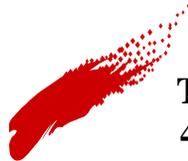


# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**MEASURES D, M, AND J**

**PERFORMANCE AUDIT**

**JUNE 30, 2006**



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

# **West Contra Costa Unified School District**

## **BOARD OF EDUCATION**

**June 30, 2006**

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## **ADMINISTRATION**

**Dr. Cynthia LeBlanc, Interim Superintendent of Schools**

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## INTRODUCTION

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a 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.

On November 8, 2005, the West Contra Costa Unified School District submitted for voter approval Measure J, a measure to authorize the sale of \$400 million in bonds to improve school facilities. The Measure was approved by 56.85 percent of the voters. Because the bond measure was placed on the ballot in accordance with Proposition 39, it too 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 and to report its findings to the Board of Education and to the independent Citizens' Bond Oversight Committee.

The District decided to include Measure M funded projects in the scope of the examination even though Measure M was not subject to the performance audit requirements of Proposition 39. Voters previously approved Measure M, a \$150 million two-thirds majority general obligation bond, on November 7, 2000.

Besides ensuring that the District uses bond funds in conformance with the provisions listed in the ballots, 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 regarding facilities and procurement; and the effectiveness of communication channels among stakeholders, among other facilities-related issues. TSS's performance audits are designed to meet the requirements of Article XIII of the California State Constitution, to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure D, Measure J and Measure M and to help the District improve its overall bond program.

This report covers the Measure D, Measure J and Measure M funded facilities program and related activities for the period of July 1, 2005, through June 30, 2006. The annual performance audit documents the performance of the bond program and also reports on the improvements instituted by the District to address any audit findings included in the prior reports.

## DISTRICT FACILITIES PROGRAM – A PERSPECTIVE

While the scope of the annual performance audit and midyear reports is limited to Measures M, D and J, it is useful to review the history of the District’s facilities program to place the current program into context.

The financial status of the District’s facilities program, as documented in the audits and financial reports for the past six fiscal years, is presented in the table below.

Facilities Program Financial Status	Fiscal Year (as of June 30 for each Fiscal Year)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Bonds Outstanding <sup>1</sup>	\$54,340,000	\$122,450,000	\$216,455,000	\$315,155,000	\$380,634,377	\$544,027,483
Certificates of Participation (COPs) Outstanding <sup>2</sup>	11,875,000	11,325,000	9,960,000	9,745,000	9,510,000	10,600,000
Developer Fees Revenues <sup>3</sup>	6,069,815	2,749,539	9,094,400	10,498,724	7,759,844	8,813,402
Developer Fees Ending Balance	3,526,019	1,293,876	8,928,225	21,037,513	27,533,708	34,162,499
State School Facilities Program New Construction Revenues	None	None	12,841,930	None	None	None
State School Facilities Program Modernization Revenues	None	None	\$3,494,161	\$10,159,327	\$13,562,949	None

<sup>1</sup> Bonds authorized, sold and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2006. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal.

Bond Measure (Passage Date)	Authorized	Sold (June 30, 2006)	Outstanding (June 30, 2006)
Measure E (June 2, 1998)	\$40 million	\$40 million	\$33.2 million
Measure M (November 7, 2000)	150 million	150 million	145.9 million
Measure D (March 5, 2002)	300 million	300 million	294.9 million
Measure J (November 8, 2005)	400 million	70 million	70 million
<b>Total</b>	<b>\$890 million</b>	<b>\$560 million</b>	<b>\$544.0 million</b>

Education Code Section 15106 states that, for a unified school district, the debt limit “may not exceed 2.5 percent of the taxable property of the district.” Education Code Section 15103 clarifies that “the taxable property of the district shall be determined upon the basis that the district’s assessed valuation has not been reduced by the exemption of the assessed valuation of business inventories in the district or reduced by the homeowner’s property tax exemption.”

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). On 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."

Based on a 2004-05 total assessed valuation of \$19.7 billion, the West Contra Costa Unified School District's debt limit is as follows:

<b>Percent</b>	<b>Debt Limit</b>
2.5	\$492 million
3.0	\$590 million

<sup>2</sup> Certificates of Participation (COPs) are loans, not a source of funds. COPs are repaid over time from collected developer fees.

<sup>3</sup> Developer fees are imposed on residential additions and commercial projects (Level 1) and new residential construction (Level 2). Total revenues include interest earnings.

## EXECUTIVE SUMMARY

This performance audit, prepared between June 2006 and November 2006, includes a review of the following aspects of the District's facilities program:

- District and Professional Services Staffing Plan for the Bond Program
- Master Architect/Engineer Plan
- Standard Construction Documents
- Design and Construction Schedules
- Design and Construction Costs Budgets
- Compliance with State Laws and Guidelines
- District Policies and Guidelines for Facilities Program
- Bidding and Procurement Procedures
- Change Order and Claim Avoidance Procedures
- Payment Procedures
- Best Practices in Procurement
- Quality Control Program
- Participation by Local Firms
- Effectiveness of Communication within the Bond Program
- Overall Bond Program

In accordance with the scope of this assignment, TSS reviewed and examined the documentation and processes pertaining to the facilities program for the period from July 1, 2005 through June 30, 2006. The scope of this report includes a review of prior annual performance audits and midyear reports, including any findings and recommendations, and an evaluation on the status of District administration response in regard to addressing those findings and recommendations.

The District's official financial records for the Measure D, Measure M and Measure J bond programs are presented in the tables in Appendix E. Schedule I presents the consolidated revenues of Measures M, D and J from November 2000 through June 30, 2006, Schedule II presents the consolidated expenditures of Measures M, D and J, and Schedule III presents the individual revenues and expenditures for Measures M, D and J.

## 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 D, Measure M and Measure J funded bond program of the West Contra Costa Unified School District (the "District") as of and for the year ended June 30, 2006. 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 D funds are being expensed in accordance with Resolution No. 42-0102 passed by the Board of Education on November 28, 2001. It is also our opinion, for the period ending June 30, 2006, the expenditures of the funds generated through Measure D bonds were for projects only included in Resolution No. 42-0102 establishing the scope of work to be completed with Measure D funds.

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, 2006, the expenditures of the funds generated through Measure J bonds were for projects only included in Resolution No. 25-0506 establishing the scope of work to be completed with Measure J funds.

In regard to the spending of Measure M funds, it is our determination that all expenditures as of June 30, 2006, were for projects with the scope of Measure M, in accordance with Resolution No. 33-0001, approved by the Board of Education on July 24, 2000.

This performance audit was conducted in accordance with the District defined scope of performance audit of the school facilities program. The District, however, is required to request and obtain an independent financial audit of Measures D and J bond funds. The financial auditor is responsible for evaluating conformance with generally accepted accounting principles and auditing standards pertinent to financial statements. 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 the 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.

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 audit.

Total School Solutions

December 15, 2006

## COMPLIANCE WITH BALLOT LANGUAGE

### **MEASURE M**

On July 24, 2000, the Board of Education of the West Contra Costa Unified School District approved the placement of a \$150 million bond measure (Measure M) on the ballot with the adoption of Resolution No. 33-0001.

The ballot language contained in Measure M is presented in detail in Appendix A. The following excerpt summarizes the essence of the bond measure:

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?

Measure M, a general obligation bond measure requiring two-thirds approval, passed on November 7, 2000, with 77.3 percent of the vote. The bond language restricted the use of Measure M funds to elementary schools and required, although not mandated by law, the appointment of a citizens' bond oversight committee.

As of June 30, 2006, the District has expended \$167,219,109 (111.5%) of the \$150 million in bond funds, plus interest earnings and refunding of prior bond issues. All of the expenditures for Measure M were for projects within the scope of its ballot language. Total School Solutions finds the West Contra Costa Unified School District in compliance with the language contained in the Measure M ballot.

Because, as of the end of Fiscal Year 2005-06, all of the funds generated through Measure M have been expended, the 2006-07 annual audit report, the midyear report for the period of July 1, 2006, through December 31, 2006, and any subsequent reports will not include an examination of the Measure M projects and the related expenditures. However, measure M will continue to be included in the historical perspective of the bond program.

### **MEASURE D**

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 is attached hereto as 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 ballot focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all district schools (taken from 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, a citizens' bond oversight committee was established. On April 19, 2003, the Board of Education merged the Measure M and D oversight committees into one body, with the caveat that the new committee would use the more stringent requirements for oversight committees set forth in Proposition 39.

As of June 30, 2006, the District had expended \$139,413,304 (46.5%) of the \$300 million Measure D bond funds. All of the 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**

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 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 attached hereto 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 committee now serves as the Measure J committee as well.

As of June 30, 2006, the District had expended \$579,991 (0.1%) of the \$400 million Measure J bond funds. 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 compliant with all requirements for Measure J as set forth in Resolution 25-0506.

**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 from July 1, 2005, through June 30, 2006. 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 items July 1, 2005**

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
July 13, 2005 (E.15)	Citizens’ Bond Oversight Committee (Appointment of current member Cathy Swift to additionally be the Parent Representative.)	
July 13, 2005 (E.17)	Approval of Harding auditorium seating contract (Measure M).	\$54,415
July 13, 2005 (E.19)	Award contract to Interstate Paving and Grading for Pinole Valley High School field renovations (Measure D, 4 bids).	\$1,492,000
August 3, 2005 (E12)	Ratification and approval of June 2005 negotiated change orders for Measure M-1A, M-1B and D-1A projects.	\$1,708,252
August 3, 2005 (E.13)	Adopt Negative Declaration (CEQA) for Vista Hills Education Center project.	
August 3, 2005 (E.14)	Award contract for Montalvin playground project (Measure M).	
August 3, 2005 (E.15)	Award contract for Madera playground project (Measure M).	
August 3, 2005 (E.19)	Accept Enhancing Education Through Technology (EETT) grant for Helms, DeJean and Adams Middle Schools.	\$817,200
August 3, 2005 (E.22)	Amend existing Project Labor Agreement (PLA) to include additional Measure M and D projects.	
August 17, 2005 (E.4)	Approval of Notice of Completion (NOC) for Hanna Ranch and Chavez Elementary Schools project. (Bid MO4020-Playground and General Site work).	
August 17, 2005 (E.8)	Award contract to Terra Nova Engineering for Shannon sitework project. (Measure M, 3 bids).	\$259,976
August 17, 2005 (E.9)	Award contract to Kel Tec for Stewart administration building renovation project (Measure M, 3 bids).	\$164,400
August 17, 2005 (E.10)	Award contract to Suarez and Munoz Construction for Hercules Middle/High School parking and landscape projects (Developer Fees, 2 bids).	\$152,389
August 17, 2005 (E.11)	Ratification and approval of July 2005 negotiated change orders for Measure M-1A, M-2A and D-1A projects.	
August 17, 2005 (E.12)	Approve extension to Davilier Sloan contract for the Local Capacity Building Program for outreach to local contractors and workforce.	\$84,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
August 17, 2005 (E.13)	Authorize sale of \$100 million of bonds out of \$300 million Measure D authorization (Final issue).	
August 17, 2005 (E.18)	Citizens' Bond Oversight Committee (Appointment of Tony Thurman, representing the City of Richmond and Andres Soto, representing Supervisor John Gioia).	
September 7, 2005 (E.13)	Ratification and approval of August 2005 negotiated change orders for Measure M-1A, M-2A and D-1A projects.	\$1,267,473
September 7, 2005 (E.14)	Approve increase in contract with Alan Kropp and Associates for additional geotechnical engineering services for Measure D projects.	\$112,595
September 7, 2005 (E.15)	Award contract of Kin Woo Construction for portable disconnects at Harding and Sheldon (Measure M, 2 bids).	\$74,820
September 7, 2005 (E.16)	Award contract to Kin Woo Construction for portable disconnects at seven schools (Measure M, 1 bid).	\$499,380
September 7, 2005 (E.18)	Award contract to Ghiloti Bros. for Montalvin sitework project (Measure M, 2 bids).	\$332,173
September 7, 2005 (E.20)	Award contracts to various moving companies for furniture and equipment moving services at five schools (Measure M, 4 bids).	\$63,344
September 7, 2005 (E.22)	Discuss purchase of property on Sycamore Drive in the City of Hercules for a proposed new middle school.	\$4,300,000
September 7, 2005 (E.23)	Citizens' Bond Oversight Committee (Appointment of Sandi Potter, representing the City of El Cerrito and Michael O'Connor, representing Board Member Karen Pfeiffer).	
September 28, 2005 (B.1)	Citizens' Bond Oversight Committee (Appointment of Madeline Kronenberg, currently an alternate member, to replace Robert Studdiford during his absence).	
September 28, 2005 (J.10)	Citizens' Bond Oversight Committee (Approve change to Administrative Regulation 7214.2 regarding monthly CBOC report to the Board).	
September 28, 2005 (J.12)	Citizens' Bond Oversight Committee (Approve CBOC recommendation regarding facilities projects budget process as follows): Financial Operations a. The Board of Education shall adopt an annual Facilities Program Budget b. Staff shall identify the budget by fund and account code on each board action memo that recommends the expenditure of funds for facility projects. c. The Associate Superintendent, Business Services shall certify on each board action memo that the recommended expenditures for facility projects have funds available in the current Facilities Program Budget. d. The Facility Program Budget shall be formally amended by the Board of Education during the calendar year, as needed, for new and revised projects and change orders.	
September 28, 2005 (K.1)	Award contract to Kin Woo Construction for Seaview electrical/data upgrade project (Measure M, 3 bids).	\$100,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
October 5, 2005 (E.9)	Award contract to WR Forde for Downer site demolition and abatement project (Measure M, 3 bids).	\$594,800
October 5, 2005 (E.10)	Award contract to Bohm Environmental for Harding auditorium demolition and abatement project (Measure M, 2 bids).	\$63,000
October 5, 2005 (E.11)	Award contract to William Scottsman for Vista Hills portables project (Measure M, 2 bids).	\$986,346
October 19, 2005 (E.7)	Award contract to Employer's Advocate for Project Labor Agreement (PLA) consulting services (Measures M and D).	\$60,000
October 19, 2005 (E.9)	Citizens' Bond Oversight Committee (Appointment of Silvia Ledesma as an alternate for Mike Mahoney).	
October 19, 2005 (E.15)	Award contract to & Hester for El Cerrito High School storm sewer project (Measure D, 8 bids).	\$292,562
October 19, 2005 (E.16)	Ratification and approval of October 2005 negotiated change orders for Measure M-1A, M-1B and D-1A projects.	\$854,132
October 19, 2005 (E.17)	Approve increase in contract with Alan Kropp and Associates for additional geotechnical engineering services for Measure M projects (17 schools).	\$51,000
November 2, 2005 (E.11)	Award contract to Western Roofing for Vista Hills roofing project (Measure D, 5 bids).	\$200,420
November 2, 2005 (E.12)	Award contract to Mobile Modular for two 48' x 40' portables at El Cerrito High School for indoor eating spaces (Measure D, "Piggyback" bid).	\$204,254
November 2, 2005 (E.15)	Ratification and approval of October 2005 negotiated change orders for Measure M-1A, M-1B and D-1A projects.	\$412,405
November 2, 2005 (E.17)	Approval of Notice of Completion (NOC) for Lincoln, Montalvin, Steward and Verde (Bids MO3135, MO3140, MO3158, MO3162).	
November 16, 2005 (E.9)	Discuss proposal to enlarge El Cerrito High theater from 300 capacity to 600 capacity (Measure D).	\$6.5 – 7.0 million
November 16, 2005 (E.10)	Discuss proposal to add full kitchens to all elementary school projects for community use (Measure J funds).	\$50 – 100 Thousand per school (17)
November 16, 2005 (E.12)	Approve purchase of property on Sycamore Drive in the City of Hercules for a proposed new middle school, contingent upon a Supplementary Site Investigation regarding clean-up issues.	
November 16, 2005 (E.16)	Award contract to Davillier Sloan for Labor Compliance Program (LCP) consulting services (Measure M & D projects).	\$29,950
November 16, 2005 (F.1)	Discussion of Measure J proposed phasing plan (Note: Measure J passed on November 8, 2005).	
December 14, 2005 (E.14)	Award contract to Kin Woo Construction for Harding auditorium renovation project (Measure D, 2 bids).	\$388,000
December 14, 2005 (E.15)	Approve pre-qualified pool of landscape architects for District projects (Note: Six firms responded to the RFQ and all were pre-qualified).	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
December 14, 2005 (E.16)	Award contract to Hayward Baker for Downer ground improvement project (Measure D, 2 bids).	\$741,899
December 14, 2005 (E.17)	Ratification and approval of December 14, 2005 negotiated change orders for Measure M-1A, M1-B and D-1A projects.	\$1,658,398
December 14, 2005 (E.21)	Approval of Notice of Completion (NOC) for Madera Elementary School project (Bid MO3137 – Reconstruction and New Construction).	
January 4, 2006 (E.13)	Adopt resolution certifying Measure J election results. (Yes: 56.85 percent)	
January 4, 2006 (E.14)	Approve existing Measure D Citizens' Bond Oversight Committee to also serve as the CBOC for Measure J.	
January 4, 2006 (F.3)	Adopt resolution imposing Level 2 Developer Fees of \$3.86 per square foot of residential construction (decrease from \$4.03).	
January 18, 2006 (E.9)	Approve appointment of Architects of Record (AORs) for Measure J projects: Castro, Beverly Prior Architects; Ford, Sally Swanson Architects; Nystrom, Interactive Resources.	
January 18, 2006 (F.1)	Presentation of Measure M and D 2004-05 Fiscal Audit by Perry Smith, LLP.	
February 8, 2006 (E.17)	Ratification and approval of January 18, 2006 negotiated change orders for Measure M-1A, M-1B and D-1A projects.	\$1,566,382
February 8, 2006 (F.3)	Presentation of Measure M and D 2004-05 Performance Audit by Total School Solutions.	
February 15, 2006	Special Joint Board of Education and Citizens' Bond Oversight Committee Meeting to discuss the Performance Audit Report, Measure M and D History, Measure J Schedule and Budget and Draft Post Bond Projects Evaluation Form.	
March 1, 2006 (C.2)	Recognition of Lu Tipping's participation on the Citizens' Bond Oversight Committee.	
March 1, 2006 (E.8)	Appoint Architect of Record (AOR) for King Elementary School (Measure J) (Architect not named in Board minutes.)	
March 1, 2006 (E.9)	Award contract to West Bay Builders for Downer Elementary School Main Campus construction. (4 bids) (Measure D)	\$21,232,027
March 1, 2006 (E.10)	Ratification or approval of engineering services contracts for various engineering, architectural or landscape architectural firms (15 items) (Measures M & D, RRM, Capital Facilities)	\$564,008
March 1, 2006 (E.11)	Ratification and approval of negotiated change orders for Measures M-1A, M-1B and D-1A projects (6 change orders)	\$271,744
March 1, 2006 (E.12)	Discussion of additional architectural services by WLC Architects for 600 seat Performing Arts Theater at El Cerrito High School (Measure D).	
March 1, 2006 (E.13)	Citizens' Bond Oversight Committee (Appointment of Madeline Kronenberg, Parent Representative)	
March 1, 2006 (E.14)	Citizens' Bond Oversight Committee (Appointment of Betty Boyle as alternate for Maureen Toms, representing the City of Pinole.)	
March 1, 2006 (G.3)	Status reports on facilities projects.	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
March 15, 2006 (D.3)	Citizens' Bond Oversight Committee report.	
March 15, 2006 (E.9)	Citizens' Bond Oversight Committee (Appointment of John Gotelli, representing the City of Hercules.)	
March 15, 2006 (E.10)	Citizens' Bond Oversight Committee (Appointment of Ludmyrna Lopez as alternate for Antonio Medrano, representing the City of San Pablo.)	
March 15, 2006 (E.11)	Ratification and approval of negotiated change orders for Measures M-1A and M-1B projects (6 change orders)	\$470,061
March 15, 2006 (E.12)	Ratification or approval of engineering services contracts for various engineering, architectural or landscape architectural firms. (8 items) (Measures M & D, Maintenance, General Fund)	\$328,695
March 15, 2006 (E.13)	Discussion of community kitchens scope of work and project design. (Measure J)	\$4,193,237
March 15, 2006 (E.14)	Approval of job description for School Facilities Planning Specialist (Bond Funds)	
March 15, 2006 (E.15)	Acceptance of 2004-05 Performance Audit by Total School Solutions for Measures M and D.	
March 15, 2006 (E.18)	Approval of Notice of Completion (NOC) for Peres Elementary Reconstruction project (Measure M-1A)	
March 15, 2006 (E.19)	Approval of Notice of Completion (NOC) for Shannon Portable Placement and Madera site work (Measure M)	
March 15, 2005 (E.20)	Approval of Notice of Completion (NOC) for Pinole Valley Field Renovation and Track projects (Measure D)	
March 15, 2006 (E.21)	Approval of additional architectural services by WLC Architects for 600 seat Performing Arts Theater at El Cerrito High School (Measure D)	
March 15, 2006 (F.5)	Adopt Resolution 77-0506 increasing Level 1 developer fees to \$2.63/square foot for residential and \$0.42/square foot for commercial/industrial, effective in 60 days.	
March 15, 2006 (F.6)	Adopt Resolution 79-0506 authorizing the sale of Measure J, Series A bonds (Notes: Bonds sold in June 2006.)	\$70,000,000
April 5, 2006 (D.3)	Citizens' Bond Oversight Committee report	
April 5, 2006 (E.12)	Approval of job description for Assistant Superintendent of Facilities Management and Operations. (Replacement position for Vince Kilmartin who retired as of June 30, 2006.)	
April 5, 2006 (E.15)	Citizens' Bond Oversight Committee (Reappointment of Anton Jungherr, representing the City of Hercules.)	
April 5, 2006 (E.16)	Citizens' Bond Oversight Committee (Appointment of Cathy Garza as alternate for Robert Studdiford.)	
April 5, 2006 (E.17)	Citizens' Bond Oversight Committee (Appointment of Shirley Gotelli, Business Organization representative.)	

DATE	ACTION	AMOUNT
April 5, 2006 (E.22)	Approval of Arthur Tam and Associates as Architect of Record (AOR) for Dover Elementary School project. (Measure J)	
April 5, 2006 (E.23)	Approval of Baker Vilar Architects as Architect of Record (AOR) for Richmond High School Bleachers and Field Facilities project. (Measure J)	\$263,730
April 5, 2006 (E.24)	Approval of Architects of Record (AORs) as follows:	\$559,988
	Castro Elementary - Beverly Prior Architects	\$129,854
	Ford Elementary - Sally Swanson Architects	\$124,619
	King Elementary - Quattrocchi Kwok Architects	\$124,340
	Nystrom Elementary - Interactive Resources	\$181,175
	Pre-design/programming phase. (Measure J)	
April 5, 2006 (E.26)	Ratification or approval of engineering services contracts for various engineering services contracts for various engineering, architectural or landscape architectural firms (6 items) (Measure D, Capital Facilities, Deferred Maintenance)	\$431,480
April 5, 2006 (E.27)	Approval of contract with Total School Solutions for Performance Audits to include Measure J through December 2010.	
April 5, 2006 (E.28)	Approval of contracts for four DSA Project Inspectors at six schools and a Senior Inspector to oversee all inspectors, coordinate services and perform DSA project closeouts. (Measure D)	\$1,703,760
April 5, 2006 (G.2)	Status reports on facilities projects	
May 3, 2006 (E.16 – E.19)	Citizens' Bond Oversight Committee (Reappointment of Paul Morris, representing the City of San Pablo, appointment of Jim Bates as member and Katrinka Ruk as alternate, representing the Council of Industries; reappointment of Jeffrey Wright (Charles Ramsey appointee); reappointment of Antonio Medrano (Glen Price appointee).	
May 3, 2006 (E.20)	Approve installation of Voice Over Internet Protocol (VOIP) system at Hercules Middle/High School	\$231,325
May 3, 2006 (E.21)	Reject single bid for portables construction at King Elementary and rebid	
May 3, 2006 (E.22)	Award contract to Rubecon Contracting for Harding, Montalvin, Bayview and Peres interior improvements. (3 bids) (Measure D)	\$477,799
May 3, 2006 (E.23)	Approval of contracts for engineering services on ten (10) projects.	\$596,845
May 3, 2006 (E.24)	Ratification and approval of negotiated change orders for Measure M-1A and M-1B projects. (8 change orders)	\$366,409
May 3, 2006 (E.25)	Approve contract amendment with Seville Group, Inc. (SGI) for Program, Project and Construction Management additional services on Measure M-1A, M-1B and D projects.	\$2,620,000
May 3, 2006 (E.33)	Appoint Architect of Record (AOR) for Kennedy High School (Fred Powell and Partners/HMC) and Pinole Valley High School (WLC Architects). (Measure J)	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
May 3, 2006 (E.37)	Approval of Notice of Completion (NOC) for El Cerrito High School Temporary Housing Project. (Measure D)	
May 3, 2006 (E.38)	Award contract to Ghilotti Bros. for Harding Elementary School sitework. (1 bid) (Measure D)	\$1,417,477
May 3, 2006 (G.3)	Facilities Status Reports	
May 17, 2006 (D.2)	Citizens' Bond Oversight Committee (Chairperson update to the Board)	
May 17, 2006 (E.15)	Citizens' Bond Oversight Committee (Reappointment of Andres Soto, representing supervisor John Giora; reappointment of Sandi Potter, representing City of El Cerrito; reappointment of Genoveva, alternate for Paul Norris, representing City of San Pablo)	
May 17, 2006 (E.21)	Approval of Engineering Services contracts on six projects.	\$295,339
June 14, 2006 (E.11)	Citizens' Bond Oversight Committee (Appointment of Gary Bell, representing Richmond Chamber of Commerce; Keith Alm, alternate for Gary Bell; Tony Thurmond, representing City of Richmond; Kathy Cleberg, alternate for Kevin Rivard; Elizabeth Smith, alternate for Sandi Potter.)	
June 14, 2006 (E.14)	Approval of Fiscal Department Reorganization (Director of Capital Projects allocation change from 50% Bond 50% General fund to 75/25.)	\$37,723 Annually (Measure J)
June 14, 2006 (E.15)	Approval of Engineering Services contracts on six projects.	\$297,288
June 14, 2006 (E.17)	Notices of Completion (NOC) – Ellerhorst, Kensington, Sheldon, Mira Vista, Downer Asphalt, Pinole Middle School Temporary Housing.	
June 14, 2006 (E.24)	Award contract to McGuire & Hester for Richmond High School Track and Field (1 bid) (Measure D)	\$3,260,489
June 14, 2006 (E.25)	Ratification and approval of negotiated change orders for Measures 1A and 1B and Measure D-1A projects. (9 change orders)	\$1,214,954
June 14, 2006 (E.26)	Approve contract with Sloan for Local Capacity Building Program (outreach to small and local businesses) as a pilot project for Helms Middle School.	
June 14, 2006 (E.27)	Award contract to IMR Contractors for Richmond High School Phase I Renovations. (1 bid) (Deferred Maintenance Fund)	\$1,840,000
June 14, 2006 (G.2)	Discussion of Facilities Status Report	
June 28, 2006 (F.13)	Notices of Completion (NOC) – Harding, Washington, Tara Hills, El Cerrito Storm Drain	
June 28, 2006 (E.19)	Award contract for Gompers High School Energy Agreement and Roofing	
June 28, 2006 (E.20)	Award contract to Terra Nova for Stewart School sitework. (2 bids) (Measure D)	\$1,695,000

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
June 28, 2006 (E.21)	Award contract for Phase I Environmental Site Assessments at seven sites. (Measure J)	
June 28, 2006 (E.22)	Award contract for Vista Hills Education Center Modernization, foundations for 14 portables, and site work.	
June 28, 2006 (E.23)	Approval of 21) General Contractors prequalification for bidding on large construction projects.	
June 28, 2006 (E.27)	Approval of Engineering Services contracts on five projects.	\$112,751

The Board of Education approved the Facilities Master Plan on October 18, 2000, prior to any Board action or direction in regard to construction quality standards, grade-level configuration, school/site sizes (minimum and maximum), potential school closures/consolidation, replacement vs. modernization threshold, the impact of project labor agreements, local bidding climate, and so forth. The Facilities Master Plan provides useful information on the age and conditions of existing schools, inventory of sites and facilities, the need for new schools, replacement needs of some schools and modernization/renovation needs. The plan identified the need of approximately \$500 million for new construction and modernization, however, it understated the District's actual needs.

The October 18, 2000, Facilities Master Plan was updated, as documented in a report dated June 26, 2006. The updated Plan analyzes land use planning, enrollment trends and established attendance boundaries based on school capacities, but it fails to provide updated costs to direct a comprehensive long-range facilities program and does not address many of the issues raised in the preceding paragraph. Overall, the Facilities Master Plan projects a continuing decline in enrollment from 32,197 in 2005-06 to a lowest point of 30,046 in 2012-13 and increasing slowly thereafter. The existing school capacity ranges from 31,108 for a "working" capacity to 38,146 for a "maximum" capacity.

More recent cost estimates for phases M-1A, M-1B, D-1A and J (September 13, 2004, August 24, 2005, and August 22, 2006) are presented, respectively, in Tables 1, 2, 3 and 4 in this section.

A summary of Tables 1, 2, 3 and 4 and associated costs is presented below.

<b>Table</b>	<b>Phase</b>	<b>Capital Projects Cost Estimates (September 13, 2004)</b>	<b>Capital Projects Cost Estimates (August 24, 2005)</b>	<b>Capital Projects Cost Estimates (August 22, 2006)</b>
1	M-1A	\$113,204,174	\$120,652,985	\$125,423,947
2	M-1B	127,810,707	132,099,013	142,624,581
	Other Elementary <sup>1</sup>		36,196,918	53,155,596
	Subtotal		288,948,916	321,204,124
3	D-1A	220,858,164	224,245,702	238,049,634
	Other Secondary <sup>2</sup>		36,680,386	31,625,449
	Subtotal		260,926,088	269,675,083
4	J-I			78,431,150
	J-II			49,268,575
	J-III			59,095,372
	J-Secondary			230,000,000
	Other <sup>3</sup>			42,361,073
	Subtotal			459,156,170
	<b>Totals</b>	<b>\$461,873,045</b>	<b>\$549,875,004</b>	<b>\$1,175,459,324</b>

<sup>1</sup> Quick start projects, M-2A and M-3 projects, e-rate projects, furniture and equipment, program coordination, miscellaneous portables and renovation.

<sup>2</sup> D-2A and D-3 projects, e-rate projects, furniture and equipment, Lovonya DeJean, and program coordination.

<sup>3</sup> Furniture and equipment, e-rate projects, program coordination, program contingency and escalation.

While the \$150 million in Measure M funds were originally supposed to address the facilities needs at 39 elementary schools, the total facilities needs and costs at those schools were undetermined when the scope and amount of measure were set on July 24, 2000. After the passage of Measure M, the District solicited proposals for Master Architect/Bond Management services, culminating in a contract with WLC/SGI on August 15, 2001. While WLC embarked on the design of Phase 1 schools, the WLC/SGI team also proceeded with Quick-Start projects at the 39 Measure M schools, addressing some of the more critical health and safety needs. The Board authorized the Quick-Start projects on March 6, 2002, and approved construction contracts in June 2002, which totaled \$5,558,367.

To provide direction to the WLC/SGI team and the future project architects, the Board considered various construction quality standards for Measure M projects. At its meeting of May 15, 2002, the Board was presented with a number of options costing from \$181 million, the estimated total revenues for Measure M including interest, to \$465 million. These options appear in the table below.

<b>Options (Quality Standards)</b>	<b>Measure M Estimated Expenditures in millions of dollars (\$1,000,000s)</b>
1 Modernization Standard (\$100/square foot)	181
1A Base Standard (\$145/square foot)	246
1B Base Standard (\$145/square foot)	319
<b>1C Base Standard (\$145/square foot)</b>	<b>345</b>
2A Reconstruction Standard (\$175/square foot)	387
2B Reconstruction Standard (\$175/square foot)	440
2C Reconstruction Standard (\$175/square foot)	465

The Board of Education selected Option 1C (\$345 million), at that time estimated to be sufficient to complete the first 18 elementary schools. The Board was informed that work at the remaining 21 schools would have to wait for future funding through other local bonds (such as Measure D) or other future funding sources.

Before the adoption of Option 1C standards on May 15, 2002, the Board was aware that additional revenues were needed. The Board authorized Measure D, a \$300 million measure on November 28, 2001, which passed on March 5, 2002. While the primary purpose of Measure D was to address secondary school facilities needs, the bond language allowed funds to be used on elementary school projects as well.

After the adoption of the Option 1C standards and the passage of Measure D, projects were phased into M-1A, nine (9) schools; M-1B, nine (9) schools; and D-1, five (5) schools. The District adjusted the project budgets to reflect Option 1C quality standards, and the WLC/SGI contract was amended to incorporate the new budgets.

The District administration and the Board recognized that, as the facilities program approached the construction stage, proper and adequate program management to facilitate construction was needed. Accordingly, the Board authorized a total of eight (8) new District employees; hired project architects for phases M-1A and M-1B and onsite DSA inspectors; approved a project

labor agreement, a labor compliance program and leases for 112 interim-use portables; prequalified general contractors; and employed the services of a materials testing laboratory.

Construction contracts for the nine (9) Measure M-1A schools were awarded in June and July 2003. The status of the Phase 1A projects is presented in Table 5 in this section. As additional information became available, the District had to increase the budgets for M-1A projects. The original Option 1C standard budget of \$83.1 million of June 15, 2002, was adjusted to \$91 million on September 18, 2002; to \$113.2 million in September 2004; to \$120.7 million in August 2005, and to \$125.4 million in August 2006, based on awarded contracts, change orders and other costs.

Many variables have impacted construction costs including, but not limited to, the following:

- Establishment of Option 1C quality standards
- Inadequate state modernization and new construction funding
- Project labor agreements
- Acceleration of construction costs at a rate higher than projected
- Passage of Proposition 39 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
- Labor compliance law requirements
- International procurement of the construction materials

All Phase M-1A projects have been completed, with construction completion dates ranging from September 29, 2004, to December 30, 2005.

The District submitted eight Phase M-1B projects to the Division of State Architect (DSA) and invited bids between April 2004 and June 2004. (See Table 6). Construction for these eight (8) projects began between May 2004 and July 2004, with construction completion dates ranging from October 9, 2005 to July 28, 2006.

Before initiating bids for M-1A and M-1B projects, the District prequalified construction contractors. At the completion of the prequalification process, 32 construction firms were prequalified.

The number of bidders on M-1A and M1-B projects follows:

<b>Phase M-1A</b>	<b>#Bidders</b>	<b>Phase M-1B</b>	<b># Bidders</b>
Harding	2	Bayview	5
Hercules	3	Ellerhorst	3
Lincoln	3	Kensington	3

<b>Phase M-1A</b>	<b>#Bidders</b>	<b>Phase M-1B</b>	<b># Bidders</b>
Madera	6	Mira Vista	3
Montalvin	4	Murphy	4
Peres	4	Sheldon	4
Riverside	3	Tara Hills	3
Stewart	3	Washington	2
Verde	1		
<b>Average</b>	<b>3.2</b>	<b>Average</b>	<b>3.4</b>

In spite of the District’s 32 prequalified bidders, the average number of bids ranged between 3.2 and 3.4 bids per project.

Overall, the prequalification process was as follows:

<b>Processes</b>	<b>Number of Firms</b>
Prequalification	32
Firms Submitting Bids	12
Firms Awarded 17 Contracts	7

While the prequalification process helps in excluding unqualified construction contractors, the process does not ensure a high number of bidders.

