,000 SG Amoroso Construction	4 10/26/06	\$4,661,000	29.13%
<b>Helms MS</b> New Construction Bid # D06075	\$45,000,000	\$50,890,000 West Bay Builders	\$54,595,000 SG Amoroso Construction	3 03/02/07	\$5,890,000	13.09%
<b>El Cerrito HS</b> New Admin/ Theater Bid # D06081	\$20,000,000	\$22,580,000 Lathrop Construction	\$26,909,959 Arntz Builders	3 03/15/07	\$2,580,000	12.90%
<b>ML King ES</b> Demo/ Site Work & Temporary Playground Bid # J068112	\$550,000	\$461,000 Bay cities Paving	\$850,224 Evans Brothers	4 07/30/08	(\$89,000)	-16.18%
<b>Dover ES</b> Demolition/ Site Work Bid # J068111	\$1,954,000	\$446,958 Evans Brothers	\$576,500 WR Forde Associates	3 07/01/08	(\$1,507,042)	-77.13%
<b>Ford ES</b> Transitional Housing Bid # J068134	\$650,000	\$914,000 Bay Cities Paving	\$1,295,000 Terra Nova Construction	7 09/10/08	\$264,000	40.62%
<b>Richmond College Prep</b> Campus Expansion Ph 1 Bid # J068129	\$350,000	\$888,000 Bay Cities Paving	\$1,025,000 Lamon Construction	5 09/02/08	\$538,000	153.71%
<b>Leadership Public School</b> Temporary Campus Bid # J068130	\$475,000	\$1,616,000 Bay Cities Paving	\$1,550,000 Terra Nova <sup>1</sup> Construction	2 09/16/08	\$1,141,000	240.21%
<b>Ford ES</b> Demolition/ Site Work Bid # J068110	\$1,500,000	\$697,000 Bay Cities Paving	\$1,161,000 Trinet Construction	9 01/20/09	(\$803,000)	-53.53%
<b>ML King ES</b> Demo/New Const. Inc.1 Bid # J068148	\$23,000,000	\$15,595,000 West Bay Builders	\$17,775,000 Cal Pacific Construction	14 02/19/09	(\$7,405,000)	-32.20%

An analysis of this data indicates a number of issues:

- Bids have generally followed the market trends. From early 2006 through mid 2008 construction costs escalated at a higher rate than anticipated (See Facilities Program History/Status Section, Class B Construction Cost Index table for detail). This was partially due to the increased demand for construction materials abroad. Most major cost estimating guides and local bid results could not predict accurately how rapid the construction costs would escalate. During this period there were a substantial number of public works and private construction projects underway. Fewer contractors, subcontractors and suppliers were available to bid projects. This also drove construction prices higher. Bids for the WCCUSD projects during this time frame were higher than the estimates, from 12.9 percent at El Cerrito High School to 29.13 percent at Pinole Middle School.
- In late 2007, an economic recession began. Throughout California housing construction nearly ceased, enrollments leveled or declined and construction costs began to decline. This decline was as rapid as the increases in the previous years and was equally difficult to estimate. From mid 2008 through early 2009, bids were generally lower than the estimates, reflecting this economic trend, in spite of an inflationary increase of 7.73 percent in construction costs from January 2008 to January 2009 (See Facilities Program History/Status Section, Class B Construction Cost Index table for detail). Lower than anticipated bids demonstrate the impact of the bidding climate. There are three notable exceptions to this trend: Ford Elementary School Transitional Housing was bid 40.62 percent higher than the estimated cost; Richmond College Prep Expansion was 153.71 percent higher than estimated and Leadership Public School Temporary Campus was 240.21 percent greater than estimated. The Engineering Officer indicates that these projects were small and did not warrant additional estimating after the initial cost estimate was developed.
- As construction slowed, additional contractors were available to bid projects. The bid results indicate that the number of bidders increased through the latter part of 2008 to a high of 14 bidders for the Martin Luther King Elementary School, bid in February of 2009. The higher number of bidders may have contributed to the lower bid prices.
- The magnitude of the difference between the high bid and the low bid on projects can be an indication of the quality of the documentation. Bids that are closely grouped indicate that the intent of the documents is well understood by the bidders and there will be minimal opportunity for change orders due to unclear documents. For the larger projects the difference between high and low bids range from 3.13 percent at the New Construction of El Cerrito High School to 19.18 percent for the New Administration and Theater Building at El Cerrito High School. The contractor for the last project, Lathrop Construction, was mobilized on site for the New Construction project and could have had significantly lower mobilization cost leading to a lower bid. This would increase the difference between the high and low bidder. In this case the quality of the documentation may not have been the primary influence on the range of bids. Smaller projects had a higher differential which is not unusual for demolition, site work and temporary housing projects.

- Based on interviews with the District's cost estimator, data for the estimates was based on major cost estimating guides and local experience with construction projects. The major cost estimating guides utilize adjustment factors for local conditions. The data in these guides is based on limited samplings of materials utilized in the specific building type and the cost of labor. These guides are useful for estimating costs when trends are consistent. However, when the market fluctuates dramatically as it has in the past two years, it is difficult to accurately estimate the project costs. The use of data from recently bid local projects increases the accuracy.

## **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.

The review consisted of the following:

- Verification that bids were advertised in accordance with public contract code;
- Verification of bid results and Board approval;
- Project files including contract documents, Notice Of Award, Notice To Proceed and other pertinent documentation.

### **Background**

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

Since the 2007-08 Annual Performance Audit, the District updated and approved *Administrative Regulation 3311; Advertised/Competitive Bids*, adopted October 6, 2008. The regulation states the district shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111, 22002). The district shall also seek competitive bids through advertisements for contracts exceeding the amount specified in law (effective January 1, 2009 – December 31, 2009, the bid threshold was increased to \$76,700) for the purchase of equipment, materials, or supplies to be furnished, sold or leased to the District (Contract Code 20111; Government Code 53060).

The administrative regulation specifically addresses the following issues:

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

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

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

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

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

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

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

### **Midyear Update**

The following table provides the bid results for Measure J funded contracts that were bid and awarded during the period of July 1, 2008 through March 4, 2009. The table provides the timeline for which bidders were notified, the bid opening date, the number of participants, the results, and variances between high and low bids.

