

**WEST CONTRA COSTA  
UNIFIED SCHOOL DISTRICT**

**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
JUNE 30, 2014**

# **West Contra Costa Unified School District**

## **BOARD OF EDUCATION**

**June 30, 2014**

<b>Charles Ramsey</b>	<b>President</b>
<b>Todd A Groves</b>	<b>Clerk</b>
<b>Randall Enos</b>	<b>Member</b>
<b>Madeline Kronenberg</b>	<b>Member</b>
<b>Elaine Merriweather</b>	<b>Member</b>

## **CITIZENS' BOND OVERSIGHT COMMITTEE**

**Ivette Ricco, Chairperson**

## **ADMINISTRATION**

**Dr. Bruce Harter, Superintendent of Schools**

**William Fay, Associate Superintendent for Operations**

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the Agreed Upon Procedures enumerated below, which were agreed to by West Contra Costa Unified School District solely to assist you with respect to the Measure D (2010) and Measure E (2012) bond program for the fiscal year ended June 30, 2014. West Contra Costa Unified School District's management is responsible for the bond program. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

- 1) Review a minimum of 25% of contracts and change orders.
- 2) Review local hire and prevailing wage compliance for selected contracts.
- 3) Report on compliance with District policies and guidelines.
- 4) Review timeliness of payments to vendors and contractors for selected items.
- 5) Report on claims avoidance procedures.
- 6) Review scheduling plans and projected cash flow budget to actual, summarize stated reasons for significant delays for selected projects.
- 7) Review district and professional services staffing plan for the Bond Program Management.
- 8) Review design and construction costs budgets to summarize any significant variances noted.
- 9) Review best practices in procurement.
- 10) Report on delivered quality and defined level of quality (of a project to be identified by the CBOC audit subcommittee).
- 11) Review the effectiveness of the District's technical and administrative assistance to the CBOC.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on these procedures for the Measure D (2010) and Measure E (2012) bond program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of West Contra Costa Unified School District and the Citizens' Bond Oversight Committee, and is not intended to be and should not be used by anyone other than those specified parties.

*Vavrinek, Time, Day & Co., LLP*

Pleasanton, California  
October 19, 2015

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **EXECUTIVE SUMMARY**

On June 8, 2010, the District submitted for voter approval Measure D to authorize the sale of \$380 million in bonds to improve school facilities. Measure D was approved by 62 percent of the vote. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

On November 6, 2012, the District submitted for voter approval Measure E to authorize the sale of \$360 million in bonds to improve school facilities. Measure E was approved by 63 percent of the vote. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

These bond measures were passed pursuant to Proposition 39, therefore, the District was required to establish a citizens' bond oversight committee and conduct two independent audits. The first audit is a bond financial audit. The second audit is a bond performance audit, which determines the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. In addition to these two required bond audits, the District has opted to have these additional Agreed Upon Procedures performed.

The District intends to have the financial and performance audits completed annually until all bond funds have been expended. The financial and performance audits are designed to meet the requirements of Article XIII of the California State Constitution; inform the community of the appropriate use of funds generated through the sale of bonds and to help the District improve its overall bond program.

The Performance audit for the period ended June 30, 2013, was performed by Total School Solutions. That report consolidated the Proposition 39 audit requirements, which are to ensure that the District used bond proceeds in conformance with the provisions of bond language, as well as additional information. For the 2013-14 fiscal year, Vavrinek, Trine, Day (VTD) prepared the Performance Audit Report, which focuses on the objectives of determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. VTD also performed the additional scope information requested by the District in this Agreed Upon Procedures Report.

The Agreed Upon Procedures Report evaluated documentation and processes for the Measure D and E bond programs for the period from July 1, 2013, through June 30, 2014, and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments, observations and formalize observations and recommendations documented in this report. Each component was evaluated separately and collectively based on its impact on the total bond program.

In order to preserve the historical information, where applicable, VTD retained information reported in the prior year performance report issued by Total School Solutions dated February 11, 2014. Current laws, regulations, and District policies that are still in effect during this period are also included.

In addition to the bond financial and performance audits noted above, and this Agreed Upon Procedures reports, a forensic audit contracted for on October 7, 2015 and the June 11, 2015 grand jury report may provide additional information on the operations of the bond program.

Some of the observations, conclusions and recommendations in this report, including some such as those on page 57 relate to items that may be more fully discussed in the forensic audit or grand jury report, and are presented in this Executive Summary, but the contents of the entire reports should be reviewed to obtain a more complete understanding of the bond program.

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## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### RECOMMENDATIONS:

**Change Order Procedures and Review:** For the fiscal year 2013-14 period, VTD reviewed 57 change orders and supporting documents generated by Measure D (2010) and Measure E (2012) projects. These change orders represent 29 percent of all change orders (or 22 projects under construction), during this review period. VTD noted that 6 of these projects have total change order amounts over ten percent of the original contract amount, set by Public Contract Code 20118.4 (a) and (b). The Board of Education ratified these change order amounts due to the tight time frames and unnecessary additional costs for conducting a competitive bid for the additional work. In addition, 70 percent of the overall sample tested were District initiated change orders. Although the percent of total cost for the change orders for the fiscal year 2013-14 has decreased from 5.95 percent in the prior year to 2.28 percent in 2013-14 fiscal year, VTD recommends that the District continue its effort to limit District initiated change orders during construction to a minimum by performing a thorough review of the plans and drawings during the preconstruction phase.

**Local Capacity Building Program (LCBP):** The District has expressed a strong desire to include local businesses in the planning and construction programs funded through the bond measures. The District did not meet its goal of hiring West Contra Costa County (Priority Area 1) residents nor apprentices during the 2013-14 year for these bond projects. The percentage of local hires in Priority Area 1 for residents was 18.61 percent, compared to 24 percent District goal; and the percentage for local hires in Priority Area 1 for apprentice was 3.78 percent, compared to 20 percent District goal. We noted that the District did, however, increase apprenticeship hiring in the combined Priority Areas 1, 2, and 3 from 6.58 percent to 10.42 percent. It is noted that the District has contracted with Davillier-Sloan, Inc. (DSI) since 2004-05 fiscal year to assist the District in advertising and monitoring the success of the program. VTD recommends the District continue its effort to monitor its local hiring process and document the level of efforts and successes related its local capacity building program and community outreach program. VTD encourages the District to continue to involve all interested parties in determining ways to improve progress towards these goals.

**CashFlow:** The District tracks cash flow of the bond projects using the Program Cashflow Document, a comprehensive instrument that includes all revenue sources such as different bond measures, anticipated State funding, developer fee income, and anticipated interest income from the bond funds. The projected expenditures in the Program Cashflow for fiscal year 2012-13 and 2013-14 noted significant variances when compared to the actual expenditures for those fiscal years. Projections are based on periodic reconciliations, which typically align with the start/end of the District's fiscal year. More frequent reconciliation of actual expenditures and commitments would increase the accuracy of recent data. VTD recommends that the District review and update the Cashflow document at least monthly or when major events occur that would have an impact on revenues, expenditures or schedules and determine and report on reasons for significant variances. We understand the District is in the process of developing a real-time cashflow report that has not yet been fully implemented but is intended to improve this process.

**Primavera Software Integration:** The District has completed its transition to Primavera project based software and integration to the District's financial software, Munis system. However, issues were noted regarding inaccurate information reported from the Primavera system. It was reported that there were approximately 20 master projects in the Munis system that were not included in the Primavera system. In addition, it was noted that the information maintained in the Munis project ledger does not agree to the information maintained in the Munis general ledger. The difference was approximately \$7.7 million as of June 30, 2014. The discrepancy was due to journal entries of approximately \$1.2 million not included and \$6.5 million difference between the Munis detail report and the summary report. VTD recommends that the District continue its effort to implement procedures to timely posting transactions into the project ledger system and research and correct the discrepancies in the reports,

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### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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or move towards another method of reporting to ensure amounts in various systems reconcile with each other. We encourage the District ensure that information maintained in Munis ledger, subledger, and the Primavera system are all consistent with each other, so that accurate communication about the bond projects can be more easily provided to interested parties. Consistent information will allow a streamlined reporting process and reduce manually reconciling tasks and lessen confusion.

**Delivered Quality:** The District sets standards for products and systems to be included in the facilities projects, however, it appears that there was no clear process to ensure that the standards were met, instead, this process was left to the contractors to self-manage. VTD recommends the District develop a process to clearly document the standards used in the final product. In addition, the District staff should be actively involved in the review and monitoring process to ensure that the final product delivered meets the District standards.

**Citizens' Bond Oversight Committee (CBOC):** It was noted that the monthly Construction Asset Management Program (CAMP) reports, which provide detailed financial and non-financial information about bond funded projects, were no longer provided to the Committee as of April, 2013. The District did not replace this report with an equivalent report until January, 2015 due to its transition from the CAMP report to the KPI (Key Performance Indicator) report. However, as of the time of writing of this report, communications from District staff to the CBOC have improved and include monthly financial reports and cashflow reports being provided at each meeting.

Board Policy 7214.2 states that, "The Committee and Board shall hold joint meetings during the first quarter (January-March) and the third quarter (July-September) of each year." During the 2013-14 audit period, the CBOC and Board of Education held two joint meetings on July 10, 2013 and October 16, 2013. Although two meetings were held during the year, the District failed to hold these meetings in the time frame specified in the Board Policy. Strong open and transparent communication with the Citizens' Bond Oversight Committee is one key to having a successful bond program. VTD recommends that the District staff provide an open forum where committee members can obtain timely responses to their questions. Additionally, District staff should provide the committee consistent, relevant, and detailed information about the Bond funded construction projects. Joint meetings should be held in the time frame specified in BP 7214.2. CBOC meeting minutes should be prepared and approved by the following meeting where the committee has a quorum.

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## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **INTRODUCTION**

The District's bond program effectively began with passage of Measure E on June 2, 1988, a \$40 million two-thirds vote bond measure. Measure E was followed by the passage of Measure M (\$150 million), also a two-thirds vote measure on November 7, 2000, Measure D (\$300 million), a 55 percent vote measure passed on March 5, 2002, Measure J (\$400 million), a 55 percent vote measure passed on November 8, 2005, Measure D (\$380 million), a 55 percent vote bond measure passed on June 8, 2010, and Measure E (\$360 million), a 55 percent vote bond measure passed on November 6, 2012. Collectively, these bond measures, along with other local funds and state funds, comprise a single District Bond Program.

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

***Measure E (2012)*** — On August 1, 2012, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$360 million bond measure (Measure E) on the ballot with the adoption of Resolution No. 17-1213. Measure E, a Proposition 39 bond measure requiring a 55 percent affirmative vote, passed with 63.48 percent of the vote on November 6, 2012.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

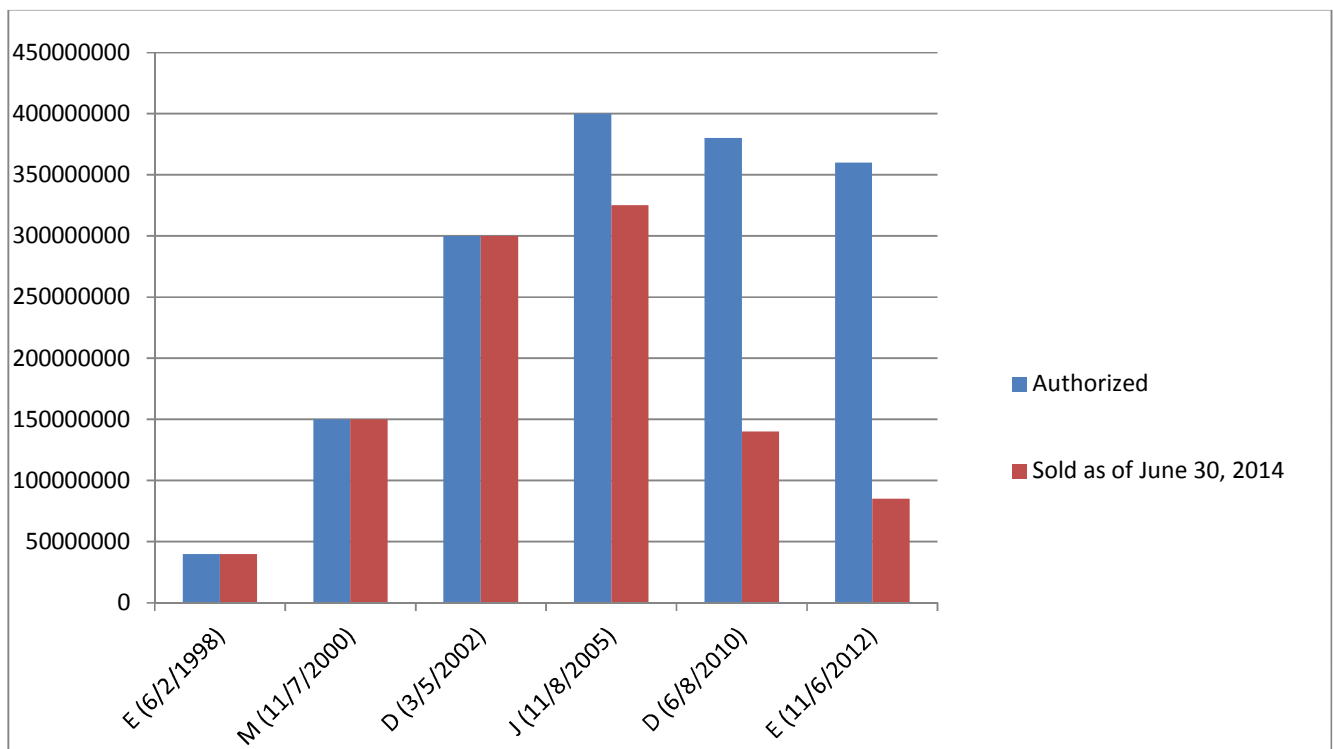
## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### Capital Debt

The District passed six bond measures as of June 30, 2014, beginning with Measure E in 1998. The amounts of bonds authorized and sold as of June 30, 2014 were as follows:

#### Bonds Authorized and Sold



Authorized Total: \$1,630 million  
Sold as of June 30, 2014: \$1,030.7 million

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **2011-12 Refunding of Prior Bond**

At the July 27, 2011 Board meeting, information was presented indicating that Measure M (2000) and Measure D (2002) bonds could be refunded to lower tax rates and reduce taxpayer interest obligations, and the Board authorized refunding bonds not-to-exceed \$205,000,000. At a January 18, 2012 Board meeting, the refunding authorization was reduced to \$140,000,000. In June 2012, an \$85,565,000 refunding was completed, consisting of \$33,960,000 of Measure M (2000) bonds and \$51,605,000 of Measure D (2002) bonds.

#### **2012-13 Refunding of Prior Bonds**

In addition to the 2011-12 refunding issue, the Board authorized that Measure M (2000), Series C and Measure D (2002), Series A, B, and C bonds be refunded to lower tax rates and reduce taxpayer interest obligations. During 2012-13, a \$98,200,000 refunding was completed. The District's financial advisor estimated that interest savings of \$12.5 million will be realized over the next twenty-one years by this refunding.

#### **Qualified School Construction Bonds (QSCB)**

An April 13, 2011 Board item stated that a QSCB allocation had been approved. Separate sources reveal that approval was granted for \$21 million of QSCB bonds for charter school construction by the California School Finance Authority. As noted above, a \$100 million Measure D (2010) bond sale was completed in November 2011, consisting of the \$21 million QSCB bonds and \$79 million of general obligation bonds.

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

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

Capital Debt	Original issuance	Outstanding Debt <sup>1</sup>				
		Fiscal Year Ending June 30, 2010	Fiscal Year Ending June 30, 2011	Fiscal Year Ending June 30, 2012	Fiscal Year Ending June 30, 2013	Fiscal Year Ending June 30, 2014
<b>GO Bonds</b>						
<u>Measure E (June 2, 1998)</u>						
2001 Refunding Series A <sup>2</sup>	\$ 28,610,000	\$ 20,645,000	\$ 19,605,000	\$ 18,495,000	\$ 17,335,000	\$ 16,110,000
2001 Refunding Series B <sup>2</sup>	10,255,000	7,550,000	7,190,000	6,810,000	6,415,000	5,990,000
<b>Total Measure E</b>	<b>38,865,000</b>	<b>28,195,000</b>	<b>26,795,000</b>	<b>25,305,000</b>	<b>23,750,000</b>	<b>22,100,000</b>
<u>Measure M (Nov. 7, 2000)</u>						
2001 Series A	15,000,000	-	-	-	-	-
2002 Series B	40,000,000	885,000	-	-	-	-
2003 Series C	95,000,000	84,665,000	82,345,000	43,115,000	-	-
2009 Refunding Series A & B <sup>(3)</sup>	47,215,000	47,215,000	43,225,000	39,310,000	35,710,000	31,135,000
2011A Refunding Bonds <sup>(4)</sup>	33,960,000	-	-	33,960,000	33,960,000	33,960,000
<b>Total Measure M</b>	<b>231,175,000</b>	<b>132,765,000</b>	<b>125,570,000</b>	<b>116,385,000</b>	<b>69,670,000</b>	<b>65,095,000</b>
<u>Measure D (March 5, 2002)</u>						
2002 Series A	30,000,000	26,325,000	24,850,000	11,515,000	-	-
2003 Series B	100,000,000	87,420,000	84,260,000	40,460,000	-	-
2004 Series C, Current Interest	40,000,000	37,225,000	36,445,000	35,625,000	25,545,000	24,640,000
2004 Series C, Capital Apprec.	29,999,377	29,217,456	28,746,812	28,179,129	27,523,014	26,783,541
2006 Series D, Capital Apprec.	99,998,106	96,670,658	95,250,742	93,145,012	90,817,414	88,289,681
2011A Refunding Bonds <sup>(4)</sup>	51,605,000	-	-	51,605,000	47,180,000	43,380,000
<b>Total Measure D (2002)</b>	<b>351,602,483</b>	<b>276,858,114</b>	<b>269,552,284</b>	<b>260,529,141</b>	<b>191,065,428</b>	<b>183,093,222</b>
<u>Measure J (Nov. 8, 2005)</u>						
2006 Series A	70,000,000	62,325,000	61,280,000	61,280,000	61,280,000	60,735,000
2009 Series B	120,000,000	115,025,000	115,025,000	115,025,000	115,025,000	115,025,000
2009 Refunding Bonds <sup>3</sup>	10,645,000	10,645,000	10,645,000	10,645,000	10,645,000	10,645,000
2010 Series C1	52,084,759	52,084,759	52,084,759	52,084,759	52,084,759	52,084,759
2010 Series C2	52,825,000	52,825,000	52,825,000	52,825,000	52,825,000	52,825,000
2010 Series D1	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
2010 Series D2	2,499,949	2,499,949	2,499,949	2,499,949	2,499,949	2,499,949
<b>Total Measure J</b>	<b>333,054,708</b>	<b>320,404,708</b>	<b>319,359,708</b>	<b>319,359,708</b>	<b>319,359,708</b>	<b>318,814,708</b>
<u>Measure D (June 8, 2010)</u>						
2010 Series A	79,000,000	-	-	79,000,000	72,385,000	66,845,000
2010 Series A-1	21,000,000	-	-	21,000,000	21,000,000	21,000,000
2010 Series B	40,000,000	-	-	-	-	40,000,000
<b>Total Measure D (2010)</b>	<b>140,000,000</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>	<b>93,385,000</b>	<b>127,845,000</b>
2012 Refunding <sup>5</sup>	98,200,000	-	-	-	98,200,000	98,200,000
<u>Measure E (Nov. 6, 2012)</u>						
2012 Series A	85,000,000	-	-	-	-	85,000,000
<b>Total Measure E (2012)</b>	<b>85,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,000,000</b>
<b>Total G.O. Bonds Principal</b>		<b>758,222,822</b>	<b>741,276,992</b>	<b>821,578,849</b>	<b>795,430,136</b>	<b>900,147,930</b>
<b>Bond Premium &amp; Accreted Int</b>						
G.O. Bonds Premium		16,645,903	15,857,512	25,353,204	33,586,371	34,004,894
Accreted Interest		39,182,929	50,779,461	60,762,662	76,031,953	89,156,917
<b>Total Bond Debt</b>		<b>814,051,654</b>	<b>807,913,965</b>	<b>907,694,715</b>	<b>905,048,460</b>	<b>1,023,309,741</b>
<b>Certificates of Participation</b>						
2005 Refund 1994 COP <sup>6</sup>		9,345,000	8,890,000	8,415,000	7,915,000	7,390,000
<b>Total Debt</b>		<b>823,396,654</b>	<b>816,803,000</b>	<b>916,109,715</b>	<b>912,963,460</b>	<b>1,030,699,741</b>

<sup>1</sup>Data from District financial audit reports prepared by Crowe Horwath LLP.

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

<sup>3</sup>The 2009 Refunding Bonds were issued to refund and partially refund four series of bonds issued under Measures M and J authorizations totaling \$49,955,000. Principal reduction in 2013-14 was \$4,575,000.

<sup>4</sup>The 2011A Refunding Bonds were issued to provide funds to redeem a portion of each of the Measure M and Measure D (2002) authorizations totaling \$85,565,000. Principal reduction in 2013-14 was \$3,800,000.

<sup>5</sup>The 2012 Refunding Bonds were issued to provide funds to redeem Measure M, Series C and Measure D (2002), Series A, B and C authorizations totaling \$98,200,000. This refunding resulted in an estimated reduction in interest payments totaling \$12.5 million over the next twenty-one years.

<sup>6</sup>Certificates of Participation (COPs) are loans, not a source of revenues. COPs are repaid over time from various sources, such as the Capital Facilities Fund (developer fees) and the General Fund.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### Proposition 39 Bond Sale Limitations

Proposition 39, passed by California voters on November 7, 2000; Assembly Bill 1908, which became law on June 27, 2000; and Assembly Bill 2659, which became law on September 22, 2000, established limitations on bonds that may be issued. The first limitation is the bonding capacity of the District, which is based on 2.5 percent of assessed valuation (A/V), which may be increased through a waiver request to the State Board of Education. The second limitation is a maximum tax rate of \$60.00 per \$100,000 of A/V for each bond measure, which may not be increased by filing a waiver request. These two provisions are more fully described in *Education Code Section 15106*:

*Any unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.*

However, as noted above, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

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

Fiscal Year	Total A/V	Annual % Change	Bonding Capacity @ 2.5%	Bonding Capacity @ 5.0% (*)
2007-08*	\$ 26,971,665,616	10.43	674.3 million	
2008-09*	27,062,460,076	0.34	676.6 million	
2009-10*	23,745,753,348	-12.26	593.6 million	
2010-11*	21,927,157,161	-7.66	548.2 million	
2011-12*	22,170,563,072	1.11	554.3 million	1,108.5 million
2012-13*	23,632,927,039	6.60	590.8 million	1,181.6 million
2013-14**	21,955,080,916	-7.10	548.9 million	1,097.8 million

\*Information obtained from June 30, 2013 Performance Audit Report prepared by Total School Solutions. The SBE approved waivers in 2002, 2009, 2010 and 2012 which resulted in gradual increases in the District's bonding capacity from 2.5 percent to 3.0 percent to 3.5 percent to the current 5.0 percent.