The District selected Phase D-1A project architects and a few projects are in the architect planning/schematic drawing stage while a few projects are under construction as of June 30, 2006. The development of detailed plans and specifications (working drawings) has moved forward. As of June 30, 2006, El Cerrito High School and Helms Middle School (Increment 1) have been submitted to DSA for review, and Helms Middle School (Increment 2) has had final contract documents prepared. Various phases of construction were underway at Downer Elementary, El Cerrito High and Pinole Middle as of June 30, 2006.

The District initiated a new “Prequalification of General Contractors” process for Measure D-1A projects, Downer Elementary and Measure J. At the June 28, 2006, board meeting, 21 firms were prequalified for bidding on larger construction projects as shown below:

<b>General Contractor Prequalification Process (June 28, 2006)</b>	
Requests sent to firms	60+
Firms Responding	23
Firms Prequalified	21

**Table 1. Measure M-1A Projects. Total Estimated Costs (Construction and Soft Costs).**

School	Year Built	Capital Projects <sup>1</sup> Cost Estimates	Capital Projects <sup>2</sup> Cost Estimates	Capital Projects <sup>3</sup> Cost Estimates
Harding Elementary	1943	\$14,014,301	\$15,051,673	\$17,733,309
Hercules/Lupine Hills Elementary	1966	13,615,961	13,796,472	13,561,727
Lincoln Elementary	1948	15,200,388	16,352,285	16,158,738
Madera Elementary	1955	9,954,252	10,546,467	11,255,611
Montalvin Elementary	1965	10,420,290	11,207,830	11,708,229
Peres Elementary	1948	16,889,728	17,747,978	17,957,340
Riverside Elementary	1940	11,788,329	12,370,886	12,581,826
Stewart Elementary	1963	8,945,696	10,160,984	10,468,040
Verde Elementary	1950	12,375,228	13,418,406	13,999,127
<b>Total</b>		\$113,204,174	\$120,652,985	\$125,423,947

<sup>1</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

<sup>2</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 24, 2005.

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 2. Measure M-1B Projects. Total Estimated Costs (Construction and Soft Costs).**

School	Year Built	Capital Projects <sup>1</sup> Cost Estimates	Capital Projects <sup>2</sup> Cost Estimates	Capital Projects <sup>4</sup> Cost Estimates
Bayview Elementary	1952	\$15,552,157	\$16,315,241	\$16,049,348
Downer Elementary <sup>3</sup>	1955	23,398,756	23,641,669	31,228,539
Ellerhorst Elementary	1959	11,114,528	11,389,362	11,199,265
Kensington Elementary	1949	17,006,091	17,406,659	18,163,053
Mira Vista Elementary	1949	11,911,186	12,640,889	13,686,651
Murphy Elementary	1952	12,039,309	12,236,581	13,069,670
Sheldon Elementary	1951	13,017,155	13,218,050	12,992,853
Tara Hills Elementary	1958	11,435,272	11,827,911	11,899,124
Washington Elementary	1940	13,033,042	13,422,647	14,336,075
<b>Total</b>		\$128,507,496	\$132,099,013	\$142,624,581

<sup>1</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

<sup>2</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 24, 2005.

<sup>3</sup> Downer is identified as a Measure M-1B project, but it is to be funded out of Measure D (See Table 6).

<sup>4</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 3. Measure D-1A Projects. Total Estimated Costs. (Construction and Soft Costs).**

School	Year Built	Capital Projects Cost Estimates <sup>1</sup>	Capital Projects Cost Estimates <sup>2</sup>	Capital Projects Cost Estimates <sup>3</sup>
El Cerrito High	1938	97,145,328	94,939,606	\$106,186,778
Helms Middle	1953	52,559,865	52,554,633	56,201,795
Pinole Middle	1966	36,859,208	37,664,549	39,891,906
Portola Middle	1950	34,140,175	35,641,470	35,769,154
<b>Total</b>		\$223,413,205	\$224,245,702	\$238,049,634

<sup>1</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

<sup>2</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 24, 2005.

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 4a. Measure J-I Projects. Total Estimated Costs. (Construction and Soft Costs).**

School	Year Built	Capital Projects Cost Estimates <sup>3</sup>
Castro Elementary	1950	\$13,886,250
Dover Elementary	1958	13,218,099
Ford Elementary	1949	11,679,584
King Elementary	1943	17,051,831
Nystrom Elementary	1942	22,595,384
<b>Total</b>		\$78,431,150

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 4b. Measure J-II Projects. Total Estimated Costs. (Construction and Soft Costs).**

School	Year Built	Capital Projects Cost Estimates <sup>3</sup>
Coronado Elementary	1952	\$12,064,373
Fairmont Elementary	1957	11,120,592
Highland Elementary	1958	14,492,253
Valley View Elementary	1962	11,591,355
<b>Total</b>		\$49,268,575

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 4c. Measure J-III Projects. Total Estimated Costs. (Construction and Soft Costs).**

<b>School</b>	<b>Year Built</b>	<b>Capital Projects Cost Estimates<sup>3</sup></b>
Grant Elementary	1945	\$16,167,942
Lake Elementary	1956	13,172,375
Ohlone Elementary	1965	14,670,642
Wilson Elementary	1953	15,084,411
<b>Total</b>		<b>\$59,095,372</b>

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 4d. Measure J-III Projects. Total Estimated Costs. (Construction and Soft Costs).**

<b>School</b>	<b>Year Built</b>	<b>Capital Projects Cost Estimates<sup>3</sup></b>
DeAnza High	1955	\$100,000,000
Pinole Valley/Sigma High	1968	65,000,000
Richmond/Omega High	1946	4,000,000
Kennedy/Kappa High	1965	61,000,000
<b>Total</b>		<b>\$230,000,000</b>

<sup>3</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 22, 2006.

**Table 5. Measure M-1A. Budget, Contracts and Schedule.**

School	Harding	Hercules/ Lupine Hills	Lincoln	Madera	Montalvin	Peres	Riverside	Stewart	Verde	Total Phase M-1A
<i>Budget (August 22, 2006)</i>										
Construction Costs	\$13,828,164	\$10,999,165	\$12,975,459	\$8,898,961	\$9,095,126	\$14,315,624	\$9,660,062	\$8,213,103	\$11,175,455	\$99,161,118
Soft Costs	\$3,905,145	\$2,562,562	\$3,183,279	\$2,356,650	\$2,613,103	\$3,641,716	\$2,921,764	\$2,254,937	\$2,823,672	\$26,262,829 (20.9%)
Total Budget	\$17,733,309	\$13,561,727	\$16,158,738	\$11,255,611	\$11,708,229	\$17,957,340	\$12,581,826	\$10,468,040	\$13,999,127	\$125,423,947
SAB #	019	017	015	014	013	011	016	012	010	
SAB Revenues	\$1,948,349	\$1,147,097	\$330,404	\$1,216,917	\$313,287	\$1,468,479	\$1,191,472	\$1,147,062	\$1,180,094	\$9,943,161
Award Date	7/14/03	7/14/03	7/9/03	6/18/03	6/30/03	6/30/03	7/21/03	6/18/03	6/18/03	
Contractor	Fedcon Gen. Contractors	S.J. Amoroso	West Coast Contractors	JW & Sons	C. Overra & Co.	Fedcon Gen. Contractors	W.A. Thomas	C. Overra & Co.	C. Overra & Co.	
Base Bid	\$8,917,000	\$9,867,000	\$8,840,000	\$6,338,200	\$5,598,000	\$9,927,000	\$7,304,000	\$5,283,000	\$8,100,000	\$70,174,200
Cost of Selected Alternates (Number)	\$468,000 (5)	\$405,500 (10)	\$535,000 (3)	\$253,000 (3)	\$1,225,000 (4)	\$1,022,000 (3)	\$468,000 (5)	\$943,000 (4)	\$133,000 (2)	\$5,452,500
Cost of Unselected Alternates (Number)	\$868,000 (10)	\$803,000 (10)	\$535,000 (7)	\$1,229,000 (13)	\$332,000 (6)	\$282,000 (6)	\$485,000 (6)	\$769,000 (8)	\$928,000 (10)	\$6,231,000
Total Bid Contract	\$8,917,000	\$10,272,500	\$9,375,000	\$6,591,200	\$6,823,000	\$10,949,000	\$7,772,000	\$6,226,000	\$8,687,000	\$75,612,700
Approved Change Orders (6/14/06)	\$3,043,000 (34.1%)	\$451,496 (4.4%)	\$2,399,196 (25.67%)	\$1,164,262 (17.7%)	\$1,164,868 (17.7%)	\$1,290,415 (11.8%)	\$1,075,354 (13.8%)	\$1,695,568 (27.2%)	\$1,884,395 (21.7%)	\$14,168,554 (18.7%)
Adj. Contract	\$11,960,000	\$10,723,996	\$11,774,196	\$7,755,462	\$7,987,868	\$12,239,415	\$8,847,354	\$7,921,568	\$10,571,395	\$89,781,254
<i>Schedule</i>										
Notice to Proceed	8/18/03	8/4/03	8/4/03	8/11/03	8/4/03	8/6/03	8/18/03	8/4/03	8/6/03	
Original Completion	10/06/04	12/27/04	9/24/04	11/15/04	10/21/04	10/9/04	8/6/04	9/29/04	9/24/04	
Revised Completion	12/30/05	12/27/04	7/1/05	3/30/05	9/29/05	9/29/05	7/29/05	9/29/04	4/30/05	
Status Report Date (Percent Complete)	4/21/06 (100%)	11/1/04 (100%)	12/19/05 (100%)	6/20/05 (100%)	4/21/06 (100%)	4/21/06 (100%)	12/19/05 (100%)	11/1/04 (100%)	4/21/06 (100%)	

**Table 6. Measure M-1B. Budget, Contracts and Schedule.**

School	Bayview	Ellerhorst	Kensington	Mira Vista	Murphy	Sheldon	Tara Hills	Washington	Total Phase M-1B
<i>Budget (August 22, 2006)</i>									
Construction Costs	\$12,717,550	\$8,765,534	\$14,307,570	\$10,678,803	\$10,265,442	\$10,249,076	\$9,121,993	\$11,614,579	\$87,720,547
Soft Costs	3,331,798	2,433,731	3,855,483	3,007,848	2,804,228	2,743,777	2,777,131	2,721,496	23,675,492 (21.3%)
Total Budget	\$16,049,348	\$11,199,265	\$18,163,053	\$13,686,651	\$13,069,670	\$12,992,853	\$11,899,124	\$14,336,075	\$111,396,039
SAB #	024	020	023	025	018	022	021	026	
SAB Revenues	\$2,535,074	\$1,352,870	\$1,274,844	\$1,528,265	\$1,595,572	\$331,311	\$1,501,831	\$2,162,982	\$12,282,748
Award Date	6/2/04	4/22/04	5/19/04	5/5/04	4/22/04	5/5/04	5/19/04	5/19/04	
Contractor (Number of Bidders)	West Bay Builders (5)	West Bay Builders (3)	JW & Sons (3)	West Bay Builders (3)	West Bay Builders (4)	West Bay Builders (4)	W.A.Thomas (3)	Thompson Pacific (2)	
Base Bid	\$10,017,000	\$7,370,000	\$10,630,562	\$7,385,055	\$7,285,000	\$8,327,000	\$7,691,000	\$8,498,857	\$67,204,474
Cost of Selected Alternates (Number)	\$396,000 (2)	\$342,500 (2)	\$447,200 (3)	\$326,775 (2)	\$365,000 (2)	\$234,650 (2)	\$217,700 (2)	\$285,050 (2)	\$2,614,875
Total Contract	\$10,413,000	\$7,712,500	\$11,077,762	\$7,711,830	\$7,650,000	\$8,561,650	\$7,243,895	\$8,809,000	\$69,179,637
Approved Change Orders (6/14/06)	\$537,180 (5.2%)	\$615,313 (8.0%)	\$1,289,692 (11.6%)	\$1,399,691 (18.2%)	\$1,048,155 (13.7%)	\$557,782 (6.5%)	\$486,256 (6.7%)	\$1,727,731 (19.6%)	\$7,661,800 (11.1%)
Adj. Contract	\$10,950,180	\$8,327,813	\$12,367,454	\$9,111,521	\$8,698,155	\$9,119,432	\$7,730,151	\$10,536,731	\$76,841,437
<i>Schedule</i>									
Notice to Proceed	7/7/04	6/8/04	6/3/04	5/27/04	7/1/04	5/27/04	5/28/04	6/15/04	
Original Completion	1/13/06	8/19/05	9/11/05	10/9/05	8/15/05	10/9/05	8/19/05	12/22/05	
Revised Completion	7/28/06	10/14/05	12/15/05	12/17/05	12/31/05	10/9/05	10/15/05	5/12/06	
Status Report Date (Percent Complete)	7/18/06 (99%)	4/21/06 (100%)	1/18/06 (99%)	4/21/06 (100%)	2/7/06 (95%)	4/21/06 (100%)	4/21/06 (100%)	4/21/06 (99%)	

**Table 7. Measure M-1B. Downer – Funded out of Measure D.**

School	Downer Elementary (Abatement/Demolition)	Downer Elementary (Ground Improvement)	Downer Elementary (Modernization Phase 1)	Downer Elementary (Modernization Phase 2)	Downer Elementary (New Construction)	Total Downer
<i>Budget (August 22, 2006)</i>						
Construction Costs						\$24,923,981
Soft Costs						6,304,558 (20.2%)
Total Budget						\$31,228,539
SAB #						
SAB Revenues <sup>1</sup>						
Bid Schedule	9/28/05 (Demolition)					
Award Date	10/5/05	12/14/06			3/16/06	
Contractor (Number of Bidders)	WR Forde Associates (3)	Hayward Baker (2)	WR Forde Associates	West Bay Builders	West Bay Builders (4)	
Base Bid	\$594,800 (Demolition)	\$741,899			\$21,232,027	
Change Orders	\$22,860 (3.8%)	\$116,493 (15.7%)				
Revised Contract	\$617,660	\$858,392				
<i>Schedule</i>						
Notice to Proceed	10/25/05		1/30/06	5/4/06	5/14/06	
Original Completion	12/24/05		4/30/06	8/21/08	8/6/08	
Revised Completion	12/26/05		4/30/06	9/24/08	9/3/08	
Status Report Date (Percent Complete)	1/19/06 (100%)		4/21/06 (100%)	7/18/06 (4%)	6/28/06 (3%)	

<sup>1</sup>SAB revenues have been budgeted and are likely to be received, but SAB documents have not yet been filed.

**Table 8. Measure D-1A. Budget, Contracts and Schedule.**

School	El Cerrito High (Temp Housing)	El Cerrito High (Abatement/Demolition)	El Cerrito High (Site Grading)	El Cerrito High (Storm Drain)	El Cerrito High (Total)	Helms Middle (Total)	Pinole Middle (Temp Housing)	Pinole Middle (Site Grading)	Pinole Middle (Total)	Portola Middle (Total)	Total Phase D-1A
<i>Budget (August 22, 2006)</i>											
Construction Costs					\$84,022,495	\$42,447,548			\$28,497,835	\$26,930,522	\$171,898,400
Soft Costs					22,164,283 (20.9%)	13,754,247 (24.5%)			11,394,071 (28.6%)	8,838,632 (24.7%)	56,151,234 (23.6%)
Total Budget					\$106,186,778	\$56,201,795			\$39,891,906	\$35,769,154	\$238,049,634
SAB #											
SAB Revenues <sup>1</sup>											
Bid Schedule	2/3/05 (Site) 3/06 (Port)	10/05 (Site) 2/06 (Bldgs)					6/15/05 and 9/05 (Bldgs)				
Award Date	2/9/05 & 3/11/05			10/19/05							
Contractor (Number of Bidders)	Taber Construction (7)	Silverado Contractors, Inc. (5)	Top Grade Construction	McGuire & Hester (8)			HJ Integrated System, Inc.	Bay Cities Paving & Grading			
Base Bid	\$3,444,000	\$2,078,125	\$1,613,100 (Grading)	\$292,562			\$529,000 (Site work) (3 bids)	\$1,492,000			
Change Order	\$354,297 (10.3%)	(126,962) (-6.1%)	673 (0.04%)	2,704 (0.9%)			\$375,580	\$72,150 (4.8%)			
Revised Contract	\$3,798,297	\$1,951,163	\$1,613,773	\$295,266			\$904,580	\$1564,150			
<i>Schedule</i>											
Notice to Proceed	2/22/05	5/23/05	3/8/06				7/1/05	3/20/06			
Original Completion	8/22/05	10/31/05	7/6/06				8/15/05	7/18/06			
Revised Completion	2/28/06	10/28/05	8/2/06				8/23/05	8/03/06			
Status Report Date (Percent Complete)	1/19/06 (100%)	10/20/05 (99%)	6/28/06 (40%)				12/19/05 (100%)	7/18/06 (94%)			

<sup>1</sup>SAB revenues have been budgeted and are likely to be received, but SAB documents have not yet been filed.

**Table 9. Measure J. Budget, Contracts and Schedule.**

School	Richmond High (Renovations)	Richmond High (Track & Field)	Richmond High (Total)
<i>Budget (August 22, 2006)</i>			
Construction Costs			\$3,057,060
Soft Costs			942,940 (23.6%)
Total Budget	(Deferred Maintenance)		\$4,000,000
SAB #			
SAB Revenues <sup>1</sup>			
Bid Schedule			
Award Date	6/14/06	6/14/06	
Contractor (Number of Bidders)	IMR Contractor (1)	McGuire & Hester (1)	
Base Bid	\$1,840,000	\$3,260,489	
Temporary Housing			
Total Construction	\$1,840,000	\$3,260,489	
<i>Schedule</i>			
Notice to Proceed	6/22/06	6/28/06	
Original Completion	10/9/06	12/20/06	
Revised Completion	10/9/06	12/20/06	
Status Report Date (Percent Complete)	7/18/06 (15%)	7/12/06 (5%)	

<sup>1</sup>SAB revenues have been budgeted and are likely to be received, but SAB documents have not yet been filed.

## EXPENDITURE REPORTS FOR MEASURES D, M, AND J

### MEASURE D

To ensure a comprehensive performance audit, Total School Solutions (TSS) reviewed all Measure D projects, and selected several for more extensive examination. As of June 30, 2006, \$139,413,304 (46%) of total Measure D bond funds authorized have been spent.

#### Measure D Bond Issuance and Expenditures as of June 30, 2006.

Total bond authorization	\$300,000,000
Total bond issues as of June 30, 2006 (Series A, B, C and D)	\$300,000,000
Expenditures through June 30, 2006	\$139,413,304 (46% of total authorization)

#### Measure D Expenditures Report (June 30, 2006).

Audit Projects	2001-02	2002-03	2003-04	2004-05	2005-06 <sup>2</sup>	Total <sup>2</sup>
Bayview Elementary (M-1B)				\$8,247,067	\$1,755,960	\$10,003,027
Chavez Elementary					13,533	13,533
Collins Elementary					12,451	12,451
Coronado Elementary (J-2)					13,634	13,634
Dover Elementary (J-1)					14,487	14,487
Downer Elementary (M-1B)				553,216	2,975,994	3,529,210
Ellerhorst Elementary (M-1B)			\$301,424	5,853,517	1,897,359	8,052,300
Fairmont Elementary (J-2)					7,911	7,911
Ford Elementary (J-1)					12,609	12,609
Grant Elementary (J-3)					15,368	15,368
Harding Elementary (M-1A)				68,487	2,191,421	2,259,908
Highland Elementary (J-2)					21,181	21,181
Kensington Elementary (M-1B)				10,816,546	2,453,416	13,269,962
Lake Elementary (J-3)					7,918	7,918
Transition Learning Center		\$157,132	(52,521)		0	104,611
Lincoln Elementary (M-1A)				441,818	48,807	490,625
Lupine Hills Elementary (M-1A)					15,433	15,433
Madera Elementary (M-1A)				45,833	328,941	374,774
Mira Vista Elementary (M-1B)				6,979,274	1,755,464	8,734,738
Montalvin Elementary (M-1A)				91,024	322,760	413,784
Murphy Elementary (M1B)					229,766	29,766

<b>Audit Projects</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06<sup>2</sup></b>	<b>Total<sup>2</sup></b>
Nystrom Elementary (J-1)					2,035	2,035
Ohlone Elementary (J-33)					7,959	7,959
Olinda Elementary					7,943	7,943
Peres Elementary (M-1A)				16,771	62,757	79,528
Riverside Elementary (M-1A)				72,798	68,461	141,259
Seaview Elementary					10,300	10,300
Shannon Elementary				44,997	432,067	477,064
Sheldon Elementary (M-1B)				8,854,372	1,415,041	10,269,413
Stege Elementary					14,008	14,008
Stewart Elementary (M-1A)				1,956	392,361	394,317
Tara Hills Elementary (M-1B)				6,386,284	1,453,998	7,840,282
Verde Elementary (M-1A)				47,906	305,289	353,195
Vista Hills			3,852	17,093	921,603	942,548
Washington Elementary (M-1B)				8,074,869	1,850,400	9,925,269
Harbour Way Elementary		151,969	(55,232)		0	96,737
Adams Middle		364,207	64,374	168,354	1	596,936
Crespi Middle		350,859	56,655	17,572	1	425,087
Lovonya DeJean Middle		1,556,544	217,777	(1,774,321)	(62)	(62)
Helms Middle		473,858	1,254,346	1,506,975	3,010,825	6,246,005
Hercules Middle	\$60	620,973	3,001		85	624,118
Pinole Middle (D-1A)		353,758	916,981	2,440,588	2,926,104	6,637,431
Portola Middle (D-1A)	420	410,690	873,353	1,660,003	299,740	3,244,706
DeAnza High (J-3)		686,260	2,178,362	16,920	482,083	3,363,625
El Cerrito High (D-1A)		656,699	2,317,678	9,150,276	10,333,644	22,458,297
Gompers High)		402,142	54,369	138,915	18,361	613,787
Kennedy High (J-3)		699,246	116,657	238,747	190,921	1,245,571
Pinole Valley High (J-3)		563,775	57,621		1,661,267	2,282,663
Richmond High (J-3)		658,083	70,636	129,950	497,228	1,356,697
Vista High		147,675	(55,306)		0	92,369
North Campus High		166,421	19,323	6,673	0	192,418
Hercules High		2,495,001	216,960	(135,975)	0	2,593,277
Delta High		158,199	(25,268)		0	132,932
Kappa High		155,447	(53,799)		0	101,648
Omega High		157,030	(53,242)		0	103,788
Sigma High		155,809	(53,222)			102,586
Deferred Maintenance Transfer	1,277,500					1,277,500

<b>Audit Projects</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06<sup>2</sup></b>	<b>Total<sup>2</sup></b>
Overall Facilities Program	262,142	1,056,914	1,618,088	2,722,856	1,902,839	7,562,839
<b>Totals</b>	<b>\$1,557,412</b>	<b>\$12,599,491</b>	<b>\$9,993,366</b>	<b>\$72,895,361</b>	<b>\$42,367,674</b>	<b>139,483,305</b>
<b>Percent of Total Authorized</b>	<b>1%</b>	<b>4%</b>	<b>3%</b>	<b>24%</b>	<b>14%</b>	<b>46%</b>

The expenditures in the "Total" column were from the official District records. The 2005-06 expenditures were calculated by subtracting the prior reported expenditures for 2001-02 through 2004-05 from the totals. The official records for the Deferred Maintenance Transfer and Overall Facilities Program were reported under Fiscal and Operations categories for the total Measure D bond program and totaled \$8,840,339.

## MEASURE M

To ensure a comprehensive performance audit, TSS reviewed all Measure M projects and selected several for more extensive examination. As of June 30, 2006, \$167,219,109 (112%) of total Measure M bond funds authorized have been spent. (Note: The percentage exceeds of the bond proceeds because of interest earnings and refinancing of prior bond issues.)

### Measure M Bond Issuance and Expenditures as of June 30, 2006.

Total bond authorization	\$150,000,000
Total bond issues to date (Series A, B and C)	\$150,000,000
Expenditures through June 30, 2006	\$167,219,109 (112% of total authorization)

### Measure M Expenditures Report (June 30, 2006).

Audit Projects <sup>1,2</sup>	2000-01 and 2001-02	2002-03	2003-04	2004-05	2005-06 <sup>3</sup>	Total <sup>3</sup>
Bayview Elementary (1B)	\$101,179	\$203,031	\$1,681,995	\$1,397,074	\$258,689	\$3,641,968
Chavez Elementary	3,504	60,208	55,142	360,567	5,064	484,485
Castro Elementary	88,836	280,872	24,486	26,178	0	420,371
Collins Elementary	157,213	191,828	8,643	33,004	140	390,828
Coronado Elementary	143,411	303,785	29,701	(195,671)	(44,507)	236,719
Dover Elementary	181,277	303,557	37,474	(54,389)	(9,738)	458,181
Downer Elementary (1B)	318,619	204,477	517,763	813,012	116,204	1,970,075
Ellerhorst Elementary (1B)	89,438	157,159	957,665	456,213	28,019	1,688,494
El Sobrante Elementary	138,286	284,099	31,262	(207,338)	(79,734)	166,575
Highland Elementary	84,939	21,740	30,482	165,671	1,605	304,438
Fairmont Elementary	100,482	506,461	15,217	(257,146)	(83,654)	281,360
Ford Elementary	107,407	291,939	31,167	162,911	1	593,425
Grant Elementary	153,701	405,478	102,264	(71,473)	17,229	607,146
Lupine Hills Elementary (1A)	343,395	697,939	9,343,237	2,345,485	26,754	12,756,809
Harding Elementary (1A)	183,297	740,163	6,281,219	4,265,357	1,349,078)	12,819,114
Hanna Ranch Elementary	6,922	22,441	49,409	506,164	(1)	584,936
Kensington Elementary (1B)	91,697	157,130	1,477,853	1,295,107	43,635	3,095,423
King Elementary	131,299	93,122	29,941	159,311	0	413,673
Lake Elementary	136,151	350,699	8,735	(44,769)	32,880	483,696
Lincoln Elementary (1A)	224,573	961,351	9,145,395	4,521,962	329,549	15,182,829
Madera Elementary (1A)	165,816	593,822	4,684,577	3,471,276	933,455	9,848,946
Mira Vista Elementary (1B)	108,130	198,594	1,307,587	834,857	257,333	2,706,500
Montalvin Elementary (1A)	334,828	532,197	6,308,915	3,252,743	367,484	10,796,166

<b>Audit Projects</b> <sup>1,2</sup>	<b>2000-01 and 2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b> <sup>3</sup>	<b>Total</b> <sup>3</sup>
Murphy Elementary (1B)	104,689	163,346	1,415,823	6,941,018	2,296,188	10,921,063
Nystrom Elementary	195,481	630,579	42,268	(459,959)	(158,688)	249,681
Olinda Elementary	156,424	269,010	12,345	55,794	14,025	507,598
Ohlone Elementary	163,406	24,798	14,952	59,971	13,270	276,398
Peres Elementary (1A)	261,370	1,036,846	10,590,186	3,576,610	666,971	16,131,983
Riverside Elementary (1A)	170,519	579,487	6,057,103	4,000,514	414,101	11,221,724
Seaview Elementary	103,916	277,629	76,554	27,102	938	486,139
Shannon Elementary	88,254	208,404	10,246	62,931	138	369,973
Sheldon Elementary(1B)	100,412	193,113	1,398,521	551,713	83,593	2,327,352
Stege Elementary	147,055	348,101	50,627	252,683	0	798,466
Stewart Elementary (1A)	3,206,595	673,232	6,505,583	1,623,043	412,423	12,420,876
Tara Hills Elementary (1B)	90,010	154,853	1,359,503	507,350	163,885	2,275,601
Valley View Elementary	148,074	282,063	50,410	(171,801)	8,180	316,925
Verde Elementary (1A)	173,126	638,574	7,479,327	3,487,129	409,022	12,187,179
Vista Hills	2,000	0	28,382	(106,124)	29	(75,714)
Washington Elementary (1B)	85,455	148,138	1,394,871	444,274	54,590	2,127,328
Wilson Elementary	135,326	339,378	24,585	(191,722)	7,432	314,998
West Hercules			8,739	48,108	0	56,847
Adams Middle	11,492				0	11,492
Lovonya DeJean Middle			82,613	(82,613)	0	0
Pinole Middle			38	(38)	0	0
Deferred Maintenance Transfer	1,221,639	1,218,026			8	2,439,665
Overall Facilities Program	624,504	3,935,645	1,247,044	92,949	See below	See below
Reimbursables	853,949	1,437,622	1,997,043	461,326	1,150,201	11,921,378
<b>Totals</b>	<b>\$11,438,095</b>	<b>\$20,120,936</b>	<b>\$82,006,893</b>	<b>\$44,416,312</b>	<b>\$9,236,824</b>	<b>\$167,219,109</b>
<b>Percent of Total Authorized</b>	<b>8%</b>	<b>13%</b>	<b>55%</b>	<b>30%</b>	<b>6%</b>	<b>112%</b>

<sup>1</sup> 1A, and 1B, respectively correspond to projects included in phases 1A, and 1B, of the Measure M facilities program.

<sup>2</sup> All 39 elementary schools referenced in Measure M were included, to some extent, in the District's Quick-Start projects.

<sup>3</sup> The expenditures in the "Total" column were from the official District records. The 2005-06 expenditures were calculated by subtracting the prior reported expenditures for 2000-01 through 2004-05 from the totals. The official records for Deferred Maintenance Transfer, Overall Facilities Program and Reimbursables Categories were reported under Fiscal and Administration Categories for the total Measure M bond program and totaled \$14,361,043.

## MEASURE J

To ensure a comprehensive performance audit, TSS reviewed all Measure J projects with expenditures. As of June 30, 2006, \$579,991 (0.1%) of total Measure J bond funds authorized have been spent.

### Measure J Bond Issuance and Expenditures as of June 30, 2006.

Total bond authorization	\$400,000,000
Total bond issues to date	\$ 70,000,000
Expenditures through June 30, 2006	\$ 579,991 (0.1% of total authorization)

<b>Audit Projects</b>	<b>2005-06</b>	<b>Total</b>
Castro Elementary	\$ 48,657	\$ 48,657
Dover Elementary	11,750	1,750
Ford Elementary	113,905	113,905
King Elementary	71,824	71,824
Lake Elementary	7,331	7,331
Nystrom Elementary	98,933	98,933
Operations	227,591	227,591
<b>Totals</b>	<b>\$579,991</b>	<b>\$579,991</b>
<b>Percent of Total Authorized</b>	<b>0.1%</b>	<b>0.1%</b>

**MEASURE J PRELIMINARY BUDGET**

The District established the following preliminary budget and schedule for the projects to be financed through the \$400 million Measure J. The phasing plan was approved by the Board on November 16, 2005. (For updated data, as of August 22, 2006, on Measure J projects refer to Table 4 presented earlier).

**Anticipated Revenues for Measure J Projects**

Source	Anticipated Revenue	Reference
Measure J bonds	\$400,000,000	Four sales over eight years, beginning in 2006
Developer fee income	10,500,000	Growth over eight years
Interest income	14,000,000	Over eight years
Joint use funds	3,000,000	City/District projects
State funds	44,456,774	Modernization eligibility
<b>Total anticipated revenue</b>	<b>\$471,956,774</b>	

**Measure J: Elementary School Reconstruction Schedule**

School	Proposed Budget	Scheduled Design Phase Start	Scheduled Construction Start	Scheduled Completion
<b>Phase I</b>				
Castro	\$11,746,491	Spring 2006	Summer 2007	Spring 2009
Dover	11,424,926	Spring 2006	Summer 2007	Spring 2009
Ford	10,115,209	Spring 2006	Summer 2007	Spring 2009
King	15,145,705	Spring 2006	Summer 2007	Spring 2009
Nystrom	19,274,528	Spring 2006	Summer 2007	Spring 2009
<b>Phase II</b>				
Coronado	\$10,291,324	Summer 2006	Spring 2008	Winter 2009
Fairmont	9,272,248	Summer 2006	Spring 2008	Winter 2009
Highland	12,499,389	Summer 2006	Spring 2008	Winter 2009
Valley View	10,143,869	Summer 2006	Spring 2008	Winter 2009
<b>Phase III</b>				
Grant	\$13,498,126	Winter 2006	Spring 2009	Winter 2010
Lake	11,139,546	Winter 2006	Spring 2009	Winter 2010
Ohlone	12,855,387	Winter 2006	Spring 2009	Winter 2010
Wilson	12,646,914	Winter 2006	Spring 2009	Winter 2010
<b>Total Elementary</b>	<b>\$160,053,662</b>			

**Measure J: Secondary School Reconstruction Schedule**

<b>School</b>	<b>Proposed Budget</b>	<b>Scheduled Design Phase Start</b>	<b>Scheduled Construction Start</b>	<b>Scheduled Completion</b>
DeAnza High	\$100,000,000	Fall 2006	Summer 2007	Winter 2010
Kennedy High	61,000,000	Jan. 2007	Fall 2008	Spring 2011
Pinole Valley High	65,000,000	Dec. 2007	Spring 2010	Fall 2012
Richmond High	4,000,000	Preliminary basic renovations	TBD	TBD
Measure D project schools	\$25,000,000	Includes Portola and other schools	Various	Various
<b>Total Secondary</b>	<b>\$255,000,000</b>			

**District-wide Costs**

<b>Item</b>	<b>Anticipated Cost</b>	<b>Reference</b>
Program coordination	\$16,602,146	Four percent district management
Furnishings/equipment	11,000,000	Includes Measure D Phase 1A schools
Network technology	11,000,000	Includes classroom computer equipment
Escalation	10,000,000	Construction cost increases over time
Program contingency	8,301,073	Two percent program contingency
<b>District-wide costs</b>	<b>\$56,903,220</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$471,956,882</b>	

Board actions to date regarding Measure J include the following:

- Approval of phasing plan (above) (November 16, 2005)
- Appoint Measure J Citizens' Bond Oversight Committee (January 4, 2006)
- Approve architectural contracts for Castro, Ford and Nystrom (January 10, 2006)
- Discuss Measure J schedule and budget with Citizens' Bond Oversight Committee (February 15, 2006)

**STATE SCHOOL FACILITIES PROGRAM**

The District has filed facilities applications under the following programs:

- 50 - New Construction
- 57 - Modernization
- 58 - Rehabilitation

As of June 30, 2006, the District has received the state grant amounts summarized in the following table. All of the following financial data have come from the OPSC/SAB internet website which maintains current project status for all school districts.

<b>State Program</b>	<b>SAB#</b>	<b>State Grant Amount</b>	<b>District Match</b>
New Construction	50/001 <sup>1</sup>	\$12,841,930	\$12,841,930
Modernization	57/001-57/009 <sup>2</sup>	3,863,449	2,609,434
Modernization	57/010-57/017 and 57/019 <sup>3</sup>	9,943,161	6,801,923
Modernization	57/018 and 57/020-57/026 <sup>4</sup>	12,282,748	8,320,619
Rehabilitation	58/001 <sup>5</sup>	654,579	0
<b>Totals</b>		<b>\$39,585,867</b>	<b>\$30,573,906</b>

<sup>1</sup> LaVonya 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 60/40 matches and 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> This was a 100 percent state funded project for work at Lincoln Elementary School to correct structural problems.

By utilizing the various state programs available to the District, state grant amounts received to date total \$39,585,867.