**Bid Schedule and Results – Measure J Projects  
July 2008 – February 2009**

<b>Name of School</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Bid Opening</b>	<b>No. Bids</b>	<b>High</b>	<b>Low</b>	<b>Variance</b>	<b>Board Approval Date</b>	<b>Contract Awarded</b>	<b>Contract Amount</b>
Dover Elementary School	Building Demo and Site Work	J068111	7/1/08	3	\$576,500	\$446,958	-\$129,542	7/9/08	Evans Brothers	\$446,958
Pinole Valley High School	Site Work	J068122	7/2/08	4	\$180,000	\$51,344	-\$128,656	7/9/08	Bruce Carone	\$51,344
M.L. King Elementary	School Demo, Site Work/Temporary Playground	J068112	7/30/08	4	\$850,224	\$461,000	-\$389,224	7/30/08	Bay Cities Grading	\$461,000
Richmond College Prep	Phase I Campus Expansion	J068129	9/2/08	5	\$1,025,000	\$888,000	-\$137,000	9/3/08	Bay Cities Paving	\$888,000
Ford Elementary School	Transitional Housing Project (at Downer Elementary School)	J068134	9/10/2008	7	\$1,295,000	\$914,000	-\$381,000	9/17/08	Bay Cities Paving	\$914,000
Leadership Public School	Temporary Campus	J068130	9/16/2008	2	\$1,616,000	\$1,550,000	-\$66,000	10/15/08	Bay Cities Paving	\$1,616,000
Dover Elementary School	Site Work Phase II	J068151	12/9/2008	7	\$113,525	\$77,000	-\$36,525	12/10/08	Trinet Construction	\$77,000
Ford Elementary School	Demo and Site Work	J068110	1/20/2009	9	\$1,161,000	\$697,000	-\$464,000	1/21/09	Bay Cities Paving	\$697,000
King Elementary School	New Const. and Demo Increment II	J068148	2/19/2008	14	\$17,775,000	\$15,595,000	\$2,180,000	3/4/09	West Bay Builders	\$15,595,000
Pinole Valley Middle School	Kitchen Utility Installation	J068115	2/24/2009	5	\$329,950	\$175,000	-\$154,950	3/4/09	A&E Emaar	\$175,000

For this midyear review, the following bids were reviewed and analyzed for completeness and compliance:

**Ford Elementary School, Transitional Housing - Bid # J 068134**

The Notice To Bidders was advertised on August 17, 2008 and August 24, 2008 in the West County Times. The Notice To Bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on September 10, 2008. A total of seven bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
Terra Nova	\$1,295,000
B Bros Construction	\$ 993,750
Maguire Hester	\$ 987,000
Ghilotti Brothers	\$1,265,258
<b>Bay Cities Paving</b>	<b>\$ 914,000</b>
Trinet Construction	\$1,125,000
AJF Builders	\$1,181,000

Bay Cities Paving was the apparent low bidder. The estimated budget for this project was \$650,000. The Notice of Award was issued on September 17, 2008. Upon receipt of the required documentation, the Notice to Proceed was issued on October 7, 2008.

Evidence of the following documents was provided:

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

### **Ford Elementary School, Building Demolition and Site Work – Bid #J0681110**

The Notice To Bidders was advertised on December 14, 2008 and December 21, 2008 in the West County Times. The Notice To Bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on January 20, 2009. A total of nine bids were received. The table below summarizes the outcome of these bids.

<u><b>Contractor</b></u>	<u><b>Base Bid</b></u>
Parc Services	\$ 837,749
Peak Engineering	\$ 1,006,042
North Bay Construction	\$ 743,000
Silverado Contractors	\$ 869,862
Evan Bros.	\$ 771,350
Trinet Construction	\$ 1,086,000
<b>Bay Cities Paving</b>	<b>\$ 697,000</b>
OC Jones & Sons	\$ 736,100
Ghilotti Bros.	\$ 723,000

Bay Cities Paving was the apparent low bidder. The estimated budget for this project was \$1,500,000. The Notice of Award was issued on January 21, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on February 13, 2009. Evidence of the required bid documents was provided.

### **Leadership Public School Temporary Campus – Bid #J068130**

The Notice To Bidders was advertised on August 28, 2008 and August 31, 2008 in the West County Times. The Notice To Bidders was advertised on two separate occasions, but only four days apart; there were only thirteen days between the first bid publication and the initial bid opening date; an addendum was issued and the bid opening date was moved to September 16, 2008. Public contract code requires that the advertisement run two times, at least seven days a part and the bid opening date is to be at least fourteen days after the first bid publication. The bids were opened on September 16, 2008. A total of two bids were received. The table below summarizes the outcome of these bids.

<u><b>Contractor</b></u>	<u><b>Base Bid</b></u>
DL Faulk Construction	\$ 1,550,000
<b>Bay Cities Paving</b>	<b>\$ 1,616,000</b>

DL Faulk Construction was the apparent low bidder. However, Bay Cities Paving protested the bid as non-responsive to the call for bids due to (a) failing to list a fire detector and alarm system subcontractor on its “designated contractor list”, (b) failing to list a qualified subcontractor for the installation of the public address and intercom system, and (c) failing to list a concrete subcontractor who may not be licensed with the State contractors license board. On September 23, 2008, the District issued a letter to the initial apparent low bidder informing them that the bid was considered non-responsive. Bay Cities Paving and Grading was awarded the contract on September 26, 2008; the Notice To Proceed was issued on October 1, 2008. The estimated budget for this project was \$475,000. According to staff, the estimated budget figure was derived very early in the project when there was no clear scope defined and that the estimated budget should have been changed when the scope was more clearly delineated.



During the time of the writing of the midyear review, the King Elementary School, New Construction and Demolition project was bid and awarded. Fourteen bids were received ranging from \$15,595,000 to \$17,775,000. The estimated budget for this project was \$23,000,000. Staff was very pleased with the bid turnout and results. They attribute the savings due to the current economic climate and slow down of public and private works projects. Staff also commented on the fact that some of the contractors are currently working in the area, equipment is readily available on many of the school campuses and that contractors have indicated their goal is to keep employees working and not lose them to other contractors.

