MEMORANDUM

Date: June 1, 2018

To: Members of the Board of Education

From: Bond Accountability Committee (BAC)

Subject: 21st BAC Report to the Board

Background

Office of School Modernization ("OSM") staff continues to be very helpful and supportive of the process, and demonstrates a consistent commitment to transparency and clarity in its dealings with the BAC. However, due to ongoing work with the Board on the 2017 High Schools' budget issue, staff was not able to deliver the usual Balanced Scorecard or the budget and schedule detail for the bond programs. As a result, this report will differ in content from our usual format.

The BAC heard public comment on three subjects. Two members of the public spoke on energy and climate issues, urging the District to be forward-thinking in the bond programs and not just do what is required by law. They also asked the District to participate in a County building assessment process.

Three people, including Nate McCoy representing the local chapter of the National Association of Minority Contractors, offered observations on minority contractor participation in the bond programs. They said that the District has failed on the Franklin and Roosevelt projects, and they have concerns about the upcoming Madison project. In particular, they object to the Workforce Training program and its effect on small minority contractors. One contractor spoke about her negative experience on the Kellogg demolition bid process; we understand that the District's Equity Manager is investigating.

Another member of the public offered a written message from the Beverly Cleary Safety Committee which it had intended to deliver at the BAC's planned meeting on April 18. It complains that the seismic work planned for Fernwood, Jackson, Duniway and Beaumont as a part of IP17 in the 2012 bond has been deferred and not rescheduled. It urged the District to complete this work on an urgent schedule, along with considering adding work at Rose City Park School.

As this report is written, PPS staff is managing the following work:

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OSM continues to recruit to fill vacant positions in an environment of severe regional shortages of design and construction professionals,

Current Issues on the 2012 Bond Program

As noted above, OSM has not had sufficient resources to accommodate both the Board's work on the 2017 bond as well as provide its usual detailed reporting to the BAC.

Construction at Grant High School continues at a significant pace but, due to weather and other issues, was running behind at the time of our meeting by 21 days. We were also told that the owner contingency was being rapidly depleted. Both issues are concerning, and we look forward to a much more detailed update at our next meeting in July. The BAC will tour the Grant site in advance of that meeting.

2017 Bond Program

Health and Safety packages have been developed for Lewis (Interior seismic upgrades, ADA improvements, and fire sprinklers), King (seismic roof upgrades, fire sprinklers and alarm, ADA improvements, and elevator), Fernwood (seismic roof upgrades, fire sprinklers, and ADA improvements) and Rigler (seismic roof upgrades, fire sprinklers and alarm, ADA improvements, and elevator). All were in the bid process at the time of our meeting. In addition, work on lead abatement (paint and water) is underway, and asbestos abatement work is planned to occur this summer.

Health and safely work that is part of the District's Middle Schools conversion project is also being funded out of the H&S allocation in the bond.

The recent Board action to fund over $11 million of other Middle School costs out of the bond was discussed. There was committee consensus that bond funds should not be used in this way. Notwithstanding the apparent advice from bond counsel that bond funds could be legally used for any capital project, the BAC believes that the District should maintain fidelity to the explicit language in the bond and its Explanatory Statement.

The issue is moot, however, given the Board's recent action on Madison. It ensures that there are actually no bond funds available for this purpose (other than on a short term cash flow basis). Effectively, the Middle School conversation costs will eventually be funded through whatever mechanism the Board decides on for the High School shortfall.