## STATE NEW CONSTRUCTION STATUS

As reported in the performance audit report for the period ending June 30, 2004, new construction eligibility was originally established in the Hercules and Pinole Valley High School attendance areas based on CBEDS enrollment data through the 2002-03 school year (SAB 50-01, 50-02 and 50-03). Eligibility Forms SAB 50-01, 50-02 and 50-03 were subsequently updated based on CBEDS enrollment data through 2003-04, indicating that eligibility no longer exists within the Pinole Valley High School attendance area and that eligibility has declined in the Hercules High School attendance area.

New construction eligibility must be calculated based on current CBEDS enrollment data at the time a district files an application for a new construction project (SAB 50-04). That filing cannot occur until a project has completed the California Environmental Quality Act (CEQA) process and has obtained clearance from the Department of Toxic Substances Control (DTSC), approval from the Division of State Architect (DSA), and approval from the California Department of Education (CDE).

### New School Site

The District has been collaborating with the City of Hercules to identify and obtain property for a new school. The status of the site under consideration is described below.

### School Site: Wastewater Treatment Plant

This 12 acre site, located in Hercules on the northeast corner of Sycamore Avenue and Willett Street, is the primary site now under consideration for a new school. A “Preliminary Endangerment Assessment” report prepared by the Department of Toxic Substances Control dated April 26, 2005, identified a number of concerns with the site which will require additional investigation and possible mitigation, including arsenic and lead in site soils, possible groundwater contamination, and possible impact of adjacent wetlands. The ultimate site development cost to construct a new school is unknown at this time.

According to the District’s Program Status Report of September 7, 2005:

“The District and City of Hercules are in the final stages of negotiation for the purchase of the Wastewater Treatment Plant site by the District. This purchase must be completed by September 30<sup>th</sup> in order for the District to maintain its eligibility for the Federal EPA Brownfield Cleanup Grant which it has received. In anticipation of the sale, the District has prepared and circulated a Request for Qualifications and Request for Proposal (RFQ/RFP) for Environmental Services and Consulting on this project site. The work will include the design and management of all major environmental remediation at the site: preparation of a Supplemental Site Investigation; Geotechnical/Geohazard Preliminary Review and Coordination with conceptual architectural/structural team; management of site cleanup; coordination and management of the EPA Brownfields Grant; coordination of public outreach; and all associated environmental coordination leading to a clean site, ready for the design and construction of a new school. The Environmental proposals are due September 21<sup>st</sup> and will be evaluated by staff prior to preparation of a recommendation to the Board.”

In follow-up to the above September 7, 2005 report, the District's Program Status Report of October 5, 2005, reported the following:

“The District notified the US EPA of the failure of the City and District to reach agreement on sale of the proposed school site property. The District will not be eligible to receive the previously awarded 2005 Brownfields Cleanup Grant for the site. EPA staff have indicated that it will be possible to reapply for the current funding cycle when the District can meet the ownership criteria. Staff will review next steps with the City of Hercules, focusing on a consideration of completing Supplemental Site Investigations to more accurately characterize the required environmental cleanup and costs for the site.”

On November 16, 2005, the District approved the purchase of the above identified Wastewater Treatment Plant property contingent upon a Supplemental Site Investigation regarding clean-up issues. Once the extent of the required clean-up and costs are established, a final contract can be approved or purchase agreement cancelled.

**STATE MODERNIZATION STATUS**

This section highlights the current status of the modernization of the 65 existing campuses in the District.

Eligibility for a modernization project is established when the Form SAB 50-03 is filed with the state, and the State Allocation Board (SAB) approves the application. A school district designs and submits a project to the Division of State Architect (DSA) and the California Department of Education (CDE). The district awaits both agencies’ approvals before filing Form SAB 50-04, which establishes funding for a project. If beneficial, a district may file a revised SAB 50-03 to reflect the most recent enrollment data. Once the bidding process for a project is complete, the district files form SAB 50-05 to request a release of state funds for the project.

Twenty-six elementary school projects that have completed the SAB 50-03, SAB 50-04 and SAB 50-05 processes to date include nine Quick-Start projects, nine Phase M-1A projects, and eight Phase M-1B projects for which the District has respectively received \$3,863,449, \$9,943,161, and \$12,282,748. All available Measure M bond funds have been allocated to these 26 elementary school projects, and no future projects are planned, through Measure M, at the remaining 16 elementary schools.

Secondary schools to be funded under Measure D are still in the architectural design stage; none of these projects has reached the SAB 50-04 filing stage at this time.

There has been no change in the status of the District’s modernization applications to the state since June 30, 2005.

The tables below summarize Quick-Start, Phase M-1A, and Phase M-1B projects.

**State Allocation Board Modernization Funding for Measure M Quick-Start Projects.**

SAB # 57/	School	SAB Fund Release Date	SAB Grant Amount	District Match Requirement
1	Valley View Elementary	4/28/03	\$290,214	\$193,476
2	El Sobrante Elementary	4/28/03	369,339	280,027
3	Nystrom Elementary	5/27/03	861,390	574,260
4	Coronado Elementary	5/27/03	401,400	267,600
5	Wilson Elementary	5/27/03	323,957	215,971
6	Dover Elementary	5/27/03	366,330	244,220
7	Lake Elementary	5/27/03	309,937	206,625
8	Grant Elementary	7/16/03	369,288	246,192
9	Fairmont Elementary	5/27/03	571,594	381,063
<b>Total</b>			<b>\$3,863,449</b>	<b>\$2,609,434</b>
			<b>(60%)</b>	<b>(40%)</b>

**State Allocation Board Modernization Funding for Measure M-1A Projects.**

<b>SAB # 57/</b>	<b>School</b>	<b>SAB Fund Release Date</b>	<b>SAB Grant Amount<sup>1</sup></b>	<b>District Match Requirement</b>
10	Verde Elementary	9/02/03	\$1,161,510	\$774,340
		5/09/05	18,584	12,390
11	Peres Elementary	9/25/03	1,448,206	1,086,084
		5/09/05	20,273	13,515
12	Stewart Elementary	9/25/03	1,128,998	752,665
		5/09/05	18,064	12,043
13	Montalvin Elementary	10/2/03	303,687	202,458
		5/09/05	9,600	6,400
14	Madera Elementary	9/02/03	1,197,753	798,502
		5/09/05	19,164	12,776
15	Lincoln Elementary	9/25/03	320,804	213,869
		5/09/05	9,600	6,400
16	Riverside Elementary	9/25/03	1,172,709	781,806
		5/09/05	18,763	12,509
17	Hercules Elementary	9/25/03	1,129,032	752,688
		5/09/05	18,065	12,043
19	Harding Elementary	9/25/03	1,927,340	1,337,429
		5/09/05	21,009	14,006
	<b>Total</b>		<b>\$9,943,161 (60%)</b>	<b>\$6,801,923 (40%)</b>

**State Allocation Board Modernization Funding for Measure M-1B Projects.**

<b>SAB # 57/</b>	<b>School</b>	<b>SAB Fund Release Date</b>	<b>SAB Grant Amount<sup>1</sup></b>	<b>District Match Requirement</b>
18	Murphy Elementary	10/14/04	\$1,575,213	\$1,109,008
		5/09/05	20,359	13,572
20	Ellerhorst Elementary	10/14/04	1,333,337	888,891
		5/09/05	19,533	13,023
21	Tara Hills Elementary	10/14/04	1,481,926	987,951
		5/09/05	19,905	13,270
22	Sheldon Elementary	10/14/04	321,711	214,474
		5/09/05	9,600	6,400
23	Kensington Elementary	10/14/04	1,255,505	837,003
		5/09/05	19,339	12,892
24	Bayview Elementary	10/18/04	2,513,112	1,675,408
		5/09/05	21,962	14,641
25	Mira Vista Elementary	10/14/04	1,508,020	1,078,603
		5/09/05	20,245	13,496
26	Washington Elementary	10/14/04	2,141,769	1,427,846
		5/09/05	21,213	14,141
	<b>Total</b>		<b>\$12,282,748 (60%)</b>	<b>\$8,320,619 (40%)</b>

<sup>1</sup>The supplemental funding for each project was for the state-mandated Labor Compliance Program (LCP) for district/state match programs financed out of the state 2002 and 2004 bond measures.

**State Allocation Board Rehabilitation Funding**

<b>SAB # 58/</b>	<b>School</b>	<b>SAB Fund Release Date</b>	<b>SAB Grant Amount</b>	<b>District Match Requirement</b>
01	Lincoln Elementary	05/26/05	\$654,579 (100%)	\$0 (0%)
<b>Grand Total</b>			<b>\$26,743,937</b>	<b>\$17,731,976</b>

**Existing Campuses. Elementary Schools. Updated June 30, 2006**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%) <sup>3</sup>
104	Bayview (1952)	K-6	M(1B)	024	07/26/00	585	09/22/04	10/18/04 05/09/05	\$2,513,112 (60%) 21,962
108	Cameron (Spec. Ed)	K-6							
109	Castro (1950) <sup>4</sup>	K-6	J(1)	000					
105	Chavez (1996)	K-5		N/A	New school Not eligible				
110	Collins (1949) <sup>4</sup>	K-6		000					
112	Coronado (1952) (1993)	K-5	J(2)	004	03/22/00	125	04/23/03	05/27/03	\$401,400 (60%)
115	Dover (1958)	K-5	J(1)	006	07/26/00	121	04/23/03	05/27/03	\$366,330 (60%)
116	Downer (1955) <sup>4</sup>	K-6	M(1B)	000					
120	El Sobrante (1950)	K-6		002	02/23/00	101	03/26/03	04/28/03	\$369,339 (60%)
117	Ellerhorst (1959)	K-6	M(1B)	020	03/22/00	444	08/25/04	10/14/04 05/09/05	\$1,333,337 (60%) 19,533
123	Fairmont (1957) <sup>3</sup>	K-6	J(2)	009	03/22/00	178	04/23/03	05/27/03	\$571,594 (60%)
124	Ford (1949) <sup>4</sup>	K-5	J(1)	000					
125	Grant (1945)	K-6	J(3)	008	02/23/00	115	05/28/03	07/16/03	\$369,288 (60%)
128	Hanna Ranch (1994)	K-5		N/A	New school Not eligible				
191	Harbour Way (1998)	K-6		N/A	New school Not eligible				
127	Harding (1943)	K-6	M(1A)	019	03/22/00	353	08/27/03	09/25/03 05/09/05	\$1,927,340 (60%) 21,009
126	Hercules (1966)	K-5	M(1A)	017	03/22/00	350	08/27/03	09/25/03 05/09/05	\$1,129,032 (60%) 18,065
122	Highland (1958) (1993)	K-6	J(2)	N/A	Not eligible				
130	Kensington (1949) (1994)	K-6	M(1B)	023	03/22/00	275	08/25/04	10/14/04 05/09/05	\$1,255,504 (60%) 19,339
132	King (1943) <sup>4</sup>	K-5	J(1)	000					
134	Lake (1956) (1991)	K-6	J(3)	007	03/22/00	110	04/23/03	05/27/03	\$309,937 (60%)

Note: This table presents the actual tracking of district/state match projects from the time an eligibility application (SAB 50-03) is filed until funding is received (SAB 50-05). Many of the projects have not yet had eligibility applications filed but are eligible, and anticipated state funds have been included in the budget

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%) <sup>3</sup>
135	Lincoln (1948) (1994)	K-5	M(1A)	015 58/001 <sup>1a</sup>	07/26/00	61	08/27/03	09/25/03 05/09/05	\$320,804 (60%) 9,600
137	Madera (1955)	K-5	M(1A)	014	07/26/00	350	07/23/03	09/02/03 05/09/05	\$1,197,753 (60%) 19,164
139	Mira Vista (1949)	K-6	M(1B)	025	07/26/00	366	08/25/04	10/14/04 05/09/05	\$1,508,020 (60%) 20,245
140	Montalvin (1965) (1994)	K-6	M(1A)	013	02/23/00	75	08/27/03	10/02/03 05/09/05	\$303,687 (60%) 9,600
142	Murphy (1952)	K-6	M(1B)	018	03/22/00	425	08/04/04	10/14/04 05/09/05	\$1,575,213 (60%) 20,359
144	Nystrom (1942) (1994)	K-5	J(1)	003	03/22/00	205	04/23/03	05/27/03	\$861,390 (60%)
146	Ohlone (1970) <sup>4</sup>	K-5	J(3)	000					
145	Olinda (1957) <sup>4</sup>	K-6		000					
147	Peres (1948) <sup>3</sup>	K-6	M(1A)	011	07/26/00	422	08/27/03	09/25/03 05/09/05	\$1,448,206 (60%) 20,273
150	Riverside (1940)	K-6	M(1A)	016	03/22/00	283	08/27/03	09/25/03 05/09/05	\$1,172,709 (60%) 18,763
152	Seaview (1972) <sup>4</sup>	K-6		000					
154	Shannon (1967) <sup>4</sup>	K-6		000					
155	Sheldon (1951) (1994)	K-6	M(1B)	022	07/26/00	99	08/25/04	10/14/04 05/09/05	\$321,711 (60%) 9,600
157	Stege (1943)	K-5		N/A	Not eligible				
158	Stewart (1963) (1994)	K-8	M(1A)	012	03/22/00	408	08/27/03	09/25/03 05/09/05	\$1,128,998 (60%) 18,064
159	Tara Hills (1958)	K-6	M(1B)	021	07/26/00	420	08/25/04	10/14/04 05/09/05	\$1,481,926 (60%) 19,905
131	Transition Learning Center	K-6		N/A	Not eligible				
160	Valley View (1962)	K-6	J(2)	001	07/26/00	103	03/26/03	04/28/03	\$290,214 (60%)
162	Verde (1950)	K-6	M(1A)	010	02/23/00	320	07/23/03	09/02/03 05/09/04	\$1,161,510 (60%) 18,584
163	Vista Hills								
164	Washington (1940)	K-5	M(1B)	026	03/22/00	350	08/25/04	10/14/04 05/09/04	\$2,141,769 (60%) 21,213
165	Wilson (1953)	K-5	J(3)	005	07/26/00	111	04/23/03	05/27/03	\$323,957 (60%)
<b>Total 42 Elementary Schools<sup>4</sup></b>									<b>\$26,743,937</b>

**Existing Campuses. Middle Schools. Updated June 30, 2006.**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%) <sup>3</sup>
202	Adams (1957) <sup>4</sup>	6-8		000					
206	Crespi (1964) <sup>4</sup>	7-8		000					
208	Lovonya DeJean (2003)	6-8		N/A	New school	Not eligible			
210	Helms (1953) (1991) <sup>4</sup>	6-8	D(1A)	000					
211	Hercules Middle (2000)	6-8		N/A	New school	Not eligible			
212	Pinole Middle (1966) <sup>4</sup>	7-8	D(1A)	000					
214	Portola Middle (1950) <sup>4</sup>	6-8	D(1A)	000					
<b>Total 7 Middle Schools</b>									

**Existing Campuses. High Schools. Updated June 30, 2006**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%) <sup>3</sup>
352	De Anza (1955) <sup>4</sup>	9-12	J(3)	000					
391	Delta Continuation	9-12							
354	El Cerrito (1938) <sup>4</sup>	9-12	D(1A)	000					
376	Hercules High (2000)	9-12		N/A	New school	Not eligible			
360	Kennedy (1965) <sup>4</sup>	9-12	J(3)	000					
393	Kappa Continuation	9-12	J(3)						
362	Pinole Valley (1968) <sup>4</sup>	9-12	J(3)	000					
396	Sigma Continuation	9-12	J(3)						
364	Richmond (1946) <sup>4</sup>	9-12	J(3)	000					
395	Omega Continuation	9-12	J(3)						
<b>Total 10 High Schools</b>									

**Existing Campuses. Alternative Schools. Updated June 30, 2006.**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%)
358	Gompers (1934)	9-12		000	7/26/00	165			
369	Middle College	9-12							
373	Vista High	K-12							
374	North Campus	9-12		000	3/22/00	123			
408	Adult Education-Serra								
102	Adult Education-Alvarado								
<b>Total 6 Alternative Schools</b>									
<b>Total Schools (65)</b>									<b>\$26,743,937</b>

<sup>0</sup> When the “Bond (Phase)” column is blank, the school has not been assigned as a project under Measures M, D or J. Note: Q=Quick-start; M=Measure M; D=Measure D; J=Measure J.

<sup>1</sup> A “000” indicates that form SAB 50-03 had previously been filed to establish eligibility, but the applications were rescinded when the projects did not move forward. A project number is assigned when form SAB 50-04 is filed, which requires DSA-stamped plans and CDE approval. A blank indicates that the status is unknown or that eligibility has not been established.

<sup>1a</sup> Application for rehabilitation of facilities due to special structural (Title 24) problems. State funding is 100%; no District match required.

<sup>2</sup> Fund releases for 17 projects (57/010-57/026) on May 9, 2005 were for the state mandated Labor Compliance Program (LCP), totaling \$305,278.

<sup>3</sup> The state grant amount is 60 percent of the total state modernization budget for project applications (SAB 50-04) filed after April 29, 2002. (Applications filed before April 29, 2002, receive 80 percent in state matching funds.) State funding is released to the District after the project has gone to bid, a construction contract has been awarded, and form SAB 50-05 has been filed. The District must provide its matching share of the project budget.

<sup>4</sup> Nine elementary schools, five middle schools and five high schools previously had state modernization eligibility approved in 2000 (SAB 50-03), but the applications were rescinded when the project did not move forward.

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

The governance and management of the bond management plan have evolved over time to address the changing needs, functions and funding of District’s facilities program. This section provides information in regard to the changes in the administration of the facilities program since July 1, 2003. (For a detailed history of the present structure of the citizens’ bond oversight committee and the bond management team, refer to prior annual performance audit reports and preceding sections of this report.)

**FACILITIES STAFFING FOR THE BOND PROGRAM**

During the early stages of the Measure M bond program, the WLC/SGI team provided most of the architectural services, including services for the Quick-Start projects at 39 elementary schools. After WLC/SGI completed preliminary design documents, the District hired architects of record (AORs) to develop detailed plans, specifications and bid documents.

As the facilities program progressed over time with the design and construction of Measure M and Measure D projects, the District recognized the need of employing key District staff to implement essential functions of the facilities program, which the WLC/SGI team could not perform for various reasons. The table below lists District staff and the funding allocations for the bond program for the 2005-06 fiscal year.

**District Staffing to Fulfill the Facilities Bond Program. (Source: District records)**

<b>District Staff Position</b>	<b>General Fund %</b>	<b>Bond Fund %</b>	<b>Actual Expense to Bond Program</b>
<b>Bond Finance Office</b>			
Sr. Director of Bond Finance	25	75	\$108,840
Director of Capital Projects <sup>1</sup>	50	50	30,103
Principal Accountant	0	100	92,022
Administrative Secretary	25	75	41,421
<b>Bond Finance Office Subtotal</b>	<b>1.0 FTE</b>	<b>3.0 FTE</b>	<b>\$272,386</b>
<b>Bond Management Office</b>			
District Engineering Officer	10	90	\$147,944
Administrative Support Staff <sup>2</sup>	0	100	12,002
Director of Bond Facilities	10	90	121,719
Bond Regional Facility Project Manager	10	90	104,760
Bond Regional Facility Project Manager	10	90	102,118
Information Technology Staff <sup>2</sup>	10	90	5,280
Bond Network Planner	10	90	101,488
<b>Bond Management Office Subtotal</b>	<b>0.6 FTE</b>	<b>6.4 FTE</b>	<b>\$595,311</b>
<b>Total for Management and Finance</b>	<b>1.6 FTE</b>	<b>9.4 FTE</b>	<b>\$867,697</b>

<sup>1</sup> This position was filled for only part of the 2005-06 fiscal year, as the employee resigned as of December 1, 2005. On June 14, 2006, the Board approved a reorganization plan to reallocate position as 75% charged to the bond program and 25% charged to the general fund. This change was due to increased workload associated with Measure J.

<sup>2</sup> These two positions were filled for only a part of the 2005-06 fiscal year.

## BIFURCATION OF THE MASTER ARCHITECT AGREEMENT

During the first performance audit, Total School Solutions (TSS) reported that the master architect agreement had created some operational difficulties. The District subsequently decided to bifurcate the agreement. A new “Agreement for Master Architectural Services” with WLC was signed on December 1, 2004. A new “Agreement for Program, Project and Construction Management Services” with SGI was signed on December 21, 2004. A separation of duties (and contracts) appears to have strengthened controls among all parties involved in the facilities construction process.

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

Category	FTE <sup>1</sup>
District Staff	
Bond Finance Office	3.0
Bond Management Office	6.4
<b>Subtotal</b>	<b>9.4</b>
Bond Program Manager (SGI)	
Program/Project Management	5.5
Design Management	0.75
Construction Management	12.75
Other (Network Admin., PS2 Coordinator, Receptionist)	3.0
<b>Subtotal</b>	<b>22.0</b>
Construction Management (Other)	3.0
Amanco (SGI Subcontractor), RGM, Van Pelt	
Master Architect (WLC)	3.0 <sup>2</sup>
Design Phase Management (Measure D1-A)	2.0
Don Todd Associates	
<b>Subtotal</b>	<b>8.0</b>
<b>TOTAL Full-Time Equivalent Positions</b>	<b>39.4</b>

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

<sup>2</sup> The agreement with WLC was amended to an hourly billing structure, resulting in an FTE reduction from 9.0 to an estimated 3.0. Additional Master Architect services will be provided for Measure J projects, which will be reported in the December 31, 2006 Midyear Report.

The costs for the FTEs above, charged to the bond program, are the following:

<b>Category</b>	<b>Cost in Millions of Dollars (\$1,000,000s)</b>
District Staff	5.4
Master Architect	7.0
Program Manager	12.1
Construction Management	12.1
Design Manager (Todd)	2.7
<b>Total Cost</b>	<b>39.3</b>

The table below provides a detailed program cost breakdown for Measure M and Measure D.

**Program Management Structure, August 23, 2006.**

<b>Budget Category</b>	<b>M &amp; D Budget</b>	<b>Percentage of Program</b>	<b>J Budget</b>	<b>Percentage of Program</b>
Pre-Design Services	\$1,867,828	.32%		
Master Architect	\$7,045,636	1.21%	\$8,477,351	2.03%
Program Management	\$12,068,402	2.08%	\$7,862,688	1.89%
Construction Management	\$22,125,363	3.81%	\$19,496,015	4.68%
Design Manager	\$2,731,010	0.47%	Included	N/A
Architect of Record	\$56,513,247	9.74%	\$21,742,672	5.22%
Specialty Consultants/Misc.	\$12,281,633	2.12%	\$28,156,902	6.75%
Testing and Inspection	\$14,375,769	2.48%	8,532,394	2.05%
<b>Soft Costs Total</b>	<b>\$129,008,888</b>	<b>22.23%</b>	<b>\$94,268,022</b>	<b>22.62%</b>
Construction	\$393,598,797	67.83%		
Temporary Housing	\$31,542,423	5.44%		
Telecommunications/LAN	\$24,729	0.00%		
Furniture and Equipment	\$8,214,692	1.42%		
Project Coordination	\$17,877,420	3.08%		
<b>Construction Costs Total</b>	<b>\$451,258,061</b>	<b>77.77%</b>	<b>\$322,527,076</b>	<b>77.38%</b>
<b>Total Program Budget</b>	<b>\$580,266,949</b>	<b>100.00%</b>	<b>\$416,795,097</b>	<b>100.00%</b>

## CONSTRUCTION MANAGEMENT

The data that summarize the number of construction managers employed by SGI, (including subcontractor, Amanco), RGM and Van Pelt is presented in this section. The cost data for the bond program manager are also presented, which include program/project management, design management, construction management and other costs. As a percentage of the total construction budgets, the bond program manager costs are listed below:

Measure	PM/CM Cost <sup>1</sup>	% of Construction Budget	Construction Budget
M & D	\$34,193,765	7.6%	\$451,258,061
J	27,358,703	8.5%	322,527,076
<b>Total</b>	<b>\$61,552,468</b>	<b>8.0%</b>	<b>\$773,785,137</b>

<sup>1</sup>PM/CM Cost: Project Management/Construction Management Cost taken from the above table “Capital Assets Management Plan/Reconstruction Report” dated August 22, 2006, categories “Bond Program Manager” and “Construction Manager”.

## BOND FINANCE OFFICE

TSS performed an analysis of the duties associated with personnel paid from the bond funds. Currently, the bond program funds three fiscal services positions at the level of 50 percent to 100 percent, as follows:

- Director of Fiscal Services – Capital Projects (funded at 50 percent from bond funds)
- Senior Director of Bond Finance (funded at 75 percent from bond funds)
- Principal Accountant – Bond Fund (funded at 100 percent from bond funds)
- Administrative Secretary (funded at 75 percent from bond funds)

Prior performance audit reports identified difficulties with the bond program’s fiscal aspects, particularly with respect to vendor payment delays, accounting reconciliation between the District and SGI systems, and duplication of work due to several SGI and District personnel assigned to various accounting functions. TSS recommended that the District consider reorganizing functions to improve internal controls and accountability of funds for District projects.

In 2005-06, Measure J, a new \$400 million Proposition 39 bond was passed. The District staff has, therefore, initiated the necessary steps to put into place the needed services to deliver another round of projects.

The level of future service to be provided by the Master Architect has been reevaluated. Initially, the Master Architect provided a broad range of services provided by both WLC and SGI under one contract. Since bifurcation, “Master Architect Services” are applicable only to the services provided by WLC. The Master Architect has provided services that ranged from a broad program view to the more detailed aspects of design. Specific items include Measure M and D Program Management Plan, Measure M and D Facilities Evaluation Reports, Program Quality Control Document, Master Architect Approach to Standards, WCCUSD Procedures Manual, application of Board adopted standards, and development of various policies and procedures.

The District is no longer in need of many of the one-time services that were necessary four years ago. Much of the previous work will now serve Measure J well. The original contracts and staffing plans were developed without the current level of District staff. Furthermore, as early as June 2003, as mentioned in the 2002-03 annual audit report, there was significant overlap of duties between the Master Architect and the Architects of Record (AORs). It may be reasonable and timely to consider redefining the Master Architect's role to that of a broad program role while expanding the role of the AORs to a more traditional scope of services. This newly defined Master Architect role could assist with overall budget development and oversight of the AORs. In any event, a reduction of cost for Master Architect services should be expected since much of the work done for Measures M and D was needed on a one-time basis. (Refer to the Midyear Report Update in the section titled Master Architect/Engineer Plan for more detail.)

The scope of future services to be provided by the Program Manager, SGI, should also be reconsidered. Similar to the Master Architect, some of the originally contracted services were due to a lack of designated district staff at the time. There are a number of areas of responsibility that could be considered for transfer to the District staff:

- Network Administrator (1 FTE)
- PS2 Coordinator (1 FTE)
- Receptionist (1 FTE)
- Project Controls Engineers

Analysis by TSS revealed that replacing the SGI Network Administrator and PS2 Coordinator with district staff would result in substantial savings; however, it was discovered that SGI had overbilled for those services, and subsequent reimbursements by SGI resulted in apparently comparable costs if District staff was used for those two positions.

The following table demonstrates an example of how some of these services could be provided in-house.

<b>Contract Position Title</b>	<b>FTE</b>	<b>Current Average Annual Cost<sup>1</sup></b>	<b>In-House Title and Salary Range</b>	<b>FTE</b>	<b>Estimated In-House Annual Cost<sup>2</sup></b>	<b>Annual Savings<sup>3</sup></b>
Project Controls Engineer	1	\$255,480	Accounting Technician/63	1	\$68,715	\$186,765
Project Controls Engineer	1	\$251,964	Accounting Technician/63	1	\$68,715	\$183,249

<sup>1</sup> The Current Average Annual Cost is calculated by dividing the value in the current WCCUSD/SGI contract by the number of months scheduled and multiplying by 12 to obtain an average annual amount based on the current level of service.

<sup>2</sup> The estimated in-house annual cost is calculated by using the current District salary schedule for the identified positions at Step 5 and using a factor of 130% to cover the non-salary portion of the compensation package, plus \$12,000 annually for each position for benefits (data provided by the District).

<sup>3</sup> The savings are estimated based on the existing nominally comparable job descriptions. If the new job descriptions are instituted to replicate the existing level of services, the savings may be significantly less.

This comparison should be viewed as an example of how services might be provided with in-house staffing. Exact classifications applied to specific functions would be based on an analysis of duties as compared to current job description contents. Fiscal functions, in particular purchasing, budgeting, and payables, would all be under the direct district supervision, a matter discussed in all previous performance audits.

The projected savings in the table above are probably overstated, as it may cost more to hire compatible employees than projected, based on the current salary schedule and District-provided lifetime health benefits after an employee is vested. Furthermore, should the District choose to implement an in-house staffing plan, it should include an additional staffing allocation to provide appropriate supervision to the functions brought in-house.

## MASTER ARCHITECT/ENGINEER PLAN

### Background

In 2002, the West Contra Costa Unified School District contracted for bond management services through one comprehensive joint contract with Wolf Lang Christopher Architects (WLC) and the Seville Group, Inc. (SGI). The services included overall conceptual development to construction contract management services.

In significant California school construction programs, various participants typically fulfill a number of roles. Significant functions or roles generally include the following:

- Owner
- Architect
- Contractor
- Construction Manager

School districts usually contract with individuals, firms or agents for services associated with the general functions listed above. This separation of responsibilities allow for a set of checks and balances based on the relationships of the separate entities performing their respective functions.

The master architect contract combined all of the elements above except for the contractor. Program management design services and construction management services were, to various degrees, provided under this one contract. This mechanism potentially delivered the advantage of continuity. However, this arrangement also had an inherent flaw in that it runs contrary to the concept of checks and balances typical of more traditional construction programs. Although the master architect contract was creative and potentially productive, this contractual arrangement had the potential for difficulty without the appropriate checks and balances in place.

The annual performance audit report in 2003 found that the master architect arrangement could create the impression that the bond management team functions in a District staff role. This potential for confusion of roles placed the master architect in a number of difficult situations, including (1) providing services beyond the scope of the contract without payment, (2) declining to provide services, or (3) providing additional services for additional fees. It was recommended that District staff and the leadership of the bond management team meet regularly to review work in progress, planned work and the scope of provided services. The District responded to this finding by strengthening in-house staff to assume more responsibility and provide leadership in defining, or even limiting, consultants' roles. The most significant and effective effort in this regard was to create and fill the position of District Engineering Officer.

The 2003 audit report also found that the two (2) architectural firms under one contract have created, or have the potential of creating, uncertainty in the division of roles, duties and responsibilities. The report contained a finding indicating that a conflict of interest was created when one firm reviewed the work of its partner.

In the 2004 annual performance audit report, it was noted that the District and bond management team had undertaken a thorough review of the master architect contract and initiated a process to bifurcate the contract into two separate contracts.

The 2005 annual performance audit noted that the bifurcation of the contract has been accomplished.

The reorganization appears to now have settled and become more functional. The role of WLC as master architect is now significantly clearer. In particular, the roles of the Architects of Record for the various projects are well defined. Similarly, SGI's role as manager of construction management services including providing CM services for certain projects and coordination of other construction management providers for all projects is better defined. Total School Solutions believes that the District is served well with this new arrangement since there is an improved checks and balances system now in place. Additionally, it appears that other consultants and contractors providing services to the District are managed more effectively due to improved lines of communication.

For a comparison of the costs associated with bond program management services, refer to "District and Professional Services Staffing Plan for the Bond Program" section of this report.

The current Agreement for Master Architectural Services identifies nine sections delineating Responsibilities and Services of Master Architect. These sections articulate the responsibilities of the Master Architect as well as others with whom the Master Architect interacts.

The document defines a "dovetailed" set of services provided by various bond program participants and the Master Architect. The complexity of the relationships provides a virtually infinite number of possible combinations when considering revisions. However, the current Master Architect agreement includes a number of one-time services that may not need repetition in the Measure J program. Furthermore, contracting for a more traditional set of services from the Architects of Record should further reduce the scope of needed Master Architect services.

The Midyear Report for the period ending December 31, 2005, included that the staffing plan contained in the current Master Architect agreement totals 30,572 hours (3.26 FTE) from July 1, 2004 through December 31, 2008. The contracted cost for these services is \$4,606,880. This amount divided by the 4.5 years and divided by 3.26 FTE produces an average annual cost of \$314,034 per FTE.

The above data indicates that, with changes in the facilities management structure, there could be a significant reduction in the cost to the Measure J program. Furthermore, with the District Engineering Officer position in place, the possibility now exists that some of the services that are currently being provided by the Master Architect could be brought in-house. This change may arguably result in additional undetermined savings

### **Findings**

There are no findings in this section.

## DESIGN AND CONSTRUCTION SCHEDULES

### Process Utilized

Total School Solutions (TSS) reviewed and analyzed documents, schedules and systems related to construction design and schedule in the course of this examination. The master schedule was compared to the actual schedule for M-1A, M-1B and D-1A. The projects scheduled for master planning, programming, District review and other similar activities were also reviewed. For documentation of the design and construction schedules and the budgets for projects in Phases M-1A, M-1B and D-1A, refer to Tables 5, 6, 7 and 8 respectively, presented earlier in this report.

### Background

The bond management team has developed documentation systems that include schedules for the Measure M, D and J programs. For the purpose of program management, the Measure M and Measure D master schedule is the most useful of these schedules. The master schedule includes the facilities programs for Measure M and Measure D, beginning with the master planning for Measure M in October 2001 and ending with the completion of the final Measure D projects in August 2010.

The bidding for those initial projects was delayed beyond the period of the 2003 annual performance audit. At that time, insufficient data existed to make an overall determination of schedule compliance. In that annual report, TSS recommended that the bond management team publish updated schedules reflecting adjustments necessary in the process. For the most part, the bond management team has complied with that recommendation.

In prior reports, it was noted that the bond management team continues to provide clear, easily understandable and regularly updated schedule information. The project status reports and the engineering officer's reports continue to serve as an excellent resource of data regarding project schedules.

Measure M-1A projects (Table 5) were all complete as of June 30, 2006. Measure M-1B projects (Table 6) were all substantially complete (occupied) as of December 31, 2005, and as of June 30, 2006, only one project (Bayview) had a revised completion date after June 30, 2006. Downer, a Measure M-1B project funded out of Measure D (Table 7) was under construction.

Measure D-1A projects (Tables 8) are mostly in the preliminary design and/or construction phase. Construction work that is either complete or substantially complete includes El Cerrito High School (demolition/abatement and temporary housing) and Pinole Middle School (site work and temporary housing).

### Commendations

The District is commended for maintaining and adhering to published schedules.

### Findings

There are no findings in this section.

## **DESIGN AND CONSTRUCTION COST BUDGETS**

### **Process Utilized**

Construction of the Phase M-1A and M-1B projects was nearly completed and/or substantially completed during the time period covered in this report. The bond management team provided Total School Solutions (TSS) with project budgets for review.

TSS conducted interviews with the District staff and members of the bond management team. These interviews included a variety of topics, including project costs and budgets. For documentation of the design and construction schedules and the budgets for projects in Phases M-1A, M-1B, D-1A, and J, refer to Tables 5, 6, 7 and 8 respectively, presented earlier in this report.

### **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 a set of criteria that includes toxics review, minimum classroom size, compliance with the California Environmental Quality Act (CEQA) and other standards. The Division of the State Architect (DSA) reviews and approves projects based on their compliance with requirements related to structural (seismic) integrity, fire and life safety, and the Americans with Disabilities Act (ADA). The Office of Public School Construction (OPSC) approves projects based on established district eligibility, CDE approval and DSA approval. All of these required approvals are based on “minimum standards” criteria established by these agencies. There are no existing state standards or minimum requirements in many areas such as technology, architectural style, aesthetics, specialty educational space (e.g., art, science, industrial shop areas, etc.) and other similar features. Local communities determine these standards or requirements based on local educational programmatic needs, available funds and individual site conditions.