### **Painting Contract – Various Suites**

In October 2008, a change request was made to the contractor on the Richmond College Prep Elementary Phase I Campus Expansion contract. The request was for pressure washing and painting of the exterior of seven relocatables. The contractor responded with a cost of \$33,643.30 which was rejected. Staff solicited quotes and received three proposals. The low bidder was \$11,740. Staff utilized this contractor for several other painting projects. Each project was less than \$15,000 and occurred within the same time period. The total of the projects would have exceeded the \$15,000 threshold for bidding which could be problematic and an issue for which the District may want to obtain a legal opinion. In the opinion of the District's staff, each project was considered separate even though some projects occurred at the same time. The projects were handled by a completely different department and were unrelated to the bond program.

## **CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES**

### **Process Utilized**

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the Facilities and Construction Management Team. Information provided from the July 2008 – January 2009 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 seven percent to eight percent of the original contract amount. (The change order standard for new construction tends to be three percent to four percent.)

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

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

The following tables entitled, “Change Orders: Bond Program Projects”, summarize the change orders generated for Measure D and J projects from start of construction through January 30, 2009.

- As shown in the tables, the average change order percentages are 5.27 percent for Measure D projects and 6.23 percent for Measure J projects. These percentages are consistent with industry-wide levels for new construction contracts based on the professional experience of the auditor.

- Individual change orders processed during the period were below 10 percent of the contract amount except for the Lupine/Harding/Tara Hill Roof Repair Project and the Pinole Valley Middle School Site Work (ADA Ramps) Project which had 17.49 and 19.28 percent respectively. The Board of Education approved these change orders based upon staff recommendations that it would have been futile to bid the work because of the tight time frames to complete the work, without affecting the operations of the District. Additionally it was determined that the public would be best served by having this work completed by the contractor on the project.

### **Change Orders: Bond Program Projects**

<b><u>Measure D</u></b>					
<b>Project</b>	<b>Construction Contract</b>	<b>Percent Complete</b>	<b>Total Approved Change Orders</b>	<b>Total Adjusted Contract Amount</b>	<b>Change Order Percent</b>
El Cerrito HS Temp Housing	\$3,444,000	100%	\$354,297	\$3,798,297	10.29%
El Cerrito HS Demolition	2,078,125	100%	-126,962	1,951,163	-6.11%
El Cerrito HS Storm Drain	292,562	100%	2,704	295,266	0.92%
El Cerrito HS Modular Building	4,654,800	100%	0	4,654,800	0.00%
El Cerrito HS Grading	1,613,100	100%	-31,642	1,581,458	-1.96%
El Cerrito HS New School	54,264,000	99%	2,797,021	57,061,021	5.15%
El Cerrito HS Admin/Lib/Theater	22,580,000	98%	788,120	23,368,120	3.49%
Pinole MS Temporary Housing	529,000	100%	52,571	581,571	9.94%
Pinole MS Site Grading	905,200	100%	28,057	933,257	3.10%
Pinole MS New School	20,661,000	100%	2,111,795	22,772,795	10.22%
Helms MS New Campus	50,890,000	65%	1,520,711	52,410,711	2.99%
Pinole Valley HS Fields	1,492,000	100%	75,500	1,567,500	5.06%
Pinole Valley HS Running Track	595,000	100%	71,284	666,284	11.98%
Downer ES New School	21,232,027	100%	1,906,687	23,138,714	8.98%
Downer Demo/ Site Work	594,800	100%	-22,099	572,701	-3.72%
Downer Stone Columns	741,000	100%	116,493	857,493	15.72%
Downer ES Tech E Rate	330,648	100%	92,294	422,942	27.91%
Vista Hills Roof Repair	200,420	100%	4,304	204,724	2.15%
Vista Hills Ed Center Portables	3,376,906	100%	632,141	4,009,047	18.72%
Richmond HS Track/Field	3,260,489	100%	272,027	3,532,516	8.34%
Measure D Paving	245,341	100%	-20,000	225,341	-8.15%
Kennedy HS Track/Field	2,740,000	100%	48,699	2,788,699	1.78%
Community Kitchen 1	619,986	100%	-48,274	571,712	-7.79%
Community Kitchen 2	667,700	100%	-2,127	665,573	-0.32%
Community Kitchen 3	660,200	100%	-1,791	658,409	-0.27%
Community Kitchen 4	803,000	100%	5,741	808,741	0.71%
Community Kitchen 5	727,500	100%	-41,261	686,239	-5.67%
Community Kitchen 6	516,000	100%	-3,169	512,831	-0.61%
<b>TOTAL</b>	<b>\$198,822,964</b>	<b>87%</b>	<b>\$7,651,042</b>	<b>\$206,474,006</b>	<b>3.85%</b>

<b>Measure J</b>					
<b>Project</b>	<b>Construction Contract</b>	<b>Percent Complete</b>	<b>Total Approved Change Orders</b>	<b>Total Adjusted Contract Amount</b>	<b>Change Order Percent</b>
De Anza HS Track & Field	\$3,349,000	99%	\$188,468	\$3,537,468	5.63%
De Anza HS Field House	3,130,800	93%	340,793	3,471,593	10.89%
Richmond HS New Bleachers/ Fieldhouse	5,556,000	42.74%	0	5,556,000	0.00%
Kennedy HS Portable Maintenance Repair	389,500	100%	42,450	431,950	10.90%
Lupine/Harding /Tara Hills Roof Repairs	217,000	99%	37,950	254,950	17.49%
King ES Demo & Site Work	461,000	97%	0	461,000	0.00%
Dover ES Demo/Site Work	446,958	99%	28,572	475,530	6.39%
De Anza HS Demo, Grading & Utilities	2,393,000	96.49%	279,037	2,672,037	11.66%
Pinole Valley HS Site Work	51,344	100.00%	9,897	61,241	19.28%
Pinole Valley HS Restroom Renovations	158,750	100.00%	8,851	167,601	5.58%
Ford ES Temp. Campus Site Prep.	914,000	94.60%	98,471	1,012,471	10.77%
Richmond College Prep P I Extension	888,000	100.00%	78,622	966,622	8.85%
Leadership PS Temp Campus Site Work	1,616,000	91.23%	120,858	1,736,858	7.48%
Kennedy HS Painting	253,000	93.51%	5,465	258,465	2.16%
Dover ES Phase II Site Work	77,000	0.00%	0	77,000	0.00%
<b>TOTAL</b>	<b>\$19,901,352</b>		<b>\$1,239,433</b>	<b>\$21,140,785</b>	<b>6.23%</b>

### **Reasons for Change Orders**

Change orders are presented to the Board of Education for ratification and approval. Each change order is comprised of several Proposed Change Orders (PCO's) previously approved by the Superintendent's designees. PCO's are tabulated in the Summary Sheet, which is an attachment to the Board item. It lists the PCO number, the reasons for the changes, reference documents (RFI's, Construction Change Directives, etc.), requested time extension and negotiated amounts.

