



# CHINO VALLEY UNIFIED SCHOOL DISTRICT

## Facilities/Planning Department

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### CITIZENS' OVERSIGHT COMMITTEE MEETING MINUTES November 15, 2004

Roger Larkin called the meeting to order at 5:00 PM with Roger Larkin, Andy Anderson, Gerald Bruce, Maurice Ayala, Paul Rodriguez, Alan Wapner, Glen Duncan, Darren Dalton, Steven Elie, and Paul Andersen present. Geoffrey Vanden Heuvel and Michael Calta arrived after the start of the meeting.

Mr. Larkin passed out copies of the 1<sup>st</sup> Quarterly Report for review by the Committee Members. A Special Meeting will be held on Monday, November 22, 2004 at 5:15 PM to approve the Quarterly Report for presentation to the Board of Education at the first Board Meeting in December.

1. Approval of Minutes from September 20, 2004

Mr. Elie requested that the word "by" be deleted from Page 2, Line 7. With that change noted, Mr. Elie moved that the minutes be approved. Mr. Anderson seconded the motion. The revised minutes were unanimously approved.

2. Request Board of Education to appoint new representatives for a) a qualified taxpayers organization and b) a parent/PTA member

Mr. Larkin stated that as a newly elected School Board Member, Mr. Calta is no longer eligible to serve on the Citizens' Oversight Committee. Also, the Committee has no PTA representative. An audience member, Judy Burgoin, volunteered that as the President of Wickman Elementary PTA, she would qualify as a PTA representative for this meeting. Mr. Larkin suggested that the Committee submit a letter to the Board requesting that they appoint a replacement for Mr. Calta, who represents a taxpayer organization and a new PTA representative to the Committee. Dr. Andersen stated that Mr. Payne is the parent representative. He suggested that the committee ask if he is also a PTA member. If so, would it be acceptable to the Board that he represent the PTA.

3. Review County audit/District response

Mr. Anderson stated that he had requested at the last meeting that this be put on the agenda for this meeting. He further stated that the Committees' primary responsibility is to communicate with the local community about the disposition of the bond funds. He asked if there was a timeline in place with respect to the District response to the County audit and what measures have been put in place to address the issues cited in the County audit. Dr. Andersen stated that he met with Dr. Infusino, other staff members, and PCM3 to develop a draft response to the County. Dr. Andersen stated that he would go through the draft responses with the understanding that there could be some editing and changes in the final response sent to the County.

**Finding #1: Competitive evaluation procedures were not consistently followed.**

**County Recommendation:** The District should follow State laws and regulations in its policies and regulations for evaluating, rating and pre-qualifying bidders. The Board should accept, reject or modify staff recommendations based on a uniform system of evaluation for rating proposals. Furthermore, all Board members should review the District's policy, administrative regulations, statutes and guidelines pertaining to public works projects and when appropriate, receive training.

**District Response:** The District concurs with the importance of abiding by State laws and regulations and District policies in the area of pre-qualification of construction contractors. The District will follow these rules in the future. The Board will be informed of the recommendations of staff and further, will be apprised of the latitude they possess for modifying those recommendations and still be in compliance with current laws and Board policy.

**Finding #2: Change Orders were not monitored for either overages or approval.**

County Recommendation: The Board must set the tone for organization by demanding strict adherence by all parties to Administrative Regulation 3311.2 which also incorporates Public Contract Code 20118.4. The Board and Superintendent must also support staff in requiring that the construction manager abide by the contract provisions by providing timely information and communication in the form of progress reports and billings. The District should strengthen their internal controls by increasing staff and by following their regulations requiring monitoring change orders closely.

**District Response:** The District concurs and acknowledges that adherence to Public Contract Code 20118.4 will be followed. Construction management firms currently employed in the District have been informed at construction owners meetings of the need to adequately notify the Board and the District staff in advance of pending change orders in the project. This written communication will be shared with all Board members in the Weekly Communications information. Internal controls have been strengthened with the addition of PCM3 as the District's program manager. A construction program project management matrix has been developed to identify the specific roles and responsibilities of the parties involved in a construction project, which is attached. Specifically, change order procedures are addressed in Section 11L, progress reports are addressed in Section 11F, payments for change orders are addressed under Section 40.

