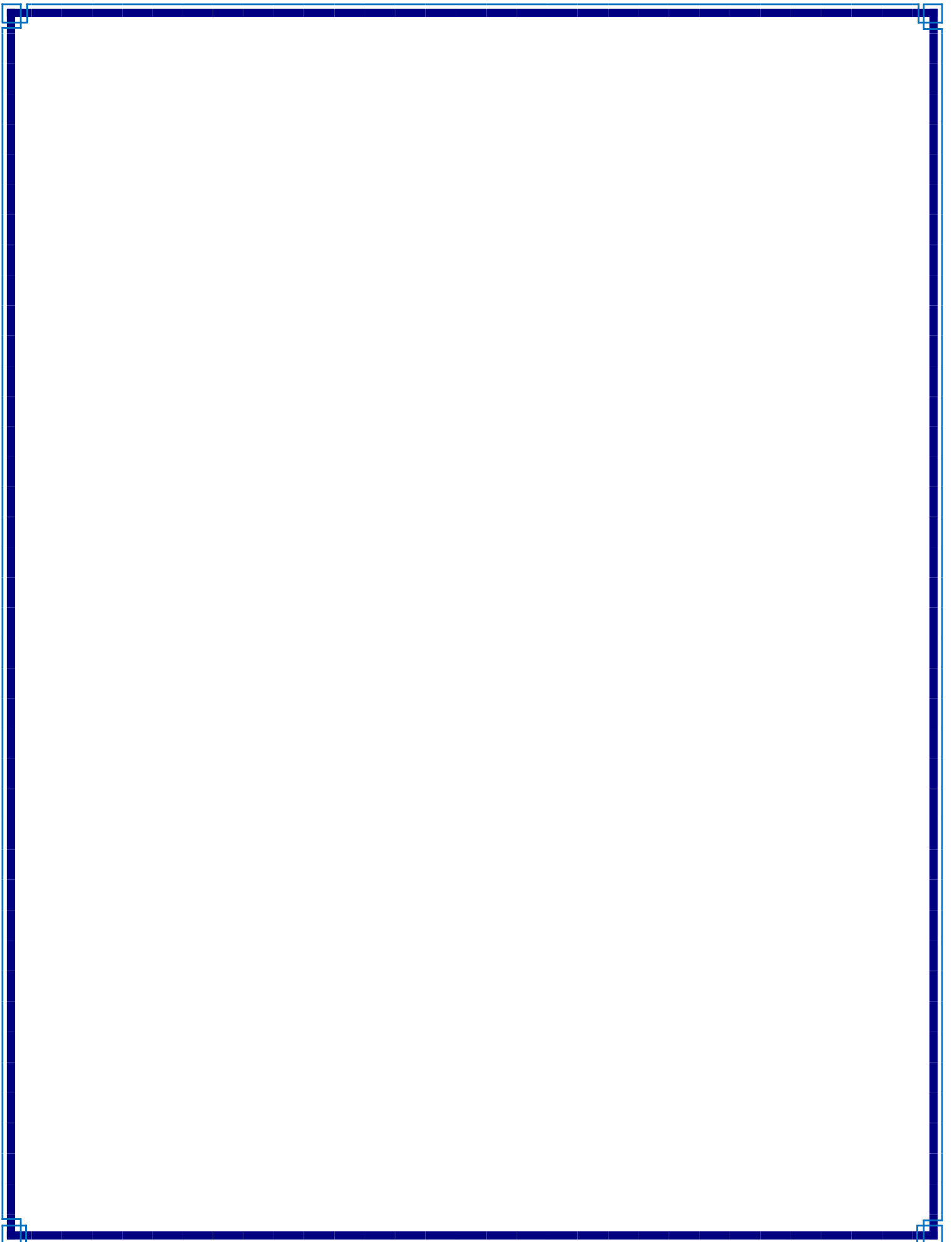


# **West Contra Costa Unified School District**

**MEASURES D (2002), J (2005)  
AND D (2010)  
PERFORMANCE AUDIT  
JUNE 30, 2012**

**March 21, 2013**

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



# **West Contra Costa Unified School District**

## **BOARD OF EDUCATION**

**June 30, 2012**

<b>Charles T. Ramsey</b>	<b>President</b>
<b>Antonio Medrano</b>	<b>Clerk</b>
<b>Madeline Kronenberg</b>	<b>Member</b>
<b>Elaine R. Merriweather</b>	<b>Member</b>
<b>Tony Thurmond</b>	<b>Member</b>

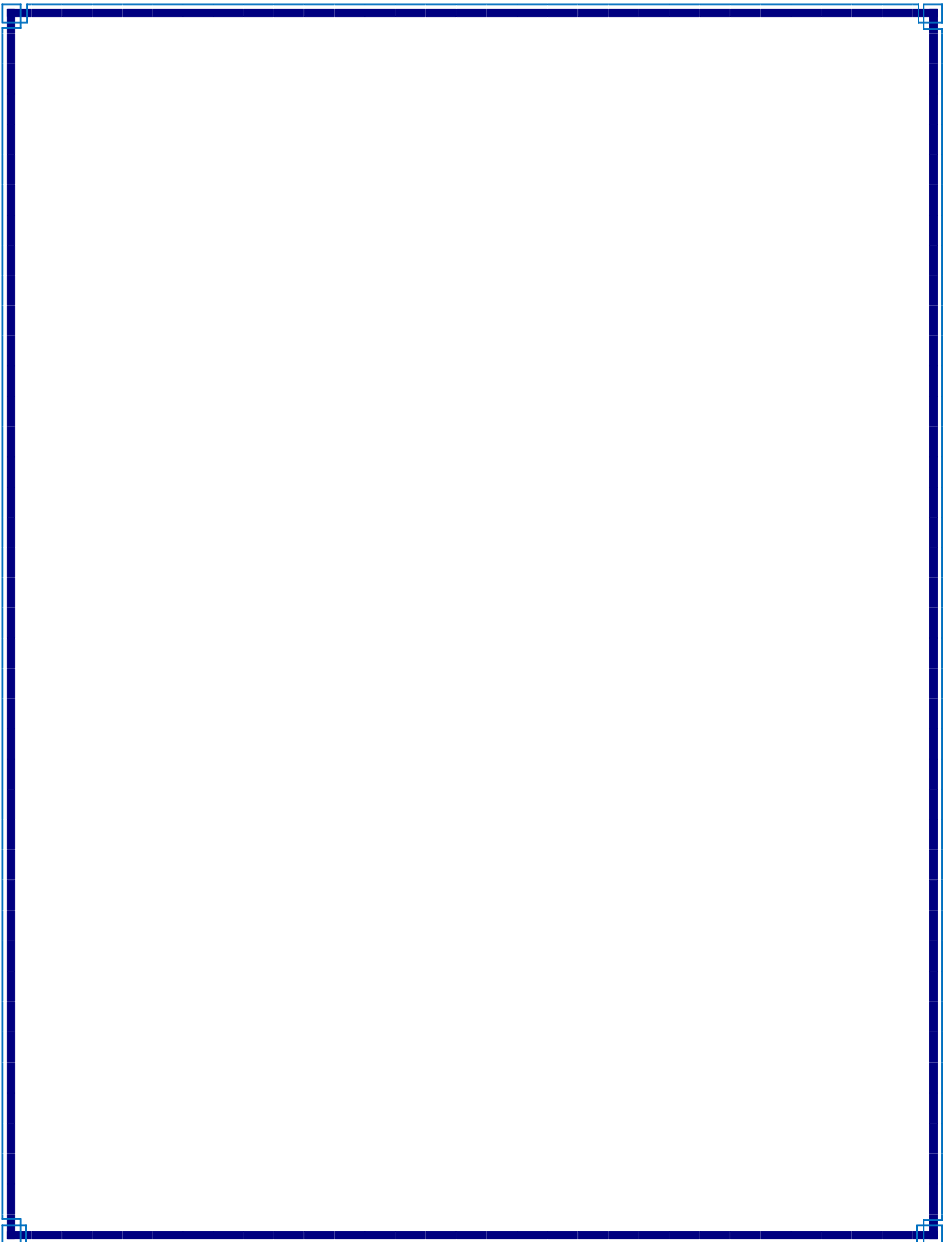
## **CITIZENS' BOND OVERSIGHT COMMITTEE**

**Robert Studdiford, Chairperson**

## **ADMINISTRATION**

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

**Bill Fay, Associate Superintendent for Operations**



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## INTRODUCTION

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a bond measure to authorize the sale of \$300 million in bonds to improve school facilities. The measure was approved by 71.6 percent of the voters. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

Subsequently, on November 8, 2005, the West Contra Costa Unified School District submitted for voter approval another bond measure, Measure J, to authorize the sale of \$400 million in bonds to improve school facilities. Measure J was approved by 56.85 percent of the vote. Because the bond measure, like Measure D, was placed on the ballot in accordance with Proposition 39, it also required 55 percent of the vote for passage.

On June 8, 2010, the West Contra Costa Unified School District submitted for voter approval another bond measure, Measure D, to authorize the sale of \$380 million in bonds to improve school facilities. Measure D was approved by 62.62 percent of the vote. Because the bond measure, like Measure D (2002) and Measure J, was placed on the ballot in accordance with Proposition 39, it also required 55 percent of the vote for passage.

Article XIII of the California State Constitution requires an annual independent performance audit of Proposition 39 bond funds. The District engaged the firm Total School Solutions (TSS) to conduct this independent performance audit on the Measure D (2002), Measure J and Measure D (2010) to report its findings to the Board of Education and to the independent Citizens' Bond Oversight Committee.

Besides ensuring that the District uses bond proceeds from each bond measure in conformance with the provisions listed in the corresponding ballot language, the scope of the examination includes a review of design and construction schedules and cost budgets; change orders and claim avoidance procedures; compliance with state law and funding formulas; District policies and guidelines for facilities and procurement; and the effectiveness of communication channels among stakeholders, among other facilities-related issues. This annual report is designed to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure D (2002), Measure J and Measure D (2010) and to help the District improve its overall bond program.

This report covers the Measure D (2002), Measure J and Measure D (2010) funded facilities program and related activities for the period of July 1, 2011, through June 30, 2012. The annual performance audit documents the performance of the bond program and reports on improvements instituted by the District to address any audit findings from prior reports.

## **EXECUTIVE SUMMARY**

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

In conducting the audit, TSS reviewed and examined documentation and processes within the facilities program for the period from July 1, 2011, through June 30, 2012, and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments, observations and formalize conclusions and recommendations documented in this report. Each audit component was evaluated separately and collectively based on the materiality of each activity and its impact on the total bond program.

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

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



## INDEPENDENT PERFORMANCE AUDITOR'S REPORT

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

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We have conducted a performance audit of the Measure J and Measure D (2010) funded bond program of the West Contra Costa Unified School District (the "District") as of and for the year ended June 30, 2012. The information provided herein is the responsibility of the District management. Our responsibility is to express an opinion on the pertinent issues included in the scope of our work.

In our opinion, the Measure J funds are being expensed in accordance with Resolution No. 25-0506 passed by the Board of Education on July 13, 2005. It is also our opinion, for the period ending June 30, 2012 the expenditures of the funds generated through Measure J bonds were only for projects included in Resolution No. 25-0506 establishing the scope of work to be completed with Measure J funds.

In our opinion, the Measure D (2010) funds are being expensed in accordance with Resolution No. 76-0910 passed by the Board of Education on March 3, 2010. It is also our opinion, for the period ending June 30, 2012 the expenditures of funds generated through Measure D (2010) bonds were only for projects included in Resolution No. 76-0910 establishing the scope of work to be completed with Measure D (2010) funds.

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

In compliance with the requirements of GAGAS 8.30, we conducted this performance audit in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Total School Solutions



January 23, 2013

## **COMPOSITE BOND MEASURES FINANCIAL REPORT**

### **Objective**

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

### **Scope and Methodology**

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

- Accounting of Bond Funds
- Capital Debt
- 2011-12 Refunding of Prior Bonds
- Qualified School Construction Bonds (QSCB)
- Proposition 39 Bond Sale Limitations
- Investment of Bond Proceeds
- Deferred Capital Project Fund
- Arbitrage

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

- District Board Meeting Agendas and Minutes
- District Financial Audits
- District Bond Measures Audits
- District Financial Reports
- Financial Analyst Reports
- Bond Counsel Reports
- Arbitrage Analyses Reports

### **Background**

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

## Accounting of Bond Funds

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

### **BUILDING FUND (FUND 21)**

<b>Category</b>	<b>Fund 21 June 30, 2008 (Audited)</b>	<b>Fund 21 June 30, 2009 (Audited)</b>	<b>Fund 21 June 30, 2010 (Audited)</b>	<b>Fund 21 June 30, 2011 (Audited)</b>	<b>Fund 21 June 30, 2012 (Audited)</b>
Beginning Balance	\$191,878,163	\$66,850,137	\$130,815,884	\$192,385,790	\$110,660,126
Revenues	5,764,674	1,864,009	4,963,061	679,831	1,523,794
Expenditures	128,252,880	46,129,743	131,664,441	79,817,301	102,445,971
Transfers Net	(2,539,820)	(13,268,519)	(1,998,422)	(2,588,194)	(5,700,000)
Sources/Uses	0	121,500,000	190,269,708	0	101,930,040
Net Change	(125,028,026)	63,965,747	61,569,906	2,634,382	(4,692,137)
<b>Ending Balance</b>	<b>\$66,850,137</b>	<b>\$130,815,884</b>	<b>\$192,385,790</b>	<b>\$110,660,126</b>	<b>\$105,967,989</b>

### 2008-09

The "Transfers Net" figure of (\$13,268,519) was a transfer from the Building Fund (Fund 21) to the County School Facilities Fund (Fund 35) to provide the District's match for state-approved modernization projects. The \$121,500,000 source of funds in 2008-09 was the sale of Measure J bonds.

### 2009-10

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

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

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

## **2010-11**

The Measures M, D and J audit report for 2010-11 presented the following combined financial data, which differs from the Fund 21 financial data due to other financial activity in Fund 21, including earlier bonds, interest earnings and refunding prior bonds (See Capital Debt discussion.)

<b>Category</b>	<b>Fund 21 (Audited)</b>	<b>M, D &amp; J (Audited)</b>
Beginning Balance	\$192,385,790	\$167,435,659
Revenues	679,831	383,836
Expenditures	79,817,301	79,793,987
Transfers In	750,138	9,112,437 <sup>1</sup>
Transfers Out	(3,338,332)	(2,894,713) <sup>2</sup>
Net Change	(81,725,664)	(73,192,427)
Ending Balance	\$110,660,126	\$94,243,232

<sup>1</sup> Includes a transfer of \$1,740,710 of remaining RDA funds from Fund 40 (Special Reserve for Capital Outlay) to Measure J, a transfer of \$6,077,014 Measure E funds to Measure J and a transfer of \$1,294,713 Measure M funds to Measure J.

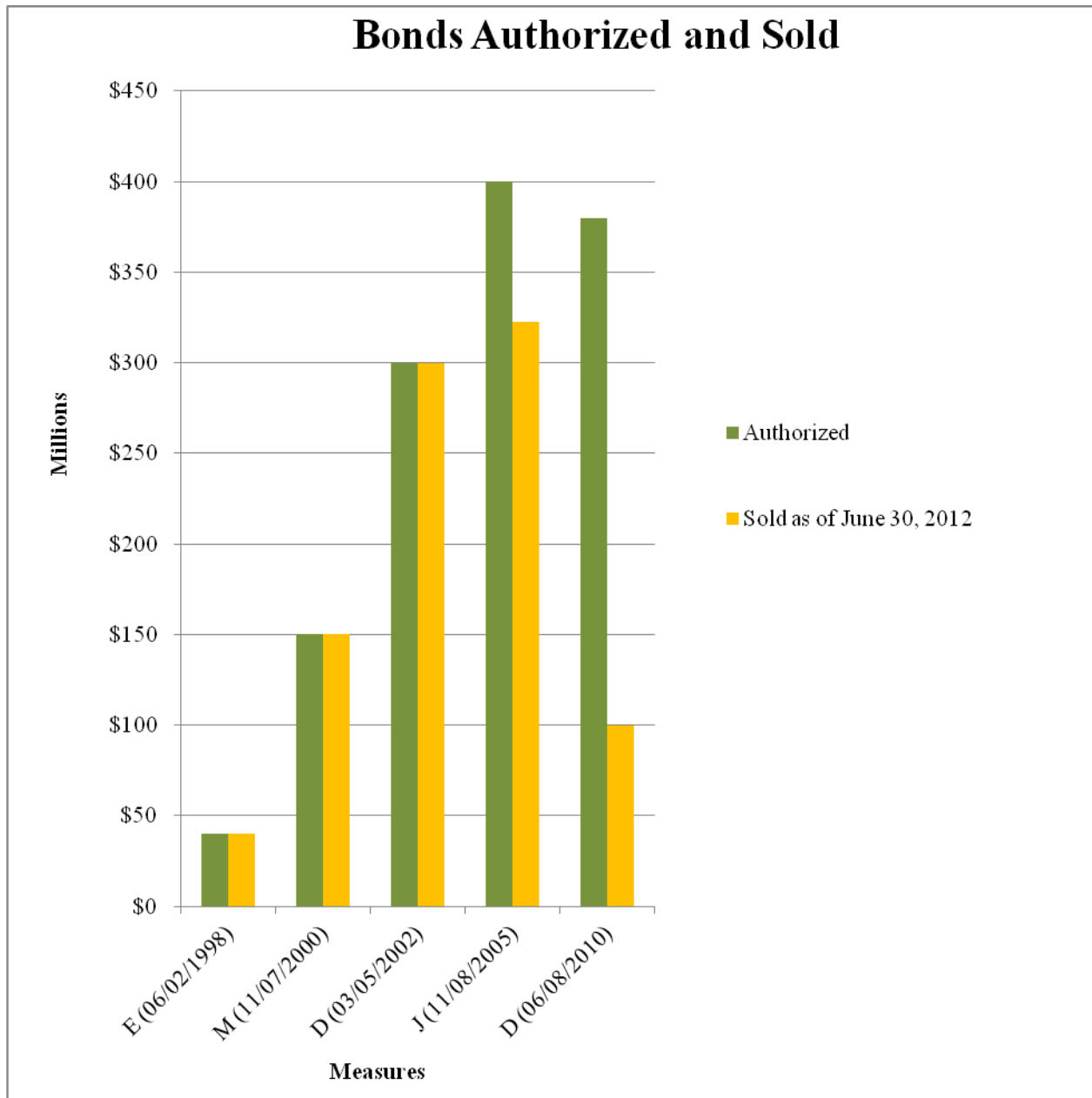
<sup>2</sup> Includes the transfer of \$1,294,713 Measure M funds to Measure J and a transfer of \$1,600,000 Measure J funds to the Bond Interest and Redemption Fund to reimburse Measure D principal payments.

## **2011-12**

The \$101,930,040 source of funds consisted of the sale of \$100 million Measure D (2010) bonds and a \$1,930,040 bond premium.

## Capital Debt

The District passed five bond measures as of June 30, 2012, beginning with Measure E in 1998. The amounts of bonds authorized and sold as of June 30, 2012 were as follows:



**Authorized Total: \$1,270 million**  
**Sold as of June 30, 2012: \$912.5 million**

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

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.

### **2011-12 Measure D (2010) Bonds**

At the September 21, 2011 Board meeting, the Board authorized the sale of \$100,000,000 of Measure D (2010) bonds, consisting of \$21,000,000 of QSCB bonds and \$79,000,000 of tax-exempt bonds. The completion of the \$100,000,000 bond issuance was reported at the November 16, 2011 Board meeting.

### **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 of general obligation bonds.

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

## Outstanding Debt<sup>1</sup>

Capital Debt	Original Issuance	Fiscal Year Ending June 30, 2009	Fiscal Year Ending June 30, 2010	Fiscal Year Ending June 30, 2011	Fiscal Year Ending June 30, 2012
<b>GO Bonds</b>					
<u>Measure E (June 2, 1998)</u>					
2001 Refunding Series A <sup>2</sup>	\$28,610,000	\$21,650,000	\$20,645,000	\$19,605,000	\$18,495,000
2001 Refunding Series B <sup>2</sup>	10,255,000	7,895,000	7,550,000	7,190,000	6,810,000
Total Measure E	\$38,865,000	\$29,545,000	\$28,195,000	\$26,795,000	\$25,305,000
<u>Measure M (Nov. 7, 2000)</u>					
2001 Series A	\$15,000,000	\$13,235,000	\$0	\$0	\$0
2002 Series B	40,000,000	36,185,000	885,000	0	0
2003 Series C	95,000,000	86,895,000	84,665,000	82,345,000	43,115,000
2009 Refunding Series A & B(3)	47,215,000		47,215,000	43,225,000	39,310,000
2011A Refunding Bonds <sup>4</sup>	33,960,000			0	33,960,000
Total Measure M	\$231,175,000	\$136,315,000	\$132,765,000	\$125,570,000	\$116,385,000
<u>Measure D (March 5, 2002)</u>					
2002 Series A	\$30,000,000	\$27,015,000	\$26,325,000	\$24,850,000	\$11,515,000
2003 Series B	100,000,000	89,690,000	87,420,000	84,260,000	40,460,000
2004 Series C, Current Interest	40,000,000	37,970,000	37,225,000	36,445,000	35,625,000
2004 Series C, Capital Apprec.	29,999,377	29,589,577	29,217,456	28,746,812	28,179,129
2006 Series D, Capital Apprec.	99,998,106	97,925,654	96,670,658	95,250,742	93,145,012
2011A Refunding Bonds <sup>4</sup>	51,605,000			0	51,605,000
Total Measure D (2002)	\$351,602,483	\$282,190,231	\$276,858,114	\$269,552,284	\$260,529,141
<u>Measure J (Nov. 8, 2005)</u>					
2006 Series A	\$70,000,000	\$68,170,000	\$62,325,000	\$61,280,000	\$61,280,000
2009 Series B	120,000,000	120,000,000	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
2010 Series C1	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
2010 Series D1	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
Total Measure J	\$333,054,708	\$188,170,000	\$320,404,708	\$319,359,708	\$319,359,708
<u>Measure D (June 8, 2010)</u>					
2010 Series A	\$79,000,000				\$79,000,000
2010 Series A-1	21,000,000				21,000,000
Total Measure D (2010)	\$100,000,000				\$100,000,000
<b>Total G. O. Bonds Principal</b>		<b>\$636,220,231</b>	<b>\$758,222,822</b>	<b>\$741,276,992</b>	<b>\$821,578,849</b>
<u>Bond Premium &amp; Accreted Int.</u>					
G. O. Bonds Premium		\$7,289,215	\$16,645,903	\$15,857,512	\$25,353,204
Accreted Interest		28,681,797	39,182,929	50,779,461	60,762,662
<b>Total Bonded Debt</b>		<b>\$672,191,243</b>	<b>\$814,051,654</b>	<b>\$807,913,965</b>	<b>\$907,694,715</b>
<u>Certificates of Participation<sup>5</sup></u>					
2005 Refund 1994 COP		\$9,780,000	\$9,345,000	\$8,890,000	\$8,415,000
<b>Total Debt</b>		<b>\$681,971,243</b>	<b>\$823,396,654</b>	<b>\$816,803,000</b>	<b>\$916,109,715</b>

<sup>1</sup>Data from District financial audit reports.

<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.

<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.

<sup>5</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.

## **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:

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

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

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

Education Code Section 15270 further adds:

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

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

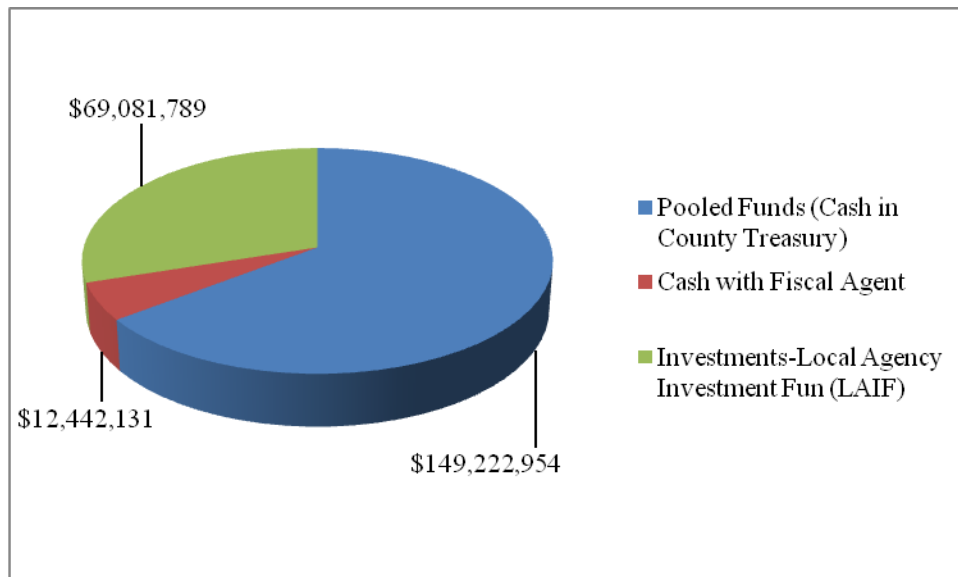


Resolution No. 25-0506 ordering the Measure J bond election stated that “no series of bonds may be issued unless the District shall have received a waiver from the California State Board of Education of the District’s statutory debt limit, if required.” At its meeting of January 21, 2009, the Board authorized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

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

**Investment of Bond Proceeds**

The proceeds from bond sales are invested in various instruments and earn interest until expenditures are made. The District’s financial audit<sup>1</sup> for the fiscal year ended June 30, 2012, reports the following cash investments:



**Totaling: \$230,746,874**

<sup>1</sup> West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2012, Crowe Horwath, LLP, Accountants, December 13, 2012.

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, 2012, the pooled fund "contained no derivatives or other investments with similar risk profiles."

Cash with Fiscal Agent represents contract retentions carried in the contractor's name with an independent third party, and the contractor carries all investment risk. As contract payments are made, ten percent is retained until 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.

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

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

### **Deferred Capital Project Fund**

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

The West Contra Costa Unified School District utilized the above provisions of SBX3 4 related to the Deferred Maintenance Program. On March 24, 2010, the Board took action to use the "Tier III State Flexibility for Deferred Maintenance Fund," allocating some of the funds previously set aside in reserve within the Deferred Maintenance Fund to the District's K-3 Class Size Reduction Program. As of June 30, 2010, \$4.0 million of Deferred Maintenance Fund reserves were transferred to the General Fund, Tier III, leaving a \$1.1 million reserve in the Deferred Maintenance Fund. During the 2011-12, \$1 million was transferred from the Deferred Maintenance Fund to the General Fund, Tier III, and as of June 30, 2012, the reserve was \$1.3 million.

### **Arbitrage**

When a school district issues general obligation bonds, the investments are subject to arbitrage regulations set forth by the United States Department of the Treasury. The bonds are subject to an allowable yield on investments which, if exceeded, results in a rebate liability that would be owed to the U.S. Department of the Treasury. For 2011-12, the District's financial auditor reported no incidence of any arbitrage problems.

## **Risk Assessment**

GAGAS 7.30 stipulates that the auditor should gather and assess information to identify risks of fraud. To meet this standard, TSS reviewed District documentation and interviewed key personnel, including three Board members, eight Citizens' Oversight Committee members, and the Executive Director, Bonds. In response to questions regarding knowledge of any actual occurrence of fraud, awareness of allegations of fraud, and awareness of any suspected occurrence of fraud, all responses were in the negative. Further, in the course of the examination of documents, TSS identified no evidence of fraud.