For the July 2008-January 2009 period, TSS reviewed the change order documents of four Measure D and three Measure J projects. The resulting data are shown in the following table entitled, "Change Order Analysis (July 2008 – January 2009)":

- "Architect Design Issues" accounted for 46.63 percent of the cost of change orders generated during this period for the projects examined. These changes include additions, deletions and revisions in the work triggered by errors, omissions and disagreements (e.g., dimensions, elevations, locations, etc.) in the various sections or details of the contract drawings and specifications. District staff is reviewing these issues to identify any recoverable costs.
- "Owner Requested Changes" constitute 33.65 percent of the change orders. These changes include substitutions or upgrades to specified materials or products like windows, floor or wall finishes... In addition, the District may add to or delete from the scope of work during the course of construction. Examples include modifications to the science lab casework at the El Cerrito High School and the furnishing of portable theatrical lighting equipment systems at the new El Cerrito High School Theater. For some projects, additional work and revisions resulting from conflicts between elevations, locations and dimensions in the drawings have been included in this classification although these items would appear to be more appropriately classified as "Architect Design Issues".

- “Unforeseen Conditions” accounted for 19.23 percent of the cost of change orders generated during this period. The disposal of soil contaminated with hazardous materials (asbestos, petroleum products, etc.), hazardous demolition debris and equipment were the most common unforeseen conditions encountered during this period. For some projects, weekend and overtime work associated with time-schedule recovery to meet scheduled completion has been included in this classification.
- “DSA Plan Revisions” at 0.49 percent was a single occurrence at Pinole Middle School where the DSA Field Engineer required the installation of additional seismic tie wires to the lighting fixtures.

**Change Order Analysis (July 2008 - January 2009)**

Project/ (Contractor) Change Order Numbers	Unforeseen Conditions	DSA Plan Revisions	Architect Design Issues	Owner Requested Changes			Totals
				District Standards	Safety Issues	Design/ Schedule	
<b>MEASURE D.</b>							
<b>El Cerrito HS</b> New Construction Lathrop Const. Assoc. (CO # 27 thru 34)	\$201,014 14.12%	\$0 0.00%	\$754,735 53.03%	\$98,035 6.89%	\$0 0.00%	\$369,497 25.96%	\$1,423,281 100.00%
<b>Pinole MS</b> New Construction West Coast Contractors (CO # 14 thru 20)	\$38,531 5.65%	\$21,356 3.13%	\$499,708 73.23%	\$33,333 4.88%	\$0 0.00%	\$89,449 13.11%	\$682,377 100.00%
<b>El Cerrito HS</b> New Admin/ Theater Lathrop Const. Assoc. (CO # 13 thru 20)	\$4,526 0.78%	\$0 0.00%	\$350,553 60.14%	\$0 0.00%	\$0 0.00%	\$227,862 39.09%	\$582,941 100.00%
<b>Helms MS</b> New Construction West Bay Builders (CO # 3 thru 6)	\$333,796 37.97%	\$0 0.00%	\$204,303 23.24%	\$249,828 28.42%	\$0 0.00%	\$91,274 10.38%	\$879,201 100.00%
<b>MEASURE J.</b>							
<b>De Anza HS</b> Track & Field Bay Cities Paving (CO # 1 thru 4)	\$7,888 4.40%	\$0 0.00%	\$35,603 19.86%	\$58,579 32.68%	\$0 0.00%	\$77,182 43.06%	\$179,252 100.00%
<b>De Anza HS</b> Field House Bollo Construction (CO # 1 thru 6)	\$101,367 29.74%	\$0 0.00%	\$132,560 38.90%	\$52,588 15.43%	\$0 0.00%	\$54,278 15.93%	\$340,793 100.00%
<b>De Anza HS</b> Demo, grading & Utilities Bay Cities Paving (CO # 1 thru 5)	\$148,559 57.54%	\$0 0.00%	\$49,056 19.00%	\$44,367 17.18%	\$0 0.00%	\$16,194 6.27%	\$258,176 100.00%
<b>Total</b>	\$835,681 19.23%	\$21,356 0.49%	\$2,026,518 46.63%	\$536,730 12.35%	\$0 0.00%	\$925,736 21.30%	\$4,346,021 100.00%

## Allowances

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

<b>Project</b>	<b>Base Bid</b>	<b>Allowance</b>	<b>Total Contract Award</b>	<b>Cost Items Charged to Allowances.</b>
Bayview Elementary School PII Site Work	\$1,170,000 <sup>1</sup>	\$20,000	\$1,125,000	An amount of \$20,000 was charged to the Allowance for the disposal of hazardous materials contaminated soil under Change Order #2.
El Cerrito High School New School Construction	54,931,000 <sup>2</sup>	300,000	54,264,000	Disposal of Class 2 soil (Hazmat) to Richmond Landfill under CO # 5 and 8. (\$145,549). Additional class 2 soil disposal under CO# 13. (\$62,884) Additional class 2 soil disposal under CO# 33. (6,339)
Pinole Middle School New Building and Gymnasium	20,511,000	150,000	20,661,000	Miscellaneous items under PCO # 0379, CO# 19. (\$55,011)
El Cerrito HS Admin/Theater Construction	22,580,000	300,000	22,580,000	An amount of \$79,417 was charged for the installation of sump pump system at the orchestra pit under CO# 6. Premium time cost associated with attaining Substantial completion and beneficial occupancy on 1/05/09, PCO# 0212, CO #19. (\$78,844)
Helms MS New Construction	\$50,890,000	\$200,000	\$50,890,000	None as of January 30, 2009.

