

## Packet Documentation

### **School Improvement Bond Committee Meeting 11/21/19**

- Agenda
- Bond Program Status; Quarterly Update
- 27<sup>th</sup> BAC Report
- 2017 Program Costs
- 2012 Program Costs
- Combined Project Costs Summary
- 2017 Bond Performance Audit
- 2017 Bond Program Performance Audit Power Point
- BAC Meeting Minutes 10/30/19
- BAC Meeting Power Point 10/30/19
- Health and Safety Funding Allocation



**November 21, 2019**  
**4:30 p.m. – 6:00 p.m.**  
**Mazama Conference Room**

Committee Members

Chair – Andrew Scott  
Scott Bailey  
Amy Kohnstamm

**AGENDA**

1. Introductions
2. Public Comment – (5) Two-minute slots (10 minutes)
3. Acknowledge Previous Meeting's Minutes

**2012/2017 Bond Topics**

4. Office of School Modernization Quarterly Board Update
5. Bond Accountability Committee Quarterly Board Update
6. Bond Performance Audit Report
7. Teen parent & health clinics
  - a. Discuss the need for teen parent centers and health clinics in high schools.
  - b. Presenter: James Loveland

**Bond Planning Topics**

8. Bond planning team updates:
  - a. **Schedule Review (focus area)** TBD
  - b. **Finance Team Update (focus area)** Cynthia Le
  - c. Facilities Team Update
  - d. Educational Team Update
  - e. Capacity Team Update
  - f. Communication / Engagement Team

**Other Topics**

9. Subcommittee charter
  - a. Discuss expectations for drafting, review and approval.
10. Adjourn



## **MEMORANDUM**

**Date:** November 18, 2019

**To:** The Board of Education's School Improvement Bond Committee

**From:** Bond Accountability Committee (BAC)

**Subject:** 27th BAC Report

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### **Background**

In November 2012, voters approved a \$482M capital improvement bond for Portland Public Schools. The PPS Board appointed a Citizen Bond Accountability Committee to monitor the planning and progress of the bond program relative to voter-approved work scope, schedule and budget objectives.

In May 2017, voters approved a \$790M capital improvement bond measure that included a requirement for citizen accountability and oversight. Following passage of the measure, the Board expanded the BAC's Charter to include the 2017 program.

In October 2019, the Board expanded the BAC's monitoring responsibilities to include the District's future bond planning efforts. Beginning in November 2019, the BAC's reports will be presented to the Board's School Improvement Bond Committee.

The current members of the BAC are:

Tenzin Kalsang Gonta  
Tom Peterson  
Kevin Spellman, Chair  
Dick Steinbrugge  
Cheryl Twete  
Karen Weyland

### **Recent Activities**

The BAC's regular quarterly meeting was held on October 30 in the Library at the modernized Grant High School. We were pleased to welcome

Directors Bailey and Scott for all or part of the meeting. As is the case with all regular BAC meetings, it was publicly noticed and open to the public. Staff presentation materials and meeting minutes, along with BAC reports, are regularly posted on the District website.

Office of School Modernization (“OSM”) staff continues to be very helpful and supportive of BAC’s oversight, and demonstrates a consistent commitment to transparency and clarity in its dealings with the Committee and its members.

Public comment was offered by a representative of a subcontracting company which had worked on the modernization of Grant. The same gentleman had provided very critical testimony some time ago concerning his minority-owned company’s experience while working on the Franklin High School modernization. In contrast, this time he offered effusive praise of the Grant general contractor and the whole team on the project. He said that his company had been welcomed on the job as a teammate, and that the relationship had been the best he had experienced in over 20 years in the business. His company has now started work at Madison High School, and he is looking forward to a similar positive involvement there.

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

- Construction work at Kellogg Middle School.
- Construction work at Madison High School.
- Punchlist work and closeout at Grant High School.
- Closeout at Roosevelt High School.
- Closeout at Franklin High School.
- Multiple Health and Safety projects.
- Planning and design work for Lincoln, and Benson High Schools.

## **2012 Bond Program**

The last major project from the 2012 bond was completed this quarter with the on-time opening of Grant High School. There are some ongoing construction issues at the school (paging/bell system, HVAC controls programming) being addressed, and the final cost audit must be completed, but staff is planning on a much timelier close out than on the other high schools.

As we have noted previously, the final cost at Grant is substantially over the original budget and even over the amount forecast two years ago when construction commenced. We are pleased to see that an analysis of these increases on the Grant project is included in the performance auditors’ work plan for 2020.

There are some continuing concerns at both Franklin and Roosevelt. Staff is monitoring some unexplained concrete settling at Franklin and has reserved some funds for any necessary repairs, and replacement of windows in the historic building at Roosevelt has also been budgeted.

Oregon law provides that evaluations of projects that were exempted from competitive bidding are prepared shortly after completion. Evaluations on Franklin, Grant, and Roosevelt are expected shortly.

Staff now projects savings of \$4,472,000 after completion of all current scope from the 2012 bond and the Board committee has been considering options for appropriate use of these funds. (These savings do not include expected interest earnings of approximately \$2 million.)

It must be considered a resounding success when a seven-year bond program involving four major projects plus work at over fifty other schools is completed within budget and all major timelines that were set forth back in 2012 have been achieved. Additional funds (bond premiums, state grants, etc.) did become available, for sure, and they allowed considerably more space at each of the high schools than had been promised in the bond. District staff (current and former), plus numerous contractors and designers should be recognized for this achievement, along with the support they have received from this and previous Boards.

## **2017 Bond Program**

The budget situation for the 2017 Bond program remains dire. During the last quarter, the funds available for Benson High School have been increased by \$11.4 million from CET funds that the Board had previously authorized. The 2017 bond program now reports unfunded costs of \$257 million.

Construction is well underway on Kellogg Middle School. Completion is scheduled for April 2021 with school opening set for 2021/22. Cost projections show completion within the current revised budget.

The guaranteed maximum price for Madison High School has been agreed with the contractor and approved by the Board, and major demolition and abatement work is almost complete. The current project budget includes a reduced project contingency, so we are looking forward to seeing a fresh analysis after the risks associated with these early phases of work have passed.

Staff advised that several value engineering options, particularly within the electrical scope, are being considered in a further effort to reduce budget risk.

The late issuance of the structural permit for Madison from the City caused an 11-day delay to the project. The contractor is making progress towards recovery of this time.

There is good budget news on the new Lincoln High School, with the 50% construction document phase cost estimate having met budget. We remain encouraged that some innovative approaches seem to be having positive effects on the project. A groundbreaking ceremony is set for December 14, with site work under an Early Work Amendment beginning in January, a 5-month early start to the original construction schedule. Opening of the new school is planned for the 2022/23 year.

Design of Benson High School is in the design development phase after a considerable budget reconciliation and value engineering effort at the end of schematic design. (The Multiple Pathways to Graduation (“MPG”) building is in pre-design.) We received a briefing from the project team on schedule, the extended VE process, and extensive site investigations. The total project budget (including MPG) remains at \$358 million which is \$156 million over the original budget.

Construction work on the two swing sites (Marshall and Kenton) will take place during the summers of 2020 and 2021, with work beginning on both Benson and MPG in summer 2021. Both will open in Fall 2024.

Of the \$158 million dedicated to Health and Safety work, almost \$55 million had been spent by October as follows:

Accessibility	\$7,703,374
Asbestos Remediation	\$3,299,112
Fire Sprinkler/Alarms	\$7,166,239
Lead Paint Stabilization	\$ 861,306
Radon Mitigation	\$ 149,812
Roof Improvements	\$29,211,113
Security Improvements	\$ 642,966
Water	\$2,015,689
Management Costs	\$3,787,505

A considerable amount of work in each of these categories was undertaken during last summer and into the school year. Designs for summer 2020 projects are underway as well as for fire alarm upgrades at 18 schools.

The 2020 performance audit will include a report on the District's management and delivery of the Health and Safety program components in terms of budget and schedule efficiency and quality.

## **Other Issues**

*Equity.* Results are still being tracked at the project level but, overall, the two bond programs are now combined. Certified business participation is steady at a cumulative 17.65%, tracked on a payment basis. The District's aspirational goal remains at 18%.

Apprentice trade hours are at 24%, still well ahead of the 20% goal.

Goals for student engagement have been met for 2019, and we look forward to seeing tabulations of summer internships and other activities.

*Safety.* There were 12 recordable accidents during the two years of construction activity at Grant, and none of them were serious. 689,000 hours were worked on the project. No accidents have occurred to date on the Kellogg and Madison (71,000 hours to date) sites.

*Audits.* We were briefed in early October on Phase II of the 2019 performance audit and agree with the audit recommendations. OSM staff have taken no exception and have established an audit implementation team. We also provided some input to the auditors into the work plan for the 2020 audit.

*Revised Charter.* As you know, the Board recently expanded the BAC's monitoring responsibilities to include the District's future bond planning efforts. As required by the revised Charter, our focus will be on cost estimating processes related to proposed work, and bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc. Our initial briefing from staff occurred on November 13.

*Taxes.* Staff reported on the likely effect of the newly enacted Student Success Act and has projected a cost to the 2017 bond program of \$4.4 million. We now understand that the Portland Clean Energy Fund will not apply to public projects.

## **Summary**

The 2012 bond program has met its final schedule goal and has stayed within the program budget. Major budget challenges remain for the 2017

bond program. We remain impressed by the quality and professionalism of OSM staff, design teams and contractors as they take on multiple issues and are pleased to see continued willingness to explore new approaches. We thank the Board for this opportunity to serve and play a small part in your bond programs.

Combined Project Cost Summary Report for Capital Improvement Bond Program

Report Run Date: 10.01.2019

Project Name	Original Budget	Approved Budget Changes	Current Budget	Current Commitments	Estimate At Completion	Variance	Actuals Approved
<b>2012 Bond</b>							
Franklin HS Modernization	81,585,655	31,899,040 <sup>1</sup>	113,484,695	113,391,196	113,484,695	-	112,333,439
Multiple Sites - Teen Parent-Playgrounds - 4833 - FY19	-	170,000 <sup>2</sup>	170,000	160,130	170,000	-	250
Grant HS Modernization	88,336,829	70,457,431 <sup>3</sup>	158,794,260	158,103,368	158,794,260	-	150,551,500
Grant - GHS Grant Bowl Improvements - 4919 - FY19	-	250,000 <sup>4</sup>	250,000	132,970	250,000	-	-
Roosevelt HS Modernization	68,418,695	33,467,919 <sup>5</sup>	101,886,614	100,254,680	101,886,614	-	98,548,548
Roosevelt - Modulars-relocated and store - 4435 - FY17	-	186,749 <sup>6</sup>	186,749	186,749	186,749	-	186,749
Faubion Add-Ons - 4918 - DA004 - FY19	-	125,000 <sup>7</sup>	125,000	118,271	125,000	-	105,023
Faubion Replacement	27,035,537	22,875,014 <sup>8</sup>	49,910,551	49,703,543	49,910,551	-	49,697,026
Improvement Project 2013	9,467,471	2,495,668 <sup>9</sup>	11,963,139	11,963,139	11,963,139	-	11,963,139
Improvement Project 2014	13,620,121	4,191,667 <sup>10</sup>	17,811,788	17,811,788	17,811,788	-	17,811,788
Improvement Project 2015	13,521,066	102,076 <sup>11</sup>	13,623,142	13,497,438	13,497,438	(125,704)	13,497,438
Improvement Project 2015 - Maplewood	-	1,518,698 <sup>12</sup>	1,518,698	1,518,698	1,518,698	-	1,518,698
Improvement Project 2015 - SCI	-	2,057,687 <sup>13</sup>	2,057,687	2,057,686	2,057,686	(1)	2,057,686
Improvement Project 2016	15,274,437	1,386,346 <sup>14</sup>	16,660,783	16,468,882	16,468,977	(191,806)	16,405,180
GROUP 3 (IP 2017)	6,796,707	15,356,629 <sup>15</sup>	22,153,336	21,984,946	22,153,336	-	21,448,143
Improvement Project 2018	9,062,119	(9,062,119) <sup>16</sup>	-	-	-	-	-
Improvement Project 2019	-	- <sup>17</sup>	-	-	-	-	-
Master Planning - Benson HS	191,667	206,975 <sup>18</sup>	398,642	398,642	398,642	-	398,642
Master Planning - Cleveland HS	191,667	(191,667) <sup>19</sup>	-	-	-	-	-
Master Planning - Jefferson HS	191,667	(191,667) <sup>20</sup>	-	-	-	-	-
Master Planning - Lincoln HS	191,667	165,427 <sup>21</sup>	357,094	357,094	357,094	-	357,094
Master Planning - Madison HS	191,667	132,413 <sup>22</sup>	324,080	324,070	324,070	(9)	324,070
Master Planning - Wilson HS	191,667	(191,667) <sup>23</sup>	-	-	-	-	-
Marshall Swing Site - Bond 2012	-	4,070,103 <sup>24</sup>	4,070,103	4,070,103	4,070,103	-	4,070,103
Tubman Swing Site - Bond 2012	-	1,164,776 <sup>25</sup>	1,164,776	1,164,776	1,164,776	-	1,164,776
Swing Sites & Transportation	9,550,000	(9,550,000) <sup>26</sup>	-	-	-	-	-
Educational Specification	-	275,168 <sup>27</sup>	275,168	275,168	275,168	-	275,168
Debt Repayment	45,000,000	-	45,000,000	45,000,000	45,000,000	-	45,000,000
2012 Bond Program	93,181,361	(56,391,185) <sup>28</sup>	36,790,175	31,343,273	32,635,332	(4,154,844)	25,670,799
	<b>482,000,000</b>	<b>116,976,480</b>	<b>598,976,480</b>	<b>590,286,611</b>	<b>594,504,116</b>	<b>(4,472,364)</b>	<b>573,385,259</b>
Additional Funding Resource (If/When Needed)	-	10,000,000 <sup>*</sup>	10,000,000	-	-	(10,000,000)	-
	<b>482,000,000</b>	<b>126,976,480</b>	<b>608,976,480</b>	<b>590,286,611</b>	<b>594,504,116</b>	<b>(14,472,364)</b>	<b>573,385,259</b>

\* In February 2017 OSM was directed to proceed with design and construction of Grant HS under the direction an additional \$10M would be made available to OSM if/when needed.