## **Observations**

- The District successfully refunded prior bond issuances to keep its tax rate below \$60 per \$100,000 of assessed valuation.
- The District successfully obtained increases from the SBE in its bonding capacity to enable bonds to be sold.

## **Conclusion**

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

## COMPLIANCE WITH BALLOT LANGUAGE

### Objective

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

### Scope and Methodology

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

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

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

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

### Background

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

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

The complete ballot language contained in Measure D (2002) is included in Appendix B. The following appeared as the summary ballot language:

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

While the Measure D (2002) ballot focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all District schools (Bond Project List, Appendix B, Exhibit A):

I. All School Sites

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

II. Elementary School Projects

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

III. Secondary School Projects

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

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

Based on the Bond Audit Report for the period ended June 30, 2011, and dated March 28, 2012, the District had issued and expended all of its \$300 million Measure D authorization. All expenditures of Measure D funds were for projects within the scope of the ballot language. TSS finds the West Contra Costa Unified School District in compliance with the language contained in Resolution 42-0102.

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

As a Proposition 39 bond measure, Measure J (2005) is subject to the requirements of California State Constitution, Article XIII which states "every district that passes a 'Proposition 39' bond measure must obtain an annual independent performance audit."

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

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

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

I. All School Sites

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

II. School Projects

- Complete Remaining Elementary School Projects
- Complete Remaining Secondary School Projects
- Reconstruction Projects
  - a. Health and Life Safety Improvements
  - b. Systems Upgrades

- c. Technology Improvements
- d. Instructional Technology Improvements
  
- Specific Sites Listed for Reconstruction or New Construction
  - De Anza High School
  - Kennedy High School
  - Pinole Valley High School
  - Richmond High School
  - Castro Elementary School
  - Coronado Elementary School
  - Dover Elementary School
  - Fairmont Elementary School
  - Ford Elementary School
  - Grant Elementary School
  - Highland Elementary School
  - King Elementary School
  - Lake Elementary School
  - Nystrom Elementary School
  - Ohlone Elementary School
  - Valley View Elementary School
  - Wilson Elementary School

As required by Proposition 39, the West Contra Costa Unified School District certified the results of the November 8, 2005, bond (Measure J) election at the school board meeting of January 4, 2006. At the same meeting, the school board established the required Citizens' Bond Oversight Committee for Measure J fund expenditures. The Measure D (2002) committee therefore served as the Measure J committee as well.

During 2011-12, the District expended \$96,754,787 of Measure J bonds. All of the expenditures of Measure J funds were for projects within the scope of the ballot language. The West Contra Costa Unified School District is in compliance with all requirements for Measure J as set forth in Resolution 25-0506.

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

As a Proposition 39 bond measure, Measure D (2010) is subject to the requirements of California State Constitution, Article XIII which states “every district that passes a ‘Proposition 39’ bond measure must obtain an annual independent performance audit.”



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

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

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

### **PRIORITY SCHOOL PROJECTS LIST**

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

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

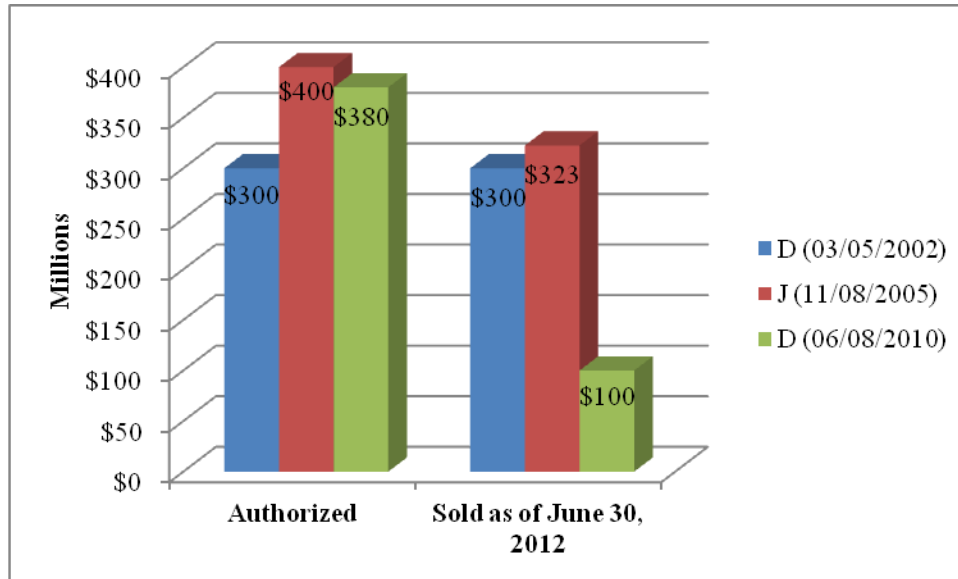
As of June 30, 2012, the District issued \$100 million of its \$380 million authorization and expended a total of approximately \$27 million of the Measure D (2010) authorization. All of the expenditures of Measure D (2010) funds were for projects within the scope of the ballot language. The West Contra Costa Unified School District is in compliance with all requirements for Measure D (2010) as set forth in Resolution 76-0910.

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

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



As of June 30, 2012, the District has issued the following bonds:



**Authorized Total: \$1,080 billion**  
**Sold as of June 30, 2012: \$722.5 million**

Total Measure D (2002), J (2005) and D (2010) expenditures totaling approximately \$552 million as of June 30, 2012, are 51 percent of the \$1,080 billion authorization. All of the expenditures of bond funds were for projects within the scope of the ballot language.

### **Proposition 39 Bond Sale Limitations**

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

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

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

The District's 2011-12 assessed valuation and bonding capacity data were as follows:

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

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

Education Code Section 15270 further adds:

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

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

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

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

### **Commendation**

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

### **Conclusions**

- Measures D (2002), J (2005) and D (2010) had a combined balance of \$106 million as of June 30, 2012, thereby enabling the District to continue implementing its bond program.
- TSS finds the West Contra Costa Unified School District in compliance with the Measures D (2002), J (2005) and D (2010) ballot languages.

### **Recommendation**

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

## **COMPLIANCE WITH STATE LAW AND REGULATIONS**

### **Objective**

The objective of this section is to assess the overall compliance with some of the pertinent legal and regulatory requirements governing a school district facilities program. TSS has developed this assessment of compliance to analyze the functionality of the District's bond facilities program. It should not be viewed or relied upon as a legal opinion or a complete analysis of all state law and regulations.

### **Scope and Methodology**

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

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

In addition to the compliance issues addressed in this section, other sections in this performance audit report further address specific state law and regulations. TSS examined standard bid documents, project manuals, applicable State of California laws and regulations, District policies, reports and other relevant documentation related to the District's bond program. Interviews with key District staff were also held to obtain additional information on District practices.

### **Background**

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

### **State School Facility Program**

Filing applications for funding with the State Allocation Board (SAB) is not legally mandatory; however, the District included language in the Measures D (2002), J (2005) and D (2010) resolutions calling for the bond elections that, as a supplement to the local bonds, the District would file for state funding. Accordingly, the District has filed facilities applications under the following programs:

50	-	New Construction
52	-	Joint Use
54	-	Charter School
56	-	Overcrowding Relief
57	-	Modernization
58	-	Rehabilitation

As of August 17, 2012, the District received state grant amounts summarized in the table below, which includes \$12,841,930 received in 2003 (matching District funds from Measure E) for Lovonya DeJean Middle School to \$27,426,041 received in 2012 for a charter school and modernization. All of the following financial data was extracted from the OPSC internet website (October 26, 2012), which maintains a record of the current project status for all school districts in California.

**State Facilities Funding**

<b>State Program</b>	<b>SAB#</b>	<b>State Grant Amount</b>	<b>District Match</b>
New Construction	50/05-001 <sup>1</sup>	\$12,841,930	\$12,841,930
Modernization	57/001-009 <sup>2</sup>	3,863,449	2,609,434
Modernization	57/010-017 and 57/019 <sup>3</sup>	9,943,161	6,801,923
Modernization	57/018 and 57/020-/026 <sup>4</sup>	12,282,748	8,320,619
Modernization	57/027 <sup>5</sup>	4,834,933	3,223,289
Modernization	57/029 <sup>6</sup>	3,781,072	2,520,715
Modernization	57/030 <sup>7</sup>	10,985,587	7,524,515
Facility Hardship	58/001 <sup>8</sup>	654,579	0
Joint Use	52/001 <sup>9</sup>	1,500,000	1,500,000
Emergency Repair	61/0001-015/0155	7,379,342	0
Emergency Repair	61/0152-0/154	4,349,029	0
New Construction	50/02-001 <sup>10</sup>	570,548	570,548
Overcrowding Relief	56/001-002 <sup>11</sup>	7,092,482	0
Modernization	57/031-034 <sup>12</sup>	13,294,970	7,175,549
Charter	54/03-001 <sup>13</sup>	2,479,636	0
Modernization	57/035-037 <sup>14</sup>	24,946,405	16,630,936
<b>Totals</b>		<b>\$120,799,871</b>	<b>\$69,719,458</b>

<sup>1</sup> Lovonya DeJean Middle School was approved for state funding on December 18, 2002, with a 50/50 match. The major funding for the project came from the District's \$40 million Measure E bonds.

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

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

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

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

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

<sup>7</sup> The El Cerrito High School modernization project is a 60/40 match with Measure D bonds.

<sup>8</sup> This was a 100 percent state-funded project (facility hardship grant program) for work at Lincoln Elementary School to correct structural problems.

<sup>9</sup> This is a joint-use project at Pinole Middle School.

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

<sup>11</sup> Dover Elementary and Ford Elementary schools.

<sup>12</sup> Dover, Ford and King Elementary schools and Pinole Middle School.

<sup>13</sup> Leadership Public Schools

<sup>14</sup>DeAnza Senior and Richmond High.

In addition to the above projects that have received State funding, the District has the following projects that have been approved for funding and placed on the SAB unfunded list:

### Unfunded Approvals<sup>1</sup>

SAB 57/	School	SAB 50-04 Received	SAB 50-04 Approved	State Grant
038	Nystrom Elementary	10/20/2011	1/25/2012	\$747,299
		10/20/2011	2/22/2012	28,506
		10/20/2011	8/22/2012	1,164
039	Kennedy High	2/2/2012	7/25/2012	1,612,867
040	Kennedy High	2/2/2012	7/25/2015	4,973,266
042	Portola Jr. High	3/13/2012	9/19/2012	3,728,911
046	Castro Elementary	3/13/2012	9/19/2012	2,751,343
SAB 54/03-0012	Charter (Leadership)	6/5/2007	5/28/2008	9,918,545

<sup>1</sup> Source: OPSC/SAB website, September 19, 2012.

<sup>2</sup> Includes a loan of \$3,000,000.

The District also has the following applications that have been completed:

SAB#	School	Classrooms	Enrollment	State Grant
51/02-001	Portola Jr. High	22		
57/043	Ohlone Elementary	27	473, K-6, 7 SDC	
57/044	Peres Elementary		207 K-6	\$1,067,649
57/045	Gompers High	11	261 9-12	2,333,934
57/047	Coronado Elementary	22		\$1,049,413

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

### **State Law Regarding Construction Bidding and Contracting**

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

By State law, a number of items are required to appear in bid documents. To verify that these items were included in the District's bid documents bid packages were randomly selected and analyzed, as presented in the "Bidding and Procurement Procedures" section of this report.

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

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

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

<b><u>Section</u></b>	<b><u>Description</u></b>
N/A	<i>Certification Page: Division of the State Architect (DSA) approval</i> for individual project/plans and specifications.
00100	<i>Notice To Bidders:</i> The Notice To Bidders includes the required notification for project identity; date, time, and place of bid opening; contractor's license requirements for the type of construction and the validity of that license; bid bond and certified bid security check requirements; payment bond requirements; performance bond requirements; substitution of securities information; definition of prevailing wage requirements; statement establishing blind bid process; and a reservation of the right to reject all bids.
00150	<i>Bid Bond:</i> A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.
00330	<i>Non-collusion Affidavit:</i> A non-collusion affidavit form is provided and demanded of the contractor.
00550	<i>Escrow Agreement for Security Deposits in Lieu of Retention:</i> This item is included as an option, as required.
00610	<i>Performance Bond:</i> A performance bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
00620	<i>Payment Bond:</i> A payment bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
00905	<i>Workers' Compensation:</i> The contractor is required to certify compliance with state workers' compensation regulations.
00910	<i>Prevailing Wage and Related Labor Requirements Certification:</i> The contractor is required to certify compliance with the State Public Works Contract requirements.

- 00911      *Apprenticeship Resolution Compliance:* The contractor is required to meet the requirements of Labor Code 1777.5.
- 00915      *Drug-Free Workplace Certification:* The contractor is required to provide a drug-free workplace certification.
- 00920      *Tobacco-Free Environment Certification:* The contractor is required to provide a tobacco-free environment certification.
- 00925      *Hazardous Materials Certification:* The contractor is obligated to provide certification that no hazardous materials were to be furnished, installed, or incorporated in any way into the project.
- 00930      *Lead-Based Materials Certification:* The contractor is required to certify compliance with lead-based materials regulations.
- 00935      *Imported Materials Certification:* The contractor is required to certify compliance with imported materials regulations.
- 00940      *Criminal Background Investigation/Fingerprinting Certification:* The contractor is required to select a method of compliance and to certify compliance with criminal background investigation/fingerprinting requirements.

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

- 00808      *Project Labor Agreement:* The contractor is required to meet the PLA requirements, as identified in a list of 36 projects subject to PLA, as amended August 18, 2004. The District's PLA states: "All employees...shall be paid in accordance with the classification and wage scales contained in the appropriate local agreements which have been negotiated by the historically recognized bargaining parties and in compliance with the applicable general prevailing wage determination...."
- 00810      *Hazardous Materials Procedures & Requirements:* The contractor is obligated to meet the requirements of hazardous materials regulations that were prepared by the District's Hazardous Materials Consultant.
- 00900      *Local Hiring and Local Business Utilization Program:* The contractor is required to comply with the District's Local Capacity Building Program (LCBP) to ensure equal opportunity and equitable treatment to local and small business owners and District residents in awarding and managing its public contracts, including District requirements regarding apprenticeship workers.

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



00805.6      *Labor Compliance Certification Form, Prevailing Wage and Related Labor Requirements Certification:* The contractors are required to certify compliance with the State Public Works Contract requirements.

00912      *Disabled Veteran Business Enterprise (DVBE) Participation Certification:* The contractor is required to certify compliance with the DVBE requirements as set forth in the State's School Facilities Program.

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

00110      *Instructions to Bidders*

00510      *Notice of Award*

00520      *Notice to Proceed*

00530      *Agreement*

00540      *Escrow of Bid Documentation*

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

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

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

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 SMU 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. On April 13, 2011, the Board approved a contract with Davillier Sloan, Inc. to provide services related to labor compliance, the District's Local Capacity Building Program, informal bidding and DVBE.

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

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

### **State Apprenticeship Program**

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

### **State Seismic Mitigation Program**

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

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

### **Commendation**

- The District is commended for utilizing all available State funding programs to maximize revenues to meet its facility's needs.

### **Conclusion**

- The District is in compliance with those state laws and regulations analyzed in this section.

## **COMPLIANCE WITH DISTRICT POLICIES AND REGULATIONS**

### **Objective**

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

### **Scope and Methodology**

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

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

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

### **Background**

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

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

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

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

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

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

**Series 1000 – Community Relations (Select Items)**

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

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

- West Contra Costa Unified School District: [www.wccusd.net](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.

The District is in compliance with its Series 1000 BPs.

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

<b>BP/AR</b>	<b>Description</b>	<b>Date of Adoption</b>	<b>Most Recent Date of Revision</b>
BP 3111	Deferred Maintenance Funds	02/06/2008	
BP 3280	Sale, Lease, Rental of District-owned Real Property	02/06/2008	05/09/2012
AR 3280	Sale, Lease, Rental of District-owned Real Property	10/06/2008	
BP 3300	Expenditures and Purchases	02/06/2008	
BP 3311	Bids	02/06/2008	
AR 3311	Bids	10/06/2008	
BP 3312	Contracts	02/06/2008	
BP 3314	Payment for Goods and Services	02/06/2008	
AR 3314	Payment for Goods and Services	10/06/2008	
BP 3320	Claims and Actions Against the District	02/06/2008	
AR 3320	Claims and Actions Against the District	10/06/2008	
BP 3400	Management of District Assets/Accounts	02/06/2008	
AR 3400	Management of District Assets/Accounts	10/06/2008	
BP 3430	Investing	02/06/2008	
AR 3430	Investing	10/06/2008	
BP 3460	Financial Reports and Accountability	02/06/2008	
AR 3460	Financial Reports and Accountability	10/06/2008	
AR 3515.6	Criminal Background Checks for Contractors	10/06/2008	
BP 3517	Facilities Inspection	02/06/2008	
BP 3600	Consultants	02/06/2008	

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

**Series 7000 – Facilities**

<b>BP</b>	<b>Description</b>	<b>Date of Adoption</b>	<b>Most Recent Date of Revision</b>
BP 7000	Concepts and Roles in New Construction	10/2007	01/09/2008
BP 7100	Facilities Master Plan	08/2007	01/09/2008
BP 7115	Educational Facilities Design Standards	08/2007	01/09/2008
BP 7125	Assembling and Preserving Important Documents	08/2007	01/09/2008
BP 7131	Relations with Local Agencies	08/2007	01/09/2008
BP 7140	Architectural and Engineering Services	08/2007	01/09/2008

<b>BP</b>	<b>Description</b>	<b>Date of Adoption</b>	<b>Most Recent Date of Revision</b>
BP 7150	Site Selection and Development	08/2007	01/09/2008
BP 7210	Methods of Financing	08/2007	01/09/2008
BP 7214	General Obligation Bonds	08/2007	01/09/2008
BP 7214.2	Citizens Bond Oversight Committee (CBOC)	08/2007	11/16/2011
BP 7310	Naming of Facility	08/2007	01/09/2008
BP 7470	Inspection of Completed Project	08/2007	01/09/2008

A number of the Series 7000 BPs and ARs have been written to incorporate local considerations. For example, Board Policy 7214.2 and the related Administrative Regulations provide specific language on the role of the Citizens' Bond Oversight Committee (CBOC), including the purpose of the committee, the committee's duties, the committee composition, and the selection process for the committee. These policies and regulations provide the necessary guidelines for appointments to the CBOC and provide committee members with a clear scope of their duties and authority. AR 7214.2 is undergoing a revision to bifurcate the bylaws from the AR to clarify CBOC duties and responsibilities. On November 16, 2011, the Board adopted a revised BP 7214.2 that allows the CBOC to establish its own bylaws and operational rules and to eliminate the Citizens Advisory Committee for Special Education position. BP 7214.2 stipulates that the CBOC membership shall consist of between 15 and 21 members, as determined by the Board.

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 a practice to be followed, however subjectively.



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

- Passage of Proposition 39 (November 2000) and the 55 percent threshold for local bonds and resulting construction;
- Passage of Proposition 1A (November 1998), \$9.2 billion bonds and resulting construction;
- Passage of Proposition 47 (November 2002), \$13.05 billion bonds and resulting construction;
- Passage of Proposition 55 (March 2004), \$10.0 billion bonds and resulting construction;
- Passage of Proposition 1D (November 2006), \$10.4 billion bonds and resulting construction;
- Acceleration of construction costs at a rate higher than projected (e.g., Katrina impact);
- Reduction in construction costs due to the recession (aka, a favorable bidding climate);
- Labor compliance law requirements; and
- Inadequate State School Facility Program funding.

To demonstrate the impact of construction costs during the past few years, the Class B Construction Cost Index, from the OPSC website, is presented below:

<b>Class B Construction Cost Index<sup>1</sup></b>	<b>10 Western States Percent Increase</b>	<b>8 CA Cities Percent Increase</b>
January 2002 – January 2003	2.10	1.85
January 2003 – January 2004	3.42	5.45
January 2004 – January 2005	11.263	12.07
January 2005 – January 2006	3.657	4.62
January 2006 – January 2007	8.05	6.62
January 2007 – January 2008	3.219	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

<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 impossible to achieve. Furthermore, the District established a goal to deliver high quality projects to the community for the benefit of all students in the District. To meet this goal, it became necessary for the Board to make decisions that resulted in adjustments to the standards to fit the situation as the program progressed. Some of these decisions include the following:

- Addition of kitchens (subsequent to planning and, in some cases, construction);
- Seismic problems at various sites resulting in major construction costs;
- Project Labor Agreement and local hiring program;
- Addition of playgrounds (subsequent to planning and, in some cases, construction);
- Migration from a modernization program to a full replacement program;
- Key decisions that were often scope driven and not budget driven;
- Comparatively high quality construction standards; and



- Priority given to long-term sustainability over initial cost.

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

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

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

The 26 articles in the PLA set forth the requirements for contractors and subcontractors and the District’s rights and responsibilities.

It is pointed out that, in keeping with the intent of the third paragraph of the excerpt above, the District developed a Local Capacity Building Program (LCBP) discussed below and in the “Scope, Process, and Monitoring of Participation by Local Firms” section of this audit report.

Subsequent amendments to add additional projects were approved by the Board. As of June 30, 2012, a total of 36 projects were covered by the PLA.

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

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

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

### **Observations**

- BP 7214.2 states that CBOC members “who wish to be appointed for a second two-year term shall reapply to the Board for consideration.” AB 1199, signed into law on July 10, 2012, extends the terms a member can serve to three two-year consecutive terms.
- The District has adopted new standards for middle schools and high schools, thereby replacing the “Option 1C” standard.

### **Conclusion**

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

### **Recommendations**

- It is recommended that BP 7214.2 be revised to allow for three two-year consecutive terms.
- It is recommended that the Project Labor Agreement, which has been in effect since 2003, be evaluated to determine its effectiveness in meeting its stated objectives. It is also recommended that, in light of SB 922, which authorizes PLAs with restrictions and requirements, that the District’s PLA receive legal review to ensure compliance with the new law in future years.

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

### **Objective**

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

### **Scope and Methodology**

The governance and management of the District's bond program have evolved over time to address the changing needs, functions, and funding of the District's facilities program. This section provides information on the changes in the administration of the facilities program between July 1, 2011, and June 30, 2012. The following documents were obtained from the District and reviewed in the preparation of this section:

- Position Control Document, July 1, 2011 - June 30, 2012
- Projected Program & Construction Management (staffing, 2011-2012)

### **Background**

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

The table below lists District staff and the funding allocations for the bond program for fiscal year 2011-12. Several changes are noted since the 2010-11 audit:

- The Senior Accountant Clerk is no longer funded by the Bond Program.
- The Fiscal/Project Account Analyst position has been added to the Bond Finance Office staff funded at 1.0 FTE from the Bond Program.
- The Network Planner position is now vacant.
- The Network Engineer position has been added to the staff and funded at 0.95 FTE from the Bond Program.
- The Executive Director of Business Services position has increased from 0.90 FTE to 0.95 FTE from the Bond Program and the Principal Accountant position has decreased from 1.00 FTE to 0.90 FTE from the Bond Program.

**DISTRICT STAFFING FOR THE FACILITIES BOND PROGRAM**

(Source: District records)

<b>District Staff Position</b>	<b>Other Funds Percent</b>	<b>Bond Fund Percent</b>	<b>Object Code</b>
<b>Bond Finance Office</b>			
Executive Director of Business Services	25	75	2310
Principal Accountant	0	100	2410
Senior Budget Control Clerk	0	100	2410
Senior Account Clerk	50	50	2410
<b>Bond Finance Office Subtotal</b>	<b>0.75 FTE<sup>1</sup></b>	<b>3.25 FTE<sup>1</sup></b>	
<b>Bond Management Office</b>			
Associate Superintendent of Operations	50	50	2130
District Engineering Officer	10	90	2310
School Facilities Planning Specialist	0	100	2410
Director of Facilities and Construction	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Network Planner <sup>2</sup>	10	90	2310
<b>Bond Management Office Subtotal</b>	<b>1.00 FTE<sup>1</sup></b>	<b>6.00 FTE<sup>1</sup></b>	
<b>Total for Management and Finance</b>	<b>1.75 FTE<sup>1</sup></b>	<b>9.25 FTE<sup>1</sup></b>	

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

The facilities-related personnel (full-time equivalent or FTE) assigned to the program as of June 30, 2012, including the internal staff and project and construction management personnel, are presented in the table below. These numbers exclude the architects/engineers of record, project specialty consultants, inspectors, the communication consultant, the outreach consultant, and the labor compliance consultant.

### **BOND PROGRAM STAFFING**

<b>Category</b>	<b>FTE<sup>1</sup></b>
District Staff	
Bond Finance Office	3.80
Bond Management Office	6.05
<b>Subtotal</b>	<b>9.85</b>
Bond Program Manager (SGI)	
Program/Project Management	6.20
Design Management <sup>2</sup>	3.00
Construction Management	12.0
Other <sup>3</sup> (Network Admin., PS2 Coordinator, Master Scheduler, Scheduler, Cost Estimator, Receptionist)	9.00
<b>Subtotal</b>	<b>30.20</b>
Other Construction Managers <sup>4</sup>	3.00
<b>TOTAL Full-Time Equivalent Positions</b>	<b>43.05</b>

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

<sup>2</sup>Miller and Associates

<sup>3</sup>Two schedulers and one estimator by MBCM

<sup>4</sup>Amanco

### **Observations**

- There was a significant increase in Bond Program Management (SGI) staffing in the 2011-12 audit year. Two additional staff was added to Design Management, one additional staff member was added to Other Construction Managers and two staff was added in the “Other” category. There was a reduction of one staff member in Construction Management. The net result is a 4.55 FTE increase in the total staffing for the Program. The increases in SGI staffing over the last several years will be more thoroughly evaluated in the mid-year review.
- Previously, the District utilized the services of a full-time Program Director provided by SGI. During the 2007-08 year, this position was reduced to a 0.33 FTE position. During the 2010-11 year this position was further reduced to 0.20 FTE. The responsibilities of the Program Director have been assumed by the Bond Program Manager, the Deputy Manager, Construction and the Deputy Manager, Design.

- The positions of Master Scheduler, Scheduler and Cost Estimator have been integrated into the Bond Program Management staff. As mentioned in other sections of this audit, the addition of the Primavera Expedition software to the Primavera P3 software and the integration of these software packages with the District's accounting software is anticipated to provide the District with a more accurate and timely picture of the bond program budgets and schedules.
- It was reported in the 2010-11 Audit that, after review of the scope stipulated in the Project and Construction Management Services Agreement, that it was the responsibility of the Program Manager to provide the services of the Scheduler and Master Scheduler positions. However, the cost of these positions continues to be passed through to the District.
- In the process of evaluating the bond program staffing and gathering the relevant information for this section, TSS requested copies of the most current and effective agreement for project and construction management services between the District and SGI. TSS received a copy of an agreement that has expired and is no longer in effect. Please see the Program Management section of this report for more information.

## **PROGRAM MANAGEMENT**

### **Objective**

To gather data and verify the efficiency and effectiveness of the District's approach to program management in the delivery and construction of bond funded projects.