<sup>1</sup> A deductive Alternate Bid of \$65,000 was deductive from the Base Bid.

<sup>2</sup> A deductive Alternate Bid of \$967,000 was deductive from the Base Bid.

## Midyear Update

During the previous audit, TSS recommended that staff provide the Board of Education additional information regarding the reasons and need for the change orders that are being presented for their approval. The document could be provided either as backup documentation to the Board agenda item or as a separate information packet. An example of such a document is the "PCO Summary Sheet". It is a change order attachment which lists the PCO number, the reasons, descriptions, reference documents and the negotiated amounts for every change item included in the change order.

At Pinole Middle School New Gym Classroom Building Project, a change order request was submitted for additional compensation due to delays and inefficiencies in the project allegedly caused by design issues encountered during the course of construction. The change order request was submitted by the general contractor, West Coast Contractors (\$676,347) and two sub-contractors; Del Monte Electric (\$145,220) and Cal-Air (\$62,000). All issues relating to this change order request are currently being analyzed by an attorney-hired delay consultant.

At Helms Middle School New Campus Construction Project, the general contractor West Bay Builders, submitted a change order request for compensable time extension of 110 days due to delays in the project allegedly caused by unforeseen conditions, design issues and scope changes encountered during the course of construction. All issues relating to this change order request are currently being analyzed by a District-hired delay consultant.

It was reported that the District received similar claims for Harding Elementary School and Hercules Middle School projects. Those claims have since been resolved.



## **PAYMENT PROCEDURES**

### **Process Utilized**

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

The review consisted of the following:

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

Purchasing processes and procedures were observed, and documentation was reviewed. One-hundred invoices from the period of July 1, 2008, through December 31, 2008, from the Measure J fund, totaling \$8,903,736, were selected for review in the course of this examination. These invoices included the following project categories: (1) site improvements at Mira Vista Elementary, and Pinole Valley High School; (2) CEQA and testing for Portola Middle School, Ford Elementary School and De Anza Middle School (3) construction management for Ford Elementary School and King Elementary School; (3) new field house and track and field project at De Anza Middle School; (4) painting, paving and architectural services at various school sites; (5) solar project and theater for El Cerrito High School; (6) custodial supplies for Pinole Valley Middle School; and (7) playground equipment project for Mira Vista Elementary School.

### **Background**

Prior to 2007-08, the District timelines for vendor payments had been an ongoing issue; vendor payments were delayed well beyond the standard 30-days. However, in 2007-08, resolving this issue became a priority of the Board and staff. It was noted that one of the reasons for the delays was due to requisitions and purchase orders that were not approved or initiated in advance of authorizing work or purchases. Invoices were received however, they could not be processed due to the lack of an authorized purchase order. The 2007-08 annual performance audit showed that the timeline for vendor payments had greatly improved and that requisitions and purchase orders were initiated in a timely manner. It is District's policy that work or purchases may not be authorized unless a purchase order has been approved. It is also policy and the Board's desire to ensure payments are processed within 30 days after the receipt of an invoice. This midyear review will provide an update as to the status of these issues.

## **Midyear Update**

This review consisted of the following: verification of required approvals and backup documentation; determination that expenditures were in accordance with ballot language from Measure J; verification that the invoice amount and the amount paid correlated; and a review of the timeline from the time invoices were received to the date of warrant issuance. All 100 invoices had the required approvals and backup documentation; ninety-three invoices were paid within thirty-days and seven invoices were paid after 30 days; the delays for two of the invoices were due to change orders and one was held for further review (architectural fees).

The results from this sample of invoices and payments continue to show improvement in the time between receiving an invoice and processing payments. The District continues to make the vendor-payment timeline a priority. It is a goal of the District to utilize local vendors and contractors. The District does not want the reputation of being slow to pay as it could discourage local and/or smaller contractors or vendors from bidding projects.

Contractors, subcontractors and vendors may find out the status of an invoice on-line through the District's Bond Program website under Bond Program Status and Invoices paid. As of December 30, 2008, the invoice log showed sixty-two invoices had been received over thirty-days ago. However, an explanation was provided for each of the invoices "on hold" and no further examination was deemed to be required.

According to staff, an advisory will be sent to all vendors, contractors and consultants informing them that the District is initiating a requirement that they provide the purchase order number on the invoice or statement in order for the payment be processed; invoices that do not reference an authorized purchase order number will be returned to the vendor. If followed, it should help to expedite payments as well as helping vendors and contractors avoid providing goods, services or work without an authorized purchase order.

## **BEST PRACTICES IN PROCUREMENT**

### **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. Board agenda items and minutes specific to contracts awarded for Measure J funded projects or purchases during the period of July 1, 2008 through March 4, 2009 were reviewed. Interviews were held with District staff and Program Management staff from SGI.

### **Background**

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

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

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

The Facilities Department handles the bidding and procurement process for the bond program; rarely is the Purchasing Department utilized or involved in the procurement process for bond funded purchases. The District may want to consider involving the Purchasing Department in the procurement of equipment and furniture funded by the bond as this function is one of the primary responsibilities of that department.

### **Midyear Update**

During this midyear review, the method used for the procurement of fitness equipment for De Anza High School was examined. On September 3, 2008, the Board awarded the contract to Fitness Concept for fitness equipment for De Anza High School. According to background information, the District conducted a public bid process for the procurement of the equipment. According to staff, several vendors attended the pre-bid meeting, but only one vendor submitted a bid.

An Invitation To Bid and bid documents, including the Instruction To Bidders were sent to thirteen fitness equipment suppliers. According to staff, bidders were invited to a non- mandatory pre-bid conference on July 23, 2008. Bids were opened on July 30, 2008. The Board approved the contract on September 3, 2008. However, during the course of midyear review it was discovered that the District had not published the Notice To Bidders in the local newspaper as required in Public Contract Code Section 20111. The limit for equipment purchases is \$76,700. According to staff the contract has been voided and the District is in the process of conducting a public bid.