2017 Bond							
Benson HS Modernization	202,000,000	(123,297,500)	<sup>29</sup> 78,702,500	27,690,402	357,728,000	279,025,500	3,794,640
Kellogg Replacement	45,000,000	14,800,000	<sup>30</sup> 59,800,000	52,098,406	59,800,000	-	9,431,948
Lincoln HS Replacement	187,000,000	55,500,000	<sup>31</sup> 242,500,000	17,364,206	242,500,000	-	9,614,549
Madison HS Modernization	146,000,000	55,502,500	<sup>32</sup> 201,502,500	183,826,715	201,502,500	-	23,963,270
	<b>580,000,000</b>	<b>2,505,000</b>	<b>582,505,000</b>	<b>280,979,730</b>	<b>861,530,500</b>	<b>279,025,500</b>	<b>46,804,406</b>
Benson HS Modernization: Pre-Design - Pre-Bond	-	561,725	<sup>33</sup> 561,725	561,725	561,725	-	561,725
Kellogg Replacement: Pre-Design - Pre-Bond	-	385,873	<sup>34</sup> 385,873	385,873	385,873	-	385,873
Lincoln HS Modernization: Pre-Design - Pre-Bond	-	378,557	<sup>35</sup> 378,557	378,557	378,557	-	378,557
Madison HS Modernization: Pre-Design - Pre-Bond	-	274,297	<sup>36</sup> 274,297	274,297	274,297	-	274,297
Cleveland HS Modernization-Pre-Design - Pre-Bond - 4964 - FY19	-	128,500	<sup>37</sup> 128,500	128,400	128,500	-	-
Jefferson HS Modernization-Pre-Design - Pre-Bond - 4965 - FY19	-	128,500	<sup>38</sup> 128,500	128,000	128,500	-	-
Wilson HS Modernization-Pre Design - Pre-Bond - 4966 - FY19	-	128,500	<sup>39</sup> 128,500	128,400	128,500	-	-
2017 Bond Program: Pre-Design - Pre-Bond	-	81,323	<sup>40</sup> 81,323	81,323	81,323	-	81,323
2017 Bond Program	210,000,000	(87,665,373)	<sup>41</sup> 122,334,627	31,130,496	100,089,589	(22,245,038)	12,518,924
	<b>210,000,000</b>	<b>(85,598,098)</b>	<b>124,401,902</b>	<b>33,197,071</b>	<b>102,156,864</b>	<b>(22,245,038)</b>	<b>14,200,699</b>
Chapman - Re-Roof and Fire Sprinkler System Installation	-	2,842,000	<sup>42</sup> 2,842,000	574,266	2,842,000	-	365,013
GROUP 2 - Fire Alarm / Sprinkler	-	8,533,136	<sup>43</sup> 8,533,136	4,125,881	8,533,136	-	1,908,939
GROUP 4 - ASBESTOS	-	3,033,661	<sup>44</sup> 3,033,661	1,486,081	3,033,661	-	1,401,120
Harrison Park - Copy Room-Abate Asbestos Tile - 4664 - FY18	-	10,185	<sup>45</sup> 10,185	10,185	10,185	-	10,185
Harrison Park - K Classrooms-Abate Asbestos from floor tiles	-	24,009	<sup>46</sup> 24,009	24,009	24,009	-	24,009
Hayhurst - SRGP-Bond - 5028 - FY19	-	4,423,500	<sup>47</sup> 4,423,500	3,766,662	4,423,500	-	1,751,250
Hosford - Wood Shop Floor-Asbestos - 4573 - FY18	-	41,523	<sup>48</sup> 41,523	41,523	41,523	-	41,523
Jackson - Health & Safety Improvements-Bond - 5030 - FY19	-	6,521,000	<sup>49</sup> 6,521,000	5,907,602	6,521,000	-	2,856,293
Jefferson - Camera-Pull Stations - 4528 - FY17	-	30,859	<sup>50</sup> 30,859	30,859	30,859	-	30,859
Jefferson - Fire Sprinkler Upgrades-Bond - 5053 - FY19	-	1,147,966	<sup>51</sup> 1,147,966	1,118,416	1,147,966	-	976,361
Lee - Roof Repair - 4497 - FY18	-	97,000	<sup>52</sup> 97,000	97,000	97,000	-	97,000
Lent - Radon Mitigation - 4344 - FY17	-	59,512	<sup>53</sup> 59,512	59,512	59,512	-	59,512
Multi-2018-4675-Bond-Security-PKG1 FY18-19	-	3,062,749	<sup>54</sup> 3,062,749	1,805,678	3,062,749	-	247,356
Multi-2018-5025-Bond-Security-PKG2-FY19	-	2,962,599	<sup>55</sup> 2,962,599	1,841,526	2,962,599	-	97,696
Multi-2018-5026-Bond-Security-PKG3-FY19	-	2,962,600	<sup>56</sup> 2,962,600	26,152	2,962,600	-	1,862
Multiple Site - Lead Paint Remediation	-	-	-	-	-	-	-
Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	-	32,540,735	<sup>57</sup> 32,540,735	32,003,657	32,540,735	-	31,798,847
Multiple Sites - Asbestos Bond Projects-2018-19 - 4923 - FY19	-	1,400,000	<sup>58</sup> 1,400,000	1,380,619	1,400,000	-	1,074,116
Multiple Sites - Asbestos Bond Projects-2019-20 - 4924 - FY20	-	-	-	-	-	-	-
Multiple Sites - Asbestos Bond Projects-2020-21 - 4925 - FY21	-	-	-	-	-	-	-
Multiple Sites - Day CPM Management Services - 4610 - FY18	-	1,977,243	<sup>59</sup> 1,977,243	1,975,804	1,977,243	-	1,404,237
Multiple Sites - Fire Alarm Equipment Purchase - FY15/16/17/18 - X0114	-	507,151	<sup>60</sup> 507,151	383,606	507,151	-	383,606
Multiple Sites - Floor Replacement-Bond Compensible - 4565 - FY18	-	124,841	<sup>61</sup> 124,841	124,841	124,841	-	124,841
Multiple Sites - Health & Safety Group 1 Design - 5153 - FY20	-	919,568	<sup>62</sup> 919,568	780,971	919,568	-	-
Multiple Sites - Health & Safety Group 2 Design - 5154 - FY20	-	1,137,400	<sup>63</sup> 1,137,400	969,000	1,137,400	-	-
Multiple Sites - Lead in Water Repairs - 4517 - FY17	-	7,129,460	<sup>64</sup> 7,129,460	2,471,633	7,129,460	-	1,980,069
Multiple Sites - Lead Paint Abatement - BOND	-	10,050,000	<sup>65</sup> 10,050,000	44,303	10,050,000	-	27,268
Multiple Sites - Lead Paint Abatement - Emergency Declaration	-	1,273,500	<sup>66</sup> 1,273,500	1,273,500	1,273,500	-	1,273,500
Multiple Sites - Lead Paint Abatement - Fund 423 - 4493 -FY17	-	577,003	<sup>67</sup> 577,003	577,003	577,003	-	577,003
Multiple Sites - Radon Mitigation - 4609 - FY18	-	113,354	<sup>68</sup> 113,354	113,354	113,354	-	113,354
Rigler - Health & Safety Improvements-Bond - 5029 - FY19	-	8,158,000	<sup>69</sup> 8,158,000	7,498,310	8,158,000	-	4,924,751
Sitton - Health & Safety Improvements-Bond - 5027 - FY19	-	7,433,000	<sup>70</sup> 7,433,000	6,788,924	7,433,000	-	6,306,957
Tubman - Roof Repairs- 4584 - OSM - FY18	-	11,740	<sup>71</sup> 11,740	9,980	11,740	-	9,980
Woodstock - Hallway-Abate and replace floor tiles - 4738 - FY18	-	8,614	<sup>72</sup> 8,614	8,614	8,614	-	8,614
	-	<b>109,113,908</b>	<b>109,113,908</b>	<b>77,319,471</b>	<b>109,113,908</b>	-	<b>59,876,122</b>
	<b>790,000,000</b>	<b>26,020,810</b>	<b>816,020,810</b>	<b>391,496,272</b>	<b>1,072,801,272</b>	<b>256,780,462</b>	<b>120,881,227</b>
	<b>1,272,000,000</b>	<b>142,997,291</b>	<b>1,414,997,290</b>	<b>981,782,883</b>	<b>1,667,305,388</b>	<b>252,308,098</b>	<b>694,266,485</b>

\*\*\* Totals exclude additional \$10M for 2012 bond (footnoted above)



changes from last meeting noted in green

Budget Change Footnotes	To / From	Amt	
1 Turf and 8th lane at Stadium Field	Cont CSM/COO	1,300,000	
Escalation (applied to current budget)	Cont Esc	5,858,911	
Traffic Engineering Services	Program Budget	(30,000)	
Transfer Admin budget from Projects to Program	Program Budget	(2,958,859)	
Increase Target Capacity to 1700	BOE Reserve	5,045,084	
Escalation (applied to BOE transfer)	Cont Esc	362,367	
Schematic Design Approval	Cont Esc	8,297,804	
Additional Criteria Financing	Cont CSM/COO	4,984,796	
ETO Energy Modeling Assistance	new source	17,000	
ETO Design Assistance	new source	2,500	
Div 01 Document Development	Program Budget	3,375	
SRPG	new source	1,337,218	
Great Fields Funds	new source	65,517	
e-Rate	Cont CSM/COO	698,400	
FAM Capital Funds	Fund 438	1,091	
Alumni Association	new source	90,000	
Oregon Sport Authority	new source	75,000	
FHS Boosters (stadium seating)	new source	18,000	
Transfer from program reserve	BOE Reserve	6,000,000	
FAM Contribution for Scoreboard Upgrade	new source	23,091	
ETO Incentive	new source	25,000	
FAM Student Dishwasher Contribution	new source	3,936	
ETO Incentive	new source	6,480	
ETO Incentive	new source	39,934	
ETO Estimate Correction	removed	(17,000)	
Alumni Association refund	removed	(529)	
South Grandstand Funds	Cont CSM/COO	315,315	
Alumni Association	new source	561	
ETO Incentive	new source	172,038	
ETO Incentive	new source	30,937	
RISK Contribution	new source	31,072	
TEMPORARY BUDGET CHANGE TO FACILITATE CLOSE OUT. CORRECTION PENDING	Cont CSM/COO	100,000	
		<b>31,899,039</b>	Franklin HS Modernization
2 Fund FHS Teen Parent Playground. Temp from COO Cont, to be FHS Mod.	Cont OSM/COO	170,000	
		<b>170,000</b>	Teen Parent Playground (FHS)
3 Traffic Engineering Services	Program Budget	(30,000)	
Transfer Admin budget from Projects to Program	Program Budget	(3,197,104)	
Increase Target Capacity to 1700	BOE Reserve	(6,001,949)	
Escalation	Cont Esc	10,143,276	
Schematic Design Approval	Cont Esc	4,273,858	
Escalation	Cont CSM/COO	12,705,525	
Additional Criteria Financing	Cont CSM/COO	4,984,796	
e-Rate	Cont CSM/COO	676,350	
Schematic Design Approval	Cont CSM/COO	5,000,000	
ETO Design Assistance	new source	2,500	
ETO Incentive	new source	1,700	
SRGP	new source	3,000,000	
Additional Budget to Complete	Program Budget	26,890,507	
ETO Incentive	new source	517	
Additional Budget to Complete	BOE Reserve	4,000,000	
Transfer PBOT Costs into GHS	Cont CSM/COO	900,705	
Additional Budget to Complete	Program Budget	3,300,000	
Move Contingency-COO to Grant DA001	Cont CSM/COO	3,806,750	
		<b>70,457,431</b>	Grant HS Modernization
4 Transfer Budget for GHS "Bowl" Planning	Cont CSM/COO	250,000	

		<u><b>250,000</b></u>	Grant Bowl Master Planning
5	Escalation (applied to current budget)	Cont Esc 4,625,345	
	Traffic Engineering Services	Program Budget (30,000)	
	Transfer Admin budget from Projects to Program	Program Budget (2,469,033)	
	Increase Target Capacity to 1700	BOE Reserve 10,956,865	
	Escalation (applied to BOE transfer)	Cont Esc 740,882	
	Schematic Design Approval	Cont Esc 7,954,266	
	Additional Criteria Financing	Cont CSM/COO 2,000,261	
	Swing Site	Swing & Trans 2,594,000	
	e-Rate	Cont CSM/COO 426,150	
	Additional Swing Budget	Cont CSM/COO 1,400,000	
	ETO Design Assistance	new source 25,000	
	Transfer "first" portion of Maker Space Budget	Bond Premium 2,196,359	
	QZAB Funding	new source 4,000,000	
	ETO Design Assistance	new source 96,477	
	ETO Incentive	new source 327,349	
	Transfer final portion of Maker Space Budget	Bond Premium 2,803,641	
	ETO Incentive	new source 20,013	
	Mobile Medical Clinic Sale Proceeds	new source 625,000	
	Transfer Unused Maker Space Budget back to Program	Cont CSM/COO (4,824,656)	
		<u><b>33,467,919</b></u>	Roosevelt HS Modernization
6	Modular Relocation Cost	Cont CSM/COO 186,749	
		<u><b>186,749</b></u>	RHS Modulares
7	Transfer Budget to Faubion Add-Ons	Cont CSM/COO 100,000	
	Budget increase for Faubion Construction	Cont CSM/COO 25,000	
		<u><b>125,000</b></u>	Faubion Add-Ons
8	Traffic Engineering Services	Program Budget (30,000)	
	Transfer Admin budget from Projects to Program	Program Budget (979,657)	
	Swing Site Funding (portable classrooms)	Swing & Trans 620,000	
	Concordia University (design contract)	new source 114,738	
	Escalation	Cont Esc 2,418,588	
	Swing Site Evaluation	Swing & Trans 36,000	
	Concordia University contribution	new source 15,510,000	
	Concordia University reconciliation	out of program (114,738)	
	e-Rate	Cont CSM/COO 229,950	
	Schematic Design Budget	Cont CSM/COO 4,000,000	
	Concordia University contribution	new source 29,710	
	Correction to CU contribution	removed source (29,710)	
	Transfer moving budget	Cont CSM/COO 371,521	
	Additional Moving Costs from Tubman	Cont CSM/COO 28,928	
	Additional Budget to Complete	Fund 424 450,000	
	ETO Incentive	new source 85,834	
	ETO Incentive	new source 26,296	
	Allocate taxable interest	new source 82,554	
	TEMPORARY BUDGET CHANGE TO FACILITATE CLOSE OUT. CORRECTION ENTRY PENI	Cont CSM/COO 50,000	
	Move Budget to Faubion Add-Ons	(25,000)	
		<u><b>22,875,014</b></u>	Faubion Replacement
9	State Rehabilitation Grant Program (SRGP)	Fund 438 1,500,000	
	SRGP PPS contribution	Fund 405 85,068	
	Budget adjustment (Contingency - COO)	Cont CSM/COO 2,223,190	
	FAM Capital Funds	Fund 438 4,010	
	FAM Capital Funds	Fund 438 448	
	Add Fund 405 Funds	Fund 405 546,441	
	Offset Fund 405 Funds via "roof" fund source	Cont CSM/COO (546,441)	
	Increase scope (Ockley Green SL)	Cont CSM/COO 115,278	
	Energy Conservation (SB1149)	Fund 435 21,000	
	Solar roof study	Cont CSM/COO 32,350	

	Transfer Admin budget from Projects to Program	Program Budget	(385,977)	
	Fund 405 reconciliation	Cont CSM/COO	62,560	
	Fund 405 reconciliation	out of program	(62,560)	
	Transfer budget savings	Cont CSM/COO	(1,000,000)	
	Transfer budget savings	Cont CSM/COO	(93,537)	
	Transfer budget savings	Cont CSM/COO	(6,161)	
			<b>2,495,669</b>	IP 2013
10	Reallocation of IP scope of work	Cont CSM/COO	(13,558,581)	
	Reallocation of IP scope of work	Cont CSM/COO	14,938,982	
	Solar roof study	Cont CSM/COO	67,135	
	Escalation allocation	Cont Escalation	493,462	
	Transfer Admin budget from Projects to Program	Program Budget	(604,195)	
	Add SB1149 funds	new resources	780,810	
	Add Beach elevator scope	Cont CSM/COO	411,036	
	Escalation	Cont Esc	58,029	
	Construction bids	Cont CSM/COO	3,000,000	
	Transfer budget savings	Cont CSM/COO	(1,100,000)	
	Project Close Out	Cont CSM/COO	(295,011)	
			<b>4,191,667</b>	IP 2014
11	Reallocation of IP scope of work	Cont CSM/COO	(13,521,066)	
	Reallocation of IP scope of work	Cont CSM/COO	13,887,403	
	Transfer Admin budget from Projects to Program	Program Budget	(559,361)	
	Remove Beach elevator scope	Cont CSM/COO	(411,036)	
	Reallocation of IP scope of work	Cont CSM/COO	(12,917,006)	
	Reallocation of IP scope of work	Cont CSM/COO	11,803,551	
	Escalation	Cont Esc	733,908	
	Add SB1149 funds	new resources	804,205	
	FAM - skylights	new resources	60,000	
	Verizon design support	new resources	7,478	
	Fall Protection Design	new resources	39,000	
	Transfer budget to cover unforeseen costs	Cont CSM/COO	175,000	
			<b>102,076</b>	IP 2015
12	Initial project set up	Cont CSM/COO	1,122,050	
	Escalation	Cont Esc	122,477	
	Construction bid delta	Cont CSM/COO	400,000	
	Project Close Out	Cont CSM/COO	(125,829)	
			<b>1,518,698</b>	IP 2015 Maplewood
13	Reallocation of IP scope of work	Cont CSM/COO	2,048,500	
	Reallocation of IP scope of work	Cont CSM/COO	382,134	
	Escalation	Cont Esc	151,129	
	Remove Holladay Annex scope	Cont CSM/COO	(39,610)	
	Project Close Out	Cont CSM/COO	(484,467)	
			<b>2,057,686</b>	IP 2015 SCI
14	Reduced scope (Ockley Green SL)	Science Labs	(115,278)	
	Reallocation of IP scope of work	Cont CSM/COO	(15,159,159)	
	Reallocation of IP scope of work	Cont CSM/COO	7,483,385	
	Transfer Admin budget from Projects to Program	Program Budget	(301,418)	
	Reallocation of IP scope of work	Cont CSM/COO	(7,181,967)	
	Reallocation of IP scope of work	Cont CSM/COO	12,319,254	
	Reallocation of IP scope of work	Cont CSM/COO	(12,319,254)	
	Reallocation of IP scope of work	Cont CSM/COO	11,439,840	
	Escalation	Cont CSM/COO	1,950,943	
	Grout window restoration	Cont CSM/COO	175,000	
	Construction bid delta	Cont CSM/COO	2,500,000	
	Transfer funds to cover anticipated expenses	Cont CSM/COO	175,000	
	Transfer funds to cover anticipated expenses	Cont CSM/COO	150,000	
	Transfer funds to cover anticipated expenses	Cont CSM/COO	270,000	