\*\*A/V based on the Certificate of Assessed Valuations from Contra Costa County, dated August 12, 2013.

Education Code Section 15270 further adds:

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

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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Resolution No. 25-0506 ordering the Measure J bond election stated that “no series of bonds may be issued unless the District shall have received a waiver from the California State Board of Education of the District's statutory debt limit, if required.” At its meeting of January 21, 2009, the Board authorized the administration to submit a waiver request to the SBE to increase the District's Measure J bonding limit to 3.5 percent of AV for the five year period from May 2009 through May 2014. The SBE approved the District's waiver request at its meeting of May 6-7, 2009, which enabled the District to issue \$105 million of its remaining authorization of \$210 million Measure J bonds. During the 2009-10 fiscal year, the District issued \$132.5 million of Measure J bonds, bringing the remaining authorization to \$77.5 million. Because Measure J was at its \$60 limit, thereby delaying the ability to sell the remaining \$77.5 million of Measure J bonds, the District authorized an election for \$380 million of new bonds (Measure D), with a tax rate of \$48 per \$100,000 of A/V, well below the \$60 limit, which was approved by voters on June 8, 2010.

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

On January 9, 2013, after passage of Measure E (2012), the Board authorized the administration to file a waiver request with the SBE to waive Education Code Sections 15106 (2/3 bonds) and 15270(a) (55 percent bonds) to raise the bond indebtedness limit for Measure E (2012) from 2.5 percent of assessed value to 5.0 percent until December 31, 2025. Approval was granted with the following conditions: (1) debt may not exceed 5.0 percent of assessed value for the period May 9, 2013 to December 31, 2025; (2) the 5.0 percent limit applies to Measure E (2012) only; and (3) the tax levy may not exceed \$60 per \$100,000 of assessed value.

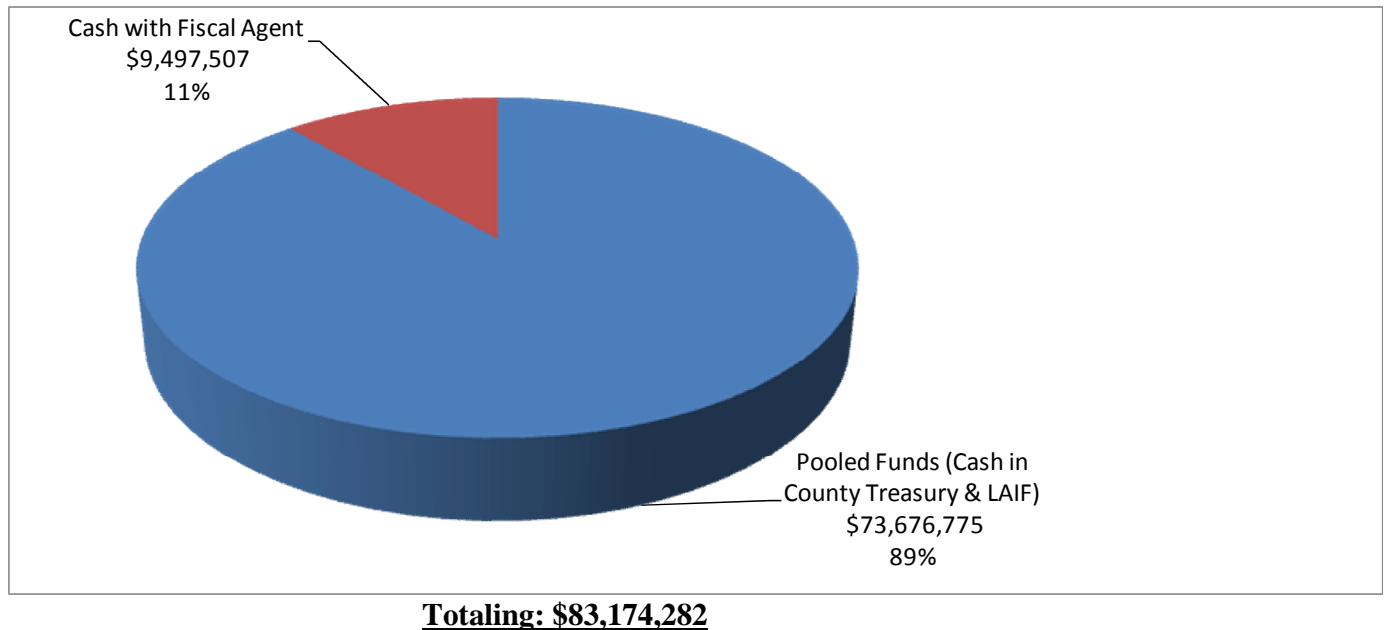
## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### Investment of Bond Proceeds

The proceeds from bond sales are invested in various instruments and earn interest until expenditures are made. The District's financial audit for the fiscal year ended June 30, 2014, reports the following cash investments:



Source: West Contra Costa Unified School District, Measure D (2010) and Measure E (2012) Financial Statement for the year ended June 30, 2014, Crowe Horwath, LLP, December 15, 2014.

Pooled Funds are short-term investments made by Contra Costa County, and the District's interest earnings are credited quarterly. The District has no control over the investments, and its risk/return is based on the investment decisions of the County Treasurer. The financial auditor reported that, as of June 30, 2014, the pooled fund "contained no derivatives or other investments with similar risk profiles." The pooled fund as of June 30, 2014 was \$73,669,159.

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 LAIF investments as of June 30, 2014 was \$7,617.

Cash with Fiscal Agent represents contract retentions carried in the contractor's name with an independent third party, and the contractor carries all investment risk. As contract payments are made, ten percent is retained until released by the District. 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 remaining retention including any earned interest is released to the contractor. As noted in the June 2014 audit report prepared by Crowe Horwath LLP, Cash with Fiscal Agent as of June 30, 2014 was \$9,497,507.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

#### **Performance Audit**

The Performance Audit Report, which was prepared separately from this Agreed Upon Procedures Report, was limited to the objectives in determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. The objective of that report is to report on the District's bond program activities and its compliance with bond language and legal limitations regarding the issuance of bonds under the terms of the voter-approved measure and monitoring the bond proceeds after issuance.

The performance audit uses the following information:

- Measure D (2010) and Measure E (2012) ballot language
- District Financial Audit Reports
- District Financial Reports
- Use of Measures D (2010) and E (2012) Bond Funds
- Proposition 39 Bond Sale Limitations

The complete ballot language contained in Measure D (2010) is included as Appendix A. The following appeared as the summary ballot language:

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

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

#### **PRIORITY SCHOOL PROJECTS LIST**

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

The complete ballot language contained in Measure E (2012) is included as Appendix B. The following appeared as the summary ballot language:

To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety and handicap accessibility, remove asbestos, upgrade science labs, restrooms, vocational classrooms, technology and energy systems to reduce costs, install lighting and security systems, and acquire repair, construct, equipment, sites and facilities, by issuing \$360,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators' salaries?

The Measure E (2012) ballot language focused on the continued repair, modernization, and reconstruction of District school facilities in the following broad categories:

#### **PRIORITY SCHOOL PROJECTS LIST**

- School Renovation, Repair and Upgrade Projects
- School Health, Safety and Security, Earthquake Safety and Energy Efficiency School Projects
- District-Wide Wiring and Instructional Technology For Effective Learning Environment and Job Training Projects

As required by Proposition 39, the West Contra Costa Unified School District certified the results of the November 6, 2012, bond (Measure E) election at the school board meeting of December 12, 2012. At the same meeting, the Board assigned Measure E (2012) oversight to the existing Citizens' Bond Oversight Committee.

#### **Use of Measures D (2010) and E (2012) Bond Funds**

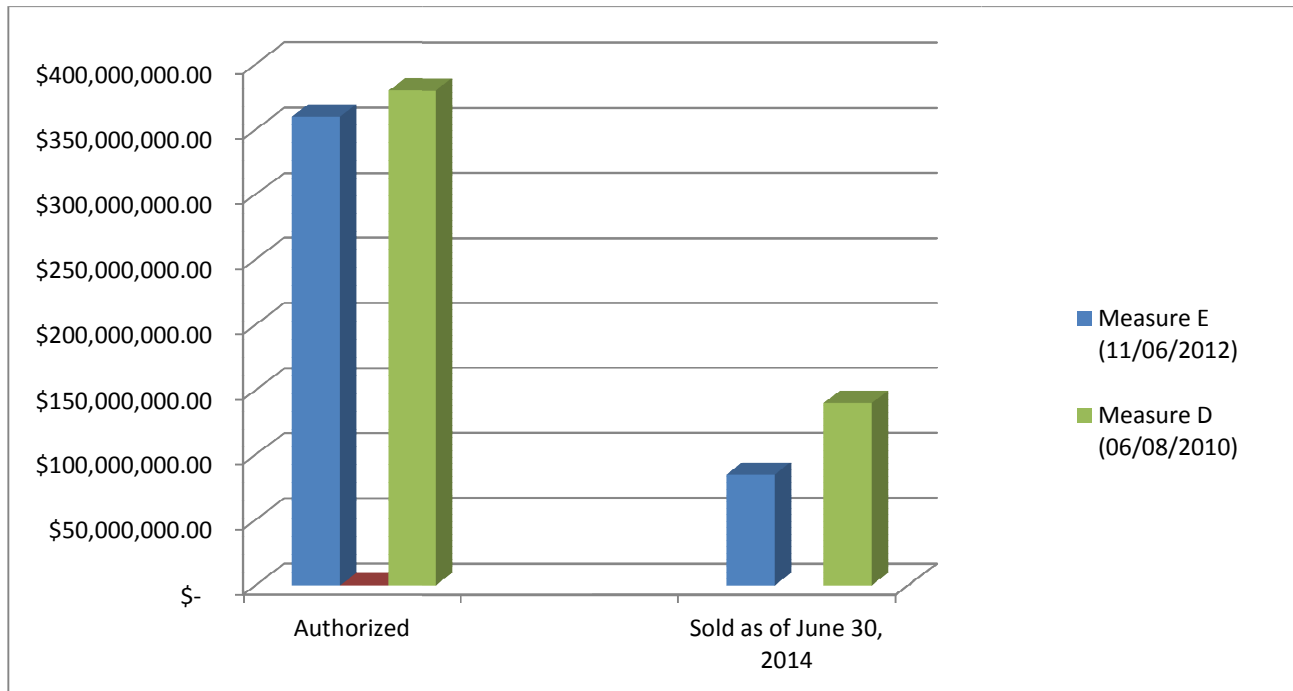
A question regarding the use of general obligation bond funds for program managers and other internal staff is often a concern for school districts and oversight committees. In legal opinion No. 04-110 dated November 9, 2004, the California Attorney General opined that: "A school district may use Proposition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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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As of June 30, 2014, the District had issued the following Measure D and Measure E bonds:



**Authorized Total: \$740 billion**  
**Sold as of June 30, 2014: \$225 million**

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **CONTRACTS AND CHANGE ORDERS**

#### **Objective**

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

#### **Procedures**

VTD obtained change orders generated by the construction team and ratified by the Board of Education during the period from July 1, 2013 through June 30, 2014. In addition, VTD obtained other relevant documents and conducted interviews with members of the District and program management staff. An analysis of change orders was prepared to determine the cost of change orders for each construction project and review the procedures that the District follows to authorize and approve change orders as prescribed under the Public Contracting Code. Information obtained from the 2013-14 Board of Education meeting agendas and minutes, and facilities documents related to change orders was also used in preparing this analysis.

#### **Background**

Change orders occur for a variety of reasons. Typically the most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. However, based on the sample of change orders reviewed and summarized on page 21, District initiated changes were most common this year for these particular projects. Because small repairs are made to school facilities over time and because changes are not typically reflected in the District's archived drawings, architects may not be aware of such information until the issue is discovered during construction or until a wall or floor, for example, is uncovered. In general, change orders for modernization cannot be avoided due to the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous material, or other unknown conditions - all of which contribute to the need for authorizing additional work.

Change orders are also generated to authorize the District's request for additional work, changes in scope (additions/deletions), or changes to materials/products used. These requests are usually driven by changes to the programmatic and instructional use intent of a facility, occurring between the approval of the design concept and the time when actual construction happens, that necessitate changes to products, materials and design of a project.

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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**Public Contracting Code (PCC).** PCC Section 20118.4 (a) and (b) states that the governing board of the district may authorize the contractor to proceed with the performance of changes or alterations of a contract (change orders), without the formality of securing bids, if the cost so agreed upon does not exceed the greater of the following:

- (1) The amount specified in Section 20111 (\$15,000) or 20114 (force account) whichever is applicable to the original contract; or
- (2) Ten percent of the original contract price

As noted in the prior year Performance Audit Report it is the opinion of the District's legal counsel that the statutory 10 percent change order limit applies to individual change orders and not on the aggregate total of change orders for a project.

**Retention on Contract Payments.** Senate Bill (SB) 293, which was signed into law on October 9, 2011, restricts retention amounts in public construction contracts to not exceed five percent of the total contract price. The five percent limit, which applies to all contracts entered into on or after January 1, 2012, is found in Public Contract Code Section 7201. As an exception under Section 7201(b)(4), the code allows a higher percentage of retention based on a finding by the governing Board that the project is substantially complex and therefore requires a higher retention amount than the prescribed five percent. On January 4, 2012, the Board adopted Resolution 74-112, which delegated the authority to the Superintendent to make a determination whether a project is substantially complex as to allow the District to withhold retention amounts higher than five percent of the contract price.

**Notices of Completion (NOC).** Changes to the California Civil Code, Section 9204(a), regarding the filing of NOCs and "Stop Notices" took effect on July 1, 2012. These changes allow the owner (District) to record the Notice of Completion (NOC), with the county recorder, up to *fifteen days* after "completion" of the project, which is longer than the previously specified ten days. Additionally, "Completion" is defined as the date of the owner's (Board of Education) acceptance of the project. If the owner records the NOC on time, the subcontractor must give Stop Payment Notice (SPN) to the owner within thirty days of the recording. If the owner does not record the NOC on time, a subcontractor may file SPN within ninety days.

#### **Change Orders 2013-14**

Change orders are evaluated and negotiated by the construction team which is composed of the Construction Manager (CM), Architect of Record (AOR) and Inspector of Record (IOR). Negotiated change orders are then submitted to the Superintendent's designees for approval. Proposed Change Orders (PCOs) that comprise a change order are tabulated in the Summary Sheet, which lists the PCO number, the reasons for the changes, reference documents (e.g. Request for Information (RFIs), Construction Change Directives, etc.), requested time extensions, and negotiated amounts. Negotiated change orders approved by the Superintendent's designees are submitted to the Board of Education for ratification.

The Board of Education receives information on change orders submitted for ratification prior to the Board meetings.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

The table below summarizes the total approved change orders generated by active construction projects funded by Measure D (2010) and Measure E (2012) bond programs from the start of construction through fiscal year 2013-14:

Project	Original Contract Amount	Total Change Orders Ratified		Percent of Original Contract Amount	Total Adjusted Contract Amount
		Prior To July 1, 2013	July 1, 2013-2014		
Bayview Elementary School Exterior Walls & Roof Repairs	\$ 646,000.00	\$ -	\$ 6,220.23	0.96%	\$ 652,220.23
Coronado Elementary School @ Kenndy Storm Drain Ext.	56,000.00	-	8,815.00	15.74%	64,815.00
Coronado Elementary School New School	26,974,910.00	-	57,498.00	0.21%	27,032,408.00
De Anza High School Campus Replacement	62,508,000.00	5,743,846.00	1,944,127.00	12.30%	70,195,973.00
Dover Elementary School Building 'A' Camera Replacement	198,000.00	-	13,364.36	6.75%	211,364.36
Dover Elementary School MPR Demolition	135,675.00	-	(21,993.00)	-16.21%	113,682.00
Downer Elementary School Restroom Repairs	192,000.00	-	12,332.35	6.42%	204,332.35
Ellerhorst Elementary School Restroom Repairs	175,000.00	6,620.54	(23,639.00)	-9.72%	157,981.54
Grant Elementary School Fire/Intrusion System	300,095.00	-	62,736.98	20.91%	362,831.98
Grant Elementary School Restroom Repairs	94,404.00	-	6,419.11	6.80%	100,823.11
Helms Middle School Sports Field & Landscaping	5,951,048.00	68,738.43	326,702.76	6.64%	6,346,489.19
Kennedy High School Science Wing Renovation	4,136,303.00	(4,649.00)	175,748.00	4.14%	4,307,402.00
Kensington Elementary School Moisture Abatement	175,000.00	-	13,866.93	7.92%	188,866.93
Kensington Elementary School Restroom Renovations	156,900.00	-	7,211.68	4.60%	164,111.68

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

### Change Orders 2013-14 (Continued)

Project	Original Contract Amount	Total Change Orders Ratified		Percent of Original Contract Amount	Total Adjusted Contract Amount
		Prior To July 1, 2013	July 1, 2013- 2014		
Lake Elementary School Fire/Intrusion System	266,994.00	-	2,734.35	1.02%	269,728.35
Lake Elementary School Restroom Repairs	55,196.00	(2.00)	3,286.63	5.95%	58,480.63
Lincoln Elementary School Restroom Repairs	245,000.00	10,237.22	(13,126.00)	-1.18%	242,111.22
Montalvin Elementary School Classroom Building	2,843,000.00	-	8,177.00	0.29%	2,851,177.00
New Gompers & Leadership Public School Schools	\$ 53,887,350.00	\$ 12,562.00	\$ 799,358.00	1.51%	\$ 54,699,270.00
Nystrom Elementary School - Phase 3A Abatement and Demo	777,700.00	-	24,691.92	3.17%	802,391.92
Nystrom Elementary School Interim Campus	1,811,307.00	226,833.00	49,626.96	15.26%	2,087,766.96
Ohlone Elementary School Phase I New Classrooms	16,961,000.00	1,005,822.51	897,774.00	11.22%	18,864,596.51
Peres Elementary School Modernization	1,493,000.00	142,665.61	(34,557.76)	7.24%	1,601,107.85
Pinole Valley High School Baseball Park	45,000.00	-	3,344.00	7.43%	48,344.00
Pinole Valley High School Baseball Park	44,700.00	-	2,094.00	4.68%	46,794.00
Pinole Valley High School Detention Basin	2,126,744.11	-	316,269.74	14.87%	2,443,013.85
Pinole Valley High School Interim Campus	4,946,114.00	-	369,622.42	7.47%	5,315,736.42
Portola Middle School Demolition of Existing Campus	2,102,267.00	156,615.00	51,513.00	9.90%	2,310,395.00
Portola Middle School New Building	42,762,406.00	-	224,137.50	0.52%	42,986,543.50
Tara Hills Elementary School Restroom Repairs	230,000.00	(19,984.14)	(717.58)	-9.00%	209,298.28
Total	\$ 232,297,113.11	\$ 7,349,305.17	\$ 5,293,638.58	5.44%	\$ 244,940,056.86

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **Analysis of Change Orders**

Staff presents approved change orders to the Board of Education for ratification. Each change order is comprised of a number of Proposed Change Orders (PCOs) previously evaluated by the construction team, reviewed by the Change Order Committee and approved by the Superintendent's designees. These PCOs are tabulated in the summary sheets, attached to the change order, which lists the PCO number, the reason(s) for the changes, reference documents (e.g., RFIs, Construction Change Directives, etc.), requested time extensions, and negotiated amounts. PCOs are typically grouped into four general classifications, based on the reason for the change, as follows; (a) unforeseen conditions, (b) DSA and other code revisions, (c) architect/engineer design issues, and (d) owner (District) requested changes. District initiated changes are generally classified into three types; changes to materials and products used, student safety issues, and additions/deletions to the work or other issues.