The method used in awarding the contract for the temporary housing modulars for Pinole Middle School was also examined in this midyear review. The District chose to use the “piggyback” method for awarding the contract. The Franklin McKinley School District had conducted a public bid process and referenced other school districts in the state which, under law, may then award contracts as a “piggyback” on the Franklin McKinley contract. The contract is for the modular building, deck and ramps at Pinole Middle School; it also includes transportation and setup on site. On September 3, 2008, the Board awarded the contract to Mobile Modular Management Corporation.

## QUALITY CONTROL PROGRAM

The information provided in this section was extracted from the June 30, 2003 Performance Audit. The intention for including this information in this midyear review is to provide the new readers a description of the Quality Control Program. The current Citizens' Bond Oversight Committee has changed substantially from the one in 2007-08.

### **Background Information - Except from the June 30, 2003 Performance Audit**

*A "Quality Control Program" could be considered to encompass a full range of concepts, from initial conceptual considerations to furnishing a completed school construction project with furniture, equipment and material, as well as managing change orders throughout the construction process.*

*After considerable discussion among the citizens' bond oversight committee, District administration and District legal counsel, Total School Solutions was directed as follows:*

*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.*

Subsequently, review of delivered quality for one project was added to the audit scope.

### Process Utilized

*The performance audit team was provided with a Bond Program Quality Control document prepared by WLC/SGI. The document contains three major components, as follows:*

- *Preconstruction Quality Control*
- *Procurement Quality Control*
- *Construction Quality Control*

*Each component of the document was evaluated; a review of related documents was performed; and interviews were conducted with key District administrators, WLC/SGI personnel and architects of record (AORs).*

#### I. Preconstruction Quality Control

*To address health and safety concerns at some of the elementary schools, nine (9) Quick-Start projects were undertaken using state modernization funds and Measure M matching funds. Because the Quick-Start projects were done during the early stages of the Measure M bond program, the Bond Program Quality Control program was only partially utilized.*

*The quality control process was fully used for the first time during the nine (9) Phase 1A projects, which utilized the design services of the master architect (WLC) and eight (8) architects of record (AORs).*

*During the preconstruction (design) phase, the following quality control process was established and adhered to in each step of the process:*

*A. Master Architect Team*

*Establish a team of professionals with specialties in every aspect of school design processes (approximately fifteen [15] firms).*

*B. Design Quality Standards*

*The outcome of this step was the board's adoption of Option 1C, which directed the design efforts since that time. To assist the Board of Education in its decision-making, an extensive process was undertaken, including meetings with all involved parties as well as site committees in order to establish educational specifications and to identify specific site needs. At the conclusion of that process, nine (9) levels of design quality standards were formulated leading to the approval of Option 1C.*

*C. Product and Material Standards*

*This process was undertaken concurrently with the design quality standards above and concluded with the board's ratification of the recommendation.*

*D. Master Specifications*

*The specifications used to direct the Phase 1A projects were based on the Lovonya DeJean Middle School specifications and the WLC specifications. The Architects of Record (AORs) were provided with draft specifications to review, and the District's legal counsel developed the general conditions.*

*E. CAD and Drawing Production Standards*

*The use of CAD is the industry standard and is now required for submittal to state agencies. Ultimately, it is intended that all CAD files will be accessible through a controlled access District website.*

*F. Detailed Checklists*

*Identification of key issues to ensure completion.*

*G. Master Programming Documents/Educational Specifications*

*This process was undertaken concurrently with the steps outlined above, with separate documents for elementary, middle and high schools.*

*H. Conceptual Site Master Plans*

*This step utilized site committee at each school following a design charrette to determine site needs and options.*

*I. Programming Process with Site Committees*

*This step proceeded concurrently with the steps above to adapt the Master Programming Document/Educational Specifications to the specific site needs.*

*J. Schematic Designs Development*

*By utilizing the process outlined above, multiple schematic design options were created. The site committees selected their preferred options.*

K. District Review and Approval

*Following completion of the above steps, the end products were submitted to the District administration, board facilities subcommittee, the bond oversight committee and the Board of Education for review and approval.*

L. Architects of Record (AORs)

*This process included issuing Request for Qualifications (RFQ), developing a prequalified pool of architects, conducting interviews of select architectural firms and selecting AORs for specific projects.*

M. Architects of Record Working Drawings

*This step involved turning over site-specific packages to the AORs for development of the working drawings (detailed plans and specifications).*

N. Review of Architects of Record Designs

*The master architect regularly reviewed the work and progress of the projects, including the work of its design team.*

O. Bond Program Manager Review

*The bond management team and District staff regularly reviewed the work and progress of each project in terms of scope, schedule and budget.*

P. State Agency Requirement

*The master architect ensured full compliance with requirements for submittal to the California Department of Education, Office of Public School Construction and Division of State Architect. The master architect also tracked the progress of these submittals.*

Q. Lessons Learned Integration

*Learning from past mistakes took place; needed corrections were made.*

R. Project Smart (PS2) System

*Development of a restricted access website to develop and track communications and to serve as an archive for deliverables.*

*The direction to the performance audit team was to “focus on the quality assurance process,” not “the particular quality outcomes.” In regard to the Preconstruction Quality Control process discussed above, it is complete and comprehensive. The WLC/SGI team is to be commended for developing and implementing a thorough process.*

*While outside the scope of this performance audit, several outcomes observed during the course of the audit are noted. The preconstruction phase was initiated prior to the completion of a detailed needs analysis for each school and board-adopted Option 1C quality standards. Without knowledge of site needs and constraints placed on the preconstruction design process, design documents produced exceeded budgets established in the board-approved Facilities Master Plan and Option 1C standards. AORs who were interviewed reported that they could not meet the design scope within the established budgets. This situation resulted in bid documents with a base bid and many additive alternates, only a few of which were approved by the Board of Education for inclusion in the construction contracts. It was subsequently determined that Measure D funds would be insufficient to complete all identified projects.*

## Construction Document Quality Control

The Construction Document Quality Control process commences when the preconstruction documents reach the 90 percent completion threshold. This process incorporates the following steps:

- A. Bond Manager Constructability Review  
Initiated by the bond management team when the construction documents produced by the AORs reach 90 percent completion.
- B. Master Architect Constructability Review  
The master architect conducts a constructability review independent of the review by the bond manager. This process entails review of AOR work for design compliance, standards and value engineering.
- C. Independent Architect Constructability Review  
After the construction documents are 100 percent complete and after the AOR, the bond manager and the master architect have signed off on the documents, an independent architect is hired to review the completed package.
- D. Project Scope and Cost Estimate  
Prior to advertising for bid, each project is reviewed to ensure compliance with its scope and to develop a final cost estimate.
- E. Post-Constructability Review Follow-Up  
The bond manager continues to follow up on the constructability reports and compliance with findings.
- F. Lessons Learned Integration  
Learning from past mistakes takes place, corrections are made to benefit future projects.