			<b>1,386,346</b>	IP 2016
15	Reallocation of IP scope of work	Cont CSM/COO	(6,796,708)	
	Reallocation of IP scope of work	Cont CSM/COO	13,782,466	
	Transfer Admin budget from Projects to Program	Program Budget	(555,134)	
	Reallocation of IP scope of work	Cont CSM/COO	(13,227,332)	
	Reallocation of IP scope of work	Cont CSM/COO	10,192,356	
	Removed Maplewood Roof Scope	Cont CSM/COO	(1,122,050)	
	Reallocation of IP scope of work	Cont CSM/COO	(9,070,306)	
	Reallocation of IP scope of work	Cont CSM/COO	10,225,934	
	Add SRGP Funds - Lewis	new source	333,621	
	Transfer fall protection budget	Cont CSM/COO	1,000,000	
	Remove Benson scope of work	Cont CSM/COO	(1,326,691)	
	Remove (original) SRGP Funds - Lewis	remove	(333,621)	
	Add (new) SRGP Funds - Lewis	new source	1,500,000	
	Remove scope of "postponed" work	Cont CSM/COO	(8,243,934)	
	Transfer 2017 Bond H&S Scope of work	H&S	38,212,384	
	Add Budget to Cover Lewis Seismic Work	Cont CSM/COO	100,000	
	Transfer to Winterhaven	H&S	(11,068,781)	
	Transfer from Program To Project	Cont CSM/COO	80,000	
	Transfer from Asbestos	H&S	449,194	
	Program Add to Roofing	Cont CSM/COO	30,000	
	Transfer Roof to Rigler & Jackson	H&S	(9,199,104)	
	Request for DS100 Funds	H&S	359,334	
	Request for DS100 Funds	Cont CSM/COO	35,000	
			<b>15,356,628</b>	GROUP 3
16	Reallocation of IP scope of work	Cont CSM/COO	(9,062,120)	
	Reallocation of IP scope of work	Cont CSM/COO	8,005,396	
	Transfer Admin budget from Projects to Program	Program Budget	(322,444)	
	Reallocation of IP scope of work	Cont CSM/COO	(7,682,952)	
	Reallocation of IP scope of work	Cont CSM/COO	2,314,069	
	Reduce scope of work	Cont CSM/COO	(1,785,187)	
	Reallocation of IP scope of work	Cont CSM/COO	(528,882)	
	Reallocation of IP scope of work	Cont CSM/COO	642,311	
	Add Benson scope of work	Cont CSM/COO	1,326,691	
	Remove all Funding	Cont CSM/COO	(1,969,002)	
			<b>(9,062,120)</b>	IP 2018
17	Reallocation of IP scope of work	Cont CSM/COO	1,949,393	
	Reduce scope of work	Cont CSM/COO	(1,285,755)	
	Reallocation of IP scope of work	Cont CSM/COO	(663,638)	
	Reallocation of IP scope of work	Cont CSM/COO	273,995	
	Remove all Funding	Cont CSM/COO	(273,995)	
			-	IP 2019
18	Traffic Engineering Services	Program Budget	(30,000)	
	Consolidate master planning	Cont CSM/COO	161,667	
	Master Planning budget increase	Cont CSM/COO	176,666	
	Project Closeout	Cont CSM/COO	(101,358)	
			<b>206,975</b>	MP Benson
19	Traffic Engineering Services	Program Budget	(30,000)	
	Consolidate master planning	Cont CSM/COO	(161,667)	
			<b>(191,667)</b>	MP Cleveland
20	Traffic Engineering Services	Program Budget	(30,000)	
	Consolidate master planning	Cont CSM/COO	(161,667)	
			<b>(191,667)</b>	MP Jefferson
21	Traffic Engineering Services	Program Budget	(30,000)	

	Consolidate master planning	Cont CSM/COO	161,667	
	Master Planning budget increase	Cont CSM/COO	76,666	
	Project Closeout	Cont CSM/COO	(42,906)	
			<b>165,427</b>	MP Lincoln
22	Traffic Engineering Services	Program Budget	(30,000)	
	Consolidate master planning	Cont CSM/COO	161,667	
	Master Planning budget increase	Cont CSM/COO	76,666	
	Move unused funding to COO Contingency	Cont CSM/COO	(75,920)	
			<b>132,413</b>	MP Madison
23	Traffic Engineering Services	Program Budget	(30,000)	
	Consolidate master planning	Cont CSM/COO	(161,667)	
			<b>(191,667)</b>	MP Wilson
24	Allocate budget to project (Marshall)	Swing & Trans	4,000,000	
	Reduce budget to remove field improvements	Swing & Trans	(1,500,000)	
	Allocate budget to project (Marshall)	Swing & Trans	1,500,000	
	ETO funds	new resource	9,080	
	Allocate budget to cover current costs	Cont CSM/COO	350,000	
	Allocate budget to cover current costs	Cont CSM/COO	250,000	
	Project Closeout	Cont CSM/COO	(529,885)	
	Project Closeout	Cont CSM/COO	(9,092)	
			<b>4,070,103</b>	Marshall Swing
25	Initial project set up	Swing & Trans	2,300,000	
	Fire Sprinklers	new resource	35,000	
	Transfer moving budget	Cont CSM/COO	(371,521)	
	Project Closeout	Cont CSM/COO	(798,703)	
			<b>1,164,776</b>	Tubman Swing
26	Allocate budget to project (Marshall)	Marshall	(4,000,000)	
	Reduce budget to remove field improvements	Marshall	1,500,000	
	Swing Site Funding (portable classrooms)	Faubion	(620,000)	
	Allocate budget to project (Marshall)	Marshall	(1,500,000)	
	Swing Site Evaluation	Faubion	(36,000)	
	Allocate budget to project (Tubman)	Tubman	(2,300,000)	
	Allocate budget to project (RHS)	Roosevelt	(2,594,000)	
			<b>(9,550,000)</b>	Swing Sites
27	Educational Specification	Fund 405	300,000	
	Project Close Out	Cont CSM/COO	(24,832)	
			<b>275,168</b>	Ed Spec
28	see 2012 Bond Program Budget Detail on next page		<b>(56,391,185)</b>	2012 Bond
29	Transfer Funds for Middle School Conversion (Resolution 5632)	Middle School Convers	(3,793,310)	
	Transfer Funds per Master Plan Approval (LHS & MHS)	Cont CSM/COO	(116,086,619)	
	Transfer Funds to Support Kellogg	Cont CSM/COO	(14,797,500)	
	CET funds per BOE Resolution 5737	new source	11,379,929	
			<b>(123,297,500)</b>	Benson Mod
30	ETO Incentive	new source	2,500	
	Transfer Additional Budget	Cont CSM/COO	14,797,500	
			<b>14,800,000</b>	Kellogg MS Replace
31	Transfer Funds for Middle School Conversion (Resolution 5632)	Middle School Convers	(3,793,310)	
	Transfer Funds per Master Plan Approval	Cont CSM/COO	59,293,310	
			<b>55,500,000</b>	Lincoln HS Replace

32	Transfer Funds for Middle School Conversion (Resolution 5632) Transfer Funds per Master Plan Approval Madison ETO Madison SRGP	Middle School Convers Cont CSM/COO new source new source	(3,793,310) 56,793,309 2,500 <u>2,500,000</u>	<b>55,502,499</b>	Madison HS Mod
33	Initial Budget Project Closeout	General Fund (Fund 42) General Fund (Fund 42)	800,000 <u>(238,275)</u>	<b>561,725</b>	Benson Pre-Des
34	Initial Budget Project Closeout	General Fund (Fund 42) General Fund (Fund 42)	400,000 <u>(14,127)</u>	<b>385,873</b>	Kellogg Pre-Des
35	Initial Budget Project Closeout	General Fund (Fund 42) General Fund (Fund 42)	400,000 <u>(21,443)</u>	<b>378,557</b>	Lincoln Pre-Des
36	Initial Budget Project Closeout	General Fund (Fund 42) General Fund (Fund 42)	400,000 <u>(125,703)</u>	<b>274,297</b>	Madison Pre-Des
37	Initial Budget Allocate budget for cost estimating support	2017 Bond Program 2017 Bond Program	100,000 <u>28,500</u>	<b>128,500</b>	Cleveland Pre-Des
38	Initial Budget Allocate budget for cost estimating support	2017 Bond Program 2017 Bond Program	100,000 <u>28,500</u>	<b>128,500</b>	Jefferson Pre-Des
39	Initial Budget Allocate budget for cost estimating support	2017 Bond Program 2017 Bond Program	100,000 <u>28,500</u>	<b>128,500</b>	Wilson Pre-Des
40	Initial Budget Project Closeout	General Fund (Fund 42) General Fund (Fund 42)	750,000 <u>(668,677)</u>	<b>81,323</b>	2017 Bond Pre-Des
41	see 2017 Bond Program Budget Detail on next page			<b>(87,665,345)</b>	2017 Bond
42	Initial Budget Remove Fire Sprinkler Scope	H&S - ROOF & FIRE H&S - FIRE	3,801,000 <u>(959,000)</u>	<b>2,842,000</b>	Chapman
43	Initial Budget (H&S FIRE) Align Budget with current scope	2017 Bond Program 2017 Bond Program	2,000,000 <u>6,533,136</u>	<b>8,533,136</b>	Group 2
44	Initial Budget (H&S ASBESTOS) Align Budget with current scope	2017 Bond Program 2017 Bond Program	1,000,000 <u>2,033,661</u>	<b>3,033,661</b>	Group 4
45	Bond eligible reimbursement	H&S - ASBESTOS	<u>10,185</u>	<b>10,185</b>	Harrison Park Copy Rm
46	Bond eligible reimbursement	H&S - ASBESTOS	<u>24,009</u>	<b>24,009</b>	Harrison Park K Class
47	State Rehabilitation Grant Program (SRGP) increase Budget for Overall Project	Fund 438 H&S Roof	2,500,000 1,923,500		

			<u>4,423,500</u>	Hayhurst
48	Bond eligible reimbursement	H&S - ASBESTOS	41,523	
			<u>41,523</u>	Hosford
49	Jackson Consolidated Project Budget	H&S Roof	6,521,000	
			<u>6,521,000</u>	Jackson
50	Bond eligible reimbursement	H&S - SECURITY	30,859	
			<u>30,859</u>	Jefferson Camera-Pull
51	Transfer Sprinkler Funds to Jefferson	H&S - Fire	1,147,966	
			<u>1,147,966</u>	Jefferson Fire Sprinklers
52	Bond eligible reimbursement CET Lee Roof Repair	2017 Bond Program new source	96,750 250	
			<u>97,000</u>	Lee Roof
53	Bond eligible reimbursement FAM Funds	H&S - RADON General Fund	38,938 20,574	
			<u>59,512</u>	Lent Radon
54	Original Budget for security assessment Change to Budget for Bid Walks Change to Budget Multiple Sites Security	H&S Security H&S Security H&S Security	13,000 2,040 3,047,709	
			<u>3,062,749</u>	Security Pkg 1
55	Original Budget Security PKG2	H&S Security	2,962,599	
			<u>2,962,599</u>	Security Pkg 2
56	Original Budget Security PKG3	H&S Security	2,962,600	
			<u>2,962,600</u>	Security Pkg 3
57	Initial Budget Transfer budget to Middle School Conversion Adjust budget Reallocation of Middle Schools Budget Transfer Funds for Middle School Conversion (Resolution 5632) Add'l Roof Scope Add'l Security Scope Add'l FAM Budget Add'l H&S Scope	General Fund H&S General Fund 2017 Bond Program BPHS/LHS/MHS H&S - ROOF H&S - SECURITY General Fund H&S	11,806,094 9,001,461 (400,000) (493,014) 11,379,729 72,090 67,439 600,000 506,937	
			<u>32,540,735</u>	Middle School Conversion
58	Initial Budget Transfer Budget for Asbestos Bond Projects Adjust Budget for Multi Sites Asbestos Budget Increase for asbestos abatement	H&S Asbestos H&S Asbestos H&S Asbestos H&S Asbestos	500,000 810,000 80,000 10,000	
			<u>1,400,000</u>	Asbestos FY19
59	Initial Budget Project & Construction MGMT Request for Reimbursement Remove General Fund Contribution Contract Amendment	General Fund 2017 Bond Program General Fund General Fund 2017 Bond Program	230,000 650,000 199,943 (230,000) 1,127,300	
			<u>1,977,243</u>	Day CPM Mgmt
60	Bond eligible reimbursement FAM Funds	H&S - FIRE General Fund	46,523 460,628	
			<u>507,151</u>	Fire Alarm Equip Purchase

61	Bond eligible reimbursement FAM Funds Reduce Budget and Close Fam Funds	H&S - ASBESTOS General Fund General Fund	101,044 180,000 (156,203)		
			<u>124,841</u>	Floor Replacement	
62	Initial Budget	H&S - ROOF	919,568		
			<u>919,568</u>	Group 1 Design	
63	Initial Budget	H&S - ROOF	1,137,400		
			<u>1,137,400</u>	Group 2 Design	
64	Initial Budget Additional Funds Additional Funds Additional Funds Reduce FAM Funds Additional Funds	General Fund H&S - WATER H&S - WATER H&S - WATER General Fund H&S - WATER	885,000 204,096 1,247,263 669,396 (876,296) 5,000,000		
			<u>7,129,459</u>	Lead in Water	
65	Initial Budget Portland Water Bureau Grant	H&S - PAINT new resource	10,000,000 50,000		
			<u>10,050,000</u>	Lead Paint BOND	
66	Bond eligible reimbursement FAM Funds Additional Funds Reduce FAM Funds	H&S - PAINT General Fund H&S - Paint General Fund	377,266 909,297 7,914 (20,976)		
			<u>1,273,501</u>	Lead Paint Emergency	
67	Initial Budget Additional Funds	General Fund H&S - PAINT	138,209 438,795		
			<u>577,004</u>	Lead Paint Fund 423	
68	Bond eligible reimbursement FAM Funds Reduce FAM Funds Reduce Budget and Close	H&S - RADON General Fund General Fund H&S Radon	110,875 129,125 (9,085) (117,561)		
			<u>113,354</u>	Mult Sites - Radon	
69	Original Budget - Roof	H&S - Roof	8,158,000		
			<u>8,158,000</u>	Rigler	
70	Initial Budget Sitton Consolidated Project Budget - Roof	H&S - Roof H&S - Roof	1,000,000 6,433,000		
			<u>7,433,000</u>	Sitton	
71	Initial Budget - CET funds	CET funding	11,740		
			<u>11,740</u>	Tubman Roof	
72	Initial Budget	H&S - ABATEMENT	8,614		
			<u>8,614</u>	Woodstock Hallway Abate	



## 2012 Program Costs Summary

10.01.2019

	Original Budget	Approved Budget Changes	Current Budget	Estimate At Completion	Forecasted Over/(Under)	Actuals Approved
Bond Management	15,117,563	11,626,560 <sup>1</sup>	26,744,123	21,971,358	(4,772,765)	21,260,780
Bond Issuance Costs	3,000,000	(921,346) <sup>2</sup>	2,078,654	2,056,501	(22,153)	2,067,450
PBOT IGA	5,000,000	-	5,000,000	5,000,000	-	-
OCIP	-	2,857,473 <sup>3</sup>	2,857,473	2,857,473	-	2,342,568
Escalation	45,000,000	(45,000,000) <sup>4</sup>	-	-	-	-
Fund 424	-	0 <sup>5</sup>	-	-	-	-
Bond Premium	-	- <sup>6</sup>	-	-	-	-
Contingency - OSM	5,063,798	(4,953,872) <sup>7</sup>	109,926	750,000	640,074	-
Contingency - BOE Reserves	20,000,000	(20,000,000) <sup>8</sup>	-	-	-	-
Additional Criteria Financing (FHS/RHS)	-	- <sup>9</sup>	-	-	-	-
Future Interest Earnings	-	-	-	-	-	-
	<b>93,181,361</b>	<b>(56,391,185)</b>	<b>36,790,175</b>	<b>32,635,332</b>	<b>(4,154,844)</b>	<b>25,670,799</b>

changes from last meeting noted in green

Budget Change Footnotes	To / From	Amt
1 Transfer Admin budget from Projects to Program	(10 projects)	12,333,182
Traffic Engineering Services	(10 projects)	300,000
FAM contribution to e-Builder licenses	new resource	15,000
Reallocated Program Management Budget	PBOT budget line	800,000
Additional CMs for IP2014	CM budget line	398,500
Div 01 Document Development	FHS	(3,375)
FAM contribution to e-Builder licenses - 2015	new resource	21,760
FAM contribution to e-Builder licenses - 2016	new resource	21,760
Transfer \$10k from COO/CSM to payroll	Cont COO/CSM	10,000
FAM contribution to e-Builder licenses - 2017	new resource	21,760
Move funds for Bond Management	Bond MGMT	329,391
Add GF funds for contracts audit	new source	87,225
FAM contribution to e-Builder licenses - 2018	new resource	21,760
Reallocated Program Management Budget	varies	(420,280)
Reallocated Program Management Budget	varies	200,000
Transfer funds to payroll account	Bond MGMT	200,000
Move Project Management Budget	Cont COO/CSM	(2,358,277)
Move funding from payroll and issuance to COO Contingency	Cont COO/CSM	(114,500)
FAM contribution to e-Builder licenses - 2015	new source	21,760
Move Swing Space funding to COO Contingency	Cont COO/CSM	(259,106)
		<b>11,626,560</b>
2 Transfer funds for Schematic Design (FHS/GHS/RHS)	Cont COO/CSM	(621,820)
Reallocated Program Management Budget	Bond Oversight	(800,000)
Bond Issuance Funds	Bond Premium	1,015,474

Add funds to cover costs of final issuance	Cont COO	(115,000)
Move funding from payroll and issuance to COO Contingency	Cont COO	(400,000)
		<u><u>(921,346)</u></u>
3 Move funds from COO Cont to cover OCIP	Cont Co0/CSM	2,435,000
FAM contribution to OCIP	new resource	21,998
FAM contribution to OCIP (correction)	new resource	475
Move funds to cover estimated cost to cover remainder of GHS		400,000
		<u><u>2,857,473</u></u>
4 Escalation (applied to current budget)	Franklin	(5,858,911)
Escalation (applied to current budget)	IP2014	(493,462)
Escalation (applied to BOE transfer)	RHS	(740,882)
Escalation (applied to BOE transfer)	FHS	(362,367)
Escalation (applied to current budget)	Roosevelt	(4,625,345)
Escalation (applied to current budget)	IP2014	(58,029)
Escalation (applied to current budget)	Faubion	(2,418,588)
Escalation (applied to current budget)	IP2015	(733,908)
Escalation (applied to current budget)	IP2015-SCI	(151,129)
Escalation (applied to current budget)	Grant	(10,143,276)
Schematic Design Budget	FHS/GHS/RHS	(19,414,103)
		<u><u>(45,000,000)</u></u>
5 Add Taxable Funds to Program	General Fund (424)	4,000,000
Allocate Budget to Faubion	Faubion	(450,000)
Earned interest	new source	82,554
Correcting earned interest allocation	Cont COO	(82,554)
Allocate Budget to Faubion	Faubion	(3,141,344)
Remove Budget from Program	out of program	(408,656)
		<u><u>0</u></u>
6 Bond Premium	new resource	13,870,119
Transfer Bond Premium	Cont COO	(13,870,119)
Bond Premium #2 received	new resource	33,211,833
Transfer funds for project allocation	Cont COO	(30,000,000)
Transfer funds to cover issuance expenses	Bond Issuance	(1,015,474)
Allocate "first" portion of Maker Space Budget	RHS	(2,196,359)
Bond Premium	new resource	9,854,606
Allocate "last" portion of Maker Space Budget	RHS	(2,803,641)
Allocate budget to GHS for GMP	GHS	(7,050,965)
		<u><u>-</u></u>