**Finding #3: The District's construction manager hired firms for construction projects without the required bid process or notice to the District.**

**County Recommendation:** The District must follow the Public Contract Code and their Administrative Regulations, which require a contract for any project exceeding \$15,000. The Board should address the "tone at the top" and not allow the attitude of "get it done at any cost." District staff should monitor the progress of contractors and report deviations to the Board. A policy should be placed into effect that requires staff to notify the Board about concerns regarding program failures. This will allow necessary communication to flow through to the Board, upon which they make informed decisions.

**District Response:** The District again concurs with this recommendation. The District has revised its construction management organization to now include a program management firm specifically experienced with school construction. This firm is PCM3. In addition, the District has employed Mr. John Grow as the Director of Facilities and Construction. Mr. Grow is an experienced school facilities construction manager familiar with practices and requirements in the State of California. The Superintendent and Assistant Superintendent will inform all Board members regularly of construction status. Monthly printed updates are produced which address progress and current issues. Lastly, the District will proactively monitor and control the bid process to adhere to the Public Contract Code and Administrative Regulations. Please refer to Section 100 of the matrix for responsibilities of parties during the procurement activity.

**Finding #4: The District did not maintain complete and appropriate oversight of all District construction projects.**

**County Recommendation:** The District Board and staff are commended for taking several of the following steps to correct the control environment's organizational structure necessary for the District and its Facilities and Planning Department to reassert appropriate oversight of the District's construction program.

- The hiring of a construction program management firm, independent of the project construction management firms, to monitor all of the District's construction projects.
- The use of multiple project construction management firms to distribute the workload.
- Creation of the Director of Facilities and Construction position that is responsible for onsite inspections and serving as the liaison between the Assistant Superintendent, Facilities and Planning and the construction program manager.

The District should consider asserting its contractual right to audit B.E. McMurray under contract Article 8.1 to determine the amount paid for any undelivered services. In addition, the District should develop procedures for every professional services contract that 1) identifies the deliverables required by the contract; 2) mandates a periodic review to determine if the deliverables are accurate, complete, and promptly delivered; 3) promptly notifies the provider of any shortcomings; and 4) requires that staff report those notices to providers and the details thereof (as an information item) in the Board meetings. This would enable the District to intervene early in programs that may be having problems.

**District Response:** The District is in agreement that the three steps to control the environment already taken by the District will prove a very effective tool in actively maintaining oversight. Please refer to matrix sections 7 A-B, section 1b, #1-13, section 12, A-M, section 11, A-Q, and section 40, 1-7. Adherence to these sections will ensure that deliverables by consultants are identified, reviewed, corrected, if needed, and reported to the Board. Staff will analyze the merits of an audit and prepare a Board Agenda item to decide.

**Finding #5:** The construction management firm did not provide the level of staffing required to manage the district's school construction projects as required by their contracts and acted outside of the scope of its contract by hiring firms to construct projects without the required bid process and by issuing *Notice to Proceed* letters to contractors.

**County Recommendation:** The District should require the construction manager to submit summary payroll information for each project. The District should compare the summary payroll information to the staffing level required by the construction management contract for each project. Summary payroll information should include the employee's name, position, and total hours worked by project.

Consider implementing a procedure that requires on site inspections in the event that:

- Reports required by the construction management contract are late or not received.
- There are unusually large increases in change orders, or a delay in notification of change orders.
- Complaints are received about project managers.

The District should modify its contract language so that the District is the entity issuing the *Notices to Proceed Letters* to the contractors.

**District Response:** Currently the District has employed three additional construction management firms who are required to submit summary payroll information as recommended. Future construction management contracts will require summary payroll information as well. Both District personnel and project managers from PCM3 inspect sites on a weekly basis. Often there are several visits per week as needed. *Notices to Proceed* will only be issued by the District.

**Finding #6:** The District did not consistently obtain approval from the Division of State Architects (DSA) when required.

**County Recommendations:** Implement procedures that ensure that the provisions of Title 24 of the California Building Standard Administrative Code, Section 4-330 are followed. The Board should examine the tone they set for the District and not allow the attitude of "get it done at any cost." The District should monitor the progress of construction projects and report concerns to the Board.

**District Response:** The District will ensure that the approval of the Division of the State Architect (DSA) (when required) will be obtained before construction begins. The Superintendent will discuss with Board members their appropriate role in the construction process. Comprehensive monthly construction reports are being prepared by PCM3 for distribution to Board members, District staff and the public.

