

**CITIZENS' OVERSIGHT COMMITTEE  
MEETING MINUTES  
March 15, 2004**

Al Valdez called the meeting to order at 5:08 p.m. with Roger Larkin, Geoffrey Vanden Heuvel, Maurice Ayala, Stuart Holland, Michael Calta, Andy Anderson and Dr. Andersen present. Glenn Duncan arrived at 5:48 p.m. Gerald Bruce, Gary Larson and Gary Ovitt were absent. John Pruitt, Bob Olin and Perry Brown also attended.

1. Review/approval of minutes from January 12, 2004

Roger Larkin made a motion to approve the minutes from January 12, 2004, Michael Calta seconded the motion, all were in favor, and Andy Anderson abstained because he was not at the meeting.

2. Introduction of new Program Manager to the Committee

Dr. Andersen introduced the new program manager, PCM3, approved by the Board to assist the District with the overall administration of the construction program. He explained that a Request for Information was advertised in January, interviews were conducted and a recommendation to hire PCM3 was brought to the Board in February. He said the scope of services they will be providing would include future planning, oversight of current projects, and more. He introduced Gene Irestone, President of PCM3 who introduced Dr. C. Fred Workman, Superintendent, and Sandy Hackett, Facilities Director, from Val Verde School District. Dr. Workman and Ms. Hackett described the positive experiences they've had with Val Verde's partnership with PCM3 management services and answered some questions for the committee:

- Mr. Vanden Heuvel asked when Val Verde hired PCM3 and what process was used to hire them. They hired them in 1997.
- Mr. Valdez asked for Dr. Workman's definition of a completed school. Dr. Workman explained that they build backwards, deciding when the school needs to be completed and schedule the project so that on the first day of school all lights work, all air conditioners work, and grass and landscaping is complete, etc. Mr. Valdez asked if that was PCM3's definition of completion also and Dr. Workman said that it was.
- Mr. Valdez asked how Val Verde holds PCM3 accountable and what forces them to get a project done on time. Dr. Workman said that PCM3's reputation is on the line. He said Mr. Irestone keeps his word.
- Mr. Ayala asked if Val Verde had worked with other management companies prior to working with PCM3. Dr. Workman said they had worked with other construction companies, architects and managers.

- Mr. Ayala asked if in his role as superintendent Dr. Workman met with PCM3 every week. Dr. Workman said that he did meet with them every week, he's hands-on with construction as well as every other aspect of district issues. He said a PCM3 representative is at every board meeting. They provide twice-a-month color reports showing progress of all the building sites, and they are available for questions at every board meeting.

Mr. Irestone distributed a handout and gave an introduction of PCM3 and the management team and explained the procedures they will follow as they get started working for Chino Valley Unified. He introduced each member and they talked about their various roles. Mr. Steve Bachor, the program director for CVUSD, explained the steps they would follow: review site assessments, validate budgets, solidify schedules, work with district standards and education specifications, work closely with architects regarding proprietary items such as switch gear, fire alarm systems, HVAC systems, verify reports such as asbestos, soils, CEQA's, etc. They will analyze and assess this information to truly understand where the district wants to go to and what it will take. With all of this information they will develop a master schedule. Various team members added comments regarding this basic game plan.

- Mr. Larkin asked what the time frame for the first three items would be. Mr. Irestone said as soon as the contracts were finalized they would be mobilizing and moving forward.
- Mr. Anderson asked how Mr. Irestone envisioned given that there are current projects and urgent needs of the district at this time with respect to new schools and also existing schools so as to ensure that the students and local residents perceive what was promised to them as the bond was presented, without delaying the projects but also being able to utilize the services of PCM3 to the utmost so that at the end of the project we also don't run short of funds. Mr. Irestone said that they had supplied the district with a staffing plan that gave a broad spectrum of services that was felt the district would need for the future year, including services to help present staff with past and current projects as well as future planning. It was left in the district's hands to select the level of services desired. There is flexibility and expansion in the staffing plan.
- Mr. Anderson asked if from the district's perspective if he envisioned that there would be a period of time where the process would be slowed down to allow for the transition period. Mr. Irestone said they could come online immediately, dig into the projects that are in current construction, roll out some projects ready to go, and develop an implementation plan as well. Mr. Bachor said PCM3 needs to know exactly what the promise was that Mr. Anderson referred to so that they can analyze it, find out how many dollars are left and determined if they can live that promise.
- Mr. Holland made a comment about the Facilities Assessment Report.