For the fiscal year 2013-14 period, VTD reviewed 57 change orders and supporting documents generated by Measure D-2010 and Measure E-2012 projects. These change orders represent 29 percent of all changes orders (or 22 projects under construction) during this review period. Change order costs generated by each construction project, during fiscal year 2013-14, in the various classifications and percentages are presented in the table on the next page.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

Project Name Contractor Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	District Initiated Changes			Totals
				Changes to Materials/ Products	Safety Issues	Adds/ Other Issues	
Coronado Elementary School New School Lathrop Construction Associates, Inc. (CO# 9)	\$2,052 100%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	<b>\$2,052</b> 100%
Coronado Elementary School Storm Drain Trinet Construction Inc. (CO# 1)	\$8,815 100%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	<b>\$8,815</b> 100%
De Anza HS Replacement Campus Wright Contracting, Inc. (CO# 37 - 38)	\$94,119 16%	\$0 0%	\$33,523 5%	\$0 0%	\$0 0%	\$473,059 79%	<b>\$600,701</b> 100%
De Anza HS Replacement Campus Wright Contracting, Inc. (CO# 42)	\$51,239 78%	\$0 0%	\$3,890 6%	\$0 0%	\$0 0%	\$10,401 16%	<b>\$65,530</b> 100%
De Anza High School Replacement Campus Wright Contracting, Inc. (CO# 43)	\$0 0%	\$0 0%	\$186,957 81%	\$0 0%	\$0 0%	\$43,021 19%	<b>\$229,978</b> 100%
Dover Elementary School MPR Demolition VEM General Engineering, Inc. (CO# 1)	\$3,255 39%	\$0 0%	\$5,170 61%	\$0 0%	\$0 0%	\$0 0%	<b>\$8,425</b> 100%
Dover Elementary School MPR Demolition VEM General Engineering, Inc. (CO# 2)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$(30,418) -100%	<b>\$(30,418)</b> -100%
Downer Elementary School Restroom Repairs Streamline Builders (CO# 2 - 8)	\$0 0%	\$0 0%	\$2,003 33%	\$0 0%	\$0 0%	\$4,129 67%	<b>\$6,132</b> 100%
Gompers Continuation High School / Leadership Public School New School Lathrop Construction Associates, Inc. (CO# 39)	\$0 0%	\$0 0%	\$28,642 100%	\$0 0%	\$0 0%	\$0 0%	<b>\$28,642</b> 100%
Gompers Continuation High School / Leadership Public School New School Lathrop Construction Associates, Inc. (CO# 40 - 44)	\$12,000 24%	\$0 0%	\$1,139 2%	\$0 0%	\$0 0%	\$37,201 74%	<b>\$50,340</b> 100%
Gompers Continuation High School / Leadership Public School New School Lathrop Construction Associates, Inc. (CO# 9)	\$0 0%	\$(9,194) -100%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	<b>\$(9,194)</b> -100%
Kennedy High School Science Wing Renovation BHM Construction, Inc. (CO# 20)	\$0 0%	\$0 0%	\$0 0%	\$2,139 100%	\$0 0%	\$0 0%	<b>\$2,139</b> 100%

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

### Analysis of Change Orders (Continued)

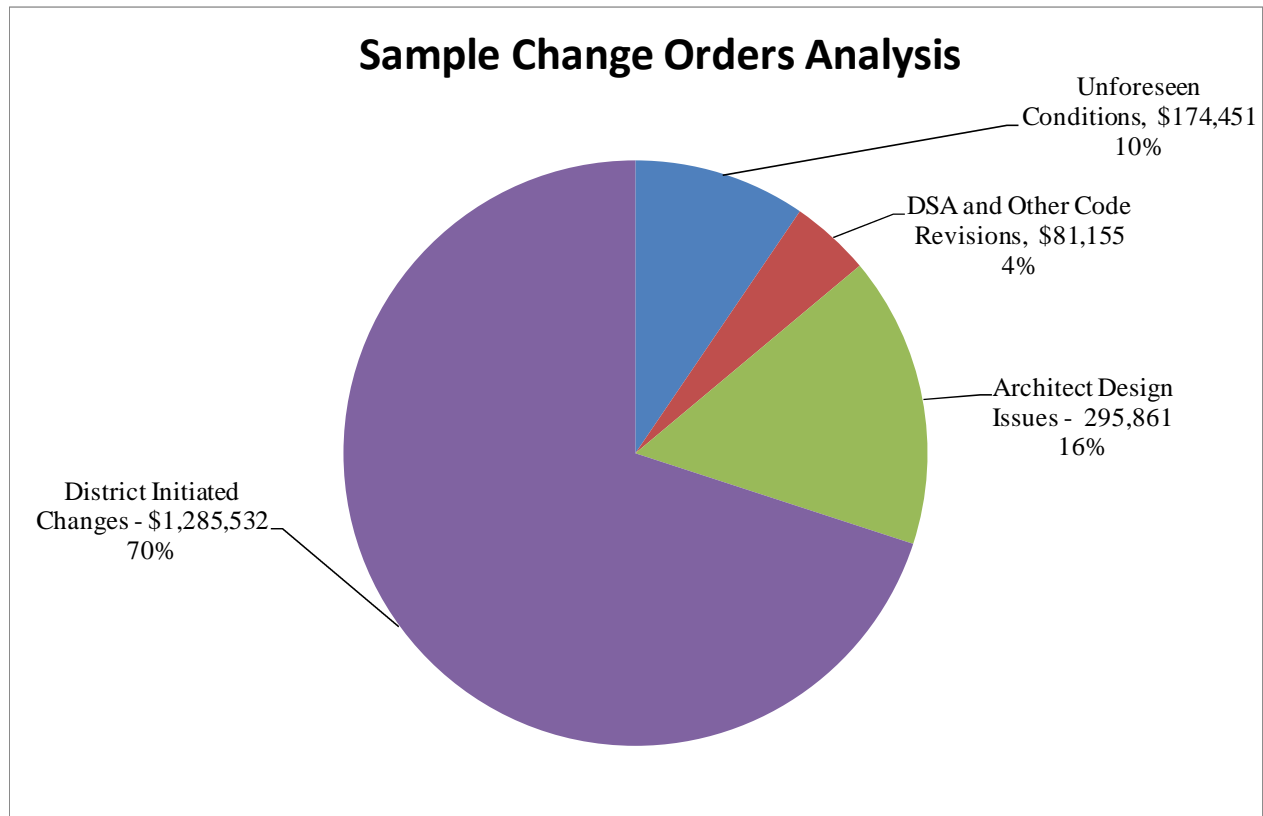
Project Name Contractor Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	District Initiated Changes			Totals
				Changes to Materials/ Products	Safety Issues	Adds/ Other Issues	
Kennedy High School Science Wing Renovation BHM Construction, Inc. (CO# 6 - 8)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$13,858 100%	<b>\$13,858</b> 100%
Kennedy High School Science Wing Renovation BHM Construction, Inc. (CO# 9 - 12)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$42,048 100%	<b>\$42,048</b> 100%
Ohlone Elementary School Phase 1 New Classrooms Zovich Construction (CO# 69 - 70)	\$2,971 7%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$41,216 93%	<b>\$44,187</b> 100%
Ohlone Elementary School Phase 1 New Classrooms Zovich Construction (CO# 71)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$51,865 100%	<b>\$51,865</b> 100%
Ohlone ES Phase 1 New Classrooms Zovich Construction (CO# 72 - 73)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$18,521 100%	<b>\$18,521</b> 100%
Ohlone Elementary School Phase 1 New Classrooms Zovich Construction (CO# 74 - 82)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$286,891 100%	<b>\$286,891</b> 100%
Ohlone Elementary School Phase 1 New Classrooms Zovich Construction (CO# 92 - 96)	\$0 0%	\$0 0%	\$29,809 76%	\$0 0%	\$0 0%	\$199,677 87%	<b>\$229,486</b> 100%
Pinole Valley High School Interim Campus Mobile Modular Management Corp. (CO# 2 - 5)	\$0 0%	\$90,349 76%	\$0 0%	\$0 0%	\$0 0%	\$27,893 24%	<b>\$118,242</b> 100%
Pinole Valley High School Interim Campus Mobile Modular Management Corp. (CO# 6)	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$24,070 100%	<b>\$24,070</b> 100%
Portola MS Demolition of Existing Campus Allen Construction Inc. (CO# 18 - 20)	\$0 0%	\$0 0%	\$4,728 10%	\$0 0%	\$0 0%	\$42,100 90%	<b>\$46,828</b> 100%
<b>Totals</b>	<b>\$174,451</b> 10%	<b>\$81,155</b> 4%	<b>\$295,861</b> 16%	<b>\$2,139</b> 0%	<b>\$0</b> 0%	<b>\$1,285,532</b> 70%	<b>\$1,839,138</b> 100%

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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The percentages of sample change orders generated by the construction projects funded by Measure D-2010 and E-2012, for fiscal year 2013-14, as identified in the change order documents are presented in the chart below:



- Unforeseen conditions accounted for ten percent of the cost of change orders for the projects examined during this period. Examples of unforeseen condition encountered during this period include: replacement of City sidewalk not known until after project was begun, buried masonry and water valves, installation of new isolation valve and shut down of 6" water line serving existing campus during its demolition, concealed asbestos mastic.
- Architect Design and DSA/Code Revisions Issues accounted for twenty percent of the overall cost of change orders generated for the projects examined. Examples of architect/engineer changes during this period include: additional electrical outlets besides existing outlets, fire extinguisher at each exit, empty back box with conduit stubbed to ceiling for future pull station and horn, skirting for perimeter of building only, standard factory ramp, and wood sill foundation for level site.
- District initiated Changes constituted seventy percent of the overall cost of change orders generated for the projects examined. Examples of district requested changes to materials and products used in construction during the current period include; installation of floor cleanouts at fifteen locations due to the plans did not schedule a cleanout. Examples of addition/deletion of work requested by the District during the current period include: necessary grading, preparation, asphalt, concrete, paving, new utilities, grassy swale, fencing, gates and striping, roof and ceiling assembly change due to building was already under construction. During the current period, these additions/deletions to the work or other issues accounted for the majority of the owner requested changes.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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#### Observations

1. The percent of total cost for the change orders for the fiscal year 2013-14 has decreased from 5.95 percent in the prior year to 2.28 percent in the current year.

Bond Program	Original Contract Amount	Total Approved Change Orders	% of Original Contract Amount
Total Bond Program (2013-14)	\$ 232,297,113	\$ 5,293,639	2.28%
Total Bond Program (2012-13)	\$ 195,542,930	\$ 11,632,214	5.95%

2. During fiscal year 2013-14, six bond projects have total change order amounts over ten percent of the original contract amount, set by Public Contract Code 20118.4 (a) and (b). The Board of Education ratified these change order amounts due to the tight time frames and unnecessary additional costs for conducting a competitive bid for the additional work.

3. VTD noted that the District initiated Change Orders constituted 70 percent of the overall cost of change orders generated from the project examined. Examples of district requested changes to materials and products used in construction during the current period include; installation of floor cleanouts at fifteen locations due to the plans did not schedule a cleanout. Examples of addition/deletion of work requested by the District during the current period include; necessary grading, preparation, AC paving, new utilities, grassy swale, fencing, gates and striping, roof and ceiling assembly change due to building was already under construction. During the current period, these additions/deletions to the work or other issues accounted for the majority of the owner requested changes

#### Recommendations

The District should continue its effort to limit the District initiated changes during construction to a minimum by performing a thorough review of the plans and drawings during the preconstruction phase.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **LOCAL HIRE AND PREVAILING WAGE COMPLIANCE**

#### **Objective**

To assess the District's compliance over prevailing wage requirements and to review the District's status of the Local Capacity Building Program (LCBP) as outlined in the District's Project Labor Agreement (PLA).

#### **Procedures**

Following information are obtained and review:

- Prevailing wage law and local hire law compliance program
- July 1, 2013 through June 30, 2014 LCBP Hiring Status Reports and related committee meeting minutes

VTD also interviewed the staff of the Davillier-Sloan, Inc. (DSI), a labor management company that the District contracts with, to ensure that the District is in compliance with the prevailing wage and the local hire requirements.

#### **Background**

The Board of Education has expressed a strong desire to include local businesses in the planning and construction programs funded through all previous and current bond measures. 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."*

In order to provide economic opportunity for its residents and businesses and stimulate economic development, the District has established a mandatory Local Capacity Building Program ("LCBP") to further encourage and facilitate full and equal opportunities for local and small West Contra Costa County business owners who are interested in doing business with and working on the District's General Obligation Bond Projects. The District's goal is to partner with the local community and demonstrate its leadership through this program, aimed at harnessing local resources to achieve maximum local benefits.

The District has worked with Davillier-Sloan, Inc. (DSI), a labor management company, since the 2004-05 fiscal year to invest in the local community that has committed so much faith and resources in the District's vision to build better school facilities. DSI manages a Local Advisory Committee consisting of representatives of local, minority and female business organizations, trade unions, community-based organizations and other interested organizations and individuals. The purpose of the committee is to assist the District in advising and monitoring the program to maximize success and serving as community liaison for the program. The committee meets every other month or as needed to discuss progress, projections, individual and mutual concerns, and upcoming contracting opportunities. Additionally, the Local Advisory Committee was instrumental in providing valuable insights and feedback for the development of the WCCUSD's local capacity business utilization policy.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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On September 15, 2010, based on the work of DSI, the Local Advisory Committee and District staff recommendations, the District's Board approved a policy to outline requirements of a mandated Local Capacity Building Program and Local Hiring Program. The LCBP establishes mandatory local participation requirements (as a percentage of the overall prime contract) on a project-by-project basis and takes into consideration the type of construction work to be performed and the current capacity of the local contracting community.

The intended impacts of the LCBP are to:

- Increase the number of West Contra Costa County businesses participating in all aspects of District construction contracting projects and construction related professional services;
- Alleviate unemployment and underemployment of West Contra Costa County community residents;
- Increase participation of under-utilized local businesses, otherwise qualified to participate in District construction contracting projects;
- Increase the circulation of local dollars within the West Contra Costa County community and thus stimulate a stronger economic base; and
- Promote, develop and enhance the capacity of certified West Contra Costa County businesses through mentor/protégé relationships.

In addition, the District contracted with J. Majors & Associates from July 1, 2013 to June 30, 2014 to provide community outreach services to inform local, small, and minority owned businesses about upcoming bids on the District's construction projects. Another service that J. Majors & Associates provided during the year was to create and distribute promotional flyers to the community regarding upcoming projects.

The District has established an annual overall Local Capacity Building Program goal for local hiring of at least:

1. Twenty-four percent participation by local West Contra Costa County residents.
2. Twenty percent participation by apprentices from State-approved apprenticeship programs in all hours worked, on a craft-by-craft basis.
3. An overall goal will be for all of the apprenticeship hours to be worked by residents of West Contra Costa.

#### **Geographic Location Requirements**

The residents must be located at a fixed established address located in priority areas listed and not a temporary or movable office, post office box, or a telephone answering service. If residents are not available, capable or willing to do the work, then the goal will default to priority area two and failing that to priority area three.

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The local qualifying areas (source Davillier Sloan) are defined as:

**Priority Area One** — West County: Crockett, El Cerrito, El Sobrante, Hercules, Kensington, Montalvin, Pinole, Richmond, Rodeo, and San Pablo.

**Priority Area Two** — Other Contra Costa County: Alamo, Antioch, Bay Point, Blackhawk, Brentwood, Byron, Canyon, Clayton, Concord, Danville, Diablo, Discovery Bay, Knightsen, Martinez, Moraga, Oakley, Orinda, Pacheco, Pittsburg, Pleasant Hill, San Ramon, Walnut Creek.

**Priority Area Three** — Northern Alameda and Southern Solano County: Alameda, Albany, American Canyon, Benicia, Berkeley, Castro Valley, Elmira, Emeryville, Fairfield, Hayward, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Vacaville, and Vallejo.

The following list shows LCBP projects for Measure D and Measure E awarded in the 2013-14 fiscal year that were reported by DSI:

Collins Elementary School Floor, Door and Hardware Replacement  
Collins Elementary School Restroom Renovations  
Coronado Elementary School Reconstruction  
Downer Elementary School Playfield Renovations  
Downer Elementary School Restroom Renovation  
El Cerrito High School Stadium  
Harding Elementary School Exterior Repairs & Select Roofing Replacement  
Helms Middle School Environmental & Recycling Center  
Hercules Middle High School Additional Exterior Lighting  
Kennedy High School Science Building Renovation  
Montalvin Manor Elementary School New Classroom Building  
Murphy Elementary School Skylights Replacement  
New Gompers and LPS Richmond Schools  
Ohlone Elementary School Interim Housing  
Ohlone Elementary School ACS/IDS/SVS  
Olinda Elementary School Miscellaneous Repairs  
Olinda and Shannon Elementary Schools fire Alarm Replacement  
Peres Elementary School Modernization  
Pinole Valley High School Detention Basin, Utilities, and Paving  
Pinole Valley High School Interim Campus Site Work  
Pinole Valley High School Off-Site Parking & Traffic Signal  
Richmond Swim Center  
Shannon Elementary School Miscellaneous Repairs

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The table below shows a list of the LCBP projects that were under construction and the reported levels of local participation as of June 30, 2014.

<b>Local Hiring Project Report 2013-14 By Residents Projects Under Construction</b>				
<b>Project Name</b>	<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Total Participation</b>
Coronado Elementary School Reconstruction	15.85%	17.90%	38.19%	71.94%
De Anza High School Replacement Project	18.10%	16.64%	18.65%	53.39%
Dover Elementary School Building A Security Camera	48.92%	0.00%	0.00%	48.92%
Downer Elementary School Restroom Renovation	26.65%	0.00%	4.80%	31.45%
Grant & Lake Elementary Schools Restroom Renovation	0.00%	24.59%	15.23%	39.82%
El Cerrito High School Stadium	21.33%	19.18%	27.14%	67.65%
Helms Middle School Sports Fields & Landscaping	10.53%	17.89%	10.14%	38.56%
Hercules Middle High School Additional Exterior Lighting	0.00%	0.00%	52.69%	52.69%
Kennedy High School Science Building Renovation	11.15%	24.41%	36.07%	71.63%
Montalvin Manor Elementary School New Classroom Building	11.90%	51.69%	15.60%	79.19%
New Gompers and LPS Richmond Schools	19.12%	22.45%	11.10%	52.67%
Nystrom Elementary School Abatement and Demolition	49.93%	5.94%	34.35%	90.22%
Ohlone Elementary School Phase 1 West Campus	8.51%	29.18%	25.89%	63.58%
Peres Elementary School Modernization	33.86%	5.06%	33.01%	71.93%
Pinole Valley High School Detention Basin, Utilities, and Paving	26.36%	26.88%	15.18%	68.42%
Pinole Valley High School Interim Campus Site Work	11.65%	32.75%	25.37%	69.77%
Portola Middle School at Castro	18.12%	16.80%	34.29%	69.21%
Portola Middle School Demolition	12.47%	9.34%	43.68%	65.49%
Richmond High School Swim Center	12.98%	5.10%	56.98%	75.06%
Vista Alternative High School Parking Improvements	14.73%	1.34%	1.47%	17.54%
<b>Total Average 2013-14</b>	<b>18.61%</b>	<b>16.36%</b>	<b>24.99%</b>	<b>59.96%</b>

Source: Davillier Sloan's LCBP report for the period July 1, 2013 to June 30, 2014

The Dover Elementary School Building A Security Camera project and Nystrom Elementary School Abatement and Demolition project had the highest priority one participation.

Additionally, Nystrom Elementary School Abatement and Demolition project had the highest overall participation of local residents.

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## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

<b>Local Hiring Project Report 13-14 By Apprentice Hours Projects Under Construction</b>				
<b>Project Name</b>	<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Total Participation</b>
Coronado Elementary School Reconstruction	8.37%	2.98%	4.69%	16.04%
De Anza High School Replacement Project	7.15%	5.00%	3.54%	15.69%
Dover Elementary School Building A Security Camera	0.00%	0.00%	0.00%	0.00%
Downer Elementary School Restroom Renovation	0.00%	0.00%	0.00%	0.00%
Grant & Lake Elementary Schools Restroom Renovation	0.00%	24.59%	0.00%	24.59%
El Cerrito High School Stadium	3.61%	0.03%	7.86%	11.50%
Helms Middle School Sports Fields & Landscaping	3.29%	2.00%	3.07%	8.36%
Hercules Middle High School Additonal Exterior Lighting	0.00%	0.00%	0.00%	0.00%
Kennedy High School Science Building Renovation	3.16%	7.92%	4.28%	15.36%
Montalvin Manor Elementary School New Classroom Building	2.72%	0.00%	4.38%	7.10%
New Gompers and LPS Richmond Schools	8.03%	3.65%	3.00%	14.68%
Nystrom Elementary School Abatement and Demolition	0.00%	0.00%	0.00%	0.00%
Ohlone Elementary School Phase 1 West Campus	1.98%	7.69%	2.16%	11.83%
Peres Elementary School Modernization	11.39%	0.00%	3.69%	15.08%
Pinole Valley High School Detention Basin, Utilities, and Paving	10.63%	0.00%	0.68%	11.31%
Pinole Valley High School Interim Campus Site Work	3.00%	18.93%	10.68%	32.61%
Portola Middle School at Castro	7.84%	2.79%	4.07%	14.70%
Portola Middle School Demolition	0.00%	0.00%	3.93%	3.93%
Richmond High School Swim Center	4.42%	0.00%	0.00%	4.42%
Vista Alternative High School Parking Improvements	0.00%	0.69%	0.52%	1.21%
<b>Total Average 2013-14</b>	<b>3.78%</b>	<b>3.81%</b>	<b>2.83%</b>	<b>10.42%</b>

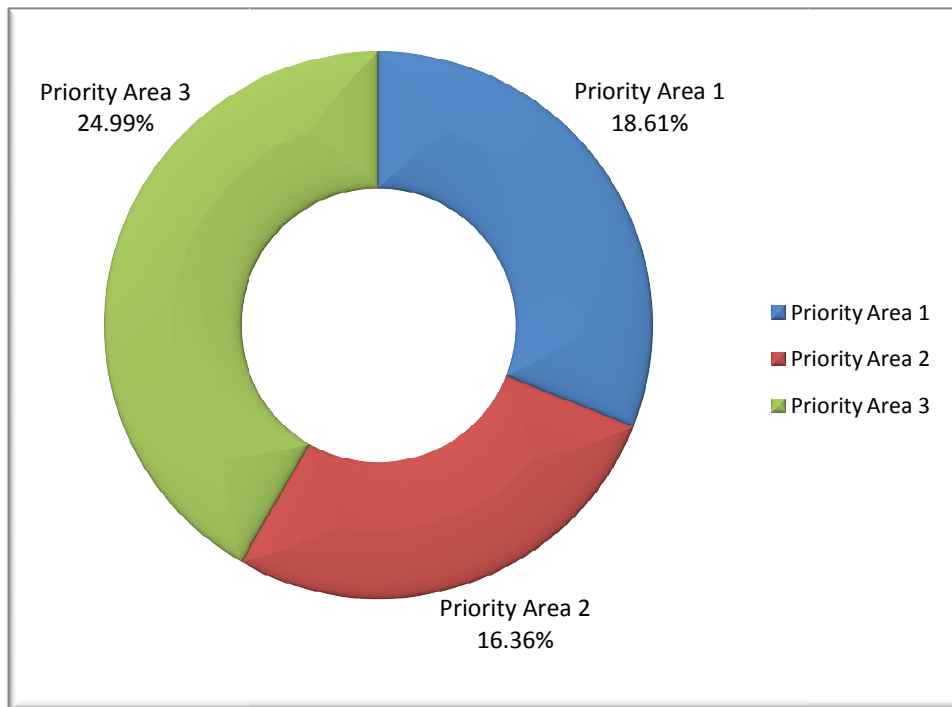
**Source:** Davillier Sloan's LCBP report for the period July 1, 2013 to June 30, 2014.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

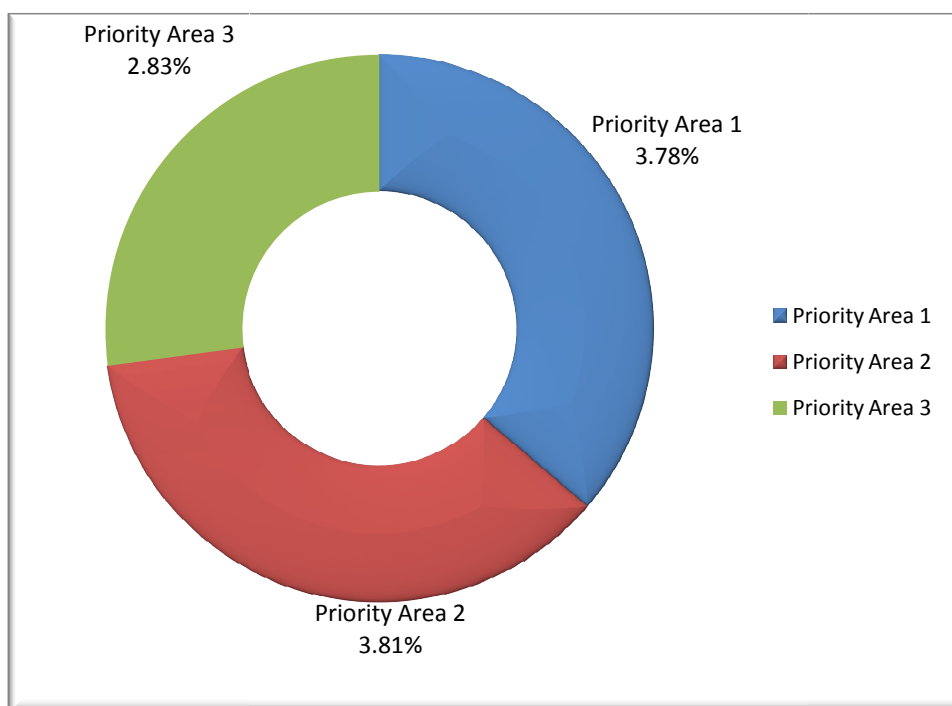
### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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**Total Local Participation by Residents: 59.96%**



**Total Local Participation by Apprentice Hours: 10.42%**



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### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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Below summarizes the local hiring changes between fiscal year 2012-13 and 2013-14:

Fiscal Year	Local Hiring Project Report By Residents			
	Priority 1	Priority 2	Priority 3	Total Participation
2013-14	18.61%	16.36%	24.99%	59.96%
2012-13	14.67%	18.12%	27.21%	60.00%
Changes	3.94%	-1.76%	-2.22%	-0.04%

Fiscal Year	Local Hiring Project Report By Apprentice Hours			
	Priority 1	Priority 2	Priority 3	Total Participation
2013-14	3.78%	3.81%	2.83%	10.42%
2012-13	2.18%	1.73%	2.64%	6.55%
Changes	1.60%	2.08%	0.19%	3.87%

Based on the analysis above, it appears that for the Local Hiring by Residents category, the District is making progress towards goals on Priority 1; however, Priorities 2 and 3 participation had decreased, or had no significant changes to the overall participation for 2013-14. For Local Hiring by Apprentice Hours category, the District had made improvements for all three priority areas, overall participation in this category increased by 3.87%.