7	Budget adjustment (Contingency - COO)	IP2013	(2,223,190)
	Solar roof study	IP2013	(32,350)
	Ockley Green SL	IP2013	(115,278)
	Adding Fund 405 funds to COO Contingency	Fund 405	546,441
	Move funds from Contingency COO to IP2013	IP2013	(546,441)
	Moving funds from IP2013 to COO Contingency	IP2013	546,441
	Reallocation of IP scope of work	IP2014	(14,938,982)
	Reallocation of IP scope of work	IP2014	13,558,581
	Solar roof study	IP2014	(67,135)
	Reallocation of IP scope of work	IP2015	(13,887,403)
	Reallocation of IP scope of work	IP2015	13,521,066
	Ockley Green SL	IP2016	115,278
	Reallocation of IP scope of work	IP2016	(7,483,385)
	Reallocation of IP scope of work	IP2016	15,159,159
	Reallocation of IP scope of work	IP2017	(13,782,466)
	Reallocation of IP scope of work	IP2017	6,796,708
	Reallocation of IP scope of work	IP2018	(8,005,396)
	Reallocation of IP scope of work	IP2018	9,062,120
	Swing Site Funding Change.	Swing & Trans	(1,500,000)
	Swing Site Funding Change.	Marshall	1,500,000
	FHS Turf/Track Enhancements	Marshall	(1,300,000)
	Move funds for Fund 405 reconciliation	IP2013	(62,560)
	Reallocation of IP scope of work	IP2016	7,181,967
	Reallocation of IP scope of work	IP2017	13,227,332
	Reallocation of IP scope of work	IP2015	12,917,006
	Reallocation of IP scope of work	IP2018	7,682,952
	Reallocation of IP scope of work	IP2016	(12,319,254)
	Reallocation of IP scope of work	IP2017	(10,192,356)
	Reallocation of IP scope of work	IP2015	(11,803,551)
	Reallocation of IP scope of work	IP2019	(1,949,393)
	Reallocation of IP scope of work	IP2018	(2,314,069)
	Reallocation of IP scope of work	IP2015-SCI	(2,048,500)
	Reallocation of IP scope of work	IP2015-ADA	(382,134)
	Consolidate IP2015-SCI and IP2015-ADA	IP2015-ADA	382,134
	Consolidate IP2015-SCI and IP2015-ADA	IP2015-SCI	(382,134)
	OCIP	Bond Oversight	(2,435,000)
	Budget savings	IP2013	1,000,000
	Adjust Scope	IP2018	1,785,187
	Adjust Scope	IP2019	1,285,755
	Apply budget to construction bids	IP2014	(3,000,000)
	Schematic Design Budget	FHS/GHS/RHS	(490,005)
	FY2013/14 Interest Earned	new source	10,772
	Holladay Annex ADA	IP2015-SCI	39,610
	Budget savings	IP2013	93,537
	Budget savings	IP2014	1,100,000
	Additional CMs for IP2014	CM budget line	(398,500)
	Remove unused FAM funds and SB1149 funds	out of program	(5,552)
	Transfer funds to Maplewood (equivalent of Esc)	Maplewood	(122,477)

Earned interest	new source	299,546
Transfer Bond Premium	Bond Premium	13,870,119
Schematic Design Budget	Faubion	(4,000,000)
Reallocation of IP scope of work	IP16-IP19	22,582,080
Reallocation of IP scope of work	IP16-IP19	(22,582,080)
E-Rate + Add'l swing site funds	RHS	(1,826,150)
E-Rate	FHS	(698,400)
Construction bid delta	IP2015-Maplewood	(400,000)
E-Rate	Faubion	(229,950)
Escalation	IP2016	(1,950,943)
Transfer Bond Premium	Bond Premium	30,000,000
Master Planning budget increases	BHS/LHS/MHS	(329,998)
Grout Window Restoration	IP2016	(175,000)
"remove" Additional Criteria Financing	out of program	(6,985,057)
Escalation	GHS	(12,705,525)
Additional Criteria funding	GHS	(4,984,796)
E-Rate	GHS	(676,350)
Allocate budget to cover current costs	Marshall	(350,000)
IP2015 unforeseen conditions	IP2015	(175,000)
Allocate budget to cover current costs	Marshall	(250,000)
Allocate budget to cover current costs	IP2016	(175,000)
Project Close Out	IP2013	6,161
Project Close Out	IP2015-Maplewood	125,829
Project Close Out	Ed Specs	24,832
Earned interest	new source	295,056
Allocate budget to cover current costs	IP2016	(2,500,000)
Allocate budget to cover current costs: Schematic Design	IP2016	(5,000,000)
Project Close Out	IP2014	295,011
Project Close Out	IP2015-SCI	484,467
Transfer moving budget from Tubman	Tubman	371,521
Transfer moving budget to Faubion	Faubion	(371,521)
Transfer fall protection budget to IP2017	IP2017	(1,000,000)
Remove Benson IP scope of work from IP2017	IP2017	1,326,691
Remove Benson IP scope of work to IP2018	IP2018	(1,326,691)
Project Close Out	Master Plan - Benson	101,358
Project Close Out	Tubman	798,703
Earned interest	new source	1,850,384
Remove Funding	IP2018	1,969,002
Remove Funding	IP2019	273,995
Project Close Out	Master Plan - Lincoln	42,905
Transfer \$10k from COO/CSM to payroll	Bond MGMT	(10,000)
Transfer moving budget to Faubion	Faubion	(28,928)
Transfer additional funds to IP2016	IP2016	(150,000)
Transfer IP2017 "postponed" scope of work	IP2017	8,243,934
Transfer RHS modular move funding	RHS Modular Sale/Rec	(162,402)
Project Close Out	Marshall	529,885
Move funds for Bond Management	Bond MGMT	(329,391)
Project Close Out	Marshall	9,092

Transfer funds for South Grandstands	FHS	(315,315)
Add 10M of budget for GHS	TBD	10,000,000
Allocate budget to GHS	GHS	(19,839,542)
Additional funds for IP2016	IP2016	(23,347)
Budget Correction	Remove from Program	(1,000)
Additional funds for IP2016	IP2016	(270,000)
Earned interest	new source	1,631,931
Correcting earned interest allocation	Fund 424	82,554
Move earned taxable interest to Faubion	Faubion	(82,554)
RHS mobile clinic sale proceeds	new source	43,450
Add funds to cover costs of final issuance	bond issuance costs	(265,000)
Reallocated Program Management Budget	varies	(399,720)
Reallocated Program Management Budget	varies	600,000
TEMPORARY BUDGET CHANGE	FHS	(100,000)
Transfer Savings	Faubion	3,141,344
Transfer Additional funds to Faubion	Faubion	(100,000)
Transfer unspent Maker Space budget	RHS	4,824,656
Transfer funds to payroll account	Bond MGMT	(200,000)
Transfer budget to Lewis SRGP	Lewis	(100,000)
Transfer budget for GHS ROW work	GHS	(900,705)
Transfer budget for GHS "bowl" planning	GHS Bowl	(250,000)
JE to reduce budget for #10M for Grant HS funding	TBD	(10,000,000)
Transfer project management funding to contingency	Proj Mgt	2,358,277
Transfer budget to Grant for IT purchases	Grant IT	(1,300,000)
Transfer budget for Grant GMP	Grant	(2,000,000)
Align budget with RHS modulars	RHS	(163,402)
Align budget with RHS modulars	RHS	163,402
Correct 2015 Interest revenues	new source	24,825
Add FY2018 Bond interest and revenue	new source	2,020,174
Move funding from payroll and issuance to COO Contingency	Bond MGMT	514,500
Move funding from COO Contingency to Grant	Grant	(3,806,750)
Move funding to Franklin for baseball netting	Franklin	(5,000)
Move Madison MP funding to COO Contingency	Master Plan - Madison	75,920
Move Swing Space funding to COO Contingency	Bond MGMT	259,106
Temporary budget transfer to Teen Parent Playground (FHS)	Multi- Teen Parent Play	(170,000)
Temporary budget transfer to Franklin Repairs	Franklin Repairs	(253,600)
		<b>(4,953,872)</b>
8 Increase Target Capacity to 1700	FHS, RHS, GHS	(10,000,000)
RHS Shop Bldg set aside	RHS	(2,000,000)
Restore RHS Shop Bldg budget	RHS	2,000,000
Transfer budget to Franklin	FHS	(6,000,000)
Transfer budget to Grant	GHS	(4,000,000)
		<b>(20,000,000)</b>
9 Additional Criteria Financing	new source	8,000,000

Allocate Financing to FHS & RHS	FHS/RHS	(6,985,057)
"remove" Additional Criteria Financing	out of program	<u>(1,014,943)</u>
		-

## 2017 Program Costs Summary

10.01.2019

	Original Budget	Approved Budget Changes	Current Budget	Estimate At Completion	Variance	Actuals Approved
Bond Management	40,000,000	11,920,110 <sup>1</sup>	51,920,110	52,434,825	514,715	7,470,034
Bond Issuance Costs	-	2,159,753 <sup>2</sup>	2,159,753	5,000,000	2,840,247	2,159,753
OCIP	-	3,000,000 <sup>3</sup>	3,000,000	5,000,000	2,000,000	2,889,137
Escalation	-	-	-	-	-	-
Contingency - OSM	20,000,000	(2,427,479) <sup>4</sup>	17,572,521	17,572,521	-	-
Bond Premium	-	- <sup>5</sup>	-	-	-	-
Corporate Receipts Tax (SSA)			-	4,400,000	4,400,000	
Future Interest Earnings			-	(32,000,000)	(32,000,000)	
	<b>60,000,000</b>	<b>14,652,384</b>	<b>74,652,384</b>	<b>52,407,346</b>	<b>(22,245,038)</b>	<b>12,518,924</b>
ACCESSIBILITY - UNALLOCATED BUDGET	10,000,000	(9,558,440) <sup>6</sup>	441,560	441,560	-	-
ASBESTOS - UNALLOCATED BUDGET	12,000,000	(6,686,740) <sup>7</sup>	5,313,260	5,313,260	-	-
FIRE ALARM/SPRINKLER - UNALLOCATED BUDGET	25,849,990	(16,123,409) <sup>8</sup>	9,726,581	9,726,581	-	-
LEAD PAINT - UNALLOCATED BUDGET	16,623,936	(12,833,349) <sup>9</sup>	3,790,587	3,790,587	-	-
RADON - UNALLOCATED BUDGET	1,126,125	(261,236) <sup>10</sup>	864,889	864,889	-	-
ROOFS - UNALLOCATED BUDGET	50,907,949	(46,264,915) <sup>11</sup>	4,643,034	4,643,034	-	-
SECURITY - UNALLOCATED BUDGET	5,000,000	(5,000,000) <sup>12</sup>	-	-	-	-
WATER FIXTURES/PIPES - UNALLOCATED BUDGET	28,492,000	(8,867,447) <sup>13</sup>	19,624,553	19,624,553	-	-
OSCIM GRANT - UNALLOCATED BUDGET	-	3,277,779 <sup>14</sup>	3,277,779	3,277,779	-	-
	<b>150,000,000</b>	<b>(102,317,757)</b>	<b>47,682,243</b>	<b>47,682,243</b>	<b>-</b>	<b>-</b>
	<b>210,000,000</b>	<b>(87,665,373)</b>	<b>122,334,627</b>	<b>100,089,589</b>	<b>(22,245,038)</b>	<b>12,518,924</b>

changes from last quarter noted in green

Budget Change Footnotes	To / From	Amt
<sup>1</sup> Transfer 8% of H&S Budget for MGMT	H&S SCOPES	12,000,000
Blue Beam Cost Share	General Fund	5,610
Transfer to Wilson Pre-Design for cost estimating	Cost Estimating Cons	(28,500)
Transfer to Jefferson Pre-Design for cost estimating	Cost Estimating Cons	(28,500)
Transfer to Cleveland Pre-Design for cost estimating	Cost Estimating Cons	(28,500)
		<b>11,920,110</b>
<sup>2</sup> Transfer Bond Premium to Cover Issuance Costs	Bond Premium	1,205,755

	Transfer OSM Contingency to Cover Issuance Costs	Contingency - OSM	953,998
			<b>2,159,753</b>
3	Transfer OSM Contingency to cover OCIP costs	OCIP	3,000,000
			<b>3,000,000</b>
4	Transfer to Benson Pre-Design	Benson Pre-Design	(65,398)
	Transfer OSM Contingency to Cover Issuance Costs	Contingency - OSM	(953,998)
	Change to Budget - Jefferson Pre-Design	Jefferson Pre-Design	(100,000)
	Add FY2018 Bond Interest and Revenue	New Source	2,286,250
	Change to Budget - Cleveland Pre-Design	Cleveland Pre-Design	(100,000)
	Transfer OSM Contingency to cover OCIP costs	Builders Risk/OCIP	(3,000,000)
	Change to Budget - Wilson Pre-Design	Wilson Pre-Design	(100,000)
	Request for DS100 funding	Group 3	(359,334)
	Change to Budget Multiple Sites Security - PKG1	Security - PKG1	(3,047,709)
	Change to Budget Multiple Sites Security - PKG2	Security - PKG2	(2,962,599)
	Change to Budget Multiple Sites Security - PKG3	Security - PKG3	(2,962,600)
	Transfer funds for Buses for Bid Walks	Security	(2,040)
	Move Budget from Security PKG1 to OSM Contingency	Contingency - OSM	1,574,074
	Move Budget from Security PKG2 to OSM Contingency	Contingency - OSM	1,574,073
	Move Budget from Security PKG3 to OSM Contingency	Contingency - OSM	1,574,074
	Transfer Security funding to refund Contingency -OSM	Contingency - OSM	4,252,727
	Request for DS100 funding	Group 3	(35,000)
			<b>(2,427,479)</b>
5	Add Bond Premium	new resource	1,205,755
	Transfer Bond Premium to Cover Issuance Costs	Bond Issuance Costs	(1,205,755)
			-
6	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(800,000)
	Transfer budget to Group 3	Group 3	(1,000,000)
	Transfer budget to Middle School Conversion	MS Conversion	(4,720,740)
	Transfer budget to Group 3	Group 3	(3,299,415)
	Reallocation of Middle Schools Budget	MS Conversion	496,712
	Transfer budget to Middle School Conversion	MS Conversion	(187,000)
	Transfer Winterhaven and Contingency to 2017 Bond	Winterhaven	702,003
	Rigler Consolidated Project Budget Setup	Rigler ADA	(450,000)
	Transfer budget to Rigler	Rigler ADA	(300,000)
			<b>(9,558,440)</b>



7	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(960,000)
	Transfer budget to GROUP 4	Group 4	(1,000,000)
	Transfer budget to Middle School Conversion	MS Conversion	(776,821)
	Transfer budget to GROUP 4	Group 4	(2,033,661)
	Reallocation of Middle Schools Budget	MS Conversion	118,310
	Transfer budget for reimburseable expenses	Multiple Sites	(101,044)
	Transfer budget for reimburseable expenses	Harrison Park	(10,185)
	Transfer budget for reimburseable expenses	Harrison Park	(24,009)
	Transfer budget for reimburseable expenses	Hosford	(41,523)
	Transfer budget for reimburseable expenses	Woodstock	(8,613)
	Transfer for Original Budget Setup	Security	(500,000)
	Add to Multiple Sites Asbestos	Asbestos 4923	(810,000)
	Add to Multiple Sites Asbestos	Asbestos 4923	(80,000)
	Budget Increase for asbestos abatement	Asbestos	(449,194)
	Budget Increases for Asbestos Abatement	Group 3	(10,000)
			<b>(6,686,740)</b>
8	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(2,067,999)
	Transfer budget to Group 3	Group 3	(1,000,000)
	Transfer budget to Group 2	Group 2	(2,000,000)
	Transfer budget to Group 3	Group 3	(8,223,674)
	Transfer budget to Group 2	Group 2	(6,533,136)
	Transfer budget for reimburseable expenses	Multiple Sites	(46,523)
	Transfer budget	Chapman	(959,000)
	Remove fire sprinkler scope of work	Chapman	959,000
	Transfer Winterhaven and Contingency to 2017 Bond	Winterhaven	4,960,889
	Transfer funds to Jefferson	Jefferson	(1,147,966)
	Move Funding to Group 3	Group 3	(65,000)
			<b>(16,123,409)</b>
9	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(1,329,915)
	Transfer to fund construction management service	Multi-Site Day CPM	(99,972)
	Transfer to fund exterior lead paint scope	Multi-Site Lead Paint	(438,795)
	Transfer budget for reimburseable expenses	Multiple Sites	(669,397)
	Transfer budget for reimburseable expenses	Multiple Sites	(377,266)
	Transfer budget for reimburseable expenses	Multiple Sites	(10,063)
	Transfer budget to Lead Paint Abatement Project - Bond	Multiple Sites	(10,000,000)
	Bond Reimbursement for Painters	Lead Paint	(7,914)
	Reimburse construction management costs with Bond Mgmt	Bond MGMT	99,972
			<b>(12,833,349)</b>