- Mr. Calta said it appears we're really raising the bar for services provided and asked if there was a ballpark cost for the services. Dr. Andersen said that the minimum services would be a half-time program director, full-time assistant program manager, and a full-time administrator to handle document controls, probably about \$45,000 a month.
- Mr. Ayala and Mr. Larkin asked if with the services of PCM3 would it be possible for the oversight committee to have more of an oversight role rather than a review role that he felt they'd had in the past. Mr. Bachor said in the handout there is a page detailing roles and responsibilities that the committee can review and decide how they can use this information to provide more current information.
- Mr. Vanden Heuvel asked what PCM3 services Dr. Andersen had anticipated utilizing. Dr. Andersen said the focus would be primarily Measure M but there may be opportunities later to use their services with the Ag Preserve. He felt the district needs a game plan in place after new construction and modernization projects are completed so that it's fair and equitable and timely in delivering those projects. He feels that PCM3's services will be valuable in getting a game plan in place.

### 3. Mr. Perry Brown, union representative from IBEW, regarding Woodcrest

Mr. Calta explained that Mr. Brown had presented some pictures to school board members of some electrical construction at Woodcrest Junior High that Mr. Brown said was done incorrectly to code. Mr. Calta said he'd heard that it was addressed and fixed after that. Dr. Andersen said it was brought to the attention of the Inspector of Record at Woodcrest, the contractors responded and took corrective measures. There was a lot of work still in progress, so some of what was depicted in the pictures taken was work in progress. Dr. Andersen said Mr. Brown had returned to tell board members that he thought things had been corrected. Mr. Larkin asked Mr. Brown if anything of significance as far as electrical problems still existed. Mr. Brown said in his opinion there was substandard work or improper installation going on at the site. He contacted the project manager and the DSA inspector and didn't get adequate responses from them so he informed the board. He returned the next week and the work was being taken care of. He believes more responsible or educated, trained workforce would have helped. (The DSA inspector felt Mr. Brown was using the wrong code.)

Mr. Larkin asked if IBEW electricians were doing the work. Mr. Brown said no. Mr. Larkin asked if union electricians were doing it, and again Mr. Brown said no. Mr. Calta verified that there is a prevailing wage being paid and asked who hires the workers, if it was the contractor. Dr. Andersen said the contractors hire their workers. Bob Olin said it was absolutely Dr. Andersen's responsibility to make that selection. Dr. Andersen countered that the district selects the firm but

that firm hires its own workers. Mr. Calta clarified that his understanding is that the contractor who wins the bid decides whom they hire.

Mr. Olin said union and non-union contractors submit bids for public contracts. In this bid BEM was faced with questions regarding the ability of the non-union contractor. The union brought up those questions at the time and those concerns were brought to the school board and to Dr. Andersen. Mr. Olin determined that there were not sufficient grounds to deny the contract to R.I.S. solely on the fact that they were non-union. Mr. Larkin said the contract has to say whether it has to be union or non-union. Mr. Olin said B.E. McMurray is a union contractor and prefers to work with union contractors, and there's been a suggestion for a Planned Labor Agreement for the district. Mr. Calta asked if there was a shortage of union workers. Mr. Olin voiced his opinion that it gives a better workforce. Mr. Larkin asked if as the contract manager, McMurray would oversee the electrical contractor and the work that they do and ensure that it's done according to plans and specifications and codes. Mr. Olin said they make sure it's done to plans and specifications but not to codes. The inspector is responsible for the codes. Mr. Olin said that the inspector had not walked the building in question yet and that the inspector would have caught the substandard work. He also said B.E. McMurray would be in favor of a Planned Labor Agreement. Mr. Larkin said he'd not get into that at this time. Mr. Vanden Heuvel made a point of order and said Mr. Perry Brown was on the agenda, has given his report and the committee has dealt with the issue. There were more issues on the agenda. Mr. Brown asked if the committee wanted to see the pictures. Mr. Ayala said it appears the items were corrected. Mr. Brown offered to show a nine-minute CD on what a PLA is, and the committee decided to forego it at this time.