#### **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 at least 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. If required by the District, or if requested by other agencies or labor groups, these payroll records are provided for verification and documentation of compliance with the law.

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

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

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### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

In 2011, AB 436 was signed into law which created a Compliance Monitoring Unit (CMU) within the Department of Industrial Relations (DIR). On January 1, 2012, the CMU began operations to monitor and enforce prevailing wage requirements on public works projects for contracts awarded after January 1, 2012, that receive State bond funding and on other projects that are legally required to use the CMU. Contracts awarded prior to January 1, 2012 remain subject to prior monitoring and enforcement rules. Compliance with the CMU requirements also puts the District in compliance with the requirements of the Division of Apprenticeship Standards and the Division of Labor Standards Enforcement.

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

The District currently contracts with a third-party provider for labor compliance services to review contractor certified payrolls and ensure that construction projects comply with the District's Labor Compliance Program, the prevailing wage law, and, if required, the SAB Labor Compliance Program. In light of enactment of SBX2 9, the District reviewed its options for meeting legal requirements on new projects and concluded that it would continue with its practice of using a third-party for labor compliance. The District has a contract with Davillier Sloan Inc. to provide services related to labor compliance, the District's Local Capacity Building Program, informal bidding and Disabled Veteran Business Enterprise (DVBE).

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

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

- (1) The agreement prohibits discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation or membership in a labor organization in hiring and dispatching workers for the project;

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- (2) The agreement permits all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) The agreement contains an agreed-upon protocol concerning drug testing for workers who will be employed on the project;
- (4) The agreement contains guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project; and
- (5) The agreement provides that disputes arising from the agreement shall be resolved by a neutral arbitrator.

#### **State Apprenticeship Program**

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

#### **Mandatory Local Business Capacity Utilization Program**

On September 15, 2010, the Board adopted an enhanced local capacity building program. The enhanced program was an outgrowth of the initial voluntary program implemented at Helms Middle School. This adopted program mandates that contractors who bid on construction projects must comply with local business participation goals, and requirements. See Local Hire and Prevailing Wage section of this report for additional analysis.

#### **Observations**

- Based on the results of the summary reports prepared and monitored by DSI, the District did not meet its goal of hiring West Contra Costa County (Priority Area 1) residents. The result of 18.61 percent of local hires in Priority Area 1 was lower than the 24.0 percent District goal of local hires that worked on bond-funded projects during the fiscal year ended June 30, 2014. The 18.61 percent of local hires in Priority Area 1 was an improvement from the 14.67 percent as reported in the prior year.
- Based on the results of the summary reports prepared and monitored by DSI, the District did not meet its goal of hiring West Contra Costa County (Priority Area 1) apprentices. The result of 3.78 percent of local apprentices in Priority Area 1 was lower than the 20 percent District goal of local apprentices that worked on bond-funded projects during the fiscal year ended June 30, 2014. The 3.78 percent of local apprentices in Priority Area 1 was an improvement from the 2.18 percent as reported in the prior year.

#### **Recommendations**

We noted that the District did increase apprenticeship hiring in the combined Priority Areas 1, 2, and 3 from 6.55 percent to 10.42 percent, however, the District should continue to monitor and obtain written reports from all consultants to chronicle and document the level of efforts and successes related to its local capacity building program and community outreach program. We encourage the District to continue to involve all interested parties in determining ways to improve progress towards these goals.

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## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **COMPLIANCE WITH DISTRICT POLICIES AND GUIDELINES**

#### **Objective**

To assess compliance with some of the pertinent District policies and regulations governing the District's bond program.

#### **Procedures**

Select and review Board Policies (BPs) and Administrative Regulations (ARs) from the following series: Series 1000 -- Community Relations, Series 3000 -Business & Non-Instructional Operations, and Series 7000 — Facilities.

In addition to the review of District policies and regulations, VTD also obtained and reviewed other reports and relevant documentation related to the District's bond program, and conducted interviews with District staff and SGI staff to obtain additional information on District practices.

#### **Background**

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

##### **Series Description**

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

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

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Series 1000 - Community Relations (Select Items)		
BP/AR	Description	Date of Adoption
BP 1100	Communication with the Public	11/7/2007
BP 1112	Media Relations	11/7/2007
BP 1113	District and School Web Sites	11/7/2007
BP 1220	Citizen Advisory Committees	11/7/2007
BP 1400	Relations Between Other Governmental Agencies and the Schools	11/7/2007
BP 1431	Waivers	11/7/2007
BP 1600	Relations Between Non-Public and Other Educational Organizations and the Schools	11/7/2007
BP 1700	Relations Between Private Industry and the Schools	11/7/2007

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

- West Contra Costa Unified School District: [www.wccusd.net](http://www.wccusd.net)
- Bond Oversight Committee: [www.wccusd-bond-oversight.com](http://www.wccusd-bond-oversight.com)
- Bond Program: [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com)

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

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Series 3000 - Business & Non-Instructional Operations (Select Items)			
BP/AR	Description	Date of Adoption	Most Recent Date
BP 3111	Deferred Maintenance Funds	2/6/2008	
BP 3280	Sale, Lease, Rental of District-owned real Property	2/6/2008	5/9/2012
AR 3280	Sale, Lease, Rental of District-owned real Property	10/6/2008	
BP 3300	Expenditures and Purchases	2/6/2008	
BP 3311	Bids	2/6/2008	
AR 3311	Bids	10/6/2008	
BP 3312	Contracts	2/6/2008	
BP 3314	Payment for Goods and Services	2/6/2008	
AR 3314	Payment for Goods and Services	10/6/2008	
BP 3320	Claims and Actions Against the District	2/6/2008	
AR 3320	Claims and Actions Against the District	10/6/2008	
BP 3400	Management of District Assets/Accounts	2/6/2008	
AR 3400	Management of District Assets/Accounts	10/6/2008	
BP 3430	Investing	2/6/2008	
AR 3430	Investing	10/6/2008	
BP 3460	Financial Reports and Accountability	2/6/2008	
AR 3460	Financial Reports and Accountability	10/6/2008	
AR 3515.6	Criminal Background Checks for Contractors	10/6/2008	
BP 3517	Facilities Inspection	2/6/2008	
BP 3600	Consultants	2/6/2008	

To ensure that the District is in compliance with its Series 3000 BPs and ARs, select aspects of the bond program were reviewed. For example, BP/AR 3400, BP/AR 3430 and BP/AR 3460 were considered in the Composite Bond Measures Financial Report section. BP/AR 3311, BP3312 and AR 3515.6 were considered in the Compliance with State Law and Regulations section. BP 3300, BP/AR 3311, BP 3312 and BP/AR 3314 were considered in the payments and expenditure sections. BP/AR 3320 was considered in the claim avoidance procedures section.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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Series 7000 - Facilities			
BP/AR	Description	Date of Adoption	Most Recent Date of Revision
BP 7000	Concepts and Roles in New Construction	Oct-2007	1/9/2008
BP 7100	Facilities Master Plan	Aug-2007	1/9/2008
BP 7115	Educational Facilities Design Standards	Aug-2007	1/9/2008
BP 7125	Assembling and Preserving Important Documents	Aug-2007	1/9/2008
BP 7131	Relations with Local Agencies	Aug-2008	1/9/2008
BP 7140	Architectural and Engineering Services	Aug-2008	1/9/2008
BP 7150	Site Selection and Development	Aug-2008	1/9/2008
BP 7210	Methods of Financing	Aug-2008	1/9/2008
BP 7214	General Obligation Bonds	Aug-2008	1/9/2008
BP 7214.2	Citizens Bond Oversight Committee (CBOC)	Aug-2008	5/14/2014
BP 7214.3	Bond Refunding	Apr-2013	
BP 7214.4	Investor Relations	Apr-2013	
BP 7310	Naming of Facility	Aug-2007	1/9/2008
BP 7470	Inspection of Completed Project	Aug-2008	1/9/2008

A number of the Series 7000 BPs and ARs have been written to incorporate local considerations. For example, Board Policy 7214.2 provides specific language on the role of the Citizens' Bond Oversight Committee (CBOC), including the purpose of the committee, the committee's duties, the committee operations, financial operations, committee selection and composition. 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.

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Below are some excerpts from BP 7214.2:

Board Policy 7214.2 Excerpts	Methodology and Observations
a. District shall provide the Committee with any necessary technical assistance	Based on interviewed CBOC members, District staff, and review CBOC meeting agenda, District staff regularly attended CBOC meetings and provided project status reports during meetings. In addition, assistance from the District were available to individuals when requested.
b. District shall provide administrative assistance in furtherance of the Committee's purpose	
c. District shall provide the Committee with sufficient resources to publicize the Committee's conclusions	
d. District Board shall adopt an annual Facilities Program Budget	Observed Facility Program Budget presented by CBOC on January 29, 2014. Also the Facilities and Bond Program websites include links to active bond program projects, plans, budgets and status reports.
e. District staff shall identify the budget by fund and account code on each Board action memo that recommends the expenditure of funds for facility projects	Observed District Board adopted initial program budget by fund and accounts, as well as budget amendments during First and Second Interim Budget Reports (SACS format).
f. District Board shall formally amend the Facility Program Budget during the year as needed	

On April 24, 2013, the Board adopted BP 7214.3, Bond Refunding, stating that the District's "primary objective of proceeding with a refunding shall be to benefit the District by: 1) Providing net present value debt service savings, and/or 2) To aid with tax rate management, and/or 3) Adjusting the debt service structure to meet identified objectives (such as to maintain tax rates)."

On April 24, 2013, the Board also adopted BP 7214.4, Investor Relations, stating that the "District shall endeavor to maintain a positive relationship with the investment community. The District's investment relations policy shall provide for (i) the orderly dissemination of material information to the marketplace and (ii) establish a means for responding to requests for information from investors."

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

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

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

#### **District Standards**

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

During the years following Board action regarding Option 1C, a number of variables have influenced construction costs. Those variables include, but are not limited to, the following items that are beyond the control of the District.

- Acceleration of construction costs at a rate higher than projected;
- Reduction and subsequent acceleration in construction costs due to a recession and recovery (aka, a favorable or unfavorable bidding climate);
- Labor compliance law requirements.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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The Class B Construction Cost Index table below shows the increased in construction costs during the past ten years:

Class B Construction Cost Index		
Class B Construction Cost Index <sup>(1)</sup>	10 Western States Percent Increase	8 CA Cities percent Increase
January 2004 - January 2005	11.26	12.07
January 2005 - January 2006	3.66	4.62
January 2006 - January 2007	8.05	6.62
January 2007 - January 2008	3.22	2.07
January 2008 - January 2009	7.73	6.00
January 2009 - January 2010	-6.22	-6.74
January 2010 - January 2011	3.06	4.28
January 2011 - January 2012	3.09	3.76
January 2012 - January 2013	2.69	3.13
January 2013 - January 2014	2.62	1.74

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

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

After taking all the factors that have influenced the costs of design and construction into consideration, the District has exceeded the original design and quality standards set by Option 1C. More recently, the District developed new standards for renovation and reconstruction projects, thereby replacing the previous subjective Option 1C standards. On October 4, 2011, the Board adopted "District Standards for High School Renovations and Reconstructions" based on experiences with the El Cerrito High School and DeAnza High School projects. Also, because the District has adopted the Collaborative for High Performance Schools (CHPS) Standards, these "green building standards" have been incorporated into the new District standards. On October 19, 2011, the Board adopted "District Standards for Middle School Renovations and Reconstructions" based on experiences with the Helms Middle School and Pinole Middle School projects, including "green building standards" referenced above.

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

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

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

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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.

In keeping with the intent of the third paragraph of the excerpt above, the District developed a Local Capacity Building Program (LCBP) discussed in the "Local Hire and Prevailing Wage" section of this report.

Subsequent amendments to add additional projects were approved by the Board. As of June 30, 2014, a total of thirteen projects were covered by the PLA.

Senate Bill 922, which authorizes public agencies to enter into project labor agreements, was signed into law on October 2, 2011. The new law places certain restrictions and requirements on the terms of the agreements.

Below shows a list of the projects subject to PLA as of June 30, 2014:

- De Anza High School Main Campus
- Ohlone Elementary School Phase 1 Campus Replacement
- Ohlone elementary School Interim Housing
- Gompers/LPS New Gompers & LPS Schools
- Kennedy High School Science Wing Renovation
- Kennedy High School Richmond Swim Center
- Portola/Korematsu Middle School @ Castro
- El Cerritos High School Stadium
- Pinole Valley High School Detention Basin, Utilities, Paving
- Pinole Valley High School Interim Campus Site Work
- Coronado Elementary School Reconstruction
- Montalvin Manor Elementary School New Classroom Building
- Pinole Middle School Soccer/Football Field

#### **Observation**

The District appears to be in compliance with those Board policies and regulations reviewed in this section.

#### **Recommendation**

We recommend the District continue its effort to ensure that the bond program is in compliance with the District policies and regulations.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **BOND EXPENDITURES AND TIMELINESS OF PAYMENTS TO VENDORS AND CONTRACTORS**

#### **Objective**

To verify that the District was compliant with its policies and procedures related to Proposition 39 expenditures and payments and that the payments to vendors and contractors were timely (within 30 days unless special circumstances exist).

#### **Procedures**

Obtained the general ledger and the project expenditure reports prepared by the District for the period July 1 2013 through June 30, 2014, for Measure D (2010) and Measure E (2012); obtained the invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and the approved bond projects list.

VTD verified the following:

- As noted in the Performance Audit Report, expenditures charged to the Measure D (2010) and E (2012) bond funds were spent on the items listed in the ballot text;
- Compliance with the District's purchasing and payment policies and procedures;
- Backup documentation, including authorized signatures, were present on payment requests; and
- Payments made to vendors and contractors were timely as defined by District policies.

#### **Background**

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

- Requisitions are entered into the requisition workflow system and routed for approval in the following order:
  - SGI Bond Program Control
  - SGI program manager or SGI senior controls manager
  - District engineering officer
  - District Principal Accountant for Bond Finance or Executive Director for Bond Finance
  - District Associate Superintendent for Operations, and
  - Purchasing Buyer
- Approximately 95 percent of bond related invoices are mailed directly to the District's facilities office. SGI staff collects all invoices that are submitted directly to the District daily to ensure timely processing of vendor invoices.
- Once invoices are received for approved requisitions, SGI staff logs information into the invoice tracking/monitoring system.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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- A payment history and payment approval form are prepared and routed for authorization signatures to designated individuals, which includes program controls (SGI), the bond program manager (SGI), District engineering officer, District Principal Accountant for Bond Finance or Executive Director for Bond Finance and the District Associate Superintendent for Operations (if applicable). Each signer is responsible for verifying that the work has been performed; goods have been received; the invoice and/or payment application is accurate; the expenditure is for an authorized bond project; the coding is correct; and to determine that sufficient funding remain in the annual purchase order.
- SGI staff is responsible for obtaining SGI signatures and the District engineer's signature, and forwards the payment request form to the District's bond finance senior budget clerk.
- The District's Bond Finance Senior Budget clerk enters the payment information into the District's financial system (Munis) and is responsible for obtaining the District's Principal Accountant for Bond Finance (invoices < \$50,000) or Executive Director for Bond Finance (invoices < \$100,000), and/or the District's Associate Superintendent for Operations (invoices > \$100,000) signatures.
- The District's accounts payable staff initiates and processes the actual warrants.

The goal for time elapsed between entering payment information into the District's accounting system and warrant issuance is approximately one week.

#### **Testing Performed**

Our sample included 120 transactions (60 for Measure D and 60 for Measure E) totaling \$40,817,783. This represents 34 percent of the total expenditures of \$122,072,156 for the fiscal year 2013-14.

It was pointed out by District staff that payments to CDW Government were not timely, however, per investigation, it was noted that these payments were intentionally held due to either installation of technology was not performed to specifications, or work had to be re-done or fixed in accordance with specification before payment was approved.

#### **Observation**

Based on the result of our tests, the District appears to be in compliance with the requirements of Proposition 39 for Measure D (2010) and Measure (2012) bond funds. The timeliness of payments to the vendors and contractors appear reasonable.

#### **Recommendation**

We recommend the District continue its effort to ensure that the bond expenditures are in compliance with Proposition 39 requirements, and that the payments to vendors and contractors are made timely.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **CLAIM AVOIDANCE PROCEDURES**

#### **Objective**

To verify that the District's processing and handling of claims on bond funded construction projects comply with the requirements of the Public Contract Code, the California Education Code, other regulations and state laws. In addition, evaluate and review the procedures used to limit the number of claims filed against the District related to construction projects.

#### **Procedures**

Obtained and reviewed contractor claims received or processed during the fiscal year 2013-14, obtained and reviewed other relevant documents and conducted interviews with members of the SGI staff and the District staff, including the Board of Education meeting agendas and minutes.

#### **Background**

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

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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**Claim Avoidance.** As reported in the prior year, some of the keys to the avoidance of unnecessary claims in construction project against the District for delays and additional payments or contract time extensions by contractors include the following:

- Minimizing errors, omissions, conflicts and ambiguities in the contract documents through design coordination and constructability reviews. When construction plans are not subjected to thorough design coordination and constructability review, the resolution of deficiencies uncovered during construction could result in delays that affect the critical path of the project's completion.
- Providing timely, positive, and reasonable responses by the District's construction team (AOR, CM and PM) when direction on how to proceed is requested or when an error, a conflict and/or omission is brought up by the contractor. Design professionals are not perfect, such that even the best set of documents require some clarification during construction. Therefore, when a Request for Information (RFI) is issued by the contractor it is imperative that the issue be resolved quickly so that there is no cause for a delay claim.
- Performing diligent reviews and prompt approvals/authorization of PCOs by the construction team and District staff. If a change order is required, decisions from the District should be rendered expeditiously to avoid additional delays. If the cost of the change cannot be agreed upon, a construction change directive (CCD) should be issued, instructing the contractor to proceed with the work while a cost is being negotiated.

In order to expeditiously authorize change orders and minimize delays, Education Code 17604 thru 17606 allows governing boards of school districts to pass resolutions that delegate the authority to approve change orders, among responsible District staff. Such resolutions should define the limits of delegation in terms of change order and the types of change orders that they are authorized to approve. Change orders exceeding the limit of delegated authority shall be approved by the Board prior to the execution of the work. The Board of Education authorized the Superintendent of the District and/or his designee(s) to approve construction project change orders and to present all approved change orders to the Board at the soonest possible time thereafter for approval and /or ratification. This action reduced the turnaround time for the processing and approval of change orders and minimized construction delays especially on items and issues that impact the completion of a project.

Claims also occur between the subcontractors and their general contractors. These claims come in the form of Stop Payment Notice (SPN) — a notice issued by subcontractors to force the District to withhold funds from the general contractors when the subcontractor has not been paid. District involvement in the SPN is in the withholding of sufficient amounts of monies due to the general contractors or "Retention". The District releases the "Retention" money when the general contractor is relieved and/or released from all SPNs issued against it. Relief from and/or release of the SPN is achieved by the general contractor through; (a) payment of amounts past due to the contractor, (b) issuing a bond against the amount due, and (c) requesting the District to pay subcontractors out of the monies held in "Retention".

Per interview with SGI staff, and consistent with other procedures performed, there have been no claims received or processed during the fiscal year 2013-14.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **District Procedures Created to Prevent Claims**

Consistent with procedures reported in the prior year that the District has implemented the following procedures to minimize, if not prevent potential claims.

- *Constructability and Design Coordination Review.* The District commissioned the services of a Design Manager to coordinate the work of the design teams and to assist in the process of ensuring that the documents were as accurate as possible. One of the responsibilities of the Design Manager is to perform a constructability review and a design coordination review of construction documents for each project. By incorporating the comments generated by these reviews into the design documents, the design team is anticipated to deliver more accurate documentation and thus less opportunity for contractor claims.
- *Change Order Committee Review.* The District created a Change Order Committee that is tasked to review construction change orders that are over \$5,000 in cost, while change orders that do not exceed \$5,000 are approved in the field by the site project managers. The committee meets once a week to review change requests for validity and cost. Contractor generated change requests are also reviewed for conformance with the District's design standards. District initiated change requests are also reviewed for conformance with the project program, the District's design standards and impact on the educational programs. This process is anticipated to shorten the time required to approve change orders and minimize delay claims.