**Finding #7:** Contract language that assigns responsibility for safety precautions and programs for project contractors is not clear as to the responsible party in all contracts.

**County Recommendation:** When modifying contractual language from established boilerplate language, the District should establish a formal review process. A second review should be performed by staff or counsel who was not involved in the negotiations or initial reviews. Second, involve staff from different functional areas in the review of the contract language negotiations because different perspectives often improve the final agreement by identifying conflicting, unclear, or missing language necessary to accomplish District objectives.

**District Response:** The Matrix previously cited addresses the responsibilities of each party in regards to safety. See section 11N. Specifically, District staff will manage the overall security program with assistance from the Program Manager and the Inspector. The lead action party is the construction manager. Contractors will also participate in providing security and safety as well.

**Finding #8:** The District did not have written policies or procedures in place for processing construction project payments.

**County Recommendation:** The District should formulate their own set of written procedures by incorporating the County Superintendent's Building Contract Procedures with procedures and requirements unique to their own organization. These written procedures will streamline the process and will add an effective training tool for any new staff members. This will create a set of policies and procedures that will facilitate timely payments and should prevent increased costs to the District in the form of interest payments.

**District Response:** The District will review and revise, if necessary, existing policy and practices for payment of contractors. Staff will consult with School Claims to ensure all pertinent documents are submitted. Section 40, parts 1-7 addresses the responsibility of each party.

**Finding #9:** There were no controls in place to ensure that fully executed contracts were in place before construction was started.

**County Recommendation:** Implement procedures to ensure that executed and approved contracts are in place before work is started. The District should reject payment submittals from contractors when supporting billing documents indicate that work has been performed before the contract execution date. Also, consider asserting the District's contractual right to audit B.E. McMurray under contract Article 8.1 to determine the amount paid for any undelivered services.

**District Response:** The District believes, with the full responsibility for issuing the Notice to Proceed, that the past problems will cease to occur in the future. District staff will evaluate the potential outcomes from auditing B.E. McMurray Construction Management records and prepare a recommendation for Board discussion and action. Section 10 addresses the steps to be instituted.

Finding #10: The District's internal controls were either not adequately designed or were not operating as designated.

**County Recommendation:** The District is commended for already taking several steps to correct the control environment's organizational structure.

- The hiring of a construction program management firm, independent of the construction management firms, to monitor all the District's construction projects.
- The use of multiple construction management firms to distribute the workload.
- Creation of the Director of Facilities and Construction position that is responsible for the onsite inspection and serving as the liaison with the Superintendent, Facilities and Planning Department and the construction program manager.

The District should develop a Policy and Administrative Regulation that addresses the performance of risk assessments for new programs or changes in existing programs. It should require that the District develop objectives for those programs, identify the associated risks, and document a plan to manage those risks. The District should implement a written procedure and use a checklist to make sure contracts are approved before contracts are executed. Overall, for all expenditures, formalize current practice into written procedures, with modification as necessary.

The District should consider making use of its California School Boards Association membership benefits, such as seminars for board members and staff to help assure good governance and understanding their roles in the District. The District should also consider restoring Facilities and Planning to the purview of the Assistant Superintendent of Business & Operations. Further, the District should develop appropriate methods for Board response when it feels staff is not performing adequately and develop appropriate avenues for staff use when the Board or the Superintendent's Office is perceived to be interfering with appropriate job performance or for the good of the District. We emphasize that this reference is to the Board as a single entity as distinguished from the individual Board members.

Individual Board members should also consider that their interactions with management and staff, both public and private, could have the unintended effect of reducing the candor and willingness of staff to bring important issues to the Superintendent and the Board.

We would like to thank both the County Superintendent of Schools and the Chino Valley Unified School District's Board, management and staff for their professionalism, assistance, patience, and candor during this engagement.

**District Response:** The District has not composed a response to this finding at this time.

Dr. Andersen introduced Mr. Bachor of PCM3 who will talk about the Matrix, which was referred to in the District response to the County. As copies of the Matrix were being passed out to the committee members, Mr. Bachor explained that the Matrix would be attached to the District response to the County audit. The Matrix contains each and every one of the steps necessary to properly manage a project. Five or six columns to the right hand side show the matrix of responsibility. Page 1 the "O" indicated "Oversight", the "M" indicates "Management", "A" indicates "Assistance", "S" indicates "Support", and the "L" indicates "Lead Action". The "L" is sometimes divided in "L1" and "L2". In some instances both the architect and the construction manager need to take a lead on a certain item. Each and every one of these items within the implementation plan will have a specific plan about how each item should operate. The implementation plan targeted having a first draft ready in January of 2005. The plan will be presented to the Board in March of 2005. Mr. Bachor asked if the committee had any questions.