### **Scope and Methodology**

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

- Capital Assets Management Plan, No. 58, July 25, 2011;
- Agreement for Architectural, Program Management and Project Management Services, WLC Architects, Inc./Seville Group, Inc., June 2002;
- Amendment #1 to Agreement for Architectural, Program Management and Project Management Services, WLC Architects, Inc./Seville Group, Inc., June, 2002;
- Agreement for Program, Project and Construction Management Services Related to District Bond Program, December 21, 2004;
- Amendment #1 to Agreement for Program, Project and Construction Management Services Related to District Bond Program, October 29, 2007;
- Agreement for Architectural Services between West Contra Costa Unified School District and Powell and Partners Architects for the New Construction of Pinole Middle School, May 19, 2004, plus amendments 1 through 23;
- Agreement for Architectural Services between West Contra Costa Unified School District and Powell and Partners Architects in association with HMC Architects for Kennedy High School Renovations, April 20, 2007, plus amendments 1 through 21;
- Agreement for Architectural Services between West Contra Costa Unified School District and Interactive Resources, Architects, for the New Construction of Nystrom Elementary School, February 26, 2007, plus amendments 1 through 18;
- Agreement for Architectural Services between West Contra Costa Unified School District and Arthur Tam Architects for the New Construction at Dover Elementary School, May 25, 2006, plus amendments 1 through 15;
- Agreement for Architectural Services between West Contra Costa Unified School District and Sally Swanson Architects for the New Construction at Ford Elementary School, May 4, 2006, plus amendments 1 through 10; and
- Agreement for Architectural Services between West Contra Costa Unified School District and Baker Vilar Architects for the Reconstruction at Helms Middle School, plus amendments 1 through 11.

## **Background**

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

District staff has made significant progress toward correcting the problem of duplication of effort. The role of the Master Architect has been eliminated, removing one layer of redundancy. The Program Manager (SGI) has been instructed to assume responsibility for more of the tasks within the bond program. The Program Manager has assumed the responsibility for scheduling and added a Master Scheduler and a Project Scheduler. However, although the work was included in the scope of services in their agreement, the cost of those positions has been passed on to the District.

One of the key functions of the Master Scheduler and two other members of the consultant team has been to transition all projects and past project data to the Primavera Project Planner software. This process has been underway for more than a year and is reported to be significantly behind schedule. It was reported by District staff that the intent of the transition to the Primavera program is to link the project information to the District's financial software. It was reported during staff interviews this year that the District is currently converting their financial software from the Bi-Tech system to the Munis system, which adds another element of complexity to this matter.

It was reported by District staff that inaccuracies have been noted in the CAMP Reports. The Capital Assets Management Plan is one of the key tools used by the Program Manager to track and report the revenues and expenditures of the measures M, D, J and D-2010 bond programs. The CAMP reports have been used as a reference in previous performance audits.

As an example of the issues contained in the report, the following information was noted in a review of the June 20, 2012 CAMP Report:

	<b>Budget<sup>1</sup></b>	<b>Available Revenues<sup>2</sup></b>	<b>Difference</b>
Measure M	\$329,620,349	\$215,269,233	(\$144,351,126)
Measure D	\$343,641,920	\$344,564,492	\$923,572
Measure J	\$329,943,236	\$474,299,727	\$144,356,491
Measure D 2010	\$473,265,432	\$442,337,494	(\$30,927,938))

<sup>1</sup>CAMP Budget and Cost Comparison/Analysis, CAMP Report, June 20, 2012

<sup>2</sup>Measure M, D, J, and D 2010 Bond Program 2012 Master Plan Budget, CAMP Report, June 20, 2012

As indicated in this summary, the revenues from each bond do not match the budgeted expenditures. The aggregate difference of all the bond measures indicates that the total budgets exceed the anticipated revenues by \$29,999,001.



A sample of architectural agreements was reviewed for this audit. In this review it was noted that all agreements included multiple amendments. Of the six agreements reviewed, the number of amendments ranged from 10 to 23. These amendments increased the cost of services for the projects in a range from 20.8 percent to 610.9 percent. The reasons documented for these changes included unforeseen conditions and additional services required due to the phasing of the project. The most common justification was an increase in the scope of a project by the District.

As a part of the program management review for this audit, TSS requested copies of the most current agreements for Program, Project and Construction Management services. Two agreements were provided by the District however, neither agreement was effective for the Measure J or Measure D (2010) programs.

### **Observations**

- The District's Program Management consultant has reported transitioning to Primavera Project Planner (P3) software for cost control and Primavera Expedition for schedule control. It was reported that these two systems are compatible and will allow the District to create cost-loaded schedules for cost management and for more accurate schedule monitoring. During the 2010-11 audit period it was reported that the transition to Primavera Expedition was 90 percent complete. As of the time of writing of the 2011-12 audit this transition remained incomplete and was not expected to be completed until early 2013. This software was anticipated to be fully integrated with the District's budgeting software by September, 2012, however, that transition remains incomplete.
- It was reported in the 2010-11 audit that the District has implemented a Design Committee and a Change Order Committee, each of which meet once per week. The Design Committee has been effective in keeping design projects on schedule and the Change Order Committee has been effective in reviewing change orders for all projects and keeping costs down. In interviews for this year's audit it was reported that the meetings of these committees are intermittent and inconsistent.
- Inaccuracies in one of the primary tools used in the monitoring and reporting of bond funds, the Capital Assets and Management Plan, have been reported by the District staff and have been noted in the past. This can lead to over budgeting for projects or lead to expenditures in excess of the established budgets.
- The District consistently has an unusually high number of amendments to all their agreements for architectural services. Excessive amendments can lead to confusion with invoicing and payments.

## **Conclusions**

- The District has made significant progress in eliminating the overlap and duplication of services from multiple consultants.
- With the hiring of the schedulers and the implementation of Primavera P3 and Expedition software, the District will be able to more effectively monitor and control project costs and schedules. The bond program costs will be integrated into the District's budgeting and fiscal software to allow the District to view a more complete picture of the fiscal program. However, the costs and schedule of this transition appear to be excessive.
- The implementation of the design and change order committees has provided the District with effective tools to monitor and control costs and schedules on projects from the start of design through the completion of construction. However, these committees are not meeting as often as they have in the past which has impacted the effectiveness and primary goal of these committees.
- While it is not uncommon for projects on existing sites to encounter unforeseen conditions or changes in scope warranting additional services, the number of amendments to the agreements for architectural services for these circumstances seems excessive. This indicates a lack of sufficient investigation of existing conditions and a lack of planning to adequately define the scope of the projects prior to the commencement of design services. In addition to the increased cost of design services, the high number of amendments may lead to additional project construction costs and will increase the probability of inaccuracies developing with the invoicing and payment of these design services.

## **Finding**

- Although numerous requests were made for a current copy of the Agreement for Program, Project and Construction Management Services, the District and the Program Manager were only able to produce agreements that are no longer in effect and were not able to produce an agreement that is in effect for the two most recent bond programs, Measures J and D (2010).

## **Recommendations**

- The District should define and monitor the duties of the Master Architect.
- The District should require more detail and greater accuracy in the information reported in the Capital Assets and Management Plan or use another tool to track and report on bond projects.
- It is recommended that the District increase their effort to properly develop the program and budget for each project and investigate the existing conditions on a site prior to commencing the design process.

- The District should ensure that there is a valid and effective contract in place for Program, Project and Construction Management Services and that the provisions of the agreement are adhered to appropriately.

**District Response**

- Subsequent services are captured in fee proposals and contract amendments. These services extend into Measure J projects, and through current activities which include some Measure 2010 D projects.
- The District has solicited proposals for project management/construction management services for the bond program.

## **DESIGN AND CONSTRUCTION SCHEDULES – [CASH FLOW ONLY]**

### **Objective**

The objective of this section is to gather and verify the adequacy of the District's efforts to establish and meet the approved design and construction schedules for bond funded projects.

### **Scope and Methodology**

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

- Program Cash flow, July 29, 2011;
- WCCUSD Master Program Schedule, October 11, 2011; and
- Capital Assets Management Plan (CAMP) report, June 20, 2012.

### **Background**

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

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

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

## Observations

- The “Program Cash flow” document is a comprehensive instrument indicating revenues from the different District bond measures; anticipated State funding; developer fee income; and anticipated interest income from the accounts holding these revenues. The document includes the anticipated timing of bond issuances and the projected revenue from the State funding programs. Expenditures include actual expenditures which have been incurred and projected expenditures for each project. Expenditures are estimated for each year through 2021-22. This document can be a useful planning tool for the District if updated on a regular basis and when major events occur which impact either revenues and/or expenditures.
- As noted in the Program Management section of this document, one of the key tools used to report and track revenues and expenditures is the Capital Assets Management Plan (CAMP) report. This report is also provided to the CBOC for their use in tracking the program progress. However, it has been reported by the District staff and confirmed through our analysis that the information in the CAMP reports is inconsistent with other District data and often out of date. The inaccuracies and inconsistencies in information in the reports may affect the accurate prediction of cash flow needs.
- As reported in the 2010-11 audit, the cash flow project documents do not consistently carry a project contingency. It was reported by District staff that many of the current projects are being bid at levels in excess of the budget. In some cases projects are projected to be considerably over budget. However, the CAMP reports and the cash flow documents do not reflect this and there is no program contingency to compensate for the budgets excesses.
- The Revenues section of the cash flow documents includes a number of potential funding sources. These sources include State Reconstruction Hardship Grants and developer fee income. The amount and timing of these sources is uncertain and there is no mechanism in the document to compensate for these sources if they are not realized at the time indicated. A program contingency would help to account for these circumstances.
- As noted in the 2011-12 audit, there has typically been a sufficient total ending balance to compensate for unforeseen expenses, averaging \$73.9 million per year. However, the total ending balance in 2014-15 is indicated to be only \$14.8 million and in 2016-17 only \$6.7 million. If a significant event or series of events were to occur during one of these periods, one or more of the identified high priority projects may need to be delayed. The inclusion of a program contingency would offset this potential impact on planned projects and disruption to the program.
- The cash flow document provided by the District for this review was compiled on a yearly basis. It is recommended that this information be compiled and updated on a monthly basis to more accurately account for monthly expenditures and to predict the availability of future funds. It was reported by the District staff that the current Bi-Tech system used in conjunction with the cash flow documentation is not able to accurately capture project budget and expenditure data with sufficient accuracy to determine the amounts of available funds at the time that expenditures are made. Monthly tracking of the revenues and expenditures would supply more accurate information for this purpose.

## **Conclusions**

- During the 2011-12 audit year the District has made progress in tracking the cash flow of the bond projects and matching the expenditures with the revenues. However, the accuracy of the projections needs to be improved to prevent cost overruns and the possibility of delays in completing projects.
- It is anticipated that the transition from the Bi-Tech financial system to the Munis system and the linking of the Primavera Project Planning system to the financial software will increase the accuracy of the cash flow projections and provide the District and the CBOC with a clearer picture of project budgets and expenditures.

## **Recommendations**

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

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

### **Objective**

The objective of this section is 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.

### **Scope and Methodology**

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

- WCCUSD Projected and Available Funds, 2012;
- Capital Assets Management Plan (CAMP) Reports, Measure M, D, J and D-2010, dated June 20, 2012;
- Board agenda documents on construction project bid approvals for contract amounts; and
- Bid tabulations from the Bond Program Website.

### **Background**

California public school districts are permitted to develop building standards based on their individual and unique educational, aesthetic and fiscal needs. The California Department of Education (CDE) reviews and approves projects based on criteria set in the Title 5 Regulations, California Code of Regulations. These regulations include, review for educational adequacy, compliance with the California Environmental Quality Act (CEQA) and other standards. The Division of the State Architect (DSA) reviews and approves projects based on conformance with the California Building Code, Title 24. The Office of Public School Construction (OPSC) approves projects based on established district eligibility for funding.

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

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

Through actions of the Board of Education, the West Contra Costa Unified School District originally established standards known as "Option 1C Standards" to guide the bond program projects. These standards resulted in individual project budgets which were significantly higher than the budgets that would be based solely on the SFP formula. Subsequent to the adoption of the Option 1C Standard, the District routinely took action that resulted in exceeding this standard.

The Option 1C Standards are described in detail in previous audit reports and have not changed significantly for the 2011-12 audit year.

### **Construction Budgets**

During the years 2008-2011, the construction industry experienced a steep decline in construction costs due to an economic recession that began in 2007. This trend of declining construction costs is evidenced in projects bid during the 2008-09 period that came in generally lower than the construction estimates. It also resulted in high bidder participation for WCCUSD projects since there were substantially fewer public works and private construction projects available in the market. In the past year, construction costs have started to increase again. In January 2012, the State Allocation Board approved an increase in the construction cost index of 3.76 percent, indicating that the construction costs for the 2011 year have increased by that amount. It will be some time before costs return to the levels experienced prior to the economic down turn, however, it is good to keep contingencies at levels that take these increased costs into account. During the 2011-12 audit year construction costs did not increase significantly. As can be seen in the table below, 16 of the 41 projects reviewed had acceptable bids below the budget. The Coronado Elementary School Interim Campus project was \$811,110 or 33.38 percent under budget.

Fourteen of the projects reviewed received acceptable bids which were over the stated budget. The greatest of these was the Ellerhorst Elementary School re-roof project which was \$826,270 or 110 percent over budget, due to the need to complete this work expeditiously. The District authorized the award of this contract to the lowest responsive bidder, which was the second low bidder and obtained Board ratification on July 23, 2012.

Eleven of the projects reviewed had insufficient data to evaluate at the time of this writing because the bid process was not complete and contracts had not yet been awarded. See the Bidding and Procurement section of this report (Bid and Contract Awards Table) for information related to the projects no yet under contract.

The following table, "Construction Budgets vs. Actual Bids, 2011-12", shows examples of projects bid and awarded during the period from July 1, 2011 through June 30, 2012. During this period, bidder participation ranged from 2 to 9 bidders and was slightly less than the previous year.



## CONSTRUCTION BUDGETS VS. ACTUAL BIDS JULY 1, 2011-2012

Site	Project Description	Bid Number	Budget	Low Bid	Contract Amount	Variance
Kennedy High School	ADA Upgrades and Elevator	J068288	\$850,000	\$836,880	\$836,880	(\$13,120)
Collins Elementary School	Site Work/ Utilities for Portables	J068289	\$150,000	\$222,178	\$222,176	\$72,176
Helms Middle School	Surveillance Camera Installation	J068300	\$250,000	\$298,000	\$298,000	\$48,000
Richmond High School	Art Building Fire Alarm and Security	J068301	\$50,000	\$54,716	\$54,716	\$4,716
Lupine Hills Elementary School	Window, Wall & Roof Repairs	J068302	\$75,000	\$135,000	\$135,000	\$60,000
Crespi Middle School	Gym Floor Replacement	J068303	\$180,000	\$238,650	\$238,650	\$58,650
Pinole Valley High School	Surveillance Camera Installation	J068305	\$150,000	\$330,000	n/a	n/a
Stewart Elementary School	Site Renovation	W068306	n/a	\$57,275	\$57,275	n/a
Richmond High School	Fiber Optics Installation	J068298	n/a	\$48,000	\$48,000	n/a
Lupine Hills Elementary School	Restroom Resurfacing	J068296	\$145,000	\$114,000	n/a	n/a
Verde Elementary School	Restroom Resurfacing	J068297	\$120,000	\$107,000	n/a	n/a
Harding Elementary School	Phase II Waterproofing	J068293	\$100,000	\$98,900	n/a	n/a
Kennedy High School	Quad Renovations	J068309	\$890,000	\$982,800	\$982,800	\$92,000
Riverside Elementary School	Restroom Resurfacing	J068304	\$118,000	\$81,500	\$81,500	(\$36,500)
Pinole Middle School	Miscellaneous Repairs Project	J068310	\$106,000	\$89,700	\$89,700	(\$16,300)
Lupine Hills Elementary School	Restroom Resurfacing	J068313	\$135,000	\$117,000	\$117,000	(\$18,000)
Verde Elementary School	Restroom Resurfacing	J068312	\$100,000	\$83,000	\$83,000	(\$17,000)
Pinole Middle School	Interim Housing Demolition Project	J068294	\$220,000	\$155,000	\$155,000	(\$65,000)
Washington Elementary School	Restroom Resurfacing	J068314	\$130,000	\$78,900	\$78,900	(\$51,100)
Nystrom Elementary School	Temporary Campus Modular Buildings	J068316	n/a	\$637,288	\$637,288	n/a
Pinole Valley High School	Video Surveillance System	J068317	\$325,000	\$303,422	\$303,422	(\$21,578)

Site	Project Description	Bid Number	Budget	Low Bid	Contract Amount	Variance
Nutrition Center	Boiler Replacement	6511600-12-01	\$175,000	\$222,200	\$222,200	\$47,200
Gompers/LPS High School	Soil Removal and Site Work	3881366-02	n/a	\$440,000	\$558,428	n/a
Nystrom Elementary School	Temporary Campus	1441205-09	\$3,000,000	\$1,753,837	n/a	n/a
Pinole Middle School	MPR Audio-Visual Systems	2121102-05	\$75,000	\$71,722	\$71,722	(\$3,278)
Helms Middle School	MPR Audio-Visual Systems	2121101-10	\$70,000	\$58,890	\$58,890	(\$11,110)
Peres Elementary School	Dental Clinic	1471390-1	\$250,000	\$212,000	\$289,000	\$39,000
Nystrom Elementary School	Temporary Campus Site Work	1441205-09	\$1,700,000	\$1,834,007	\$1,834,007	\$134,007
Kennedy High School	Replacement Softball Field	1121341-02	\$120,500	\$107,900	\$107,900	(\$12,100)
Coronado Elementary School	Interim Campus at Kennedy HS	1121341-01	\$2,430,000	\$1,618,900	\$1,890,000	(\$540,000)
Portola Middle School	School Demolition Project	2141103-08	\$2,670,000	\$2,148,000	\$2,190,176	(\$479,824)
Harding Elementary School	CR Wing Envelope & Foundation Vents	1271223-02	\$175,000	\$163,000	n/a	n/a
Bayview Elementary School	Exterior Repairs	1041223-11	\$246,700	\$209,000	n/a	n/a
Collins Elementary School	New Fire Alarm	1101612-02	\$270,000	\$239,788	\$239,788	(\$30,212)
Sheldon, Murphy and Mira Vista ES	Restroom Renovations	1421223-19 1551226-20 1391223-18	\$550,000	\$477,000	\$477,000	(\$73,000)
Ellerhorst, Harding, Lincoln, and Tara Hills ES	Restroom Renovation	1591223-01 1171223-13 1351223-01 1271223-04	\$850,000	\$885,000	\$885,000	\$35,000
Mira Vista Elementary School	Concrete Stoops	1391215-01	\$48,000	\$46,800	\$46,800	(\$1,200)
Crespi Middle School	Gym Roof Replacement	2061218-06	\$265,000	\$340,000	\$340,000	\$75,000
Peres Elementary School	Modernization	1471390-00	\$1,100,000	\$1,235,000	\$1,235,000	\$135,000
Richmond High School	Emergency Lighting Replacement	3641612-02	\$230,000	\$282,000	\$285,000	\$55,000
Ellerhorst Elementary School	Re-roof	1171223-12	\$750,000	\$1,077,100	\$1,576,270	\$826,270

## **New Construction Accounting Software**

As indicated in other sections of this audit report, the District is in the process of transitioning to new project planning and scheduling software. Since 2009 SGI has been using Primavera Project Planner (P3) for scheduling and cost accounting. The District recently adopted Primavera Expedition for more accurate cost accounting. This combination will allow the District to exercise better control over project scheduling and costs. The software will allow the District to have cost-loaded schedules and plan the issuance of future bonds and cash flow more effectively. The new software will also allow the District to tie the cost and scheduling information into the existing District financial software for budgeting and invoicing control. The transition to P3 is complete and the transition to Primavera Expedition was reported last year to be 90 percent complete. It was reported by staff during last year's audit process that the new software was to be fully operational and integrated with the District's financial software by September, 2012. According to staff interviewed for this year's audit the full implementation will not be complete until July, 2013.

## **Seismic Mitigation Program**

As reported in the 2010-11 audit, the District has 12 projects listed on the AB 300 list as potentially vulnerable to damage or failure in a seismic event. The District has been in the process of reviewing these projects and mitigating the relevant issues. The issues with 9 of the projects have been resolved by either retrofit or demolition and replacement. One additional project was identified as being previously demolished. The seismic evaluation of the Crespi Middle School project was completed in June, 2011, and an application for seismic upgrade is under review by the Division of the State Architect. The remaining project, the Vista Hills High School, is still pending evaluation.

The current status of the 12 school sites included in the AB 300 mitigation list for the District, as reported by staff, is shown in the table below:

### **SEISMIC MITIGATION**

<b>School Site</b>	<b>Seismic Mitigation Status</b>
Adams Middle School	Closed after Seismic Evaluation
Crespi Middle School (Gym and Cafeteria)	Evaluation completed. Application submitted to the DSA for review.
Downer Elementary School	Demolished and replaced.
El Cerrito High School	Demolished and replaced.
Kennedy High School (Granada)	Demolished in 1966.
Pinole Valley High School	Demolition and replacement under way.
Richmond High School (Old Gym and Lockers)	Demolition and replacement under way.
Gompers High School (Roosevelt Junior High)	Demolition and replacement under way.
Del Mar School	Sold.
Mira Vista Elementary School (K-8)	Seismic renovations.
King Elementary School (Pullman)	Demolition and replacement under way.
Vista Hills High School	Pending evaluation.

## Observations

- The recent trend of declining construction costs has stabilized and as the economy continues to improve, construction costs have begun to rise. However, costs still remain at levels lower than in the early 2000s. Bidder participation has continued at the high levels seen during the previous year. Of the 41 project bids reviewed for this audit, 16 were below budget and 14 were in excess of the budget. Eleven projects had insufficient data to evaluate.
- The overall budget to bid comparison indicates that projects which received bids lower than the budgets nearly balanced the projects over budget. The overall program bids were 2.39 percent in excess of the total program budgets.
- The transition to the Primavera software and the integration of that software into the District's financial software is taking significantly more time and resources than originally planned. The District's transition from the Bi-Tech financial software system to the Munis software system has added greater complexity to the process.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Objective**

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

### **Scope and Methodology**

The scope of this section covers the activities of the District relating to the bidding and awarding of construction contracts for projects funded under the Measure D and J bond program for the period from July 1, 2011 through June 30, 2012. TSS conducted interviews with District staff and Program Management staff. In the process of this examination, TSS also reviewed Board agenda items, bid documents and contract documents for the following:

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

### **Background**

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

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

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

Administrative Regulation 3311 on advertised and competitive bids (adopted October 6, 2008) notes that the District will seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111, 22002). The District also shall seek competitive bids through advertisements for contracts exceeding the amount specified in law (effective January 1, 2009 – December 31, 2009). (In 2010, this bid threshold under law was increased to \$76,700 for the purchase of equipment, materials, or supplies to be furnished, sold or leased to the District [Contract Code 20111; Government Code 53060].) The administrative regulation specifically addresses the following issues:

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

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

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

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

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

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

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

### **California Uniform Public Construction Cost Accounting Act (CUPCCAA).**

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

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 qualified contractor from this list and negotiate a contract or issue a purchase order without going through a bid process.
- b) To informally bid public projects ranging from \$45,000 to \$175,000, the District must mail bid notices at least 10 days before bids are due to all listed contractors on the appropriate trade category and to specified trade journals. The notices must provide the contractors and trade journals with general information on the type of services sought for the project, as well as the time and place of bid submission.
- c) To formally bid public projects above \$175,000, the District must mail a notice inviting formal bids to all construction trade journals specified in the Cost Accounting Policies and Procedures Manual of the California Uniform Public Construction Cost Accounting Commission at least 30 calendar days before bids are due. The notice to bidders also must be published at least weekly for a period of two weeks in a general circulation newspaper.

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



## **Bidding Practices for Roofing Projects**

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

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

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

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

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

The following table details all of the Measure D 2010 and J projects bid and contracts awarded during fiscal year 2011-12. It provides the bid opening date, the number of participants, results, and variances between bids.