#### **Observation**

Based on the procedures performed, the District appears to be in compliance with the laws and regulations in its handling of claims on bond funded construction projects. In addition, it appears that the District has been effective in preventing or minimizing the number of contractor claims against the District.

#### **Recommendation**

We recommend the District continue its effort to prevent and minimize the number of contractor claims, and to ensure that claims on bond funded construction projects are handled in accordance with laws and regulations.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **SCHEDULING PLANS AND PROJECTED CASH FLOW**

#### **Objective**

To gather and analyze the adequacy of the District's efforts to establish and meet the approved design and construction schedules for bond funded projects.

#### **Procedures**

VTD evaluated the documentation provided by the District and interviewed District and consultant staff to determine what the methods were for tracking revenues and expenditures and the effectiveness of those methods as a planning tool for each project. The following documents were provided by the District and used in this review:

- Program Cash Flow 8/10/13
- 2014 Total Project Budget as of June 30, 2014
- Program Cash Flow 1/26/15

#### **Background**

The prior year Performance Audit Report has reported on the complexity of the WCCUSD bond program and the need for accurate tracking of the expenditures and anticipated revenues. Matching the timing of the revenues with expenditures is one of the basic elements of program planning, yet details can easily be overlooked leading to the inability of the District to meet contractual obligations. The most significant factors that impact the schedule of availability of various funding sources are:

- The availability of bond funds is dependent upon the ability of the District to sell the bonds that have been authorized by the voters. The sale of Proposition 39 bonds is most typically dependent upon the assessed value (AV) of residential and commercial property within the District.
- The availability of Developer Fees is dependent upon the overall economy; specifically on the ability of local developers to build and sell residential units.
- The availability of State funding is dependent upon the District's eligibility in the multiple funding programs that exist and the ability of the State to sell bonds authorized by California voters.
- A typical instrument used to match the revenues with project expenditures in a bond program is a cash flow analysis document or a bond draw-down schedule. VTD was provided with a copy of the "Program Cashflow" document prepared by the District's consultant, SGI and used by the District to manage revenues and expenditures.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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The "Program Cashflow" document, dated July 10, 2013 was provided and used in this review. The document indicates revenues from the different District bond measures; anticipated State funding; developer fee income; and anticipated interest income from the accounts holding these revenues. The document includes the anticipated timing of bond issuances and the projected revenue from the State funding programs. Expenditures include projected expenditures for each project. Expenditures are estimated for each year through fiscal year 2023-24.

VTD compared the projected expenditures in the Program Cashflow noted above to the actual bond expenditures for the fiscal years 2012-13 and 2013-14. The projected bond expenditures for 2012-13 as of June 5, 2013 were \$12,795,219. The total actual expenditures were \$36,742,089. The budget appeared to be understated by \$23,946,870 for fiscal year 2012-13.

For fiscal year 2013-14, the Program Cashflow projected total bond expenditures of \$161,658,866, but the actual was \$122,072,156. The expenditure projection was over by \$39,586,710 for the fiscal year 2013-14. In some cases, minor cost savings were realized, but the primary reason for expenditures being lower than budgeted was the timing and schedule of project and program costs. That is, the cost model reflected a slightly more aggressive schedule than reality.

#### **Observations**

- The District tracks cash flow of the bond projects using the Program Cashflow Document, a comprehensive instrument that includes all revenue sources such as different bond measures, anticipated State funding, developer fee income, and anticipated interest income from the bond funds. Projections are based on periodic reconciliations, which typically align with the start/end of the District's fiscal year. More frequent reconciliation of actual expenditures and commitments would increase accuracy of recent data. The District is in the process of developing a real-time cashflow report that has not yet been fully implemented, but is intended to improve this process.
- Per review of the Program Cashflow document noted significant variances between actual and projected bond expenditures. Such variances may lead to an overage of expenditures on projects that may lead to delays and/or potential cancelation or downsizing of future projects.
- A review of more recent Program Cashflow indicates that the District's cumulative cash balance through 2017-18 are positive, however at the end of 2021-22 fiscal year would be a negative \$86.9 million (all possible revenue resources are included in this projections) if the District constructed all of its previously committed projects. However, the District is reviewing its previous project commitments and will be commencing a Long Range Facilities Master Plan process taking into consideration cashflow, project programming and prioritization.

#### **Recommendations**

The District should review and update the cash flow document on a monthly basis or when major events occur that would have an impact on revenues, expenditures or schedules and determine and report on reasons for significant variances. In addition, the District should continue with its long range planning effort and carefully review the program budget and manage project costs to prevent or mitigate budget overruns.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

#### **Objective**

To gain an understanding of the District's policies and approach to in-house staffing and consultant staffing for managing Measures D (2010) and E (2012) projects and the effectiveness of the staffing related to the number of bond program projects.

#### **Procedures**

Obtained and evaluated position control documents and facility organization chart for fiscal year 2013-14. Conducted interviews with District and SGI staff. Compared relevant information to the prior year staffing levels, as well as the ratio of staffing to construction costs for the two years, and evaluated the changes in the administration of the facilities program between July 1, 2013, and June 30, 2014.

#### **Background**

As noted in previous reports, there have been significant changes in the bond program staffing since the organizational restructuring in 2009-10. Staffing level increased from a total of 10.33 Full Time Equivalents (FTE) in 2011-12 to a total of 15.63 FTE in 2012-13. This staffing level has remained unchanged during the fiscal year 2013-14, even though construction expenditures have increased significantly.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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The table below shows the current staff and the percentage of time that is charged to the bond program:

<b>2013-14 District Staffing for the Facilities Bond Program <sup>1</sup></b>		
<b>District Staff Position</b>	<b>Other Funds FTE <sup>2</sup></b>	<b>Bond Fund FTE <sup>2</sup></b>
<b>Bond Finance Office</b>		
Executive Director of Business Services	0.10	0.90
Principal Accountant	0.10	0.90
Senior Budget Control Clerk	0.00	1.00
Fiscal/Project Account Analyst	0.00	1.00
<b>Bond Finance Office Subtotal</b>	<b>0.20 FTE</b>	<b>3.80 FTE</b>
<b>Bond Management Office</b>		
Associate Superintendent of Operations	0.25	0.75
District Engineering Officer	0.10	0.90
Senior Administrative Secretary	0.25	0.75
Senior School Facilities Specialist	0.00	1.00
Senior School Facilities Specialist	0.00	1.00
Director of Facilities and Construction	0.10	0.90
Bond Regional Facility Project Manager	0.05	0.95
Bond Regional Facility Project Manager	0.05	0.95
Bond Regional Facility Project Manager	0.05	0.95
Bond Regional Facility Project Manager	0.05	0.95
Purchasing Technician	0.00	1.00
Senior Network Engineer	0.05	0.95
Network Planner <sup>3</sup>	0.10	0.90
Network Engineer	0.05	0.95
Bond Regional Facility Project Manager <sup>3</sup>	0.05	0.95
Director of Contract <sup>3</sup>	0.10	0.90
<b>Bond Management Office Subtotal</b>	<b>1.25 FTE</b>	<b>14.75 FTE</b>
<b>Total for Management and Finance</b>	<b>1.45 FTE</b>	<b>18.55 FTE</b>

<sup>1</sup> Source: Position Control Report, Fund 21, fiscal year 2013-14

<sup>2</sup> FTE means full-time equivalent (i.e., a full-time employee who is exempt or works 40 hour per week)

<sup>3</sup> Position currently vacant

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### Program/Construction Management

No significant change to the SGI staffing level in fiscal year 2013-14 per interview of SGI representative and review of SGI organization chart. The total number of Program Management staff remained at 15. Bond program staffing is as follows:

<b>Bond Program Staffing Position Budget</b>	
<b>Category</b>	<b>FTE <sup>1</sup></b>
<b>District Staff</b>	
Bond Finance Office	3.8
Bond Management Office	14.75
<b>Subtotal</b>	<b>18.55</b>
<b>Bond Program Manager (SGI)</b>	
Program/Project Management	15
Design Management	4
Construction Management	24
Other (Network Admin., PS2 Coordinator, Master Scheduler, Scheduler, Cost Estimator, Receptionist)	6
<b>Subtotal</b>	<b>49</b>
Other Construction Managers	0
<b>Total Full-Time Equivalent Positions</b>	<b>67.55 FTES</b>

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

#### Observations

It was reported in the prior year that the staffing increase did not appear to correlate to the workload as indicated by the Program Expenditure Report. Prior year projected total expenditures increased from \$109,156,873 in fiscal year 2011-12 to \$122,217,670 in 2012-13 (or 11.9 percent). Whereas, the Program Management staff increased from 6.2 FTE in fiscal year 2011-12 to 15 FTE in fiscal year 2012-13 (or 142 percent). Total PM/CM staff which includes all categories of staff providing program management, construction management, design management, etc. increased from 33.2 FTE in fiscal year 2011-12 to 49 FTE in fiscal year 2012-13 (or 47.6 percent increase).

In 2013-14, total bond expenditures increased to \$122,072,156 from \$36,742,089 (232% increase), while the Program and Construction Management staffing remained unchanged. Further, per review of the Program Cashflow document dated January 26, 2015, we noted the District projected that expenditures will increase in fiscal year 2014-15 to \$152,140,941, and drop steadily in the subsequent three years to \$72,973,573 in 2015-16, \$63,879,359 in 2016-17, and \$49,125,104; therefore, the staffing levels may need to be reviewed and reallocated accordingly.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **Recommendations**

The District should continue its effort to review the responsibilities and tasks assigned to all District and consultant staff charged to the bond program to ensure that all staffing is necessary and make adjustments accordingly. It should be noted that at the time of writing this report, consultant staff has been recently reduced by 4.5 FTE and the District plans to continue to align project work load with consultant staff resources.

#### **Prior Year Finding**

As noted in the 2012-13 Performance Audit Report, the District staffing funded by the bond program had increased by 58.7 percent over the previous year. It was reported in the 2011-12 Performance Audit Report that a custodial position had been added to the staff, however, that position was not filled. During 2012-13, that position was filled. California Attorney General Opinion No. 04-110, November 9, 2004, states: "A school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure." The custodian position does not appear to meet the criteria of this AG opinion.

#### **Current Year Status**

The custodial position was removed in fiscal year 2013-14.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **DESIGN AND CONSTRUCTION COSTS AND BUDGETS**

#### **Objective**

To gather data and verify the adequacy of the District's efforts to establish and adhere to approved design and construction budgets for bond funded projects.

#### **Procedures**

Conducted interviews with the District and consultant (SGI) staff, and obtained and reviewed relevant documents supplied by the District. These documents included:

- WCCUSD Projected and Available Funds, 2013-14;
- Board agenda documents related to construction project bid and award approvals for contract amounts;
- Bid tabulations from the Bond Program website;
- Bid schedules documenting pre-bid procedures for projects scheduled during the June 30, 2014 fiscal year.

#### **Background**

The prior year Performance Audit Report discussed the background on the State and District standards for size and quality in the projects. These standards form the basis for the project budgets on the District's projects. Through actions of the Board of Education, the District originally established standards known as "Option 1C Standards" to guide the bond program projects. In May, 2013, the District Board approved an updated Master Product List indicating those products or systems which are sole sourced, preferred or an approved equal. The products or systems which have been determined by the Board to have no equal (sole source) were approved by the Board on September 20, 2006 with Resolution 17-0607. These items have not changed.

The Architect of Record for each project is required to update the cost estimate for projects periodically during the course of the design and documentation. The estimates are reconciled with the budgets and modifications are made to the budget, the scope or both. These changes are then approved by the District. In addition to the estimates provided by the Architect, the District's Program Manager has three estimators who are responsible for verifying this information.

#### **Construction Budgets**

In the prior year, it was noted the declining construction costs in the previous years were in part due to an economic recession that began in 2007. This trend of declining costs resulted in bids that were lower in cost than the construction estimates and resulted in higher bidder participation during the 2008-09 period. As the economy began to improve, construction costs have begun to increase after 2008-09. In January 2012 and 2013, the State Allocation Board (SAB) approved an increase in the construction cost index of 3.76 percent and 3.13 percent, respectively, indicating that the construction costs for 2011 and 2012 years (the construction cost index reflects construction costs for the previous year) had increased by that amount. The increasing construction costs continue into 2014. In January 2014, the SAB again increased the construction cost index by 1.74 percent based on 2013 construction costs. As construction costs continue to increase, it is important that the District take into consideration this changing market, and appropriately budget to include contingency costs and revise budgets necessary to reflect the actual costs. Although the construction cost index only increased slightly in 2013-14, bids on major District projects continue to be greater than the related budget.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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VTD evaluated the bid procedures over ten of the thirty-one bond funded projects as indicated in the upcoming schedule. Out of those ten projects, five included acceptable bids in excess of the construction budget, four projects included acceptable bids under the construction budget, and one bid was rejected. The total construction budget of all projects with acceptable bids indicated below is \$66,253,700. The total of the lowest acceptable bids for these projects was \$73,969,853, or 11.65 percent over budget.

The two most significant projects that went out to bid during this timeframe are the Coronado Elementary School Reconstruction and the El Cerrito High School Stadium. Both included acceptable bids which were significantly in excess of the construction budget. The Coronado Elementary School Reconstruction project was 21.34 percent over budget representing an increase in the construction cost at bid of \$4,759,000. The El Cerrito High School Stadium project was 16.48 percent in excess of the construction budget representing an increase of \$1,912,000 in the construction cost at bid. The Board of Education made the decision to award the bids for these projects to provide the learning environment and athletic facilities consistent with district standards.

It was noted in prior year that total bids reviewed in 12-13 were \$30,197,994 or 39.26 percent over budget. In 2013-14, total bids reviewed were \$7,716,153 or 11.65 percent over budget.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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The following table, "Construction Budgets vs. Actual Bids, 2013-14", represents a list of projects bid and awarded during the period from July 1, 2013 through June 30, 2014 that were funded in whole or in part by the Measure D and E. During this period, bidder participation averaged 4 bidders per project, with one project having as many as 10 bids.

<b>Construction Budgets vs. Actual Bids 2013-14</b>						
<b>Site</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>No. of Bids</b>	<b>Construction Budget</b>	<b>Contract Amount</b>	<b>Variance</b>
Kennedy High School	Kitchen Floor Replacement	3601364-06	1	\$60,000	\$59,440	\$560
Dover Elementary School	Multi Purpose Room Demolition & Site Improvements Phase I	1151201-04	6	\$360,000	\$109,600	\$250,400
Dover Elementary School	School Building A Security Camera Upgrade	1151201-03	2	\$205,000	\$198,000	\$7,000
Kennedy High School	Science Building Renovation	3601211-13	8	\$4,500,000	\$4,142,779	\$357,221
Hercules Middle School	Additional Exterior Lighting	3761356-02	3	\$60,800	\$79,000	(\$18,200)
Pinole Valley High School	Detention Basin, Utilities, Paving	3621377-01	7	\$4,800,000	\$2,147,040	\$2,652,960
Coronado Elementary School	Reconstruction	1121341-00	6	\$22,300,000	\$27,059,000	(\$4,759,000)
El Cerrito High School	Stadium	3541348-00	10	\$11,600,000	\$13,512,000	(\$1,912,000)
Montalvin Manor Elementary School	New Classroom Building	1401347-00	9	\$2,600,000	\$2,879,000	(\$279,000)
Pinole Valley High School	Interim Campus Site Work	3621377-02	2	\$3,600,000	\$5,530,000	(\$1,930,000)
Richmond Swim Center	Richmond Swim Center	3601364-01	3	\$5,170,000	\$7,652,876	(\$2,482,876)
Downer Elementary School	Playfield Renovations	1161224-01	6	\$700,000	\$623,326	\$76,674
Pinole Middle School	Soccer and Football Fields	2121102-06	1	\$3,900,000	\$4,097,929	(\$197,929)
El Cerrito High School	Air Conditioning for Dance Studios and Multi-Use Classrooms	3541055-00	1	\$72,900	\$98,514	(\$25,614)

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

Construction Budgets vs. Actual Bids 2013-14 (Continued)						
Site	Project Description	Bid Number	No. of Bids	Construction Budget	Contract Amount	Variance
Ohlone Elementary School	Move Management Services	1461206-MMS	3	\$85,000	\$37,184	\$47,816
Olinda & Shannon Elementary Schools	Fire Alarm Replacement	1451612-04 & 1541223-00	3	\$605,000	\$603,441	\$1,559
Dover Elementary School	Parking and Site Improvements Phase 2	1151201-005	3	\$915,000	\$715,000	\$200,000
Murphy Elementary School	Skylight Replacement	1421223-14R2	1	\$46,000	\$56,000	(\$10,000)
Ohlone Elementary School	FF&E	1461206-FFE	2	\$520,000	\$443,101	\$76,899
Pinole Valley High School	Off-Site Parking and Traffic Signal	3621377-10	3	\$1,066,000	\$833,833	\$232,167
Collins Elementary School	Restroom Renovation	1101612-06	4	\$202,000	\$188,420	\$13,580
Collins Elementary School	Floor, Door and Hardware Replacement	1101612-03	7	\$333,000	\$249,990	\$83,010
Olinda Elementary School	Miscellaneous Repairs	1451612-15	4	\$372,000	\$95,315	\$276,685
Pinole Valley High School	Move Management Services	1000001344	6	\$95,000	\$84,845	\$10,155
Ohlone Elementary School	Interim Housing	1461206-02	2	\$1,075,000	\$1,364,000	(\$289,000)
Shannon Elementary School	Miscellaneous Repairs	1541223-03	3	\$123,000	\$63,620	\$59,380
Helms Middle School	Environment and Recycling Center	2101101-08	4	\$138,000	\$128,000	\$10,000
Harding Elementary School	Exterior Repairs and Select Roof Replacement	1271223-02R1	1	\$750,000	\$918,600	(\$168,600)
	Total			\$66,253,700	\$73,969,853	(\$7,716,153)

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **Observations**

Based on review of the construction budget vs. actual bids for the fiscal year 2013-14, the following projects were noted to have significant budget overrun:

- Coronado Elementary School Reconstruction: The contract budget for this project is \$22,300,000 and contract price is \$27,059,000, \$4,759,000 (or 21.4 percent) over budget;
- El Cerrito High School Stadium: The contract budget for this project is \$11,600,000 and the contract price is \$13,512,000, \$1,912,000 (or 16.5 percent) over budget.

The prior year Performance Audit Report noted inaccurate information from the construction management software. To improve the accuracy of the information reported, the District's Program Management consultant has transitioned to the Primavera system and integrated to the District's financial system. In 2013-14, the transition to the Primavera system and the integration were completed, however, it was identified that there were approximately 20 master projects identified in the Munis system that were not in the Primavera system. In addition, it was noted that the information maintained in the Munis project ledger does not agree to the information maintained in the Munis general ledger. The Project Ledger Summary Reconciliation provided to us indicated a difference of \$7.7 million as of June 30, 2014. The discrepancy was due to journal entries of approximately \$1.2 million not included and a \$6.5 million difference between the Munis detail report and summary report. The most recent reconciliation prepared by District staff was dated June 9, 2015 noted the difference between the general ledger and project ledger was approximately \$62 million. The District has indicated it is aware of this issue and has designated staff working to identify and resolve the issues.

#### **Recommendations**

The District should continue to closely track and update the cash flow projections to reflect the bid results for all projects and avoid delays in project completion and determine any effects on next priority projects.

In addition, the District should continue its effort to implement procedures to ensure timely posting of transactions into the project ledger system and research and correct the discrepancies in the reports, or move towards another method of reporting to ensure amounts in various systems reconcile with each other. We encourage the District ensure that information maintained in Munis ledger, subledger, and the Primavera system are all consistent with each other, so that accurate communication about the bond projects can be provided to interested parties. Consistent information will allow a streamlined reporting process and reduce manually reconciling tasks and lessen confusion.

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### BEST PRACTICES IN PROCUREMENT

#### Objectives

To verify that District bidding and awarding of purchasing contracts and the procurement of materials, equipment, supplies and others comply with the requirements of the Public Contracting Code, and other relevant laws and regulations and to ensure that best practices in procurement are followed.

#### Procedures

VTD conducted interviews with District staff and Program Management staff from SGI; obtained and evaluated bid documents, procurement contracts awarded, and Board agenda items and minutes for bond funded projects for the fiscal year 2013-14. Our procedures include the followings:

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

#### 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. The Public Contract Code also allows the district to utilize alternative procurement methods for the acquisition of materials, equipment, supplies, furniture, and other goods, without competitive bids, by using pricing schedules and contract agreements held by other public agencies and cooperatives. The intent of this component of the report is to determine whether the District utilized these procurement practices.

**Public Contract Code Section 10111 (a).** The governing boards of school districts are required by the Code to competitively bid and award any contracts for the purchase of equipment, materials or supplies involving an expenditure of more than \$50,000, adjusted for inflation to the lowest responsible bidder. Contracts that are subject to competitive bidding include; (a) purchase of equipment, materials, and supplies, (b) repairs that are not public projects, and (c) services that are not construction services. The Superintendent of Public Instruction adjusts the dollar amount limit annually to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The Superintendent of Public Instruction increased the bid threshold for competitively bid procurement contracts from \$83,400 in calendar year 2013 to \$84,100 in calendar year 2014.

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

**Board Policy 3311.** Board policy 3311 adopted on February 6, 2008 follows PCC Section 20111. The District indicates in their policy that the District shall purchase equipment, supplies and services using competitive bidding when required by law and in accordance with statutory requirements for bidding and bidding procedures. In those circumstances where the law does not require competitive bidding, the Governing Board may request that a contract be competitively bid if the Board determines that it is in the best interest of the district to do so. To assist the District in determining whether bidders are responsible, the Board may require prequalification procedures as allowed by law and specified in administrative regulation.

Administrative Regulation 3311 on advertised and competitive bids (adopted October 6, 2008) notes that the District will seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111, 22002).

The District also shall seek competitive bids through advertisements for purchases of equipment, materials, or supplies to be furnished, sold or leased to the District that exceed the amount specified in PCC Section 20111a; Government Code 53060. In 2014, this bid threshold was increased to \$84,100. The administrative regulation specifically addresses the following issues:

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

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

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

The District uses three different sets of front-end documents. The District's legal counsel updated the documents in February 2009. The District also has a Project Labor Agreement (PLA) with various construction unions. The PLA was designed to promote efficient construction operations, ensure adequate supply of skilled craftspeople, and provide procedures for settling labor disputes. The PLA is applied to bond projects more than \$1 million in value.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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**Pre-qualification of Contractors/Bidders.** As a condition of bidding construction work on certain District facilities or projects and in accordance with California Public Contract Code 20111.5 (e), the District requires prospective bidders to complete a pre-qualification questionnaire on District-supplied forms. Bids for certain construction projects are not accepted unless the District has pre-qualified a contractor. The pre-qualification process was designed to recruit established, responsible, and experienced public school construction contractors. The notice of the required pre-qualification is also included in individual project bid advertisements, with instructions on obtaining forms and with a due date of five days prior to the bid deadline. Contractors without pre-qualification are allowed the opportunity to seek pre-qualification within seven days before bid opening.