Mr. Ayala asked if the Measure M Committee should be included in the Matrix and perhaps take a larger role in the actual project oversight. Mr. Anderson stated that he did not feel that that was the role of the Committee. Mr. Anderson stated that the Committee had pointed out areas of deficiency and the District had responded to the Committee's concerns. He is very pleased with the actions taken over the last four to six months including the addition of a Director of Facilities and Construction, the addition of PCM3, the addition of the Matrix. Mr. Anderson stated that he felt that many of the construction issues in the past were caused by confusion about the each person's area of responsibility. These new procedures along with the Matrix should make each person's responsibility clear and make things run much more smoothly. The Committee's responsibility is to ensure that these types of guidelines are in place. Mr. Duncan and Mr. Rodriguez both stated that they agreed with Mr. Anderson. The role of the Committee is oversight.

Mr. Bachor explained that the Matrix document ensures that the roles and responsibilities are clear and well coordinated and outlines the contractual obligation of all of the consultants. Mr. Rodriguez asked if a copy of the Matrix would also be given to the County. Dr. Andersen responded that the Matrix was part of the District response to the County. Dr. Andersen was asked about the District's evaluation of B.E. McMurray. He replied that the District has not made a decision at this time. Mr. Bruce asked about the wording of the District response to Audit finding #6. Dr. Andersen responded that as long as the DSA (Division of State Architects) approval is in place before construction begins, the District is in compliance. Mr. Bruce stated that he found some change orders, which stated that the reason for the change was lack of DSA approval. Dr. Andersen stated that it is possible that a change order would require DSA approval and that it is the responsibility of the architect to get DSA approval for change orders. Mr. Dalton stated that there was an instance where something was built without DSA approval and it had to be rebuilt because there was no prior approval. He asked who was responsible. Dr. Andersen stated that this had been a problem in the past. Multiple parties had authorized projects without prior DSA approval. Mr. Elie asked if the Matrix would eliminate that problem in the future. Dr. Andersen stated that no projects would be started without DSA approval. There will be some serious ramifications because DSA approval of a project can take up to a year. For example, portable classrooms cannot be moved without DSA approval. If it is projected in November that a portable classroom needs to be moved for the following school year, that may not be possible because DSA approval may not be in place in time to make the move. Staffing negotiations with labor unions may be affected because many times these negotiations are not completed until the spring leaving insufficient time to get approval in order to make student housing available. Mr. Ayala asked if anything has gone to DSA and not been approved. Dr. Andersen stated that many times plans are initially rejected by DSA but are eventually approved. Dr. Andersen stated that virtually everything is rejected by DSA the first time it is submitted. DSA checks for three things: fire, life safety, access compliance, and structural safety. DSA instructs the architects to correct something related to these three areas. Mr. Ayala asked why the architect doesn't submit correct plans the first time. Dr. Andersen stated that sometimes the architects make mistakes. It is through this review process that enables the District to produce plans that are as close to perfect as is possible. Mr. Ayala stated that if he were having construction done on his own home, he would be upset that the architect submitted plans that were not approved and then had multiple change orders at additional expense, he would be upset. He asked if the DSA architects had the same level of certification as the District architects. He asked why the plans aren't approved the first time they are submitted. Mr. Duncan asked if the DSA justified its existence by rejecting plans. Dr. Andersen said that that was not the case. Mr. Grow responded that the architects try to do everything they can to refine the plans for review by the DSA. He said that the CMs are getting the information to the architects now in a timelier manner so the plans can be refined and more accurate plans can be submitted. Mr. Ayala pointed out that the District is paying professionals with taxpayer dollars and that it is not right that the increase of cost is born by the taxpayers. Mr. Rodriguez pointed out that this situation is not unique to CVUSD. There was agreement that this is not a unique situation. Mr. Rodriguez asked what percentage of plans was rejected the first time they are submitted. Mr. Grow said that virtually all plans are rejected the first time they are submitted. He stated that the DSA reviews access compliance, structural and fire safety. The architects and DSA are trying to work together to get the plans as close to perfect as possible, but it seemed that no matter what, there would