**Bid Results and Contract Awards  
July 1, 2012 – June 30, 2012**

Site	Project Description	Bid Number	Bid Opening Date	No. Of Bids	High Bid	Low Bid	Variance	Board Approval Date	Awardee/ Contractor	Contract Amount
Kennedy High School	ADA Upgrades and Elevator	J068288	7/2/2011	4	\$1,030,697	\$836,880	(\$193,817)	7/13/2011	CF Contracting	\$836,880
Collins Elementary School	Site Work/ Utilities for Portables	J068289	7/19/2011	5	\$456,000	\$222,178	(\$233,822)	7/27/2011	ERA Construction	\$222,176
Helms Middle School	Surveillance Camera Installation	J068300	8/3/2011	6	\$467,148	\$298,000	(\$169,148)	9/7/2011	CF Contracting	\$298,000
Richmond High School	Art Building Fire Alarm and Security	J068301	8/4/2011	2	\$69,350	\$54,716	(\$14,634)	8/17/2011	Green Leaf dba Eclipse Electric	\$54,716
Lupine Hills Elementary School	Window, Wall & Roof Repairs	J068302	8/4/2011	2	\$309,372	\$135,000	(\$174,372)	8/17/2011	AM Woo Construction	\$135,000
Crespi Middle School	Gym Floor Replacement	J068303	8/4/2011	5	\$386,500	\$238,650	(\$147,850)	8/17/2011	Romkon Inc.	\$238,650
Pinole Valley High School	Surveillance Camera Installation	J068305	8/24/2011	2	\$335,000	\$330,000	(\$5,000)	9/7/2011	REJECTED all bids	n/a
Stewart Elementary School	Site Renovation	W068306	9/15/2011	6	\$145,250	\$57,275	(\$87,975)	10/4/2011	Bruce Carone	\$57,275
Richmond High School	Fiber Optics Installation	J068298	9/22/2011	3	\$62,000	\$48,000	(\$14,000)	1/4/2012	Nema Construction	\$48,000
Lupine Hills Elementary School	Restroom Resurfacing	J068296	10/14/2011	9	\$349,380	\$114,000	(\$235,380)	<sup>1</sup>	REJECTED all bids	n/a
Verde Elementary School	Restroom Resurfacing	J068297	10/14/2011	3	\$189,250	\$107,000	(\$82,250)	<sup>1</sup>	REJECTED all bids	n/a
Harding Elementary School	Phase II Waterproofing	J068293	10/19/2011	3	\$218,000	\$98,900	(\$119,100)	<sup>1</sup>	REJECTED all bids	n/a
Kennedy High School	Quad Renovations	J068309	10/27/2011	5	\$1,569,000	\$982,800	(\$586,200)	12/7/2011	CF Contracting	\$982,800
Riverside Elementary School	Restroom Resurfacing	J068304	11/10/2011	3	\$99,700	\$81,500	(\$18,200)	12/7/2011	Streamline Builders	\$81,500
Pinole Middle School	Miscellaneous Repairs Project	J068310	11/14/2011	3	\$104,700	\$89,700	(\$15,000)	12/7/2011	AM Woo Construction	\$89,700
Lupine Hills Elementary School	Restroom Resurfacing	J068313	11/22/2011	5	\$170,000	\$117,000	(\$53,000)	<sup>2</sup>	S&H Construction	\$117,000

Site	Project Description	Bid Number	Bid Opening Date	No. Of Bids	High Bid	Low Bid	Variance	Board Approval Date	Awardee/ Contractor	Contract Amount
Verde Elementary School	Restroom Resurfacing	J068312	11/22/2011	4	\$178,000	\$83,000	(\$95,000)	3	Affordable Painting	\$83,000
Pinole Middle School	Interim Housing Demolition Project	J068294	11/29/2011	6	\$229,500	\$155,000	(\$74,500)	1/4/2012	Thomas D. Eychner	\$155,000
Washington Elementary School	Restroom Resurfacing	J068314	12/9/2011	7	\$139,973	\$78,900	(\$61,073)	1/18/2012	Streamline Builders	\$78,900
Nystrom Elementary School	Temporary Campus Modular Buildings	J068316	12/19/2011	2	\$889,662	\$637,288	(\$252,374)	1/4/2012	Mobile Modular	\$637,288
Nystrom Elementary School	Reconditioned DSA Portables Lease	J068316	12/19/2011	2	\$889,662	\$637,288	(\$252,374)	4/4/2012	Mobile Modular	\$637,288
Pinole Valley High School	Video Surveillance System	J068317	1/25/2012	4	\$319,000	\$303,422	(\$15,578)	2/1/2012	West Corporation	\$303,422
Nutrition Center	Boiler Replacement	6511600-12-01	2/7/2012	6	\$301,614	\$222,200	(\$79,414)	3/7/2012	S&H Construction	\$222,200
Gompers/LPS High School	Soil Removal and Site Work	3881366-02	2/27/2012	7	\$879,000 <sup>4</sup>	\$440,000	(\$439,000)	3/7/2012	Applied Water Resources	\$558,428
Nystrom Elementary School	Temporary Campus	1441205-09	3/1/2012	5	\$2,845,000	\$1,753,837	(\$1,091,163)	4/4/2012	REJECTED all bids.	n/a
Pinole Middle School	MPR Audio-Visual Systems	2121102-05	3/20/2012	4	\$85,800	\$71,722	(\$14,078)	4/4/2012	Point One Electrical Systems	\$71,722
Helms Middle School	MPR Audio-Visual Systems	2121101-10	3/21/2012	3	\$78,200	\$58,890	(\$19,310)	4/4/2012	Triumph Construction Group	\$58,890
Peres Elementary School	Dental Clinic	1471390-1	4/3/2012	8	\$388,800	\$212,000 <sup>5</sup>	(\$176,800)	4/4/2012	Ziegenbein Construction	\$289,000
Nystrom Elementary School	Temporary Campus Site Work	1441205-09	4/10/2012	4	\$1,966,371	\$1,834,007	(\$132,364)	4/25/2012	Alten Construction	\$1,834,007
Kennedy High School	Replacement Softball Field	1121341-02	4/11/2012	3	\$142,928	\$107,900	(\$35,028)	4/25/2012	Lemings Irrigation	\$107,900
Coronado Elementary School	Interim Campus at Kennedy HS	1121341-01	4/12/2012	6	\$2,117,000	\$1,618,900 <sup>6</sup>	(\$498,100)	4/25/2012	Vila Construction Co.	\$1,890,000
Portola Middle School	School Demolition Project	2141103-08	4/12/2012	9	\$3,492,000	\$2,148,000 <sup>7</sup>	(\$1,344,000)	4/25/2012	Alten Construction	\$2,191,176
Harding Elementary School	CR Wing Envelope & Foundation Vents	1271223-02	5/15/2012	3	\$192,250	\$163,000	(\$29,250)	8	REJECTED all bids	n/a

Site	Project Description	Bid Number	Bid Opening Date	No. Of Bids	High Bid	Low Bid	Variance	Board Approval Date	Awardee/ Contractor	Contract Amount
Bayview Elementary School	Exterior Repairs	1041223-11	5/29/2012	3	\$668,000	\$209,000	(\$459,000)	<sup>8</sup>	REJECTED all bids	n/a
Collins Elementary School	New Fire Alarm	1101612-02	6/5/2012	4	\$289,000	\$239,788	(\$49,212)	6/13/2012	Watson Electric, Inc.	\$239,788
Sheldon, Murphy and Mira Vista ES	Restroom Renovations	1421223-19 1551226-20 1391223-18	6/5/2012	5	\$1,079,074	\$477,000	(\$602,074)	6/13/2012	AM Woo Construction	\$477,000
Ellerhorst, Harding, Lincoln, and Tara Hills ES	Restroom Renovation	1591223-01 1171223-13 1351223-01 1271223-04	6/6/2012	3	\$1,666,144	\$885,000	(\$781,144)	6/13/2012	B-Side Inc.	\$885,000
Mira Vista Elementary School	Concrete Stoops	1391215-01	6/13/2012	4	\$150,000	\$46,800	(\$103,200)	6/13/2012	California Constructors	\$46,800
Crespi Middle School	Gym Roof Replacement	2061218-06	6/14/2012	3	\$403,000	\$340,000	(\$63,000)	6/27/2012	Stronger Building Services	\$340,000
Peres Elementary School	Modernization	1471390-00	6/27/2012	3	\$1,493,000	\$1,235,000	(\$258,000)	7/2/2012	S & H Construction	\$1,235,000
Richmond High School	Emergency Lighting Replacement	3641612-02	6/28/2012	2	\$285,000	\$282,000	(\$3,000)	7/23/2012	ERA Construction	\$285,000
Ellerhorst Elementary School	Re-roof	1171223-12	6/28/2012	3	\$1,865,000	\$1,077,100	(\$787,900)	7/23/2012	Alcal Specialty Contracting	\$1,576,270 <sup>9</sup>

<sup>1</sup> Bids were rejected and the project was rebid at a later date. According to staff, notification to the Board regarding the rejection of bids was not required since the projects were never presented to the Board for award.

<sup>2</sup> Bid was awarded in the contract amount of \$117,600 by action of the Board's designees.

<sup>3</sup> Bid was awarded in the contract amount of \$83,000 by action of the Board's designees.

<sup>4</sup> The apparent low bidder, WR Forde, withdrew its bid due to a mathematical error. Project was awarded to the second low bidder.

<sup>5</sup> The apparent low bidder, Arthulia, Inc., disclosed that they failed to include pricing for dental equipment in their bid. Project was awarded to the second low bidder.

<sup>6</sup> The apparent low bidder, BHM Construction, withdrew its bid due to a clerical error. Project as awarded to second low bidder.

<sup>7</sup> The apparent low bidder, Evans Brothers, was deemed non-responsive by the District. Project was awarded to the second low bidder.

<sup>8</sup> Bidders were notified that bids were rejected. According to staff, notification to the Board regarding the rejection of bids was not required since the projects were never presented to the Board for award.

<sup>9</sup> In consideration of the need to complete work expeditiously, the Superintendent's designee authorized the award of contract to the lowest responsive, responsible bidder (the second low bidder) and obtained Board ratification on July 23, 2012.

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

### **Helms Middle School Surveillance Camera Installation - # J068300**

The Bid Advertisement for the project was published on July 4 and 10, 2011, in the *West County Times*. The bid was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on August 3, 2011. Six bids were received. The table below summarizes the outcome of these bids.

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>
<b>CF Contracting</b>	<b>\$298,000</b>
Security Engineers	\$338,786
Ojo Technology	\$396,710
RFI	\$447,304
W.E.S.T.	\$459,947
Point One	\$467,148

(Budget = \$250,000. No allowance included in the base bids.)

After reviewing bid documents, the District declared CF Contracting as the lowest responsible bidder with a responsive bid for the project. The estimated budget for this project was \$250,000. Award of contract was approved by the Board of Education on September 7, 2011. The Notice of Award was issued on September 7, 2011. Upon receipt of contract documents—the signed copies of contract agreement, performance bond, payment bond, and certificates of insurance—the Notice to Proceed was issued on September 23, 2011. The Notice to Proceed specified that the contract commenced on October 4, 2011, and the anticipated date of completion would be January 3, 2012.

### **Gompers/ LPS High School Soil Removal and Site Work – # 3881366-02**

The Bid Advertisement for the project was published on January 22 and 29, 2012, in the *West County Times*. The notice to bidders was advertised on two separate occasions seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on February 27, 2012. Seven bids were received. The table below summarizes the outcome of these bids.

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>
<b>WR Forde</b>	<b>\$440,000</b>
Applied Water Resources	\$558,428
Parc	\$584,640
Pacific States	\$598,100
Evans Brothers	\$806,000
Ghilotti Brothers	\$819,060
Jedco	\$879,000

(Estimate = \$ 250,000. No allowance included in the base bids.)

The apparent low bidder, WR Forde withdrew its bid due to a mathematical error. Therefore, the District reviewed the remaining bids and determined that the second lowest bidder, Applied Water Resources Inc., the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on March 7, 2012 in the amount of \$558,428. The Notice of Award was issued on March 13, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on April 4, 2012. The Notice to Proceed specified that the contract commenced on April 9, 2012, with an anticipated date of completion 50 days from Notice to Proceed.

**Nystrom Temporary Campus Site Work - # 1441205-09**

The Bid Advertisement for this project was published on March 25, and April 1, 2012, in the *West County Times*. The notice to bidders was advertised on two separate occasions seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on April 10, 2012. A total of four bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Unit Price</u>
<b>Trinet Construction</b>	<b>\$1,770,400</b>	<b>\$22,400</b>
Alten Construction	\$1,811,307	\$22,700
BHM Construction	\$1,940,500	\$12,700
John Plane	\$1,949,971	\$16,400

(Budget = \$1,700,000. No contract allowance included in the base bids.)

The apparent low bidder, Trinet Construction, was deemed non-responsive by the District. Therefore, the District reviewed the remaining bids and determined that the second lowest bidder, Alten Construction, is the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on April 25, 2012 in the amount of \$1,834,007 (Base Bid + Unit Price). The Notice of Award was issued on April 27, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on May 10, 2012. The Notice to Proceed specified that the contract commenced on May 10, 2012, with an anticipated date of completion on August 3, 2012.

**Coronado Elementary School Temporary Campus at Kennedy HS – #1121341-01**

The Notice to Bidders was advertised on March 11, and 18, 2012, in the *West County Times*. The notice was advertised on two separate occasions seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on April 12, 2012. A total of six bids were received but one bidder was declared non-responsive due to missing required documents. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
<b>BHM Construction</b>	<b>\$1,618,900</b>
Vila Construction	\$1,890,000
Interstate Grading & Paving	\$1,915,000
Trinet Construction	\$1,940,000
Schembri Construction	\$1,955,101
JUV Inc.	\$2,117,000

(Estimate = \$2,430,000. No contract allowance included in the base bids.)

The apparent low bidder, BHM Construction, withdrew its bid due to a clerical error. Therefore, the District reviewed the remaining bids and determined that Vila Construction is the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on April 25, 2012 in the amount of \$1,890,000. The Notice of Award was issued on April 27, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on May 9, 2012. The Notice to Proceed specified that the contract commenced on May 9, 2012, with an anticipated date of completion 90 calendar days from the Notice to Proceed.

**Portola Middle School Demolition Project - Bid # 2141103-08**

The Notice to Bidders was advertised on May 11, and 18, 2012 in the *West County Times*. The notice was advertised on two separate occasions seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on April 12, 2012. A total of nine bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Unit Price</u>
<b>Evans Brothers Inc</b>	<b>\$2,060,898</b>	<b>\$87,102</b>
Alten Construction	\$2,102,267	\$88,901
Urban Metro Environmental	\$1,888,000	442,606.50
Silverado Contractors	\$2,278,000	\$89,738
Schembri Construction	\$2,407,061	\$89,900
JM Environmental	\$2,527,000	\$57,496
Cleveland Wrecking Company	\$2,654,767	\$64,299
Arthulia, Inc.	\$2,380,000	\$350,570
Cal-Pacific Construction	\$3,300,000	\$192,000

(Estimate = \$2,670,000. No contract allowance included in the base bids.)

The apparent low bidder, Evans Brothers, was deemed non-responsive by the District. Therefore, the District reviewed the remaining bids and determined that Alten Construction is the lowest responsible bidder with a responsive bid for the project. Award of contract was approved by the Board of Education on April 25, 2012 in the amount of \$2,191,176 (Base Bid + Unit Price). The Notice of Award was issued on April 27, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on May 8, 2012. The Notice to Proceed specified that the contract commenced on May 9, 2012, with an anticipated date of completion 225 days from Notice to Proceed.

**Mira Vista Elementary School Concrete Stoops – Bid # 1391215-01**

The District conducted a public bid process for the project and bids were opened on June 13, 2012. A total of four bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
California Constructors	\$46,800
Soloranzo Landscape	\$67,000
McKim Company	\$69,650
HM Construction	\$150,000

(Estimate = \$48,000. No contract allowance included in the base bids.)



After reviewing the bid documents, the District declared California Constructors the lowest responsible bidder with a responsive bid for the project. The estimated budget for this project was \$48,000. Award of contract was approved by the Board of Education on June 13, 2012 in the amount of \$46,800. The Notice of Award was issued on June 19, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on July 12, 2012. The Notice to Proceed specified that the contract commenced on July 13, 2012. The anticipated date of completion was August 17, 2012.

### **Peres Elementary School Modernization Project – Bid # 1471390-00**

The Notice to Bidders was advertised on June 10 and 17, 2012, in the *West County Times*. The notice was advertised on two separate occasions seven days apart; there were at least 14 days between the first bid publication and bid opening as required by law. The bids were opened on June 27 2012. A total of three bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>
S & H Construction	\$1,235,000
Villa Construction	\$1,377,158
Cal-Pacific Construction	\$1,493,000

(Estimate = \$1,100,000. No contract allowance included in the base bids.)

After reviewing the bid documents, the District declared Cal-Pacific Construction, the lowest responsible bidder with a responsive bid for the project. The Board agenda and minutes provided no information as to how or why the two apparent lowest bids were deemed non-responsive. The estimated budget for this project was \$1,100,000. Award of contract was approved by the Board of Education on July 6, 2012 in the amount of \$1,493,000 (Base Bid + Alternate #1 (\$19,000), #2 (\$33,000) and #3 (\$125,000)). The Notice of Award was issued on July 6, 2012. Upon receipt of the required signed contract agreement, bid securities, and other documentation, the Notice to Proceed was issued on July 30, 2012. The Notice to Proceed specified that the contract commenced on August 2, 2012. The anticipated date of completion was October 19, 2012.

### **Observations**

- During the current audit period, 2011-12, the District conducted forty-two competitive bids for construction contracts funded under the Measure D (2002 and 2010) and J bonds. Based on the bids reviewed, it is verified that contracts were awarded to the lowest responsive responsible bidders in accordance with the requirements of the code.
- The District maintained and updated the list of pre-qualified contractors to perform work for Measure J and D (2010) bond program projects for the District in compliance with CUPCCAA informal bidding requirements. Thirteen general contractors were on the latest update of the Pre-Qualified General Contractors for Measure J and D 2010 posted on the district's Bond Program website. One hundred-ten trade contractors were listed on the latest update of the Pre-Qualified Trade Contractors list.

- Fifty-seven percent or 24 bids out of 42 project bids reviewed during the current audit period came in below the District's estimated construction costs. Bid participation remained high at 2 to 9 bidders per project. The bidding climate has remained favorable to the facilities construction program.

### **Findings**

- Staff awarded contracts for two construction projects but did not submit staff action to the Board of Education for approval or ratification. This is not in compliance with Education Code 17604 which allows the Board of Education to delegate to the superintendent or his designee the power to contract provided, however, that no contract awarded to contractors pursuant to the delegation shall be valid unless and until the same shall have been approved or ratified by the Board of Education.
- Staff rejected the bids in five construction projects but did not submit staff action to the Board of Education for approval or ratification. According to staff, notification to the Board regarding the rejection of bids was not required since the projects were never presented to the Board for award. Public Contract Code Section 2011 places the authority to award contracts to the lowest bidder or to reject all bids solely on the Board of Education. Staff action on these projects is not in compliance with the requirements of Public Contract Code.

### **Conclusion**

- Results of the examination of bidding and procurement documents during the current audit period indicated that, except for the findings noted above, the District is in compliance with the requirements of the Public Contract Code Section 20111 – competitive bidding for public projects and Sections 22030-22045 (CUPCCAA) – alternative informal bidding process for public projects, in the bidding and awarding of bond funded construction projects.

### **Recommendation**

- TSS recommends that the Board of Education's authority, to solicit bid proposals and to award construction contracts or to reject bids, be recognized and adhered to by staff and designees at all times. All contracts awarded by the Board's designees should be submitted to the Board for approval or ratification to ensure they are valid and enforceable. Likewise, all bids for construction projects, solicited and received by the District by authority of the Board, that do not meet the requirements of the project shall at all times be officially rejected by the Board of Education.



## **District Response**

- The projects in question were originally bid in October 2011. A place holder Précis was created, in anticipation of the next Board meeting. The bids were received and rejected because the scope was changed. The project was rebid in November 2011. The project was awarded and contracted, however the Précis was not taken to the Board for award or ratification.
- As context, the value of the two projects combined was \$235,000. The total amount of projects bid in 2012 was 43; the total value of the projects was \$59,900,000.
- All contracts awarded by the Board's designees shall be submitted to the Board for approval.

## **CHANGE ORDER PROCEDURES**

### **Objective**

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

### **Scope and Methodology**

The scope of the verification process in this section covers change orders generated by the construction team and approved by the Board of Education during the period from July 1, 2011 through June 30, 2012. In the process of this examination, TSS obtained relevant documents and conducted interviews with staff. An analysis of change orders was prepared to determine the cost of change orders for each construction project and to determine if any of these change orders exceeded the limitations prescribed under the public contracting code. Information from the 2011-12 Board of Education meeting agendas and minutes, and facilities documents related to change orders was also used in preparing this analysis.

### **Background**

Change orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Because small repairs are made to facilities over time and because changes are not typically reflected in the District's archived drawings, architects may miss such information until the issue is discovered during construction.

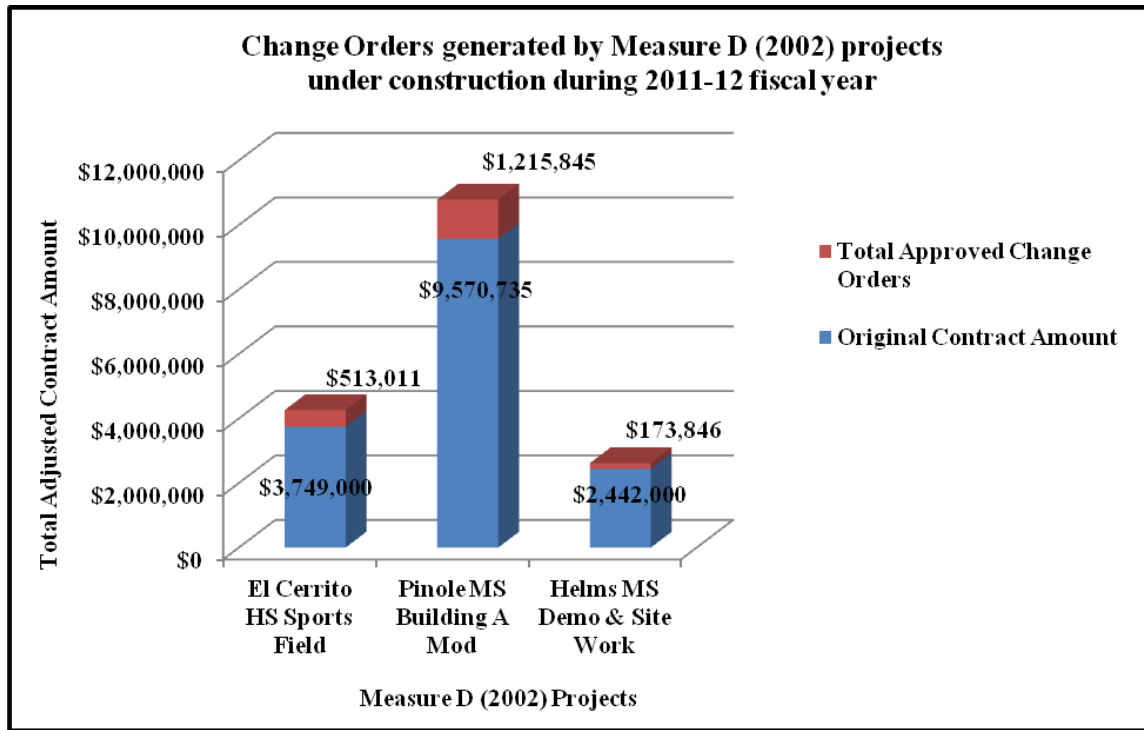
At other times, problematic site conditions are not discovered until a wall or floor, for example, is uncovered. In general, change orders for modernization cannot be avoided due to the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous materials, or other unknown conditions – all of which contribute to the need for authorizing additional work.

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

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

The charts and graphs below summarize the change orders generated by Measure D (2002) and J projects that were under construction during fiscal year 2011-12:

<b>Measure D (2002) Projects</b>	<b>Original Contract Amount</b>	<b>Total Approved Change Orders</b>	<b>% of Original Contract Amount</b>	<b>Total Adjusted Contract Amount</b>
El Cerrito HS Sports Field	3,749,000	513,011	13.68%	4,262,011
Pinole MS Building A Mod	9,570,735	1,215,845	12.70%	10,786,580
Helms MS Demo & Site Work	2,442,000	173,846	7.12%	2,615,846
<b>TOTAL</b>	<b>\$15,761,735</b>	<b>\$1,902,702</b>	<b>12.07%</b>	<b>\$17,664,437</b>



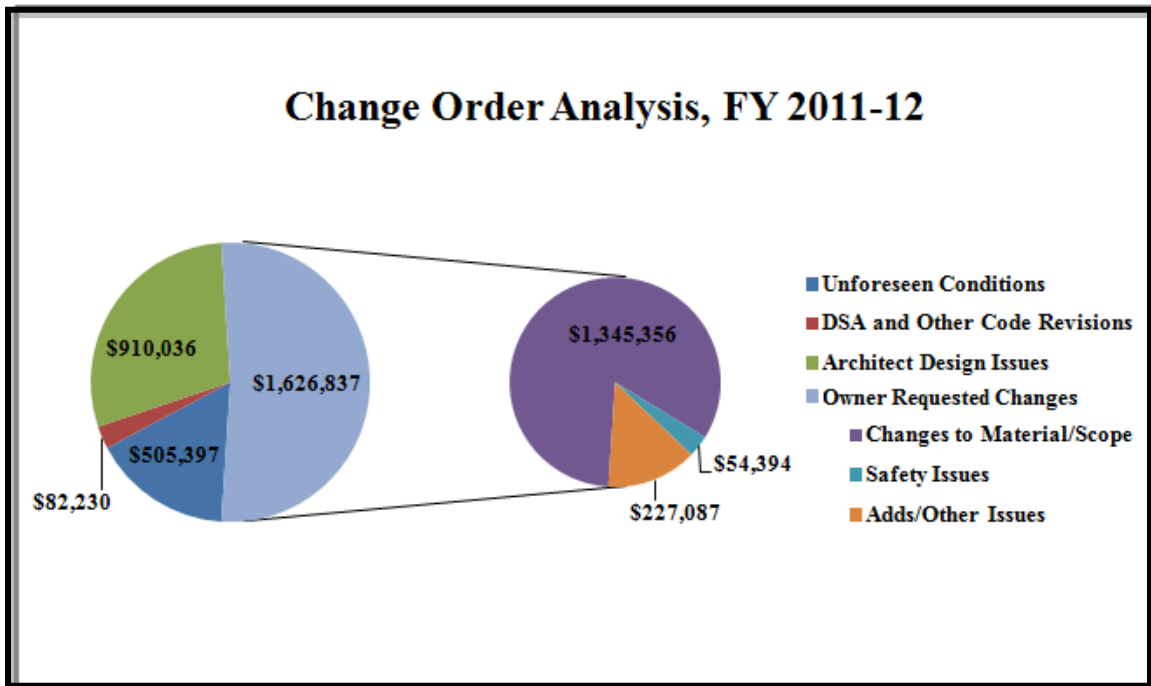
**Totals**  
**Construction Contracts: \$15,761,735**  
**Total Approved Change Orders: \$1,902,702**  
**% of Original Contract Amount: 12.07%**  
**Total Adjusted Contract Amount: \$17,664,437**

<b>Measure J Projects</b>	<b>Original Contract Amount</b>	<b>Total Approved Change Orders</b>	<b>% of Original Contract Amount</b>	<b>Total Adjusted Contract Amount</b>
Chavez ES Window Sash	366,935	-23,842	-6.50%	343,093
Collins ES Parking & Driveway	178,750	15,000	8.39%	193,750
Collins ES Portables Site Package	222,176	35,407	15.94%	257,583
Crespi MS Fire Mop-Up	168,900	14,969	8.86%	183,869
De Anza HS Replacement Campus	62,508,000	2,697,316	4.32%	65,205,316
Dover ES New Campus Const.	21,491,000	784,401	3.65%	22,275,401
Ford ES New Campus Construction	16,734,206	2,276,161	13.60%	19,010,367
Gompers Demo and Site Work	1,693,000	153,022	9.04%	1,846,022
Gompers LPS Soil Removal	477,428	161,608	33.85%	639,036
Hanna Ranch ES Roof Repair	88,286	6,675	7.56%	94,961
Hercules MS/HS Solar PV System	1,989,560	29,607	1.49%	2,019,167
Kennedy HS Fencing	467,000	35,705	7.65%	502,705
Kennedy HS Concession Stand	990,000	244,866	24.73%	1,234,866
Kennedy HS Interior Renovation	370,200	69,313	18.72%	439,513
Kennedy HS ADA and Elevator	836,880	30,174	3.61%	867,054
Kennedy HS Quad Renovations	982,800			982,800
Kennedy HS Softball Field	107,900			107,900
King ES New Campus	15,595,000	999,838	6.41%	16,594,838
Lupine Hills ES Toilet Rooms	117,600	18,188	15.47%	135,788
Madera ES Restroom Project	119,800	20,631	17.22%	140,431
Madera ES Portable Utilities	149,000	-7,854	-5.27%	141,146
Mira Vista ES Portable Utilities	104,899	11,900	11.34%	116,799
Nystrom ES MPR	5,240,107	489,766	9.35%	5,729,873
Nystrom ES Temporary Campus	1,834,007			1,834,007
Ohlone ES New School	16,961,000	68,021	0.40%	17,029,021
Peres MS Demo and Site Work	53,787	4,234	7.87%	58,021
Portola MS Site Work	288,950	18,758	6.49%	307,708
Portola MS Demo and Site Work	2,191,176			2,191,176
Richmond HS ERP Project	4,156,000	276,597	6.66%	4,432,597
Richmond HS Art Bldg Fire Alarm	54,716			54,716
Riverside ES Restroom Repairs	81,500	36,517	44.81%	118,017
Stewart ES Restroom Project	100,800	13,969	13.86%	114,769
Verde ES Toilet Room Restoration	83,000	29,460	35.49%	112,460
Washington ES Restroom Repairs	78,900	2,742	3.48%	81,642
<b>TOTAL</b>	<b>\$156,883,263</b>	<b>\$8,513,149</b>	<b>5.43%</b>	<b>\$165,396,412</b>

## Analysis of Change Orders

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

TSS reviewed the change orders and supporting documents generated by two Measure D 2002 projects and seven Measure J construction projects during the July 2011-June 2012 period. These projects represent 25 percent of all projects under construction during the review period. The overall percentages for each of the six classifications of change orders as identified in the change order documents are presented in the chart below. A detailed summary of change order costs in the identified categories is shown for each individual project in the succeeding table;