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

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

#### **Board Resolution 44-1314: Adoption of Uniform System of Prequalifying and Rating Prospective Bidders for Construction Projects**

On December 19, 2013, the District adopted Board Resolution 44-1314: Adoption of Uniform System of Prequalifying and Rating Prospective Bidders for Construction Projects. Public Contract Code Section 20111.6 requires that school districts prequalify contractors on all public projects awarded on or after January 1, 2014, that use funds received pursuant to the Leroy F. Greene School Facilities Act of 1998 or any funds from any future State school bond monies, and that involves a projected expenditure of one million dollars (\$1,000,000) or more ("Mandatory Prequalification").

Board Resolution 44-1314 outlines the District's three prequalification types:

The first type of prequalification (PCC 20111.5) is for Major Projects (project expenditures greater than \$16,000,000). The prequalification for Major Projects requires that the general contractor and all trade/subcontractors with a contract value greater than \$500,000 complete and submit a standardized prequalification questionnaire and financial statement.

The second type of prequalification (PCC 20111.6) requires all public projects awarded on or after January 1, 2014, that use funds received pursuant to the Leroy F. Greene School Facilities Act 1998 or any funds from any future State school bond monies, and that involves a projected expenditure of \$1,000,000.

The final type of prequalification is project specific for the Richmond Swim Center Building Remediation and Aquatic Programming Project.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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*California Uniform Public Construction Cost Accounting Act (CUPCCAA)*. On May 20, 2009, the Board of Education approved Resolution # 90-0809 to elect that the District become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) or the "Act", promulgated by the California State Controller, under Public Contract Code 22030-22045, which allows public agencies who elect by resolution to become subject to the specified uniform construction cost accounting standards to increase the threshold for projects that may be performed without competitive bidding to \$45,000 or less, and to use informal bidding procedures for projects \$175,000 (\$187,500 in special circumstances) or less.

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

- a) To contract for projects under \$45,000, the District may select a contractor from the list of pre-qualified contractors and negotiate a contract or issue a purchase order without going through a bid process. In these cases, the District Engineering Officer and Director of Facilities and Construction usually negotiate the terms and the contract or purchase order is then approved by the Associate Superintendent of Operations & Bond Program.
- b) To informally bid public projects ranging from \$45,000 to \$175,000, the District must mail bid notices, at least ten days before bids are due, to all pre-qualified contractors listed on the appropriate trade category or to specified trade journals or both. The notices must provide the contractors or trade journals with general information on the type of services sought for the project, as well as the time and place of bid submission.
- c) To formally bid public projects above \$175,000, the District must mail a notice inviting formal bids, at least thirty calendar days before bids are due, to all construction trade journals specified in the Cost Accounting Policies and Procedures Manual of the California Uniform Public Construction Cost Accounting Commission. The notice to bidders must be published at least weekly for a period of two weeks in a general circulation newspaper.

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

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## **AGREED UPON PROCEDURES REPORT** **MEASURES D (2010) AND E (2012)** **FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

### **Review of Projects Bid and Awarded**

The following table details all of the bond funded projects bid and awarded during the 2013-14 fiscal year. The table provides the bid opening date, number of bidders, results, and variances between bids.

<b>Bid Results and Contract Awards</b> <b>July 1, 2013 - June 30, 2014</b>											
<b>Site</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Bid Opening</b>	<b>No. Of Bids</b>	<b>High Bid</b>	<b>Low Bid</b>	<b>Variance</b>	<b>Notice of Award Date</b>	<b>Board Approval/ Ratification Date</b>	<b>Awardee/ Contractor</b>	<b>Contractor Base Bid</b>
Kennedy High School	Kitchen Floor Replacement	3601364-06	7/2/2013	1	\$59,440	\$59,440	\$0	7/5/2013	7/24/2013	Thompson Construction Group, Inc	\$59,440
Kennedy High School <sup>1</sup>	Temporary Science Classroom	3601211-19R1	7/2/2013	0	\$0	\$0	\$0	No Bids Received	No Bids Received	No Bids Received	\$0
Dover Elementary School <sup>2</sup>	MPR Demolition and Site Improvements	1151201-04	7/11/2013	6	\$444,015	\$89,450	\$354,565	7/26/2013	8/12/2013	V.E.M. General Engineering Inc.	\$135,675
Dover Elementary School	Bldg. A Security Camera Upgrade	1151201-03	7/16/2013	2	\$294,785	\$198,000	\$96,785	7/26/2013	8/12/2013	Arthulia, Inc	\$198,000
Mira Vista Elementary School <sup>3</sup>	Covered Accesible Ramp Addition	1391215-02	7/30/2013	4	\$1,904,000	\$1,282,160	\$621,840	NA	BOE Rejected all Bids 9/11/13	NA	\$0
Kennedy High School	Science Building Rennovation	3601211-13	7/31/2013	8	\$4,919,355	\$4,136,303	\$783,052	8/16/2013	8/12/2013	BHM Construction	\$4,142,779
Hecules Middle High School	Additional Exterior Lighting	3761356-02	9/10/2013	3	\$83,500	\$79,000	\$4,500	9/23/2013	10/2/2013	California Constructors	\$79,000
Pinole Valley High School	Interim Campus Site Work	3621377-02	3/13/2014	2	\$7,594,000	\$5,530,000	\$2,064,000	3/20/2014	3/26/2014	JUV, Inc.	\$5,530,000

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## **AGREED UPON PROCEDURES REPORT** **MEASURES D (2010) AND E (2012)** **FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

<b>Bid Results and Contract Awards (Continued)</b> <b>July 1, 2013 - June 30, 2014</b>											
<b>Site</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Bid Opening</b>	<b>No. Of Bids</b>	<b>High Bid</b>	<b>Low Bid</b>	<b>Variance</b>	<b>Notice of Award Date</b>	<b>Board Approval/ Ratification</b>	<b>Awardee/ Contractor</b>	<b>Contractor Base Bid</b>
Coronado Elementary School	Reconstruction	1121341-00	10/22/2013	6	\$28,643,674	\$26,974,910	\$1,668,764	11/13/2013	11/6/2013	Lathrop Construction Associates	\$26,974,910
El Cerrito High School	Stadium	3541348-00	11/5/2013	10	\$15,458,718	\$13,438,000	\$2,020,718	11/22/2013	12/2/2013	Wright Contracting, Inc	\$13,438,000
Olinda Elementary	Miscellaneous Repairs	1451612-15	5/22/2014	4	\$425,559	\$89,000	\$336,559	5/23/2014	5/28/2014	Streamline Builders	\$89,000
Ohlone Elementary	Furniture, Fixtures and Equipment	1461206-FFE	5/1/2014	2	\$538,487	\$443,101	\$95,386	5/8/2014	5/14/2014	Concepts School and Office Furnishings	\$443,101
El Cerrito High School	AC for Dance Studios & Multi-Use Classrooms	3541055-00	4/8/2014	1	\$98,514	\$98,514	\$0	4/18/2014	4/23/2014	Bel Products, Inc.	\$98,514
Pinole Valley High School	Detention Basin, Utilities, Paving	3621377-01	10/3/2013	7	\$5,127,000	\$2,126,744	\$3,000,256	10/14/2013	10/23/2013	Bay Cities Paving & Grading Inc.	\$2,126,744
Montalvin Manor Elementary School	New Classroom Building	1401347-00	12/19/2013	9	\$3,700,000	\$2,843,000	\$857,000	12/30/2013	12/19/2013	W.A. Thomas Company Inc.	\$2,843,000
Downer Elementary School	Playfield Renovations	1161224-01	4/3/2014	6	\$1,559,333	\$563,226	\$996,107	4/11/2014	4/23/2014	Maggior & Ghilotti, Inc.	\$563,226

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## **AGREED UPON PROCEDURES REPORT** **MEASURES D (2010) AND E (2012)** **FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

<b>Bid Results and Contract Awards (Continued)</b> <b>July 1, 2013 - June 30, 2014</b>											
Site	Project Description	Bid Number	Bid Opening	No. Of Bids	High Bid	Low Bid	Variance	Notice of Award Date	Board Approval/ Ratification Date	Awardee/ Contractor	Contractor Base Bid
Richmond Swim Center	Richmond Swim Center	3601364-01	3/25/2014	3	\$7,065,000	\$6,871,482	\$193,518	3/28/2014	3/26/2014	ARNTZ Builders, Inc.	\$6,871,482
Pinole Middle School	Soccer and Football Fields	2121102-06	4/10/2014	1	\$3,959,000	\$3,959,000	\$0	4/25/2014	4/23/2014	Roebbelen Contracting Inc.	\$3,959,000
Ohlone Elementary	Move Management Services	1461206-MMS	4/10/2014	3	\$66,127	\$37,184	\$28,943	4/25/2014	4/23/2014	Crown	\$37,184
Olinda & Shannon Elementary School <sup>4</sup>	Fire Alarm Replacement	1451612-04 & 1541223-00	4/17/2014	3	\$400,730	\$255,000	\$145,730	4/25/2014	4/23/2014	BBJ Electric, Inc	\$297,704
Dover Elementary School	Parking & Site Improvements Phase 2	1151201-05	4/23/2014	3	\$705,932	\$635,000	\$70,932	5/16/2014	4/23/2014	EVRA Construction, Inc.	\$635,000
Pinole Valley High School	Off-Site Parking and Traffic Signal	3621377-10	5/7/2014	3	\$977,000	\$833,833	\$143,167	5/16/2014	5/14/2014	Maggior & Ghilotti, Inc.	\$833,833
Collins Elementary School	Restroom Renovation	1101612-06	5/14/2014	4	\$347,000	\$184,800	\$162,200	5/23/2014	5/14/2014	Streamline Builders	\$184,800
Harding Elementary School	Exterior Repairs and Select Roof Replacement	1271223-02R1	6/11/2014	1	\$918,600	\$918,600	\$0	5/14/2014	6/28/2014	Best Contracting Services	\$918,600

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## **AGREED UPON PROCEDURES REPORT** **MEASURES D (2010) AND E (2012)** **FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

<b>Bid Results and Contract Awards (Continued)</b> <b>July 1, 2013 - June 30, 2014</b>											
<b>Site</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Bid Opening</b>	<b>No. Of Bids</b>	<b>High Bid</b>	<b>Low Bid</b>	<b>Variance</b>	<b>Notice of Award Date</b>	<b>Board Approval/Ratification Date</b>	<b>Awardee/ Contractor</b>	<b>Contractor Base Bid</b>
Murphy Elementary School	Skylight Replacement	1421223-14R2	4/30/2014	1	\$56,000	\$56,000	\$0	5/8/2014	5/14/2014	Arthulia, Inc	\$56,000
Collins Elementary School	Floor, Door and Hardware Replacement	1101612-03	5/15/2014	7	\$345,335	\$249,990	\$95,345	5/23/2014	5/28/2014	Hung Construction Builders, Inc.	\$249,990
Helms Middle School	Environment and Recycling Center	2101101-08	5/28/2014	4	\$224,000	\$118,050	\$105,950	6/12/2014	5/28/2014	Arthulia, Inc	\$118,050
Shannon Elementary School	Miscellaneous Repairs	1541223-03	5/22/2014	3	\$89,500	\$56,800	\$32,700	6/4/2014	5/28/2014	Hung Construction Builders, Inc.	\$56,800
Pinole Valley High School <sup>5</sup>	Move Management Services	1000001344	5/21/2014	6	\$186,624	\$84,440	\$102,184	6/11/2014	6/11/2014	NC Moving Storage Solutions	\$84,845
Ohlone Elementary School	Interim Housing	1461206-02	5/22/2014	2	\$0	\$1,364,000	-\$1,364,000	6/3/2014	5/28/2014	Trinet Construction	\$1,364,000
Ohlone Elementary School <sup>6</sup>	Security ACE/IDS/SVS	14610045-03	6/11/2014	2	\$739,568	\$588,417	\$151,151	N/A	BOE Rejected all Bids 6/25/14	N/A	\$0
			<b>Total</b>		<b>\$86,930,796</b>	<b>\$74,163,444</b>	<b>\$12,767,352</b>				<b>\$72,388,677</b>

### **Footnotes to above Schedule:**

1. This is the 2nd time the project has been submitted for public bid. The 1st time, the Board rejected all bids. This time no bids were received. The project scope has since been modified and broken up into two separate projects both below \$45,000 and were covered under the CUPCAA procedures.
2. Low bidder, Evans Brothers, withdrew their bid due to mathematical errors and the next lowest bidder was awarded the contract as indicated.
3. The Board rejected all bids on September 11, 2013 due to change in project scope.
4. Low bidder, ERA Construction, Inc. was non-responsive and the next lowest bidder was awarded the contract as indicated.
5. Low bidder, Corovan, was non-responsive and the next lowest bidder was awarded the contract as indicated.
6. The Board rejected all bids June 25, 2014 due to a bid protest and subsequent change in project scope and schedule.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### Bid Samples

For the fiscal year, 2013-14, the following bids were reviewed and analyzed for completeness and compliance with the District's formal and informal bid process as described above:

#### **Kennedy High School Kitchen Flooring Replacement - #3601364-06**

The District invited informal bids for Repairs, Maintenance or Construction Services \$45,000 and above awarded pursuant to the "Informal Bidding" procedures of the Public Contract Code 22000, et seq. (The Uniform Public Construction Cost Accounting Act ("CUPCCAA")). The District posted the Notice to Bidders on June 17, 2013 in *Contra Costa Builders' Exchange* in accordance to the Acts requirements. One sealed bid was received and opened in public view on July 2, 2013. The Act requires notices to be posted at least ten days before bids are due, to all pre-qualified contractors listed on the appropriate trade category or to specified trade journals.

<b>Kennedy High School Kitchen Flooring Replacement #3601364-06</b>	
<b>Contractor</b>	<b>Base Bid</b>
<b>The Thompson Construction Group</b>	<b>\$ 59,440</b>
Budget = \$60,000	
<i>No allowances Included in the Base Bids</i>	

After reviewing the bid documents, the District deemed the apparent low bidder, The Thompson Construction Group Inc. Award of contract was ratified by the Board of Education on July 24, 2013. Staff issued the Notice of Award (NOA) to the successful bidder, Thompson Construction Group Inc., on July 5, 2013, in the amount of \$59,440 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on July 5, 2013. The NTP specified that the contract commenced on July 13, 2013 and that the anticipated date of completion would be July 26, 2013.

#### **El Cerrito High School Stadium - #3541348-00**

The formal bid advertisement for the project was first posted on August 9, 2013 and August 16, 2013 in the West Contra Costa Times. The Notice to Bidders was advertised on two separate occasions, seven days apart and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Ten sealed bids were received and opened in public view on November 5, 2013. The table below summarizes the outcome of this bid.

<b>Contractor</b>	<b>Base Bid</b>	<b>Part A</b>	<b>Part B</b>	<b>Total Bid</b>
<b>Wright Contracting Inc.</b>	<b>\$ 13,438,000</b>	<b>\$ 30,000</b>	<b>\$ 44,000</b>	<b>\$13,512,000</b>
Zolman Construction & Development, Inc.	\$ 13,600,000	\$ 26,900	\$ 56,700	\$13,683,600
ARNTZ Builders, Inc.	\$ 13,678,171	\$ 28,245	\$ 42,764	\$13,749,180
Midstate Construction Corp.	\$ 13,942,884	\$ 16,218	\$ 43,172	\$14,002,274
Jeff Luchetti Construction	\$ 14,088,000	\$ 30,935	\$ 44,965	\$14,163,900
Gonsalves & Stronck Co.	\$ 14,229,000	\$ 36,000	\$ 62,400	\$14,327,400
Roebbelen Contracting	\$ 14,298,000	\$ 16,396	\$ 48,700	\$14,363,096
Alten Construction	\$ 14,473,000	\$ 16,106	\$ 43,620	\$14,532,726
OC Jones & Sons, Inc.	\$ 15,140,000	\$ 30,250	\$ 75,700	\$15,245,950
Granite Rock Co. dba Pavex Construction Division	\$ 15,458,718	\$ 26,000	\$ 46,200	\$15,530,918
Budget = \$11,600,000				
<i>No allowances Included in the Base Bids</i>				

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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After reviewing the bid documents, the District determined that Wright Contracting Inc. was the lowest responsible bidder for the project. The lowest responsive bid came in at 15.8 percent or \$1,838,000 higher than the estimated budget of \$11,600,000. Award of contract was approved by the Board of Education on December 2, 2013. Staff issued the Notice of Award (NOA) to the successful bidder, Wright Contracting Inc., on November 22, 2013 in the amount of \$13,438,000 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond and certificates of insurance, staff issued the Notice to Proceed (NIP) on January 22, 2014. The NTP specified that the contract commenced on January 27, 2014, and that the anticipated date of completion would be on September 27, 2015.

#### **Coronado Elementary School Reconstruction - #1121341-00**

The Bid Advertisement for this project was published on August 30 and September 6, 2013, in the *West County Times*. The Notice to Bidders was advertised on two separate occasions, seven days apart, and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Nine sealed bids were received and opened in public view on October 22, 2013. The table below summarizes the outcome of these bids.

Contractor	Base Bid	Alternates	Part A	Part B	Total Bid
<b>Lathrop Construction Associates</b>	<b>\$ 26,974,910</b>	<b>\$ 7,500</b>	<b>\$ 76,320</b>	<b>\$ 270</b>	<b>\$ 27,059,000</b>
Wright Contracting	\$ 27,123,000	\$ -	\$ 116,000	\$ 1,000	\$ 27,240,000
Alten Construction	\$ 27,331,086	\$ -	\$ 51,435	\$ 289	\$ 27,382,810
ARNTZ Builders	\$ 28,175,442	\$ -	\$ 94,731	\$ 311	\$ 28,270,484
Roebbelen Contracting	\$ 28,570,000	\$ 27,700	\$ 86,800	\$ 270	\$ 28,684,770
Mid State Construction	\$ 28,643,674	\$ -	\$ 70,650	\$ 346	\$ 28,714,670
Budget = \$22,300,000					
No allowances Included in the Base Bids					

After reviewing the bid documents, the District declared the apparent low bidder, Lathrop Construction Associates, the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 20.96 percent or \$4,674,910 lower than the estimated budget of \$22,300,000. Award of contract was approved by the Board of Education on November 6, 2013. Staff issued the Notice of Award (NOA) to the successful bidder, Lathrop Construction Associates, on November 13, 2013 in the amount of \$26,974,910 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on December 11, 2013. The NTP specified that the contract commenced on January 6, 2014, and that the anticipated date of completion would be on May 31, 2015.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### **Olinda Elementary School Miscellaneous Repairs - #1451612-15**

The Bid Advertisement for the project was published on April 18, and 25, 2014, in the *West County Times*. The Notice to Bidders was advertised on two separate occasions seven days apart and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Four sealed bids were received and opened in public view on May 15, 2014. The table below summarizes the outcome of these bids.

<b>Contractor</b>	<b>Base Bid</b>	<b>Unit Price</b>	<b>Total</b>
<b>Streamline Builders</b>	<b>\$ 89,000</b>	<b>\$ 6,315</b>	<b>\$ 95,315</b>
Hung Construction Builders, Inc.	\$ 117,900	\$ -	\$ 117,900
AM Woo Construction, Inc.	\$ 156,000	\$ 1,830	\$ 157,830
Pinguela Construction, Inc.	\$ 425,559	\$ 1,830	\$ 427,389
Budget = \$372,000			
<i>No allowances Included in the Base Bids</i>			

After reviewing the bid documents, the District declared the apparent low bidder, Streamline Builders, the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 76.08 percent or \$283,000 lower than the estimated budget of \$372,000 (based on base bid). Award of contract was ratified by the Board of Education on May 28, 2014. Staff issued the Notice of Award (NOA) to the successful bidder, Streamline Builders, on May 21, 2014 in the amount of \$89,000 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on June 6, 2014. The NTP specified that the contract commenced on June 9, 2014, and that the anticipated date of completion would be September 27, 2014.

#### **Ohlone Elementary School FF&E - #1461206-FFE**

The Bid Advertisement for this project was published on March 28 and April 4, 2014, in the *West County Times*. The Notice to Bidders was advertised on two separate occasions, seven days apart and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Two sealed bids were received and opened in public view on May 1, 2014. The table below summarizes the outcome of these bids.

<b>Contractor</b>	<b>Total Bid</b>
<b>Concepts School and Office Furnishings</b>	<b>\$ 443,101</b>
Contrax Furnishings	\$ 538,487
Budget = \$520,000	
<i>No allowances Included in the Base Bids</i>	

After reviewing the bid documents, the District declared the apparent low bidder, Concepts School and Office Furnishings, the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 14.79 percent or \$76,899 lower than the estimated budget of \$520,000. Award of contract was ratified by the Board of Education on May 14, 2014 in the amount of \$443,101. On May 8, 2014, staff issued the Notice of Award (NOA) to the successful bidder, Concepts School and Office Furnishings, in the amount of \$443,101. Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on May 23, 2014. The NTP specified that the contract commenced on May 23, 2014, and that the anticipated date of completion would be August 1, 2014 for Phase A and June 25, 2016 for Phase B.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

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#### *Pinole Valley High School Interim Campus Site Work - #3621377-02*

The Bid Advertisement for the project was published on January 24 and January 31, 2014 in the *West County Times*. The Notice to Bidders was advertised on two separate occasions, seven days apart and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Two sealed bids were received and opened in public view on March 13, 2014. The table below summarizes the outcome of these bids.

Contractor	Base Bid
JUV, Inc.	\$ 5,530,000
Seward L. Schreder	\$ 7,594,000
Budget = \$3,600,000	
<i>No allowances Included in the Base Bids</i>	

After reviewing the bid documents, the District declared the apparent low bidder, JUV, Inc., the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 53.61 percent or \$1,930,000 higher than the estimated budget of \$3,600,000. Award of contract to the successful bidder, JUV Inc., was ratified by the Board of Education on March 26, 2014. Staff issued the Notice of Award (NOA) to JUV Inc., on March 19, 2014, in the amount of \$5,530,000. Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond and certificates of insurance, staff issued the Notice to Proceed on March 28, 2014. The Notice to Proceed specified that the contract commenced on April 7, 2014 and that the anticipated date of completion would be August 15, 2014.