4. Presentation and explanation of Don Lugo construction budget by Jim DiCamillo and Bob Olin

Mr. Olin referred to the handout and explained the breakout of the bid. He said the estimated budget was \$2,465,000. The bid is out on this phase and is due 11:00 a.m. on March 30th. He said the hours of planning that have gone into this project to try to work it out and affect the school to a minimum has been a non-stop project in itself. To do this scale of a modernization on a campus occupied by close to 3,000 (*actual is 2,200*) students required working with various teachers, different departments, rescheduling classrooms to different teachers trying to minimize the amount of temporary housing required. There is a once-a-week meeting that the committee members are welcome to attend at 9:30 on Fridays at Don Lugo. The schedule is 270 days. Mr. Olin felt a certain percentage of the blue phase, a major electrical changeover, should be done during the summer months to allow the rest of the blue phase to start. (*There is a difference of opinion on how critical starting the blue phase this summer is.*)

Mr. Holland asked if the district was going to obtain State funding for the modernization. Dr. Andersen said the funding had already been received. Mr. Anderson asked if the scope of work would allow installation of electrical service out to the area of the future athletic facilities. Mr. Olin said at one time the district considered running electrical lines and conduit out to that area, but McMurray convinced them it would not be a wise choice. He said all the electrical lines that were placed for a stadium at Ayala 10 years before were now in the way of the new construction. The plan at DAL is to bring electrical out just short of where the future bleachers will go and let that be part of the next phase when a stadium is built.

Mr. DiCamillo presented a quick update for the committee on the phasing of the project. He said it is essential that we are out to bid and will be starting construction to take advantage of the summertime as much as possible. McMurray, district staff, WLC staff and school staff, Kathy Gassen and Preston Carr have been meeting regularly. He said the next three years are going to be an experience for everyone. Mr. Calta asked if it included Measure M. Mr. DiCamillo said it's almost primarily Measure M. The district will not file for new construction as an application for growth from the state for Don Lugo. Mr. Calta asked if there is a budget prepared for that phase and asked for a copy. Dr. Andersen said B.E. McMurray would work out the estimated costs. Bob Olin said they hoped to get started on the current package but they were still without a contract on the blue phase. He said the details have been worked out and as soon as the contract's awarded they will start. Mr. Calta asked if it was supposed to start in the summer. Mr. Olin said the blue phase is supposed to go to bid in 60 days. Mr. DiCamillo said they hope is to save enough money on the red, blue and gold phases to complete as much of the green (athletic facilities) phase as possible.

Mr. Anderson asked if the electrical is contingent on completing the blue phase for the school to be open in September. Mr. DiCamillo said they are trying to do the main electrical changeover/upgrade during the summer because it involves taking power from the northwest end of the campus by the football field and run it to the south end where the blue phase buildings are being built. To do that they have to trench right across the quad. They want to do it during the summer so that they won't have to try to do it while classes are in session.

Mr. Anderson was concerned that it sounds like negotiations are still ongoing and asked what will happen if things get pushed back and the trenching for the electrical doesn't get accomplished during the summer. Mr. DiCamillo said it would have to go on during the school year. Mr. Olin said either that or it would have to be put off a year. Mr. DiCamillo said the preference would be to do it now. He said the plans of the blue phase are currently at DSA and they are starting to get comments back now. The red phase is DSA approved. The gold phase is about to go to DSA. They are all in different stages of approval. He said that it's important to be sure to have approvals of plans in order to plan when to

start construction. Mr. Ayala asked if they were behind at Don Lugo. Mr. Olin said the project was ready to start in January but the district hadn't given McMurray a blue phase contract yet. Mr. Anderson asked what the likelihood of the bid for the blue phase going out in the next 60 days. Dr. Andersen said the McMurray contract for the blue phase is scheduled to go to the board the next meeting, assuming the details are acceptable to them. Mr. Anderson asked if that would allow sufficient time for the bid. Dr. Andersen said McMurray had sent a letter to him on February 11th outlining their opinion of a critical path to get the blue phase bid in the month of April, and they wanted to begin advertising on March 13th. He thought they could still follow that plan if it's bid in April.