### Change Order Analysis, Fiscal Year 2011-12

Project/ Contractor/ Change Order Numbers	Unforeseen Conditions	DSA and Other Code Revisions	Architect Design Issues	Owner Requested Changes			Totals
				Changes to Materials/ Scope	Safety Issues	Adds/ Other Issues	
<b>Measure D (2002)</b>							
<b>Pinole MS</b> Mod. PII, Bldg A/ Alpha Bay Builders, Inc. / (CO # 11 thru 16)	\$37,320 % 15.59	\$0 0%	\$177,634 74.23%	\$24,364 10.18%	\$0 0%	\$0 0%	<b>\$239,318</b> 100%
<b>El Cerrito HS</b> Sports Fields/ Michael Paul Co. / (CO # 1 thru 7)	\$204,272 39.82%	\$0 0%	\$34,360 6.70%	\$219,285 42.88%	\$54,394 10.60%	\$0 0%	<b>\$513,011</b> 100%
<b>Measure J</b>							
<b>King ES</b> Demolition & New Const./ West Bay Builders/ (CO# 11 – 13)	(\$31,174) -6.14%	\$0 0%	\$92,431 18.22%	\$446,095 87.93%	\$0 0%	\$0 0%	<b>\$507,532</b> 100%
<b>Dover ES</b> Increment 2/ Alten Construction./ (CO# 14 thru 20)	\$106,520 44.51%	\$4,731 1.98%	\$37,833 15.81%	\$90,219 37.70%	\$0 0%	\$0 0%	<b>\$239,303</b> 100%
<b>Ford ES</b> New School Construction/ Alten Construction/ (CO # 24 thru 32)	\$6,002 0.80%	\$66,052 8.79%	\$343,412 45.67%	\$109,309 14.54%	\$0 0%	\$227,087 30.20%	<b>\$751,862</b> 100%
<b>Ohlone ES</b> New School / Zovic Construction/ (CO # 1 thru 7)	\$0 0%	\$0 0%	\$44,974 66.12%	\$23,047 33.88%	\$0 0%	\$0 0%	<b>\$68,021</b> 100%
<b>Nystrom ES</b> New MPR / John Plane Construction/ (CO # 7 thru 14)	\$41,244 10.33%	\$5,301 1.33%	\$110,209 27.61%	\$202,406 60.73%	\$0 0%	\$0 0%	<b>\$399,159</b> 100%
<b>Kennedy HS</b> Concession Restrooms / B-Side Inc./ (CO # 1 thru 5)	\$17,156 7.01%	\$6,146 2.51%	\$19,183 28.25%	\$152,381 62.23%	\$0 0%	\$0 0%	<b>\$244,866</b> 100%
<b>Gompers LPS/HS</b> Soil Removals / Applied Water Resources/ (CO # 1 thru 9)	\$124,057 76.76%	\$0 0%	\$0 0%	\$37,551 23.24%	\$0 0%	\$0 0%	<b>\$161,608</b> 100%
<b>Totals</b>	<b>\$505,397</b> 16.18%	<b>\$82,230</b> 2.63%	<b>\$910,036</b> 29.13%	<b>\$1,345,356</b> 43.06%	<b>\$54,394</b> 1.74%	<b>\$227,087</b> 7.27%	<b>\$3,124,500</b> 100%

- Unforeseen conditions accounted for 16.18 percent of the cost of change orders for the projects examined during this period. Types of unforeseen conditions encountered during this period were the disposal of motor oil contaminations, discovery and removal of concrete underground, disposal of soil and debris in excess of estimates, additional fill and excavation needs, hazardous demolition debris, and waste. Other unforeseen conditions included engineering of discovered soil conditions, and relocations of underground utilities (e.g., sewer/storm drain lines, electrical cables, etc.) not clearly identified in record drawings.
- DSA and Other Code Revisions accounted for 2.63 percent of changes and additional installations as directed by the DSA field engineer or other agencies (e.g., City Fire Marshall, Health Department, City, etc.) to comply with revisions to structural (seismic wall bracing, splay wires, etc.), safety (additional bollards, curb and street-stripe painting, etc.), and other codes.
- Architect Design Issues accounted for 29.13 percent of the overall cost of change orders generated for the projects examined. These changes included additions, deletions, and revisions in the work triggered by document coordination disagreements regarding interpretation (e.g., dimensions, elevations, locations, etc.) and errors and omissions in various sections or details of the contract drawings and specifications.
- Owner Requested Changes constituted 52.07 percent of all change orders. During the current period, the District requested changes and substitutions or upgrades to specified materials or products like windows, floor or wall finishes. The District added items to the scope of work such as construction of a temporary parking lot, additional sidewalk, curbs and gutters, speakers and lighting controls, etc. The District also compensated contractors for delays outside of the contractor's control or where the delay was caused by the District.

### **Allowances**

Measure D and J bond program projects are usually bid with predetermined amounts for allowances in order to set aside funds within the contract itself to be used for unforeseen conditions, known but indeterminate items, discrepancies between record drawings and actual conditions, or any other anticipated concealed problems such as hazardous materials. The District authorizes the use of, and approves, cost items to be charged to the allowances. Unused allowances are credited back to the District.

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

Project	Base Bid	Allowance	Total Contract Award	Use of Contract Allowance.
Helms MS New Construction	\$50,890,000	\$200,000	\$50,890,000	Contract allowance unused - credited back to the District.
Pinole MS New Building and Gymnasium	\$20,511,000	\$150,000	\$20,661,000	Contract allowance used under CO #19 (\$55,011), and CO #24 (\$94,989). Notice of Completion was approved on 1/21/2009.
King ES New Construction	\$15,520,000	\$75,000	\$15,595,000	Contract allowance completely used.
Dover ES New School Construction	\$21,416,000	\$75,000	\$21,491,000	Contract allowance remains unused as of June 30, 2012. According to staff the CO will be generated at end of project.
Ford ES New School Construction	\$16,654,206	\$75,000	\$16,734,206	Contract allowance completely used.
De Anza Baseball Playfield Improvements	\$1,320,000	\$30,000	\$1,350,000	Contract allowance completely used.

### **Observations**

- The overall average of change orders for the three remaining Measure D (2002) projects during the current fiscal year, 2011-12, was 12.07 percent while the average for Measure J projects during the same period was 5.43 percent. The limit prescribed by Public Contract Code is 10 percent of the original contract amount. (Refer to the Change Order tables for details). Meanwhile, projects funded with Measure D 2010 funds have not generated change orders during the current audit period.
- During the current fiscal year, 2011-12, eleven Measure J projects and one Measure D (2002) project generated change orders which have pushed the project total change orders to exceed the cost limit, 10 percent of the original contract amount, set by Public Contract Code 20118.4.a and 20118.4.b. The Board of Education approved these change order amounts, based on special findings that it would have been futile and impractical for the District to formally secure bids for the additional work because of the tight time frames. Staff explained that conducting a competitive bid for the additional work would only result in unnecessary expenses and delays at the expense of the District and public safety and would not produce any advantage for the District.



- During the review, it was observed that Ford Elementary School New Campus Construction project generated change orders for the payment of \$280,836 to the Contractor for 160 compensable delay days. According to the contract, the Contractor is entitled to compensation for delays caused by the District or its consultants. The contractor's justification stated that these delays were caused by RFI and RFI resolution, and the disposition/ implementation of splay wires for classroom pendant lighting systems. During the previous year, 2010-11, similar change orders were issued for the payment of \$152,645 to the Contractor for 89 compensable delay days due to the need to reestablish survey control points and for the resolution of plan dimensional conflicts and the adverse weather impacts on work resulting from that conflict. As of end of fiscal year 2011-12, the project's contract duration has been extended by 256 days (including 7 days non-compensable delays) from its original contract duration of 600 days. These delays cost the District \$433,831. It appears, however, that the justifications presented as causes of the compensable delays can be minimized, if not prevented, from occurring in future projects if the District more diligently followed the established design review and constructability review processes already in place.
- TSS obtained change order documents from the District for the Pinole Middle School New Building and Gymnasium project, the Dover Elementary School Construction project, the Ford Elementary School Construction project and other projects. (Refer to the table on Allowances for details). Review of available documents verified that the allowances included in the contract amounts were used through the authorization and issuance of change orders. Unused allowances remaining at the end of the project were credited back to the District likewise through the authorization and issuance of change orders. Staff informed TSS auditors that the district has stopped the practice of including allowances as part of construction contract amounts beginning in fiscal year 2011-12.
- On January 4, 2012, the District approved the adoption of Resolution No. 74-112, delegating authority to the Superintendent or his designee to make a determination whether a project is substantially complex as to allow the District to withhold retention of more than 5 percent of the contract price. Senate Bill 74-112 prohibits public entities from withholding more than 5 percent of the contract price unless certain conditions specified in Public Contract Code 7201 are satisfied.
- According to staff, the Change Order Committee no longer meets to review change orders. Minor change orders with cost impacts of up to \$5,000 are now authorized by the construction managers while change orders with cost impacts of up to \$50,000 are reviewed by in-house cost estimators and authorized by the Deputy Program Manager for Construction (SGI). Change orders that have cost impacts in excess of \$50,000 are sent to the estimators and schedulers for verification prior to approval of the Engineering Officer. Staff approved change orders are then submitted to the Associate Superintendent for Operations for approval and submittal to the Board of Education for ratification or approval.

## **Conclusion**

- Results of the examination and review of change order documents during the current period indicate that the District is in compliance with the requirements of Public Contract Code Section 20118.4a and b which sets the threshold for change orders at 10 percent of the contract amount.

## **Recommendation**

- It is recommended that the District exert more effort in ensuring that compensable delays in projects are kept to a minimum by conducting effective constructability reviews and ensuring that District architects and engineering consultants exercise due diligence in coordinating their drawings to minimize if not eliminate conflicts in elevations, dimensions and locations. The RFI's generated by these conflicts, the time spent to resolve RFI's and the time spent to implement corrective actions to resolve conflicts all add-up to compensable delays and result in increased costs for the projects. Staff should rigidly implement and adhere to the design review and constructability review processes already in place to allow the system of checks and balances to identify and correct conflicts among different components of the construction documents prior to construction.

## **CLAIM AVOIDANCE PROCEDURES**

### **Objective**

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

### **Scope and Methodology**

The scope of the verification process in this section covers contractor claims against the District, received or processed during the period from July 1, 2011 through June 30, 2012. In the process of this examination, TSS obtained relevant documents and conducted interviews with members of the SGI staff and the District staff. Information from the 2011-12 Board of Education meeting agendas and minutes, and facilities documents related to claims was also used in preparing this analysis.

### **Background**

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

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

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

In the past, there had been two claims filed against the District. The claimants, West Coast Contractors and West Bay Builders, demanded that the District pay for additional costs to the contractors due to project delays caused by the District and its consultants. The District hired a delay consultant to review and determine the validity of the claims. As a result, the district rejected the West Coast Contractor's claim and offered to settle the West Bay Builders claim. As of the 2011-12 audit periods, both claims have been resolved and no further claims have been reported.

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

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. Owner generated 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.

### **Observations**

- TSS review of the Board agenda items and interviews with staff indicate that there are no outstanding claims and no new claims received during fiscal year 2011-12.

- In interviews with District staff for this year's audit it was reported that the Change Order Committee no longer meets to review change orders for validity and cost. According to staff, change orders with cost impacts of up to \$50,000 are reviewed and validated in-house then authorized by the Deputy Program Manager for Construction (SGI). Change orders with cost impacts in excess of \$50,000 are reviewed and validated by the District estimators and schedulers for verification prior to approval of the Engineering Officer. Staff authorized change orders are then submitted to the Associate Superintendent for Operations for approval and submittal to the Board of Education for ratification or approval.

### **Conclusion**

- Results of TSS data gathering and interviews conducted with District staff during the current audit period indicate that the policies and procedures created by the District has been effective in preventing or minimizing the number of contractor claims against the District.

### **Recommendations**

- The District should continue to ensure that the comments generated by the constructability and design coordination reviews are incorporated into the design and construction documents. These reviews improve the design team's ability to deliver accurate design and construction documents, thus resulting in reduced changes to scope, prevent delays and offer fewer opportunities for contractor claims.
- TSS recommends that the District continue to maintain an active Change Order Committee to review and validate requested changes to projects based on the currently established cost thresholds. It is anticipated that the benefits of the process include not only the shortening of the time required to approve change orders and the reduction or prevention of delay claims but also in controlling and keeping District or owner generated changes to a minimum.

## **MEASURE J EXPENDITURES AND PAYMENT PROCEDURES**

### **Objective**

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

### **Scope**

The scope of this performance audit section was to verify transactions of Measure J funds expended during the fiscal year ended June 30, 2012. During this period, only Measure J funds had financial activity as Measure D and Measure M funds were closed out in prior periods. The total amount of Measure J funds expended during the fiscal year ended June 30, 2012 was \$96,754,787.

### **Methodology**

TSS analyzed Measure J payment activities and compared the results to the Measure J bond language. TSS judgmentally selected Measure J expenditures, focusing on transactions with higher dollar amounts and higher audit risks, and verified that the funds were used in accordance with the taxpayer-approved purposes.

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

The audit consisted of the following:

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

### **Background**

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

- Requisitions are entered into the requisition workflow system and routed for approval based on accounting code and pre-assigned workflow approval process created by Business Service Center.
- Bond Requester (SGI or District Staff)
- District engineering officer

- District Executive Director for Bond Finance (and/or Maintenance and Operations Executive Director or Information Technology Executive Director)
- District Associate Superintendent for Operations
- Purchasing Buyer
- Approximately 90 percent of bond related invoices are mailed directly to the District's facilities office. SGI staff collects all invoices that are submitted directly to the District daily to ensure timely processing of vendor invoices. Once invoices are received for approved requisitions, SGI staff logs information into the invoice tracking/monitoring system.
- A payment history and payment approval form are prepared and routed for authorization signatures to designated individuals, which includes program controls (SGI), the bond program manager (SGI), District Engineering Officer, District 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 purchase order.
- SGI staff is responsible for obtaining SGI signatures and the District Engineer's signature, and forwards the payment request form to the District's bond finance senior budget clerk.
- The District's bond finance senior budget clerk enters the payment information into the District's financial system and is responsible for obtaining the District's Principal Accountant for Bond Finance (invoices < \$50,000) or Executive Director for Bond Finance (invoices < \$100,000), and/or the District's Associate Superintendent for Operations (invoices > \$100,000) signatures.
- The District's accounts payable staff initiates and processes the actual warrants. The time elapsed between payment entry to warrant issuance is approximately one week. Interested community members may check online to see the names of contractors and/or vendors that have been paid for the week for bond-funded projects. This information can be viewed by going to the *Bond Program* link on the District's homepage. Payment information can be found under the *Bond Projects Status* menu under *Paid Contractor Invoices*. In addition, information on the status of a purchase order may also be obtained under the *Bond Projects Status* menu under *Purchase Order Status*. This information is updated weekly on Wednesdays.



## Testing Performed

### Sample

TSS obtained the district's check register for all Measure J payments made from July 1, 2011 to June 30, 2012. It was noted that 11 different contractors received total payments in excess of \$1 million during the fiscal year ended June 30, 2012. The aggregate amount of the contractors whose total payments exceeded \$1 million dollars totaled \$74,427,204. The total payments of Measure J expenditures made during the fiscal year ended were \$96,754,787.

TSS selected a sample of 22 checks that focused on vendors that collected more than \$1 million during the fiscal year ended June 20, 2012. In addition, TSS scanned the summary report of vendors paid and judgmentally selected payments that warranted additional review, including but not limited to law firms representing the district. The total dollar amount sampled was \$22,383,051. In accordance with Government Auditing Standards, TSS inquired during our interviews with board members and District staff whether they were aware of any transactions that seemed unusual or irregular. None of the interviewees responded that they were aware of any unusual or irregular activities.

<b>Fiscal Year</b>	<b>Number of Checks Reviewed</b>	<b>Sample Size (Dollar Amount)</b>	<b>Percentage Paid Within 30 Days</b>
2011-12 Annual	49	\$22,383,051	100%

The District has continued to improve the timeliness of its vendor payments over the past four fiscal years. In 2007-08, approximately 87 percent of invoices were paid within 30-days, and 2008-09, the percentage improved to 90 percent, and in 2009-10, the percentage improved to 95.5 percent. In both 2010-11 and 2011-12 with the limited number of samples selected, 100 percent of the items tested were paid timely according to District policy.

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

The sample included payments on the following Measure J projects:

- Dover Elementary School
- Ford Elementary School
- King Elementary School
- Nystrom Elementary School
- Pinole Middle School
- De Anza High School



- El Cerrito High School
- Kennedy High School
- Richmond High School
- Gompers Continuation High School
- Wilson Elementary School
- Madera Elementary School
- Nystrom Community Project
- Ohlone Elementary School
- Helms Middle School
- Peres Elementary School
- Fairmont Elementary School

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

### **SGI's Invoice Efficiency Report**

TSS reviewed SGI's Invoice Efficiency Report for the period June 28, 2011 to July 11, 2012. This report summarizes the total number of invoices processed, total number of paid invoices, and the total numbers of purchase orders. This report indicated that SGI processed 6,413 invoices during this period and that 59 invoices were paid after 30 days. The District is committed to make their best effort to pay their vendors within 30 days after receiving invoices from the vendors and contractors. In sum, the District did a very good job in processing and paying invoices timely as they processed less than 1 percent of the claims after 30 days of receiving the invoice. During interviews with District staff, it was reported that they had not received any complaints related to late payments.

### **Review of Financial Audit of Bond Funds**

TSS reviewed the District's Bond Financial Audit for 2010-11. Crowe Horwath LLP conducted the 2010-11 financial audit for Measures M, D, and J and issued an unqualified audit opinion. TSS verified that Crowe Horwath LLP's financial audit report contained no significant deficiencies of material weakness based on their limited purpose review of internal controls over financial reporting and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. TSS received a copy of the engagement letter between Crowe Horwath and the District to ensure that TSS's dependence on this audit opinion was based on Crowe Horwath being a qualified professional auditing firm in good standing. TSS also verified that Crowe Horwath LLP concluded for the items tested that nothing came to the auditor's attention indicating that the District did not comply with state laws and regulations.

## **Findings**

- In the TSS sample of 49 checks reviewed, three (3) of these checks did not include all of the required authorized signatures in accordance with the District's bond payment approval policy. The District's bond payment approval policy requires SGI staff to obtain signatures from the SGI bond control signer, SGI Program Manager, SGI Bond Program Manager, and the District Engineer and the District staff to obtain signatures from the District's Principal Accountant for Bond Finance or Executive Director for Bond Finance and the Associate Superintendent for Operations. In two (2) instances of non-compliance with the District's bond payment approval policy for authorized signers, the Associate Superintendent for Operations signature (for invoices > \$100,000) was missing on the payment approval form. In one (1) instance of non-compliance, the Executive Director for Bond Finance's signature was missing on the payment approval form.
- In the TSS sample of 49 checks reviewed, twelve (12) of these checks did not include the date of signature approval in accordance with the District's bond payment approval policy. The District's bond payment approval policy requires a signature and date of approval. In all twelve (12) instances of non-compliance with the District's bond payment approval policy for authorized signers, the Associate Superintendent for Operations approval date (for invoices > \$100,000) was missing on the payment approval form.

## **Observations**

- TSS observed that \$3.5 million was transferred to the District's general fund during this fiscal year to pay for legal costs related to activities in the bond program. The District has provided documentation to TSS that they have received bond counsels' approval to use bond funds for these aforementioned legal costs.
- In the 2010-11 annual audit TSS recommended that the District adopt a formal written desk manual and policy for its staff related to processing, approving, and paying all bond-funded expenditures. To date, the District has not adopted a formal written desk manual.
- In the 2010-11 annual audit TSS recommended that the District assign responsible staff to investigate and address complaints made by subcontractors that West Bay Builders were not timely with payments to its subcontractors. During the current performance audit, TSS was informed that this issue was resolved during this past fiscal year. Timely and diligent oversight of all contractors may prevent spending administrative time and legal expenses in working with troubled companies.

## **Recommendations**

- The District should track historical costs for legal fees transferred to the general fund related to the activities in the bond program. If the District receives a favorable judgment from the courts for lawsuits funded by the bond funds, the District should reimburse legal fees paid by the bond program.
- The District should adopt a formal written desk manual and policy for its staff related to processing, approving, and paying all bond-funded expenditures.

## **District Responses**

- The District processed 2,707 bond invoices during the 2011-12 school year which required a minimum of 13,535 signatures. There were 3 missing signatures out of 13,535 signatures. The percentage of processed invoices missing a signature was 0.11 percent. The District will ensure that the date of signature is included on all invoices. The District will provide additional training by April 30, 2013 to ensure compliance with the bond payment approval policy for authorized signers.
- The District is tracking historical costs for legal fees transferred to the general fund. If the District receives a favorable judgment for the lawsuit funded by bond funds, the District will reimburse legal fees paid by the bond program.
- The District has a formal written desk manual and policy for its staff related to processing, approving, and paying all bond funded expenditures.

## **BEST PRACTICES IN PROCUREMENT**

### **Objective**

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

### **Scope and Methodology**

The scope of this section covers the activities of the District relating to the bidding and awarding of procurement contracts for projects funded under the Measure J and D bond program for the period from July 1, 2011 through June 30, 2012. TSS conducted interviews with District staff and Program Management staff from SGI. TSS also reviewed Board agenda items and minutes specific to the informal bid process contracts awarded for bond funded projects and analyzed purchasing and payment documents.

### **Background**

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

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

***Public Contract Code Section 20111 (a)*** requires school district governing boards to competitively bid and award any contract for 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 purchase of equipment, materials, and supplies. 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.

## Samples

The procurement methods used for acquiring supplies, furniture and equipment for the following new facilities construction projects were reviewed in this examination:

### Furniture Supply and Installation

- New Ford Elementary School Construction

### Furniture Supply and Installation

- Nystrom Elementary School Multipurpose Building

### Custodial and Facility Maintenance Equipment

- New Dover, Ford, King and Pinole Elementary Schools

### Furniture Supply and Installation – Ford Elementary School

On October 19, 2011, the Board approved a contract with Young Office Solutions, Inc. for the supply and installation of furniture and furnishings for the classrooms and support spaces of the new Ford Elementary School in the amount of \$393,458.67 (Measure J funds). Specifications were based on District prepared furnishing criteria with classroom configurations, specialty spaces including computer labs, special education, administration furnishings, offices and staff work areas. The District utilized the public bid process, issued Requests for Proposals (RFP) to qualified firms, evaluated bid proposals and recommended award of contract to the lowest responsive, responsible bidder.

### Furniture Supply and Installation – Nystrom Elementary School Multipurpose Building

On October 19, 2011, the Board approved a contract with Sierra School Equipment, Inc. for the supply and installation of furniture and furnishings for the Multipurpose Building of Nystrom Elementary School in the amount of \$99,992.09 (Measure J funds). Specifications were based on District prepared preliminary furnishing criteria in the selection of vendor for this contract. The District utilized the public bid process, issued Requests for Proposals (RFP) to qualified firms, evaluated bid proposals and recommended award of contract to the lowest responsive, responsible bidder.

### Custodial and Facility Maintenance Equipment – Dover, Ford, King and Pinole Elementary School

On March 21, 2012, the Board approved contracts with Cole Supply Co., Inc. in the amount of \$98,946 for the supply of hard floor and carpet care equipment and with Nilfisk Advance, Inc. in the amount of \$30,103 for the supply of rider-sweeper equipment for Dover, Ford, King and Pinole elementary schools. Specifications were based on an equipment list developed by the bond project manager in coordination with the district's maintenance and custodial teams. The District utilized the public bid process, issued Requests for Proposals (RFP) to qualified firms, evaluated bid proposals and recommended award of contract to the lowest responsive, responsible bidders.

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

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

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

- The Cooperative Purchasing Network (TCPN) is a Texas government agency administering a cooperative purchasing program. The network provides its members with contracts and services that are compliant with the law at no cost to member districts.
- The Western State Contract Alliance (WSCA) is a non-profit government purchasing cooperative that assists local and state government agencies, school districts (K-12), higher education and non-profits in reducing the costs of purchased goods and services through pooling of the purchasing power of public agencies in the western states and nationwide. This is accomplished through competitively bidding contracts for quality products through a “lead public agency” or a “lead state”.
- The California Multiple Award Schedule (CMAS) is also a non-profit purchasing cooperative that provide agencies with a listing of vendors and schedule of prices for various products previously bid and approved through cooperative purchasing method.
- The U.S. Communities Government Purchasing Alliance is a national government purchasing cooperative that provides world class government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutes, and nonprofits looking for the best overall government supplier pricing.
- National Joint Powers Alliance (NJPA) is a national municipal contracting agency committed to provide efficient public service through national purchasing contract solutions and other related programs.

- CalSAVE is a statewide project designed to help California K-12 schools buy technology and instructional resources easily and at a low cost by using the collective buying power of schools to secure the lowest possible price.

***Public Contract Code 20118.2 (a) thru (f)***, allows the District to award contracts for technology, telecommunications, related equipment, software and services through competitive negotiation. In a competitive negotiation process, the District is allowed to consider in addition to price, factors such as vendor financing, quality, performance reliability, deliveries, warranties and others in the selection of the vendor. The procurement process in competitive negotiation includes the preparation of a request for proposal, the publication of the request twice in a newspaper of general circulation at least 10 days before the bid date, the receipt of bids, the technical evaluation of the proposals received, the identification of qualified sources, and the selection of the bidder whose proposal meets the evaluation standards and will be the most advantageous to the District, with the price and all other factors considered.

### **Sample**

#### **Enterprise Resource Planning/System Software**

On February 15, 2012, the Board approved a staff request for authorization to negotiate the terms for the procurement of software, hosting and implementation of the Enterprise Software System to replace Bi-Tech, the current system used by the District, which needs major upgrades or system conversion. Once the contract negotiation is completed, staff will place this item back on the agenda for Board approval and ratification. The process started with staff creating the Stakeholder User Team, which is composed of users representing functional areas, tasked to examine the options available and the development of a Request for Proposal (RFP). The completed RFP was published in April of 2010 and four proposals were received through June 24, 2010. The team reviewed the proposals and requested product demonstrations from competing vendors. A hands-on demonstration by the top ranked vendor was then arranged. The team's basis in selecting Tyler-Munis for the award of contract considered the fact that the vendor currently provides the Enterprise Resource Planning/ System software to the City of Richmond, the San Jose Unified School District and is currently in a phased implementation project with fifteen other school districts in Contra Costa County.

### **Observation**

- On July 27, 2011, the Board approved seventeen procurement contracts, which have been publicly bid or negotiated for use by the other public entities, to be utilized by the District as "piggyback" contracts and cooperative purchasing contracts during the school year 2011-12. The contracts will allow the District to procure classroom and teacher materials and supplies, along with computers, equipment and services at discounted rates saving the District time and money.

### **Conclusion**

- Results of the examination of procurement documents during the current audit period showed that the procurement methods utilized by the District were in compliance with District policy and the requirements of Public Contract Code Sections 20111 and 20118.



## **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.

### **Scope and Methodology**

This is the third year that the TSS audit team was asked to review the process utilized by the District to define the level of quality for each project and then track that defined quality through construction to ensure that what is delivered in the final project is of the same quality level as originally specified. The District has formally adopted a sole source policy for some design elements and wants to ensure that these elements are implemented in the projects. In this year's audit the District selected the Ford Elementary School Modernization project.