Similar to the Design Quality Control process discussed previously, the Construction Document Quality Control process is complete and comprehensive. By incorporating four levels of constructability review (AOR, bond manager, master architect and independent architect), a seemingly “fail-safe” review process has been established to discover and correct any potential problems or weaknesses.

## II. Procurement Quality Control

While the Preconstruction Quality Control Process was mostly done by the master architect, the Procurement Quality Control Process was under the purview of the bond manager. This process was structured around three components, as follows:

- A. Adherence to Public Contract Code  
Assurance that state bidding limits and bidding requirements for equipment, materials, supplies, services or construction contracts are adhered to.
- B. Procurement of Products and Materials  
Developing an overall strategy for procurement of products and materials to identify standard products and procure in bulk.



C. Procurement of Construction Services

*Assurance that Public Contract Code requirements are met.*

*The Bond Program Procurement Quality Control process is documented in the Program Administration Manual, which describes the legal and practical requirements of a procurement process.*

III. Construction Quality Control

*The Construction Quality Control process is implemented by the bond program manager and the master architect as documented in the Program Management Plan (revised on May 12, 2003). The components of this process include:*

A. Construction Administration

*Ensuring quality control throughout the design, construction and operational phases of a facilities project. Because construction of Phase 1A projects began after the ending period for this performance audit (June 30, 2003), it is premature to evaluate the effectiveness of this process.*

B. Change Management

*The change order request, processing and approval processes are incorporated within the PS2 software system. As of June 30, 2003, no change orders had been requested.*

C. Inspections

*Inspectors are certified by DSA and employed by the District to inspect all phases of construction to ensure adherence to contract documents and state building codes (Title 24).*

D. Product Submittal Review

*The contractors and bond management team utilize the PS2 software system for processing submittals for review and approval, with the master architect responding to questions related to submittals and substitutions.*

E. Request for Information (RFI)

*The contractors and master architect utilize the PS2 RFI software system for discussing and resolving issues.*

F. Contractor Payments

*The approval process for contractor payments is verified by the AOR, Inspector, construction manager, District regional project manager, program manager, SGI controls, District project engineer and fiscal services department. While ensuring that a contractor is not overpaid for services, this process is cumbersome and could lead to delays in making payments to contractors.*

G. Claims Avoidance

*To minimize contractor claims during construction, effective quality control prior to construction is essential. The effectiveness of this process cannot be determined until completion of a construction project and a post-construction evaluation takes place.*

#### *H. Lessons Learned*

*At the completion of a construction project, the bond management team discusses and documents the results of the quality control progress. Any findings (lessons learned) that lead to revising processes should improve the quality control of future projects.*

#### ***High Performance Schools***

During December 2007, the District sent out Requests for Qualifications and Proposals (RFQ/P's) to prospective service providers for Building and Systems Commissioning of Measure J Projects. These projects are scheduled to be constructed at Ford Elementary, Dover Elementary, King Elementary, Nystrom Elementary, De Anza High School, and Gompers/Leadership High School. The provider will act as the District's commissioning agent and will be involved during the design and construction phases of the projects' commissioning plans for heating, ventilating and air-conditioning (HVAC) and electrical systems in accordance with CHPS's Best Practices Manual, Volume III, 2006 Edition. It is believed that this process will substantially enhance the final project quality. Refer to the section titled District Policies and Guidelines for the Facilities Program, for further information on the CHPS program.

#### **Midyear Update**

The District has hired WCS/Ca as a commissioning agent and work is underway as indicated above.

#### ***Power Purchase Agreements***

Although not directly related to Quality Control, we were requested by the District to address the use of Power Purchase Agreements, and have included that information here.

#### **Background**

Power Purchase Agreements (PPAs) are a mechanism through which a public school district can select a vendor to install energy efficiency devices on school district property at limited cost to the district. The vendor retains ownership of the system and sells power back to the district at a defined rate. Government Code Section 4217.10 et. seq. governs energy service or efficiency contracts. PPA's have typically been used for the installation of solar photovoltaic generation systems on school sites. In this case, the West Contra Costa Unified School District entered into a PPA with Solar Integrated Technologies (SIT) for the design, installation and maintenance of a photovoltaic system at the El Cerrito High School. SIT will retain ownership of the system and sell power back to the District at a rate schedule established by the contract.

Power Purchase Agreements have advantages and risks for both the provider and the district. One of the advantages to the district is predictable energy expenditures for the site. The costs of electrical power for the life of the PPA are established in the contract and known to the district. These rates are typically based on assumptions of power rate increases over the life of the agreement. The District engaged a private consultant to conduct the analysis of the energy rate projections. There is a potential that the District could see significant savings in energy costs if these assumptions prove to be accurate. There is also the risk that the District would not realize the projected savings if the projections are not accurate.

With a PPA, ownership of the system remains with the provider. Maintenance and repair for the system is the responsibility of the provider, not the District. If the system fails, replacement is the responsibility of the provider.

Significant State and federal tax incentives are available for the installation of solar photovoltaic systems. Thirty percent federal investment tax credits have recently been extended through 2016 for the installation of solar systems. However, since school districts do not pay taxes, they are not eligible for these credits. By installing and retaining ownership of the system, a vendor such as Solar Integrated Technologies can take advantage of the incentives. Power companies such as PG&E also offer incentives in the form of rebates to both private and public entities for solar systems. A PG&E rebate of \$346,000 was provided for this system and assigned to SIT as a provision of the buy-out.

Through further analysis of the provisions of the PPA and the potential savings to the District, the District staff determined that the buy-out of the PPA would be in the best interest of the District. One of the primary considerations in the analysis for this decision was the impact to the General Fund over the next 20 years. The buy-out will have a cost to the Measure J bond of \$800,000 and have a cumulative savings to the General Fund of \$575,000 to \$800,000 over the 20 year expected life of the system. Action was taken at the July 9, 2008, Board of Education meeting to proceed with buying out the PPA from Solar Integrated Technologies.