10	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(90,090)
	Transfer budget for reimburseable expenses	Lent	(38,938)
	Transfer budget for reimburseable expenses	Multiple Sites	(110,874)
	Transfer budget for Marysville (initial setup)	Marysville	(21,334)
			<b>(261,236)</b>
11	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(4,072,636)
	Transfer budget to Tubman Roof	Tubman	(2,743,000)
	Transfer budget to Group 4	Group 4	(5,000,000)
	Transfer budget to Middle School Conversion	MS Conversion	(3,285,115)
	Transfer budget to Group 3	Group 3	(19,689,295)
	Reallocation of Middle Schools Budget	MS Conversion	(104,817)
	Return "original" Tubman Roof Allocaion	MS Conversion	2,743,000
	Transfer to cover expense of Lee Roof	Lee - Roof Repair	(96,750)
	Transfer budget to Middle School Conversion	MS Conversion	(319,737)
	Transfer budget to Middle School Conversion	Holladay Center	(72,099)
	Transfer budget	Chapman	(2,842,000)
	Transfer budget (initial set up)	Sitton	(1,000,000)
	Jackson Consolidated Project Budget Set up	Jackson	(6,521,000)
	Transfer roof fund from Rigler and Jackson	Rigler and Jackson	9,199,104
	Transfer Winterhaven and Contingency to 2017 Bond	Winterhaven	5,405,889
	Sitton Consolidated Project Budget Set up	Sitton	(6,433,000)
	Tjfr Funding / Program to Group 3	Group 3	(10,000)
	Rigler Consolidated Project Budget Setup	Rigler	(7,708,000)
	JE to move budgets from Original to Approved Change	Sitton	6,433,000
	JE to move budgets from Original to Approved Change	Sitton	(6,433,000)
	Increase to budget for Overall Project	Hayhurst	(1,923,500)
	Move 2017 Bond to Group 3	Group 3	(5,000)
	Add budget and funding to Group 3 Roof	Group 3	(30,000)
	Correct Transposition	Bond MGMT	9
	Return unneeded roof funds from Rigler	Rigler	300,000
	H&S Group 1 Design Budget Set Up	Roof Group 1 Design	(919,568)
	H&S Group 2 Design Budget Set Up	Roof Group 2 Design	(1,137,400)
			<b>(46,264,915)</b>
12	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(400,000)
	Transfer budget to Middle School Conversion	MS Conversion	(218,784)
	Reallocation of Middle Schools Budget	MS Conversion	(17,191)
	Transfer funds for security assessment	Security Assessment	(13,000)
	Transfer budget for reimburseable expenses		(67,439)
	Transfer budget for reimburseable expenses	Jefferson	(30,859)

	Transfer funding to refund OSM Contingency	Contingency - OSM	(4,252,727)
			<b>(5,000,000)</b>
13	Transfer 8% of H&S Budget for MGMT	Bond MGMT	(2,279,360)
	Transfer funds for construction MGMT	Day CPM MGMT	(650,000)
	Transfer budget for fixture replacement	Lead WTR Repairs	(204,096)
	Transfer budget for fixture replacement	Lead WTR Repairs	(1,247,263)
	Transfer to fund construction management service	Multi-Site Day CPM	(99,972)
	Move funding to H&S Water projects	Lead WTR Repairs	(5,000,000)
	Move funding for Day CPM Services	Lead WTR Repairs	(1,127,330)
	Move funding for CH2M Hill	Lead WTR Repairs	(136,727)
	Reimburse construction management costs with Bond Mgmt	Bond MGMT	1,877,302
			<b>(8,867,447)</b>
14	OSCIM Grant	new resource	8,000,000
	Move Budget from OSCIM Grant to Security PKG1	Security Project	(1,574,074)
	Move Budget from OSCIM Grant to Security PKG2	Security Project	(1,574,073)
	Move Budget from OSCIM Grant to Security PKG3	Security Project	(1,574,074)
			<b>3,277,779</b>

## Health &amp; Safety Funding Allocation

October 2019

	Total Funds	Committed	Spent To Date	Balance	Unalloc Balance
<b>Bond Fund Category: DS001 - Accessibility</b>	<b>9,200,000</b>	<b>8,316,804</b>	<b>7,703,374</b>	<b>1,496,626</b>	<b>Accessibility</b>
Project Name: 2017 Bond Program	441,560	-	-	441,560	441,560
Project Name: GROUP 3 (IP 2017)	3,597,412	3,470,609	3,350,396	247,016	
Project Name: Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	4,411,028	4,360,240	4,352,978	58,050	
Project Name: Rigler - Health & Safety Improvements-Bond - 5029 - FY19	750,000	485,955	-	750,000	
<b>Bond Fund Category: DS002 - Asbestos Remediation</b>	<b>10,590,806</b>	<b>3,484,437</b>	<b>3,299,112</b>	<b>7,291,694</b>	<b>Asbestos</b>
Project Name: 2017 Bond Program	5,313,260	-	-	5,313,260	5,313,260
Project Name: GROUP 4 - ASBESTOS	3,033,661	1,468,876	1,401,120	1,632,541	
Project Name: Harrison Park - Copy Room-Abate Asbestos Tile - 4664 - FY18	10,185	-	10,185	-	
Project Name: Harrison Park - K Classrooms-Abate Asbestos from floor tiles - 4441 - FY18	24,009	-	24,009	-	
Project Name: Hosford - Wood Shop Floor-Asbestos - 4573 - FY18	41,523	-	41,523	-	
Project Name: Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	658,511	638,502	638,502	20,009	
Project Name: Multiple Sites - Asbestos Bond Projects-2018-19 - 4923 - FY19	1,400,000	1,377,060	1,074,116	325,884	
Project Name: Multiple Sites - Floor Replacement-Bond Compensible - 4565 - FY18	101,044	-	101,044	-	
Project Name: Woodstock - Hallway-Abate and replace floor tiles - 4738 - FY18	8,614	-	8,614	-	
<b>Bond Fund Category: DS003 - Fire Sprinkler/Alarms</b>	<b>23,781,991</b>	<b>9,396,056</b>	<b>7,166,239</b>	<b>16,615,752</b>	<b>Fire Sprink/Alarm</b>
Project Name: 2017 Bond Program	9,726,581	-	-	9,726,581	9,726,581
Project Name: GROUP 2 - Fire Alarm / Sprinkler	8,533,136	4,122,889	1,908,939	6,624,197	
Project Name: GROUP 3 (IP 2017)	4,327,785	4,156,793	4,234,416	93,369	
Project Name: Jefferson - Fire Sprinkler Upgrades-Bond - 5053 - FY19	1,147,966	1,116,374	976,361	171,605	
Project Name: Multiple Sites - Fire Alarm Equipment Purchase - FY15/16/17/18 - X0114	46,523	-	46,523	-	
<b>Bond Fund Category: DS004 - Lead Paint Stabilization</b>	<b>14,624,624</b>	<b>28,614</b>	<b>861,306</b>	<b>13,763,319</b>	<b>Lead Paint</b>
Project Name: 2017 Bond Program	3,790,587	-	-	3,790,587	3,790,587
Project Name: Multiple Sites - Lead Paint Abatement - BOND	10,000,000	20,000	27,268	9,972,732	
Project Name: Multiple Sites - Lead Paint Abatement - Emergency Declaration - 4284 - FY17	395,243	-	395,243	-	
Project Name: Multiple Sites - Lead Paint Abatement - Fund 423 - 4493 -FY17	438,795	-	438,795	-	
Project Name: Woodstock - Hallway-Abate and replace floor tiles - 4738 - FY18	-	8,614	-	-	
<b>Bond Fund Category: DS005 - Radon Mitigation</b>	<b>1,036,035</b>	<b>18,284</b>	<b>149,812</b>	<b>886,223</b>	<b>Radon</b>
Project Name: 2017 Bond Program	864,889	-	-	864,889	864,889
Project Name: Lent - Radon Mitigation - 4344 - FY17	38,938	-	38,938	-	
Project Name: Marysville - Radon Mitigation-Rms 137-138-139 - 4939 - FY20	21,334	18,284	-	21,334	
Project Name: Multiple Sites - Radon Mitigation - 4609 - FY18	110,875	-	110,875	-	
<b>Bond Fund Category: DS006 - Roof Improvements</b>	<b>47,284,507</b>	<b>37,105,294</b>	<b>29,211,113</b>	<b>18,073,394</b>	<b>Roof</b>
Project Name: 2017 Bond Program	4,643,034	-	-	4,643,034	4,643,034
Project Name: Chapman - Re-Roof and Fire Sprinkler System Installation - Bond Funded	2,842,000	574,129	365,013	2,476,987	
Project Name: GROUP 3 (IP 2017)	10,578,496	10,150,117	10,285,336	293,160	
Project Name: Hayhurst - SRGP-Bond - 5028 - FY19	1,923,500	1,243,861	604,536	1,318,964	
Project Name: Jackson - Health & Safety Improvements-Bond - 5030 - FY19	6,521,000	5,837,831	2,856,293	3,664,707	
Project Name: Lee - Roof Repair - 4497 - FY18	96,750	96,750	97,000	(250)	
Project Name: Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	3,781,759	3,781,759	3,771,226	10,533	
Project Name: Multiple Sites - Health & Safety Group 1 Design - 5153 - FY20	919,568	780,971	-	919,568	
Project Name: Multiple Sites - Health & Safety Group 2 Design - 5154 - FY20	1,137,400	969,000	-	1,137,400	
Project Name: Rigler - Health & Safety Improvements-Bond - 5029 - FY19	7,408,000	6,958,966	4,924,751	2,483,249	
Project Name: Sitton - Health & Safety Improvements-Bond - 5027 - FY19	7,433,000	6,711,910	6,306,957	1,126,043	
<b>Bond Fund Category: DS007 - Security Improvements</b>	<b>9,322,221</b>	<b>3,930,054</b>	<b>642,966</b>	<b>8,679,255</b>	<b>Security</b>
Project Name: Jefferson - Camera-Pull Stations - 4528 - FY17	30,859	-	30,859	-	
Project Name: Multi-2018-4675-Bond-Security-PKG1 FY18-19	3,062,749	1,802,481	247,356	2,815,393	
Project Name: Multi-2018-5025-Bond-Security-PKG2-FY19	2,962,599	1,838,090	97,696	2,864,904	
Project Name: Multi-2018-5026-Bond-Security-PKG3-FY19	2,962,600	24,290	1,862	2,960,738	
Project Name: Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	303,414	265,194	265,194	38,220	
<b>Bond Fund Category: DS008 - Water</b>	<b>26,882,037</b>	<b>2,089,090</b>	<b>2,015,689</b>	<b>24,866,347</b>	<b>Water</b>
Project Name: 2017 Bond Program	19,624,553	-	-	19,624,553	19,624,553
Project Name: Multiple Sites - Lead in Water Repairs - 4517 - FY17	7,120,756	1,952,363	1,971,364	5,149,392	
Project Name: Multiple Sites - Lead in Water-Emergency Response - 4241 - FY16	136,727	136,727	44,325	92,402	
<b>Bond Fund Category: Management Costs</b>	<b>12,000,000</b>	<b>4,972,773</b>	<b>3,787,505</b>	<b>8,212,495</b>	
Project Name: 2017 Bond Program	10,022,727	3,196,912	2,383,267	10,022,727	
Project Name: Multiple Sites - Day CPM Management Services - 4610 - FY18	99,972	-	99,972	-	
Project Name: Multiple Sites - Day CPM Management Services - 4610 - FY18	1,877,302	1,775,861	1,304,266	573,036	
<b>Bond Fund Category: OSCIM</b>	<b>3,277,779</b>	<b>-</b>	<b>-</b>	<b>3,277,779</b>	<b>OSCIM</b>
Project Name: 2017 Bond Program	3,277,779	-	-	3,277,779	3,277,779
	<b>158,000,000</b>	<b>69,341,407</b>	<b>54,837,116</b>	<b>103,162,884</b>	<b>47,682,243</b>



# Board of Education

## Staff Analysis and Report to the Board

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Board Work Session Date: N/A

District Priority:

Board Meeting Date (if action item): 11/21/19

Executive Leadership Lead: Dan Jung, COO

Department: Office of School Modernization

Staff Lead: Marina Cresswell, Senior Director

**SUBJECT: Bond Program Status; Quarterly Update**

**I. BACKGROUND**

In November 2012 and May 2017 voters approved general obligation bonds to complete capital improvement projects for Portland Public Schools. The District's Office of School Modernization staff has developed a set of performance measures to provide management information for the staff and reporting tools for the Bond Accountability Committee and the Board's oversight role. Performance metrics for the 2012/2017 bond program are based on the Balanced Scorecard (BSC).

**II. RELATED POLICIES/BEST PRACTICES**

The provided documentation includes metrics tracking the performance of the District's Equity in Public Purchasing and Contracting Policy.

**III. ANALYSIS OF SITUATION**

The bond program continues to make progress planning, designing and completing capital improvements. The attached documentation provides an overview of recent accomplishments and current status.

**IV. FISCAL IMPACT**

The current combined (2012/2017) program budget is \$1.4 billion. The provided documentation includes detailed financial information.

**V. COMMUNITY ENGAGEMENT (IF APPLICABLE)**

The bond program continues to engage internal and external stakeholders through public workshops, targeted project meetings, open houses, etc. Design Advisory Groups are active for Benson.

**VI. TIMELINE FOR IMPLEMENTATION/EVALUATION**

The provided information includes detailed project schedule information.

**VII. BOARD OPTIONS WITH ANALYSIS**

N/A

**VIII. STAFF RECOMMENDATION**

N/A

**ATTACHMENTS from 10/30/19 Bond Accountability Committee Meeting**

- A. Bond Accountability Committee Meeting Minutes
  - B. Bond Accountability Committee PowerPoint Presentation
  - C. Project Management Cost Summary
  - D. 2012 Program Cost Summary
  - E. 2017 Program Cost Summary
  - F. Health and Safety Costs
  - G. Performance Audit Tracker
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# **Portland Public Schools**

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## 2017 Bond Performance Audit



## Performance Audit – Fiscal Year 2018/2019 Final Report: 2017 Bond Program

**August 2019**



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# Executive Summary

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Since Portland voters passed the 2017 School Improvement Bond (Bond), Portland Public Schools (PPS) and its Office of School Modernization (OSM) faced many challenges including high turnover in executive leadership positions and a tight construction labor market. Concerns with 2017 Bond budget estimates increased public scrutiny on the Bond program and pressure to successfully deliver the Bond projects as promised to voters.<sup>1</sup>

For the areas reviewed, OSM made notable efforts refining project cost estimates and finalizing designs to move forward with implementation and delivery of the 2017 bond projects. These efforts included improved cost estimation methodology, more formal protocols for involving internal and external stakeholder groups during project planning and design, revised program management and standard operating procedures, and the use of lessons learned from delivering the 2012 Bond program on the 2017 Bond projects.

We also found some improvements are needed to strengthen financial practices, uniformity in project delivery approaches, and accountability behind project decisions made. Key results and recommendations are summarized in the sections that follow and full recommendations are listed in the body of the report at the end of each section.

## 2012 Bond Projects Were Delivered as Promised



By the summer of 2019, all projects envisioned by the 2012 Bond will be completed on schedule and as promised to voters. Although expenses as of June 2019 were more than the \$482 million Bond budget, mainly due to Board of Education (Board) directives increasing building size and capacity, PPS was able to secure additional funds. However, prior audits noted some project management issues that remain unresolved.

### KEY RESULTS:

- Additional funding totaling nearly \$116 million helped offset unexpected project costs.
- OSM needs to address project management issues noted in prior bond audits.

### RECOMMENDATIONS:

1. Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendations noted in prior audits of 2012 Bond projects. This plan, at the minimum, should identify:
  - OSM's position with regard to the recommendation (agree/disagree);
  - How OSM will implement the recommendations (as stated, implement differently, or reasons for not implementing);
  - Target implementation dates;
  - Process owners (staff responsible for addressing recommendations);
  - Actions taken to address issues and recommendations noted; and
  - Protocols for communicating status updates to the Bond Accountability Committee and/or the Board.

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<sup>1</sup> The first performance audit report for the 2017 Bond, addressing the Bond budget development was presented at the April 15, 2019 PPS Board meeting. It is available on the PPS website: <https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/62/4-25-19%20Bond%20Audit%20Report.pdf>.

## Most 2017 Bond Projects are On-Schedule, but will Cost More to Complete



As of June 2019, OSM made good progress on the planning and design of all four school capital projects with Kellogg Middle School and Madison High School in the construction phase, design for Lincoln High School well-underway, and the master plan for an expanded Benson High School approved by the Board. In addition, construction for health and safety projects has started, with the final projects estimated to be completed by 2023. Yet, more funding is needed to build the schools as promised.