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

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

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

- District List of 'Sole Source' Products, approved September 20, 2006.
- District Master Product List, July 2007/ Revised and Reissued, February, 2008.
- New School Building at Ford Elementary School
  - Project Plans;
  - Project Specifications;
  - Project Submittals.



## **Background**

Typically, those managing projects and products used in the construction of public school facilities must allow “equal” products to be submitted and used. In limited cases, a district may specify a product or system and not allow equal products to be substituted. 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. These are:

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

The District also adopted a Master Product List which identified preferred manufacturers for products and equipment. Equal substitutions were allowed for these items. The District’s Master Product List was revised to include criteria from the Collaborative for High Performance Schools (CHPS) in February, 2008. The standards include the manufacturer to be used and, where necessary, the product model or line. For other than the six listed above, the products listed are recommendations which are to be included in the construction documents.

## **New School Building at Ford Elementary School**

The Ford Elementary School project was identified as the focus of this quality review for the 2011-12 audit period. This project began in 2006 prior to the adoption of the initial District standards and prior to the adoption of the standards that included the CHPS criteria. However, the Architect of Record for the project was familiar with the standards and the desire of the District to include CHPS standards in their projects. The District met with the AOR and made the goals for inclusion of the CHPS criteria clear. The AOR met the goals of the District in this respect.

A sample of the products and systems used in the Ford project was developed for this analysis. Particular attention was paid to the products approved by the School Board as being “sole source” or not allowing substitutions. This sample included:

- Aluminum Windows
- Finish Hardware
- Food Service Equipment
- Package Air Conditioners

Two other products were reviewed that were not on the District approved “sole source” list but were included in the District Master Product List reissued in February, 2008. These products include:

- Carpeting
- Linoleum Flooring

The focus of the interviews was to determine what information was delivered to the design team at the beginning of design process, how that information was incorporated into the design documents, and how the District tracked and verified that the products were installed in the project during construction.

Of the four categories of products approved as sole source, two were indicated in the specifications as the products on the District standard list and no substitutions were allowed. One product, the Carrier package air conditioners, was not specified as Carrier; however, that product was submitted by the contractor and approved for installation.

The final category reviewed for sole source products was the food service equipment. Three items were reviewed in this section. None of the products sampled in this category were indicated as being sole source. Two products were specified with the acceptable manufacturer and that product was submitted by the contractor and approved for installation. The specification for one product, the range/oven, did not include the approved manufacturer and an unapproved product was submitted by the contractor and approved for installation.

Both of the products reviewed that were on the District Master Product List but were not on the sole source list were specified and approved with acceptable manufacturers.

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

**DELIVERED QUALITY – Comparison of Design Standards and Installed Products**  
**Ford Elementary School New Buildings**

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Aluminum Windows	08520	Solid aluminum windows system, DeVAC Series 400. Factory installed glazing. Aluminum frame with clear anodized finish.	Aluminum windows by Mon-Ray, Inc. DeVAC Series 400. No substitutions allowed. Factory installed glazing.	x			The contractor provided product specified.
Door Hardware-Locksets	08710	Manufacture shall provide high quality security laser cut keyway specific to WCCUSD. Acceptable manufacturer: Schlage/Primus. Sole source approved.	Schlage. No substitutions allowed	x			Contractor submitted Schlage Series Primus cylinders.
Linoleum Floor Coverings	09650	Sheet flooring consisting of linseed oil, wood floor and rosin binders applied to a jute backing. Armstrong Marmorette or equal.	Linoleum Sheet Flooring: Homogeneous wear layer bonded to backing. Basis of Design: Forbo Linoleum, Inc.; Product Marmoleum Vivace. Acceptable manufacturers: Armstrong Marmorette;	x			The contractor provided product as specified – Forbo Linoleum, Inc., Marmoleum. Meets District standards.

Product/System	Specification Section	Initial Criteria	Specified	Submittal Status			Comment
				Approved	Rejected	Pending	
Carpeting Tile	09680	Installed by fully adhered method. Acceptable manufacturers: Collins and Aikman; Bentley Prince Street; Interface; Lees; Shaw.	Carpet, direct glued. Acceptable manufacturers: Collins an Aikman; Milliken; Shaw.	x			Milliken Carpet Tile submitted and approved. Not on the District's list of manufacturers, however, an approved equal.
Food Service Equipment	11400	Acceptable Manufacturers: Oven Carts: Blogett Hot Cabinet: G.A. Systems; Range/Oven: Blogett Sole Source approved for all.	Alternates were allowed. Specified Manufacturers: Oven Carts: Blodgett; Hot Cabinets: G.A. Systems; Range/Oven: Montague, Jade Range or Wolf;	x			Contractor supplied the following: Oven Carts: Blogett Hot Cabinets: G.A. Systems Range/Oven: Wolf
Package Air Conditioners	15800	High Efficiency Classroom furnaces. Sole source by Carrier approved.	Fan Coil units indicated as Carrier on schedule. No manufacturer indicated in specifications. No sole source indicated.	x			Contractor supplied Carrier units.

## **Observations**

- The District has incorporated many CHPS goals into the building specifications, such as the specification of linoleum flooring with recycled material content, carpet tiles with recycled content, metal with recycled content, automatically controlled window sunshades, lighting control systems, and energy efficient air conditioners.
- Based on the sampling of products and systems, the project construction documents incorporated the District's standards and criteria as defined in the initial design phase with few exceptions. Of the six major items reviewed, two items were not in conformance with the District Standards.
- Milliken Carpet Tile was specified when Collins and Aikman, Bentley Prince Street, Interface, Lees and Shaw were indicated for performance standards. Milliken was determined to be a performance equal and was approved in the submittal process.
- The range/oven was one of six products reviewed in the Food Service section. The food service equipment is approved by the District as proprietary (sole source) products. The only acceptable manufacturers are G.A. Systems, Blogett and True. The construction documents did not indicate that no substitutions were allowed for the food service equipment. The specified manufacturer for the range/oven was Wolf. That manufacturer was submitted by the contractor and approved.
- A representative from the Architect of Record's office monitored the construction of this project. The product submittals were reviewed and approved by the AOR's office. Although the District's standards were not referenced during the submittal review process, the specifications were sufficiently worded to allow only the products that were indicated on the standards. In the case of one proprietary item, the Aluminum Classroom Windows, the bid documents allowed an equal product to be used. However, this was clarified during the bidding process and the appropriate product was approved.

## **Commendation**

- The District is commended for incorporating the CHPS standards into their product standards.

## **Recommendations**

- In the prior year's performance audit report, TSS recommended that the District develop a formal process for updating the District's standards. The District is actively updating their product standards. Some previous standards are no longer valid simply due to the District adoption of CHPS goals. The District should update the standards, incorporating new CHPS goals, as soon as possible in the event that new green building products being specified may be too difficult to maintain or not compatible with existing systems. This may be difficult until some CHPS related products are installed and evaluated. For example, metal wall panels for some building exterior walls were specified on the Nystrom project although maintenance staff typically prefers stucco. The new metal wall panels can be made of recycled products and provide other aesthetic or CHPS-related benefits; however the different systems have entirely different maintenance needs.
- The District should improve the communication of the District standards to the design teams at the commencement of each project to ensure that the intent of the standards is understood. There should also be greater oversight of the design process by the District and the Program Manager to ensure that the standards are incorporated into the documents and approved in the submittal process.

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

### **Objective**

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

### **Scope and Methodology**

The scope of this audit section is a review of LCBP advisory committee minutes for the period July 1, 2011 through June 30, 2012 and review of LCBP hiring summary reports. This review included interviews with members of the Board of Education, the Citizens Board Oversight Committee, the independent program management company, as well as SGI and District staff.

### **Background**

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

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

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 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 financial 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 monthly or as needed to discuss progress, projections, individual and mutual concerns. 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.

On September 15, 2010, based on the work of DSI, the Local Advisory Committee and the District staff's 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:

- Increase the number of West Contra Costa County businesses participating in all aspects of contracted District construction projects and construction related professional services;
- Alleviate unemployment and underemployment of West Contra Costa County community residents;
- Increasing participation of under-utilized local businesses, otherwise qualified to participate in contracted District construction 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, 2011 to June 30, 2012 to provide outreach services to inform the local, small, and minority owned businesses about upcoming bids on the District's construction projects.

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

1. Twenty-four percent 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. The 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 one of the 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 the next priority area and failing that to priority area three.

The local qualifying areas are defined as:

**Priority Area One** – West Contra Costa: Crockett, El Cerrito, El Sobrante, Hercules, Hilltop Mall, Kensington, Montalvin, North Richmond, Pinole, Point Richmond, Richmond, Rodeo, San Pablo and Tara Hills.



**Priority Area Two** - Contra Costa County (including West Contra Costa County): Alamo, Antioch, Bay Point, Bethel Island, Blackhawk, Brentwood, Byron, Canyon, Clayton, Clyde, Concord, Danville, Diablo, Discovery Bay, Knightsen, Martinez, Moraga, Oakley, Orinda, Pacheco, Pittsburg, Pleasant Hill, Port Chicago, Port Costa, San Ramon, Walnut Creek, & West Pittsburg.

**Priority Area Three** – Contra Costa, Northern Alameda and Southern Solano County: Alameda, Albany, American Canyon, Benicia, Berkeley, Castro Valley, Elmira, Emeryville, Fairfield, Hayward, Nut Tree, Oakland, Piedmont, San Leandro, San Lorenzo, Suisun, Travis Air Force Base, Vacaville, and Vallejo.

During the July 1, 2011 to June 30, 2012 period, Davillier- Sloan Inc. reported the following list of LCBP projects awarded:

- Collins Elementary School Fire Alarm
- Collins Elementary School Parking and Driveway Improvements
- Collins Elementary School Site Package for Portables
- Coronado Elementary School Interim Housing Project @ Kennedy High School
- Ellerhorst, Tara Hills, Harding and Lincoln Elementary School Restroom Renovations
- Ellerhorst Elementary School Re-Roof
- Gompers/Leadership Public Schools Soil Removal and Site Work
- Hanna Ranch Elementary School Roof Repairs
- Helms Middle School Digital Surveillance System
- Juan Crespi Middle School Mop Up Project
- Juan Crespi Middle School Gym Roof Replacement
- Juan Crespi Middle School Gym Floor Replacement
- Kennedy High School ADA Upgrades and Elevator
- Kennedy High School Admin Interiors Phase 1
- Lupine Hills Elementary School Windows, Exterior Wall and Roof Repairs
- Madera Elementary School Portable Installation Site Package
- Madera Elementary School Restroom Resurfacing
- Mira Vista Elementary School Portable Installation Site Package
- New Gompers Elementary School and Leadership Public Schools Richmond Schools
- Nystrom Elementary School Temporary Campus
- Ohlone Elementary School Phase 1 West Campus
- Peres Elementary School Modernization
- Portola Middle School Demolition
- Richmond High School Arts Building Fire and Intrusion Alarm Project
- Richmond High School Emergency Lighting
- Sheldon, Murphy and Mira Vista Elementary School Restroom Renovations
- Stewart Elementary School Restroom Resurfacing

As of June 30, 2012, twelve of the twenty-seven above noted projects were under construction and the reported level of local participation is outlined in the table below. The Helms Middle School results are included to provide a baseline for comparison purposes because the success of the program at Helms Middle School is the foundation for the expansion of the LCBP.

**LOCAL HIRING PROJECT REPORT –2011-12**  
**Projects Under Construction**

<b>Project Name</b>	<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Total Participation</b>
Coronado Elementary School Interim Campus @ Kennedy HS	44.53%	0.86%	7.78%	53.17%
De Anza High School Replacement Campus	19.70%	17.18%	17.82%	54.70%
Dover Elementary School New Construction	22.86%	16.86%	21.79%	61.51%
El Cerrito High School Multipurpose Sports Field	14.60%	22.97%	16.12%	53.69%
Gompers Leadership PS Soil Removal and Site Work	25.61%	42.71%	14.87%	83.19%
Kennedy High School ADA Upgrades and Elevator	0.00%	1.05%	62.59%	63.64%
Kennedy High School Concession Stand and Lights	10.43%	7.43%	23.38%	41.24%
Kennedy High School Quad Renovations	0.00%	5.13%	60.43%	65.56%
Nystrom Elementary School Multipurpose Room Construction	16.61%	19.09%	20.60%	56.30%
Nystrom Elementary School Temporary Campus	12.52%	37.02%	28.90%	78.44%
Ohlone Elementary School Phase 1 West Campus	7.88%	28.29%	33.65%	69.82%
Portola Middle School Demolition	13.77%	0.00%	14.67%	28.44%
<b>Total Average 2011-12</b>	<b>15.71%</b>	<b>16.55%</b>	<b>26.88%</b>	<b>59.14%</b>
Base Line: Helms Middle School New Construction	20.20%	17.82%	29.71%	67.73%

The Coronado Elementary School Interim Campus, Dover Elementary School New Construction, and Gompers Leadership Public School Soil Removal and Site Work Project had the highest percentage in Priority 1 hiring during the year. The Gompers Leadership Public School Soil Removal and Site Work Project, Nystrom Elementary School Temporary Campus, and Ohlone Elementary School Phase 1 West Campus projects had the highest total participation percentages.

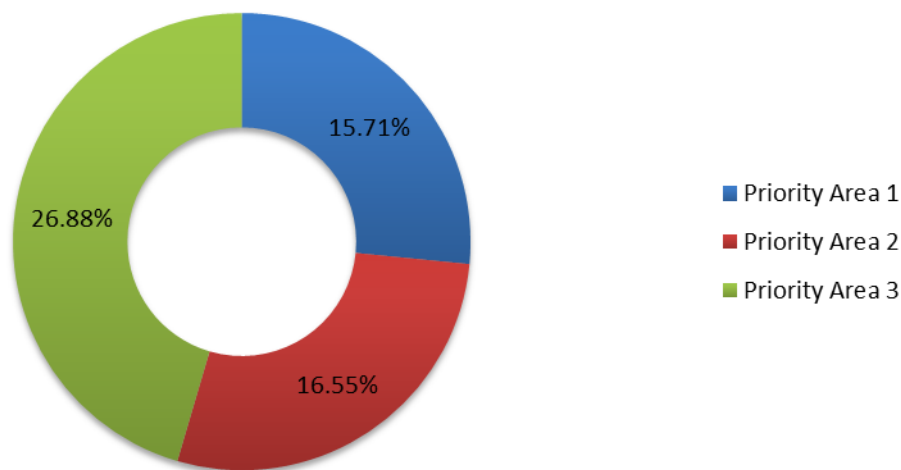
In TSS's interview with Mr. Jake Sloan, of DSI the following items were noted:

- The LCBP was successful during the fiscal year ended June 30, 2012. Mr. Sloan noted that the District had not received complaints from the community, districts, or contractors.

- The changes made to the LCBP have had a positive impact on the program. Some of these changes included loosening the strict requirement of the Contractor's good faith efforts and changing the minimum requirements of the bid.
- Mr. Sloan noted that the challenge to bring in small local businesses owned by minorities and women is the limited number of qualified small businesses in West Contra Costa County.
- Mr. Sloan noted that the apprenticeship program has not worked as well as anticipated. Although the intentions are very good, Mr. Sloan believes the economy has taken a toll on the program. Mr. Sloan indicated that students that finish the apprenticeship program invest many years of training and expenses and have been generally disappointed when looking to find work.
- Mr. Sloan indicated that it is an ongoing challenge to get small business in West Contra Costa County to participate actively in the bond projects due in part to the need for small businesses to improve their credit to finance projects and bonding requirements.
- Mr. Sloan also noted that WCCUSD, SGI and DSI conducted a small business boot camp during the 2011-12 fiscal year to inform and educate interested local small business owners and residents about the program.
- It was noted that some local students have had a hard time passing the Math and English sections of apprenticeship exams. In addition to the difficult hiring conditions, many students do not appear to be well-prepared academically for the apprenticeship programs.
- Mr. Sloan indicated that he was successful in getting the California State Division of Apprenticeship Standards to attend pre-bid meetings to inform and educate the prime contractors.
- It was noted that the outreach program to inform and educate the Richmond community on the LCBP and Local Hiring Program has been challenging.
- Mr. Sloan noted that upon completing his monitoring process of the prime contractors during the fiscal year ended June 30, 2012, he has determined that the prime contractors made good faith efforts to contract with local small businesses owned by minorities and women and apprentices.

**Total Local Participation: 59.14%**

## 2011-12 Local Hiring Summary Report



### **Project Labor Agreement Update**

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

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

## Observations

- The District contracted with J. Majors & Associates from July 1, 2011 to June 30, 2012 to provide outreach services to inform the local, small, and minority owned businesses about upcoming bids on the District's construction projects. TSS attempts to contact Ms. Majors during this audit were unsuccessful therefore no report on the work of this firm in the LCBP program is included in this report.
- During the 2011-12 fiscal year, 59.71 percent of local residents in Priorities Areas 1, 2, and 3 worked on WCCUSD bond-funded projects.
- Based on the results of the summary reports prepared and monitored by DSI, WCCUSD did not meet its goal of hiring 24 percent of West Contra Costa County (Priority Area 1) residents. The 15.71 percent of priority area one local hires that worked on the DSI monitored bond-funded projects during fiscal year ended June 30, 2012 was 8.29 percent below the target.
- Based on the results of the summary reports prepared and monitored by DSI, WCCUSD did not meet its goal of hiring 20 percent of West Contra Costa County (Priority Area 1) apprentices. The 5.61 percent of local apprentices that worked on the DSI monitored bond-funded projects during fiscal year ended June 30, 2012 was 14.39 percent below the target.

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

### **Objective**

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

### **Scope and Methodology**

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

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

### **Background**

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

- West Contra Costa Unified School District: [www.wccusd.net](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)

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

A review of the CBOC website indicated that information about the bond and facility construction programs was current, and included relevant information, community meeting dates and schedules, and meeting minutes. Additionally, the District prominently posts notices of upcoming Facilities Subcommittee and CBOC meeting on the homepage of the District's main website.

The facilities and bond program page of the Operations Division section of the website, which was updated significantly during 2010-11 to include links to each school with an active Bond program project; plans, budget information and reports, pictures or presentations, as well as information about all construction projects and relevant information about upcoming projects, however it has not been updated regularly since October 2011.

A review of school site web pages indicated that most district schools include links to the CBOC and Bond Program websites on their school site web pages. While this information may not reach community members who are not parents of current WCCUSD students, it is a valuable and cost-free means of providing timely and relevant information to the parent community.

Board members and CBOC members interviewed during the course of this review indicated that coverage by local media regarding the activities at the District and the Bond program continued to be infrequent. Board members also reported that District staff routinely provides a Project Status report for the Board, which includes the most recent construction and project updates. Board agenda items and back up material is available to the public for all these status reports.

The Superintendent publishes an e-message each month on a topic of importance to the District. In 2011-12 there was one such e-message that included information regarding the Bond program. The October 2011 edition entitled *Bond Programs Deliver on Promises for School Construction* included a summary of the WCCUSD bond program and information about the upcoming projects to be completed. Messages are on the Communications page of the District website. Additionally, the District has a Community Resources guide on the Resources tab of the home page of the District website. The Community Resources page does not include new information about the Bond program, but does include links to the CBOC and Bond program web pages.

On May 10, 2012, the 2011-12 Contra Costa County Grand Jury issued report #1208 entitled *School Bond Oversight Committees, Raising the Bar* which evaluated compliance with the Proposition 39 statute as it relates to bond committees for eight school districts and one community college district in Contra Costa County. The WCCUSD bond program and committee was included in this Grand Jury review and required a response from the District which was issued on September 26, 2012. This report generally indicates that the WCCUSD program and oversight committee are operating in a manner that is compliant with the Proposition 39 statute. It is however, a reminder that maintaining current information about bond expenditures, mandated reporting, and committee membership, meeting schedules and agendas, etc. is an important component of a well-run bond program as it increases transparency and ensures the public that the District is efficiently and effectively managing taxpayer bond funds.

### **Observations**

- The District has no regular method (except for the Superintendent e-messages) or means for providing consistent information about the Bond Program to members of the WCCUSD community, through the publication of newsletters or regular newspaper reporting.

- District staff provides regular updates and presentations at Board meetings, which often include slideshows and discussions regarding the bond program and ongoing construction projects. Board meetings are televised and materials are available to interested members of the public.
- The Bond Program and CBOC websites should be updated on a regular and timely basis when changes occur to ensure that interested community members and stakeholders have access to accurate information about the bond program.



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

### **Objective**

The objective of this performance audit section is to assess the overall compliance of the Citizens' Bond Oversight Committee (CBOC) with law, the District's Board Policy 7214.2 and the Committee's Bylaws and to validate that the Committee met as scheduled, that meeting minutes were appropriately taken, and that a quorum of members was present to approve minutes.

### **Scope and Methodology**

The scope of this audit section included a review of CBOC activities for the period July 1, 2011 through June 30, 2012, interviews with eight members of the Committee serving during the audit period, interviews with SGI and District staff and a review of all Board and CBOC minutes for meetings held during the 2011-12 reporting period.

### **Background**

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

### **Board Policy 7214.2 – Citizens' Bond Oversight Committee**

Board Policy 7214.2 was revised by a subcommittee of the CBOC to clarify and expand upon some of the Committee's duties and operations and was recommended for Board approval. The policy was discussed by the Board at its meetings of August 17, 2011, October 4, 2011 and November 16, 2011, when it was approved. BP 7214.2 as approved included striking the Citizens Advisory Committee for Special education position and to add the following language to the section on operations:

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

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

Subsequent to the adoption of BP 7214.2, the CBOC developed draft Bylaws, which were approved on November 30, 2011 by a vote of 10 ayes and 4 nos. At a March 14, 2012 CBOC meeting, amendments to the draft were approved. A copy of the draft Bylaws, dated March 6, 2012, is posted on the CBOC website.

The adopted CBOC Bylaws, Section 16, Meeting Minutes and Reports, states:

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

**Committee Meetings and Membership**

The CBOC for Measures M, D, and J (Proposition 39 bonds) had 21 categories as of July 1, 2011, but that was reduced to 19 as of June 30, 2012, with the elimination of the Council of Industries and Citizens Advisory Committee for Special Education positions. The designated membership positions with the following categories, exceeds the mandatory minimum seven members:

Statutory Requirements	5
City Council Representative	5
Unincorporated Area Representatives	2
Board of Education Representatives	5
Building Trades	1
Public Employees Union Local 1	1
<hr/> Total Membership	19

During the July 1, 2011 through June 30, 2012 audit period, the CBOC met eleven times, including once in a joint meeting with the Board of Education, as shown below. Meeting schedules, agendas and minutes are posted on the CBOC website.

Meeting Date	Members/Alternates In Attendance	Members Absent	Quorum
July 26, 2011	8	10	No
August 24, 2011	11	8	Yes
September 21, 2011 <sup>1</sup>	14	2	Yes
October 26, 2011	15	1	Yes
November 30, 2011	12	3	Yes
January 25, 2012	10	5	Yes
March 14, 2012	14	0	Yes
March 28, 2012	15	2	Yes
April 28, 2012	14	3	Yes
May 30, 2012	12	5	Yes
June 20, 2012	12	4	Yes

<sup>1</sup>Joint meeting with Board of Education.

From the above table, it can be seen that membership at the time of the July 26, 2011 meeting was 18, declined to a low of 14 on March 14, 2012, and was 16 for the June 20, 2012 meeting. Throughout 2011-12, the Board made the following CBOC appointments:

### **CBOC Board Appointments**

<b>Board Meeting</b>	<b>CBOC Category</b>	<b>Action</b>
July 27, 2011	City of Hercules	Rejected
July 27, 2011	City of Hercules – Alternate	Approved
September 21, 2011	Senior Citizen Organization	Approved
October 19, 2011	Public Employees Union, Local 1	Approved
October 19, 2011	Public Employees Union, Local 1 – Alternate	Approved
November 2, 2011	City of Hercules	Approved
February 1, 2012	Taxpayers’ Organization	Rejected
March 21, 2012	City of Pinole	Approved
March 21, 2012	Taxpayers’ Organization	Approved
March 21, 2012	Trustee Thurmond	Approved
March 21, 2012	Trustee Kronenberg	Approved
June 13, 2012	Trustee Medrano	Approved

According to the June 21, 2012 roster, the CBOC has 16 active members and 3 vacancies, not including alternates. Of the 16 active members, 13 were in their first two-year term and 3 were in their second two-year term. (Note: AB 1199, signed into law on July 10, 2012, now allows for a third two-year term. See Appendix E.)

### **Committee Minutes**

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

The following list details the meeting length and approvals of minutes for the 11 meetings held during 2011-12:

<b>Meeting Date</b>	<b>Meeting Length</b>	<b>Minutes Approved</b>	<b>(Yes/No/ Abstain)</b>	<b>Comments</b>
July 26, 2011	2 hours, 14 minutes	August 24, 2011	9/1/1	
August 24, 2011	3 hours, 17 minutes	November 30, 2011	12/0/0	
September 21, 2011	0 hours, 57 minutes	November 30, 2011	12/0/0	
October 26, 2011	2 hours, 23 minutes	November 30, 2011	12/0/0	With amendments
November 30, 2011	2 hours, 47 minutes	January 25, 2012	10/0/0	With amendments
January 25, 2012	2 hours, 17 minutes	March 14, 2012	14/0/0	
March 14, 2012	2 hours, 32 minutes	March 28, 2012	14/0/1	With amendments
March 28, 2012	2 hours, 16 minutes	May 30, 2012	12/0/0	With amendments
April 18, 2012	2 hours, 3 minutes	May 30, 2012	12/0/0	
		June 20, 2012	12/0/0	Amended
May 30, 2012	2 hours, 20 minutes	June 20, 2012	12/0/0	With amendments
June 20, 2012	2 hours, 10 minutes	August 15, 2012	14/0/0	With amendments

A CBOC member provided the TSS audit team with a reference to non-District websites where audio and audio/video recordings of CBOC and Board meetings were posted. Those recordings were inspected for the auditor's information to gain insight into some of the CBOC-related activities, such as the February 29, 2012 CBOC meeting that was cancelled and the February 1, 2012 Board meeting where the Taxpayers' Organization's nominee was rejected.

### **CBOC Website**

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

### **CBOC Annual Report**

Education Code Section 15280(b) states that the citizens' oversight committee shall issue a report at least once a year. The CBOC did not prepare a 2009 Annual Report. The CBOC presented its 2010 Annual Report to the Board of Education on February 27, 2012, which summarized major bond projects and the Committee's activities. (Note: On November 30, 2012, beyond the June 30, 2012 audit period, the CBOC presented its 2011 Annual Report to the Board of Education.) The annual reports are posted on the CBOC website, and can also be referenced in the Board packets for the date of presentation.

### **Contra Costa County Grand Jury Report**

The 2011-12 Contra Costa County Grand Jury issued Report #1209, entitled *School Bond Oversight Committees, Raising the Bar*, with the requirement that County school districts with active Proposition 39 bond programs respond in writing. The Grand Jury Report included 16 findings and 12 recommendations.

The District prepared and filed a response to the Grand Jury Report after the June 30, 2012 audit period, and TSS will therefore report only on its status at this time. A more thorough evaluation will be made during the mid-year review.

In addition to discussion at meetings of the Board of Education, the CBOC reviewed the District's written response at its September 26, 2012 meeting. That discussion of approximately 40 minutes was tape recorded and is available for public review. The approved minutes of the September 26, 2012 CBOC meeting reflect concerns expressed by various members of the Committee. It was noted that the Grand Jury Report and District responses will be further addressed by the CBOC during 2012-13.