always be some small detail that would cause plans to be rejected. Mr. Ayala asked if the reason if the plans were too sophisticated or were the architects not "up to snuff". Mr. Grow responded that it was a combination of things. The contractor receives the job because his bid is the lowest. The architect is trying to do the best job he can to communicate with the low bidder. It makes things difficult. Mr. Calta asked if 100% of plans are rejected. Mr. Grow stated that he had submitted plans for projects, which were identical in all aspects with previously, approved projects and had those plans rejected for some small detail. Dr. Andersen stated that he had seen plans for schools which had been used and constructed multiple times and still had those plans rejected. Mr. Dalton stated that, in the construction business, he has always had to comply with all project requirements in spite of the fact that his company was the low bidder. Mr. Grow stated that many of the prime contractors don't realize that they are, in fact, the prime contractor. Many have been subcontractors in the past and had a General Manager to direct them. Sometimes in the middle of a job the contractor will dispute whether a portion of the job was included in their bid. Mr. Grow gave an example of a problem he had at another district where an electrical contractor did not have the necessary voltage to complete the project. He said that there is not any one specific reason that can pinpoint the problem. He stated that communication is critical and the architects need to be paying attention. Mr. Larkin said that problems during construction don't affect the time it takes to get DSA approval. Mr. Grow outlined the procedures at DSA to approve a project and stated that it could take between four to twelve months to approve a project depending on the size of the project. Mr. Calta asked if DSA worked hard to find problems with project plans. Mr. Grow replied that it is not that the DSA is not looking for a reason to reject plans but they are aware of code changes that private sector contractors and architects may not be aware of. Mr. Ayala stated that it is the architect and contractor's responsibility to be aware of any code changes. Mr. Grow said that DSA is doing a good job. They are actually doing a better job than they have in the past. In the past they didn't reject mechanical, plumbing and electrical problems. Now, they are acting more like a municipal agency. Mr. Ayala asked if DSA was rejecting plans for reasons that aren't legitimate. Mr. Grow said that they are not rejecting plans, but they are making comments about why they will not approve the plans the first time they are submitted. Within the first 21 days of the plans being submitted the District is advised of the reasons that the plans are not being approved. Mr. Grow stated that at the present time it could take six to nine months from the time you submit your plans to get a final approval. Mr. Calta stated that a great deal of pre-planning is necessary now. Dr. Andersen stated that, yes; a great deal of pre-planning is necessary now. Mr. Calta stated that even if the plans for a project such as moving portable classrooms is approved, because of the time frame, by the time the plans are approved, the move may no longer be necessary. Dr. Andersen concurred and further stated that contract negotiations regarding staffing are sometimes not finalized until June with the expectation of implementation in September. This is not enough time to get approval from DSA and complete the project in time for school opening in September. Mr. Larkin observed that the District needs to use more forethought in construction planning. Dr. Andersen gave the example of the changes/improvements to shade structures, ramps, asphalt, and gates at Wickman and Rhodes Elementary Schools. The Board wanted the improvements completed. If the improvements were not made then, it would have taken another year to get approval for the improvements. Mr. Ayala asked why the improvements weren't submitted with the original plans. Dr. Andersen said that the original plans were deemed adequate but the Principal disagreed. Some changes and improvements were made after the plans had been approved. Dr. Andersen stated that if the improvements were not made at that time, it would have taken up to a year to get approval for the improvements. Mr. Bachor said that the new implementation plan is outlining project schedules for schools as far as the year 2010. There was discussion about why the approval process takes so long. Mr. Elie asked if DSA answers to Jack O'Connell. Mr. Grow said that DSA does not answer to Jack O'Connell. Mr. Bachor asked committee members to refer to the matrix. He stated that there are 3 pages of the Matrix outlining responsibilities, which must be completed before construction even begins. Mr. Bachor stated that if the checklist in the matrix is adhered to, the construction should go more smoothly. Mr. Elie asked if the Matrix procedures included pre-qualifying the contractor. Mr. Bachor replied in the affirmative. Mr. Dalton asked if the County report was limited to Measure M funds. Dr. Andersen stated that the report included other projects as well. Mr. Dalton asked whether the percentage of the change orders cited in the report referred to the overall school project or did it refer to one particular contract. Dr. Andersen said that the percentage referred to one particular contract. Mr. Dalton asked why the committee didn't have copies of the change orders referred to Finding #2 in the County Report as he couldn't cross reference the change order amounts to the dollar amounts in the County report. Dr. Andersen said that the District had apprised the County in advance that the District expected to go over 10% for the first 3 change orders. The County will sometimes approve change orders going over 10% if they feel it is justified. Dr. Andersen said that Item #4 is still in litigation. Dr. Andersen said that he thought that in the County report, the change orders had been grouped together by contractor so the dollar amounts cited in the report would not match one particular change order.