5. Presentation and update on WLC Measure M Projects, Jim DiCamillo

Mr. DiCamillo said that the implementation plan was to first, get projects that had already been approved under construction, and this has occurred. Second, work on projects that had yet to be approved and were about ready to go to construction, such as Bird Farm, which is in progress. Third, maximize state funding when possible, which is ongoing. The places with maximum funding were the schools that qualified for 100% state modernization: Walnut, Don Lugo, Cortez, Dickson and Buena Vista Continuation High School. All five of those projects are DSA approved and some of these have been funded. Next in line are the projects that are partial modernizations. In terms of the implementation plan, the district has met its major goals. Dr. Andersen said that Walnut and Don Lugo have been funded, but the State has been out of modernization money for several years. Due to the passage of Prop 55, now the State has modernization money, so the district will be able to get the funding now for Cortez, Dickson and Buena Vista.

Mr. Vanden Heuvel said that WLC has done the architectural work and asked where it goes from there. Dr. Andersen said then once the district has a biddable set of plans, if the project justifies it, a construction manager is hired, and he anticipates the projects at Cortez, Dickson and Buena Vista will go to bid in late 2004 - 2005. Mr. Vanden Heuvel asked if a different CM firm is needed for each project. Dr. Andersen said not necessarily. Mr. Vanden Heuvel asked where PCM3 fits into the plan. Dr. Andersen said they will advise the district on how to proceed on making the decisions, identify pros and cons of different approaches and the district will make a decision. Mr. Calta said they would be doing the whole program management instead of individual projects. Mr. Vanden Heuvel asked if McMurray had been providing that role. Dr. Andersen said McMurray's role has been to oversee the individual projects that they've been under contract with. Now the district needs assistance to develop a game plan for the next six to seven years.

Mr. Vanden Heuvel asked if each of the different colored phases at Don Lugo is considered a different project that will require a different construction

management contract. Dr. Andersen said the intent would be to stay with one firm throughout the project. He said only a portion of the blue phase needs to be done and initially the district wanted to contract for CM services just on the work to be done in the summer. This was not acceptable to McMurray, so they needed to go back and negotiate a contract for the entire phase, and there have been delays due to these negotiations. Mr. Vanden Heuvel asked if it was part of the arrangement with McMurray or if it could potentially be different firms. Dr. Andersen said if things work out well, that McMurray would be a logical choice.

Mr. Calta said his understanding was that McMurray was functioning as somewhat of a program manager with the extra contract that was approved by the board for over \$200,000. He asked if that contract was now going to PCM3. Dr. Andersen said that he would not consider the contract with McMurray to be program management to the scope that PCM3 will be providing. He said their oversight was geared on the projects that were at hand. Mr. Calta asked if McMurray would continue to get paid that \$200,000+ per year. Dr. Andersen said the board terminated that contract in December, and it hasn't been renewed. (McMurray soon cut back services thereafter. They expressed their opinion they should be paid "even for late projects.")

Mr. Holland asked about the Woodcrest project plans that had not been approved by DSA yet. Mr. Olin said the plans are still not approved. Dr. Andersen said DSA has reviewed the plans and has been in contact with the district. DSA had been asked if there would be significant changes, and was told most likely there would be no significant change. There is some back checking being done though, and the plans haven't been stamped yet. He said a fair assessment is that 98% of the plans have been approved.

6. Update on construction management services for elementary school on Bird Farm Road

Dr. Andersen explained that Mr. Valdez had requested a portion of the board meeting regarding this topic be played for the committee to review. Staff recommended Neff Construction for Bird Farm Road and there was some concern about the fees that were proposed. Mr. Calta was at the meeting and said his understanding was the board asked staff to negotiate the fee with Neff Construction to see if they would discount it. Dr. Andersen said there were questions about the criteria for choosing Neff and the item will be brought to the board again the next meeting. Jim DiCamillo said that the district has already received funding for Bird Farm and is on a timeline to have the project 50% under contract by June 18th. Mr. Calta said that hiring this firm may be as a result of the letter the committee wrote and presented to the board recommending that there be competition in the CM services, and the board is beginning to act on that recommendation. Mr. Larkin asked if this would be in addition to PCM3. Mr.