Most California school districts adhere strictly to the state’s School Facilities Program (SFP) budgetary standards. In those districts, projects are designed based on the total revenues produced through the SFP calculations, which are generally the sum of the SFP per pupil grant and the required local district match. Generally, school districts simply use this formula for the purpose of determining available SFP revenues from the state. Under this scenario, project budgets usually exceed the state formula. The amount in excess of the state formula is referred to as “additional” local match which is permitted by SFP regulations. With respect to state funding through the SFP, the only state requirement for eligible projects is that the school district provides its minimum match through local funds.

Through actions of the Board of Education, the West Contra Costa Unified School District has established standards known as “Option 1C Standards” to guide its projects. These standards result in individual project budgets which are significantly higher than the budgets that would be based solely on the SFP formula. Furthermore, the total amounts of these project budgets exceed the total facilities program revenues currently available to the District. It appears that the Board of Education anticipates generating additional local revenues to balance program budget. It is expected that these funds will become available through local sources, including the authorization and issuance of additional local general obligation bonds.

As noted above and in the “Design and Construction Schedules” section in this report, detailed data for Measure M, D and J projects are presented in preceding sections of this report.

## **DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM**

### **Process Utilized**

In the performance of this examination, Total School Solutions (TSS) interviewed District staff, and reviewed available documentation and manuals for content, language, relevance and completeness in order to develop a comparison with the policies and procedures maintained at the similar school districts. The recent changes in law, as well as the existing policies and procedures, were also taken in consideration.

### **Background**

As in the previous performance audits, for the fiscal year 2005-06, Total School Solutions recommends that the District administration and staff continue to work toward updating policies and regulations related to the facilities program. A number of policies and regulations remain out of date with respect to current law or legislative changes that have taken place in recent years. Similarly, many policies and regulations do not conform to the current unique facilities operations of the West Contra Costa Unified School District.

TSS has previously recommended that the District revise its policy and procedure regarding change orders to address the “10 percent” limit rule for calculation of change order totals. The District has obtained a legal opinion with respect to the rule and has been operating based on the advice of the legal counsel.

As previously reported, Administrative Regulation 7214.2, approved in April 2003, and subsequently amended by the Board, has been periodically discussed at board meetings, but remains in effect as the defining regulation for the Citizen’s Bond Oversight Committee’s required composition, duties, agenda and meeting requirements.

At the school board meeting of February 8, 2006, the board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies, as needed. Establishment of this subcommittee is a positive step toward updating facilities policies

### **Findings**

There are no findings in this section.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Process Utilized**

In the process of this examination, numerous purchasing documents and payment documentation pertaining to new construction and modernization projects were reviewed and analyzed. Interviews with various staff members were also held.

### **Background**

For this annual report, analyses from the midyear report were combined with new information from January 2006 to June 2006. Bids were reviewed and analyzed for completeness and compliance. Bids reviewed ranged in scope from purchase of fitness equipment for El Cerrito High School to the resurfacing of Pinole Valley High School Field. Additionally, several site work bids solicited during the period of July 2005 to June 2006 were reviewed.

Various site work bids were initiated to maintain equity among schools. Scope of work in these bids was not included in the original modernization projects. The following is the list of bids included in the audit sample:

<b>School</b>	<b>Project</b>	<b>Bid Amount</b>	<b>Bid Opened</b>
Downer ES	Asphalt Demolition/ Storm Drain	\$594,800	September 28, 2005
Downer ES	Stone Column Installation	741,898	December 6, 2006
El Cerrito HS	Site Work Grading	1,613,100	January 18, 2006
Pinole MS	Site Work Package	905,200	January 26, 2006
Downer ES	New Construction	\$21,232,027	February 9, 2006

### **Commendations**

- Lessons learned from Measure M have served well as guidelines for Measure D projects. Staff hired RGA Environmental and Interactive Resources to investigate problem areas before they become an issue during the renovation projects.
- Staff is commended for realizing savings at El Cerrito High School. The savings of \$987,294 was a result of due diligence in analyzing the scope of work.
- Continued pre-qualification of contractors shortens bidding time. This system has been in place since the start of Measure M projects and has been carried out smoothly for the current bids.

## **Observations**

- Bids for Vista Hills Education Center opened on November 1, 2005. The apparent low bidder was disqualified for failing to submit a required document. The second lowest bidder was also disqualified for failing to address one of the two addenda. The price difference between the lowest bid and the bid awarded was \$15,777. Although contractors are responsible for providing the required documentation, it could be in the District's interest to provide each bidder with a "Documents Required" check list.
- The low rate of participation by the contractors in the bidding process should be examined. The Richmond High School Track and Field project had only one bid which was approximately \$1.0 million over budget. The Richmond High School Renovation project also had only one bid. A lack of competition may cause increased costs to the program.
- Despite all of the marketing efforts made by SGI, including the use of a planning room, advertising in the Dodge Report (contractor's publication) and community news publications, there continues to be a low level of response from the bidders.

## **Findings**

- The original plan for new construction at El Cerrito High School included a campus theater with a seating capacity of 360. However, the scope was changed significantly as a result of the community's interest in having a theater with a seating capacity of 600. The theater was removed from the original contract and bid separately. By bidding the projects separately, the District incurred additional overhead costs. Community input should have been finalized earlier by the board during the planning stage.
- The fitness equipment purchased for El Cerrito High School totaled \$108,537. Although staff solicited quotes from several vendors, the equipment purchase did not go through the formal advertising and bidding process as required by Public Contract Code Section 20111. The Code requires that the purchase of equipment or material exceeding \$62,400 be formally advertised and awarded through an appropriate bid process.

## **Recommendations**

- The District should ensure that all equipment or material purchases exceeding the legal bid limit are carried out in compliance with the Public Contract Code.
- The District should make an effort to combine purchases of the same commodity or service to maximize savings. For example, bidding for standardized playground equipment and installation at several schools may have produced savings or discounts due to an economy of scale.
- The District should consider including a checklist in the bid document to assist the bidders in submitting all of the required documentation.

## **District Responses**

### **To Findings**

- **ECHS Theater.** The separation of the bids for the ECHS Admin/Theater Building from the main campus package was an appropriate response to late consideration of the change in size and complexity of the theater. Staff concurs that planning for this theater should have occurred earlier in the process.
- **Equipment Purchase.** The District faces difficult challenges in the procurement of equipment and material, specifically related to compressed timelines for opening schools. Staff believes that appropriate procedures were followed on the ECHS Fitness Equipment. Multiple vendor quotations were solicited and received for each of the equipment types that were purchased. However, we understand the perception of concerns relating to the need to bulk all items together for purchase through public bid process.

### **To Recommendations**

- **Equipment and Material Purchases.** District concurs with the recommendation.
- **Combined purchases.** District understands the potential for savings through combined or bulk purchases of equipment or material. However, the actual implementation of a bulk purchase policy is very difficult due to widely varying site conditions and needs.
- **Bid Document checklist.** District understands the concerns and we will consider the possibility of a checklist or other aid to bidding contractors. However, the required documents are all listed in the Front End Specifications for the project under “Instructions to Bidders.”
- **Low level of bid response.** The District sees no recommendation, simply an additional observation. We do not agree with the conclusion and believe that the low level of participation by bidders is a more complex phenomenon. [Note: TSS concurs and has subsequently moved its draft recommendation to observation, striking the conjecture initially offered as a possible cause.]

## CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES

### Process Utilized

During the process of this examination, relevant documents were analyzed. Interviews were also conducted with the Facilities and Construction Management Team.

### Background

Change orders occur for a variety of reasons. The most common reason is the discrepancy between the actual condition of the job site and the architectural plans. Because small repairs may be made over time, and changes may not be reflected in the District's archived drawings, the architects may miss such information until the incompatibility is discovered during construction. At other times, problematic site conditions are not discovered until a wall or floor is uncovered. The presence of hazardous materials can also cause change orders. Geotechnical issues such as liquefaction, landslides and earthquake faults can contribute to change orders if not investigated prior to the bidding process.

Another reason for change orders could be the owner's request for change in scope. Also, a change order could occur due to architect error, such as a miscalculation due to a lack of site-verification. This type of change order can be negotiated with the architect for partial cost recovery.

To initiate a change order, the contractor writes a Request for Information (RFI), which is responded to by the architect. The response determines if additional costs would be necessary for additional or alternative work.

The table below represents a summary of change orders for Measure M and D projects.

### Measure M Phase 1A

<b>Project</b>	<b>Construction Contract</b>	<b>Approved Change Orders</b>	<b>Potential Change Orders</b>	<b>Total Change Orders</b>	<b>Change Order %</b>
Harding Elementary	\$8,917,000	\$2,357,314	\$685,685	\$3,043,000	34.13%
Lupine Elementary	10,272,500	451,496	0	451,496	4.40%
Lincoln Elementary	9,375,000	2,399,196	0	2,399,196	25.59%
Madera Elementary	6,592,300	962,152	220,000	1,182,152	17.93%
Montalvin Elementary	6,823,000	1,348,859	37,642	1,386,501	20.32%
Peres Elementary	10,949,000	2,295,010	265,200	2,560,210	23.38%
Riverside Elementary	7,772,000	1,025,215	50,139	1,075,354	13.84%
Stewart Elementary	6,226,000	1,695,568	(5,781)	1,689,787	27.14%
Verde Elementary	\$8,687,000	\$1,794,395	\$90,000	\$1,884,395	21.69%
<b>TOTAL</b>	<b>\$75,613,800</b>	<b>\$14,329,205</b>	<b>\$1,342,885</b>	<b>\$15,672,091</b>	<b>20.73%</b>

## Measure M Phase 1B

<b>Project</b>	<b>Construction Contract</b>	<b>Approved Change Orders</b>	<b>Potential Change Orders</b>	<b>Total Change Orders</b>	<b>Change Order %</b>
Bayview Elementary	\$10,413,000	\$529,177	\$8,003	\$537,180	5.16%
Ellerhorst Elementary	7,712,500	468,313	147,000	615,313	7.98%
Kensington Elementary	11,077,762	1,289,692	1,936	1,291,628	11.66%
Mira Vista Elementary	7,711,830	1,374,274	25,417	1,399,691	18.15%
Murphy Elementary	7,650,000	896,388	151,767	1,048,155	13.70%
Sheldon Elementary	8,561,650	519,009	38,773	557,782	6.51%
Tara Hills Elementary	7,243,895	335,866	150,376	486,242	6.71%
Washington Elementary	\$8,809,000	\$1,637,343	\$90,388	\$1,727,731	19.61%
<b>TOTAL</b>	<b>\$69,179,637</b>	<b>\$7,050,062</b>	<b>\$613,660</b>	<b>\$7,663,722</b>	<b>11.08%</b>

## Measure D

<b>Project</b>	<b>Construction Contract</b>	<b>Approved Change Orders</b>	<b>Potential Change Orders</b>	<b>Total Change Orders</b>	<b>Change Order %</b>
El Cerrito Temp Housing	\$3,444,000	\$354,297	\$0	\$354,297	10.29%
El Cerrito Demolition	2,078,125	(125,962)	15,000	(110,962)	-5.34%
El Cerrito Grading	1,613,100	0	673	673	.04%
Pinole MS Temp Housing	529,000	60,000	0	60,000	11.34%
Downer Stone Columns	741,899	18,468	98,025	116,493	15.70%
Downey Asphalt Demo & Site Work	\$594,800	\$0	\$22,860	\$22,860	3.84%
<b>TOTAL</b>	<b>\$9,000,924</b>	<b>\$306,803</b>	<b>\$136,558</b>	<b>\$443,361</b>	<b>4.93%</b>

## Commendations

- The District is commended for designing and implementing a comprehensive, organized and orderly change order approval process. At WCCUSD, the approval requires many steps. These steps include recommendations by the Construction Manager, Architect of Record, Bond Facility Manager, Measure M Bond Program Manager and his Deputy and finally approved by the Associate Superintendent-Operations. For the amount to be encumbered for payment, additional approvals are requested from Facilities, Fiscal Services and the Associate Superintendent-Operations.
- The District is commended for reducing the amounts of change orders through value engineering performed by the architects and construction managers, whenever possible. Value engineering is the process of reviewing scope of work and suggesting less expensive ways of performing a task without compromising quality or the original use delineated by the specifications. One such example was the reconstruction of the Multi-purpose room at Riverside Elementary due to dry rot damage.
- The staff assignments, now that Measure D projects are on board, appear to be well-balanced and fair. Experienced staff that can negotiate fair change orders and understand the effect of such change orders on the overall scheduling of work can help minimize contractor claims.

- The District has reduced the change orders through the use of allowances in bids. The allowance is a pre-determined amount approved by the Board of Education, reserved for change orders for expected but undetermined conditions such as soil conditions. Controls for the allowance are set by the District and the contractors do not have rights to retain the allowance if not used by the District.

### **Observations**

- Requests for Information (RFI's) were sampled during the course of the audit. The questions related to schedules, electrical vault location and low voltage work appeared to have taken the most of the response time.
- Of the projects sampled, several had change orders that exceeded ten percent of the original contract.
- Currently, it is taking approximately six months to close out projects. Once students and staff are allowed to occupy the classrooms, it is difficult to have contractors come back and make repairs as they may claim the damage was caused by staff or students.

### **Findings**

- There are no findings in this section.

### **Recommendations**

- Requests for Information should be addressed expeditiously to avoid delay claims which may require additional compensation.
- The District should consider updating the closeout procedures to specify the amount of time deemed appropriate between substantial occupancy and the acceptance of work required for the Notice of Completion.
- The District should consider including the school principals in the punchlist walk through process. It can provide a more thorough determination of items needing attention and the amount of time needed to be spent on follow up items.

### **District Responses**

- **Requests for Information.** District contracts with the Architects of Record contain timelines for review of Requests for Information ("RFI's"). These are typically 14 days, with some allowance for more complex reviews, and DSA reviews when required prior to execution of structural components. The Bond Team is constantly working with the design side and the Contractors to expedite responses to RFI's.
- **Closeout procedures.** It is difficult on a general basis to specify the amount of time between occupancy (Substantial Completion) and Final Completion. Each project is different, and there are sometimes many items to be completed, fixed, repaired, or adjusted which must be done during occupancy. The Bond Team is careful to delineate,

through the original and updated punchlists, which items are the responsibility of the Contractor.

- **Punchlist Walk.** The District concur that site staff should walk through the projects prior to occupancy. The Bond Team is constantly assessing appropriate individuals to be involved in the punchlist walkthroughs. We typically invite District staff and key school site members to a pre-occupancy walk through. This is often different than the official contract punchlist walkthrough which is contractually mandated. The site staff usually has concerns which supplement the contract punchlist and the District works on these items—such as scope elements left out of the work.

## **PAYMENT PROCEDURES**

### **Process Utilized**

Appropriate District staff and individuals from the Seville Group (SGI) were interviewed; documentation was reviewed; and processes were observed in the course of this examination. The variances and deviations in the processing of accounts payable were closely reviewed.

### **Background**

Invoices are normally sent directly to the Facilities Department. If an invoice is mailed directly to the Accounts Payable office, the Accounts Payable Technician contacts the Facilities Department to inform them that an invoice has arrived. The invoice is date-stamped and routed to SGI which is located in the same building as the Facilities Department. SGI oversees the program/construction management of the bond program. SGI is responsible for monitoring and controlling the payment process.

A barcode is affixed to the invoice and the invoice logged into SGI's tracking system. A payment approval form is completed and attached to the invoice. The information on the invoice is verified for accuracy and to ensure that the signatures from the architect and inspector of record have been obtained. Once all of the signatures are obtained (which includes bond controls, design manager, bond program manager, facilities and the associate superintendent, if applicable), the invoice is delivered to the Bond Finance and Capital Projects Office located at the District Office. The Accountant for the bond program logs the invoice into a separate tracking system and verifies that adequate funding is available in the budget. If adequate funding is not available in the budget, the payment request is returned to SGI. If funding is available, the payment request is forwarded to Accounts Payable for processing.

The Accounts Payable Technician verifies that all of the approvals are in place and processes the invoice. The time elapsed between the entering of a payment to the issuing of a warrant is approximately one week. Accounts payable runs payment batches three times per week.

### **Sample**

The following school sites, with projects funded through bond proceeds during the period of this audit, were selected for the examination of the payment procedures as a part of the performance audit: Pinole Middle School, Downer Elementary and El Cerrito High School. A sample of 20 invoices was reviewed for timeliness, consistency of documentation, and proper authorization. All the invoices selected contained the proper documentation and approvals; however, nine of the 20 invoices (45 percent) were paid after 30 days.

The Bond Finance Office maintains a log of invoices that are in circulation and prepares an Invoice Progress Report. The table below is for the period of March 9, 2006 through June 22, 2006:

Report Date	3/9/06	3/16/06	4/6/06	4/13/06	5/11/06	5/25/06	6/15/06	6/22/06
Total Number of Invoices Circulating for Signatures	203	238	223	207	223	219	217	184
Number of invoices paid with a wait time under 30 days	111	156	148	120	165	158	153	122
Number of Invoices paid with a wait time over 30 days	92	82	75	87	58	61	64	62
Percentage of invoices paid with a wait time over thirty days	45%	34%	34%	42%	26%	28%	29%	34%

The Bond Finance Team prepares an Invoice and Purchase Order Status Report that is shared with SGI at bi-weekly meetings. SGI also maintains a log of invoices that are on hold due to pending change orders, budget revisions or a pending purchase order. The status reports, dated May 25, 2006, and August 30, 2006, provided the following information in regard to why certain invoices were considered “on hold”. It appears that, in many cases, purchase order requisitions were not initiated until after the receipt of invoices, causing the invoices to be paid after 30 days.

#### **Invoices on Hold as of April 25, 2006**

Description	Number of Invoices Effected	Invoice Date Range
No Purchase Order	13	8/2/05 - 5/4/06
Revision Necessary	2	7/25/05 - 2/3/06
<b>Total Invoices</b>	<b>15</b>	

#### **Invoices on Hold as of August 30, 2006**

Description	Number of Invoices Effected	Invoice Date Range
Purchase Orders Not Yet Created	12	5/30/06 - 8/17/06
Purchase Orders In Need of Increase	7	4/3/06 - 8/4/06
Pending Change Order	1	7/31/2006
No Explanation Provided	10	6/13/06 - 8/11/06
<b>Total Invoices</b>	<b>30</b>	

#### **Observations**

- Most of the staff in Facilities, Bond Controls, Bond Finance and Accounts Payables believe that the communication among the departments has improved significantly.

- Bi-weekly meetings are held among bond control, bond finance and accounts payable to clear up any problems. Staff commented that the meetings have been very productive.
- Accounts payable staff reported that there are fewer errors observed now than encountered in the past.
- Many purchase order requisitions were initiated and processed only after the receipt of invoices.
- Almost all payment requests require budget adjustments.
- About 45 percent of the payments were paid after 30 days.
- The frequent complaints from vendors regarding late payments have generated an atmosphere of defensiveness. Each group wants to demonstrate and document that it is not responsible for delays. As a result, each group maintains logs showing the dates of receipt and issuance for each invoice at every step of the process. This process of logging requires the purchase requests and purchase orders to visit certain offices more than once. Thus, the process itself contributes to delays.

### **Finding**

- Out of a total of 24 purchase orders issued to Mark Raine Paving, 18 were issued after the invoice dates and after the work had been performed. In two instances, it appeared that the project costs were split between more than one purchase order, in violation of Public Contract Code 20111.

### **Recommendations**

- Eliminate the practice of starting the requisition process after the work has been completed and upon receipt of the invoice.
- Reduce the number of signatures required on the payment approval form.
- Distribute the estimated budget expenses early in the process during each fiscal year. This step can help reduce the need for budget revisions.
- Consider authorizing the Accounts Payable Technician to correct minor computational errors on the payment requests instead of returning the payment requests for correction.

### **District Responses**

- **To Finding: Paving Contracts.** District accepts the findings. See responses in two other areas related to this issue.
- **To Recommendations: Start of work.** District concurs and continues to make every effort to complete all paperwork processes prior to start of work.

- **Payment Approval Signatures.** District concurs with recommendation. Staff is still working on implementing recommendations, of which this is one, received from the “Purchasing and Payment Procedures related to the Measures M, D, and J Bond Program.”
- **Budget Revisions.** District concurs with this recommendation and is focused on preparing more accurate budgets as part of the yearly cycle which will reduce the need for budget adjustments as a part of payment applications.
- **Minor Corrections.** District concurs with this recommendation, and in many cases Fiscal Services staff do make required minor corrections.

## **BEST PRACTICES IN PROCUREMENT**

### **Process Utilized**

District staff was interviewed; documentation was reviewed; and processes were observed in the course of work. To clarify issues or questions, subsequent interviews were held.

### **Background**

Best practices in procurement of materials and services ensure the most efficient use of resources. Efficiency can be gained through enforcement of contract language, management of consultants, and the understanding of cause and effect of market economy. It was the intent of this component of the examination to determine that best practices were being implemented and followed.

Board policy delegates authority to the purchasing department to ensure that the best-quality products at the most economical prices are obtained, and to enforce the contract and its rights afforded the District. The board policy establishes fiscal controls to ensure disbursed funds are within budgeted appropriations set by the board. Invoices for amounts in excess of the approved purchase orders are to be reviewed and approved through appropriate process.

### **Commendations**

- The District is commended for creating comprehensive operating procedures for handling of the requisition, bids, purchase order and invoices. The procedures are well articulated, concise, and clear. They include the responsible party for each step establishing accountability and responsibility in performance of each task in a timely and efficient manner.
- The District is commended for utilizing piggybackable bids for the purchase of theater seating for Harding Elementary School Auditorium realizing some savings in terms of money and time.
- The District is commended for analyzing functions and needs involving construction projects. For example, by changing the grade and decreasing the thickness of temporary asphalt paving at El Cerrito High School, the District realized savings of \$100,000 without compromising the functionality of the temporary asphalt pad.
- The District is commended for creating an apprenticeship training program which creates opportunities for talented community members who may otherwise have a difficult time gaining access to such programs. The apprenticeship program eventually builds capacity of future local contractors. Increasing the pool of qualified contractor increases competitive bidding producing better bid results.

- The practice of contractors requesting reduction in retention from 10 percent to 5 percent has declined. It is prudent to retain 10 percent of the contract amount to motivate the contractors to properly closeout the projects and complete all work. Reduction in retention should be approved by staff only during the punchlist stage. The District has been diligent and has not released unreasonable amount of retention.

### **Findings**

- Despite written operating procedures, the purchase of fitness equipment for El Cerrito High School did not follow said procedures. The established procedures require the bidding of contracts over \$35,000.
- Several purchase orders for paving were found to have been issued after the work had been completed. Additionally, these purchase orders cumulatively exceeded the bid limit and should have been bid. The paving purchase orders issued from August 20, 2005 to April 22, 2006 totaled \$141,750.

### **Recommendations**

- The District should ensure that proper purchase procedures are followed for the purchase of materials and equipment.
- The District should follow the procedure requiring an authorization or contract for work prior to the start of work.

### **District Responses**

- **Purchasing Procedures.** Concur with recommendation. District staff believe that they have followed procedures on purchasing of equipment. The current bid limit on equipment purchases has been adjusted for inflation and is now at \$69,000 under Public Contract section 20111(d). Staff structured the purchase of equipment by type in order to meet the requirements of the law. We are not aware that District procedures are different than the Public Contract Code.
- **Work authorization.** Staff is under considerable pressure to complete work on projects or risk delays in occupancy or impacts to other contracts. In the case of the paving contracts noted, most of this work was required after removal of portables which had damage paving on the school grounds, when the buildings were removed the extent of the damage was visible and clearly created safety issues for the site. Staff responded by ordering work after receipt of proposals in order to keep the playgrounds safe. While it is true that the cumulative total of the paving bids exceeded the bid limit, they could not have been bid since the scope was not known ahead of time.

## **QUALITY CONTROL PROGRAM**

A “Quality Control Program” could be considered to encompass a full range of concepts, from initial conceptual considerations to outfitting a completed school construction project with furniture, equipment and materials, as well as managing change orders throughout the construction process.

After considerable discussion among the citizens’ bond oversight committee, the District administration and the District’s legal counsel, Total School Solutions was directed as follows:

In this task, the Auditor will evaluate the District’s quality control programs. To perform this task, the performance auditors will evaluate the SGI/WLC memorandum describing the Bond Team’s approach to quality control. Total School Solutions will interview key staff/consultants and review necessary documents to assess how the District has implemented this program. This task will not duplicate any of the information provided in the performance auditor’s review and evaluation of the Bond Management Plan and will focus on the quality assurance process, not the particular quality outcomes that the bond program has achieved.

In accordance with the above direction, the performance audit team was provided with a Bond Program Quality Control document prepared by WLC/SGI, which contained three major components, as follows:

- Pre-construction Quality Control
- Procurement Quality Control
- Construction Quality Control

Each component of the document was evaluated, and a review of related documents was performed. The findings were presented in the annual audit report for the periods ending June 30, 2003, June 30, 2004, and June 30, 2005.

### **I. Pre-construction Quality Control**

The weaknesses encountered during Phase 1A project design and bidding have not been experienced again with the development of revised cost estimates for subsequent projects, based on the full knowledge of Option 1C standards. Additionally, the District has benefited from a more effective job of document development and bid sequence.

### **II. Procurement Quality Control**

While the Pre-construction Quality Control Process was mostly done by the master architect, the Procurement Quality Control Process was under the purview of the bond manager. Because the Procurement Quality Control process is in place and followed, satisfactory outcomes have resulted. For more detail discussion, refer to preceding sections of this report.

### ***III. Construction Quality Control***

The Construction Quality Control process is implemented by the bond program manager and the master architect, as documented in the Program Management Plan (revised on May 12, 2003), and appears to be complete and comprehensive. It is followed and satisfactory outcomes have resulted.

### ***IV. Delivered Quality***

As stated at the beginning of this section, TSS was initially asked to report on the processes and not the outcomes in this section. Beginning with the last reporting period, Total School Solutions was asked to report, on a sample basis, the quality outcomes of one project. For the current reporting period, TSS has reported on two projects, Peres and Kensington in detail. Please refer to the section titled “Delivered Quality Review” elsewhere in this report.

## **DELIVERED QUALITY REVIEW**

### **Process Utilized**

Total School Solutions interviewed various members of the staff, consultants and Board members. Additionally, various contract documents were reviewed and site visitations were made. The two projects included in this review were selected by the Audit Subcommittee of the Independent Citizens' Bond Oversight Committee.

### **Background**

An earlier section in this report titled "Quality Control Program" reports on the process of quality control. It corresponds to the initial scope of the performance audit that limited the review of quality to the process of quality control and specifically excluded outcomes. During the development of the scope for 2004-05 performance audit, the CBOC Audit Subcommittee and the District expressed a desire to review the quality of select projects on a sample basis. During the last annual audit process, one project was reviewed to assess quality of outcomes delivered through the bond program. For this audit, two projects, Kensington and Peres Elementary Schools, were selected for a comparative review.

The Audit Subcommittee has selected these two projects for testing to verify that the delivered project outcomes meet the specified standards in regard to the deliverables (constructed building systems etc.) The Audit Subcommittee also wanted to verify equity in allocation of District resources among various school projects. The objectives of the assessment are as follows:

- Determine whether life and safety issues have been resolved.
- Determine the cause of differences in cost per square foot between the two projects.
- Determine whether the District received appropriate value for the price paid.

First, it is important to understand that definition of quality is subjective. Therefore, a significant tool in assessing the quality of a project is to first review the standards to which it was designed, then compare those standards to the results. Second, the concept of quality should include the technical aspects of the design and delivery process. This aspect would involve taking into consideration the quality of the plans, the quantity of adjustments (change orders) needed to correct errors and/or omissions, and the resulting impacts on schedule and budget. This comparison is particularly difficult due to the fact that there have been significant changes in the project scopes for various reasons. A discussion of those reasons has been provided in the preceding sections of this report.

On May 15, 2002, the Board of Education adopted construction standards now referred to as the "Option 1C" standards. Basically, that action set the quality standards for all projects at the level experienced in the Lovonya DeJean Middle School project. Since then, the master architect has been diligent in application of these standards in all projects. Based on the projects that have been reviewed, it is reasonable to assume that the bond team has been almost 100 percent successful in its efforts to maintain the "1C" standards for all school projects.

Educational standards have not been as clearly defined by the District. Items such as library volume/capacity, size of administrative space, special educational need spaces, storage, casework quantity, and other similar matters often defined through the Educational Specifications have been left at the determination of the Architect of Record and the school site staff.

It has been assumed that the plans and specifications, for the two projects included in this review, were developed based on the Option 1C standards. To substantiate this assumption, the Architect of Record, which happens to be the same firm for both projects, was asked to confirm the use of same standards for the both projects. This verification allowed a credible evaluation relative to the intended outcomes at each of the two projects. The subsequent review included materials actually used (“as specified” or “equal” substitutions), the quality of execution, and end-user satisfaction.

Both projects included in this comparison involve new construction of slightly less than 13,000 square feet each. In addition, Peres had 46,378 square feet building modernized and Kensington had 30,150 square feet building modernized. In both projects, modernization included complete demolition of building interiors and installation of a completely new interior. Also, the exterior finishes, flatwork, utility systems, playground equipment, and other similar items were replaced and upgraded. Differences in the condition of the two facilities at the initiation of the project are considered an irrelevant factor due to the extensive demolition in both projects.

- **Determination**

Based on the thoroughness of the demolition, modernization, and requirements of new construction, it can be reasonably determined that structural, accessibility, and life safety issues have been satisfactorily resolved at both campuses. This determination is substantiated by the fact that all building plans and site plans have been made subject to a thorough review by the Division of the State Architect which has certified compliance by stamping these plans “Approved” as to structure, fire and life safety, and handicap accessibility.

The Peres project consisted of the following work:

*Demolition:*

<b>Building</b>	<b>Dimensions</b>	<b>Square Footage (S.F.)</b>
A	56’8” X 180’8”	10,245

*Construction:*

<b>Building</b>	<b>Modernized S.F.</b>	<b>New S.F.</b>	<b>Totals</b>
B	13,881	0	13,881
C	1,115	0	1,115
D	6,605	0	6,605
E	2,090	0	2,090
F1	6,203	0	6,203
F2	4,631	557	5,188
F3	6,203	0	6,203
F4	5,650	0	5,650
H1	0	2,802	2,802

H2	0	2,663	2,663
I1	0	3,874	3,874
I2	0	2,936	2,936
<b>TOTALS</b>	<b>46,378</b>	<b>12,832</b>	<b>59,210</b>

The Kensington project entailed the following work:

*Construction:*

<b>Building</b>	<b>Modernized S.F.</b>	<b>New S.F.</b>	<b>Totals</b>
A1	3,049	1,469	4,518
A2	4,428	0	4,428
A3	9,578	0	9,578
A4	8,016	0	8,016
A5	5,079	0	5,079
B	0	11,191	11,191
<b>TOTALS</b>	<b>30,150</b>	<b>12,660</b>	<b>42,810</b>

The cost of construction for each project is as follows:

**Peres<sup>1</sup>**

<b>Item</b>	<b>Cost</b>
Initial Contract	\$10,949,000
All Change Orders	2,600,834
Work Done After Contract Period	51,916
<b>Total Construction Cost</b>	<b>\$13,601,750</b>

<sup>1</sup>Components completed after the initial construction contract are added into the tabulations to provide an appropriate comparison with Kensington. Only construction costs are included.

**Kensington<sup>1</sup>**

<b>Item</b>	<b>Cost</b>
Initial Contract	\$11,077,762
All Change Orders	1,278,128
Work Done After Contract Period	187,511
<b>Total Construction Cost</b>	<b>\$12,543,401</b>

<sup>1</sup>Components completed after the initial construction contract are added into the tabulations to provide an appropriate comparison with Peres. Only construction costs are included.

The total construction cost per square foot is \$229.72 at Peres and \$293.00 at Kensington. However, Peres is on a large, flat site while Kensington is set on a small, hilly site. This difference in site topography resulted in rendering Kensington a more costly site to develop due to the need for retaining walls, foundations designed for the hilly topography, elevators, and other components caused by the site topography. Furthermore, the new sewer connection required a sewer line to be installed at a significant distance to connect to the public sewer line.

Another factor that must be noted is the fact that interim housing for Peres was provided on site and school continued to operate during construction. This mode of interim housing was more economical and possible due to the size of the site. On the other hand, during Kensington

modernization, it was necessary to provide interim housing off-site. This more costly interim housing option was necessary since the small hilly site offered no other reasonable alternatives. Due to the fact that the cost of interim housing creates no measurable effect on the project outcomes, the cost of interim housing is not included in this comparison. Similarly, the soft costs (planning, engineering etc.) are not included.

To make the data useful, only an “apples-to-apples” comparison must be done. This requires backing out site development costs for both projects and applying an escalation factor to Peres to compensate for the difference in bid timing. This methodology produces the following results:

	<b>Total Construction Cost</b>	<b>Minus “Site” Costs</b>	<b>Plus Escalation<sup>1</sup></b>	<b>“Adjusted” Cost</b>	<b>Comparative Cost/SF</b>
Peres	\$13,601,750	(\$858,406)	\$1,274,334	\$14,017,678	\$236.75
Kensington	\$12,543,401	(\$1,872,550)	N/A	\$10,670,851	\$249.26

<sup>1</sup> An escalation factor of 10 percent has been utilized to compensate for the 12 months difference between the contract dates for the two projects. (Source: Engineering Officers report) Although historically a 4-5 percent inflation has been used by the industry, the escalation cost for the time period in consideration has been unusually high.

These adjustments result in an adjusted square foot cost for Peres of \$236.75 per square foot and for Kensington of \$249.26 per square foot. There exists a 5.01% “net” difference between the two projects. This variance is considered within a range generally acceptable in the industry. Since the District does not control the bidding climate, competition for the projects, issues affecting the bid such as site access (Kensington is more difficult to access than Peres), and individual bidder’s capacity and willingness to perform, this variance appears to be reasonable.

- **Determination**

Based on the above analysis, it appears that it would be reasonable to determine that the adjusted cost per square foot for the two projects indicates parity in the scope of work and allocation of resources by the District for the two projects.

The following tables represent an analysis of a sampling of the materials and products specified compared to those actually used in the project. Readers of this report must understand that, in most cases, the contractors are required to submit for review all products and materials to be used in the project. If the product or material submitted is deemed “as specified”, approval of the submittal is virtually automatic. However, the contractor is allowed to submit alternate products and materials he or she believes are “equal”, in all respects, to the specified product or material. Typically, the architect of record (AOR) (and through the AOR the various project engineers) considers the submittal of a proposed substitute product or material and makes the determination as to its compliance with the plans and specifications as well as its comparative value. If the AOR determines that the product or material is “equal”, the submittal is approved if the product is found to be unacceptable, the submittal is rejected. If the submittal is rejected, the contractor must provide another submittal, using either another presumably “equal” product or the specified product. Although infrequent, it is possible for this process to occur repeatedly before approval is granted.