### KEY RESULTS:

- Approximately \$280 million of additional funding is needed to build schools promised.
- Increased construction costs and low initial bond budget estimates resulted in insufficient funding available to complete the Benson High School.

### RECOMMENDATIONS:

2. Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and Bond Accountability Committee.

## Cost Estimation Practices Improved and Financial Management was Sound, Although Small Enhancements Would Strengthen Processes



OSM has improved its cost estimation practices subsequent to the 2017 Bond passage, and exercised appropriate financial management over bond funds. However, cost estimation documentation can still be improved and controls over contractor invoices can be enhanced and strengthened to ensure critical financial reconciliations are timely completed.

### KEY RESULTS:

- Capital project cost estimation generally followed an established methodology.
- PPS generally had effective controls in place over bond spending, although it was behind on financial reconciliations.
- e-Builder construction management system controls were appropriate, although related business processes can be strengthened over project invoice review.
- Bond fund investments appeared well-managed.
- New cash flow processes will better align with project needs, once implemented.

### RECOMMENDATIONS:

3. Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E—in addition to other cost components—including variations or deviations from stated methodology.
4. Implement the new cash flow planning process as intended at the start of Fiscal Year 2019/2020, and update cash flows regularly.
5. Immediately allocate and concentrate efforts on completing overdue Fiscal Year 2018/2019 reconciliations between the e-Builder construction management system and the PeopleSoft financial system, as well as ensure future reconciliations are regularly performed in a timely manner.

# Bond Program Delivery Framework and Document Management Practices Should Be Standardized and Formally Implemented



OSM followed certain project planning and design activities that aligned with best practices, although it could place greater emphasis on standardizing bond delivery policies and strengthening management of bond practices to ensure data is valid, current, accessible to project teams, and maintained.

## KEY RESULTS:

- OSM project teams focused on transparency and accountability, vetted design decisions, and sought stakeholder buy-in.
- Updates to the October 2017 program management plan (PMP) were still in progress and not expected to be completed until late 2019.
- Project specific team management plans, meant to be completed prior to the start of design and intended to guide the execution of the capital school construction projects, were in draft format for three of the four school projects.
- Stronger document management practices are needed as we found project documents were maintained in multiple systems, not all key team members had access to systems used to manage projects, and project documents were not always easy to locate.
- Certain design phase activities aligned with best practices including updating the program management plan and developing project team management plans (PTMPs), although more structure is needed to better track deviations from Educational Specifications or Design Standards and clarify what value engineering decisions should be elevated.

## RECOMMENDATIONS:

6. Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.
7. Formally communicate, clarify, and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage by considering the following:
  - Identifying the documents each project should maintain during each phase of project development;
  - Determining a standard location and specific systems to be used for in-progress and final versions of capital project documents where key project team members of the OSM team, as well as non-PPS employees, have access;
  - Establishing a new or refining the existing standard hierarchy across projects detailing the specific folders to be used as well as expected contents of each folder; and
  - Developing a uniform naming and numbering convention for each document across all capital projects.
8. Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented.
9. Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location.
10. Supplement the “Decision-Making Hierarchy” process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice for value engineering deviations—as well as Ed Spec and Design Standards deviations.
11. Better document lessons learned by:
  - Categorizing lessons learned log items into separate subcategory sections allowing project managers to more easily identify relevant items; and
  - Summarizing lessons learned and regularly distribute or discuss items with project teams.












# Introduction and Background

As the largest school district in Oregon with more than 49,000 students and approximately 80 schools with an average age of 77 years old, Portland Public School (PPS) implemented a series of school construction bonds to fund capital improvement projects and upgrade all PPS schools over a 30-year period based on recommendations from a Citizens' Advisory Committee.<sup>2,3</sup> To date, Multnomah County voters passed two major bond programs to fund these school improvements—one in 2012 and another in 2017.

## 2012 Bond Modernization Program

When voters passed the first major school improvement bond in 2012 (2012 Bond), they provided PPS with \$482 million towards upgrading aging infrastructure at schools across the district including Grant, Franklin, and Roosevelt High Schools and Faubion Elementary School in addition to a series of building improvements at other district schools as shown in Exhibit 1. This was the first major construction bond to modernize or build new schools passed by voters in nearly half a century, although a smaller 1995 bond was passed for school seismic improvements.

**EXHIBIT 1. 2012 BOND PROGRAM COMPONENTS**

High School, Seismic & Access - \$1.10 per \$1000 of assessed value	
 <b>\$5 million</b>	<b>Educational Facility Improvements</b> Improve grades 6-8 science classrooms with sinks and electrical outlets at as many as 39 schools.
 <b>\$69.5 million</b>	<b>Seismic and other building improvements</b> Seismic strengthening at as many as 26 schools. Replace and seismically brace roofs at as many as 14 schools. Replace roofs at as many as 8 schools. Improve accessibility to educational programs at as many as 33 schools.
 <b>\$278 million</b>	<b>Full modernizations or replacement</b> These schools are identified as potential modernizations or replacement: <ul style="list-style-type: none"> <li>- High schools with high seismic risk.</li> <li>- High schools with major access upgrades needed.</li> <li>- Faubion = capital partnership with Concordia University.</li> </ul> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">                         3 high schools .....                            Grant                          \$95 million                     </div> <div style="text-align: center;">                           Franklin                          \$85 million                     </div> <div style="text-align: center;">                           Roosevelt                          \$70 million                     </div> </div> <div style="text-align: center; margin-top: 10px;">                         1 K-8 .....                            Faubion                          \$28 million                     </div>
 <b>\$45 million</b>	<b>Debt repayment</b>  Rosa Parks K-8.  Boiler conversions, prior roof replacements and other financed capital projects.
 <b>\$84.5 million</b>	<b>Program costs</b> Required reserves, materials and labor cost escalation, bond issuance costs and improvements and transportation to buildings where students attend school while their school is renovated. Master planning for 6 high schools (\$1.5 million).
<b>\$482 million</b>	<b>Total Bond Program</b> Estimated rate: \$1.10/\$1,000 of assessed value over 8 years, \$0.30 over an additional 12 years.

Source: 2012 Bond Fact Sheet, July 9, 2012 from PPS Website.

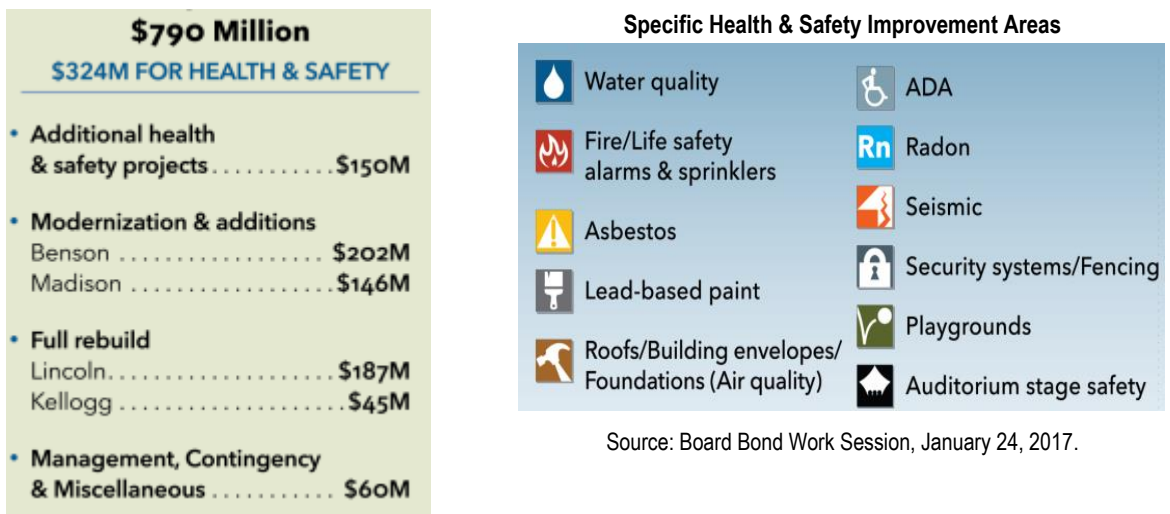
<sup>2</sup> According to the Proposed Health, Safety and Modernization Bond Frequently Asked Questions published on the PPS website, some schools were built more than 100 years ago and more than half were built before 1940. Before the prior 2012 Bond, only two schools had been built in the last 35 years.

<sup>3</sup> The Citizens' Advisory Committee—consisting of parents, teachers, business leaders, community members, and construction experts—was established pre-Bond and is not the same body as the Bond Accountability Committee established after the 2012 Bond passage.

## 2017 Bond Modernization Program

Five years later in May 2017, Multnomah County voters approved another school bond (2017 Bond), the largest bond in state history. As shown in Exhibit 2, the measure funded \$580 million in renovations at Benson and Madison High Schools and full rebuilds of Lincoln High School and Kellogg Middle School, as well as \$150 million for a series of health and safety projects improvements at other schools within the PPS district. Approximately one-third of the budgets for each high school and middle school project also included funds to address health and safety issues at those specific schools as well. Additional funding was set aside to provide master planning for future capital upgrades and improvements of Cleveland, Jefferson, and Wilson High Schools as part of \$60 million in program contingency and program management.

EXHIBIT 2. 2017 BOND PROGRAM COMPONENTS

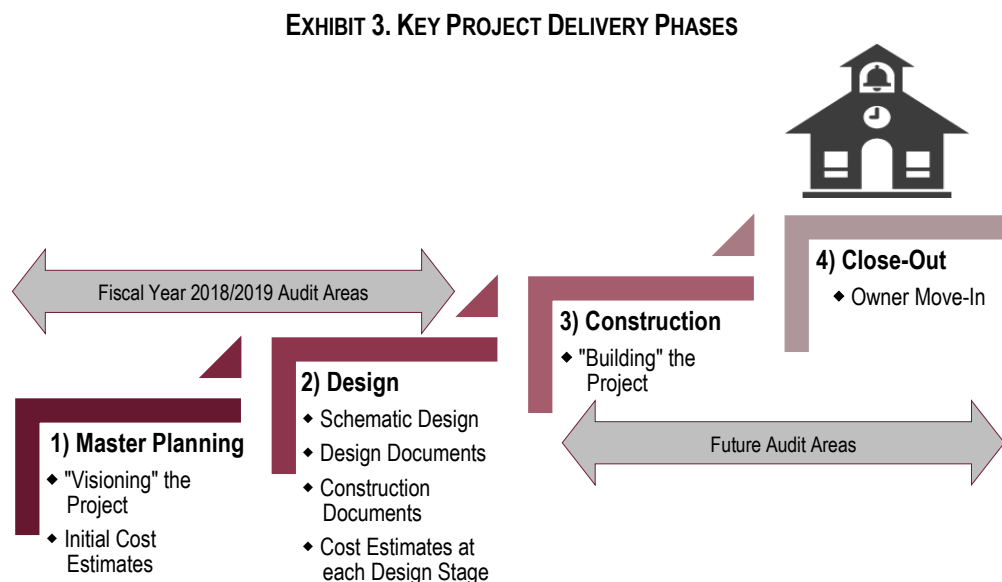


With combined 2012 and 2017 bond funds totaling \$1.27 billion, OSM was tasked with quickly establishing and deploying a comprehensive framework for planning, managing, and delivering capital projects on a scale it had not experienced in nearly half-a-century.

## School Capital Project Delivery Phases

Planning and implementing a capital construction project is a complex endeavor with several different phases and many different players involved at each phase. Best practices suggest activities at the program-level such as developing a formal program framework establishing roles and responsibilities in program management plans, setting standard planning and tracking tools, estimating costs and managing cash flow, and identifying key systems to use for document retention.

Additionally, there are many activities typically involved at the project-specific level. Exhibit 3 illustrates the primary phases and general activities of a capital improvement project including master planning, design, construction, and close-out.



Source: Auditor-generated based on interviews, process walk-throughs, observations, and documentary review.

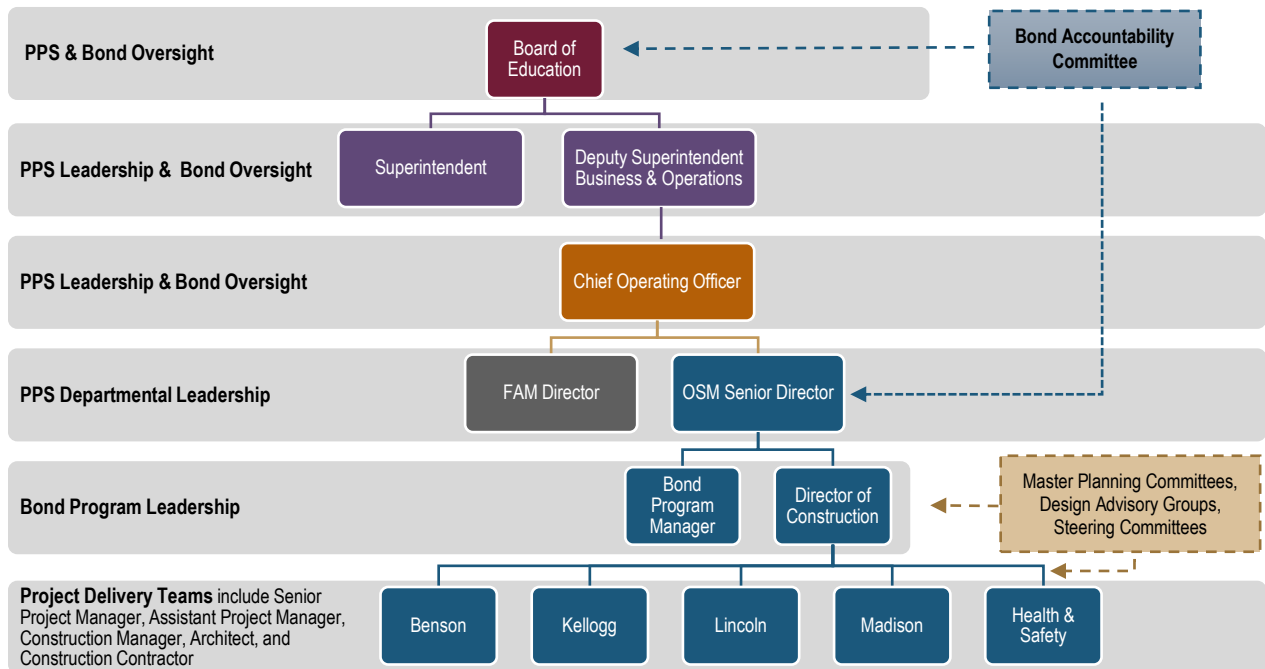
During the period of our audit between April 2017 and March 2019, the 2017 Bond capital school construction projects were still in the master planning or design phases. As such, auditors focused on OSM practices related to activities during those project delivery stages. This included reviews of project cost estimation practices, financial management, and program delivery framework as described in more detail in the "Scope and Methodology Section" of this report. As bond projects advance into construction and close-out phases, future annual audit work will place greater emphasis on those areas.

## Key Bond Delivery Partners

In addition to its general education focus, PPS is also accountable for the implementation of the bond capital improvement projects and maintenance of school buildings. Within PPS, the Office of School Modernization (OSM) is primarily responsible for the direct administration, management, and implementation of the 2012 and 2017 Bonds as guided by the OSM Senior Director, Bond Program Manager and Director of Construction. The Bond Program Manager and Director of Construction provide program level oversight across project teams, ensuring each project is delivered consistent with OSM

policy and the promises made to voters. Project teams typically consist of a senior project manager or project manager, assistant project manager, and construction manager. Another PPS division—Facilities and Asset Management (FAM)—is responsible for school maintenance once project construction is complete and provides input and guidance to OSM during the design and construction process to ensure that those responsibilities can be met. To oversee all bond activity, the PPS Board of Education (Board) and a citizen’s Bond Accountability Committee (BAC) meet regularly on bond progress and OSM seeks external input from a number of school and community stakeholder groups involved during master planning and design such as Master Planning Committees, Design Advisory Groups, and Steering Committees for each school project as shown in Exhibit 4.<sup>4</sup>

**EXHIBIT 4. KEY BOND DELIVERY PARTNERS, AS OF JUNE 2019**



Source: Auditor-generated based on interviews, process walk-throughs, observations, and documentary review.

<sup>4</sup> PPS Board is the decision-making body tasked with ensuring bond mandates are fulfilled. The BAC provides advice and technical expertise to the Board and OSM on all bond matters.



## Scope and Methodology

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The Portland Public School District (PPS) hired Sjoberg Evashenk Consulting in October 2018 to conduct annual performance audits of the 2012 and 2017 School Improvement Bonds over a four-year period. To establish the initial audit plan and objectives, Sjoberg Evashenk Consulting interviewed PPS executive leadership, operational staff, and external stakeholders; gathered and reviewed initial documents; and performed a high-level risk assessment.

Over the course of the multi-year audit cycle, auditors will assess performance on a variety of bond areas. An audit work plan developed at the end of each audit cycle will guide the work of the following year's audit, although specific focus areas may change as the audit progresses. For the current audit, we reviewed bond program activities for the extended period between April 1, 2017 and March 31, 2019 related to cost estimates, schedule, finances, project management, design, value engineering, and turnover. The 2017 Bond health and safety program component was not a specific focus of this year's audit scope.