Calta said it would be in addition to B.E. McMurray. Mr. Anderson said he was pleased to hear that there's been some consideration to looking at other companies.

7. Progress report on all projects

A handout was given which duplicated the report given to the board at their last meeting. Dr. Andersen said that there were additional bids awarded for Wickman and Rhodes to finish some additional work that was not included in the original bids to complete those projects.

8. Update on Change Orders

A handout was given to update change orders. Mr. Larkin said he noticed that some of the change orders don't state what brought about the change, whether something was missed in the plans and specifications or because something was found at the construction site that had to be changed. He said he would have some concerns if it was in the plans, but could accept then to some degree if there were unknowns that required changes. Dr. Andersen suggested they review the change orders and forward questions to him on specific change orders. He said they didn't have a standardized format with all architects so he will need to do some research to get answers.

Mr. Olin said McMurray's office is always open and he offered to let members see the files. Mr. DiCamillo said that the percentage of change orders for Rhodes was around 3%. Wickman is higher but it was intentional because the district added to the scope of Wickman because there was a need for the additional classrooms.

Mr. Ayala asked if the committee could receive copies of the change orders as early as practical. Mr. DiCamillo explained that the first thing that happens is a contractor has a question on how to proceed and submits an RFI or Request for Information. The architect responds with the information, the contractor may say it will cost extra and an RFP or Request for Proposal is generated. The contractor will respond with extra cost or credit information. Mr. Ayala asked if there is a way the committee could have more of an "oversight" role as opposed to merely review.

9. Procedures for Notice of Completion for new school projects

Dr. Andersen explained that staff is trying to develop a checklist so that when contractors have their punch lists completed and the district is satisfied with the work, then a Notice of Completion can be filed. Information is being gathered from architects, from district counsel, and PCM3 to complete this process. He said contractors are anxious to close out several projects to get their retention. Mr. Pruitt said it would be nice to have some projected timelines on the closeouts. Dr. Andersen said he hadn't received anything on the Wickman/Rhodes projects that the punch list items are done. He said he had talked with Mr. DiCamillo about getting the various parties together to determine the status on closeout for these two projects. He said he would do that and get back to Mr. Pruitt on that determination.

#### 10. Financial Audit

A handout was given to the members. Mr. Calta asked if the committee could have some input into what the financial audit would investigate in the next audit. Dr. Andersen suggested that the committee members formulate questions in advance of the audit by the next meeting date and the questions will be forwarded to the auditors.

#### 11. Changes to Bylaws

This item was taken out of order so members could vote on presenting to the board the request for changes to the bylaws that were previously discussed. Mr. Calta made the motion and Mr. Duncan seconded. All were in favor. Mr. Calta said he would write up the request, send it to Mr. Valdez and then to Dr. Andersen.

#### 12. Other Topics/Community Comment

This item was also taken out of order so community members could make comments. Kathy Gassen is the overseer for the Don Lugo project. She is a teacher at Don Lugo and has been asked by the principal, Mr. Carr, to help coordinate the project with site personnel, district staff and the CM. She said she thinks things move slower than they need to at the district. She said she thought things could have moved more quickly when it came to contracts. Teachers complain to her about the moving and why construction isn't started. (It should be noted the planning process took over a year.) They are trying to pacify all of the teachers and parents. She hopes that the district will move forward more quickly. Mr. Ayala asked if the presentation by PCM3 gave her some renewed confidence

that they will be a benefit to help with the problems. She said her concern is they are from the top down, and at Don Lugo they operate as a group to get things accomplished. She said that the earlier comments about the scrutiny that the committee may want to give the change orders might be micromanaging as opposed to macro managing. Mr. Ayala said they were considering how to effectively oversee the change orders. Ms. Gassen said the committee is doing a good job.

Mr. Anderson asked if Dr. Andersen had received any written or verbal communications from the public. Dr. Andersen said he had not. Mr. Anderson asked if the documents could be sent out in advance of the meeting. Dr. Andersen suggested that the agenda be firm by May 3rd so the packets could be distributed earlier. Mr. Holland pointed out that some of the committee members' terms would be ending at the end of June and the board will need to choose new members.

The next meeting was scheduled for May 17, 2004, and the meeting adjourned at 7:13 p.m.