***Kensington***

<b>Section</b>	<b>Section</b>	<b>“As Specified” Product</b>	<b>“Equal” Product</b>
Translucent Wall & Roof Assembly	08950	X	
Gypsum Board Systems	09260	X	
Resilient Flooring	09650	X	
Carpet, Glue Down	09688	X	
Surface Applies Acoustical Panels	09840	X	
Toilet & Bath Accessories	10800	X	
Sunshades and Mini Blinds	12514	X	
Grounding and Bonding	16060		X
Fuses	16491	X	
Switches and Circuit Breakers	16410	X	

***Peres***

<b>Section</b>	<b>Section</b>	<b>“As Specified” Product</b>	<b>“Equal” Product</b>
Standard Steel Door Frames	08111	X	
Wood Doors	08210		X
Aluminum Classroom Windows	8525	X	
Finish Hardware	8710	X	
Tackable Wall System	08270	X	
Ceramic Tile Wall Finish	09312	X	
Painting	09900	X	
TV Mounting System	11457	X	
Lighting and Control Devices	16145	X	
Intrusion System	17960	X	

• **Determination**

Based on the data presented above and the method of development of the specifications, it appears to be reasonable to determine that the products and materials used in both projects have met the District standards. Furthermore, the fact that there is only an approximate 5 difference in the adjusted cost per square foot indicates competitive pricing, validating the value received for the cost incurred.

Although the products used met District standards, the installation was accomplish in accordance with accepted methods, methods and materials were inspected by the DSA Certified Project Inspector, and the AOR certified the project, there has been some dissatisfaction with the results. For example, the staff at a certain school site feels that the site could have been better served with a different door hardware system. What is not understood is the fact that the panic hardware is code driven, based on the intended use and the size of the room. Most of the dissatisfaction appears to be stemming from similar situations.

## **Observation**

- The Peres project experienced reduction in project scope from the time of the local site design input sessions to the bidding. The “missing” components were later added. However, site staff has been left with the feeling of not being included. The District would be better served in ensuring changes made after staff input is communicated to site staff with the reasons for such changes.

## **Findings**

There are no findings in this section.

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

### **Process Utilized**

During the process of this examination, Total School Solutions (TSS) interviewed the members of the Board of Education, reviewed the documentation in regard to local capacity building efforts, and observed the processes encouraging and assisting local firms to participate in the bond program.

### **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.”

To avoid any non-compliance with law, and any resulting litigation, the board has not formally defined what constitutes “the local area”. Informally, however, the staff has generally considered a local firm as one that conducts business in the metropolitan area, including the counties of San Francisco, Alameda, Contra Costa, Napa, Solano and Marin.

During the last four years, the District has experienced significant increase in the share of work awarded to the local firms and individuals. Most of the professional services contracts have been awarded to the groups meeting the definition of local firms. The involvement of local firms in the direct construction has also increased.

Davillier-Sloan, the District’s Labor Compliance Program Administrator, has been engaged to manage a local capacity building program. It appears that the training opportunities and guidance offered by the bond management team, in coordination with Davillier-Sloan, targeting local firms interested in bidding on public work projects, have improved the local firms’ participation. These efforts have affected this change, in part, because, in the past, many local smaller firms lacked experience in bidding for and constructing K-12 educational facilities as well as the needed knowledge and expertise to be competitive in bidding, generating bid packages and performing public work.

This accomplishment is significant since the District’s legal counsel has advised the District and the bond management team that award of construction contracts to local firms, which are not otherwise the lowest responsible bidders, may constitute a violation of the Public Contract Code. Although it has not been possible to award construction contracts to local firms through any preferential criteria, the district has managed to stay within the constraints of law and enhanced the chances of local firms receiving a share of the bond program as a result of the capacity building program. In conformance with law, Davillier-Sloan’s outreach program is accessible to all participants. However, the District strongly encourages local enterprises to participate.

At the August 17, 2005, Board meeting, Davillier Sloan's contract for the Local Capacity Building Program for outreach to local contractor's and workforce was extended, and at the June 14, 2006, Board meeting, Davillier Sloan was awarded a contract to conduct a pilot project for Helms Middle School. In the June 14, 2006, report to the Board, Davillier Sloan outlined the goals, timelines and implementation strategy of the Local Capacity Building Program, and reported on the status of local participation in the District's bond program. The participation goals will be directed toward increasing participation in the defined local area in three priorities: 1) West Contra Costa County, 2) Contra Costa County and 3) Contra Costa, Northern Alameda and Southern Solano County.

In our opinion, the District and bond management team have implemented a comprehensive program to identify local businesses, enhance local capacity and provide opportunities for local firms and individuals to participate both in the capacity building program and the construction projects.

### **Commendations**

- The District staff and the bond management team are commended for their efforts in building local firms' or vendors' capacity in a systematic fashion, informing the local vendors/contractors of the opportunities and making the projects accessible to them.
- The District is commended for continuing to arrange training and consequently increasing the potential contract or employment opportunities for local firms and workers.

### **Findings**

- There are no findings in this section.

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

### Process Utilized

During the process of this examination, Total School Solutions (TSS) interviewed personnel in facilities, purchasing and fiscal services departments; consultants; superintendent and other parties involved in the District's facilities program. All five board members, members of the bond oversight committee audit-subcommittee and key personnel on the bond management team were also interviewed. The communication channels and public outreach were among the topic of discussion in these interviews.

### Background

To facilitate communication regarding the West Contra Costa Unified School District's facilities program, the District maintains a communications office, has hired a public relations consultant and provides information about the District and the facilities program on three separate websites:

- West Contra Costa Unified School District: [www.wccusd.k12.ca.us](http://www.wccusd.k12.ca.us)
- 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 to the Bond Oversight Committee and Bond Program websites.

The District also has a board policy on media relations and a procedures manual for print and electronic communications and media relations. These structures have been established to provide a framework in which the District may convey information to the public and the individuals involved in the bond program.

TSS has previously recommended the District consider conducting a comprehensive public information program to keep the District personnel and the community informed about the bond program. The District employed the services of Craig Communications to develop and implement a public information program to inform and educate the community about the rationale for various board decisions and their impacts on the bond program.

The level of awareness among the stakeholders close to the process continues to be high. In the interviews, the Board of Education and the superintendent's cabinet generally indicated a high degree of satisfaction with the communication activity, overall communications program and efforts to educate and inform the school community on the activities and processes used in the District's bond program.

The District has made considerable progress and improvement in many areas in the facilities program, yet it appears that a few segments of the community have not been made aware of this progress. Although complete satisfaction, with a program of this size in a community of this magnitude with varying interests, may be impossible to achieve, the district can, nonetheless, address some of the concerns, actual or perceived, through a concerted effort in informing the community in regard to the bond program.

The district has continued its efforts in facilitating the dissemination of information among different groups, to improve general awareness of the bond program and to enhance communication among the stakeholders. The Director of Bond Facilities meets quarterly with the consultant, Craig Communications to discuss past performance, upcoming projects, and anticipated communication needs. Based on these meetings an informational update is prepared and delivered to staff, students, parents, and the affected and/or interested public. Outside of these regular quarterly meetings, Craig Communications performs additional services on an as needed basis as situations arise at the specific sites or in regard to specific projects.

The perception of inadequate communication has remained an on-going concern for the parent groups throughout the life of the bond program, despite significant efforts by the district staff and the bond management team to improve the circulation and flow of information. Staff also indicates a greater need for clarity in the communication process, with more defined processes for disseminating information.

### **Commendations**

- The District is commended for its continuing efforts to enhance awareness, within the school community and community at large, of the bond program. Pre-planning for information release is resulting in an organized effort in promoting productive and valuable communication among various stakeholders.
- The District is commended for the maintaining an up to date and comprehensive bond program website with easy to access information.
- The District is commended for improving the internal communication channels. All parties including the SGI staff, WLC and the District staff reported improved communication and collaboration. Although more work has to be done to further advance the team work, it appears that healthy and constructive communication is now occurring on an ongoing basis.

### **Findings**

- While communication at the staff level has improved, communication between the district and the non-staff stakeholders remains a challenge. District staff appears to be aware of the need to implement improvements in this area.
- The WCCUSD web-site and CBOC website continue to list out of date information, though they are linked to the bond program site that has current information listed.

### **Recommendation**

- It is recommended that the District staff keep current information listed on the WCCUSD website regarding the bond program projects or refrain from posting out of date information and simply provide a link in the update section to the bond program website.

## **District Response**

- **Communications.** The District concurs that more work is needed to implement improvements to stakeholders throughout the community. We are continuing to refine our approach to communications and attempting to use direct mail to households whenever possible, supplemented with quarterly reporting and outreach related to specific individual projects.
- **Websites.** Concur with finding and recommendation. The District has been working diligently to upgrade both the Bond Program Website and the Citizens Bond Oversight Committee website. In the period since the audit review both websites have been completely redesigned and upgraded. Staff has instituted procedures for updating information to the sites. The best example is the new Citizens Bond Oversight Committee website which is now hosted at the District (not with an outside firm) and which has been set up to allow District staff—Engineering Officer and Administrative Assistant—to directly upload documents to the website.

## **Findings**

- It appears that the specific role of the Independent’s Citizens Bond Oversight Committee is not completely understood by a few individual members of the committee. Specifically, there appears to be an attempt to expand the scope of oversight to the issues and areas not in purview of the CBOC.
- It also appears that a few members of the committee have chosen to act as critics of the program in a manner where the criticism may not be constructive any longer. The committee is supposed to be “independent” and, as such, it should not become a forum that appears to be an opposition in a political system.
- The CBOC, as a communication conduit between the bond program and the community, has not been very successful. It appears to, generally, rely on the district staff in disseminating information about the bond program and the efforts of the CBOC itself in reaching out to the community at large, if any, have not been evident.

## **Recommendation**

- It is recommended that training should be provided to the CBOC members educating them in regard to their role and limitations, the intent of Proposition 39 establishing these committees, and requesting active engagement of the committee members in public awareness and information process.

## **District Response**

- **CBOC Findings and Recommendation.** District staff concurs with the findings however, it is not appropriate for staff to comment on political issues related to the CBOC. The District has implemented the above recommendation in the past by having District counsel review roles and responsibilities of the CBOC. In addition, through CBOC Orientations for new members District staff also provide training related to roles and responsibilities.

## OVERALL BOND PROGRAM

During the process of this performance audit, Total School Solutions (TSS) has made certain determinations about the overall bond program through interviews with appropriate and related individuals, a review of pertinent documentation and processes, and observations of relationships and interactions. Although these observations are not specifically related to any particular component of the audit, the audit team believes that these issues have a significant impact on the overall bond program and, as such, must be reported to the management of the District.

### Observations

- In comparison with the previous audits, which have been conducted for the periods 2002-03 through 2004-05, the audit team has noticed significant improvements in many areas within the District's bond program.
- At the beginning of the bond program, the Master Architect conducted a detailed examination of all sites. Subsequently, the modernization projects were prioritized with health and safety as the primary consideration. Subsequent to the initial prioritization of the projects, there were a few adjustments made to the list. These adjustments were generally made to provide bond improvements to schools in a manner that recognizes the District's versatile communities. Although this re-ordering of projects did not strictly comply with the original "health and safety first" criterion, it appears that these adjustments and accommodations were necessary to address the needs and demands of the various communities.
- Although the District continues to spend funds from its bond program to modernize and/or reconstruct school facilities, it is being done without the benefit of a comprehensive and proactive Asset Management Plan. Therefore, without the decisions in regard to closing schools, reopening schools and adjusting the use of the school facilities, the District may find itself in a position of having spent substantial amount of funds on a school facility which is subsequently not used for educational purposes.
- During the course of this audit, numerous individuals spoke about the need to modify and upgrade District's maintenance and housekeeping practices to ensure that the reconstructed/modernized and new facilities are maintained and protected from deterioration over the long term.
- The District has spent considerable amount of funds in expanding, improving and furnishing school kitchens to make them compatible for use by certain community groups. While the kitchen facilities, adequate to serve the students in the schools are an appropriate expense of the bond program, the incremental cost incurred due to conversion and expansion of these facilities to fit community use requires careful consideration. The District should ensure that any future community use is for compatible educational purposes with a nexus established in regard to such use furthering the District's educational program and goals.

- It appears that the District continues to deviate from its own standards it has previously established through considerable board deliberation. Furthermore, it appears that the scope of work continues to be expanded. The continuing increase in standards and the scope of work causes the project budgets to be overspent; it also makes it virtually impossible to establish a reliable program budget. Furthermore, the additions to the scope of work half-way through the process may render school facilities inequitable.
- The District does not have a comprehensive program budget approved by the board. Therefore, the question of how much money program would eventually need remains largely unanswered. In absence of such budget, the board may not have adequate information to understand the consequences of increasing scope of work and approving projects and/or change orders.
- Although the board has previously designated the Associate Superintendent of Operations as the District's single point of contact with the consultants, contractors and others in the bond program, it appears that the directive has not effectively conveyed to the participants in the bond program. Thus, there continue to be formal and informal discussions affecting the bond program by individuals other than the designee.
- There continue to be significant delays in processing payments to the vendors and contractors as outlined in a previous section of this report.
- The District has obtained an updated Facilities Master Plan as recommended in the 2004-05 annual performance audit. However, the updated plan still lacks a few vital components usually included in a complete and comprehensive facilities master plan.
- The Independent Citizen's Bond Oversight Committee has not issued an annual report as required by law.
- The District has successfully pursued and obtained voter authorization to issue \$400 million in bonds (Measure J) to help address the funding shortfall in the facilities program.
- Overall, although there still remains room for improvement, the District facilities program has improved substantially during the last four years. More importantly, the expenditures incurred through Measure M, Measure D and Measure J bond programs appear to be appropriate and in compliance with the ballot language of each measure respectively.

### **Recommendations**

- The District should consider developing and adopting a comprehensive Asset Management Plan.
- The District should consider a study of its Maintenance & Operations functions, review and implement the recommendations of such study including the staffing levels, housekeeping standards, appropriate training and a system of accountability, to help

develop an infrastructure that would provide adequate housekeeping and maintenance of the upgraded facilities.

- The District should develop or update its facilities use policy to the kitchen facilities and the educational programs and purposes of the District.
- The District should adhere to the established standards and budgets, and avoid expanding scope of the projects beyond the prevailing and agreed upon scope and criteria.
- The District should develop a comprehensive program budget for the remaining life of the bond program to enhance controls.
- The board should reaffirm the designation of the Assistant Superintendent-Operations as the single point of contact between the district and the bond program professionals and ensure that all communication occurs through the appropriate channels.
- The District should implement steps to make the payment process less cumbersome and streamline the process to allow prompt payments to the vendors and contractors.
- The District should take steps to ensure that the Facilities Master Plan is complete and includes all needed components customary to a comprehensive facilities master plan.
- The CBOC should prepare and publish an annual report in conformance with the legal requirements.

### **District Responses**

- **Asset Management Plan.** The District concurs with the recommendation and anticipates developing an overall Asset Management Plan as a part of preparation of the 2008 Facilities Master Plan.
- **Maintenance and Operations.** The District concurs with the recommendation and notes that there is such a study which has been commissioned during fall and winter of 2006, the MGT Management Study. This study is developing and reviewing information related to M&O levels of service, staffing, etc. and will be the basis for consideration of changes in that area.
- **Community Kitchens and Facilities Use Policies.** The District believes that there is a clear nexus between the installation of the Community Kitchens and the educational programs and purposes of the District. These facilities are designed to allow preparation of food in safe and healthy kitchen facilities at each site. The ability to prepare food on site as a part of the educational day and evening program allows for enhanced daily student life and evening events to include food products. These events, such as PTA meetings, School Site Council meetings, site improvement committee meetings serve the broader educational purposes of the District. The food prepared and served enhances attendance and furthers the goals of the groups supporting the Districts mission.

- **Scope and Budget.** The District concurs with the recommendation. It has been difficult to limit scope at sites which are a part of the program since it is clear that this is a one-time chance for sites to be upgraded. District staff have attempted to keep the Board informed regarding budget impacts.
- **Program Budget.** District staff have developed and presented to the Board on several occasions an overall estimated cost to complete work at all District sites. The program budget currently approved and used for management only addresses sites anticipated to be renovated with available funding. The current Program Budget has been developed and finalized, after this audit, into the **2007 Facilities Master Plan**. The Master Plan Budget for the M, D & J Bond Program has been approved by the Board as part of this document approval. Staff believes that this budget will be an important tool to enhance controls.
- **Single Point of Contact.** The District concurs with the recommendation.
- **Payment Process.** The District concurs with the recommendation. See also responses above in this section. District staff, including Bond Team and Fiscal Services, have been working closely to increase cooperation and working relationships for better service to vendors. We have reviewed and are considering specific recommendations in the “Purchasing and Payment Procedures Related to Measures M, D, and J” report.
- **Facilities Master Plan.** The District concurs and believes that the newly adopted “**2007 Facilities Master Plan**” when considered with the demographic component (Long Range Facilities Master Plan) and the educational specifications component meets that need. In addition, as noted above an Asset Management Plan is the next step to a fully comprehensive plan.
- **CBOC Annual Report.** CBOC members are working together on the 2006 Annual Report.

# **APPENDIX A**

**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 M. 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 M 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 M will be funded beyond the local revenues generated by Measure M. 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 \_\_\_\_\_ day of \_\_\_\_\_, 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.

## **APPENDIX B**

**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 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.

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 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 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.

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

<u>PROJECT TYPE</u>	<u>Adams Middle School</u> <b>5000 Patterson Circle, Richmond, CA 94805-1599</b> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Replace carpet.</li> <li>• Improve/replace floors.</li> <li>• Improve and paint stairwells and handrails.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceilings.</li> <li>• Demolish and replace one portable classroom.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Replace fold-down tables in cafeteria.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Juan Crespi Junior High School</u> <u>1121 Allview Avenue, El Sobrante, CA 94803-1099</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Renovate library.</li> <li>• Improve/replace floors.</li> <li>• Replace sinks in science lab.</li> <li>• Improve and paint interior walls.</li> <li>• Renovate stage.</li> <li>• Improve/replace ceilings.</li> <li>• Replace acoustic tiles in cafeteria.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Renovate cafeteria side room or computer room for itinerant teacher’s room.</li> <li>• Expand textbook room.</li> <li>• Renovate shower rooms.</li> <li>• Renovate shop room.</li> <li>• Renovate classroom 602.</li> <li>• Expand counseling office</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Replace fold down tables in cafeteria.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Helms Middle School</u> <u>2500 Road 20, San Pablo, CA 94806-5010</u> <u>Project List</u>
	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Major Building Systems</u>	<ul style="list-style-type: none"> <li>• Improve/replace roof and skylights.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve/replace glass block walls.</li> <li>• Improve/replace floor surfaces.</li> <li>• Improve/replace ceilings.</li> <li>• Repaint locker rooms.</li> <li>• Replace carpet.</li> <li>• Improve and paint interior walls.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace two portable classrooms.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Revise parking and traffic circulation.</li> <li>• Improve/replace fence.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Hercules Middle/High School</u> <u>1900 Refugio Valley Road, Hercules, CA</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Major Building Systems</u>	<ul style="list-style-type: none"> <li>• Add additional buildings or portables to address overcrowding.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Install additional outdoor and indoor water fountains.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install lockers.</li> <li>• Provide and install new furniture and equipment.</li> </ul>

<u>PROJECT TYPE</u>	<u>Pinole Middle School</u> <u>1575 Mann Drive, Pinole, CA 94564-2596</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve/replace floors.</li> <li>• Improve/replace ceilings.</li> <li>• Improve/replace exterior doors.</li> <li>• Strip wallpaper and paint interior corridors.</li> <li>• Add ventilation to Woodshop.</li> <li>• Improve/replace overhang at snack bar.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace skylights.</li> <li>• Improve/replace ramps.</li> <li>• Replace sliding glass door in classroom 11.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately 23 portable classrooms.</li> <li>• Expand or construct new library.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Remove chalkboards from computer room.</li> <li>• Install dust recovery system in woodshop.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> <li>• Replace fold down tables in cafeteria.</li> </ul>

<u>PROJECT TYPE</u>	<u>Portola Middle School</u> <u>1021 Navellier Street, El Cerrito, CA 94530-2691</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Replace interior and exterior doors.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceilings.</li> <li>• Improve/replace floor surfaces.</li> <li>• Improve/replace overhangs.</li> <li>• Replace ceilings and skylights in 400 wing.</li> <li>• Replace glass block at band room.</li> <li>• Improve/replace concrete interior walls at 500 wing.</li> <li>• Eliminate dry rot in classrooms and replace effected materials.</li> <li>• Replace walkways, supports, and overhangs outside of 400 wing.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Construct/install restrooms for staff.</li> <li>• Renovate 500 wing.</li> <li>• Reconfigure/expand band room.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Improve and expand parking on site.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Richmond Middle School</u> <u>130 3<sup>rd</sup>. St., Richmond, CA 94801</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Major Building Systems</u>	<ul style="list-style-type: none"> <li>• Construct new maintenance building.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Lockers</li> <li>• Provide and install new furniture and equipment.</li> </ul>

<u>PROJECT TYPE</u>	<p style="text-align: center;"><u>El Cerrito High School</u>  <u>540 Ashbury Avenue, El Cerrito, CA 94530-3299</u>  <u>Project List</u></p>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve/replace floors.</li> <li>• Improve/replace ceilings.</li> <li>• Replace broken skylights.</li> <li>• Improve and paint interior walls.</li> <li>• Replace acoustical tiles.</li> <li>• Install new floor and lighting in Little Theater.</li> <li>• Replace water fountains in gymnasium.</li> <li>• Relocate and replace radio antenna.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately twenty-six (26) portable classrooms.</li> <li>• Renovate Home Economics room into a classroom.</li> <li>• Add storage areas.</li> <li>• Renovate woodshop.</li> <li>• Remodel art room.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Improve/replace fence around perimeter of school.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> <li>• Improve/replace hydraulic lift in auto shop.</li> <li>• Replace pullout bleachers in gymnasium.</li> <li>• Replace science lab tables.</li> </ul>

<u>PROJECT TYPE</u>	Kennedy High School and Kappa High School 4300 Cutting Boulevard, Richmond, CA 94804-3399 <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Major Building Systems</u>	<ul style="list-style-type: none"> <li>• Replace lighting.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Replace carpet in classrooms.</li> <li>• Improve/replace floor surfaces.</li> <li>• Replace interior doors in 200 wing.</li> <li>• Replace sinks in science labs.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceilings.</li> <li>• Replace cabinets at base of stage.</li> <li>• Paint acoustic tiles in band room.</li> <li>• Resurface stage in cafeteria.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately six (6) portable classrooms.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Improve/replace fence.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Replace bleachers in gymnasium.</li> <li>• Replace tables in cafeteria.</li> <li>• Replace stage curtains in cafeteria.</li> <li>• Replace folding partition in classrooms 804 and 805.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Richmond High School and Omega High School</u> <u>1250 23<sup>rd</sup>. Street, Richmond, CA 94804-1091</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve/replace ceilings.</li> <li>• Renovate locker rooms.</li> <li>• Replace exterior doors in 300 and 400 wings.</li> <li>• Improve/replace floor surfaces.</li> <li>• Improve and paint interior walls.</li> <li>• Replace carpet.</li> <li>• Replace locks on classroom doors.</li> <li>• Renovate all science labs.</li> <li>• Renovate 700 wing.</li> <li>• Add water fountains in gymnasium.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately four (4) portable classrooms.</li> <li>• Add storage areas.</li> <li>• Improve/add staff rooms and teacher work rooms.</li> <li>• Add flexible teaching areas.</li> <li>• Renovate classroom 508 into auto shop.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Improve parking and traffic circulation.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> <li>• Add partition walls to the gymnasium and the Little Theater.</li> <li>• Replace tables and chairs in cafeteria.</li> <li>• Replace equipment in woodshop.</li> <li>• Add dust recovery system to woodshop.</li> </ul>

<u>PROJECT TYPE</u>	<u>Pinole Valley High School and Sigma High School</u> <u>2900 Pinole Valley Road, Pinole, CA 94564-1499</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceilings.</li> <li>• Improve/replace floors.</li> <li>• Replace carpet.</li> <li>• Correct or replace ventilation/cooling system in computer lab.</li> <li>• Improve partition walls between classrooms 313/311 and 207/209.</li> <li>• Reconfigure wires and cables in computer lab.</li> <li>• Replace broken skylights.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately thirty-five (35) portable classrooms.</li> <li>• Add/provide flexible teaching areas and parent/teacher rooms.</li> <li>• Add storage.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Add new soundboard in cafeteria.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>De Anza High School and Delta High School</u> <u>5000 Valley View Road, Richmond, CA 94803-2599</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Replace/Improve skylights.</li> <li>• Improve, or replace, and paint interior walls and ceilings.</li> <li>• Improve or add ventilation/cooling system to computer lab.</li> <li>• Replace exterior doors.</li> <li>• Replace showers in gymnasium.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Demolish and replace approximately fourteen (14) portable classrooms.</li> <li>• Increase size of gymnasium.</li> <li>• Add storage areas.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Replace cabinets in 300 wing.</li> <li>• Replace wooden bleachers.</li> <li>• Add mirrors to girls locker room.</li> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Gompers High School</u> <u>1157 9<sup>th</sup>. Street, Richmond, CA 94801-3597</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Improve or add ventilation/cooling system to computer lab.</li> <li>• Replace outdoor and indoor water fountains.</li> <li>• Improve/replace floors and carpet.</li> <li>• Add sinks to Stop-Drop classrooms.</li> <li>• Improve/replace interior and exterior doors and locks.</li> <li>• Add new partition walls in classroom 615.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceilings.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Add science lab.</li> <li>• Add lunch area for students.</li> <li>• Add area for bicycle parking.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>
<u>PROJECT TYPE</u>	<u>North Campus High School</u> <u>and Transition Learning Center</u> <u>2465 Dolan Way, San Pablo, CA 94806-1644</u> <u>Project List</u>
	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Security and Health/Safety Improvements</u>	<ul style="list-style-type: none"> <li>• Improve fences and gates to alleviate security issues.</li> </ul>
<u>Improvements/Rehabilitation</u>	<ul style="list-style-type: none"> <li>• Remodel offices.</li> <li>• Add weather protection for walkways and doors.</li> <li>• Improve and paint interior walls.</li> <li>• Improve/replace ceiling tiles.</li> <li>• Replace carpet.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Add multi-purpose room.</li> <li>• Add cafeteria.</li> <li>• Add library.</li> <li>• Move/add time-out room.</li> <li>• Add flexible teaching areas, counseling, and conference rooms.</li> </ul>
<u>Site and Grounds Improvements</u>	<ul style="list-style-type: none"> <li>• Add play structures/playgrounds.</li> <li>• Improve site circulation.</li> <li>• Add bicycle parking to site.</li> <li>• Resolve parking inadequacy.</li> </ul>
<u>School Support Facilities</u>	<ul style="list-style-type: none"> <li>• Add storage space.</li> <li>• Add restrooms for students and staff.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Vista Alternative High School</u> <u>2600 Moraga Road, San Pablo, CA 94806</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Major Building Systems</u>	<ul style="list-style-type: none"> <li>• Add water supply to portable classrooms.</li> </ul>
<u>Construction/Renovation of Classroom and Instructional Facilities</u>	<ul style="list-style-type: none"> <li>• Add storage space.</li> <li>• Add mini-science lab.</li> <li>• Add bookshelves.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Install or replace whiteboards, tackboards and counters.</li> </ul>

<u>PROJECT TYPE</u>	<u>Middle College High School</u> <u>2600 Mission Bell Drive, San Pablo, CA 94806</u> <u>Project List</u>
-	<ul style="list-style-type: none"> <li>• Projects as appropriate from the “All School Sites” list.</li> </ul>
<u>Furnishing/Equipping</u>	<ul style="list-style-type: none"> <li>• Refurbish/replace and install furnishings and equipment, as needed.</li> </ul>

# **APPENDIX C**

**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 I. 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

# **APPENDIX D**

## REFERENCE DOCUMENTS

### **Measures M, D & J Ballot Language**

Bond Measure M – Ballot Language. November 7, 2000.

Bond Measure D – Ballot Language. March 5, 2002.

Bond Measure J – Ballot Language. November 8, 2005.

### **Audit Reports**

WCCUSD Audit Reports, Fiscal Years 2000-01 through 2004-05.

WCCUSD Unaudited Actuals Report, Fiscal Year 2005-06

WCCUSD Bond Financial Audit Report, Fiscal Years 2000-01 through 2004-05.

### **Measures M and D Budget/Expenditure Reports**

WCCUSD Measures M and D Expenditure Reports through December 31, 2005.

WCCUSD Engineering Officer's Reports through August 23, 2006.

WCCUSD Capital Assets Management Plan/Reconciliation Reports, through August 22, 2006.

### **Program Management**

WCCUSD/WLC Agreement for Master Architectural Services, Signed December 1, 2004.

WCCUSD/SGI Agreement for Program, Project and Construction Management Services Related to District Bond Program, Signed December 20, 2004

WCCUSD Board of Education Policy Manual, Facilities and New Construction.

WCCUSD Board of Education Meeting Packets, July 1, 2005, through August 16, 2006.

WCCUSD Program Status Reports, July 1, 2005, through August 16, 2006.

OPSC Internet Site, WCCUSD State Facility Program Status.

### **Measures M & D Bonds and Bond Oversight Committee**

WCCUSD Measures M, D and J Bond Program Documents from Website.

WCCUSD Measures M, D and J Bond Oversight Committee Documents from Website.

WCCUSD Packet for Meetings of Measure M & D Bond Oversight Committee, July 1, 2005, through July 26, 2006.

WCCUSD Packet for Special Joint Study Session, Board of Education and Measures M & D Bond Oversight Committee, February 15, 2006 and September 27, 2006.

# **APPENDIX E**

## **Measures D, M and J District Financial Records**

**West Contra Costa Unified School District  
Facilities Construction Program  
General Obligation Bond Measures M, D and J and Other Revenue Sources  
Schedule of Budget and Actual Revenues and Expenditures Program to Date  
For the Period Beginning November 2000 through June 30, 2006**

School/Project Description	Original * Budget	Current ** Budget	Actual to Date	Budget Variance, Positive or (Negative)	Variance as a Percent of Budget
<b>Revenues</b>					
Measure M Bond Proceeds	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ -	0.00%
Measure D Bond Proceeds	300,000,000	300,000,000	299,997,483	(2,517)	0.00%
Measure J Bond Proceeds	-	400,000,000	70,000,000	(330,000,000)	-82.50%
State Facilities Appropriations	87,765,630	103,775,335	40,058,367	(63,716,968)	-61.40%
E-Rate Reimbursement	-	3,301,804	2,597,426	(704,378)	-21.33%
FEMA Reimbursement	-	1,000,000	310,600	(689,400)	-68.94%
Joint Use Agreements	2,900,000	8,150,000	900,000	(7,250,000)	-88.96%
Interest Earnings	12,000,000	27,000,000	14,715,556	(12,284,444)	-45.50%
Developer Fees	-	38,285,566	-	(38,285,566)	-100.00%
Deferred Maintenance	-	1,200,000	1,218,026	18,026	1.50%
Other Miscellaneous Revenues	-	-	1,799,172	1,799,172	-100.00%
Amount to be Identified	786,071,160	17,433,600	-	(17,433,600)	-100.00%
<b>Total Revenues</b>	<b>1,338,736,790</b>	<b>1,050,146,305</b>	<b>581,596,630</b>	<b>(468,549,675)</b>	<b>-44.62%</b>
Expenditures (see schedule XX)	1,338,736,790	1,050,146,305	351,454,510	698,691,795	66.53%
<b>Funds Currently Available or (Funds Needed) for Project Completion</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 230,142,120</b>	<b>\$ 230,142,120</b>	

\* The Original Budget represents the budget presented in the first Capital Asset Management Plan on November 19, 2003.

This budget included cost projections to complete renovations projects at substantially all campuses in the District.

\*\* The current budget is the budget presented to the bond Oversight Committee on June 29, 2006 included in the CAMP report.

**West Contra Costa Unified School District  
Facilities Construction Program  
General Obligation Bond Measures M, D and J and Other Revenue Sources  
Schedule of Budget and Actual Expenditures Program to Date  
For the Period Beginning November 2000 through June 30, 2006**

School/Project Description	Site #	Original * Budget	Current ** Budget	Actual Expenditures to Date	Budget Variance, Positive or (Negative)	Variance as a Percent of Budget
<b>Elementary Schools</b>						
Bayview	104	\$ 16,070,480	\$ 18,250,236	\$ 16,723,543	\$ 1,526,693	8.37%
Cameron	108	-	2,442	-	2,442	100.00%
Castro	109	12,609,402	15,418,849	469,028	14,949,821	96.96%
Chavez	105	517,323	565,377	504,832	60,545	10.71%
Collins	110	15,106,955	475,497	403,908	71,589	15.06%
Coronado	112	11,200,106	13,544,680	518,285	13,026,395	96.17%
Dover	115	12,411,502	14,998,762	729,067	14,269,695	95.14%
Downer	116	29,317,693	31,174,045	5,844,017	25,330,028	81.25%
El Sobrante	120	10,094,823	505,383	447,088	58,295	11.53%
Ellerhorst	117	11,108,955	11,618,708	11,302,777	315,931	2.72%
Fairmont	123	10,881,095	12,811,285	670,334	12,140,951	94.77%
Ford	124	10,946,431	13,228,872	720,365	12,508,507	94.55%
Grant	125	14,635,922	18,318,136	869,321	17,448,815	95.25%
Hanna Ranch	128	522,244	808,399	743,875	64,524	7.98%
Harbor Way	191	3,665,811	-	96,737	(96,737)	-100.00%
Harding	127	14,614,433	19,805,522	17,357,421	2,448,101	12.36%
Highland	122	13,098,342	16,113,322	325,619	15,787,703	97.98%
Kensington	130	16,409,903	18,885,615	18,609,839	275,776	1.46%
King	132	15,954,624	18,890,366	485,554	18,404,812	97.43%
Lake	134	12,122,084	14,954,216	706,263	14,247,953	95.28%
Lincoln	135	15,531,744	16,651,647	16,681,124	(29,477)	-0.18%
Lupine Hills	126	15,543,208	13,988,361	14,159,204	(170,843)	-1.22%
Madera	137	10,635,250	11,416,422	11,752,627	(336,205)	-2.94%
Mira Vista	139	12,717,895	15,079,067	14,007,339	1,071,728	7.11%

School/Project Description	Site #	Original * Budget	Current ** Budget	Actual Expenditures to Date	Budget Variance, Positive or (Negative)	Variance as a Percent of Budget
Montalvin	140	10,944,114	12,995,083	12,115,414	879,669	6.77%
Murphy	142	12,462,005	14,354,151	13,416,614	937,537	6.53%
Nystrom	144	20,966,814	25,343,620	924,909	24,418,711	96.35%
Ohlone	145	13,469,357	16,143,460	515,557	15,627,903	96.81%
Olinda	146	7,575,692	474,825	284,341	190,485	40.12%
Peres	147	17,662,421	18,467,710	18,338,924	128,786	0.70%
Riverside	150	12,410,695	13,652,485	13,322,230	330,255	2.42%
Seaview	152	8,459,415	511,224	496,734	14,490	2.83%
Shannon	154	7,886,806	879,808	849,040	30,768	3.50%
Sheldon	155	14,214,736	14,348,892	13,425,046	923,846	6.44%
Stege	157	12,561,538	761,811	815,417	(53,606)	-7.04%
Stewart	158	12,977,517	14,709,894	14,215,511	494,383	3.36%
Tara Hills	159	12,371,514	14,380,720	12,266,229	2,114,491	14.70%
Transition LC	131	-	118,020	104,611	13,409	11.36%
Valley View	160	11,009,475	13,027,578	510,401	12,517,177	96.08%
Verde	162	14,005,656	14,439,377	14,085,125	354,252	2.45%
Vista Hills	163	-	3,567,040	866,891	2,700,149	75.70%
Washington	164	13,829,061	14,588,038	14,665,133	(77,095)	-0.53%
Wilson	165	13,674,654	16,819,809	530,969	16,288,840	96.84%
New Hercules	180	29,611,825	216,684	56,847	159,837	73.77%
<b>Totals for Elementary School Projects</b>		<b>531,809,522</b>	<b>507,305,438</b>	<b>265,934,111</b>	<b>241,371,327</b>	<b>47.58%</b>
<b>Middle Schools</b>						
Adams MS	202	42,834,869	709,727	608,428	101,299	14.27%
Crespi MS	206	38,494,363	454,645	425,087	29,558	6.50%
DeJean MS	208	1,284,709	142,095	12,841,866	(12,699,771)	-8937.52%
Helms MS	210	63,000,000	57,196,117	6,246,063	50,950,054	89.08%
Hercules MS	211	65,502,276	-	640,258	(640,258)	-100.00%
Pinole MS	212	40,000,000	40,125,785	6,658,300	33,467,485	83.41%
Portola MS	214	39,000,000	36,242,242	3,248,761	32,993,481	91.04%
<b>Totals for Middle School Projects</b>		<b>290,116,217</b>	<b>134,870,611</b>	<b>30,668,762</b>	<b>104,201,849</b>	<b>77.26%</b>

School/Project Description	Site #	Original * Budget	Current ** Budget	Actual Expenditures to Date	Budget Variance, Positive or (Negative)	Variance as a Percent of Budget
<b>High Schools</b>						
De Anza HS	352	107,000,000	113,160,046	3,364,702	109,795,344	97.03%
El Cerrito HS	354	89,000,000	107,704,885	22,524,749	85,180,136	79.09%
Hercules HS	376	2,632,685	4,377,500	2,616,025	1,761,475	40.24%
Kennedy HS	360	80,390,258	68,954,544	1,245,571	67,708,973	98.19%
Pinole Valley HS	362	73,388,191	72,713,131	2,328,347	70,384,784	96.80%
Richmond HS	364	89,851,858	7,329,814	1,364,304	5,965,510	81.39%
<b>Totals for High School Projects</b>		<b>442,262,992</b>	<b>374,239,920</b>	<b>33,443,698</b>	<b>340,796,222</b>	<b>91.06%</b>
<b>Alternative Schools</b>						
Delta HS	391	-	152,564	132,932	19,632	12.87%
Gompers HS	358	34,036,112	651,623	613,787	37,836	5.81%
Kappa HS	393	-	109,810	101,648	8,162	7.43%
North Campus	374	22,453,732	225,808	192,418	33,390	14.79%
Omega HS	395	-	118,638	103,788	14,850	12.52%
Sigma HS	396	-	110,727	102,586	8,141	7.35%
Vista HS	373	18,058,215	155,024	92,369	62,655	40.42%
<b>Totals for Alternative School Projects</b>		<b>74,548,059</b>	<b>1,524,194</b>	<b>1,339,527</b>	<b>184,667</b>	<b>12.12%</b>
<b>Support and Program Costs</b>						
Fiscal	606	-	-	823,419	(823,419)	-100.00%
Operations	615	-	32,206,142	19,244,994	12,961,148	40.24%
<b>Total Support and Program Costs</b>		<b>-</b>	<b>32,206,142</b>	<b>20,068,413</b>	<b>12,137,729</b>	<b>37.69%</b>
<b>Totals for Facilities construction Program</b>		<b>\$ 1,338,736,790</b>	<b>\$ 1,050,146,305</b>	<b>\$ 351,454,510</b>	<b>\$ 698,691,795</b>	<b>66.53%</b>

\* The Original Budget represents the budget presented in the first Capital Asset Management Plan on November 19, 2003.