### **Observations**

- As reported in earlier audit reports, CBOC meeting minutes continue to be approved late. August 24, 2011 and September 21, 2011 minutes were not approved until November 30, 2011 because they were not sent out to CBOC members to review prior to the meeting. March 28, 2012 minutes were not approved until May 30, 2012 because they were being reviewed and amended.

- At the May 30, 2012 meeting, a CBOC member reported that he had created a link to a website where CBOC audio recordings of meetings are posted. These recordings are not official records of CBOC meetings.
- A CBOC meeting was scheduled for February 29, 2012, but because the agenda was not posted in time to meet the Brown Act requirement, the Chairperson cancelled the meeting at the time it would normally be called to order.
- The CBOC scheduled visitations at various sites throughout 2011-12, including Ford Elementary School (July 25, 2011) and Nystrom Elementary School (April 18, 2012 and June 20, 2012). Nystrom has been selected by the CBOC to monitor progress through completion.
- Repeated absence of CBOC members was a topic of discussion at various meetings. This issue was addressed in the CBOC Bylaws, which state that a member is in violation of participation requirements if at least 9 of the previous 12 meetings were missed, and a delinquent member may be removed. At the March 14, 2012 CBOC meeting, an amendment was approved to consider a member for removal if more than 4 meetings are missed.
- The Board of Education approved a revised BP 7214.2 which allows the CBOC to establish Bylaws. The CBOC subsequently approved draft Bylaws which may enable the Committee to operate more efficiently and effectively.
- CBOC Bylaws, Section 16, states, “The Secretary shall keep minutes of each Committee meeting, which shall be supported by audio tape recording or equivalent.” Individual effort has been made to record meetings, but official recordings are not available on the CBOC website.
- 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 2011-12 audit period, the CBOC and Board of Education held one joint meeting on September 21, 2011.

### **Conclusions**

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

- The results of this performance audit show that the CBOC meetings were conducted for the intended purpose of providing oversight of bond program expenditures, and that the committee did not engage in unauthorized discussions and/or activities. The CBOC is compliant with law, BP 7214.2 and CBOC Bylaws, although, as noted in the above observations, improvement in some areas could be made.

### **Recommendation**

- It is recommended that the CBOC strive to fully meet the requirements of the law, BP 7214.2 and its Bylaws by working with the District to ensure that Brown Act provisions be timely met, that vacant positions be timely filled, that minutes accurately reflect Committee activities and are timely prepared, approved and posted, that website content be thorough and timely posted, and that audio or audio/video minutes be posted.

## **DISTRICT PROVIDED INFORMATION**

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

## FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District's facilities program and the chronology of events and/or decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place since July 1, 2010. For a discussion of prior Board agenda items and actions, refer to earlier annual and midyear reports. Major actions of the Board of Education are listed in the table below.

### Chronology of Facilities Board Agenda; July 1, 2011 thru June 30, 2012.

DATE	ACTION	AMOUNT
July 13, 2011 (Consent Item # C.7)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid W068264 - De Anza High School Interim Warming Kitchen (B-Side Inc.)</li> </ul>	
July 13, 2011 (Consent Item # C.11)	Ratification and approval of Engineering Services Contracts.	\$66,140
July 13, 2011 (Consent Item # C.12)	Ratification and approval of Negotiated Change Orders	\$543,907
July 13, 2011 (Consent Item # C.13)	Approval of Architect and Contract for Master Planning for Hercules Middle High School New Classroom Building. HY Architects. (Measure J Bond).	\$179,382
July 13, 2011 (Consent Item # C.14)	Approval of the Award of Contract for Kennedy High School ADA Compliance Project to the lowest responsive responsible bidder, CF Contracting. Four (4) bids were opened on July 6, 2011. (Measure J Bond)	\$836,880
July 13, 2011 (Consent Item # C.15)	Approval of Architect and Contract for Architectural and Engineering Services for Montalvin Manor Elementary School New Classroom Building. Baker Vilar Architects. (Measure J Bond)	\$511,590
July 13, 2011 (Consent Item # C.16)	Approval of the Master Plan for Stege Elementary School. Powell and Partners Architects will present the proposed master plan. (Measure D 2010 Bond)	
July 13, 2011 (Consent Item # C.17)	Ratification of previously authorized staff awarded contracts; <ul style="list-style-type: none"> <li>• Ohlone Elementary School West Campus Phase I Project to Zovich Construction. (Previously awarded on June 28, 2011. Final resolution of bid protest against Zovich Construction – no merit.)</li> </ul>	
July 13, 2011 (Reports Item D.2)	<b>Assessed Valuation:</b> District received a letter from the Contra Costa County Tax Assessor's Office setting the Assessed Valuation for the properties within the District. Staff will provide information on the estimated tax levy for the District as it relates to the GO Bond debt.	
July 13, 2011 (Discussion Item # G.1)	Project Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> <li>• Engineering Officer's Report - Verbal Presentation</li> <li>• Construction Status Report - Current Construction Projects</li> </ul>	
July 27, 2011 (Consent Item C.3)	Approval of Procurement Contracts for the School Year 2011-12. These bulk purchasing contracts which will be utilized during the school year 2011-12, will allow the District to procure classroom and teacher materials and supplies, along with computers, equipment and services at discounted rate, saving District time and money.	



<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
July 27, 2011 (Consent Item # C.4)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068221 - Helms Middle School Building Demolition and General Site Work. (Evans Brothers Inc.)</li> <li>• Bid J068217 - Kennedy High School Security Fencing Project. (Crusader Fence Co.)</li> </ul>	
July 27, 2011 (Consent Item # C.10)	Ratification and approval of Negotiated Change Orders	\$171,101
July 27, 2011 (Consent Item # C.11)	Ratification and approval of Engineering Services Contracts.	\$638,567
July 27, 2011 (Consent Item # C.12)	Approval of Contracts for five (5) Inspectors of Record for Bond Program Projects for the school year 2011-12. Measure J Bond.	\$1,016,500
July 27, 2011 (Consent Item # C.13)	Approval of Contract for El Cerrito High School Photovoltaic "PV" System Repairs, Maintenance and Monitoring to Optony Solutions Group. (Retention funds held from original contractor/installer).	\$35,400
July 27, 2011 (Consent Item # C.14)	Approval of the Award of Contract for site work and utilities connections to complete the Collins Elementary School Modular Replacement Project to the lowest responsive responsible bidder, ERA Construction. Four (4) bids were opened on July 19, 2011. (Special Reserve for Capital Facilities, Fund 40)	\$222,176
July 27, 2011 (Consent Item # C.15)	Approval of the plans to relocate the Coronado Elementary School campus to a temporary housing on the Kennedy High School Campus. Coronado ES has one of the smallest school sites in the District and it will not be possible to construct the new school while keeping the existing school on site. Measure J Bond.	\$3,000,000
July 27, 2011 (Consent Item # C.16)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>• Anton Jungherr - recommended by the City of Hercules as the City's representative.</li> <li>• Hector Rubio – recommended to serve as the City's Alternate to attend and participate in meetings that Mr. Jungherr is unable to attend.</li> </ul>	
July 27, 2011 (Action Item F.1)	Approval to adopt Resolution No. 14-1112: 2002 Measure D and 2000 Measure M Bond Refunding. The resolution shall authorize the refunding of up to \$205,000,000 of General Obligation (GO) bonds pursuant to the terms and conditions of sale agreed upon by the Board of Education. Refunding of existing bonds (refinancing bond debt) will lower tax rates for District taxpayers and save taxpayers money.	
August 17, 2011 (Consent Item C.8)	Approval of the Job Description for the position of Fiscal/Project Accounting Analyst as recommended by the School Supervisors Association. (Paid from Bond Fund)	\$85,079
August 17, 2011 (Consent Item C.9)	Ratification and approval of Engineering Services Contracts.	\$402,107
August 17, 2011 (Consent Item C.10)	Ratification and approval of Negotiated Change Orders.	\$274,246

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
August 17, 2011 (Consent Item C.11)	Approval of Contract with Jack Schreder & Associates on an hourly basis with not-to-exceed limits for Facilities Consulting Services including Developer Fee Study, Emergency Repair Program Consulting, Facility Master Plan/Demographic & Capacity Analysis, Facility Needs Assessment and School Facility Program Eligibility & Tracking. (Capital Fund, Special Reserve for Capital facilities and Measure J Bond).	\$119,050
August 17, 2011 (Consent Item C.12)	Approval of Construction Management Services Contract with Seville Group (SGI) for the Ohlone Elementary School Phase I Reconstruction Project. Measure J Bond.	\$1,015,771
August 17, 2011 (Consent Item C.13)	Approval of Award of Contract for the Crespi Middle School Gym Floor Replacement Project to the lowest responsive responsible bidder, Romkon, Inc. Five bids were received on August 4, 2011. Self-Insurance Fund.	\$238,650
August 17, 2011 (Consent Item C.14)	Approval of Award of Contract for the Richmond High School Art Building Fire Alarm and Security System Project to the lowest responsive responsible bidder, Green Leaf dba Eclipse Electric. Two bids were received on August 4, 2011. Measure J Bond.	\$54,716
August 17, 2011 (Consent Item C.15)	Approval of Award of Contract for the Lupine Hills Elementary School Window, Wall, & Roof Repairs Project to the lowest responsive responsible bidder, AM Woo Construction. Two bids were received on August 4, 2011. Measure J Bond.	\$135,500
August 17, 2011 (Consent Item C.16)	Approval of Updated District Standards for Elementary School Renovation and Reconstruction to reflect lessons learned from past projects, feedback from Post Occupancy Evaluation, and to adopt the Collaborative for High Performance Schools (CHPS) standards.	
August 17, 2011 (Report Item D.2)	The Associate Superintendent for Business Services provides an update on the August 12 refunding bond sale.	
August 17, 2011 (Discussion Item G.1)	The subcommittee of the Citizens Bond Oversight Committee (CBOC) recommends that the Board review and discuss the proposed revisions to BP 7214.2 and take action on those revisions at a subsequent Board meeting.	
August 17, 2011 (Discussion Item G.2)	Project Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> <li>• Engineering Officer’s Report - Verbal Presentation</li> <li>• Construction Status Report - Current Construction Projects</li> </ul>	
September 7, 2011 (Consent Item C.11)	Ratification and approval of Engineering Services Contracts.	\$342,777
September 7, 2011 (Consent Item C.12)	Ratification and approval of Negotiated Change Orders.	\$104,648
September 7, 2011 (Consent Item C.13)	Approval of Award of Contract for the Helms Middle School Surveillance Camera Installation Project to the lowest responsive responsible bidder, CF Contracting. Six bids were received on August 3, 2011. Measure J Bond.	\$298,000
September 7, 2011 (Consent Item C.14)	Approval of Award of Contract for the Pinole Valley High School Surveillance Camera Installation Project to the lowest responsive responsible bidder, Ojo Technology (Pending resolution of Bid Protest). Two bids were received on August 24, 2011. Measure J Bond.	\$330,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
September 7, 2011 (Consent Item C.15)	Approval of the proposed Master Plan for the Valley View Elementary School as reviewed and recommended by the Facilities Sub-committee after numerous staff and teachers, and neighborhood meetings. Measure J Bond.	\$34,066,383
September 7, 2011 (Consent Item C.16)	Approval of Total School Solutions to perform the Annual Independent Prop 39 Performance Audit and evaluation. Measure J Bond.	\$141,000
September 7, 2011 (Discussion Item G.1)	Project Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> <li>• Engineering Officer’s Report - Verbal Presentation</li> <li>• Construction Status Report - Current Construction Projects</li> </ul>	
September 13, 2011 (Business Item B.1)	Approval to adopt Resolution No. 16-1112: Reimbursement Resolution-2010 Series A Bond Sale. The resolution shall authorize the tracking of costs associated with the Gompers/Leadership project to the future issuance of the 2010 Series A Bond – Qualified School Construction Bond (QSCB). This will help district efforts to ensure that the QSCB funds are spent within the required timeline of 3 years from date of sale.	
September 21, 2011 (Consent Item C.13)	Ratification and approval of Engineering Services Contracts. Approved	\$99,643
September 21, 2011 (Consent Item C.14)	Ratification and approval of Negotiated Change Orders. Approved	\$297,353
September 21, 2011 (Consent Item C.15)	Approval of Amendment to Seville Group (SGI) Contract to cover General Conditions Reimbursable Expenses which include network support, reception, fiscal controls, estimating and scheduling support, and design phase management. The approved amount for this fiscal year has been exhausted and amendment is necessary for completion of anticipated work during remainder of year. Measure J Bond.	\$1,002,819
September 21, 2011 (Consent Item C.19)	Approval of Appointments to the Citizen’s Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>• Joe Fisher – as a representative of the Senior Citizen’s Organization.</li> </ul>	
September 21, 2011 (Action Item F.1)	Approval to adopt Resolution No. 20-1112: 2010 Measure “D”, Series “A” and “A1” Bond Issuance. The resolution shall authorize the issuance of up to \$100,000,000 of bonds approved by the District’s voters at the June 8, 2010 election. Issuance will comprise of \$21,000,000 in Qualified School Construction Bonds (QSCB) and \$79,000,000 in tax-exempt general obligation bonds under government code. The bonds will be sold through a negotiated sale with Piper Jaffray as senior manager.	
October 4, 2011 (Consent Item C.6)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068283 – Madera elementary School Kitchen and Restroom Resurfacing. (Streamline Builders)</li> <li>• Bid J068287 – Stewart Elementary School Kitchen and Restroom Resurfacing Project. (Streamline Builders.)</li> <li>• Bid J068223 – Chavez Elementary School Window and door Replacement Project. (Pinguelo construction.)</li> <li>• Bid J068262 – Peres Elementary School Roof Restoration Project. (Solano County Roofing Company)</li> <li>•</li> </ul>	
October 4, 2011 (Consent Item C.7)	Ratification and approval of Engineering Services Contracts.	\$493,737

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
October 4, 2011 (Consent Item C.8)	Ratification and approval of Negotiated Change Orders.	\$528,594
October 4, 2011 (Consent Item C.9)	Approval of the Updated Measure J and D 2010 Bond Program Budget. Board Facilities Subcommittee recommends approval of the updated budget which include adjustments and ongoing reconciliations as projects are closed out, or additional expenses are incurred.	
October 4, 2011 (Consent Item C.10)	Approval of Updated District Standards for High School Renovation and Reconstruction to reflect lessons learned from past projects, feedback from teachers, staff and administrators, and to adopt the Collaborative for High Performance Schools (CHPS) standards.	
October 4, 2011 (Consent Item C.11)	Approval of Right of Entry Agreement with the City of Richmond for the construction of a Temporary Campus for Nystrom Elementary School at the MLK Recreation Center. The agreement will allow the District to use a portion of the MLK Park adjacent to the school for construction, use and restoration of the site. Measure D 2010 Bond.	\$2,400,000
October 4, 2011 (Consent Item C.12)	Approval of Right of Entry Agreement with the San Pablo Police Department for installing, operating and maintaining surveillance cameras on rooftops at Dover and Downer Elementary Schools to monitor the streets adjacent to the school sites.	
October 4, 2011 (Consent Item C.13)	Approval of Award of Contract for the Stewart Elementary School Site Renovation Project to the lowest responsive responsible bidder, Bruce Carone Contracting. Six bids were received on September 15, 2011. MRAD budget.	\$57,275
October 4, 2011 (Consent Item C.14)	Approval to adopt Resolution No. 25-1112 in support of Office of Public School Construction applications for Modernization and New construction state funding and updating of authorized district representatives to complete and sign applications for submission to OPSC.	
October 4, 2011 (Consent Item C.15)	Approval of revisions to Board Policy 7214.2 – Citizens Bond Oversight Committee. Modifications and revisions are based on the review and recommendations prepared by a subcommittee of the Citizens Bond Oversight Committee.	
October 4, 2011 (Discussion Item G.1)	Project Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> <li>• Engineering Officer’s Report - Verbal Presentation</li> <li>• Construction Status Report - Current Construction Projects</li> </ul>	
October 19, 2011 (Consent Item C.6)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068280 – Kennedy High School Admin Interior Renovations. (AM Woo Construction)</li> <li>• Bid J068278 – Crespi Middle School Fire Restoration Project. (ERA Construction.)</li> <li>• Bid J068289 – Collins Elementary School Portable Site Package. (ERA Construction.)</li> <li>• Bid J068281 – Madera Elementary School Portable Site Package. (AM Woo Construction)</li> <li>• Bid J068282 – Mira Vista Elementary School Portable Site Package. (Calico-California Construction)</li> <li>• Bid J068290 – Collins Elementary School Parking and Driveway Improvements. (Michael J McKim Company)</li> </ul>	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
October 19, 2011 (Consent Item C.24)	Ratification and approval of Engineering Services Contracts.	\$428,780
October 19, 2011 (Consent Item C.25)	Ratification and approval of Negotiated Change Orders.	\$299,782
October 19, 2011 (Consent Item C.26)	Approval of Updated District Standards for Middle School Renovation and Reconstruction to reflect lessons learned from past projects, feedback from teachers, staff and administrators, and to adopt the Collaborative for High Performance Schools (CHPS) standards.	
October 19, 2011 (Consent Item C.27)	Approval of Award of Contract for the Ford Elementary School Furniture Set-up and Installation to the lowest responsive responsible bidder, Young Office Solutions, after the apparent low bidder was declared non-responsive. Three bids were received on October 6, 2011. Measure J Bond.	\$393,459
October 19, 2011 (Consent Item C.28)	Approval of the proposed Valley View Elementary School Architectural and Engineering Fees. The master plan was approved on September 7, the development of plans and construction documents follow.	\$2,838,125
October 19, 2011 (Consent Item C.29)	Approval of Award of Contract for the Nystrom Elementary School Multipurpose Building Furniture Set-up and Installation to the lowest responsive responsible bidder, Sierra School Equipment, after the expiration of the bid protest period. Three bids were received on October 11, 2011. Measure J Bond.	\$99,992
October 19, 2011 (Consent Item C.31)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>Julio Arroyo – as the representative of the Public Employees Union, Local One. Mr. Scott Brown is recommended to serve as the alternate and would attend and participate in meetings that Mr. Arroyo is unable to attend.</li> </ul>	
October 19, 2011 (Consent Item C.32)	Approval to Adopt Resolution No. 69-1112: Bond Litigation Expenses. The resolution will authorize the use of bond proceeds to pay legal expenses arising from the Orrick litigation (Case No. 10-00317) and the KND litigation (Case No. 09-02462).	
October 19, 2011 (Action Item F.1)	Approval of Wilson Elementary School Master Plan. The facilities Subcommittee recommends approval and Interactive Resources Architects will present the master plan. Measure J Bond.	\$34,000,000
November 2, 2011 (Consent Item C.7)	Ratification and approval of Engineering Services Contracts.	\$349,021
November 2, 2011 (Consent Item C.8)	Ratification and approval of Negotiated Change Orders.	\$966,907
November 2, 2011 (Consent Item C.9)	Approval of Proposed Construction Administration Fees for the Portola Middle School Construction at Castro Elementary School Site, Scope includes bid support services, construction administration services and final DSA closeout services. Measure J Bonds.	\$1,431,080
November 2, 2011 (Consent Item C.11)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>Gerard Boulanger – as the representative of the City of Hercules as recommended by the Hercules City Council.</li> </ul>	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
November 2, 2011 (Discussion Item G.2)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Portola Middle School</li> <li>• Coronado Elementary school</li> <li>• Nystrom Elementary School</li> <li>• Overview of the status of district eligibility for State funding</li> </ul>	
November 2, 2011 (Discussion Item G.3)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
November 16, 2011 (Consent Item C.6)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068301 – Richmond High School Arts Building Fire and Intrusion Alarm. (Green Leaf Solar dba Eclipse Electric)</li> <li>• Bid J068217 – Kennedy High School Security Fencing Project. (Crusader Fence Co. Inc.)</li> <li>• Bid J068263 – Crespi Middle School Roof Restoration Project. (F. Rodgers Corporation.)</li> </ul>	
November 16, 2011 (Consent Item C.11)	Ratification and approval of Engineering Services Contracts.	\$514,432
November 16, 2011 (Consent Item C.12)	Approval of Wilson Elementary School Construction Document Design Fees. Scope includes schematic design, design development and construction document services. Measure D 2010 Bond.	\$2,400,000
November 16, 2011 (Consent Item C.17)	Approval of the modifications to Board Policy 7214.2, Citizens Bond Oversight Committee (CBOC). Proposed revisions will eliminate a position that has been unfilled for several years and allow the CBOC to establish its own by-laws and operational rules.	
November 16, 2011 (Reports Item D.5)	Measure D Bond Sale. The Bond finance Team recently completed the sale of the District’s first \$100 million bond issuance towards Measure D 2010 authorization. Dave Olson of KNN will present the report.	
December 7, 2011 (Consent Item C.10)	Approval to adopt Resolution No. 76-1112: Chevron Tax Appeal. The resolution authorizes the District to request Chevron to withdraw its appeal for the assessed value of its Richmond Refinery Property.	
December 7, 2011 (Consent Item C.11)	Ratification and approval of Engineering Services Contracts.	\$886,844
December 7, 2011 (Consent Item C.12)	Ratification and approval of Negotiated Change Orders.	\$397,530
December 7, 2011 (Consent Item C.13)	Approval of Additional Funds to Seville Group (SGI) Program Management Contract to cover General Conditions Reimbursable Expenses (GCRs) which include computer/software/hardware expenses, office equipment, legal advertisements, postage, security, office supplies and telephone/fax expenses.. Measure J and Measure D 2010 Bond.	\$1,276,965
December 7, 2011 (Consent Item C.14)	Approval of District Deferred Capital Improvement Projects for the Measure D 2010 Bond Program. As recommended by the Facilities Subcommittee.	\$2,300,000
December 7, 2011 (Consent Item C.15)	Approval of the Relocation of the California Children Services (CCS) Program to the Downer Elementary School site. The program is currently housed in the Castro Elementary campus which is now closed and will be reconstructed as the ne Portola Middle School. Measure J Bond.	\$84,704



<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
December 7, 2011 (Consent Item C.16)	Approval of Stege Elementary School Construction Document Design Fees. Scope includes schematic design, design development and construction document services. Measure D 2010 Bond.	\$2,785,630
December 7, 2011 (Consent Item C.17)	Approval of Award of Contract for the Pinole Middle School Miscellaneous Repairs Project to the lowest responsive responsible bidder, AM Woo Construction. Three bids were received on November 14, 2011. Measure J Bond.	\$89,700
December 7, 2011 (Consent Item C.18)	Approval of Award of Contract for the Kennedy High School Quad Renovations Project to the lowest responsive responsible bidder, CF Contracting. Five bids were received on October 27, 2011. Measure J Bond.	\$982,800
December 7, 2011 (Consent Item C.19)	Approval of Award of Contract for the Riverside Elementary School Restroom Resurfacing Project to the lowest responsive responsible bidder, Streamline Builders. Three bids were received on November 10, 2011. Measure J Bond.	\$81,500
December 7, 2011 (Discussion Item G.2)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
January 4, 2012 (Consent Item C.6)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068299 – Hannah Ranch Elementary School Roof Repairs Phase I. (Kings Roofing)</li> <li>• Bid J068270 – Portola Middle School Temporary Campus Site Work Project. (Ray’s Electric)</li> </ul>	
January 4, 2012 (Consent Item C.12)	Ratification and approval of Engineering Services Contracts.	\$354,166
January 4, 2012 (Consent Item C.13)	Ratification and approval of Negotiated Change Orders.	\$99,825
January 4, 2012 (Consent Item C.14)	Approval of a Joint-Use Agreement between the District and the City of El Cerrito. The agreement will allow Portola Middle School students the use of the City’s Recreational Facilities at Cerrito Vista Park on a temporary basis until the completion of the construction of the new school. Measure D 2010 Bond.	\$10,000
January 4, 2012 (Consent Item C.15)	Approval of Award of Contract for the Nystrom Elementary School Temporary Campus Modularity Installation Project to the lowest responsive responsible bidder, Mobile Modular. Two bids were received on November 29, 2011. Measure J Bond.	\$637,288
January 4, 2012 (Consent Item C.16)	Approval of Award of Contract for the Pinole Middle School Interim Housing Demolition Project to the lowest responsive responsible bidder, Thomas D. Eychner. Six bids were received on November 29, 2011. Measure J Bond.	\$155,000
January 4, 2012 (Consent Item C.17)	Approval of Award of Contract for the Richmond High School Fiber Optics Project to the lowest responsive responsible bidder, Nema Construction. Six bids were received on November 29, 2011. Measure J Bond.	\$48,000
January 4, 2012 (Consent Item C.18)	Approval of Increase in District Allocation for the Marine Center Renovation Project in order to help overcome the added costs during construction and project close-out. Measure J Bond.	\$250,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
January 4, 2012 (Action Item F.2)	Approval to adopt Resolution No. 74-1112: Senate Bill SB 293 prohibits public entities from withholding retention more than 5% of contract price unless certain conditions specified in Public contract Code 7201 are satisfied In compliance, Resolution would establish the criteria for determining whether a project is substantially complex and delegate the authority to make the determination whether the project is substantially complex to the Superintendent or his designee.	
January 4, 2012 (Discussion Item G.1)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
January 18, 2012 (Consent Item C.8)	Ratification and approval of Engineering Services Contracts.	\$163,200
January 18, 2012 (Consent Item C.9)	Ratification and approval of Negotiated Change Orders.	\$483,283
January 18, 2012 (Consent Item C.10)	Approval of Proposed Richmond High School Construction Document Design Fees. The scope includes schematic design, design development, and construction document services by the architect and sub-consultants. Measure D 2010.	\$1,896,202
January 18, 2012 (Consent Item C.11)	Approval to Adopt Resolution 81-1112, authorizing the adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan and Approval of the Coronado Relocation to Kennedy High School Project.	
January 18, 2012 (Consent Item C.12)	Approval of Award of Contract for the Washington Elementary School Restroom Surface Repairs Project to the lowest responsive responsible bidder, Streamline Builders. Seven bids were received on December 9, 2011. Measure J Bond.	\$78,900
January 18, 2012 (Consent Item C.13)	Approval to Adopt Resolution 78-1112: Level II and III Developer Fees, authorizing the increase in fees from \$4.41 per SF to \$4.84 per square foot.	
January 18, 2012 (Consent Item C.15)	Approval of the assignment of SGI program management agreement, rights and obligations to a successor entity SGI Construction Management LLC (“SGI-CM”), effective December 31, 2011.	
January 18, 2012 (Action Item F.2)	Approval to Adopt Resolution 80-1112: Authorizing the Refunding of up to \$140,000,000 of Measure D 2002 and Measure M 2000 Bond.	
February 1, 2012 (Consent Item C.7)	Ratification and approval of Engineering Services Contracts.	\$831,142
February 1, 2012 (Consent Item C.8)	Ratification and approval of Negotiated Change Orders.	\$114,928
February 1, 2012 (Consent Item C.9)	Approval to Adopt Resolution No. 85-1112: Approving Findings after hearing on Wright construction, Inc. Request for Substitution of All About Floors, Inc. with Floor Tec. Inc. for the De Anza High School Replacement Campus Project.	
February 1, 2012 (Consent Item C.10)	Approval of Award of Contract for the Pinole Valley High School Digital Video Surveillance System Project to the lowest responsive responsible bidder, West Corporation. Four bids were received on January 25, 2012. Measure J Bond.	\$303,423