Mr. Grow said that DSA has been very helpful. Dr. Andersen agreed and said that it is very important to work cooperatively with DSA. Cooperation with DSA is critical to getting facilities built for students as quickly as possible. Mr. Anderson he felt that committee is ensuring that the proper oversights are in place. He stated that he would like to have the County report remain on the web site. He would like to see the final version of the District response. Mr. Larkin agreed that most of the Committee's questions had been answered by the county audit and asked Dr. Andersen

when the District responses will be in place. Dr. Andersen said that the response would be ready in a few days. Mr. Larkin asked Dr. Andersen to get a copy of the response so that it can be posted on the web site.

#### **4. Sign-up sheet for committee member school site visits**

Mr. Larkin passed around a sign up sheet so that Committee members could sign up to observe Measure M projects at particular schools. Mr. Larkin and Mr. Rodriguez went to Walnut a few weeks ago. Mr. Rodriguez said that he and Mr. Larkin met with the construction crew. He said that the overall plans look very good. Mr. Larkin and Mr. Rodriguez agreed that the project is moving along very well.

#### **5. Administrative support for committee**

Diane McEvilly was introduced to the committee as the person who will take minutes and transcribe the minutes for the Citizens Oversight Committee. Mr. Bruce asked about the new regulations from the Attorney General regarding administrative oversight costs paying for transcribing minutes. Dr. Andersen said that as the regulations are new, the District has not formulated a plan. Mr. Anderson asked for some response from the District as it could affect which projects can be completed. Dr. Andersen stated that at the present time, the transcribing is being paid out of the General Fund. He didn't anticipate that it would be an issue. There was discussion about what types of oversight costs could be paid out of Measure M funds. Mr. Elie stated that the District needs to move carefully. Mr. Anderson commented that moving costs to Measure M funds, which were formerly paid for by the General Fund, would cause concern. Mr. Ayala stated that the Committee has a responsibility to satisfy the voters and the trust they have so that future education bond measures will pass. He stated that part of the Measure M campaign stated that no Measure M money would be spent on salaries. Mr. Larkin stated that his understanding of the new regulations allowed Measure M money to pay for a salary only if there was a cost saving by doing so. Mr. Elie said that the Committee purpose was to review these expenditures. Mr. Ayala stated again that Measure M money should not be spent on salaries. Mr. Anderson asked that the Board be open and honest with the public if it is decided to spend Measure M money on salaries.

#### **6. Update on change orders**

Mr. Elie asked about change order #7, items B and D at Woodcrest Jr. High. Mr. Bachor responded that this item was a larger Delta cabinet than originally thought. The original prediction was \$250,000. A series of structural engineers and plywood specialists came to test the plywood. DSA wanted to see some new connections, which connected the roof to the wall. Mr. Bachor recommended keeping B.E. McMurray on sight to give them the opportunity to manage the project. B.E. McMurray did so and only exposed the District to \$27,000. Mr. Bachor stated that this was the best job that B.E. McMurray has done. Mr. Ayala asked about the cost of Item #1 at Rhodes Elementary for chain link fence gate. Dr. Andersen stated that the panic hardware needed to be changed. Mr. Larkin asked why the old hardware couldn't be used on the new gates. Mr. Grow said that it couldn't be reused because it is welded onto the gate. Mr. Ayala said that it appears we overpaid for this project. Mr. Vanden Heuvel stated that program managers, contract managers, and district staff must sign off on these projects. With this level of accountability, they deserve trust from the committee. In response to a previous request by the Committee, Mr. Bachor created and distributed a document outlining costs associated with current projects, which includes the contract amount, change orders and pending change orders. The current projects are Chaparral, Woodcrest, Walnut, and Don Lugo. He pointed out that the change orders for the current projects are significantly less than they have been in the past. The total for one school was 4.2% in change orders. Don Lugo has a new contractor, the Bernard Brothers, who had to take over an existing contract. The change orders for Don Lugo are at 3.45% in change orders. Walnut has a new contract with projected change orders of .2%. Mr. Bachor pointed out that the new project managers are very effective in controlling change orders. Mr. Vanden Heuvel asked about Sierra Plastering. Mr. Bachor responded that the projected costs are a "worst case scenario". Mr. Bachor cited line item #5 for \$41,000.00 for plywood. Three months ago the cost was projected at \$250,000.00. Mr. Bachor will bring more information for at the next meeting. Mr. Rodriguez said that this was very good input. Mr. Elie asked if the spreadsheet given to the committee would be created for every school. Mr. Bachor said that every school would utilize this spreadsheet system.