This budget included cost projections to complete renovations projects at substantially all campuses in the District.

\*\* The current budget is the budget presented to the bond Oversight Committee on June 29, 2006 included in the CAMP report.

**West Contra Costa Unified School District**  
**Budget Summary by Transaction Category - Measures D, M and J**  
**Program to Date As Of June 30, 2006**

Schedule III

<u>Category of Expenditure</u>	<u>Measure D Project Budget</u>	<u>Measure M Project Budget</u>	<u>Measure J Project Budget</u>	<u>Total D, M &amp; J</u>
<b>Revenues</b>				
Sale of Bonds	\$ 300,000,000	\$ 150,000,000	\$ 400,000,000	\$ 850,000,000
Potential State Apportionments	16,316,745	30,101,818	57,356,776	103,775,339
E-Rate Reimbursement	888,654	2,413,150		3,301,804
FEMA Reimbursement		1,000,000		1,000,000
Deferred Maintenance Funding	1,200,000			1,200,000
Interest Revenues	7,000,000	6,000,000	14,000,000	27,000,000
Joint Use Project Revenue	4,250,000	900,000	3,000,000	8,150,000
Contribution From Measure D	(105,488,312)	105,488,312		-
Contribution From Measure J	43,134,205		(43,134,205)	-
Developer Fees	2,885,528	24,900,038	10,500,000	38,285,566
<b>Total Revenues</b>	<b><u>\$ 270,186,820</u></b>	<b><u>\$ 320,803,318</u></b>	<b><u>\$ 441,722,571</u></b>	<b><u>\$ 1,032,712,709</u></b>
<b>Amount To Be Identified and Provided</b>			<b><u>\$ 17,433,600</u></b>	<b><u>\$ 17,433,600</u></b>
<b>Total Measure D, M &amp; J</b>			<b><u>\$ 459,156,171</u></b>	<b><u>\$ 1,050,146,309</u></b>
<b>Expenditures</b>				
Architect and Engineering	\$ 29,014,480	\$ 27,648,866	\$ 39,451,880	\$ 96,115,226
DSA Fees	1,014,044	1,170,034	2,320,811	4,504,889
CDE Fees	45,463	89,501	341,297	476,261
Preliminary Tests	1,011,669	718,072	2,832,756	4,562,497
Other Planning Costs	16,034,414	15,368,787	20,449,570	51,852,771
Construction	179,670,202	209,692,603	336,118,699	725,481,504
Construction Management	18,812,497	18,603,078	19,656,723	57,072,298
Other Construction Costs	4,066,719	3,948,399	6,190,968	14,206,086
Labor Compliance	863,391	963,981	-	1,827,372
Inspections	3,188,650	3,975,613	4,334,457	11,498,720
Construction Tests	1,180,556	1,367,206	4,197,937	6,745,699
Furniture and Equipment	3,250,537	4,924,711	11,000,000	19,175,248
Temporary Housing	9,534,198	19,818,630	-	29,352,828
Technology and Telecom	2,500,000	5,809,319	12,261,073	20,570,392
Quickstart Projects	-	6,704,518	-	6,704,518
<b>Totals</b>	<b><u>\$ 270,186,820</u></b>	<b><u>\$ 320,803,318</u></b>	<b><u>\$ 1,050,146,309</u></b>	<b><u>\$ 1,641,136,447</u></b>

# **APPENDIX F**

## **District Status Regarding Findings and Recommendations**

**DISTRICT STATUS REGARDING FINDINGS AND RECOMMENDATIONS  
AS OF NOVEMBER 15, 2006**

This appendix includes three reports that address the district’s status regarding findings and recommendations included in the performance audit reports for the fiscal years 2002-03, 2003-04, and 2004-05. A subjective improvement rating has been applied to the status of each finding/recommendation, as summarized below. While subjective, the ratings are considered to be a reasonable estimate of improvements in the district’s facilities program and may be relied upon as such.

<b><u>Improvement Rating</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>	<b><u>2005-06</u></b>
None			
Minimal	1 (Board Policy)	2 (Board Policy and Fiscal Control)	1 (Board Policy)
Some	1 (Payment Procedures)	3 (Facilities Master Plan, New Construction Eligibility and Payment Procedures )	1 (Fiscal Control and Payment Procedures)
Satisfactory	1 (Communication Process)	2 (PPACS/BT-Tech Use and Reconciliation and Communication Process)	1 (Bond Program Web site, Communication Process)
Significant	1	4	2
Substantial	6	6	4
Full Resolution	9	4	2
Overall Rating	Substantial	Significant	Significant

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**MEASURE D AND MEASURE M**

**PERFORMANCE AUDIT**

**JUNE 30, 2003**

**DISTRICT STATUS REGARDING  
FINDINGS AND RECOMMENDATIONS**

**AS OF NOVEMBER 15, 2006**



**TOTAL SCHOOL SOLUTIONS  
2969 VISTA GRANDE  
FAIRFIELD, CA 94534**

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## **STATE NEW CONSTRUCTION ELIGIBILITY**

### **Recommendation (Page 13)**

It is unclear at this time whether state funds would be maximized under the individual or combined attendance area approach. It is recommended that updated SAB 50-01/02/03 eligibility documents be prepared after the 2003-04 CBEDS enrollments are available. It is further recommended that the District use the appropriate filing method to maximize state funding.

### **District Status**

The District has fully complied with this recommendation by submitting updated SAB 50-01/02/03 documents on August 19, 2004, based on 2003-04 CBEDS enrollments. The updated eligibility documents resulted in significantly reduced new construction eligibility. Eligibility for grades 9-12 in the Hercules High School attendance area decreased from 1,570 to 1,008. The Pinole Valley High School attendance area no longer has any new construction eligibility; therefore, applying on a combined attendance area approach is no longer an option.

The District must submit an updated Form SAB 50-01 based on the most recent CBEDS enrollments when making a new construction application (Form SAB 50-04). No new construction application is pending as of June 30, 2006, although the District is in the process of acquiring a school site in Hercules.

## **BOND MANAGEMENT PLAN**

### **Finding/Recommendation (Page 25)**

The scope of services provided by the bond program manager (The Seville Group, Inc.), the master architect (WLC) and the project architects overlap to some extent, contributing to a duplication of effort and confusion regarding areas of responsibility and accountability. The District should review the contract with the bond management team and identify overlapping areas in order to eliminate any duplication of efforts.

### **District Status**

The District has fully complied with this recommendation. The District, SGI and WLC reviewed their respective roles and responsibilities, culminating in separate contracts being executed in December 2004. In addition, the District added bond management employees, reassigned design phase work from WLC to Don Todd Associates, and augmented SGI's CM staff by contracting for additional CM services with Amanco, RGM and Van Pelt. As reported in the draft performance audit for 2004-05, since the new structure was created in December 2004, "the reorganization appears to have settled down and become functional...the role of WLC as master architect is now significantly clearer...likewise, SGI's role as manager of construction management services for all projects is better defined."

## **MASTER ARCHITECT/ENGINEER PLAN**

### **Finding/ Recommendation (Page 27)**

The master architect arrangement can create the impression that the bond management team functions in a District staff role. This potential for confusion of roles places the master architect in the difficult position of providing services beyond the scope of the contract without payment, declining to provide services, or providing additional services for additional fees. The ambiguity with the master architect contract can cause stress or conflict between the architects and the District. District staff and the leadership of the bond management team should meet regularly to review work in progress, future planned work and the scope of provided services. Such meetings may help avoid, eliminate or mitigate confusion regarding the division of duties, roles and responsibilities between District staff and consultants.

### **District Status**

Fully resolved.

See “District Status” section under “Bond Management Plan” immediately above.

### **Finding/ Recommendation (Pages 27-28)**

Two architectural firms under one contract have created, or have the potential of creating, uncertainty in the division of roles, duties and responsibilities. The situation is further complicated when WLC functions as the architect of record for a specific project. A regular cycle of meetings with staffs of the District, SGI and WLC would be an important step toward a common understanding of roles and a clear delineation of responsibilities.

### **District Status**

Fully resolved.

See “District Status” section under “Bond Management Plan” in the previous section.

### **Finding/ Recommendation (Page 28)**

The current projects have included numerous addenda when they were bid. These addenda have caused significant changes to the bid documents, particularly in the front-end documents. These frequent changes lead to confusion in the bidding process, which typically results in a lower number of bids and/or higher priced bids. Bids should be invited

only after plans and specifications are finalized. Addenda should be kept to a minimum and utilized only when necessary.

### **District Status**

The District has fully complied with this recommendation. The finding cited was based on M-1A projects bid during the audit period up to June 30, 2003. The District subsequently updated its standard construction documents for M-1B projects bid between April and June 2004, with significantly improved control over the bidding process and quantity of addenda. As reported in the performance audit for 2004-05, the M-1B projects adhered closely to construction schedules and experienced significantly reduced numbers and costs for change orders (14.1 percent for M-1A projects versus 5.4 percent to date for M-1B projects).

### **Finding/ Recommendation (Pages 28-29)**

Two architectural firms under one contract also create a conflict of interest when one of the firms reviews the work of its partner. This managerial arrangement in the bond management team can weaken the normal system of checks and balances usually found in school facilities projects. SGI should not participate in the constructability review process when WLC functions as the architect of record. In this case, the District should engage an independent architect to conduct the constructability review, and SGI should credit the District the full value of the independent review.

### **District Status**

This finding and recommendation have been fully resolved with the bifurcation of the SGI and WLC contracts in December 2004.

## **STANDARD CONSTRUCTION DOCUMENTS**

### **Finding/ Recommendation (Pages 31-32)**

A significant number of addenda were utilized in the initial projects for which bids had already been invited. It is understood that the addenda were issued because some of the standard documents were in development and unavailable at the time these projects were bid. The numerous addenda led to some confusion in the bidding process. Such confusion often results in higher bids and/or claims during the course of a project. Future projects should not be bid until contract documents are sufficiently developed to keep addenda to a minimum.

### **District Status**

Fully resolved.

See status of the third finding (“District Status”) in the preceding section.

## **DESIGN AND CONSTRUCTION SCHEDULES**

### **Finding/ Recommendation (Pages 33-34)**

The Measure M and Measure D master schedule indicates that bidding for the first nine (9) elementary schools (Phase 1A) would occur by April 2003, with mobilization in June 2003 and commencement of construction by the end of June 2003. Bid results indicate that this timeline was not adhered to. The bond management team should publish updated schedules to reflect adjustments necessary in the process. The bidding process of future projects should be initiated earlier, making allowances for variances and unexpected delays in the bidding and construction processes while adhering to the published schedule to the extent possible. Updated schedules should be forwarded to all parties affected by these schedule changes.

### **District Status**

The District has fully complied with this recommendation in the bidding process for M-1B projects, which occurred on schedule between April and June 2004, with few problems. The M-1B bidding process had fewer addenda, fewer (and lower cost) alternates, and, to date, significantly fewer change orders (see status of the third finding in the “Master Architect/Engineer Plan” section). Additionally, all eight (8) M-1B projects were issued notices to proceed by July 7, 2004, five (5) projects were completed by the fall of 2005, and the remaining three (3) projects are on track to be completed by January 2006 within one (1) to two (2) months of their original schedule.

## **DESIGN AND CONSTRUCTION COST BUDGETS**

### **Finding/ Recommendation (Page 36)**

The entire scope of Phase 1A projects has exceeded their cumulative original budgets by 43.79 percent. The original budgets for Phase 1B projects have increased by 53.92 percent. These increases are primarily due to the board's determination of "Option 1C" as the District's facilities standards. The budgets for Phase 1A and Phase 1B projects have been adjusted accordingly. The board considered the option of maintaining the cost of the entire program within the projected available revenues through the "Zero Option." It was decided, however, to pursue a significantly higher standard, acknowledging that the delivery of the entire facilities program depends on the development of additional revenue sources in the future. It is recommended that the bond management team ensure that District standards are met, but not exceeded, through a systematic assessment of the project scope for each project.

### **District Status**

The District has substantially complied with this recommendation. The development of standard construction documents and the addition of Don Todd Associates to the design phase work have led to more control over adherence to District standards, resulting in lower variances between budgets and bids, as well as fewer alternates and change orders. For further clarification, the reader is directed to Tables 4 and 5 in the performance audit for 2004-05.

### **Finding/ Recommendation (Page 37)**

The inclusion of additive and deductive alternates in bids can have a considerable negative impact on facilities budgets. It appears that the District's absence of standards to guide the individual project architects in the development of Phase 1A projects may have contributed to the budget variances. Since a decision has been made to follow Option 1C standards and since the District intends to meet and maintain those standards in all projects, it is recommended that the use of alternates in the bid specifications be reduced substantially or eliminated.

### **District Status**

The District has fully complied with this recommendation. See "District Status" in previous section.

## **COMPLIANCE WITH STATE FUNDING FORMULAS**

### **Finding/ Recommendation (Page 43)**

Facilities project files are not maintained in a central location and appear to be in disarray. For this reason, information needed for the performance audit was not readily accessible. It was necessary to identify specific data needs and request the necessary documents from District staff or the WLC/SGI team. It is recommended that the District, in conjunction with the WLC/SGI team, develop a central filing system to ensure that all documents are properly categorized, filed and controlled. (It should be noted that during the period of this performance audit, the Facilities Operations Center was undergoing a major renovation. Part of that renovation was the creation of a central depository for all documents. It should also be noted that the District, in conjunction with WLC/SGI, is developing a computerized system, Project Solve, which will contain many of the documents in electronic format once it is fully implemented. This step would help ensure that all documents are accessible when needed.)

### **District Status**

The District has made significant progress in complying with this recommendation. The renovated Facilities Operations Center included greatly enhanced central file storage areas for physical plans, specifications, bid documents, etc. However, all materials are not totally organized, and the space is insufficient to store all materials produced as new projects are developed, and consultants continue to maintain files under their exclusive control, including housing some files off-site. Further, the Project Solve (PS) system is still evolving, and many documents are not yet in the PS system. By the completion of consultant contracts, all documents should be completely transferred to District control.

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

### **Finding/ Recommendation (Page 46)**

Due to ever-evolving state statutes and local changes, it is important for District policies and procedures to be updated regularly. The current policies and regulations do not reflect recent changes in law. It is recommended that the District utilize model policy and procedure documents developed by the California School Board Association (CSBA), the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO) or policies and procedures developed by other school districts in order to update and develop new board policies and administrative regulations related to the facilities program for the West Contra Costa Unified School District.

### **District Status**

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel. However, most of the ARs date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Findings (Page 48)**

The boilerplate was not ready during the job walk. Legal counsel was still revising the boilerplate at the time of the bids, and the bid boilerplate had to be sent as an addendum. Several bids had at least eight (8) addenda. This piecemeal approach to bidding is likely to cause confusion over how a contractor can bid on a project, resulting in higher bid prices and increased exposure to claims against the District.

During June 2003, the purchasing department's and SGI's filing systems were not appropriately organized. Upon investigation, it was discovered that the bond management team was in the process of organizing the filing system, and many project files were still kept in boxes. Retrieving files was difficult and time-consuming.

The bids opened in June did not have contracts signed until August, delaying construction until late August or September. Because of this delay, some scope of work had to be changed to accommodate the presence of students at the school sites. This change may or may not have caused an impact on schedules or budgets. However, there was no explanation for the delayed contract approval.

### **Recommendations (Pages 48-49)**

It is recommended that that boilerplate language be complete and in place prior to the bidding if the bond management team intends to start construction during the summer. Summer is the prime time for construction work because students and staff are generally not on campus. It is important in the next round of bidding to take full advantage of the summertime, so demolition and abatement of hazardous materials can occur without disruption to the educational process and with a minimum risk of exposure to students and staff.

It is recommended that the purchasing department develop a process to have complete bid documents turned over upon the completion of each facilities project. After closeout, there might be warranty issues where bid information, general conditions and subcontractor lists may be useful to the purchasing department.

It is recommended that bid documents, contracts and all other pertinent project information be filed and organized in an accessible and centralized storage area. Indices and other identifying tools should be utilized to assist in retrieval. Better archival of records will help prepare for Office of Public School Construction (OPSC) required progress reports. Improper filings with OPSC could result in unwarranted financial sanctions.

It is recommended that the bond management team actively solicit bids, recruit and attract qualified contractors to create competition and better pricing.

It is recommended that the District spread bid openings out to avoid competition among its own projects. The concentrated schedule of bid openings creates competition among the District's own projects. Bidders have limited resources and may be discouraged from submitting bids or may use a higher bid amount to cover uncertainties involved in preparing multiple bid packages.

### **District Status**

The District has substantially complied with the recommendations, as discussed in the above "District Status" sections, particularly related to M-1B projects.

The District has pre-qualified general contractors and engaged in extensive outreach efforts to the local contracting community. Because of the need to initiate construction of M-1B projects during the summer, bids for the 8 M-1B projects were concentrated over a two-month period, resulting in all M-1B projects being issued Notices to Proceed by July 7, 2004. The District has since pre-qualified general contractors for future Measure D-1A projects and Downer Elementary, approved by the Board on June 1, 2005.

## **CHANGE ORDER AND CLAIM PROCEDURES**

### **Findings (Page 52)**

It has been observed that some RFIs took up to three weeks to respond to. While the policy is to respond in 72 hours, certain decisions require reviews from other consultants. There are occasions when a contractor is not aware that several reissues have to take place before a response could be prepared.

Of the consultants and staff interviewed, only a few knew about the board policy on change orders. While this may be a weakness, the principles used by all consultants in controlling change orders remain the same.

When interviewed, the consultants claim not to be familiar with Public Contract Code Section 20118.4, which cites the procedure to bid and to make alterations to the original contract. This code, however, is cited in each contract's general conditions.

Some engineers do not have the PS2 software and have to transmit their information by fax. Some contractors are using the system more than others depending on a particular contractor's comfort level with computers. This inconsistent use of PS2 creates two different systems for RFIs and is less efficient than having all contractors use the PS2 system.

### **Recommendations (Pages 52-53)**

It is recommended that the board set a contingency budget that includes soft costs for the purpose of budget control. A smaller percentage should be used as the change order allowance because of the exponential nature of change orders. Architects are paid a percentage of total construction, including the costs of change orders excluding any work due to errors or omissions. Other consultants, such as inspectors, also benefit from the contract increases.

It is recommended that the procedure set by the general conditions for Requests for Information (RFI) be observed and reviewed consistently to avoid any misinterpretations or misunderstandings. The procedure is quite detailed and requires an RFI to reference all applicable contract documents including specification sections, page numbers, drawing numbers and sheet numbers.

It is recommended that the bond management team follow up with written documentation for the times when verbal authorization is given to a contractor to start additional work. Verbal authorizations are only effective for changes relatively minor in scope and which do not affect other work. For changes that require complicated calculations and engineering, work should not proceed unless authorization is given in writing and clear drawings are present. It is recommended that the bond management team and the District decrease the time lapsed between a change order request and the approval to proceed.

It is recommended that future projects include a thorough examination of hazardous materials to avoid unexpected but preventable costs associated with overlooked hazardous material discoveries.

It is recommended that the District's legal counsel review the board policy on change orders exceeding 10 percent of the original contract. Public Contract Code Section 20118.4 cites that the board may authorize the contractor to proceed with the performance of changes or alterations without the formality of securing bids if the cost agreed upon does not exceed 10 percent of the original contract or the bid limit. All District consultants must be asked to observe this code and to notify the District when potential change orders cumulatively exceed 10 percent of the value of the contract. Change order status and costs must be discussed with the District's fiscal team weekly to keep projects on budget.

Because of the delegated authorization to approve change orders, it is recommended that the board be informed of the type of change orders encountered and the difference between the actual cost and the original budget. The report may serve as an accountability tool as well as a vehicle for information for the community.

It is recommended that architects and other consultants provide a separate fee structure for change orders.

### **District Status**

The District has substantially complied with the recommendations, as discussed in the "District Status" in the previous sections, particularly related to M-1B projects. The change order process has been revised and has been reported to be working effectively. Improvements include standard procedures for managing and tracking change orders through PS2, upgrades to the contractors' general conditions related to work stoppage and liability, and better written change order directions to contractors. The M-1B projects to date are experiencing fewer change orders and the change order procedure is working effectively, and the "10 percent" rule previously discussed, has been addressed and resolved.

## **PROCEDURES FOR CLAIM AVOIDANCE**

### **Findings (Pages 56-57)**

A few architects reported that the District vacillated with some of the specifications causing changes to the bid documents. Project architects had to redo some of the schematic drawings already provided by the master architect. Some issues reported by the project architects include different ground specifications requiring new topographic surveys, re-shooting grades, and re-engineering of mechanical specifications, among other things.

Bid documents were not completed in a timely manner by the District's legal counsel prior to the job walk and were made available through the addendum process. There were numerous addenda released for some of the projects. Interviewed architects claimed to struggle with incorporating the boilerplate into the bid documents. A few architects felt that four months for design development was inadequate. This complaint is not uncommon by the project architects dealing with high intensity and expedited processes. Numerous bids were opened within days of each other, potentially decreasing the pool of bidders.

The timeline for the prequalification process is inadequate to perform a thorough verification of information. Also, bidders who may feel intimidated by the timeline and the number of addenda might find preparing answers to prequalifications tedious. In the current market, where demand exceeds the supply of good contractors, contractors can forgo bids. Because of the litigious environment, the prequalification process can only disqualify the blatantly egregious contractors, while mediocre contractors may still be able to qualify.

The arrangement for master inspector and master environmental consultant appears to be creating a duplication of tasks. If not tracked or controlled carefully, confusion may arise. Project staff may also think that some work is the responsibility of the lead staff, and vice versa, causing omissions of necessary work. This structure may result in mistakes and claims.

Contractors interviewed were asked to provide a recovery schedule, but it appears that such schedules have not been developed.

The use of PS2 is both a problem and an opportunity for the architects. All of the contractors have been trained in its use. Internet connectivity has been provided to each construction trailer. This standardization of communication helps reduce time delays and facilitates the process. Yet problems with PS2 exist, including occasional system breakdowns and its lack of universal use. A few architects feel that the software is cumbersome and that it takes longer to do a simple task. They also feel that the format of information delivered on PS2 is not specific enough and that messages sent via email with the tag line "no reply" may give an impression that no reply is needed. PS2, however, does provide a reminder to the architect after three (3) days. There are existing technical difficulties, but the bond management team is in the process of resolving these issues.

## **Recommendations (Pages 57-58)**

It is recommended that the bond management team make every effort to understand the drawings and specifications, including the scope of work and how it affects the schedule for each project. Thorough knowledge about projects affords the construction manager better control of the project, thereby shortening response timelines on RFIs. Knowledge of drawing details also prevents contractors from proposing inappropriate or costly solutions to issues that may be resolved in other ways.

It is recommended that addenda be kept to a minimum. The District should clarify, review and publish complete bid documents to prevent bidders from becoming discouraged about the bidding process. Drawings should be complete, corrected and approved by the Division of State Architect prior to conducting the bid process to avoid confusion and inflated pricing. The constructability review is a necessary process and should continue with all new projects to minimize errors or omissions. Architects should verify sites by conducting a general walkthrough to compare the prepared schematics with actual conditions. Because existing as-built drawings are known to lack information, this verification can provide better interpretation and compensate for the loss of information, reducing the likelihood of claims due to misinformation.

It is recommended that the District expedite the execution of contracts and control other time elements, such as the timeline for negotiating and bargaining of change orders.

It is recommended that the project managers ensure that a recovery schedule is submitted promptly for review and approval for projects. This schedule will prevent contractors from taking advantage of discrepancies in drawings due to unforeseen conditions.

It is recommended that District staff and the bond management team build a relationship where information is readily given and accessible, and there is consensus-building. Dispute resolution involves a balance of fairness and firmness, and this method of handling disagreements is often more efficient and less costly for all parties if an agreement cannot be reached through negotiation.

It is recommended that the bond management team further standardize documentation to protect the District from claims.

It is recommended that one department be designated to archive and control all documents. Procedures should also be developed to prepare for the turnover of documents at the end of each project. Files should be kept and organized to allow for easy retrieval of reports, research or audits. (Such filing systems may also assist in answering a dispute or contractor's claim.)

It is recommended that the bond management team continue to require AutoCAD for drawings, so the District can update drawings in the future to reflect the modifications made prior to the next modernization and minimize occurrence of unforeseen events in the future construction projects.

It is recommended that the bond management team extend the five (5) day prequalification timeline to ten (10) days. The extended time will provide staff adequate time to ensure that prospective bidders are scrutinized thoroughly.

It is recommended that a clear delineation of roles and responsibilities be established to avoid redundancy and omissions.

It is recommended that further training be conducted in the PS2 system in an effort to move toward uniformity in RFIs. At some point, key District personnel should consider enforcing this process as the only acceptable process for RFIs.

### **District Status**

The District has substantially complied with the recommendations, as discussed in the above “District Status” sections. The roles and responsibilities of SGI and WLC have been clarified and separate contracts have been negotiated. Additional CM services have been assigned to construction projects. Standard construction documents have been updated. Bid addenda on M-1B projects were greatly reduced over M-1A projects. The contractors’ general conditions related to work stoppage and liability have been upgraded. Change order directions to contractors were better written. Document filing and control has improved with central file areas at the FOC and the use of PS2.

The number and cost of change orders on M-1A projects has been excessive, due mostly to unforeseen circumstances and environmental issues. Further categorization and analysis could better reveal causes, allowing the District to take better preventive measures on future projects. The District has addressed many of the environmental deficiencies by employing new environmental consultants, but environmental and soils issues continue to seriously impact projects under construction.

## **PAYMENT PROCEDURES**

### **Findings (Pages 59-60)**

The requests for payment received by the accounting office do not have complete backup documentation. For example, the contract is not always kept with the copy of the purchase order to verify the contracted amount for non-construction invoices. Some of the backup documentation does not clearly explain changes in the purchase orders.

Board policy allows payment of up to 10 percent of the contract amount without seeking board approval. One of the Quick-Start projects included construction at nine (9) schools. A change order occurred for this project; and while the change order did not exceed 10 percent of the total contract, the change order amounts at some of the individual schools in that project have exceeded 10 percent.

It was discovered that invoices were not being processed in a timely manner. Some invoices have approvals signed thirty (30) to sixty (60) days after the invoice date. There were numerous invoices dated prior to the receipt of a purchase order by accounts payable from the purchasing department.

### **Recommendations (Page 60)**

It is recommended that the District make an effort to avoid the use of confirming purchase orders. Whenever possible, a purchase order should be processed and issued prior to the performance of work. Instead of confirming purchase orders, the use of open purchase orders might be a better vehicle for certain vendors that have frequent business with the District. However, it must be noted that open purchase orders require detailed backup information and consistent approval processes to avoid misuse or duplicate payments.

It is recommended that the District and its consultant make an effort to expedite the approval of invoices. Because accounts payable cannot process the invoice until all approvals are received, late approvals are affecting the processing of payments. When payments are not timely, vendors and contractors are more likely to factor in a higher margin. Timely payments also encourage bids from high-quality contractors.

It is recommended that the 10 percent contingency allowance be restricted for emergency and unforeseen needs. Change orders should be controlled by each project site so that the maximum savings may be reached.

Because the county does not audit payments, it is recommended that the District conduct self-audits to ensure complete documentation with each payment request. Backup documentation should be required for all change orders detailing reasons for the change, with an itemization of labor and material costs. Bid numbers should be noted on all purchase orders. It is also recommended that payment files include pertinent information

such as payment bonds, performance bonds and insurance certificates in the event of financial claims.

It is recommended that the District take steps to improve communication between the purchasing and facilities departments. Instituting a monthly reconciliation meeting between these two departments should be considered.

### **District Status**

As reported as of November 15, 2005, the District had made some progress in complying with the recommendations, but additional effort is needed to ensure that timely payments of invoices are made while proper controls are maintained. Procedures have been developed to ensure that backup material is included with purchase orders. Internal weekly meetings are held to review the status of purchase orders and invoices. Because the District and SGI use two different accounting systems, regular meetings are held to reconcile the accounts.

While efforts have been made to improve the payment process, the second annual performance audit (June 30, 2004) revealed that considerable delays in paying invoices still existed. These payment delays continued to exist at the time of the third annual performance audit (June 30, 2005).

During the 2005-06 fiscal year, a detailed study of the payment process was made and documented. As of June 30, 2006, the District was reviewing the findings and recommendations to determine how to best make procedural changes without sacrificing quality control.

## **BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES**

### **Findings (Pages 63-64)**

It has been found that confirming purchase orders were issued by the bond management team, which might not have had a previous review or approval from the purchasing department. Confirming purchase orders can be effective in cases where time is of essence, and a proper mechanism of accounting for pre-approved costs is in place. Without proper controls in place, confirming purchase orders may not be the best choice. Accounts payables staff reports that confirming purchase orders hinders its ability to process payments in a timely fashion.

The use of numerous addenda in bids already released to the public may cause confusion on the part of the bidders, especially if the addenda change critical components of the standard construction documents such as the boilerplate language.

The bid boilerplate was reviewed and revised by District's legal counsel in January 2003 for public work bids under Measure M and Measure D bonds. The boilerplate was not fully ready prior to the pre-bid meeting and had to be issued as an addendum.

Board Policy 3310 (c) appears to be in violation of Public Contract Code Section 20118.4, which allows changes to the original contract up to, but not exceeding, 10 percent of the bid limit for public works without bids. This statute requires that anything over the limits set by Public Contract Code must be publicly bid.

### **Recommendations (Page 64)**

It is recommended that board revise its policy language for procurement to set bid limits at the current standard set by the Public Contract Code. Such action would allow the flexibility to implement a more realistic bid threshold given the rising costs of products and services.

It is recommended that District staff and the bond management team have language for bid documents finalized before releasing them for bidding.

It is recommended that the District make an effort to avoid the use of confirming purchase orders. Whenever possible, a purchase order should be processed and issued prior to the performance of work.

It is recommended that the District make an effort to expedite the payments. Because accounts payable cannot process the invoice until all approvals are received, the late approvals affect the processing of payments. When payments are not timely, vendors and contractors are more likely to factor in a higher cost. Timely payments also encourage competition from more contractors.

It is recommended that payment files include information such as payment bonds, performance bonds and insurance certificates.

## **District Status**

The District has made substantial progress in complying with the recommendations. Legal language in bid documents was updated to reflect new contract requirements before bidding M-1B projects. All M-1B architectural plans were completed and stamped by DSA before bidding, resulting in greatly reduced addenda during the bidding process. The District bidding process was changed from a two-step blind bid to a low base-bid method. By including a broader scope of work within the base bid, the District reduced the number of bid alternates.

The “10 percent” change order limit conflict between Board Policy 3310 (c) and Public Contract Code 20118.4 discussed in earlier sections has been resolved with the District’s legal counsel.

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

### **Finding/ Recommendation (Page 73)**

There is no consistent, ongoing review process in place to monitor and review the share of work assigned to local firms. Despite the legal issues involved in public contracts, progress has been made in allocating work to local contractors, consultants and vendors. Without a consistent oversight mechanism, these gains might be lost. It is recommended that the District consider establishing a process to provide continual monitoring of the processes that enhance local vendor participation in the school facilities improvement projects.

### **District Status**

The District has made substantial progress in complying with the recommendation. The District hired Davillier-Sloan, Inc. (DSI) to administer the Labor Compliance Program and to oversee a local program to ascertain which services local vendors and the labor pool can provide. The District also formed a Local Advisory Committee consisting of local community stakeholder groups. Additionally, the bond management team provided training and guidance to local firms interested in bidding on public works projects. To establish a list of potential local firms, DSI reviewed 6,000 local firms, selected 3,500 that might be eligible for participation in the District's facilities bond program, and sent letters to those 3,500 firms. The letters yielded 160 responses in 14 categories of services.

The combined effort of the District, bond management team, and consultant resulted in a comprehensive program to identify local capacity and provide opportunities for local firms and employees to participate. As reported in the performance audit for 2004-05, "it appears that the District has progressed substantially, within the legal limits of the Board's objective, to improve and increase local firm participation in the construction and planning of local school facilities projects."