#### *El Cerrito High School AC for Dance Studios & Multi-Use Classrooms - #35410055-00*

The District invited informal bids for Repairs, Maintenance or Construction Services \$45,000 and above awarded pursuant to the "Informal Bidding" procedures of the Public Contract Code 22000, et seq. (The Uniform Public Construction Cost Accounting Act ("CUPCCAA") on March 11, 2014, in the *Contra Costa Builders Exchange*. The Act requires notices to be posted at least ten days before bids are due, to all pre-qualified contractors listed on the appropriate trade category or to specified trade journals. One sealed bid was received and opened in public view on April 8, 2014. The table below summarizes the outcome of these bids.

Contractor	Base Bid	Total Bid
Bell Products, Inc.	\$ 98,514	\$ 98,514
Budget = \$72,900		
<i>No allowances Included in the Base Bids</i>		

After reviewing the bid documents, the District declared Bell Products, Inc. the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 35.14 percent or \$25,614 higher than the estimated budget of \$72,900. Award of contract was approved by the Superintendent's designee and subsequently ratified by the Board of Education on April 23, 2014. Staff issued the Notice of Award (NOA) to the successful bidder, Bell Products, Inc., on April 16, 2014, in the amount of \$98,514 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on . The NTP specified that the contract commenced on June 9, 2014 and that the anticipated date of completion would be on July 9, 2014.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### **Ohlone Elementary School Security ACS/IDS/SVS - #14610045-03:**

The Bid Advertisement for this project was published on May 23 and May 30, 2014 in the *West County Times*. The Notice to Bidders was advertised on two separate occasions, seven days apart and there were at least fourteen days between the first bid publication and the opening of bids as required by law. Two sealed bids were received and opened in public view on June 11, 2014. The table below summarizes the outcome of these bids.

<b>Contractor</b>	<b>Base Bid</b>
Electronic Innovations, Inc.	\$ <b>588,417</b>
Ojo Technology	\$ 739,568
Budget = \$500,000	
<i>No allowances Included in the Base Bids</i>	

The board rejected all bids at their June 25, 2014 board meeting due to a bid protest and subsequently due to a change in project scope and schedule. The notices of rejection were sent out to the contractors indicated above on June 26, 2014.

#### **Murphy Elementary School Skylight Replacement - #1421223-14R2:**

The District invited informal bids for Repairs, Maintenance or Construction Services \$45,000 and above awarded pursuant to the "Informal Bidding" procedures of the Public Contract Code 22000, et seq. (The Uniform Public Construction Cost Accounting Act ("CUPCCAA") on April 9, 2014, in the *Contra Costa Builders Exchange*. The Act requires notices to be posted at least ten days before bids are due, to all pre-qualified contractors listed on the appropriate trade category or to specified trade journals. One sealed bid was received and opened in public view on April 30, 2014. The table below summarizes the outcome of these bids.

<b>Contractor</b>	<b>Base Bid</b>
<b>Arthulia, Inc.</b>	\$ <b>56,000</b>
Budget = \$46,000	
<i>No allowances Included in the Base Bids</i>	

After reviewing the bid documents, the District declared Arthulia, Inc. the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 21.74 percent or \$10,000 higher than the estimated budget of \$46,000. Award of contract was approved by the Superintendent's designee and subsequently ratified by the Board of Education on May 14, 2014. Staff issued the Notice of Award (NOA) to the successful bidder, Arthulia, Inc., on May 7, 2014, in the amount of \$56,000 (based on Base Bid only). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on June 6, 2014. The NTP specified that the contract commenced on June 9, 2014 and that the anticipated date of completion would be on August 1, 2014.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### Dover Elementary School Parking Improvements & Site Work Phase 2 - #1151201-05:

The bid advertisement for this project was published on March 21 and March 28, 2014, in the *West County Times*. The Notice to Bidders was advertised on two separate occasions, seven days apart and there were at least fourteen days between the first bid publication and the opening of the bids as required by law. Three sealed bids were received and opened in public view on April 23, 2014. The table below summarizes the outcome of these bids.

Contractor	Base Bid	Unit Price	Total
EVRA Construction, Inc.	\$ 635,000	\$ 80,000	\$ 715,000
American Asphalt Repair & Resurfacing, Inc.	\$ 665,369	\$ 75,000	\$ 740,369
Maggiora & Ghilotti, Inc.	\$ 705,932	\$ 59,500	\$ 765,432
Budget = \$915,000			

After reviewing the bid documents, the District declared EVRA Construction, Inc. the lowest responsible bidder with a responsive bid for the project. The lowest responsive bid came in at 21.86 percent or \$200,000 lower than the estimated budget of \$915,000. Award of contract was approved by the Board of Education on May 15, 2014. Staff issued the Notice of Award (NOA) to the successful bidder, EVRA Construction, Inc., on the same day, in the amount of \$715,000 (based on Base Bid plus Base Bid 2). Upon receipt of the required bid securities which include the signed copies of the contract agreement, performance bond, payment bond, and certificates of insurance, staff issued the Notice to Proceed (NTP) on June 13, 2014. The NTP specified that the contract commenced on June 16, 2014 and that the anticipated date of completion would be on August 15, 2014.

#### Prior Year Findings

- The District conducted informal public bids for the Downer Elementary School California Children Services (CCS) project on July 11, 2012 and for the Collins Elementary School Restroom Renovations project on May 2, 2013. However, TSS could not find evidence of Board action to either award or reject these bids. This is not in compliance with Public Contract Code Section 2011 which places the authority solely on the Board of Education to award contracts to the lowest responsive bidder or to reject all bids.
- On July 12, 2012, the District conducted a public bid for Harding Elementary School Foundation Ventilation Repairs project (Bid no. 1271223-01). Based on staff recommendations, the Board approved the award of bid on July 23, 2012 to the lowest bidder, Saboo Inc., in the amount of \$59,000. However, review of available documents indicate that the same project was bid again on November 29, 2012 and awarded to the lowest bidder, HM Construction, in the amount of \$99,850. During the review of Board agenda items, TSS could not find evidence of Board action, to rescind one of the awards or terminate one of the awarded contracts to rectify this duplication.
- On April 2, 2013, based on Board approval on March 27, 2013 staff issued a Notice of Award (NOA) for the Portola Middle School New Construction project to Arntz Construction in the amount of \$42,762,406. However, on April 10, 2013, staff submitted to the Board of Education for ratification, the award of bid to Amtz Construction, in the amount of \$42,942,000. The contract amounts presented in these two documents differ by \$179,595.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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- On June 17, 2013, the superintendent's designee approved the award of bid and issued the Notice of Award (NOA) for the Bayview Elementary School Exterior Repairs project to AM Woo Construction, in the amount of \$646,000. However, as of June 30, 2013, the award had not been submitted to the Board of Education for ratification. This is not in compliance with Education Code 17604 which allows the Board of Education to delegate the power to contract to the superintendent or his designee, provided however, that no contract awarded to contractors pursuant to the delegation shall be valid unless and until the same have been approved or ratified by the Board of Education.

#### **Current Year Status**

No similar issues noted in the fiscal year 2013-14.

#### **Observation**

Based on procedures performed, the District appears to be in compliance with the requirements of the Public Contracting Code and other relevant laws and regulations, and working to ensure that best practices in procurement are followed.

#### **Recommendation**

We recommend the District continue its effort to ensure that the District is in compliance with the requirements of the Public Contract Code and other relevant laws and regulations, and continue to ensure that best practices in procurement are followed.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **DELIVERED QUALITY**

##### **Objective**

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

##### **Procedures**

Obtained and reviewed relevant documents as listed below and conducted interviews with District and SGI staff to gain understanding of the process utilized by the District to define the level of quality for each project and then track that defined quality through construction documents to ensure that what is delivered in the final project is of the same quality level as originally specified.

The Citizens' Bond Oversight Committee selected the Ohlone Elementary School Classroom Building project for the delivered quality review for the 2013-2014 fiscal year. The District has formally adopted a sole source policy for some design elements and wants to ensure that these elements are implemented in the projects.

This section provides an evaluation of the standards that were in place at the commencement of this project, the criteria that was provided to the Architect of Record (AOR) as the basis for the design, the products and systems that were incorporated into the design, the process used during construction to evaluate submitted systems and the delivered products and systems that were built into the project.

For the purposes of this section, Delivered Quality has been defined as the quality of the finished product as compared to the District's Standards and established design criteria. VTD researched the initial criteria delivered to the design team and the process that was used to track those standards through the development of construction documents and the actual construction process. VTD also reviewed the contract documents and construction submittals for the sampled products.

VTD staff met with District staff and consultants to review the quality assurance processes. The following documents were supplied by the District for this review:

- District List of 'Sole Source' Products, approved September 20, 2006.
- District Master Product List, July 2007/ Revised and Reissued, February, 2008.
- District Master Product List, May 2013
- Contract Documents
- Certain selected sole source products and submittals

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The following document was obtained from the District's web site:

- Board Resolution No. 94-1213: Regarding District Standards for Equipment, Products and Materials for District Construction and Adoption of Findings Required by Public Contract Code for Sole Source Specifications.

#### **Background**

The California Public Contract Code requires those managing projects and products used in the construction of public school facilities to allow "equal" products to be submitted and used. In limited cases, a district may specify a product or system and not allow equal products to be substituted. These products are referred to as "sole source" products. On September 20, 2006, the Board approved 6 categories of products that could be sole sourced, which are as follows:

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

On June 12, 2013, the Board approved updates to those standards in the following 6 categories:

- Landscape Planting Irrigation;
- Aluminum Windows;
- Finish Hardware;
- Food Service Equipment;
- Heating Ventilation and Air Conditioning Systems; and
- Communications

Through this update process the following new sole source product standards were introduced in the Heating Ventilation and Air Conditioning Systems category:

- Ventilation and Exhaust Fans; and
- Hydronic & Potable Water Boilers.

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The following new sole source standard was introduced to the Communications category:

- Access Security Systems

Since the Notice of Completion for the Ohlone Elementary School classroom building project was filed after the adoption of the 2013 standards, the 2006 and 2013 standards were used in the evaluation of this project.

#### **Ohlone Elementary School West Campus Project**

The Ohlone Elementary School West Campus project was identified as the focus of this quality review for the 2013-14 fiscal year. This phase of the project was begun in Summer 2012 and completed in Summer 2014. The Design Team reported that the standards were clearly communicated when the project was initiated.

VTD interviewed SGI staff to obtain background information for this evaluation. The focus of the interviews was to determine what standards were adopted at the beginning of design process, how that information was incorporated into the design documents, and how the District tracked and verified that the products were installed in the project during construction. It was reported that the District did not have a clear process for the review of the documents for the purpose of determining if the District standards were met. It appears that this process was left to the Design Team to self-manage.

It was presented to VTD that only three of the six categories of the sole source products were used in this phase of the project as of June 30, 2014. The table below provides a comparison of each product that was included in the design as compared to what was installed for the Ohlone Elementary School West Campus project.

Delivered Quality - Comparison of Design Standards and Installed Products Ohlone Elementary School Classroom Building Project							
Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Heating Ventilation and Air Conditioning - Rooftop Package Air Conditioning Units	15800	Approved Manufacturers are: 1. Carrier 2. Approved Equal	Architect Specified Manufacturer: Carrier	X			Contractor Submitted Carrier. Meets District Sole Source List.

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Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Heating Ventilation and Air Conditioning - Ductless Split Systems: High-Wall Fan Coil Units	15800	Approved Manufacturers are: 1. Carrier 2. Approved equal	Architect Specified Manufacturer: Carrier	X			Contractor Submitted Carrier. Meets District Sole Source List.
Heating Ventilation and Air Conditioning - Condensing Units	15800	Approved Manufacturers are: 1. Carrier 2. Approved equal	Architect Specified Manufacturer: Carrier	X			Contractor Submitted Carrier. Meets District Sole Source List.
Heating Ventilation and Air Conditioning - Gravity Intake Ventilators	15800	Approved Manufacturers are: 1. Greenheck 2. Cooke 3. Penn	Architect Specified Manufacturer: Greenheck	X			Contractor Submitted Greenheck. Meets District Sole Source List.
Heating Ventilation and Air Conditioning - Roof Mounted Exhaust Fans	15800	Approved manufacturers are: 1. Greenheck 2. Cooke 3. Penn	Architect Specified Manufacturer: Greenheck	X			Contractor Submitted Greenheck. Meets District Sole Source List.
Aluminum windows	08520	Approved manufacturer is DeVac	Architect Specified Manufacturer: DeVac	X			Contractor Submitted DeVac. Meets District Sole Source List.

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Delivered Quality - Comparison of Design Standards and Installed Products Ohlone Elementary School Classroom Building Project (Continued)							
Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Communication - Intrusion Security Systems	17960	Approved Manufacturer is Honeywell	Architect Specified Manufacturer: Honeywell	X			Contractor Submitted Honeywell. Meets District Sole Source List.
Data Communications - Horizontal Cabling	17160	Approved Manufacturer is Panduit	Architect Specified Manufacturer: Panduit.	X			Contractor Submitted Panduit. Meets District Sole Source List.
Audio Visual Communications - Coaxial Backbone Cable	17410	Manufacturers Approved: CommScope, Belden or Approved Equal	Architect Specified Manufacturer: Belden.	X			Architect Specified Belden. Contractor Submitted Belden.

#### **Observations:**

- Based on the sampling of products and systems, the project construction documents incorporated the District's standards and criteria as defined in the initial design phase with no exceptions observed.
- Based on interview with SGI staff, it appears that there was no clear process to ensure that the District standards were met, instead, this process was left to the contractors to interpret the standards and criteria for the projects in the drawing.

#### **Recommendations:**

- The District should develop a process to clearly document the standards used in the final product. District employees should be actively involved in the review, and monitor this process to ensure that the final product delivered meets the District standards.

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### **EFFECTIVENESS OF THE DISTRICT'S TECHNICAL AND ADMINISTRATIVE ASSISTANCE TO THE CITIZENS' BOND OVERSIGHT COMMITTEE**

#### **Objective**

To determine the effectiveness of the District's technical and administrative assistance to the Citizens' Bond Oversight Committee (CBOC).

#### **Procedures**

VTD conducted interviews with District staff and CBOC members; obtained and reviewed all avenues of communication, including public presentations at Board meetings, Citizens' Bond Oversight Committee (CBOC) activities, District website postings, and newsletters.

VTD also reviewed the District's processes and systems used to convey information about the bond program to interested parties. These processes serve as a measurement of the effectiveness of dissemination information among parties involved and stakeholders in the bond program and its operations.

#### **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 website: [www.wccusd.net](http://www.wccusd.net)
- Bond Oversight Committee website: [www.wccusd-bond-oversight.com](http://www.wccusd-bond-oversight.com)
- Bond Program website: [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com)

To facilitate access to bond information and the oversight committee, the District's website provides links on the front page to the Citizens' Bond Oversight Committee and Bond Program websites. The District website includes links to Facilities Subcommittee agendas and minutes as well as the District Board minutes and agendas. The District website also includes links to presentations and previous audits. The Bond Oversight Committee website includes information provided to the Committee including reports and presentations. The Bond Program website includes links to issued bonds official statements including voter approved projects, Bond Project Budgets, Bid Schedules, and monthly status reports on ongoing projects.

A review of the CBOC website indicated that some information about the bond and facility construction programs was not current. The Construction Asset Management Program (CAMP) Report which was provided monthly in the past was not provided at all during the 2013-14 fiscal year, and the CBOC does not appear to have been provided an equivalent report with similar data until January 2015. The delay appears to be due to that the District was in transition to replace the CAMP report with the KPI (Key Performance Indicator) report. The site did include relevant information about community meetings, meeting minutes and presentations, dates and the 2007 master plans. Additionally, the District prominently posts notices of upcoming Facilities Subcommittee and CBOC meeting on the homepage of the District's main website.

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The Facilities and Bond Program page of the Operations Division section of the District website includes links to active Bond program projects; plans, budgets and status reports including pictures, presentations and information about all construction projects funded with Bond funds as well as upcoming projects. This Bond Program webpage includes copies of the flyers produced by the District's public relations consultant. These flyers are produced for and distributed to the school and business communities where bond projects are occurring and include a description of the project, timeline and contact information. These flyers are limited in the information provided, but include the contact information for the construction manager where interested community members can obtain more detailed information about an ongoing project. Posting these flyers to the Bond webpage allows greater distribution about ongoing projects. Additionally, links to the Facility and Bond Program webpage can be found on some of the individual school sites. The school web sites also provide specific information on the status of construction projects relevant to that school.

As indicated in the Local Capacity Building Program section of this report, the District contracted with J. Majors & Associates throughout the current fiscal year to provide community outreach services to inform the local, small and minority owned businesses about upcoming bids on the District's construction projects. Jacqueline Majors attends Facilities Subcommittee meetings throughout the year as well as other community meetings as deemed appropriate. During the 2013-14 fiscal year, Promotional flyers were created and distributed to the community regarding the following projects:

- Pinole Valley High School Off-Site Parking & Traffic Signal
- Portola Middle School at Castro school construction
- Pinole Middle School Soccer/Football Field
- Lake Elementary School construction
- El Cerrito High School Stadium
- Montalvin Manor Elementary School New Classroom
- Pinole Valley High School construction
- Coronado Elementary School construction

A review of local media coverage during the 2013-14 year indicated that the District received coverage on various issues in the *West County Times*, a division of the *Contra Costa Times*, the *El Cerrito Patch*, and *Richmond Confidential*. The coverage in these periodicals includes education, culture, and politics with a specific focus on West Contra Costa County. Based on the review of the District Board Minutes and related Board Packets the District staff routinely provides a Project Status report for the Board. These monthly status reports provide construction progress information as well as information about what work was performed in the reporting period. These reports do not include any budget or other financial data but are available on the Facility and Bond webpage.

The Superintendent publishes an e-message each month on a topic of importance to the District. In 2013-14, there were two occasions in which the Superintendent discussed the technology improvements occurring throughout the District, but nothing noted that was specific to the bonds. Additionally, the District has a Community Resource Guide link on the Resource tab of the home page of the District's website as well as links to other community resources such as Low Cost Medical, Parenting, CBOC and Bond Web Sites.

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#### **Bond Citizens' Oversight Committee (CBOC)**

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

Board Policy 7214.2 was revised by a subcommittee of the CBOC to clarify and expand upon some of the duties and operations of the Committee and was recommended for Board approval. The policy was discussed by the Board at its meetings in August and October, 2011 and the revised policy was approved on November 16, 2011. The revised policy approved on November 16, 2011, eliminated a committee position that had been unfilled for several years and allowed the CBOC to establish its own bylaws and operational rules. Another revision to the policy was approved on May 14, 2014, which incorporates legislation that passed in 2013 allowing CBOC members to serve for a third two-year term. This allows interested individuals and organizations to serve a third two-year term to apply to the Board to extend their membership.

#### **Citizens' Bond Oversight Committee Bylaws**

Subsequent to the adoption of Board Policy 7214.2, the CBOC developed draft Bylaws which were approved by the committee on November 30, 2011. At a March 14, 2012, CBOC meeting, amendments to the draft were approved. No amendments were made to the bylaws until the current fiscal year where the Committee modified Section 13 which was approved at the December 14, 2013 CBOC meeting, and Section 16 which was approved at the February 26, 2014 CBOC Meeting. Section 13 outlines the process for electing CBOC Officers, and Section 16 outlines meeting minutes and reports of the CBOC. As of June 30, 2014, the most updated CBOC Bylaws was Revision 13, dated March 14, 2014, and was posted on the CBOC website.

#### **Committee Minutes**

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

#### **CBOC Website**

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

#### **CBOC Reports**

Education Code Section 15280(b) states that the citizens' oversight committee shall issue a report at least once a year. The 2012 Annual Report was reviewed and approved by the CBOC on December 4, 2013, which summarized major bond projects, the Committee's activities and a statement of compliance with bond language. Annual reports are posted on the CBOC website.

In addition to the annual report, every Board agenda includes a "Standing Reports" item for the CBOC, Facilities Subcommittee and other departments and committees to make oral reports to the Board. While there is no obligation to make a report, there are occasional comments regarding CBOC meetings and the bond program and an ongoing opportunity for reporting to the Board.

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#### **Resolution 13-1 — Improve Communication and Interaction with the District**

On August 28, 2013, the CBOC approved Resolution 13-1 requesting a response from the District regarding its goals to improve communication and interaction between the CBOC and the District. Significant points of the Resolution are included below:

- Request that the District respond and document, in a timely manner, responses to questions, concerns, and issues.
- Request that the CBOC website be regularly updated, revised and enhanced per the suggestions submitted to the District. Plan of Action no later than October, 2013.
- Request that the CBOC have support staff and resources allocated to them.
- CBOC should be actively inspecting school facilities and grounds to ensure that bond measures are in compliance, a tour schedule is requested.
- CBOC should receive and review copies of the annual independent performance audit and all reports, in a timely manner including but not limited to copies of any deferred maintenance proposal or plans.
- CBOC should be involved in the audit process from inception to conclusion.
- CBOC requests the District appoint the required category members in order to comply with the Ed Code no later than the end of this calendar year.
- CBOC requests that the District's Engineering Officer be designated as the main point of contact and access to other staff members, as necessary, be made available with a stated chain of command and contact information.
- CBOC requests any and all additions or revisions to the CBOC agenda by staff are approved, in advance, by the CBOC Chair.
- CBOC requests any calendar or schedule changes for the CBOC made by staff, be approved in advance by the CBOC Chair.

At the September 25, 2013 meeting of the CBOC, staff prepared a response to Resolution 13-1 and this was discussed at the joint board meeting on October 16, 2013. A summary of their response is included below:

- Staff has developed a "CBOC Communication Process" that will satisfy the timeliness and response issues.
- The plan of action for ensuring that information is readily available to the public at large is to enhance the current CBOC website by adding a FAQ section. It will include questions and response from the committee and public information requests for the Bond Program.
- The full resource of the Bond Program Team will be used to support the committee.
- Staff will facilitate any requested tour of projects designated by the committee.
- Staff will continue to follow the committee's By-Laws regarding the Annual Performance and Financial Audits.
- Staff has increased outreach efforts to fill open positions on the committee.
- Staff will work in concert with the Chair of the CBOC to get concurrence on agenda and calendar items.