Results for the 2018/2019 audit cycle are reported under two separate audit reports. The first performance audit report focused on initial bond cost estimates developed prior to passage of the 2017 Bond and was issued in April 2019.<sup>5</sup> For this second performance audit report, our objectives were as follows:

1. Determine whether PPS delivered the Bond programs on-budget, on-schedule, and as promised given the status of 2012 and 2017 Bond projects.
2. Assess how well PPS is managing the Bond at the program level related to:
  - a. Budget and cost estimation
  - b. Financial management
  - c. Project management
  - d. Systems and records
  - e. Master planning and design
  - f. Staffing and turnover
3. Where applicable and practical, compare PPS activities against construction industry leading practices and other school districts.

To meet our objectives, Sjoberg Evashenk Consulting performed a variety of audit tasks including, but not limited to, the following:

- Conducted in-depth interviews with key personnel including the Chief Operating Officer, OSM Senior Director, Chief Financial Officer, Treasury Manager, Senior Bond Accountant/Analyst, senior project managers and assistant project managers, project directors, construction managers, various Facilities and Asset Management employees, and PPS human resource staff to understand and assess policies, practices, and tools in place regarding all aspects of delivering the Bond program.

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<sup>5</sup> The first performance audit report for the 2017 Bond was presented at the April 15, 2019 PPS Board meeting and is available on the PPS website: <https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/62/4-25-19%20Bond%20Audit%20Report.pdf>.



- Analyzed and assessed documents such as budget data maintained in PPS' e-Builder system, financial data maintained in PPS' PeopleSoft system, Primavera schedules, systems and document retention used, master planning documents, value engineering records, Educational Specifications (Ed Specs), Design Guidelines, deviation tracking logs, and documented lessons learned.
- Obtained and reviewed current cost and schedule information for both the 2012 and 2017 Bond improvement projects from PeopleSoft system, Primavera schedules, e-Builder system, Bond Accountability Committee status reports, and board packets.
- Evaluated post-bond cost estimation methodology, current cost estimates, and underlying support for each cost element of the four 2017 Bond high school and middle school capital projects including hard cost, soft costs, FF&E, swing and temporary facilities, contingency, and cost escalation.
- Reviewed PPS' cash management policy and met with the Treasury Manager to evaluate PPS' management of bond funds and current investment practices. Assessed required quarterly financial reports submitted to the Board to determine if reporting was consistent with the cash management policy.
- Reviewed the automated approval workflows for establishing project budgets and approving project expenditures in the e-Builder system as well as tested a sample of 2017 Bond project expenditures for approval and allowability with bond provisions.
- Evaluated OSM program and project management practices against industry standards, where available, and identified any gaps in controls or existing policies and procedures.<sup>6</sup>
- Identified and evaluated systems and tools used to capture program and project data and commented on official and unofficial systems used, types of data maintained, frequency of update, consistency, completeness, and access.
- Assessed record retention practices, access, and availability of data for official, final, and in-progress records as well as project filing structure, version control, and location of official records.
- Analyzed updated master planning documents, schematic designs, design development documents, draft construction documents, and deviation logs for the four 2017 Bond high schools and middle school capital projects.
- Performed a high-level comparison of capacity and categorical components of current PPS Ed Specs to those at the Beaverton School District and the North Clackamas School District.
- Reviewed data on turnover among OSM staff and senior leadership as well as PPS executive leadership, and calculated the number of departures among both all non-teaching employees and exempt employees. Additionally, we determined the number of departures among senior leadership positions within PPS and OSM since the development of the 2017 Bond in February 2017.

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<sup>6</sup> Industry best practices were drawn from a variety of sources including the Construction Management Association of America (CMAA) Construction Management Standards of Practice, Project Management Body of Knowledge (PMBOK) Construction Extension, and Sjoberg Evashenk Capital Construction Program Audit Library.

- Followed-up on the status of prior 2012 Bond performance audit recommendations focusing on those recommendations categorized as open from audits conducted between 2014 and 2017. Where applicable and within the scope of this audit cycle, verified auditee responses through fieldwork analyses, observations, and documentary review. Implementation status of areas not within the scope of this year's audit will be reviewed during future performance audits.
- Reviewed and analyzed issues, recommendations, and corrective actions resulting from construction audits conducted by an external party on the 2012 Bond projects at Roosevelt High School and Franklin High School.

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

## Section 1: 2012 Bond Projects were Delivered as Promised

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When Grant High School reopens for the 2019/2020 school year, OSM will have completed all 2012 Bond projects generally on schedule, within budgeted resources, and as promised to voters in November 2012.<sup>7</sup> Although final costs will be higher than the \$482 million in bonds approved by voters, PPS was able to secure additional funding to complete the 2012 Bond program and build larger schools than initially envisioned. However, audits performed on the 2012 bond projects highlighted some project management issues that remain unresolved.

### OSM Secured Additional Funding that Offset Unexpected Costs

Although the 2012 Bond was delivered as promised to voters, there were unanticipated cost increases mostly based on Board-approved direction to increase school size after the bond passed. Specifically, the Board adopted a resolution in November 2013 increasing core student capacity at Roosevelt, Grant, and Franklin High Schools from 1,500 to 1,700 students and expanding school size square footage.<sup>8</sup> While adding square footage inherently increased project costs, OSM was able to successfully design and build schools with the additional capacity to keep pace with the growing enrollment needs of the district. Additional factors that contributed towards higher costs were construction cost escalation that outpaced projections and several large change orders due to unforeseen conditions encountered during construction at the historic Franklin High School and Roosevelt High School sites.<sup>9</sup>

Fortunately, OSM secured approximately \$115.8 million in additional funding that supplemented the \$482 million bond and constructed larger buildings as requested by the Board. Of that \$115.8 million, bond premiums and interest revenue totaled \$61 million, or 53 percent—representing the largest additional funding stream. Other private contributions and donations as well as local grant funds totaling approximately \$54.8 million allowed the 2012 Bond to absorb the unexpected budget increases as shown in Exhibit 5 that follows.

In addition to the capital school projects, the 2012 Bond also set aside \$5 million to improve science classrooms at up to 39 schools and another \$69.5 million to replace and seismically brace roofs and improve accessibility at as many as 33 schools. These improvement projects were completed while students were on summer break over a four-year period between 2013 and 2016.

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<sup>7</sup> Memorandum by OSM to the Board on November 19, 2012 envisioned all capital school projects to be completed by the summer of 2019.

<sup>8</sup> Board Resolution No. 4840, November 18, 2013.

<sup>9</sup> 2012 Bond Performance Audit Report, issued June 2017, p.30-37.

**EXHIBIT 5. 2012 BOND BUDGET STATUS, AS OF JUNE 19, 2019 (AMOUNTS IN MILLIONS)**

Bond Component	Original Bond Amount	Estimated Cost at Completion <sup>(C)</sup>	Auditor Comments
Faubion Elementary School <sup>(A)</sup>	\$28.0	\$49.9	The difference of \$112.4 million between the amount passed by voters and the current estimate to complete the program is covered by other funding sources totaling \$115.8 million as follows: <ul style="list-style-type: none"> <li>• Bond Premium \$ 56.9 million</li> <li>• Interest Earned \$ 4.1 million</li> <li>• Concordia University Donation for Faubion \$ 15.5 million</li> <li>• Other (gifts, grants, general fund) \$ <u>39.3 million</u></li> </ul> <p align="right"><b>Total: \$ 115.8 million</b></p>
Franklin High School	\$85.0	\$112.8	
Grant High School	\$95.0	\$158.7	
Roosevelt High School	\$70.0	\$100.7	
Sub-Total Capital Schools Projects	\$278.0	\$422.1	
Educational Facility Improvements	\$5.0	\$85.3	
Seismic & Other Building Improvements	\$69.5		
Program Cost <sup>(B)</sup>	\$84.5	\$42.0	
Debt Repayment	\$45.0	\$45.0	
<b>Total 2012 Bond</b>	<b>\$482.0</b>	<b>\$594.4</b>	
<b>Difference</b>		<b>\$112.4</b>	

Source: Original Bond Estimate per 2012 Bond Fact Sheet. Estimated Cost at Completion from e-Builder Bond Program Budget Summary report, with report run date of June 19, 2019. Bond Premium from PPS Adopted Budget Fiscal Year 2015/2016 to Fiscal Year 2019/2020. Interest Earned from PPS Adopted Budgets Fiscal Year 2015/2016 to Fiscal Year 2018/2019. Additional funding sources from e-Builder Funding Source by Project report, with report run date of June 19, 2019.

Note: <sup>(A)</sup> The \$15.5 million contribution from Concordia University for the Faubion project was an expected funding source when PPS planned the project. The \$28 million presented to voters represented the Bond-paid share of the project only. <sup>(B)</sup> The Bond Program Cost Category of \$84.5 million included \$45 million of contingency set-aside for any unanticipated project overages in addition to program-wide costs such as master planning, swing, Ed Spec revisions, or OSM staff costs. Contingency amounts are tracked as part of project costs once allocated to a specific project. Therefore, the \$42 million shown in this table represents the cost for “program-wide expenses only”, the contingency portion is accounted for in the specific bond projects. <sup>(C)</sup> Estimated Cost at Completion amounts shown include escalation as actual incurred cost which was budgeted at the \$84.5 million program cost level in the original bond amount.

### OSM Needs to Address Project Management Issues Noted in Prior Bond Audits

While the 2012 Bond projects were delivered as promised, certain project management issues were noted in prior audits related to change order management and review of contractor costs. For instance, the 2012 Bond performance auditor found costly change orders and recommended that OSM perform audits of the Franklin and Roosevelt High Schools construction contractors’ invoices to evaluate the effectiveness and efficiency of the monthly billings, among other items. As a result, PPS hired an external consultant to conduct construction cost audits on those school projects in 2017 who recommended OSM employ stronger change order management practices to improve approval processes and documentation of price negotiations. Other recommendations focused on resolving questioned and unsupported costs related to contractor and subcontractor labor charges, material costs, meal reimbursements, and other expenses.

OSM indicated they are working on addressing these recommendations including improving change control documentation, strengthening its contractor pay application processes, and updating future contract language for clarity around expenditures. Because these issues and recommendations affect project

delivery practices and cost containment for the 2017 Bond projects as well, OSM should develop a written plan, prioritize efforts and make requisite changes before projects enter the construction phase.

## Recommendations

To better control project delivery, contain costs, carry-forward 2012 Bond lessons learned to the current 2017 Bond and future bond projects, and ensure bond audit recommendations are adequately addressed, OSM should work with PPS leadership and other PPS departments to:

1. Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendations noted in prior audits of 2012 Bond projects. This plan, at the minimum, should identify:
  - PPS' position with regard to the recommendation (agree/disagree);
  - How PPS will implement the recommendations (as stated, implement differently, or reasons for not implementing);
  - Target implementation dates;
  - Process owners (staff responsible for addressing recommendations);
  - Actions taken to address issues and recommendations noted; and
  - Protocols for communicating status updates to the Bond Accountability Committee and/or the Board.

## Section 2: Most 2017 Bond Projects are On-Schedule, but Will Cost More to Complete

While still early in the 2017 Bond cycle, OSM made progress on planning and design of the four school capital projects. Construction begins in the summer of 2019 for a new Kellogg Middle School and the modernization of Madison High School, while construction of Lincoln High School will begin in 2020 and Benson Polytechnic High School is scheduled to start in 2021. For health and safety projects identified in the bond, construction has started and projects are estimated to be completed by 2023.

### More Funding is Needed to Build Schools Promised

However, as discussed in the first performance audit report issued in April 2019, the 2017 Bond funding of \$790 million will not be sufficient to cover the cost of building all four schools. As of June 2019, the total cost to complete 2017 Bond projects was estimated at \$1.07 billion, approximately \$280 million more than funded by the voter-approved bond as shown in Exhibit 6. Unlike the 2012 Bond, there has been limited other funding sources available thus far, such as from bond premiums, to offset the additional costs.<sup>10</sup>

**EXHIBIT 6. 2017 BOND STATUS, AS OF JUNE 19, 2019 (AMOUNTS IN MILLIONS)**

Bond Component	Status	Original Bond Amount	Estimate at Completion	Dollar Change	Percent Change
Benson High School	Master Planning	\$202	\$330.0	\$128	63.4%
Lincoln High School	Design	\$187	\$243.1	\$56.1	30%
Madison High School	Construction	\$146	\$206.5	\$60.5	41.4%
Kellogg Middle School	Construction	\$45	\$59.8	\$14.8	32.9%
Sub-Total Capital Schools Projects		\$580	\$839.4	\$259.4	44.7%
Health & Safety Projects <sup>(A)</sup>	Phased Completion Summer 2018 – 2023	\$150	\$158	\$8	5.3%
Program Management & Contingency	On-Going	\$60 <sup>(B)</sup>	\$20.6	\$12.6	21%
			\$52 <sup>(C)</sup>		
<b>Total Estimate</b>		<b>\$790</b>	<b>\$1,070</b>	<b>\$280</b>	<b>35.4%</b>

Source: Original Bond Cost Estimate Amounts per Board Working Session, January 24, 2017. Estimated Cost at Completion for the four school projects per e-Builder Project Management Cost Report, with report run date of June 19, 2019.

Note: <sup>(A)</sup> The 2017 Bond allocated \$150 million to Health & Safety projects. An additional \$8 million OSCIM (Oregon School Capital Improvement Matching Program) grant increased total H&S funding to \$158 million. <sup>(B)</sup> The 2017 Bond estimated \$20 million for contingency plus \$40 million for program management costs for a total of \$60 million. <sup>(C)</sup> The \$40 million set aside for program management has increased to approximately \$52 million (auditor-calculated based on e-Builder data of \$1.07 billion total program estimate minus \$839.4 million for capital schools, \$158 million for H&S, and \$20.6 million contingency).

Part of this funding gap was due to rapidly increasing construction costs in the Portland area and low initial budget projections resulting in insufficient funding to deliver the Benson High School project as envisioned

<sup>10</sup> According to the Fiscal Year 2019/2020 PPS Budget, \$348.7 million of the \$790 million Bond has been issued thus far, with bond premiums totaling \$1.1 million.

in the 2017 Bond's initial master planning phase. In addition, the Board directed OSM to expand initial designs to include a Multiple Pathways to Graduation program building. To ensure the Benson High School project remains on schedule, PPS expects to commence a capital bond campaign in 2020 to support all phases of the Benson High School campus modernization in addition to continued modernization at other district schools. In the event that voters do not pass a future bond, the Board is considering other options including obtaining a full faith and credit loan secured by the PPS general operating fund to complete the construction of Benson High School.<sup>11</sup>

Independent from the budgets for the capital school projects, the 2017 Bond also set aside a lump sum \$150 million to address health and safety needs across various district school sites. To enhance these funds, PPS secured \$8 million in supplemental grant funding for security upgrades allowing improvements to be made at a greater number of school sites than anticipated in the bond. As of June 2019, approximately \$32.8 million of the \$150 million was spent on seismic roof upgrades, fire sprinklers and alarms, asbestos mitigation, lead-based paint, and security. Based on current schedules, significant work is scheduled to start during the summer of 2019 with all envisioned improvements completed by 2023.

## Recommendations

To help fund project cost increases and enhance accountability, OSM should work with PPS leadership and other PPS departments to:

2. Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and the Bond Accountability Committee.

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<sup>11</sup> Board Resolution No. 5780, December 18, 2018.

## Section 3: Cost Estimation Practices Improved and Financial Management was Sound, Although Small Enhancements Would Strengthen Processes

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Successfully delivering a high-dollar capital bond program requires strong financial management to provide reasonably accurate cost estimates and budgets, effectively manage investments to meet cash flow needs, determine allowability of costs, and provide accurate and timely reporting to oversight bodies. Our audit found that OSM improved its cost estimation practices and exercised appropriate financial management over bond funds, although slight enhancements are needed to ensure timely financial reconciliations are performed between two critical systems.

For instance, to address challenges resulting from initial 2017 Bond estimates, OSM established a baseline cost estimation methodology that is refined using historic costs from similar projects and project elements from the 2012 bond program.<sup>12</sup> Additionally, OSM established several process controls to ensure cash flow needs are met and bond funds are appropriately spent. Once implemented, the new cash flow planning process should also better align cash flow needs with construction cost schedules. We also found bond investments were well-managed in accordance with PPS' cash management policy. Automated system controls help ensure that expenditures are appropriately approved and do not exceed established budgets. However, OSM fell behind on performing regular financial reconciliations between two key systems, putting the Bond program at risk of approving expenditures in excess of established project budgets and increasing the risk that bond finances reported to the Board and BAC are inaccurate.

### Capital Project Cost Estimation Generally Followed an Established Methodology

Overall, we found that OSM's revised cost estimates prepared after the 2017 Bond passage addressed some of the deficiencies noted with pre-bond estimation practices, although further refinement is necessary to provide greater transparency of decisions made. As part of developing current project cost estimates for the 2017 Bond projects and address recommendations from the first 2017 Bond performance audit issued in April 2019, OSM developed and followed an established methodology combining professional estimates of hard costs with internal cost estimates for furniture, fixtures, and equipment (FF&E), soft costs, and swing spaces produced by OSM based on historic data.<sup>13</sup> The OSM-based cost factors and assumptions, if appropriately applied, align with industry practice. In general, total project costs were estimated using the methodology that follows.

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<sup>12</sup> Bond Communications to the Board, Bond Accountability Committee, and Public will be assessed during the Fiscal Year 2019/2020 audit.