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

### **Findings (Page 77)**

The principals of the schools not currently undergoing modernization have an inadequate level of awareness about the facilities program, nor does it appear that this group is satisfied with the overall public outreach campaign.

The community, in general, does not appear to be adequately informed of the rationale of board decisions and their impacts on the facilities program, including increased project scopes and budgets.

A few civic leaders, including some city officials, do not appear to be knowledgeable and well informed about school facilities issues that local city governments face as a result of city-approved residential growth.

The communication between the bond management team (specifically SGI staff) and District departments needs improvement. The set of information sent to the departments for processing must be timely, accurate and complete.

### **Recommendations (Page 77)**

It is recommended that the District consider conducting a comprehensive information program to keep all principals informed of the District's facilities improvements. A well informed principal is likely to educate and inform his or her respective school community more effectively than centralized efforts to do the same.

The District should consider conducting a parent outreach campaign directly through school newsletters or direct mailing. The District should also consider making presentations to school site councils and soliciting school site council and PTA officers to assist in reaching out to their parent communities.

The District should take measures to inform the community of the chronology of events and decisions that have resulted in the increased scope and costs for almost every project. A question/answer format may be an effective tool in disseminating this information within the broader school community.

The District should consider conducting informational workshops and seminars to educate and inform stakeholders and decision-makers who can significantly impact the planning, financing or construction of school facilities.

The bond management team should obtain clarification on the expectations of the accounting, finance and purchasing departments and provide the necessary documentation to facilitate the processing of payments to contractors and vendors.

## **District Status**

The District has made satisfactory progress toward compliance with the recommendations. The District has hired Craig Communications to perform a comprehensive public outreach campaign at numerous District schools, which has included informational meetings, postcard campaigns, newsletters and brochures. The District's newsletter, Apple Bite, sometimes includes bond program information. In addition to a District website, the District maintains websites on the bond program and the bond oversight committee. The District Board of Education holds joint meetings with the Citizens' Bond Oversight Committee once or twice a year. The District continues to conduct presentations with city agencies and communities to inform them of facilities plans and progress.

The results of a survey conducted by TSS indicated that those closest to the bond program—Board members, District administration, school principals and parents in schools undergoing planning or construction—continue to report the highest level of satisfaction with the communication process. However, School Site Councils (SSC) and Parent Teacher Associations (PTA) report the lowest level of satisfaction with the District's communication process. The Citizens' Bond Oversight Committee reports a communication process effectiveness rating significantly lower than the Board, District administration and parents. There have also been reported delays in posting current information on the District's websites for the bond program and bond oversight committee, whose problems have mostly been corrected by the District.

In an April 5, 2006, status report to the Board, the administration stated the following under Facilities Communications:

“District staff is working with Craig Communications, Communications Consultant, on increasing awareness of the bond program with the school community and the community at large. As part of the process to develop long range planning, District staff is developing ways to continue to inform community and staff. Below you will find some examples:

- Newsletter to be sent out twice a year to entire West County Community.
- Newsletter will also be delivered to all school sites for Principal and staff.
- Bond Program Website updated consistently for easy access of community and parents.
- Positive press concerning the bond program in numerous newspapers.
- Working with Cities to submit current information on their website.”

## **OVERALL BOND PROGRAM**

### **Findings (Pages 80-81)**

In dealing with the bond management team, Total School Solutions (TSS) found WLC to be open and responsive. However, it appears that SGI exercises a higher level of confidentiality than what would be considered appropriate for public work projects. The retrieval of information was difficult, and TSS often required intervention by key District personnel. This hesitation in sharing information also appears to be the root cause of the communication problems reported by the bond oversight committee. Many of the documents, although clearly in the public information domain, are not made readily available, probably consistent with practices typically found in the private sector. TSS does not believe that the bond management staff was intentionally trying to cause difficulties. It appears to be an issue of organizational culture, which needs to be reviewed and addressed by SGI management.

During the negotiation of the scope of the performance audit, the bond management team indicated that the team did not need an evaluation of its performance since it conducts such evaluations internally. However, it appears that the real cause of hesitation was that certain deliverables subject to the audit had not been developed and were not available.

The staff representing the program manager (SGI) did not appear to have adequate authority to share information with the audit team.

The current organizational structure identifies both WLC and SGI as equal partners and maintains parity in responsibility and authority between the two firms. In our opinion, this structure lends itself to confusion and a lack of clarity, resulting in unnecessary delays in performance, especially in the areas for which the responsibility is inadequately defined. As indicated in the other parts of this report, these areas of possible confusion are numerous due to the unique relationship of these two firms. The lack of clarity also causes some duplication of efforts, which could be avoided for the benefit of the District and both firms if a clear hierarchy of responsibility was articulated and established.

Although the decision to employ a bond management team in lieu of hiring District staff was made consciously, the District has come to realize that, in order to establish and maintain strong controls, a few staff positions are needed. Accordingly, a position of District Engineering Officer has been added among others. However, it appears that the previously established organizational structure that placed decision-making authority in the hands of the bond management team, at least informally, still remains in effect.

During interviews, it was noted that, on at least two occasions, hazardous materials discoveries were missed, which should have been recorded during preliminary site surveys and hazardous materials investigations.

During the course of this examination, the hazardous materials plan could not be located. A complete and accurate hazardous materials plan is critical to the success of a building program. A review of existing plans, old specification documents and “as built”

documentation generally would identify most of the potential hazardous materials that would be encountered during modernization projects. These materials may escape detection without a comprehensive plan.

### **Recommendations (Page 81)**

The appropriate District staff and the bond management team should review the protocols for the disclosure of public information and the importance and purpose of audits. A performance audit should be considered an opportunity to improve a program, and as such, the personnel involved in the process need to be willing to share information and exchange ideas.

The District should perform intermittent random checks to ensure that all deliverables have been developed and implemented as required by the agreement between the District and the bond management team.

The District should consider revising the organizational structure and designate one of the two firms (WLC or SGI) as the supervising partner.

The District should consider restructuring the system of authorization and approvals to have the appropriate staff exercise leadership in significant facilities improvement issues. The District Engineering Officer appears to be competent, well informed and capable of providing leadership. To transfer authority for the facilities program back to the District, the organizational structure should clearly delineate the lines of responsibility and authority, with the position of District Engineering Officer empowered to grant approvals and control processes.

The District should consider developing a comprehensive hazardous material abatement program.

### **Additional Recommendations (Page 83)**

Whenever possible and practical, projects of like nature should be grouped together to reduce engineering and construction costs. Maintenance and operations department staff should be included in the development of the construction schedules and should have the opportunity to provide input in regard to any cost saving advantages available to the project. At times, the maintenance and operations staff can recognize costs savings or other advantages that might be missed by consultants.

Maintenance and operations needs to be involved in the phasing of construction activities by outside contractors. The school calendars and the schedules of other capital school projects need to be coordinated with the facilities improvement schedule. Planning should be done to avoid redundant tasks that may occur between the maintenance and operations department and the contractors.

Whenever possible, the size of the planned projects should be established to have much of the work completed during the summer.

## **District Status**

The District has made substantial progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, Measure D on March 5, 2002 and Measure J on November 8, 2005, the bond management program has evolved into a mature structure. The completion of the District's Realignment Process—including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants—has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with, the audit team has improved. While there are some weaknesses and problems to be addressed and improved upon—interdepartmental and District/consultant communications, payment procedures, change order process, etc., as discussed throughout this document—such weaknesses and problems are not substantial in comparison to the changes the District has made to improve the delivery of the facilities program.

Because the District identified facilities needs beyond the scopes and funding of Measure M and Measure D, with the passage of Measure J, the current management structure should serve the District well for many years to come as the District constructs and modernizes funded projects. The challenge to the District will be its ability to maintain a cost-effective, cohesive facilities management team as the District addresses future facilities needs and expends available funding for its program. The passage of Measure J, a \$400 million Proposition 39 bond on November 8, 2005, should enable the District to maintain continuity with its management team.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**MEASURE D AND MEASURE M**

**PERFORMANCE AUDIT**

**JUNE 30, 2004**

**DISTRICT STATUS REGARDING  
FINDINGS AND RECOMMENDATIONS  
AS OF NOVEMBER 15, 2006**



**TOTAL SCHOOL SOLUTIONS  
2969 VISTA GRANDE  
FAIRFIELD, CA 94534**

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## **FACILITIES PROGRAM HISTORY/STATUS**

### **Recommendation (Page 17)**

In light of actions and directions of the Board of Education since January 1, 2000—including recent discussions regarding redistricting and possible school closures—it is recommended that the board consider authorizing an update to the Facilities Master Plan to more accurately reflect current and future unmet needs and associated costs to carry out the facilities program.

### **District Status**

The District has made some progress in complying with this recommendation. A School Redistricting Study, an important component of a Facilities Master Plan, was completed by a District consultant and discussed at Board study sessions on November 4, 2004, November 29, 2004, and December 15, 2004. To date, a Board decision has been made to close Seaview Elementary and a committee has been formed to consider a possible grade configuration change in some schools to serve students in grades K-8.

At a joint meeting of the Board of Education and the Citizens' Bond Oversight Committee on February 2, 2005, the current bond program and unmet facilities needs were discussed.

The District authorized the consultant who developed the October 2000 Facilities Master Plan to update that document, and a draft report was completed on June 26, 2006. Unfortunately, the updated Facilities Master Plan has numerous deficiencies, as reported in the June 30, 2006, Performance Audit.

A number of factors that impact long-range facilities needs have not been definitively resolved, such as the number and location of new schools and sites to serve District and charter school students, school enrollment/site sizes (maximum and minimum), potential future school closures or consolidation of schools, grade level configuration, and so forth. These, and related factors, can best be addressed with District Board and administrative direction when updating the draft Facilities Master Plan.

## **STATE NEW CONSTRUCTION ELIGIBILITY**

### **Recommendations (Page 25)**

It is recommended that the District identify the priority order in which new schools are to be built in Hercules.

It is recommended that, as soon as the new school site with the greatest priority is identified, the District initiate an architectural selection process to employ an architect of record (AOR) to begin a preliminary planning process and to establish the scope, budget and schedule. Concurrently, the District should initiate the process for CDE site approval, including DTSC clearance and CEQA.

It is recommended that updated SAB 50-01/02/03 new construction eligibility documents be prepared after 2004-05 CBEDS enrollments are available to ascertain more recent high school attendance area eligibilities.

It is further recommended that the District analyze and use the appropriate SAB filing method, individual attendance area vs. combined attendance areas, to maximize state funding.

### **District Status**

The District has made some progress in complying with these recommendations. The District had previously established a need to acquire two sites in the Hercules area – one for a new elementary school and one for a new middle school, with the middle school as the first priority – and was working with the City of Hercules and the California Department of Education (CDE) to identify potential sites for acquisition. However, in December 2004, the CDE determined that the primary elementary site under consideration was not acceptable due to a pipeline safety concern. In response, District board members and staff, and City Council members and staff, met and concluded that an elementary site was not needed, thereby abandoning the search for an elementary site.

The District and City continue to work on the acquisition of a middle school site. The primary site under consideration is about twelve (12) acres total and has an estimated 8.5 usable acres, significantly below the CDE's recommended 20 acres. A "Preliminary Endangerment Assessment" report prepared by DTSC, dated April 26, 2005, identified significant problems with the site that will require additional investigation and possible mitigation, with the clean-up costs yet to be determined. In view of the limited acreage of the primary middle school site, and identified toxic problems, alternative sites should not be dropped from consideration, including sites that may currently have other uses.

The last submittal of new construction eligibility documents was based on 2003-04 CBEDS enrollments, which showed a declining eligibility. Updated eligibility documents based on 2006-07 CBEDS enrollments, for all district high school attendance areas, are needed to determine the amount of eligibility for a new middle school.

The District cannot utilize its available State new construction until DTSC clearance is obtained, CDE site approval is given, an architect is hired, and DSA-stamped plans are completed.

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

**Finding/ Recommendation (Page 41)**

The board's most recent selection of architects varied significantly from the recommendations of the interview committee. It is recommended that the board articulate its criteria and objectives for selection of professional services (which do not mandate the selection of the lowest bidder) to staff before interviews so that staff and the interview committee can better assist the board in finding appropriate service providers for the District.

**District Status**

Because the District has not proceeded with any major professional services selection process since the recommendation, there have not been any reportable changes. However, in the performance audit for the period ending June 30, 2004, staff responded that it "concur that it is important to understand Board priorities for professional services selection and will work with the Board prior to any major anticipated selection processes in the future to develop an appropriate matrix of selection criteria." The effectiveness of any change or clarification in the selection process cannot be evaluated until a new selection process is initiated.

**Finding/ Recommendation (Page 42)**

According to the individual managers, whose compensation packages are partly charged to the bond program, the allocation of their time to the bond program occurs at an assumption of a 37.5 hour work week. For example, the Director of Fiscal Services-Capital Projects, whose compensation package is charged 50 percent to the bond program, works for 18.75 hours per week on average for the bond program. However, it has been reported that the management employees work on an average of 50 hours each week. Based on a 50 hour work week, it appears that the bond program is currently receiving services for only 37.5 percent of the productive time.

It is recommended that the District consider reorganizing functions, as necessary, to help maximize funds for District projects. Although an assumption of 1,800 reportable hours per year (37.5 per week) is widely used for the time accounting purposes, the District board should consider if this method of allocation is consistent with the requirements of Proposition 39 which does allow for the use of Proposition 39 bond funds for the administrative services provided to the bond program but deems the use of these funds to fund other services inappropriate.

## **District Status**

In the June 30, 2004, audit report, the District responded that it will “continue to look at District functions with the desire to maximize funds for the projects.” In the June 30, 2005 audit report, it was noted that while the WLC/SGI contract has been bifurcated with resultant clarification of roles and responsibilities, there has been no reorganization of duties between the District’s Bond Finance Office and SGI. There has, therefore, been only minimal improvement in this area. The effectiveness of the assignment of District personnel will continue to be addressed in future performance audit reports, with any findings reported as considered appropriate. In June 2006, the Board authorized the Director of Capital Projects position to devote 75% of staff time (instead of 50%) to the bond program.

## **Findings (Page 42)**

There is no reconciliation between the District’s Bi-Tech financial system and SGI’s PPAX system. District staff does not have access to SGI’s PPAX system to facilitate accounts reconciliation.

## **Recommendations (Page 43)**

It is recommended that SGI personnel be trained on the Bi-Tech financial system and allow District personnel access to its PPAX systems. This open communication and sharing of systems would likely reduce errors reported by fiscal services.

It is recommended that the District develop a process for training its staff on the use of the PPAX system and all SGI functions to ensure an orderly transfer of duties and responsibilities at the completion of the SGI contract (phases M-1A, M-1B and D-1A).

In conjunction with the bifurcation of the current master architect agreement, it is recommended that the District consider evaluating and reorganizing the District and consultant staffing for the financial controls of the entire bond program. For example, even without an inquiry into fiscal services’ claims about the difficulty in the program manager’s handling of payments, it does appear, from a management organizational standpoint, that the District and SGI may be duplicating some of the same functions for payment processing. Likewise, the District may benefit from reorganizing the duties of the two bond finance managers in such a way that the total FTE charged to the bond may be reduced. Such an action would retain some additional funding for school construction projects or would allow the District to deploy the funds saved from the FTE in another critical area.

## **District Status**

The District has made progress in complying with these recommendations. Program Management staff has been trained on Bi-tech on several different occasions and has been working on a reconciliation of the systems. Reconciliation at the macro level has been completed, in which the PPACS system, which operates predominantly off of purchase orders, has been reconciled to the District's full expenditure accounting system, and more detailed reconciliation at the site, function and object levels is underway. The District plans for its staff to receive further training on the use of the PPACS system with the eventual transition out of the bond team at the conclusion of construction.

The District reports that it is continuing to review the organizational structure and overall fiscal controls processes for the bond program. Bond team and District staff is currently engaged in a process improvement program, using a consultant, to guide the District and the Bond Team toward a more rational structure and process.

The effectiveness of these training, account reconciliation and personnel organization will be topics of future performance audits.

## **MASTER ARCHITECT/ENGINEER PLAN**

### **Recommendation (Page 45)**

It is recommended that District staff and the leadership of the bond management team continue their efforts to bifurcate the current contract until results satisfactory to the District are reached. The District should finalize the contract restructuring before the end of the 2004-05 fiscal year, as the existing contract is costing the District more than it should given the evolution of the facilities program over the past two years.

### **District Status**

The District has fully complied with this recommendation. The District, SGI and WLC reviewed their respective roles and responsibilities, culminating in separate contracts being executed in December 2004. In addition, the District added bond management employees, reassigned design phase work from WLC to Don Todd Associates, and augmented SGI's CM staff by contracting for additional CM services with Amanco, RGM and Van Pelt. As reported in the draft performance audit for 2004-05, since the new structure was created in December 2004, "the reorganization appears to have settled down and become functional...the role of WLC as master architect is now significantly clearer...likewise, SGI's role as manager of construction management services for all projects is better defined."

## **DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM**

### **Recommendation (Page 54)**

It is recommended that the District continue to work on revising and updating its policies during the 2004-05 school year.

### **District Status**

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel.

At the Board meeting of February 8, 2006, the Board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies as needed. Most of the Series 7000 (facilities) policies and administration regulations (ARs) date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

Establishment of the policy subcommittee is a positive action taken toward updating facilities policies. Recommendations and actions of the subcommittee will be analyzed in detail in future performance audit reports.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Finding/ Recommendation (Page 56)**

The last addendum for the Washington Elementary School bid was issued five days prior to the bid opening. This addendum involved several mechanical drawings for ductwork, which, if interpreted incorrectly, could be costly. Knowing this risk, contractors tend to inflate prices due to inadequate review time. Although the law allows addenda to be sent 72 hours prior to bid opening, it is recommended that the District consider providing additional time to bidders when addenda involve more extensive technical analyses and changes. The District can avoid unnecessarily high bid prices by allowing sufficient time based on the addendum's complexity. For example, 72 hours may indeed be sufficient for information on glazing in Washington Elementary School's Addendum No. 2, but that same amount of time would be inadequate for the analysis of mechanical drawings in the same addendum.

### **District Status**

The District has fully complied with this recommendation. The District has updated its standard construction documents, with improved controls over the bidding process and quantity of addenda.

### **Finding/ Recommendations (Page 57)**

The Tara Hills Elementary School bid required an addendum. Instead of printing only the changes, clarifications or additional information, the entire bid document was reprinted and sent to all bidders. The bid document was over 300 pages, and the incremental cost was unnecessary. It is recommended that addenda contain only pertinent information excluded from the original bid documents. It is also recommended that the District record the bidders' receipts of addenda.

### **District Status**

The District has fully complied with this recommendation. In the June 30, 2004, audit report, the District responded that "because of the number of underlying changes to the bid documentation as a result of the addendum, the staff felt it would be less confusing to the bidders to supply a completely corrected set of bid documents rather than page by page instructions for changes." The District also responded that it "utilizes Plan Well to monitor and record the receipt of the addenda by the bidders."

### **Finding/ Recommendation (Page 57)**

Even though the bond management team has developed a filing system, methodology and guide, the filing system does not appear to have been implemented. In researching files, TSS repeatedly found that documents had not been filed in the system. It is recommended that bid documents, contracts and all other pertinent project information be filed and organized in an accessible and centralized storage area. Indices and other identifying tools should be utilized to assist in document retrieval. Organized archives will help the District prepare for required audit reports for the Office of Public School Construction (OPSC). Improper filings with OPSC could result in unwarranted financial sanctions.

### **District Status**

The District has made significant progress in complying with this recommendation. The District reported that Measure M and D project documents for Phases 1-A and 1-B have been completed, and compilation of Measure M Quick Start project files is in process.

### **Finding/ Recommendation (Page 58)**

At Madera Elementary School, the hazardous materials abatement contractor was slow to respond and caused the project to fall behind schedule. However, there is no evidence that adequate measures were taken to hold the contractor accountable. It is recommended that staff enforce the terms and conditions in the bid document. The language protects the District and, if monitored, reduces claims and time delays.

### **District Status**

The District has fully complied with this recommendation. In the June 30, 2004, audit report, the District responded: "Even though the unforeseen hazardous materials did cause some delay on the projects, the official extension of time was granted to the Contractors for Madera ES on the basis of work performed and how the additional work impacted their critical path schedule. Each Contractor must demonstrate that the unforeseen conditions impacted their critical path schedule regardless if they take longer to perform the work. The Contractors' slow response in effect hurt themselves." The District also reported that there is an elaborate seven-step process to be completed before a contractor can commence work.

## **CHANGE ORDER PROCEDURES**

### **Finding/ Recommendations (Page 60)**

Board policy allows payment for up to 10 percent of the contract amount without seeking board approval. TSS observed that, in March 2004, one invoice for the modernization and new construction of Lincoln Elementary School already exceeded the 10 percent of extra work authorized in the original purchase order. Change orders can consume all contingency funding if the board does not set policy to control them. It is recommended that the 10 percent contingency allowance be restricted for emergency and unforeseen needs. The District should continue to control change orders by each project site so that the maximum savings may be realized. It is further recommended that the board revise its policy to allow only an aggregate of 10 percent of change orders to avoid costly overruns in projects.

### **District Status**

The District has substantially complied with the recommendations. The change order process has been revised and has been reported to be working effectively. Improvements include standard procedures for managing and tracking change orders through PS2, upgrades to the contractors' general conditions related to work stoppage and liability, and better written change order directions to contractors.

The M-1B projects to date are experiencing fewer change orders and the change order procedure is working effectively, and the "10 percent" rule has been addressed and resolved.

## **PROCEDURES FOR CLAIM AVOIDANCE**

### **Finding/ Recommendation (Pages 62-63)**

The District has a practice of generally conducting two (2) pre-bid meetings which can give rise to disputes and claims of unfair advantage. Unless the instructions for the pre-bid meetings are taped or read, the District should limit the pre-bid meetings to one. It is possible that some information may be omitted in one meeting but mentioned in another. Bidders may perceive an unfair advantage from attending one meeting but not the other, regardless of whether that perception is valid. There have been instances in other school districts where bidders have protested bids because they felt “disadvantaged” by the way the District handled its pre-bid meetings. The District should take all possible measures to minimize bid protests because they can cause delays and can increase project costs and/or claims.

### **District Status**

The District satisfactorily responded to the recommendation by stressing the current bidding climate:

The District has held two pre-bid meetings as an accommodation to our bidders. We realize that many Bay Area school districts are currently renovating schools and our bidders’ time is precious. By being flexible, we maximize the potential number of bidders who will be available to investigate the needs of the District.

The District should reconsider the recommendation if the bidding climate becomes less intense.

### **Finding/ Recommendation (Page 63)**

It appears as though a thorough evaluation and assessment of the condition of existing school buildings were inadequate. The hazardous materials studies should reveal many of the problems the District found at school sites. There were discoveries of problems after the District awarded contracts and released Notices to Proceed. The District and bond management team should be sure that a thorough evaluation of existing conditions of school buildings, including hazardous materials, is conducted before awarding contracts to construction companies and commencing with construction.

### **District Status**

The District has substantially complied with the recommendation. In the June 30, 2004, audit report, the District stated that, to resolve the existing conditions issues:

- (1) The one environmental consultant that was responsible for almost 95% of the poor field verifications was removed from the program. This firm was responsible for four (4) of the projects where the major unforeseen issues were discovered. The Measure Phase 1B projects have not experienced the same unforeseen discoveries.

- (2) In order to assure that the environmental consultants are properly coordinating with the Architects, the Bond Management Team has instituted a series of Architectural/Environmental coordination meetings that commence during design development and continue through the completion of Construction Documents (primarily because the drawings and designs continue to change throughout the process until the time of bid). This process has greatly reduced the amount of coordination problems that could have occurred during the Phase 1B projects.
- (3) The environmental documents have been designed to force the Contractor and his Sub-contractor to coordinate the construction work required with the required abatement. The environmental documents identify all of the materials discovered during the field verification process. The environmental consultants understand that it is their responsibility to thoroughly field verify the existing conditions. This does not guarantee that unforeseen conditions will not occur, but that this methodology greatly reduced the number of surprises that were discovered during construction for the Phase 1B projects.

The District also reported that “staff has increased the amount of monitoring and coordination to improve the thoroughness of the field verifications and coordination with the Architects. Evidence to date indicates that the Phase 1A projects had \$796,830 (19 PCO’s) in potential change orders attributed to unforeseen environmental conditions. The Phase 1B projects have experienced approximately \$106,000 (5 PCO’s) in potential change orders as a result of unforeseen environmental conditions to date and 90% of all demolition is complete. This is a good indicator that the change in environmental consultants and the addition of new proactive procedures have made a dramatic impact in reducing the amount of unforeseen conditions that have occurred.”

#### **Finding/ Recommendation (Page 64)**

Not all contractors are using the PS2 system. The District and bond management team should require all new team members to use PS2.

#### **District Status**

The District has substantially complied with the recommendation. The District currently requires all architectural and design consultant teams and contractors to use PS2. The Bond Team provides training and setup for all users. Document filing and control has improved with central file areas at the FOC and the use of PS2.

## **PAYMENT PROCEDURES**

### **Finding/ Recommendation (Pages 66-67)**

In the invoices reviewed for the 2003-04 school year, TSS observed that many invoices took more than thirty days to process, with some taking as long as three to four months. The computer analysis illustrates a similar trend in payment history. Of the 1,118 payments examined, one hundred twenty-five (125) payments or 11.2 percent of payments were made 30 days after SGI's document controls section initiated the payment process. It is recommended that the District and its consultants make an effort to expedite the approval of all invoices. Because accounts payable cannot process invoices until all approvals are received, late approvals affect the processing of payments. When payments are not timely, vendors and contractors are more likely to factor in a higher margin. Timely payments also encourage bids from high-quality contractors. Furthermore, the District may incur interest penalties from overdue accounts.

### **District Status**

As reported as of November 15, 2005, the District had made some progress in complying with the recommendations, but additional effort is needed to ensure that timely payments of invoices are made while proper controls are maintained. Procedures have been developed to ensure that backup material is included with purchase orders. Internal weekly meetings are held to review the status of purchase orders and invoices. Because the District and SGI use two different accounting systems, regular meetings are held to reconcile the accounts.

While efforts have been made to improve the payment process, considerable delays in paying invoices still existed at the time of the June 30, 2005 audit report. In that report, it was noted that the time to make budget transfers (averaging two (2) weeks), could be reduced, and that the time to pay invoices (forty (40) percent took three (3) months or more) could be significantly reduced with an improved payment process. The Bond team and District Fiscal Services staff are working to improve payment response time by mapping procedures, identifying bottlenecks, and streamlining the payment system without sacrificing controls. Also, during the 2005-06 fiscal year, a detailed consultant study of the payment process was made and documented. As of June 30, 2006, the District was reviewing the findings and recommendations to determine how to best make procedural changes without sacrificing quality control.

### **Finding (Pages 67-68)**

On average, there is a twenty-eight (28) day delay between the time the program manager (SGI) receives an invoice (usually at the work site) and the time SGI begins to process the invoice for payment. (The median for this lag time is eighteen [18] days.) While SGI's documents control section and the District's fiscal services staff generally process payments, on average, within twenty (20) days—that is, only after SGI secures the signatures from the construction manager, architect and inspector of record—the entire process for payments takes forty-eight (48) days on average from the invoice date to the issuance of payment. This lag time of twenty-eight (28) days occurs between SGI's initial receipt of invoices and the delivery of invoices to its document

controls section. SGI's own records, corroborated by a second sampling, indicate that invoices are received well before they are processed. (Note: The official invoice dates on most invoices are at the end of the billing period, so the average above tends to be smaller than if the invoice date were for the beginning of the period.) Some interviewees indicated that invoices had been held because contractors had submitted invoices for work that had not been completed. However, several different classifications of services mirror the slow processing time within SGI's operations, as the following examples illustrate:

Modernization and New Construction: Forty-one (41) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, seventeen (17) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Twenty-four (24) days.

E-rate and GigaMAN-related Projects: Fifty-nine (59) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-five (25) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Thirty-four (34) days.

Environmental Testing and Services: Sixty (60) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, eighteen (18) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Forty-two (42) days.

Landscaping: Thirty-two (32) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, thirteen (13) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Nineteen (19) days.

Moving Services: Forty-two (42) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-three (23) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Nineteen (19) days.

Architects of Record: Fifty-three (53) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, twenty-two (22) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Thirty-one (31) days.

Plumbing: Forty-two (42) days from the invoice date to the issuance of payment. However, the District's fiscal services department and SGI's document controls section took, on average, fourteen (14) days to process the payment once the initial signatures (i.e., the signatures of the construction manager, the architect and the inspector of record) were obtained. Lag time: Twenty-eight (28) days.

### **Recommendations (Pages 68-69)**

Because the lag time is so widespread (e.g., nearly 25 percent of invoices have a lag time of thirty-seven [37] days) and because there are likely to be legitimate reasons for lag time for some invoices, it is recommended that the District and the bond management team make an effort to process invoices in a timely fashion once they are received, whenever and wherever they are received. If the bond management team receives an invoice prematurely or has to wait some time before the invoice can be initially approved by the construction manager, the architect and the inspector or record, then the bond management team should make a note of the delay and request the vendor to issue a new and accurate invoice with a revised date. (Note: It is important to note that not every category of expenditure experienced this kind of lag time. For example, expenditures associated with inspectors of record had, on average, a difference of three days between the receipt of invoice and the time at which SGI's document controls section started processing the invoice for payment.)

It is recommended that the District and bond management team identify all staff and consultants who typically receive invoices from vendors and emphasize with these employees and consultants the need to process invoices and progress payments regularly, as appropriate.

It is recommended that project and construction managers process their paperwork on a routine basis—perhaps weekly—to avoid the delays at the beginning of the payment process.

It is recommended that all invoices be date-stamped or dated to help ensure the accuracy of invoices. (In the second sampling, TSS observed that some invoices were dated upon receipt while others were not. The dated invoices are within a few days of the invoice date.)

### **District Status**

The District has made some progress in complying with the recommendations, but, as noted in the previous "District Status" in this section, additional effort is needed to ensure that timely payments of invoices are made while proper controls are maintained.

In the June 30, 2004, audit report, the District concurred that most of the processing delays occurred at the construction sites, prior to receipt of invoices in project controls, and that project managers should expedite review of invoices for timely payments. The District also concurred that receipt of invoices should be date-stamped and that it would continue to strive to improve processes.

### **Findings/ Recommendation (Page 69)**

A typical request for construction progress payment requires eight signatures, excluding the contractor's. From the initial sampling, TSS observed that the "travel time" within each signature is sometimes as short as the same day or as long as twenty-one (21) days. From the data analysis, the turnaround time for all invoice signatures ranged from the same day to as many as ninety (90) days, with an average of eight (8) days and a median of seven (7) days. It took more than 14 days to secure the business office signatures for 120 payments or 10.7 percent of payments. While the overall average signature time is acceptable, it is recommended that the District and/or the program manager try to process all payment approval signatures expeditiously. If a problem or issue arises with a particular payment, the District or SGI should note it within its records.

### **District Status**

Please see "District Status" for this section immediately above. The District and SGI currently document when there are problems with invoices as well as their eventual resolution. Once the invoices are through the process, they are no longer included in the weekly review.

### **Finding/ Recommendations (Page 70)**

The existing year-end closing procedure that SGI and accounting use is satisfactory; however, it is not established as a written policy. It is recommended that a written protocol or policy be established for the year-end closing of facilities to ensure smooth transitions in future years. It is further recommended that purchasing be involved with SGI and accounting, as appropriate, in the monthly reconciliation of accounts. This way, purchasing can be aware of stop notices as they occur.

### **District Status**

The District concurs with the recommendations regarding memorializing the year-end closing process in writing, and is striving to comply. The Director of General Services has been invited to attend Bond Fiscal meetings on an as needed basis.

### **Finding/ Recommendations (Page 70)**

Purchase orders that exhibit no activity in 30-60 days are listed and reported to the District. Purchasing closes those purchase orders. This situation should not occur if proper monitoring occurs. It is recommended that the construction manager and vendor communicate regarding the status of contracted work or materials ordered. If contracted work or purchases cannot be delivered, then purchase orders should be closed so that funds are not needlessly tied up and expenditures are not inflated. It is further recommended that the District take steps to improve communication among the purchasing, accounting and facilities departments. Instituting a monthly reconciliation meeting with all departments should be considered.

## **District Status**

The District is striving to comply with the recommendations. The Bond Team and District Fiscal Services staff have identified communication with the Purchasing Department as a priority for improvement in the current year. One area which would allow for better communication is an online purchase order system. With tracking capabilities embedded in such systems, the Bond Program's purchasing and payment procedures would be significantly upgraded. This process is in the early stages of implementation by the District.

## **BEST PRACTICES IN PROCUREMENT**

### **Finding/ Recommendation (Page 73)**

The District took three (3) months to issue a Notice to Proceed. The effect of such an allowance is costly in the current market. Steel and concrete prices rose throughout the 2003-04 fiscal year and appear as though they will continue to increase. Contractors tend to inflate bid prices to anticipate price increases that may occur three months following the Notice to Proceed. It is important to award and start construction as quickly as possible. It is recommended that the District issue Notices to Proceed in a timely fashion. In anticipation of steel and concrete price increases, the District should investigate whether it is worthwhile to order and store materials, especially in the case of new construction where there is adequate storage space. The savings against future pricing and contractor's overhead might be substantial. (This practice has been successfully done in other school districts although it takes coordination, space and time.)

### **District Status**

The District has substantially complied with this recommendation. In the June 30, 2004, audit report, the District stated: "A major focus of the efforts by the District's Engineering Officer has been to streamline the Bid, Award, and Notice to Proceed process for construction contracts. Notices to Proceed for the Measure M Phase 1B projects were issued within one month of the award, which is a substantial improvement over the previous year's Notices to Proceed."

In response to the recommendation to consider stockpiling materials, the District responded: "Staff has reviewed the potential for stockpiling materials, and each time has concluded that the risks, such as stockpiling incorrect materials, outweigh the money saving potential."

### **Finding/ Recommendation (Page 73)**

As noted under the commendations section, the District needs to continue to manage its service resources. For example, the District has used two master technology consultants. One master technology consultant with the District's Information Technology Director should provide adequate direction and planning for the technology aspects of the facilities program. It is recommended that the District and the bond management team continue their efforts to optimize resources by using sufficient but not excessive numbers of consultants and/or service providers in completing particular activities associated with the bond facilities program.

### **District Status**

The District has substantially complied with the recommendation. In the June 30, 2004, audit report, the District stated: "Staff concurs and has continued efforts to cut back on the Master Consultants originally a part of the Bond Team, especially appropriate since most major standards decisions, specifications, and standards have been completed."

### **Additional Recommendations (Page 74)**

It is recommended that the District make an effort to avoid the use of confirming purchase orders. Whenever possible, a purchase order should be processed and issued prior to the performance of work.

Since SGI tracks the budget for construction, it is recommended that a monthly reconciliation occur between the budget control department and SGI. SGI should also receive a copy of the escrow statements from the purchasing department to verify balances since payments are made to the contractor and the escrow account.

The District should continue to reach out to the bidding community by holding information meetings for known and efficient small contractors so that they may be used by the prime contractors that bid on the project. Many small contractors do not have the bonding capacity to bid an extensive modernization project, but they may be willing to serve as subcontractors.

### **District Status**

The District has made significant progress in complying with these recommendations. In the June 30, 2004, audit report, the District stated:

“The District concurs that confirming purchase orders should be minimized.