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#### **Observations**

- The District staff provides regular updates and presentations at Board meetings and Board Facilities Sub-Committee meetings. These updates often include slide shows and discussions regarding the bond program and ongoing construction projects. Board meetings are televised and materials are readily available on the District's website. In addition, the District's Facility and Bond webpage provides construction related information on ongoing and upcoming projects including bid schedules and related bid documentation, pre-qualified contractor lists, and information about the bonds issued.
- The CBOC met at least quarterly. Meetings were attended by the Superintendent and/or his designee and periodically throughout the year members of the Board of Education would attend these meetings.
- The committee officers prepared agendas and District staff sent copies to committee members at least three days prior to each meeting. Meetings were conducted in a manner consistent with the Ralph M. Brown Act, Government Code, Section 54950 et seq., and meetings were open to the public. Committee decisions and recommendations were made by a "50 percent plus one" vote of the total membership.
- It was noted that the monthly Construction Asset Management Program (CAMP) reports, which provide detailed financial and non-financial information about bond funded projects, had stopped being provided to the Committee as of April, 2013. The District did not replace this report with an equivalent report until January, 2015 due to its transition from the CAMP report to the KPI report. However, as of the time of writing of this report, communications from District staff to the CBOC have improved and include monthly financial reports and cashflow reports being provided at each meeting
- Board Policy 7214.2 states that, "The Committee and Board shall hold joint meetings during the first quarter (January-March) and the third quarter (July-September) of each year." During the 2013-14 audit period, the CBOC and Board of Education held two joint meetings on July 10, 2013 and October 16, 2013. Although two meetings were held during the year, the District failed to hold these meetings in the time frame specified in the Board Policy.
- Minutes of the CBOC meetings were not prepared and approved timely. The CBOC meeting minutes for the last three meetings of the 2013-14 fiscal year have yet to be approved. Although the meeting minutes have not been approved, the District has posted the Preliminary Meeting Minutes (unapproved) through the end of the fiscal year ending June 30, 2014.
- VTD was unable to locate evidence that the Board approved or accepted the 2012 CBOC Annual Report which was approved by the CBOC on December 4, 2013.

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#### **Recommendations:**

- Strong open and transparent communication with the Citizens' Bond Oversight Committee is key to having a successful bond program. District staff should provide an open forum where committee members can obtain timely responses to their questions. Additionally, District staff should provide the committee consistent, relevant and detailed information about the Bond funded construction projects.
- Joint meetings should be held in the time frame specified in BP 7214.2.
- CBOC meeting minutes should be prepared and approved by the following meeting where the committee has a quorum.
- The Board minutes should document approval or acceptance of the CBOC Annual Report as well as approval or acceptance of other CBOC information presented at the Board of Education meetings.

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**APPENDIX A**

**MEASURE D (2010) BOND LANGUAGE**

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **RESOLUTION NO. 76-0910**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

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

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

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

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

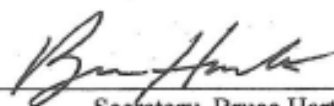
Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Contra Costa County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which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

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

BOARD OF EDUCATION OF THE WEST CONTRA  
COSTA UNIFIED SCHOOL DISTRICT

By   
President, Madeline Kronenberg

Attest:

  
Secretary, Bruce Harter

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

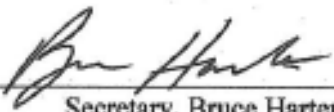
**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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STATE OF CALIFORNIA    )  
                                      )  
CONTRA COSTA COUNTY )

I, Bruce Harter, do hereby certify that the foregoing is a true and correct copy of Resolution No. 76-0910, which was duly adopted by the Board of Education of the West Contra Costa Unified School District at meeting thereof held on the 3rd day of March, 2010, and that it was so adopted by the following vote:

AYES:                   5  
NOES:                   0  
ABSENT:                0  
ABSTENTIONS:        0

By   
Secretary, Bruce Harter

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### EXHIBIT A

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

Bonds - Yes

Bonds – No

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **EXHIBIT B**

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

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

#### **PRIORITY SCHOOL PROJECTS LIST**

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

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

#### School Renovation, Repair and Upgrade Projects

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

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

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

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

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

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

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

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

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

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

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### TAX RATE STATEMENT

An election will be held in the West Contra Costa Unified School District (the "District") on June 8, 2010, to authorize the sale of up to \$380,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District plans to issue the bonds in a number of series over a period of time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information presented in numbered paragraphs 1-3 below 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 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2010-11.
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 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2018-19.
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, 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2018-19.

The District's best estimate of the average tax rate which would be required to be levied to fund this bond issue over all of the years the bonds will be outstanding is 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation.

The tax rate estimates in this statement reflect the District's current projection of future assessed values and of future debt service payments, which are based on certain assumptions. Approval of the ballot measure authorizes the issuance of bonds under certain conditions and for certain purposes, and is not approval of a specific tax rate or a specific plan of bond issuance. 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 and repayment structure of bonds sold, 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 and repayment structure of bonds sold at any given time will be determined by the District based on its need for construction funds, its intention to meet the tax rate targets stated above, the legal limitations on bonds approved by a 55% vote 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.

Voters should note that the estimated tax rates are based on the *ASSESSED VALUE* of taxable property in the District as shown 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.

Dated: March 4, 2010.

  
\_\_\_\_\_  
Superintendent  
West Contra Costa Unified School District

\*The Measure D (2010) *Tax Rate Statement* was not included in Resolution No. 76-0910 approved by the Board of Education on March 3, 2010. This tax rate statement was separately submitted to the Contra Costa County on March 4, 2010. The other three Proposition 39 bond resolutions all included tax rate statements approved by the Board of Education.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
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**APPENDIEX B**

**MEASURE E (2012) BOND LANGUAGE**

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

## **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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### **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

#### **RESOLUTION NO. 17-1213**

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

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

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

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

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

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

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

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

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

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

WHEREAS, on November 7, 2000 the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which, as of its effective date,

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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reduced the voter threshold for ad valorem tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

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

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

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

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

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

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

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 6, 2012, and to request that the Contra Costa County Registrar of Voters perform certain election services for the District;

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

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Contra Costa County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$360 million (the "Bonds") shall be issued and sold for the purpose of raising money for the purposes described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be November 6, 2012.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit "A" is subject to the following requirements and determinations:

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

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

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

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

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

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

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

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

Section 6. That the Contra Costa County Registrar of Voters and the Contra Costa County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 6, 2012 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Contra Costa County Registrar of Voters no later than August 10, 2012.

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

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation. Further, the

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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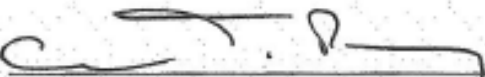
District's Superintendent, or designee, is hereby authorized and directed to make any changes to the full text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of Contra Costa County election officials, and requirements of law.

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

Section 11. That the President of this Board and/or his designees are hereby authorized to prepare and file with the Registrar of Voters both a Tax Rate Statement and a ballot argument in favor of the proposition contained in Exhibit A hereto, or act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument, each within the time established by the Registrar of Voters, which shall be considered the official ballot arguments of this Board as sponsor of the proposition.

ADOPTED, SIGNED AND APPROVED this 1<sup>st</sup> day of August, 2012.

BOARD OF EDUCATION OF THE WEST CONTRA  
COSTA UNIFIED SCHOOL DISTRICT

By  \_\_\_\_\_  
President

Attest:

 \_\_\_\_\_  
Secretary

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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STATE OF CALIFORNIA    )  
  )  
CONTRA COSTA COUNTY )

I, Bruce Harter, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17-1213, which was duly adopted by the Board of Education of the West Contra Costa Unified School District at meeting thereof held on the 1<sup>st</sup> day of August, 2012, and that it was so adopted by the following vote:

AYES:               5  
NOES:               0  
ABSENT:            0  
ABSTENTIONS:    0

By           *Bruce Harter*            
  Secretary

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **EXHIBIT A**

To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety and handicap accessibility, remove asbestos, upgrade science labs, restrooms, vocational classrooms, technology and energy systems to reduce costs, install lighting and security systems, and acquire, repair, construct, equipment, sites and facilities, by issuing \$360,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators' salaries?

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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#### EXHIBIT B

#### FULL TEXT BALLOT PROPOSITION OF THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 6, 2012

**"WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT STUDENT SAFETY/CLASSROOM REPAIR MEASURE.** To make schools safe, complete essential health and safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District:

- upgrade schools for earthquake safety and handicap accessibility,
- remove asbestos,
- upgrade science labs,
- upgrade restrooms, vocational classrooms, technology and energy systems to reduce costs,
- install lighting and security systems,
- acquire, repair, construct equipment, sites and facilities

by issuing \$360,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators' salaries?"

#### PROJECT LIST

The Board of Education of the West Contra Costa Unified School District certifies that it evaluated the District's urgent and critical school needs, including school and student safety issues, enrollment trends, class size reduction, overcrowding, energy efficiency and computer technology, seismic safety requirements, and aging, outdated or deteriorating school buildings in developing the scope of projects to be funded. In developing the scope of projects, the District has prioritized the key health and safety and sustainability needs so that the most critical school site needs are addressed. The Board conducted an evaluation at all school sites and received public input in developing the scope of school projects to be funded. This input concluded that if these needs were not addressed now, the problem would only get worse and more expensive to address in the future. In approving this Project List, the Board of Education determines that the District should:

- (i) Provide classrooms for job training to prepare students for the workforce.
- (ii) Upgrade classrooms to support core academics, math, science, reading and writing.
- (iii) Upgrade computer and science labs.
- (iv) Qualify for millions of dollars of State matching funds.
- (v) Provide good after-school program space so kids are safe from gangs and drugs.
- (vi) Adhere to specific FISCAL ACCOUNTABILITY safeguards such as:
  - (a) Sacramento will be prohibited from taking any of the funds raised.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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- (b) All expenditures will be subject to annual independent financial audits.
- (c) No funds will be used for administrators' salaries and pensions.
- (d) All funds will be subject to local control and provide improvements, at all of our schools.
- (e) An independent citizens' oversight committee will be appointed to ensure that all funds are spent only as authorized.

The Project List includes the following types of projects:

#### **School Renovation, Repair and Upgrade Projects**

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

- Repair, upgrade and replace worn-out leaking roofs.
- Replace existing wiring systems to meet current electrical and accessibility codes.
- Additional electrical service capacity to relieve currently overloaded electrical systems.
- Replace existing water, sewer, plumbing and storm drain systems to meet current codes, including the elimination of lead-containing fixtures.
- Upgrade aging and deteriorating school restrooms.
- Provide improved, upgraded computer labs.
- Upgrade and equip classrooms, science labs and multipurpose rooms and facilities.
- Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades.
- Replace old, portable classrooms.
- Upgrade aging schools.

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

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

##### **Student Safety**

- Install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks.
- Remove or abate asbestos, lead paint, mold and hazardous materials.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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- Upgrade emergency communication systems.
- Fire alarm systems upgraded to automatic systems, repair fire safety equipment, add sprinklers and fire safety doors.
- Upgrades to schools to meet handicap accessibility requirements.
- Replace/upgrade existing signage, bells and clocks.
- Upgrade site playground equipment replacement to meet current safety standards.

#### **Energy Efficiency-Returning Savings to the Classrooms.**

- Install energy efficient systems, including solar panels, energy efficient heating, ventilation and cooling systems for cost savings and energy efficiency.
- Replace existing window systems with energy efficient systems.
- Replace older ceilings, heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems.

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

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

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

Listed building, repair and rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed repair and construction projects stated above, the Project List also include the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease or capital facility note obligations including interim funding incurred to advance fund projects from the Project List, or the reimbursement of the District for such reduction, as well as the refinancing of outstanding general obligation bond debt of the District, the construction of new classrooms or schools, if necessary to serve students, the acquisition of land, the construction or remodeling of administrative support spaces, installation of signage and fencing, the payment of the

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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costs of preparation of all facility planning, facility assessment reviews, facility master plan updates, environmental studies (including environmental investigation, remediation and monitoring) and construction documentation, gymnasium upgrades, temporary housing of dislocated District activities caused by bond projects and the completion of projects authorized under the District's Measure M, Measure D, Measure J and 2010 Measure D projects, previously approved by the voters. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection, card access systems, laser printers, digital white boards, document projectors, upgraded voice-over IP, call manager and network security/firewall, and other miscellaneous equipment and software. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating, air conditioning and ventilation systems; upgrade of facilities for energy efficiencies and to reduce fire risks; repair and replacement of worn-out and leaky roofs, windows, walls doors and drinking fountains; demolition of unsafe schools or facilities; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping; build/renovate new gymnasiums, pools and high school stadiums; upgrade or replace inadequate libraries, multi-purpose rooms and kitchens; upgrade locker rooms; install lunch shelters, artificial turf, and bleachers; improve sanitation and recycling; expand parking; build new stadium; install interior and exterior painting and floor covering; replacement of portable classrooms; installation of covered walkways or shelters; addition of administrative support spaces; upgrade school site kitchens; repair rubberized play apparatus surfaces; demolition; and construction of various forms of storage and support spaces; upgrade classrooms; repair, upgrade and install interior and exterior lighting systems; replace water and sewer lines and other plumbing systems; and replace outdated security fences and security systems. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. Possible joint-use projects could include any of the following at various school sites: libraries, gymnasiums, athletic facilities, daycare centers, preschools and career technology centers. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing or installing irrigation, storm drain, and utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. In order to fund the projects and prior to the issuance of any bonds authorized by this Measure, the District may seek a waiver from the State Board of Education of the applicable bonding limit requirements of Section 15106 of the Education Code. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

## WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

### AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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

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

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

## AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014

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### TAX RATE STATEMENT FOR BOND MEASURE \_\_\_\_

An election will be held in the West Contra Costa Unified School District (the "District") on November 6, 2012, to authorize the sale of up to \$360,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District plans to issue the bonds in a number of series over a period of time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information presented in numbered paragraphs 1-3 below is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

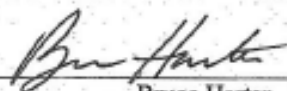
1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2013-14.
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 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2021-22.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimate assessed valuations available at the time of filing of this statement, 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation in fiscal year 2021-22.

The District's best estimate of the average tax rate which would be required to be levied to fund this bond issue over all of the years the bonds will be outstanding is 4.80 cents per \$100 (\$48.00 per \$100,000) of assessed valuation.

The tax rate estimates in this statement reflect the District's current projection of future assessed values and of future debt service payments, which are based on certain assumptions. Approval of the ballot measure authorizes the issuance of bonds under certain conditions and for certain purposes, and is not approval of a specific tax rate or a specific plan of bond issuance. 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 and repayment structure of bonds sold, 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 and repayment structure of bonds sold at any given time will be determined by the District based on its need for construction funds, its intention to meet the tax rate targets stated above, the legal limitations on bonds approved by a 55% vote 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.

Voters should note that the estimated tax rates are based on the *ASSESSED VALUE* of taxable property in the District as shown 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.

Dated: August 1, 2012

  
\_\_\_\_\_  
Bruce Harter  
Superintendent  
West Contra Costa Unified School District

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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**APPENDIX C**

**CITIZENS' BOND OVERSIGHT COMMITTEE**

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **CITIZENS' BOND OVERSIGHT COMMITTEE**

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

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

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

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

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

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

In 2012, California enacted AB 1199, signed into law of July 10, 2012, which amended Education Code Section 15282(a) to increase the number of two-year consecutive terms that a member may serve from two to three two-year terms.

#### **California Coalition for Adequate School Housing (CASH)**

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

#### **Little Hoover Commission**

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

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

#### **California League of Bond Oversight Committees**

The California League of Bond Oversight Committees (CALBOC) was formed in 2008 and has the following Mission Statement:

"To promote school district accountability by improving the training and resources available to California's Proposition 39 School Bond Oversight Committees and educating the State legislature, local school boards and the public about the oversight and reporting powers these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a State level, where appropriate, on issues of common concern to all CBOCs."

According to their website ([www.calboc.org](http://www.calboc.org)), CALBOC is an all volunteer, non-partisan association of BOC members, current and past, who are interested in helping other Citizens' Bond Oversight Committee (CBOC) members." The CALBOC website includes information on training and various resource materials.

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

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#### **CALIFORNIA EDUCATION CODE SECTION 15278-15282 CITIZENS' OVERSIGHT COMMITTEE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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

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

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

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

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

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

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

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

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

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **CALIFORNIA EDUCATION CODE SECTION 15284-15288 BOND ACCOUNTABILITY**

15284. (a) An action to obtain an order restraining and preventing any expenditure of funds received by a school district or community college district through the sale of bonds authorized by this chapter pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution may be maintained against any officer, agent, or other person acting on behalf of, that school district or community college district, by a citizen residing in the school or community college district who is assessed and is liable to pay an ad valorem tax on real property within the school or community college district, or who has paid an ad valorem tax on real property within the school or community college district within one year before the commencement of the action if it appears by the complaint or affidavits that any of the following conditions are present:

- (1) An expenditure of funds received by a school district or community college district through the sale of bonds authorized by this chapter is for purposes other than those specified in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- (2) The expenditure is not in compliance with paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- (3) That an expenditure in violation of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution will be made or will continue to be made during the litigation that would produce waste or great or irreparable injury.
- (4) The governing board of a school district or community college has willfully failed to appoint the citizens' oversight committee in violation of the requirements of Section 15278.

(b) An action brought pursuant to this section shall take special precedence over all civil matters on the calendar of the court except those matters granted equal precedence by law.

(c) The rights, remedies, or penalties established by this section are cumulative to the rights, remedies, or penalties established under other laws, including subdivision (a) of Section 526 of Chapter 3 of Title 7 of Part 2 of the Code of Civil Procedure.

(d) If an order is obtained to restrain and prevent an expenditure of funds pursuant to subdivision (a), a court may award attorneys' fees pursuant to Chapter 6 (commencing with Section 1021.5) of Title 14 of Part 2 of the Code of Civil Procedure.

(e) The action authorized by this section shall be known as a "School Bond Waste Prevention Action."

15288. It is the intent of the Legislature that upon receipt of allegations of waste or misuse of bond funds authorized in this chapter, appropriate law enforcement officials shall expeditiously pursue the investigation and prosecution of any violation of law associated with the expenditure of those funds.

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**AGREED UPON PROCEDURES REPORT  
MEASURES D (2010) AND E (2012)  
FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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**APPENDIX D**

**GLOSSARY OF TERMS AND ACRONYMS**

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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#### **GLOSSARY OF TERMS AND ACRONYMS**

<b>ACSA</b>	<b>Association of California School Administrators</b>
<b>ADA</b>	<b>Americans with Disabilities Act</b>
<b>AIA</b>	<b>American Institute of Architects</b>
<b>AOR</b>	<b>Architect of Record</b>
<b>AUPR</b>	<b>Agreed Upon Procedures Report</b>
<b>AV</b>	<b>Assessed Value</b>
<b>CASBO</b>	<b>California Association of School Business Officials</b>
<b>C.A.S.H.</b>	<b>Coalition for Adequate School Housing</b>
<b>CBC</b>	<b>California Building Code</b>
<b>CBIA</b>	<b>California Building Industry Association</b>
<b>CBOC</b>	<b>Citizens' Bond Oversight Committee</b>
<b>CCD</b>	<b>Construction Change Directive</b>
<b>CCI</b>	<b>Construction Cost Index</b>
<b>CDE</b>	<b>California Department of Education</b>
<b>CEQA</b>	<b>California Environmental Quality Act</b>
<b>CFD</b>	<b>Community Facilities District</b>
<b>CHPS</b>	<b>Collaborative for High Performance Schools</b>
<b>CM</b>	<b>Construction Manager</b>
<b>CMU</b>	<b>Compliance Monitoring Unit</b>
<b>CO</b>	<b>Change Order</b>
<b>COP</b>	<b>Certificate of Participation</b>
<b>CPM</b>	<b>Critical Path Method Schedule</b>
<b>CSBA</b>	<b>California School Boards Association</b>
<b>CUPCAA</b>	<b>California Uniform Public Construction Cost Accounting Act</b>
<b>DB</b>	<b>Design Build</b>
<b>DBB</b>	<b>Design/Bid/Build</b>
<b>DIR</b>	<b>Department of Industrial Relations</b>
<b>DGS</b>	<b>Department of General Services</b>
<b>DSA</b>	<b>Division of State Architect</b>
<b>DTSC</b>	<b>Department of Toxic Substances Control</b>
<b>DVBE</b>	<b>Disabled Veteran Business Enterprise</b>
<b>EIR</b>	<b>Environmental Impact Report</b>
<b>EMF</b>	<b>Electromagnetic Fields</b>
<b>EMS</b>	<b>Energy Management System</b>
<b>ERP</b>	<b>Emergency Repair Program</b>
<b>ESA</b>	<b>Environmental Site Assessment</b>
<b>GASB</b>	<b>Government Accounting Standards Board</b>
<b>GOB</b>	<b>General Obligation Bond</b>
<b>HVAC</b>	<b>Heating, Ventilation, Air Conditioning</b>
<b>IOR</b>	<b>Inspector of Record</b>
<b>LCP</b>	<b>Labor Compliance Program</b>
<b>LLB</b>	<b>Lease-Lease Back</b>
<b>ND</b>	<b>Negative Declaration</b>
<b>NOC</b>	<b>Notice of Completion</b>

## **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

### **AGREED UPON PROCEDURES REPORT MEASURES D (2010) AND E (2012) FOR JULY 1, 2013 THROUGH JUNE 30, 2014**

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<b>NOD</b>	<b>Notice of Determination</b>
<b>NTP</b>	<b>Notice to Proceed</b>
<b>OPSC</b>	<b>Office of Public School Construction</b>
<b>PAR</b>	<b>Performance Audit Report</b>
<b>PCO</b>	<b>Proposed Change Order</b>
<b>PEA</b>	<b>Preliminary Environmental Assessment</b>
<b>PLA</b>	<b>Project Labor Agreement</b>
<b>PM</b>	<b>Program Manager</b>
<b>PO</b>	<b>Purchase Order</b>
<b>QSCB</b>	<b>Qualified School Construction Bond</b>
<b>QZAB</b>	<b>Qualified Zone Academy Bond</b>
<b>RFI</b>	<b>Request for Information</b>
<b>RFB</b>	<b>Request for Bid</b>
<b>RFP</b>	<b>Request for Proposal</b>
<b>RFQ</b>	<b>Request for Qualification</b>
<b>SAB</b>	<b>State Allocation Board</b>
<b>SBCTC</b>	<b>State Building and Construction Trades Council</b>
<b>SBE</b>	<b>State Board of Education</b>
<b>SFID</b>	<b>School Facility Improvement District</b>
<b>SFM</b>	<b>State Fire Marshall</b>
<b>SFP</b>	<b>School Facility Program</b>
<b>SFPD</b>	<b>School Facilities Planning Division</b>
<b>SPN</b>	<b>Stop Payment Notice</b>
<b>TBD</b>	<b>To Be Determined</b>
<b>TSCA</b>	<b>Toxic Substance Control Act</b>