#### **7. Contract Information**

Dr. Andersen distributed a contract agreement form for the committee to review and discuss at the next meeting.

#### **8. Update on performance audit**

Dr. Andersen said that the performance audit begins on Wednesday of next week. Mr. Bruce asked about the choice of the Gelman firm. Dr. Andersen stated that some staff thought that Gelman did not have sufficient experience. Dr.

Andersen, Mr. Truett, and Mr. Valdez interviewed the three candidates and unanimously concluded that the Gelman firm performed better in the final interview. Dr. Andersen stated that there were no problems but a few recommendations, which Gelman will accommodate the request at not additional cost. The contract with Gelman is for one year.

**9. Construction update**

Updates were in one of the handouts.

**10. Project Labor Agreement**

Mr. Calta had brought this subject up at the last meeting. Dr. Andersen has given the Board a booklet regarding project labor agreements.

**11. Litigation regarding Measure M projects**

Mr. Anderson asked if the cost of litigation is being paid out of Measure M funds. He asked what position the District is taking regarding these costs. Dr. Andersen said that each litigation is unique. The District is in communication with the Office of Public School Construction regarding litigation and seeking their input into whether or not each litigation could be considered an eligible project cost. The cost of the school construction is shared with the State. If it were an eligible project cost as far as OPSC is concerned, the staff would recommend that the matching share would come from Measure M. Mr. Anderson asked how the committee and the public will know if some of the Measure M funds are used for litigation. Dr. Andersen stated that to date Measure M funds have not been used for litigation. He does anticipate that Shawnan will go into litigation and that litigation would involve Measure M funds. He assured the committee that they would be informed if Measure M funds were used in the future.

**12. Attorney General Opinion regarding Prop. 39 Bond Expenditures**

Discussed earlier in the meeting.

**13. Comments from the public**

Judy Burgoin is a parent from Wickman Elementary. She asked about Change orders regarding the basketball backboard. Dr. Andersen stated that some of the parts for the backboard were broken when it arrived. Mr. Larkin stated that the committee has no authority to in this area. Mrs. Burgoin also asked about shade structures, ball walls, broken dishwasher in teacher's lounge, a broken projector in the media center, the marquis in front of the school, and the lack of trees. Mr. Rodriguez suggested that Mrs. Burgoin go to the Board of Education. Mr. Anderson stated that he signed up to monitor Wickman and he would look into it. Mr. Larkin asked her to give Mr. Anderson a list of all of the items at issue. Mr. Burgoin said she would get the list to Mr. Anderson.

**14. Other and/or new topics**

Mr. Calta thanked the committee and told them how much he enjoyed working with them.

Mr. Bruce asked about the PCM document stating that Woodcrest construction was only slightly behind schedule. Mr. Bachor said that Woodcrest was scheduled for occupation on March 5, 2005.

Mr. Larkin asked committee members to e-mail comments on the First Quarterly Report to Mr. Bruce. Dr. Andersen recommended that the committee meet and vote to accept the report before it be presented to the Board. It was decided that a special meeting would be held on Monday, November 22, 2004 at 5:15 PM for the express purpose of approving the First Quarterly Report. The committee will present to the Board at the first meeting in December.

The next regular meeting is scheduled for January 10, 2005. The Second Quarterly Report will be due at this meeting.

Mr. Elie motioned that the meeting be adjourned. Mr. Ayala seconded the motion. The meeting was adjourned at 6:55 p.m.