Reconciliation between the Bond Team’s records and the District’s records is ongoing. The Director of General Services handles the management of the escrow statements in the purchasing department.

Information meetings and pre-bid conferences are held on each project. The District has had an outreach plan in place for all of the Measure M Phase I-B and Measure D projects.

The District has and will continue to outreach to local small Contractors. The last community outreach workshop was held on November 6, 2004 and was a great success. Forty (40) vendors and Contractors were present for the event. Davillier-Sloan has sent out over 3,500 letters to local Bay Area vendors and Contractors to reach out and ask for these firms to participate in the program. Unfortunately only 160 of these vendors actually responded. The difficulty is that we can’t force vendors to participate, but we are making every effort to attract them to the program. Another effort will take place to introduce some of the local subcontractors to the Pre-qualified General Contractors in hopes that the local small subcontractors will get additional opportunities to bid on our work. Davillier-Sloan will continue to hold similar workshops in the future.”

## **TECHNOLOGY/E-RATE IN THE FACILITIES PROGRAM**

### **Findings (Page 77)**

The facilities and technology departments do not appear to be as well coordinated as they could be on the technology aspects of the facilities program.

Communication between both departments appears to have been lacking in the early stages of the facilities program. Communications, messages and comments about different installations, for example, failed to get to the other party at different points in time.

### **Recommendations (Page 77)**

It is recommended that the District designate one person, consultant or employee, to serve as the liaison between facilities and technology rather than one person from both departments. This person should have some authority on technology-related decisions.

It is also recommended that the District's technology department be more flexible in its approach toward technology upgrades. While less robust systems may be adequate for curricular and administrative needs at the present time and in the near future, the District should try to prepare for future changes in technology and more advanced learning opportunities for students, especially given the costs associated with such projects.

It is recommended that the District and bond management team examine the staffing impacts on the technology department in terms of changes in infrastructure and assignments. Staff members and departments affected by changes in their work assignments should participate in discussions on changes in how their department will run. Such participation and planning also help maintain positive attitudes toward necessary changes in the workplace.

### **District Status**

The District has made significant progress implementing the recommendations. As reported by the District in the June 30, 2004, audit report:

“The District has appointed a Senior Director for Accountability and Technology. She is coordinating all technology related issues and is working closely with the Bond Program.

The overall technology standards for the District have been developed with an eye towards the most robust system possible, always considering future technology developments. An example is the installation of the Gigaman wide-area network which allows for substantial growth in capacity by installing larger than currently required bandwidth capability.

Staffing impacts on the technology department are a real consideration and the Bond Program always attempts to develop infrastructure projects which allow for the limited MIS staffing levels that are consistent with the District's very difficult General Fund allowances for technology staff. An example is working to develop an e-rate project for District server upgrades which uses a centralized rather than multiple dispersed servers' model—hence easier and simpler to service, maintain and monitor.”

### **Finding/ Recommendation (Page 78)**

The District pursued e-rate funding on a limited basis. It is recommended that the person responsible for the e-rate program should have sufficient authority (or access to authority) and knowledge about e-rate funding to apply for funds, as well as implement or facilitate accepted funding requests.

### **District Status**

The District has made significant progress implementing the recommendation. As reported by the District in the June 30, 2004, audit report:

“The District has continued to pursue E-Rate funding throughout the technology program. The Senior Director of Accountability and Technology and her staff continue to pursue additional resources toward the goal of upgrading technology throughout the District.”

### **Finding/ Recommendation (Pages 78-79)**

The District hired two separate master technology consultants, which created a potential or real situation for confusion and conflicts regarding the technology program. It is recommended that the District have one master technology consultant to provide outside service and expertise to the District. One master technology consultant and the District's information technology director should provide adequate direction and planning for the implementation of the District's educational technology plan. (Furthermore, having two consultants in the same area can lead to conflicts in approaches, which the District experienced.) The District should still determine the technology services and needs to fulfill the curricular, instructional and administrative components of the District-wide technology plan.

### **District Status**

The District has made significant progress implementing the recommendation. As reported by the District in the June 30, 2004, audit report:

“The District has previously had one Master Technology Consultant for the Measure M projects and another Master Technology Consultant for the Measure D projects. Currently those consultants are providing services on an as needed basis and the District is in a

transition mode, defining the needed scope for a single Master Technology Consultant and issuing and RFP to obtain one.”

### **Finding/ Recommendation (Page 79)**

While the California Department of Education (CDE) approved the District’s “Educational Technology Plan,” the plan itself lacks more specific and updated information on the actual facilities changes. Such specificity, if even in an appendix to the “Educational Technology Plan,” would help the District maintain a uniform approach to technology standards. It is recommended that the District incorporate into its current technology plan the District’s specific infrastructure upgrades at different schools, with their corresponding timelines. The value of this specificity should help all stakeholders involved in the technology program understand and, hopefully, accept the agreed-upon infrastructure standards. (To receive ongoing federal funds from the Enhancing Education Through Technology [EETT] formula grant, the District must revise its technology plan during the 2004-05 school year for the 2005-06 school year. The District should incorporate more infrastructure specificity into its technology plan for the 2004-05 school year.)

### **District Status**

The District will consider the recommendation in its 2005-06 update. As reported by the District in the June 30, 2004, audit report:

“The District’s Educational Technology Plan was written with compliance with State requirements and to maximize eligibility for the District to receive funding. Line item specificity is not necessarily appropriate as it could hamstring the District’s funding efforts. However, the auditors’ comments will be taken under advisement for the 2005-06 update.”

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

### **Findings (Page 87)**

While the structure and kinds of information available on the bond program website, [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com), is extensive, the website does not appear to be updated in a regular or timely fashion. For example, the bond program website's profile for Lincoln Elementary School has not been updated since January 2003. (During the midyear report, the bond management team indicated that it would update program information on school sites.) The [www.wccusd-bond-oversight.com](http://www.wccusd-bond-oversight.com) is more out of date than the bond program website.

### **Recommendations (Page 87)**

It is recommended that the District and the bond management team consolidate the two websites into the [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com) website. Some information appears on both websites, and it may be easier to manage one website related to the bond program.

It is recommended that the website be updated routinely—perhaps, bimonthly. For example, the oversight committee website should have the most current bond oversight committee meeting agenda, and the bond program website should have more current program status reports. A simple, time-efficient and usually attractive way to update the website regularly is to create PDF files from relevant electronic or hard copies. In terms of complaints about communication, more frequent updates may help address some of the dissatisfaction of some community members.

It is recommended that the District and bond management team consider changing the home page for the bond program website to facilitate research for end-users. While the current home page may be aesthetically pleasing to some, several interviewees complained that they did not receive enough information and could not find information on the website. The site map provides an excellent outline of available data; however, the link is currently isolated in small font on the button bar on the top of most pages.

Following up on a recommendation from the first annual performance audit, it is recommended that the District build a chronology on its website so that community members have the opportunity to inform themselves about the evolution of the facilities program. (One option would be to use the chronology in this performance audit as a starting point for this timeline.)

### **District Status**

The District has made significant progress toward compliance with the recommendations. In the June 30, 2004, audit report, the District reported the following progress and plans:

“The Bond Management Team has now instituted a procedure for updating the Bond Program Website once a month (with the exception of bidding periods). During periods of high bidding activity, the website may be updated almost on a weekly basis to report out on bidding due dates and schedules. As a matter of clarification, the profiles for the schools were never intended to be updated on a monthly basis. Both the Engineer's Report and the Construction

status reports are updated on a monthly basis for posting to the web site. These two documents serve as the schools' primary update tools during construction. The comment made during the January 2003 audit response was intended for the construction status reports. Over the past year a content management structure was developed so the Bond Team will be less dependent on a third party input into the web site. The web site content management system in place now will assist in expediting updates to the web site.

- Even though the District agrees that the recommendation to combine the Oversight Committee web site with the Bond Program web site would be effective, the two web sites must remain separate and distinct for two reasons:
  - Funding for the Oversight Committee website must come from the general fund or another source other than the Bond Program.
  - The Oversight Committee's web site should be designed, monitored and updated by Oversight Committee members. The web site is a requirement of Proposition 39 and we would prefer for it to be controlled and edited by Oversight Committee members to avoid any potential perceptions of conflict of interest in reporting data.

The Bond Program Web Site will be updated on a monthly basis. We have found that the program status does not change significantly with a two week period. As the auditors have requested we are utilizing PDF files from reports to make effective and timely updates to the web site. Approximately one year ago, the Oversight Committee recommended that a link to the Oversight Committee web site be put on to the Program web site and nothing more to avoid duplicative efforts and potential conflicts in reporting. All agendas for the Oversight Committee web site are to be posted to the Oversight Committee web site when they become available. The District and an Oversight Committee web site sub-committee oversee and update the web site on a monthly basis. The Oversight Committee web site is currently in redesign and should be available in its new format sometime during the Spring of 2005. Tech Futures will continue to update the web site as instructed by the Oversight Committee web site subcommittee.

The Bond Team will investigate adding some sort of search engine to the Bond Program web site for ease of finding information. It is agreed that some sort of search function will assist users in finding data that they are looking for. A proposal for this recommendation will be solicited and forwarded to the District for review.

The chronology of the Bond Program will be updated and posted to the web site as a new document by March 2005.”

### **Finding/Recommendation (Page 89)**

The District did not always provide the bond oversight committee with information in a timely fashion. It is recommended that the District ensure that it gives the oversight committee the information it needs in a timely fashion, as one of the committee's primary responsibilities is to convey to the community the District's progress and compliance in fulfilling the conditions outlined in the ballot language.

## **District Status**

The District has substantially complied with this recommendation, by noting that “Staff concurs that it is important to provide timely information to the Oversight Committee. Staff provides all reports, financial information, and other items at the beginning of each Bond Oversight Committee meeting.”

## **Finding/ Recommendation (Page 89)**

As described in different sections of the report (e.g., in the sections on payment procedures and technology), the communication among the bond management team, facilities and other departments needs improvement. It is recommended that the District make a concerted effort to have departments and consultants share information, as appropriate, with relevant parties.

## **District Status**

The District has made satisfactory progress toward compliance with the recommendations. The District has hired Craig Communications to perform a comprehensive public outreach campaign at numerous District schools, which has included informational meetings, postcard campaigns, newsletters and brochures. The District’s newsletter, Apple Bite, sometimes includes bond program information. In addition to a District website, the District maintains websites on the bond program and the bond oversight committee. The District Board of Education holds joint meetings with the Citizens’ Bond Oversight Committee once or twice a year. The District continues to conduct presentations with city agencies and communities to inform them of facilities plans and progress.

The results of a survey conducted by TSS indicated that those closest to the bond program—Board members, District administration, school principals and parents in schools undergoing planning or construction—continue to report the highest level of satisfaction with the communication process. However, School Site Councils (SSC) and Parent Teacher Associations (PTA) report the lowest level of satisfaction with the District’s communication process. The Citizens’ Bond Oversight Committee reports a communication process effectiveness rating significantly lower than the Board, District administration and parents. There have also been reported delays in posting current information on the District’s websites for the bond program and bond oversight committee, whose problems have mostly been corrected by the District.

In an April 5, 2006, status report to the Board, the administration stated the following under Facilities Communications:

“District staff is working with Craig Communications, Communications Consultant, on increasing awareness of the bond program with the school community and the community at large. As part of the process to develop long range planning, District staff is developing ways to continue to inform community and staff. Below you will find some examples:

- Newsletter to be sent out twice a year to entire West County Community.
- Newsletter will also be delivered to all school sites for Principal and staff.

- Bond Program Website updated consistently for easy access of community and parents.
- Positive press concerning the bond program in numerous newspapers.
- Working with Cities to submit current information on their website.”

## **OVERALL BOND PROGRAM**

### **Findings (Page 91)**

The staff representing the program manager, SGI, did not appear to have adequate authority to share information that TSS was seeking. It was reported that they had been instructed to obtain SGI management approval and submit requested information only through the program manager.

There is a disconnect between SGI and the District's fiscal services staff, which is causing significant reporting problems and causing delays in processing payments to some vendors. Besides the use of two different and incompatible software packages, there are interpersonal communication problems contributing to the existing issues.

Currently, the document control system resides with SGI. Normally, that is an internal District staff function. The prevailing communication issues might be mainly due to the fact that non-District staff is performing this function. Also, the District could avoid significant costs (through overhead and markup alone) by transferring this function to the District staff.

Fiscal services staff has listed a number of reasons that they believe are the root causes of the communication problems between their office and the SGI staff.

### **Recommendations (Page 91-92)**

The District should review with the appropriate District staff and bond management team the appropriate protocols for the disclosure of public information and the importance and purpose of audits. A performance audit should be considered an opportunity to improve, and as such, the personnel involved in the process need to be willing to share information and exchange ideas. Please note that this finding and recommendation also appeared in last year's audit report.

The District should develop steps to institute improvements in the relationships and communication among the relevant SGI staff and the staff from the District fiscal services department.

The District should consider restructuring the system as it pertains to the document controls. Having this system transferred to internal District staff may result in substantial improvements in the process, as well as some financial savings.

The District should consider providing training on the construction and facilities management processes to the management staff of the fiscal services department. A comprehensive training program in customer services skills is also strongly recommended.

## **District Status**

The District has made significant progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, and Measure D on March 5, 2002, the bond management program has evolved into a mature structure. The completion of the District's Realignment Process—including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants—has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with, the audit team has improved. While there remain weaknesses and problems to be addressed and improved upon—most notably fiscal control issues between the District and SGI, payment procedures, the document control system and the communication process, as discussed throughout this document and the 2004-05 audit report—such weaknesses and problems are not substantial in comparison to the changes the District has made to improve the delivery of the facilities program.

Because the District has identified facilities needs beyond the scopes and funding of Measure M and Measure D, the current management structure should serve the District well for many years to come as the District constructs and modernizes funded projects. The challenge to the District will be its ability to maintain a cost-effective, cohesive facilities management team as the District addresses future facilities needs and expends available funding for its program. The passage of Measure J, a \$400 million Proposition 39 bond on November 8, 2005, should enable the District to maintain continuity with its management team.

# **WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

**MEASURE D AND MEASURE M**

**PERFORMANCE AUDIT**

**JUNE 30, 2005**

**DISTRICT STATUS REGARDING  
FINDINGS AND RECOMMENDATIONS**

**AS OF NOVEMBER 15, 2006**



**TOTAL SCHOOL SOLUTIONS  
2969 VISTA GRANDE  
FAIRFIELD, CA 94534**

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

**Finding (page 39)**

Difficulties with the bond program's fiscal aspects persist, as reported in earlier performance audits; and midyear reports and other sections of this report, particularly with respect to vendor payment delays, accounting reconciliation between the District and SGI systems, and duplication of work due to several SGI personnel and several District personnel assigned to various accounting functions.

**Recommendation (page 39)**

It is recommended the District consider reorganizing functions, as necessary, to improve internal controls and accounting of funds for District projects. Such reorganization should also provide better control of all accounting functions related to the bond program, including budgets, expenditures, payment procedures, etc. It is recommended that one of the current bond finance office positions be reassigned to full-time oversight responsibility. It is further recommended that fiscal control of all future projects initiated remain the responsibility of the District.

**District Status**

The District has made some progress in implementing the above recommendation.

In the June 30, 2004, audit report, the District responded that it will "continue to look at District functions with the desire to maximize funds for the projects." In the June 30, 2005 audit report, it was noted that while the WLC/SGI contract has been bifurcated with resultant clarification of roles and responsibilities, there has been no reorganization of duties between the District's Bond Finance Office and SGI. During the 2005-06 audit period, while the District's fiscal staff and SGI continue to use two different accounting systems, there has been improved communication and reconciliation of the accounts.

To assist the fiscal staff with the heavy accounting workload in the bond program, particularly with the passage of Measure J, in June 2006, the Board authorized the Director of Capital Projects position to devote 75% of staff time (instead of 50%) to the bond program.

The effectiveness of the assignment of District personnel will continue to be addressed in future performance audit reports, with any findings reported as considered appropriate.

## **DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM**

### **Recommendation (page 53)**

TSS recommends that the District continue to work on revising and updating its policies.

### **District Status**

The District has made minimal progress in complying with this recommendation. A new Administrative Regulation (AR) on Williams settlement requirements has been adopted, a new Administrative Regulation (AR 7214.2) on Citizens' Bond Oversight Committee composition, duties, agenda and joint meetings with the Board of Education has been adopted and the "10 percent" change order regulation has been resolved with District counsel.

At the Board meeting of February 8, 2006, the Board voted to establish a policy subcommittee for the purpose of analyzing, reviewing, and revising policies as needed. Most of the Series 7000 (facilities) policies and administration regulations (ARs) date back to 1989 and 1996, and many new ARs included in "model" documents prepared by state organizations are needed locally to reflect changes in California law.

Establishment of the policy subcommittee is a positive action taken toward updating facilities policies. Recommendations and actions of the subcommittee will be analyzed in detail in future performance audit reports.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Findings (page 54-55)**

The District needs to ensure that its practice of requiring two or three quotes for materials or services greater than \$2,000 is observed. The bond management team can assist with this practice by attaching copies of all quotes received to the requisition form (for the public record).

Purchase orders that utilized “piggybacking” in its bid pricing—such as leases of portables or purchases of furniture and equipment—did not include references to the bid it was piggybacking. To remain compliant with the public contract code, references should be included to identify the original bid with the CMAS number.

It was observed that one of the RFP’s for furniture and equipment had a proposed cost ranging from \$9,000 to \$12,000, a difference of 33 percent between the high and low. The differences in the cost range should be better explained in the proposal to ensure that the District is charged a fair and appropriate amount for services and materials.

### **Recommendations (page 54-55)**

It is recommended the District ensure that documentation showing compliance with the competitive bidding process is maintained either by attaching other quotes to the requisition or indicating the bid or CMAS agreement numbers on the bid. References to the original bid or CMAS number for purchases that exceed the bid limit should be made in the purchase order documentation.

It is recommended the District spot-check piggybacked bids by comparing them with random quotes to ensure the method is more economical than bidding. (It is important to note that CMAS purchases may incur a surcharge of up to 2.56 percent to be invoiced a year later.)

For better control, management and evaluation of bids, it is recommended that staff require bidders to itemize their bids to ensure vendors do not overcharge the District. To avoid misunderstandings or overcharges, the District should require vendors to supply an explanation or itemization of fee structures when the vendors offer a range of prices.

### **District Status**

The District has substantially complied with the recommendations. In the June 30, 2005, performance audit report, the District responded that it requires “all Managers soliciting work including materials and services (to) provide multiple proposals to ensure competitive bidding.”

Regarding “piggybacking” bids, the State of California has clarified its legal usage, and the District will continue to utilize this approach when it is timely and cost-effective to do so.

Regarding price variations in vendor bids, much of the variation is due to quality and brand differences; the District will continue to refine its standards to ensure that bids reflect similar items and quality.

## **CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES**

### **Findings (page 57-58)**

Change orders are typically reserved for unforeseen conditions or conflicting information in drawings. It is generally unwise to use change orders to add or modify the scope of work in a project. The disadvantages using change orders to add scope of work lie in the absence of competitive pricing and the consequent difficulty in determining true-market value. Examples of this practice in the District include the following projects:

- The addition of a north-end parking lot at Montalvin
- The addition of landscaping at Madera
- Tree removal and landscaping at Kensington
- Re-siting of relocatables at Stewart

The District needs to work to ensure that appropriate reviews are conducted prior to bidding to avoid delays and extra costs. For example, an electrical design error caused a delay at Riverside Elementary School, which should have been identified in the constructability review. Pipeline issues at Helms Middle School should have been a consideration prior to the bid. Had these issues been addressed before the bid and included in the bid documentation, the District would have had the advantage of lower and more accurate bids that are less prone to RFIs.

### **Recommendations (page 57-58)**

It is recommended that more time be allocated to constructability, utility locations, soils analyses, and hazardous material analyses prior to bidding.

As a general practice, it is recommended that the District add the school principal, maintenance, and information technology to the sign-off list before plans are approved. These additional checks will help minimize or eliminate in-District requests for owner-driven change orders.

### **District Status**

The District has substantially complied with the recommendations. In the June 30, 2005, performance audit report, the District responded that it “is in general agreement that scope additions or modifications ... during construction ... may be a concern,” but clarified that “it is often less time-consuming and less expensive for additions to a project to be made through the Change Order process.”

For the specific examples given in the findings, the District explained that most of the scope adjustments were the result of concerns raised during construction by the surrounding neighborhoods. The parking lot at Montalvin was an alternate in the original bid, not accepted at that time, but reinstated by the Board as a change order at the original bid price. The proper location of relocatables at Stewart should have been known in advance, but was an oversight during design.

## **PAYMENT PROCEDURES**

### **Findings (page 59-60)**

The time of payments can be shortened. Only twenty five (25) percent of the sampled invoices took four (4) weeks or fewer to pay from the date of the invoice. Forty (40) percent of the sampled invoices took approximately three (3) months or more for payments from the date of the invoice. One of the least timely invoices was for furniture and equipment, which took twenty (20) weeks to pay.

During the course of the audit, one of the sample invoices for \$217,025 was not available for audit because paperwork was not in the file.

One of the sampled invoices showed several handwritten corrections. The contractor's calculations were incorrect and had to be corrected by the construction manager, which prolonged the payment process.

Not all construction invoices had the unconditional waiver release upon progress payment. Consistency should be required for all payments.

### **Recommendations (page 59-60)**

It is recommended that effort be made to reduce the timeline for a budget transfer, which is currently an average of two (2) weeks. By shortening the time for a budget transfer, the payment process can be shortened. Currently, the budget transfer requires approval at four levels. The average line item budget transfer is forty (40) transactions per month, it is recommended that instead of having the Associate Superintendent approve every transaction, a monthly summary should be submitted for review, thereby reducing the levels of approval and shortening the timeline.

It is recommended that effort be made to reduce the timeline for payments. When payments are not timely, vendors and contractors are more likely to factor a higher margin when bidding for projects. Timely payments also encourage bids from high-quality contractors. Late payments may result in service and interest charges.

It is recommended that file documents should be better organized to prevent missing documents and invoices.

It is recommended that no payments of change orders be made until the Board ratifies the change order amount. While it may be necessary to give staff authority to approve change orders to prevent further expense to the project, release of public funds should not occur until Board action is taken.

It is recommended that incorrect contractor invoices be rejected and be sent back for resubmittal. Information presented should be clear and accurate. Contractors should be

asked to submit invoices that reflect the true value of their work. Clear and accurate invoices shorten the timeline for payment.

Refer to the section in this report titled “District Professional Services Staffing Plan for the Bond Program” for comments concerning reorganization of accounts payable for Bond Program expenditures.

### **District Status**

The need for improvement in the payment procedure process has been consistently reported in each annual performance audit. While efforts have been made to improve the payment process, the second annual performance audit (June 30, 2004) revealed that considerable delays in paying invoices still existed. These payment delays continued to exist at the time of the third annual performance audit (June 30, 2005).

The District had made some progress in complying with the recommendations, but additional effort is needed to ensure that timely payments of invoices are made while proper controls are maintained. Procedures have been developed to ensure that backup material is included with purchase orders. Internal weekly meetings are held to review the status of purchase orders and invoices. Because the District and SGI use two different accounting systems, regular meetings are held to reconcile the accounts.

During the 2005-06 fiscal year, a detailed study of the payment process was made and documented. As of June 30, 2006, the District was reviewing the findings and recommendations to determine how to best make procedural changes without sacrificing quality control.

## **BEST PRACTICES IN PROCUREMENT**

### **Findings (page 61)**

Modtech, a provider of portable classrooms, was unable to repair fifty (50) air conditioning units in new portables they provided at several school sites. The District, to ensure that the portables would be ready for school opening, hired Bay Cities Mechanical to do the repairs, at a cost \$6,596.79. Upon investigation, this auditor could not find whether Modtech credited the District for the cost of repair. It is important that purchasing department be informed of issues such as these so they can ensure the money is collected. (This matter was also reported in the midyear report.)

In November of 2004, Schreder and Associates presented a redistricting study to the Board. Before any commitment of funds is made for reconstruction, redistricting decisions that may affect a school should be considered.

A memorandum issued by Davillier Sloan stated that the District is no longer requiring original signature on certified payroll record. The certified payroll record is an official document which interests the Department of Labor, Office of Public School Construction, and contractor trade organizations. Without the original signature, the District may create an impression that the record is incomplete, inaccurate, or invalid.

The bid for Playground Renovation at Hannah Ranch and Cesar Chavez Elementary School was significantly delayed by the contractor. The bid was opened on June 23, 2004, and the Board approved the contract on July 7, 2004. A Notice to Proceed was issued on July 21, 2004. The forty-five day project should have been completed before the new school year started. Instead, it was ninety-eight percent complete during the first week of February. When a contractor fails to perform, the bid document provides relief in form of liquidated damages. Further, it may be necessary to report such performance to surety companies. This practice will eventually eliminate nonperforming or underperforming contractors. A further review was made of other construction timelines and the additional construction days approved for certain projects.

Extension of construction days could not only delay the use of school facilities but if caused by the District, may result in the District owing contractors' for the extension of time.

### **Recommendations (page 61)**

It is recommended that the District track credits from contractors. Credits can be easily overlooked and should be tracked and claimed with the next payment due.

It is recommended that, before any commitment of funds is made toward reconstruction, closures or redistricting decisions should be considered.

It is recommended that the District verify with their legal counsel the validity of accepting certified payroll records without original signatures.

It is recommended that District enforce contract conditions for nonperforming /underperforming contractors. When work delays caused by the contractor affect the District's use of facilities, liquidated damages should be imposed. To encourage performance, contractors should be reminded of possible claims against their bond. Because bonding is needed to bid on public projects, contractors understand the impact of a report to their surety firm.

### **District Status**

The District is in substantial compliance with the recommendations. In the case of the finding cited regarding Modtech, the vendor worked for the state; the District therefore had no control. The District does make an effort to track credits and backcharges contractors when warranted.

To the extent that enrollment projections are available during the facilities planning process, adjustments to the facilities design at affected schools are made. However, as consistently reported in the annual performance audits, the District lacks a comprehensive long-range facilities master plan to direct the facilities program. Until such a plan is developed and adopted by the Board, there is no assurance that facilities projects will best meet the long-range needs of the District.

Construction delays are not unusual, and any action to take against a contractor needs to be considered on a case-by-case basis. In many cases, delays may not be the fault of the contractor. Imposing liquidated damages or engaging surety should only be considered in the event that a major delay occurs as a direct failure of the contractor to perform, and which results in a serious problem or expense to the District; e.g., when last-minute portables need to be installed to enable school to open on schedule.

## **DELIVERED QUALITY REVIEW**

### **Finding (page 66)**

On May 24, 2005, the District Engineering Officer presented a status report that included a component relative to Measure D Secondary Projects, Geotechnical Work Update. This section of the report provided an update of the new field work accomplished at five schools. The new geotechnical work was necessary due to the alleged inadequacy of the original geotechnical work. Since geotechnical data is a primary basis of structural design when an inadequacy is substantiated, the District finds itself in a position of incurring expenses to either correct soils conditions, add scope to compensate for newly verified conditions not accommodated in the original design, and/or relocate buildings on the site (or consider a different site altogether).

### **Recommendation (page 66)**

A quality review mechanism in advance of structural design is needed. The District should work with the bond management team to develop such mechanism(s).

### **District Status**

The District is in full compliance with the recommendation. A June 2006, report entitled, "Staff Assessment of Completed Measure M Bond Program Schools (Site User Surveys)," was prepared to assist in the development of a Final Educational Specifications and Schematic Design document to assist in the design of future school projects.

To better control future geotechnical work in light of past problems encountered, the District reports that it "has continued to refine its Geotechnical reporting and review processes."

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

### **Recommendation (page 67)**

It is recommended that the District develop a precise definition of the “local” firms to aid in the outreach to firms within the defined parameters for participation in the bond program projects.

### **District Status**

The District is in substantial compliance with the recommendation. The District responded that “members of the Bond Team have been working closely with Davillier Sloan and the Local Outreach Committee to develop specific criteria for defining local participation.”

At the August 17, 2005, Board meeting, Davillier Sloan’s contract for the Local Capacity Building Program for outreach to local contractor’s and workforce was extended, and at the June 14, 2006, Board meeting, Davillier Sloan was awarded a contract to conduct a pilot project for Helms Middle School. In the June 14, 2006, report to the Board, Davillier Sloan outlined the goals, timelines and implementation strategy of the Local Capacity Building Program, and reported on the status of local participation in the District’s bond program. The participation goals will be directed toward increasing participation in the defined local area in three priorities: 1) West Contra Costa County, 2) Contra Costa County and 3) Contra Costa, Northern Alameda and Southern Solano County.

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

### **Findings (page 68)**

While communication at the staff level has improved, as reflected by the survey responses, communication between the district and the non-staff stakeholders remains a challenge. District staff appears to be aware of the need to implement improvements in this area.

The WCCUSD web-site and BOC site continue to list out of date information, though it is linked to the bond program site that has current information clearly listed. As of November 8, 2005, the WCCUSD site contained information about the chosen plan for El Cerrito High School, but no update on the construction that has begun. Again, as of November 8, 2005, the BOC site listed as “upcoming” meeting of October 26, 2005.

### **Recommendations (page 68)**

It is recommended that the District staff keep current information listed on the WCCUSD web site regarding the bond program projects, or refrain from posting long out of date information and simply provide a link in the update section to the bond program website.

It is recommended that that Bond Oversight Committee website be updated following the committee meetings to ensure that the current information is provided to users.

It is recommended that communication from the district to the public involve more long-range planning for the updates that are being provided to the community. The district should continue to move toward a proactive communications process, with more focus on planned public relations engagements conceived by an agency specializing in public communications. Based on survey results it is recommended that the district engage in more direct communication with communities anticipating involvement in the bond program.

### **District Status**

The District has made satisfactory progress toward compliance with the recommendations.

The Bond Program Web Site is updated on a monthly basis. The District is utilizing PDF files from reports to make effective and timely updates to the web site. There is a link to the Oversight Committee website in the Bond Program website. All agendas for the Oversight Committee website are posted to the Oversight Committee website when they become available. The District and an Oversight Committee website sub-committee oversee and update the website on a monthly basis.

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The results of a survey conducted by TSS indicated that those closest to the bond program—Board members, District administration, school principals and parents in schools undergoing planning or construction—continue to report the highest level of satisfaction with the communication process. However, School Site Councils (SSC) and Parent Teacher Associations (PTA) report the lowest level of satisfaction with the District's communication process. The Citizens' Bond Oversight Committee reports a communication process effectiveness rating significantly lower than the Board, District administration and parents. There have also been reported delays in posting current information on the District's websites for the bond program and bond oversight committee, whose problems have mostly been corrected by the District.

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“District staff is working with Craig Communications, Communications Consultant, on increasing awareness of the bond program with the school community and the community at large. As part of the process to develop long range planning, District staff is developing ways to continue to inform community and staff. Below you will find some examples:

- Newsletter to be sent out twice a year to entire West County Community.
- Newsletter will also be delivered to all school sites for Principal and staff.
- Bond Program Website updated consistently for easy access of community and parents.
- Positive press concerning the bond program in numerous newspapers.
- Working with Cities to submit current information on their website.”

### **Findings (page 68)**

It appears that many members of the Independent Citizens' Bond Oversight Committee has failed to recognize the full scope of their charge which, among other things, includes the responsibility of the committee as a whole as well as the individual members of the committee to facilitate the dissemination of information about the facilities program to the community at large.

Although the CBOC has established a Public Outreach Subcommittee, there appears to be a continuing need to engage the committee and individual members in the role of information conduit as intended by Proposition 39.

### **Recommendation (page 68)**

It is recommended that training should be provided to the CBOC informing them of their role and requesting active engagement of the committee members in public awareness and information process.

### **District Status**

The District has made significant progress in complying with the recommendation. As reported by the District, “there was substantial participation of CBOC members in the communications and public relations efforts related to the successful passage of the Measure J Bond ... the outreach effort may present a model for participation of CBOC members in continuing to engage the community in the District’s Bond Program.”

### **Finding (page 68)**

A few members of the Citizens’ Bond Oversight Committee complained that the District did not always provide the bond oversight committee with information in a timely fashion.

### **Recommendation (page 68)**

It is recommended that the District ensure that it gives the oversight committee the information it needs in a timely fashion, as one of the committee’s primary responsibilities is to convey to the community the District’s progress and compliance in fulfilling the conditions outlined in the ballot language.

### **District Status**

The District is in full compliance with the recommendation. The District works with the CBOC Executive Committee to prepare monthly agendas, and provides back-up documents to CBOC members prior to each meeting, including a monthly Engineering Officer’s Report and Capital Assets Management Program Report.

### **Finding (page 69)**

As described in different sections of the report (e.g., in the sections on payment procedures and technology), the communication among the bond management team, facilities and other departments needs improvement.

### **Recommendation (page 69)**

It is recommended that the District make a concerted effort to have departments and consultants share information, as appropriate, with relevant parties.

### **District Status**

The District has made significant progress in complying with the recommendation. The District reports that it has a “weekly Design/Pre-Bid Coordination Meeting which includes District Fiscal staff,” and “weekly Fiscal Coordination Meetings which focuses on coordination between Bond Controls staff and the District’s Fiscal Controls Department and Purchasing.” There are also weekly Legal Review Meetings with senior District staff, in-house counsel and the District’s construction legal counsel.

## **OVERALL BOND PROGRAM**

### **Findings (page 70)**

There appears to be a disconnect between SGI and the District's fiscal services staff, which is causing significant reporting problems and causing delays in processing payments to some vendors.

The communications program in regard to the community at large and the parent groups need attention of the District board and the administration as outlined in a previous section of this report.

Currently, the document control system resides with SGI. Normally, that is an internal District staff function. The prevailing communication issues might be mainly due to the fact that non-District staff is performing this function. Also, the District could avoid significant costs (through overhead and markup alone) by transferring this function to the District staff.

There continue to be significant delays in processing payments to the vendors and contractors as outlined in a previous section of this report.

The District appears to be non-compliant with the requirement of Article XIII of the State constitution, amended by Proposition 39, which requires an independent financial audit, in addition to an independent performance audit, of the Proposition 39 bond funds annually.

### **Recommendations (page 70)**

The District should develop steps to institute improvements in the relationships and communication among the relevant SGI staff and the staff from the District fiscal services department.

The District should consider restructuring the system as it pertains to the document controls. Having this system transferred to internal District staff may result in substantial improvements in the process, as well as some financial savings.

The District should obtain an independent financial audit for 2003-04 and 2004-05 fiscal years of Measure D funds.

### **District Status**

The District has made significant progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, Measure D on March 5, 2002 and Measure J on November 8, 2005, the bond management program has evolved into a mature structure. The completion of the District's Realignment Process—including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants—has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with,

the audit team has improved. While there remain weaknesses and problems to be addressed and improved upon—most notably fiscal control issues between the District and SGI, payment procedures, the document control system and the communication process, as discussed throughout this document and prior performance audit reports—such weaknesses and problems are not substantial in comparison to the changes the District has made to improve the delivery of the facilities program.

Because the District identified facilities needs beyond the scopes and funding of Measure M and Measure D, with the passage of Measure J, the current management structure should serve the District well for many years to come as the District constructs and modernizes funded projects. The challenge to the District will be its ability to maintain a cost-effective, cohesive facilities management team as the District addresses future facilities needs and expends available funding for its program. The passage of Measure J, a \$400 million Proposition 39 bond on November 8, 2005, should enable the District to maintain continuity with its management team.