### **Midyear Update**

The installation of this on-site power generation system is consistent with the State's goal of attaining grid neutral schools throughout California. Staff has indicated the system is also consistent with the desire of the community to "go green".

The approved projects list in the bond measure language includes "Install or upgrade energy efficient systems". This project is consistent with that language. However, the cost of the initial installation for this project will be from the capital outlay funding in Measure J while the payback for the system will come in the form of reduced energy consumption and reduced costs to the General Fund.

## **SCOPE, PROCESS, AND MONITORING OF PARTICIPATION BY LOCAL FIRMS**

### **Process Utilized**

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

### **Background**

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

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

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

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

### **Midyear Update**

At the September 17, 2008 joint meeting of the Board of Education and the Citizens’ Bond Oversight Committee, Jake Sloan of Davillier-Sloan presented an overview of this program, including a Local Business Utilization Report for Helms Middle School Project. It was reported that 36.59 percent of the base bid amount for the Helms Middle School Project was awarded to local contractors as of July 2008.

Davillier-Sloan and staff recommended that the District consider adopting the Local Hiring Program to cover all District PLA projects, with a few minor changes to the program design, including reducing the off-site credit given to contractors who have local workers engaged on different projects who would otherwise be available for a District project and increased attention to the utilization of District programs such as Regional Occupational Programs and the Adult Education Program to develop a workforce of young people from within the WCCUSD communities.

On November 18, 2008, the School Board approved the recommendation that Local Hiring and Local Business Participation goals be included for future Measure J projects. An update of this program in regard to other Measure J projects will be provided in subsequent audits, as projects are awarded.

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

### **Process Utilized**

During the process of this review, Total School Solutions (TSS) interviewed personnel and other parties involved in the District's facilities program. A few members of the 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 those interviews.

### **Background**

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

- West Contra Costa Unified School District: [www.wccusd.k12.ca.us](http://www.wccusd.k12.ca.us)
- Bond Oversight Committee: [www.wccusd-bond-oversight.com](http://www.wccusd-bond-oversight.com)
- Bond Program: [www.wccusdbondprogram.com](http://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 and bond program websites are smaller in scope (i.e. bond program information only) and therefore easier for a user to navigate than the District's web site.

### **Midyear Update**

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

The CBOC is currently working with staff to update the CBOC website and provide links to all school projects, simplify the format to make it more user friendly and include more information regarding budgets and schedules.

Specific questions were raised during conversations with both staff and members of the CBOC regarding the communication of important project timelines and schedules to the end users. All schedules should be appropriately communicated to all key stakeholders and monitored for compliance, including any deviations or necessary revisions to the schedule. In particular, consideration should be given to the impact of a project schedule on the instructional program. When projects are underway at school sites with students present, the impact of interruptions can be significant and should be minimized as much as possible.

The District did publish the *WCCUSD Reporter* again in August of 2008. The *WCCUSD Reporter* is a bi-lingual newspaper that is distributed to 95,000 households in each of the five communities that make up the WCCUSD. According to staff and members of the CBOC, the *Reporter* has received positive feedback to date and appears to be a useful mechanism for communicating to these diverse communities about the status of various school construction projects, as well as other important initiatives in the District. It was noted that due to budget reductions in the District, this newsletter was not going to continue to be published. However, a Winter 2009 publication was in progress at the time of this writing. The District may want to consider publishing future editions electronically and making them available on-line to school sites and local libraries, thus eliminating the cost of mailing to 95,000 households.

## **CITIZENS' OVERSIGHT COMMITTEE**

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

### **Committee Meetings and Membership**

During the July 1, 2008 through December 31, 2008 midyear period, the CBOC met six times, including one joint meeting with the Board of Education. For two meetings, there was a lack of quorum reported. Meeting schedules and minutes are posted on the CBOC website.

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

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

During the period from July 1, 2008 through December 31, 2008, the Board of Education appointed five new members, reappointed two members and appointed two alternates. According to the CBOC membership roster dated January 6, 2009, there were five vacancies with an active membership of sixteen.

### **CBOC Website**

The CBOC maintains a website, with access via the District's website, in compliance with Education Code Section 15280(b). In addition to the CBOC website materials, the District's website has a link to the District's bond program website, which includes information on Measures M, D, and J and performance audits. Together, the websites provide all documentation required by law and bylaws. As of December 31, 2008, the CBOC was in the process of updating its website.

### **CBOC Annual Report**

Education Code Section 15280(b) states: "A report shall be issued at least once a year." To comply with this requirement, the CBOC has issued the following annual reports:

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

Annual reports are available for review on the CBOC website. The report for 2008 has not been published yet.



# **APPENDIX A**

## **MEASURE D BOND LANGUAGE**

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

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

**FULL TEXT OF BOND MEASURE D**

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

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

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

#### BOND PROJECT LIST

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

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

#### FURTHER SPECIFICATIONS

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

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

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

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

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

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

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

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

Dated: November 30, 2001.

Gloria Johnson, Superintendent  
West Contra Costa Unified School District

## Exhibit A

### **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST**

#### **SECTION I**

#### **PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES**

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

##### Security and Health/Safety Improvements

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

##### Major Facilities Improvements

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

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

#### Sitework

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

## **SECTION II**

### **ELEMENTARY SCHOOL PROJECTS**

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

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

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

### SECTION III

#### SECONDARY SCHOOL PROJECTS

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

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

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



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

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

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

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

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

# **APPENDIX B**

## **MEASURE J BOND LANGUAGE**

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

Resolution No. 25-0506

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

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

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

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

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

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

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

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

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

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

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

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

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

### **BOND AUTHORIZATION**

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

### **ACCOUNTABILITY SAFEGUARDS**

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

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

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

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

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

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



## **BOND PROJECT LIST**

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

### **FURTHER SPECIFICATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:  
APPROVED:

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

Attest:

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

**CLERK'S CERTIFICATE**

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

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

The resolution was adopted by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

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

WITNESS my hand this 13<sup>th</sup> 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.

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Superintendent

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