<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
February 1, 2012 (Consent Item C.11)	Approval of Staff and Committee Recommendations to Decline the Appointment of Anton Jungherr to the Citizen's Bond Oversight Committee (CBOC) who was recommended by the Contra Costa Taxpayers Association to represent the organization.	
February 1, 2012 (Discussion Item G.1)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
February 15, 2012 (Consent Item C.5)	Approval to Authorize Staff to negotiate a contract for the supply, hosting and implementation of the Enterprise Resource Planning/System Software as replacement of the current Bi-Tech System. The software includes functionality for Human Resources, Budget, Accounting, Payroll and Purchasing. Staff Resources, Technology/Measure D and Special Reserve.	\$5,400,000
February 15, 2012 (Consent Item C.14)	Ratification and approval of Engineering Services Contracts.	\$88,625
February 15, 2012 (Consent Item C.15)	Ratification and approval of Negotiated Change Orders.	\$30,100
March 7, 2012 (Consent Item C.12)	Ratification and approval of Engineering Services Contracts.	\$299,054
March 7, 2012 (Consent Item C.13)	Ratification and approval of Negotiated Change Orders	\$267,649
March 7, 2012 (Consent Item C.14)	Approval of Award of Contract for the Nutrition Center Boiler Replacement Project to the lowest responsive responsible bidder, S & H Construction. Six bids were received on February 7, 2012. Nutrition Development Fund.	\$222,200
March 7, 2012 (Consent Item C.15)	Approval of Award of Contract for the Gompers/LPS High School Soils Removals and Site Work Project to the lowest responsive responsible bidder, Applied Water Resources after the apparent low bidder, WR Forde withdraw bid due to mathematical error. Seven bids were received on February 27, 2012. Measure J Bond.	\$558,428
March 7, 2012 (Discussion Item G.2)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
March 21, 2012 (Consent Item C.13)	Ratification and approval of Engineering Services Contracts.	\$384,698
March 21, 2012 (Consent Item C.14)	Ratification and approval of Negotiated Change Orders	\$50,926
March 21, 2012 (Consent Item C.15)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>• Tim Banuelos – as the representative of the City of Pinole as recommended by the Pinole City Council.</li> </ul>	
March 21, 2012 (Consent Item C.16)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>• Kris Hunt – as the representative of the Contra Costa Taxpayer's Association.</li> </ul>	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
March 21, 2012 (Consent Item C.17)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>Kristin Rosecrans– as the representative of school Board Member, Trustee Thurmond.</li> </ul>	
March 21, 2012 (Consent Item C.18)	Approval of Appointments to the Citizen's Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>Tim Warner– as the representative of school Board Member, Trustee Kronenberg.</li> </ul>	
March 21, 2012 (Consent Item C.19)	Accept the Annual Bond Performance Audit Report for fiscal year ending June 30, 2011.	
March 21, 2012 (Consent Item C.20)	Approval of Additional Fees to Seville Group ("SGI") Measure J Program Management Services including cost tracking, fiscal controls, network administration, document control, invoice processing, multi-year project budgeting, and tracking, etc. Measure J Bond.	\$864,574.
March 21, 2012 (Consent Item C.21)	Approval of Award of Contract for the Purchase of Custodial Equipment and Facility Maintenance for Dover ES, Ford ES, King ES and Pinole MS to Cole Supply Co., Inc. for Hard Floor and Carpet Floor Care equipment and Nilfisk Advance, Inc. for Rider Sweeper equipment. Seven bids were received on February 28, 2012. Measure J Bond.	\$129,050
April 4, 2012 (Consent Item C.8 )	Ratification and approval of Engineering Services Contracts	\$560,406
April 4, 2012 (Consent Item C.9 )	Ratification and approval of Negotiated Change Orders	\$284,657
April 4, 2012 (Consent Item C.10 )	Accept the Annual Bond Financial Audit Report for fiscal year ending June 30, 2011.	
April 4, 2012 (Consent Item C.11 )	Approval of Additional Design Fees to WLC Architects for the El Cerrito High School Stadium and Field Replacement Project due to excessive soil and geotechnical issues, and increases in project scope that required substantial coordination and design modifications. Measure D 2010 Bond.	\$432,000
April 4, 2012 (Consent Item C.12)	Approval of Award of Lease for DSA Approved Reconditioned Portable Classrooms for Coronado Elementary School Temporary facilities at Kennedy High School campus to the apparent low bidder, Mobile Modular, Inc.. The lone bid was received on March 12, 2012. Measure D 2010 Bond.	\$1,158,128
April 4, 2012 (Consent Item C.13)	Approval of Award of Lease for DSA Approved Reconditioned Portable Classrooms for Kennedy High School Science Classrooms to the apparent low bidder, Mobile Modular, Inc.. The lone bid was received on March 13, 2012. Measure J Bond.	\$752,568
April 4, 2012 (Consent Item C.14)	Approval of Award of Contract for Helms Middle School Multipurpose Room Audio-Visual Systems Project to the lowest responsive, responsible bidder, Triumph Construction Group. Three bids were received on March 20 2012. Measure D Bond.	\$58,890
April 4, 2012 (Consent Item C.15)	Approval of Award of Contract for Pinole Middle School Multipurpose Room Audio-Visual Systems Project to the lowest responsive, responsible bidder, Point One Electrical Systems. Four bids were received on March 20 2012. Measure D 2010 Bond.	\$71,722

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
April 4, 2012 (Consent Item C.16)	Approval of Award of Lease for DSA Approved Reconditioned Portable Classrooms for Nystrom Elementary School to the apparent low bidder, Mobile Modular, Inc.. Two bids were received on December 19, 2011. Measure J Bond.	\$637,288
April 4, 2012 (Consent Item C.17)	Approval of recommendation to reject all bids for Nystrom Elementary School Temporary Campus Project due to non-responsive bids and bidder errors. Board is asked to direct staff to rebid the project. Five bids were received on March 1, 2012. Measure J Bond.	
April 4, 2012 (Consent Item C.20)	Approval of Award of contract for Peres Elementary School Dental Clinic Project to the lowest responsive-responsible bidder, Ziegenbein Const. in the amount of \$289,000, pending expiration of 72 hour bid protest period. Apparent low bidder, Arthulia Inc. disclosed that they failed to include cost of dental equipment in their bid. Measure D-2010 Bond.	\$289,000
April 4, 2012 (Discussion Item G.1)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
April 25, 2012 (Consent Item C.9)	Ratification and approval of Engineering Services Contracts.	\$525,022
April 25, 2012 (Consent Item C.10)	Ratification and approval of Negotiated Change Orders	\$555,906
April 25, 2012 (Consent Item C.11)	Approval of Award of Contract for Coronado Elementary School Interim Campus Project at Kennedy High School campus to the lowest responsive, responsible bidder, Vila Construction Co., after the apparent low bidder, BHM Construction withdrew due to clerical errors. Six bids were received on April 12, 2012. Measure D 2010 Bond.	\$1,890,000
April 25, 2012 (Consent Item C.12)	Approval of Award of Contract for Kennedy High School Replacement Softball Field Project to the lowest responsive, responsible bidder, Lemings Irrigation. Three bids were received on April 11, 2012. Measure J Bond.	\$107,900
April 25, 2012 (Consent Item C.13)	Approval of Award of Contract for Nystrom Elementary School Temporary Campus Site Work Project to the lowest responsive, responsible bidder, Alten Construction after staff deemed the apparent low bidder, Trinet Construction, as non-responsive. Four bids were received on April 10, 2012. Measure J Bond.	\$1,834,007
April 25, 2012 (Consent Item C.14)	Approval of Award of Contract for Portola Middle School Demolition Project to the lowest responsive, responsible bidder, Alten Construction after staff deemed the apparent low bidder, Evans Construction, as non-responsive. Nine bids were received on April 12, 2012. Measure D 2010 Bond.	\$2,191,176
April 25, 2012 (Action Item F.3)	Approval to Adopt Resolution 99-1112, Approving a Form of the Preliminary Official Statement in Connection with the 2012 General Obligation Refunding Bonds (the “Bonds”) – Refunding all or a portion of outstanding (i) 2002 Measure D Bonds and (ii) 2000 Measure M Bonds, the “Refunded Bonds”.	
April 25, 2012 (Discussion Item G.2)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Helms Middle School</li> <li>• King Elementary School</li> </ul>	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
May 9, 2012 (Consent Item C.8)	Ratification and approval of Engineering Services Contracts.	\$870,654
May 9, 2012 (Consent Item C.9)	Ratification and approval of Negotiated Change Orders	\$436,197
May 9, 2012 (Discussion Item G.1)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
May 23, 2012 (Consent Item C.8)	Ratification and approval of Engineering Services Contracts.	\$900,974
May 23, 2012 (Consent Item C.9)	Ratification and approval of Negotiated Change Orders.	\$71,783
June 13, 2012 (Consent Item C.4)	Approval of Notices of Completion (BP 7470): <ul style="list-style-type: none"> <li>• Bid J068304 – Riverside Elementary School Restroom Resurfacing Project. (Streamline Builders)</li> <li>• Bid J068304 – Washington Elementary School Restroom Resurfacing Project. (Streamline Builders)</li> </ul>	
June 13, 2012 (Consent Item C.11)	Ratification and approval of Engineering Services Contracts.	\$987,0556
June 13, 2012 (Consent Item C.12)	Ratification and approval of Negotiated Change Orders.	\$226,307
June 13, 2012 (Consent Item C.13)	Approval of Award of Contract for Collins Elementary New Fire Alarm Project to the lowest responsive, responsible bidder, Watson Electric, Inc. Four bids were received on June 5, 2012. Measure J Bond.	\$239,788
June 13, 2012 (Consent Item C.14)	Approval of Award of Contract for Ellerhorst, Harding, Lincoln and Tara Hills Elementary Schools Restroom Renovation Project to the lowest responsive, responsible bidder, B-Side, Inc. Three bids were received on June 6, 2012. Measure J Bond	\$885,000
June 13, 2012 (Consent Item C.15)	Approval of Award of Contract for Mira Vista Elementary Concrete Stoops Project to the lowest responsive, responsible bidder, _____. _____ bids were received on June 13, 2012. Measure D 2010 Bond.	\$
June 13, 2012 (Consent Item C.16)	Approval of Award of Contract for Sheldon, Murphy and Mira Vista Elementary Schools Restroom Renovation Project to the lowest responsive, responsible bidder - AM Woo Construction, Inc.. Five bids were received on June 5, 2012. Measure J Bond.	\$477,000
June 13, 2012 (Consent Item C.18)	Approval of Appointments to the Citizen’s Bond Oversight Committee (CBOC) ; <ul style="list-style-type: none"> <li>• Yvette Rico – as the representative of school Board Member Trustee Medrano.</li> </ul>	
June 13, 2012 (Discussion Item G.1)	Project Status Report – Facilities Planning and Construction <ul style="list-style-type: none"> <li>• Engineering Officers Report</li> <li>• Construction Status Reports</li> </ul>	
June 27, 2012 (Consent Item C.12)	Ratification and approval of Engineering Services Contracts.	\$1,466,536

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
June 27, 2012 (Consent Item C.13)	Ratification and approval of Negotiated Change Orders.	\$120,638
June 27, 2012 (Consent Item C.15)	Approval of Award of Contract for Crespi Middle School Gym Roof Replacement Project to the lowest responsive, responsible bidder, Stronger Building Services, Inc. Three bids were received on June 14, 2012. Measure J Bond.	\$340,000
June 27, 2012 (Report Item D.1)	The District Financial Advisor reports on the recently completed June 2012 General Obligation Refunding Bond Sale.	
June 27, 2012 (Public Item E.1)	Anton Jungherr spoke to the Board on the Contra Costa Grand Jury Report regarding school bond oversight committees entitled "School Bond Oversight Committees: Raising the Bar" and specific findings and recommendations to which the District is required to respond. Also spoke on the seven member requirement for CBOC and current nineteen members which are Board member appointees. Grand Jury Report will be placed on the agenda of the August 1 <sup>st</sup> joint meeting of the Board and the CB OC.	
July 2, 2012 (Consent Item CI-B1)	Approval of the #1 million fund transfer to begin the Peres Modernization project ahead of receiving the anticipated funds from the state SFP modernization grant.	
July 2, 2012 (Consent Item CI-B2)	Approval of Award of Contract for Peres Elementary School Modernization Project to the lowest responsive, responsible bidder, S & H Construction, Inc.. Three bids were received on June 27, 2012. Measure J Bond.	\$1,235,000

## DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of the annual audit for fiscal year 2011-12 is limited to Measures J and D (2010) funds, it is useful to review the history of the District’s facilities program to place the current program into a more complex context.

The financial status of the District’s facilities program, documented in audits and financial reports, is presented in the tables below (“Facilities Program-Financial Status” and “Facilities Program-Funding Resources”). For a more detailed presentation of accounting activity, refer to the “District Accounting Funds” section following this summary as well as detailed data presented throughout this report.

From the Facilities Program tables, several trends may be observed: (1) the outstanding bonds total has increased significantly as authorized bonds have been sold; (2) annual developer fee revenues have decreased significantly from a high of \$10.5 million in 2003-04 to a low in 2010-11; and (3) state match funds totaling \$109.2 million have been received from 2002-03 through 2011-12. (See Facilities Program Financial Status table.)

As of June 30, 2012, the District has sold Measure J bonds totaling \$322.5 million, leaving a remaining authorization for the future sale of \$77.5 million in Measure J bonds. The District has \$280 million remaining authorization for future sale of Measure D (2010) bonds.

### District Accounting Funds

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

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

<sup>1</sup> Refer to the table on the following page for a detailed accounting of funds for the 2007-08 through 2011-12 fiscal years and an explanation of the use of the funds.

From the Capital Facilities Funds table, the ending balance for June 30, 2012, for all funds combined was \$131,346,701. Additional revenues will be received from authorized but unsold Measure J and Measure D (2010) bonds and projected revenues from interest earnings developer fees, State match funds, deferred maintenance and special reserves.

### Facilities Program – Financial Status (in thousands)

Fiscal Year	Bonds Outstanding <sup>1</sup>	Developer Fee Revenues <sup>2</sup>	State Facility Program Revenues <sup>3</sup>
2000-01	\$54,340	\$6,061	None
2001-02	\$122,450	\$2,750	None
2002-03	\$216,455	\$9,094	\$16,336
2003-04	\$315,155	\$10,499	\$10,159
2004-05	\$380,634	\$7,760	\$13,090
2005-06	\$544,027	\$8,813	None
2006-07	\$536,504	\$4,840	\$1,556
2007-08	\$527,016	\$2,374	\$3,779
2008-09	\$636,220	\$813	\$23,145
2009-10	\$758,223	\$652	\$4,920
2010-11	\$741,277	(\$132)	\$20,387
2011-12	\$821,579	\$226	\$15,826

<sup>1</sup> Bonds authorized, sold, and outstanding include all bond measures. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal but do not include premiums and accrued interest.

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

<sup>3</sup> State revenues received are discussed in detail in the section, “State School Facility Program.”

### Facilities Program – Funding Resources

Bond Measure (Passage Date)	Authorized	Original Issuance	Outstanding <sup>1</sup> (June 30, 2010)	Outstanding <sup>1</sup> (June 30, 2011)	Outstanding <sup>1</sup> (June 30, 2012)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$28,195,000	\$26,795,000	\$25,305,000
Measure M (November 7, 2000)	150 million	150 million	132,765,000	125,570,000	116,385,000
Measure D (March 5, 2002)	300 million	300 million	276,858,114	269,552,284	260,529,141
Measure J (November 8, 2005)	400 million	322.5 million	320,404,708	319,359,708	319,359,708
Measure D (June 8, 2010)	380 million	100 million	N/A	N/A	100,000,000
<b>Total</b>	<b>\$1,270 million</b>	<b>\$912.5 million</b>	<b>\$758,222,822</b>	<b>\$741,276,992</b>	<b>\$821,578,849</b>

<sup>1</sup> See “Composite Bond Measures Financial Report” section and District financial audit reports for detail.

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**CAPITAL FACILITES FUNDS**

<b>Fiscal Year Ending June 30, 2009</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School Facilities Fund<sup>4</sup></b>	<b>Fund 40 Special Reserves Capital OutlayFund<sup>5</sup></b>	<b>Total</b>
Beginning Balance	\$4,524,588	\$66,850,137	\$4,909,598	\$5,064,185	\$3,632,591	\$84,981,099
Revenues	1,083,317	1,864,009	812,727	19,700,237	4,412,582	27,872,872
Expenditures	863,856	46,129,743	853,033	37,991,884	1,343,897	87,182,413
Transfers Net	0	(13,268,519)	0	13,268,519	0	0
Source	0	121,500,000	0	0	0	121,500,000
Net Change	219,461	63,965,747	(40,306)	(5,023,128)	3,068,685	62,190,459
<b>Ending Balance</b>	<b>\$4,744,049</b>	<b>\$130,815,884</b>	<b>\$4,869,292</b>	<b>\$41,057</b>	<b>\$6,701,276</b>	<b>\$147,171,558</b>

**CAPITAL FACILITES FUNDS**

<b>Fiscal Year Ending June 30, 2010</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School Facilities Fund<sup>4</sup></b>	<b>Fund 40 Special Reserves Capital OutlayFund<sup>5</sup></b>	<b>Total</b>
Beginning Balance	\$4,744,049	\$130,815,884	\$4,869,292	\$41,057	\$6,701,276	\$147,171,558
Revenues	1,108,805	900,737	652,236	575,998	4,700,018	7,937,794
Expenditures <sup>6</sup>	747,610	74,879,440	796,080	1,141,098	5,316,782	82,881,008
Transfers Net	(4,000,000)	(1,998,422)	0	570,548	0	(5,427,874)
Source	0	137,574,031 <sup>7</sup>	0	0	0	137,547,031
Net Change	(3,638,805)	61,596,906	(143,844)	5,448	(616,764)	57,175,943
<b>Ending Balance</b>	<b>\$1,105,244</b>	<b>\$192,412,790</b>	<b>\$4,725,448</b>	<b>\$46,505</b>	<b>\$6,084,512</b>	<b>\$204,347,501</b>

**CAPITAL FACILITES FUNDS (AUDITED)**

<b>Fiscal Year Ending June 30, 2011</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School Facilities Fund<sup>4</sup></b>	<b>Fund 40 Special Reserves Capital OutlayFund<sup>5</sup></b>	<b>Total</b>
Beginning Balance	\$1,105,244	\$192,385,790	\$4,725,449	\$46,505	\$6,084,513	\$204,320,502
Revenues	1,103,343	679,831	(131,521)	20,406,400	4,931,281	26,989,332
Expenditures <sup>6</sup>	12,130	79,817,301	1,125,511	20,438,952	4,860,419	106,254,313
Transfers Net	(1,000,000)	(2,588,194)	0	0	988,194	(2,600,000)
Source	0	0	0	0	0	0
Net Change	91,213	(81,725,664)	(1,257,032)	(32,552)	1,059,056	(81,864,977)
<b>Ending Balance</b>	<b>\$1,196,457</b>	<b>\$110,660,126</b>	<b>\$3,468,417</b>	<b>\$13,956</b>	<b>\$7,143,569</b>	<b>\$122,482,525</b>

**CAPITAL FACILITES FUNDS (AUDITED)**

<b>Fiscal Year Ending June 30, 2012</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School Facilities Fund<sup>4</sup></b>	<b>Fund 40 Special Reserves Capital OutlayFund<sup>5</sup></b>	<b>Total</b>
Beginning Balance	\$1,196,457	\$110,660,126	\$3,468,417	\$13,956	\$7,143,568	\$122,482,524
Revenues	1,100,539	1,523,794	226,420	15,847,380	574,703	19,272,836
Expenditures <sup>6</sup>	0	102,445,971	2,384,880	0	807,848	105,638,699
Transfers Net	(1,000,000)	(5,700,000)	0	0	0	(6,700,000)
Source	0	101,930,040	0	0	0	101,930,040
Net Change	100,539	(4,692,137)	(2,158,460)	15,847,380	(233,145)	8,864,177
<b>Ending Balance</b>	<b>\$1,296,996</b>	<b>\$105,967,989</b>	<b>\$1,309,957</b>	<b>\$15,861,336</b>	<b>\$6,910,423</b>	<b>\$131,346,701</b>

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

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

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

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

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

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

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

### **Proposition 39 Bond Sale Limitations**

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

Any unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. However, as noted above, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

Education Code Section 15270 further adds:

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

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

Resolution No. 25-0506 ordering the Measure J bond election stated that "no series of bonds may be issued unless the District shall have received a waiver from the State Board of Education of the District's statutory debt limit, if required." At its meeting of January 21, 2009, the Board of Education authorized the administration to submit a waiver request to the SBE to increase the District's Measure J bonding limit to 3.5 percent of A/V. The SBE approved the District's waiver request at its meeting of May 6-7, 2009, which enabled the District to issue \$105 million of its remaining authorization of \$210 million Measure J bonds. During the 2009-10 fiscal year, the District issued \$132.5 million of Measure J bonds, bringing the remaining authorization to \$77.5 million.

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

## **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<sup>1</sup> for the fiscal year ended June 30, 2012, reports the following cash investments:

Pooled Funds (Cash in County Treasury)	\$149,222,954
Cash with Fiscal Agent	\$12,442,131
Investments-Local Agency Investment Fund (LAIF)	<u>\$69,081,789</u>
Total	\$230,746,874

<sup>1</sup> West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2012, Crowe Horwath, LLP, Accountants, December 13, 2012.

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, 2012, the pooled fund "contained no derivatives or other investments with similar risk profiles."

Cash with Fiscal Agent represents contract retentions carried in the contractor's name with an independent third party, and the contractor carries all investment risk. As contract payments are made, ten percent is retained until 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.

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

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

## **Deferred Capital Project Fund**

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

The West Contra Costa Unified School District utilized the above provisions of SBX3 4 related to the Deferred Maintenance Program. On March 24, 2010, the Board took action to use the “Tier III State Flexibility for Deferred Maintenance Fund,” allocating some of the funds previously set aside in reserve within the Deferred Maintenance Fund to the District’s K-3 Class Size Reduction Program. As of June 30, 2010, \$4.0 million of Deferred Maintenance Fund reserves were transferred to the General Fund, Tier III, leaving a \$1.1 million reserve in the Deferred Maintenance Fund. During 2011-12, \$1 million was transferred from the Deferred Maintenance Fund to the General Fund, Tier III, and as of June 30, 2012, the reserve was \$1.3 million.

### **Arbitrage**

When a school district issues general obligation bonds, the investments are subject to arbitrage regulations set forth by the United States Department of the Treasury. The bonds are subject to an allowable yield on investments which, if exceeded, results in a rebate liability that would be owed to the U.S. Department of the Treasury. The District made a payment to the IRS related to an Arbitrage Rebate Calculation for a 1998 Measure E, Series C Bond in 2010-2011. Since that time, the District’s financial auditor has reported no incidence of any arbitrage problems.

## STATE NEW CONSTRUCTION STATUS

West Contra Costa Unified School District					
2011-12 SAB Approved New Construction Eligibility					
High School Attendance Area	**2011-12 SAB Approved Eligibility				
	K-6	7-8	9-12	Non-Severe	Severe
DeAnza HSAA	0	0	0	0	14
El Cerrito HSAA	0	0	0	0	47
Kennedy HSAA	0	0	0	0	26
Pinole HSAA	0	0	0	90	41
Richmond HSAA	0	0	0	0	14
Hercules HSAAA	0	94	87	38	40
**Expired on October 31, 2012					





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# **APPENDIX A**

## **MEASURE M BOND LANGUAGE**



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

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

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

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

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

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

Dated: August 7, 2000

STEPHEN L. WEIR  
County Clerk  
Contra Costa County

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# **APPENDIX B**

## **MEASURE D (2002) BOND LANGUAGE**



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

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

**FULL TEXT OF BOND MEASURE D**

BOND AUTHORIZATION

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

ACCOUNTABILITY SAFEGUARDS

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

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

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

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

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

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

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

#### BOND PROJECT LIST

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

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

#### FURTHER SPECIFICATIONS

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

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

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



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

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

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

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

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

Dated: November 30, 2001.

Gloria Johnson, Superintendent  
West Contra Costa Unified School District

## Exhibit A

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

#### **SECTION I**

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

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

##### Security and Health/Safety Improvements

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

##### Major Facilities Improvements

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

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

#### Sitework

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

## **SECTION II**

### **ELEMENTARY SCHOOL PROJECTS**

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

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

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

### SECTION III

#### SECONDARY SCHOOL PROJECTS

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

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

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

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

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



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



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

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

# **APPENDIX C**

## **MEASURE J (2005) BOND LANGUAGE**



**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

Resolution No. 25-0506

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

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

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

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

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

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

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

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

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

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

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

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

### **BOND AUTHORIZATION**

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

### **ACCOUNTABILITY SAFEGUARDS**

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

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

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

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

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

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

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

### **BOND PROJECT LIST**

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

### **FURTHER SPECIFICATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

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

Attest:

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

### **CLERK'S CERTIFICATE**

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

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

The resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

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

WITNESS my hand this 13<sup>th</sup> day of July, 2005.

Clerk of the Board of Education

West Contra Costa Unified School District

## EXHIBIT A

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

#### SECTION I

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

##### Security and Health/Safety Improvements

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

##### Major Facilities Improvements

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

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

### **Special Education Facilities**

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

### **Property**

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

### **Sitework**

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

## **SECTION II**

### **ELEMENTARY SCHOOL PROJECTS**

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

### **SECONDARY SCHOOL PROJECTS**

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

## **RECONSTRUCTION PROJECTS**

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

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

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

## **PROJECT SCOPE**

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

**EXHIBIT B**  
**TAX RATE STATEMENT**

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

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

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

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Superintendent

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

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# **APPENDIX D**

## **MEASURE D (2010) BOND LANGUAGE**





RESOLUTION NO. 76-0910

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOARD OF EDUCATION OF THE WEST CONTRA  
COSTA UNIFIED SCHOOL DISTRICT

By \_\_\_\_\_  
President, Madeline Kronenberg

Attest:

\_\_\_\_\_  
Secretary, Bruce Harter

---

STATE OF CALIFORNIA    )  
                                  )  
CONTRA COSTA COUNTY    )

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

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By \_\_\_\_\_  
Secretary, Bruce Harter

EXHIBIT A

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

Bonds - Yes

Bonds – No

A-1



## EXHIBIT B

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

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

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

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

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

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

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

#### School Renovation, Repair and Upgrade Projects

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# **APPENDIX E**

## **CITIZENS' OVERSIGHT COMMITTEE**





## **CITIZENS' OVERSIGHT COMMITTEE**

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

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

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

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

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

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

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.

### **Little Hoover Commission**

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

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

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

**California League of Bond Oversight Committees**

The California League of Bond Oversight Committees (CALBOC) was formed in 2008 and has 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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# **APPENDIX F**

## **GLOSSARY OF TERMS AND ACRONYMS**



## GLOSSARY OF TERMS AND ACRONYMS

<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>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>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>CO</b>	<b>Change Order</b>
<b>COP</b>	<b>Certificate of Participation</b>
<b>CSBA</b>	<b>California School Boards Association</b>
<b>CUPCCAA</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>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>
<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>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>TBD</b>	<b>To Be Determined</b>
<b>TSCA</b>	<b>Toxic Substance Control Act</b>