<sup>13</sup> 2017 Bond Performance Audit – Fiscal Year 2018/2019 Final Report: 2017 Bond Cost Estimate, issued April 15, 2019.



- Total Project Cost** = Hard Cost (from professional cost estimator)
- + Soft Cost (15% - 30% of hard cost, aggressive to conservative range)
  - + Furniture, Fixtures, Equipment (\$16/sf based on OSM prior costs)
  - + Contingency (10% - 15%, industry range)
  - + Swing/Temp Space (PPS estimated, project specific)
  - + Escalation (4% - 6% based on market conditions)

Our review of revised cost estimates for the four high school and middle school capital projects developed during the second half of 2018 found that PPS followed the established methodology. In fact, the vast majority of cost components were supported by underlying documentation for all capital school projects—with only some documentation for FF&E and soft cost components for the Benson and Lincoln High School projects not available. Specifically, in documents provided to the Board in April 2018 and May 2019, OSM explained that it “budgets \$16 per square foot for FF&E based on recent cost data.” Yet, as shown in Exhibit 7, FF&E estimates varied from the \$16 per square foot methodology and ranged from \$18 per square foot for Kellogg Middle School to \$41 per square foot for Benson High School. While variations from established methodology may be needed and are reasonable, there was no standardized, formal project documentation available to substantiate the departure from stated protocol.

**EXHIBIT 7. 2017 UPDATED COST ESTIMATES FOR CAPITAL SCHOOL PROJECTS, AS OF 2018**

Cost Component	Industry Standard or PPS Historic Data	Benson December 2018 Master Plan Report <sup>(B)</sup>	Lincoln August 2018 Updated Master Plan	Madison August 2018 Budget Approval <sup>(C)</sup>	Kellogg October 2018 Project Update <sup>(C)</sup>
Hard Cost	Professional Cost Estimator	\$224.0 Million	\$186.8 Million	\$151.5 Million	\$46.7 Million
Soft Cost	15% to 30%	\$34.4 Million = 15%	\$25.6 Million = 13.7%	\$16.3 Million = 10.8%	\$13.3 Million = 28.5%
Furniture, Fixtures, Equipment (FF&E)	Project Specific, approx. \$16/sf	\$15 Million = \$41/sf <sup>(D)</sup>	\$6 Million = \$21/sf	\$7.3 Million = \$24/sf	\$1.8 Million = \$18/sf
Contingency	10% - 15%	15%	10%	14%	10%
Swing or Temporary Space	Project Specific, based on past experience	\$ 5.6 Million	\$2 Million	\$525,000 <sup>(F)</sup>	No swing needed.
Escalation <sup>(A)</sup>	4% - 6%	6%	5%	5%	4.5%

Source: Auditor-generated based cost data and reports provided by PPS and external professional cost estimators.

Note: <sup>(A)</sup> Cost escalation was included in the hard cost estimates for each of the projects. <sup>(B)</sup> Costs for Benson High School do not include the Multiple Pathways to Graduation (MPG) building and additional swing expenses added in March 2019 at the direction of the Board. <sup>(C)</sup> Cost estimates for Madison High School and Kellogg Middle School are based on updates to the master plans presented to the Board. <sup>(D)</sup> For Benson High School FF&E, the project architect provided an initial estimate for FF&E and the project team made adjustments based on previous experience at the Grant High School project and for additional contingency needs. <sup>(E)</sup> Swing cost represents the relocation for Lincoln’s athletic facilities/program which will be moved to another school site while the new building is constructed on the existing athletic field. <sup>(F)</sup> Swing costs are minimal since Madison is going to utilize the move-in ready Marshall school-site while in construction.

When asked, project teams explained that FF&E amounts were generally set based on experience with 2012 Bond projects. For the Lincoln High School project, we were informed that the Senior Project Manager updated FF&E using actual costs from the most recently completed Faubion Elementary School

construction project where he also functioned in a project manager role. However, the process or the rationale for the deviation from methodology was not documented. In contrast, for Benson High School, while there were no comparable 2012 projects to use as basis for FF&E estimates, the project team indicated that its higher FF&E estimate was needed for specialized career and technical education equipment. The Benson High School estimates for FF&E were supported by external cost estimator adjustments due to specialty heating, ventilation, air conditioning, and plumbing systems required for career and technical education shops. While the modifications to those cost estimates seemed reasonable and appropriate, there was no written documentation or other quantifiable data memorializing the variation from established methodology and calculations used. As such, auditors could not validate or confirm how the FF&E decisions for Lincoln High School were set or vetted.

Similarly, for soft costs, some deviations from the cost estimate methodology were well-documented, but not in all instances. Specifically, we noted that master plan soft cost estimates represented 10.8 percent of hard costs for the Madison High School project and 13.7 percent for the Lincoln High School project—below the 15 to 30 percent OSM standard range. In both cases, the project teams indicated that the soft cost estimates were adjusted given experience with construction on the Grant High School and Faubion Elementary School projects. While the Madison High School project teams provided documentation demonstrating the need to make adjustments from the stated OSM estimation methodology, we were not provided any similar supporting documentation for the Lincoln High School variance.

Deviations from stated practice are often warranted, but without documented explanation or rationale of how those decisions were reached, OSM cannot be assured that estimated costs were appropriate and represented a fair, good-faith evaluation of project costs. Thus, while latest iterations of bond project cost estimates were based on more robust cost factors, the critical challenge remains for OSM to ensure defined protocols are consistently followed and deviations are documented to support decisions.

### **OSM had Generally Effective Controls in Place over Bond Spending, Although Financial Reconciliations were not Current and Other Improvements are Needed**

Overall, OSM had budget and spending process and controls in place. Once bond project budgets are approved and adopted by the Board based on project cost estimates provided by OSM project teams, amounts are entered into the e-Builder construction management system. Together with PPS' PeopleSoft financial management system, these systems provided controls over expenditures of bond funds. However, recent construction cost audits of the Roosevelt and Franklin High School projects noted issues with the level of detail and support of expenditures as discussed later in this section.<sup>14</sup> Moreover, we found necessary reconciliations between e-Builder and Peoplesoft were backlogged by at least one year, increasing the risk that bond expenditures are understated and would not adequately reflect remaining funds available for bond projects. Thus, several improvements are needed.

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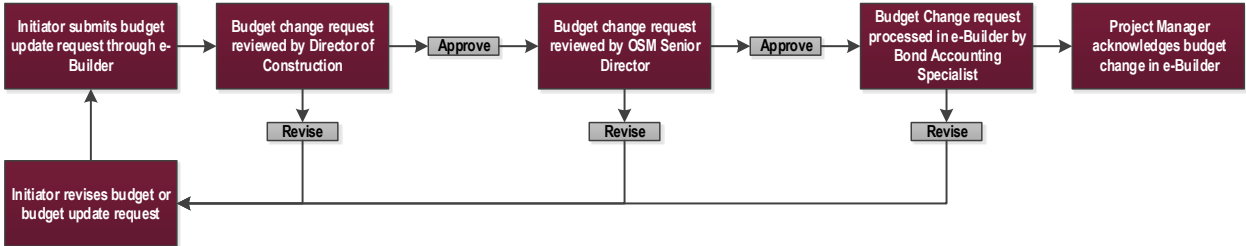
<sup>14</sup> Construction Contract Audit Report, Roosevelt High School, September 2017, p.2. Construction Contract Audit Report, Franklin High School, October 2017, p.2

- Construction Management System Controls Over Budgets and Spending Reviewed Was Appropriate, but OSM Practices Need Improvement**

The e-Builder construction management system provides control over program and project expenditures in two ways: first, the system prevents actual expenses and budget commitments from exceeding established budgets as budget changes require several levels of approval. Second, the system automates the approval process for project expenditures, routing them to the appropriate parties for approval and providing a record of when and by whom each expenditure was approved. These automated controls reduce the risk that bond funds will be spent inappropriately or in excess of approved budgets, but they can only be effective if OSM employs strong business practices over expenditure reviews outside the automated system.

As shown in Exhibit 8, a budget change request typically begins with a member of the project team initiating the request in e-Builder. After review and approval by OSM leadership, the Senior Bond Accountant/Analyst processes the change in the system triggering a notification to acknowledge the approved budget change by the project manager.

**EXHIBIT 8. BUDGET WORKFLOW IN E-BUILDER**



Source: Auditor-generated from e-Builder process flowcharts and interviews with OSM staff.

Similarly, for bond expenditures, PPS accounting staff manually enter project invoices into the e-Builder system that are then available for review by the Senior Bond Accountant/Analyst and the project manager. Our review of both the automated workflow in the e-Builder system and a sample of invoices from the 2017 Bond projects found that all reviewed invoices were appropriately approved and followed PPS established e-Builder protocols. Although the expenditures we reviewed were appropriately approved and followed PPS established e-Builder protocols, the risk of expense claims being approved without appropriate underlying support still exists. Specifically, recent external construction cost audits of the Roosevelt and Franklin High school projects found instances where certain line items totaling \$26 million on paid construction contractor invoices were not fully supported.<sup>15</sup> As of January 2019, OSM indicated it was working with the construction auditor and contractors on addressing the findings and recommendations.<sup>16</sup>

<sup>15</sup> Construction Contract Audit Report, Roosevelt High School, September 2017, p.2. Construction Contract Audit Report, Franklin High School, October 2017, p.2.

<sup>16</sup> OSM corrective actions and changes to its practices to address the issues identified in the construction audits will be reviewed in future bond performance audits.

- **New Bond Cash Flow Process will Better Align with Project Needs once Implemented**

For the 2012 Bond projects, cash flows and analyses were prepared monthly by a third-party consulting firm using project schedules; yet, for the 2017 Bond, PPS moved away from using third-party cash flow projections and tasked internal staff with assuming this function. We reviewed the new PPS internal processes and found them to be reasonable and effective, if implemented, to align cash flow with project needs.

Specifically, PPS' internal approach for determining bond cash flow needs will rely on preparing and updating project schedules and cash flow planning worksheets on a monthly basis beginning in Fiscal Year 2019/2020. Worksheets will detail expected cash flow for each capital project, health and safety improvement projects, and program and project management costs by funding source and expected year of expenditure for both the remaining 2012 Bond projects and the 2017 Bond projects. Moreover, PPS plans to detail cash flow for all bond-funded projects by fund code showing the monthly amount needed through the end of calendar year 2025—the timeframe by which all 2017 Bond projects are expected to be completed.

By bringing the cash flow analyses in-house for the 2017 Bond, PPS anticipated that a team, led by the Senior Bond Accountant/Analyst, would prepare quarterly cash flow reports. However, due to turnover at the PPS financial leadership level as discussed in greater detail in Section 4 of this report, the Senior Bond Accountant/Analyst assumed non-bond related tasks that took priority over bond cash flowing planning. Beginning with Fiscal Year 2019/2020, PPS will implement a new cash flow update process whereby project teams will meet monthly with the OSM Director of Construction, Senior Bond Accountant/Analyst, and PPS accounting staff to discuss each project's individual cash flow needs. Similarly, at the program-level, the Senior Bond Accountant/Analyst will meet with the Treasury Manager monthly to discuss program-level cash flow requirements. With continued recent stability at PPS executive levels and new practices proposed, PPS should be better able to closely align bond cash flows with the most current cost estimates and project delivery schedules if the new practices are followed.

- **Bond Fund Investments Appeared Well-Managed**

Overall, we found that PPS' investment activity was well-managed and appropriate for the 2017 Bond program. Specifically, to guide the investment of its bond and operating funds, the Board adopted a cash management policy that reflected requirements under Oregon Revised Statutes concerning investments of school districts.<sup>17</sup> The policy and related bond practices were reasonable and aligned with other public sector practices where PPS' investment of bond funds in short term, liquid investments allowed PPS to earn interest to supplement bond funds.

The cash management policy also required quarterly reports to the Board, detailing investments by maturity date as well as the percentage of the portfolio that each investment accounted for, among other items—which aligned with other public entities' cash investment policies. Our review of the three quarterly reports available for Fiscal Year 2018/2019 found that reports submitted to the Board

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<sup>17</sup> Oregon Revised Statutes (ORS) 294.035, 294.046.

contained nearly all elements required by the investment policy except for detailed investment transactions. These minor omissions are due to a recent change in the reporting cadence for investment performance, and both the PPS Chief Financial Officer and Treasury Manager indicated that they are in process of updating the format of the quarterly financial reports. Once updated, the reports should contain all the necessary reporting elements. Although PPS also did not report its bond investment performance relative to benchmarks as required in the investment policy, that section of the policy does not apply to the investment of bond proceeds since bond funds need to align cash inflow with project expenditures to keep projects moving, rather than maximize investment dollar returns.

- **Backlogged Reconciliations Increase Risk that Expenditures are not Within Budget**

Certain project expenditures are processed outside the e-Builder system, including payroll, travel expenditures, and information technology purchases that are first processed in the PeopleSoft financial system and then manually entered into the e-Builder system. Since the two systems do not automatically interface with each other, the Senior Bond Accountant/Analyst performed manual reconciliations between the two systems. Given that some expenditures are first entered into the e-Builder system while others are first entered into the PeopleSoft system, reconciling the two systems is crucial for capturing an accurate reflection of project expenditures and ensuring actual costs do not exceed approved budgets.

However, while the stated intent was to conduct monthly reconciliations, these reconciliations had not been performed since July 2018 and were not expected to be completed until the beginning of Fiscal Year 2019/2020.<sup>18</sup> In part, the backlog was due to the Senior Bond Accountant/Analyst assuming other tasks, some unrelated to the bond such as assisting with year-end financial activity or annual PPS budgeting processes, due to frequent turnover and vacancies at the PPS financial management leadership level. Specifically, as a result of the Chief Financial Officer position having four different individuals functioning in that role in less than two years, the Senior Bond Accountant/Analyst had to assist with preparation of the district's Comprehensive Annual Financial Report, annual budgets, and year-end closing of financial records—all non-bond related activities. As a result, the 2012 and 2017 Bond program reconciliations between the financial transactions in the e-Builder and PeopleSoft systems were not completed for several months.

Timely reconciliations are a key control for ensuring all project expenditures are captured, do not exceed approved budgets, and are accurately reported to the Board. A year-long backlog puts the bond program at greater risk of approving expenditures in excess of established project budgets and increases the risk that reports submitted to the Board are inaccurate. These risks could increase significantly unless OSM addresses the backlog and ensures that reconciliations continue to be done in a timely manner going forward—particularly since the Kellogg Middle School and Madison High School projects are scheduled to start construction this summer where significant expenditures are generated. With a new Chief Financial Officer in place since December 2018 and the hiring of additional staff resources to manage bond financial activities in April 2019, OSM should immediately allocate and

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<sup>18</sup> There is a time lag for some expenses such as travel, which means the reconciliation cannot be completed at the immediate conclusion of each month. Although audit fieldwork continued into May 2019, April 2019 was the last month that could have been reconciled during the audit period.

concentrate efforts on completing overdue reconciliations for Fiscal Year 2018/2019 and ensure future reconciliations are performed in a timely manner.

## **Recommendations**

To enhance financial management over bond activities, OSM should work with PPS leadership and other PPS departments do the following:

3. Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E—in addition to other cost components—including variations or deviations from stated methodology.
4. Implement the new cash flow planning process as intended at the start of Fiscal Year 2019/2020, and update cash flows regularly.
5. Immediately allocate and concentrate efforts on completing overdue Fiscal Year 2018/2019 reconciliations between the e-Builder construction management system and the PeopleSoft financial system, as well as ensure future reconciliations are regularly performed in a timely manner.

## Section 4: Bond Program Delivery Framework and Document Management Practices Should be Standardized and Formally Implemented

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Managing large multi-million dollar capital projects inherently comes with complex challenges and risks that are further amplified when public funds are at stake. While the successful delivery of a capital program is largely dependent on the availability of funding, an owner's experience and expertise in managing a wide portfolio of projects is equally critical. When projects are publicly funded, there is also an intrinsic obligation for greater transparency and accountability in spending tax dollars within the parameters set-forth by voter-approved measures.

When OSM's prior 2012 Bond created an instant demand for large-scale capital construction expertise within the district, the passage of the 2017 Bond amplified that need as the scale of the bond projects posed a challenge the district had not contended with for several decades. We found that OSM followed certain project planning and design activities for its 2017 Bond that aligned with best practices including using project specific management plans, incorporating value-engineering practices, vetting design decisions and selecting stakeholder buy-in. Project teams used automated project management tools, focused on transparency and accountability and made good progress on the design and construction of the 2017 Bond projects. We also found that OSM faced the following challenges:

- Key program and project management manuals and procedures were not regularly updated or were still in draft format;
- Bond records and documentation were dispersed in multiple systems, not always accessible, and hard to locate; and
- Protocols for formally documenting and communicating bond project decisions related to design changes were inconsistently applied.

Without a defined robust delivery framework in place, practices and approaches to key program and project components could vary widely as individuals rely on their personal experience and expertise handling similar project tasks and activities. This can lead to reduced consistency in how projects are delivered and increased risk of data and historical knowledge being lost—especially if there is turnover with staff or hired-consultants. More importantly, without strong practices, risks are increased for scope and quality issues such as completed deliverables differing from plans, schedule delays, or cost overruns. Given recent PPS turnover and multiple key project team members serving in a contracted capacity, it is critical that OSM capital project institutional knowledge is preserved and can be transferred to new employees or contract staff.<sup>19</sup>

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<sup>19</sup> As of May 2019, the interim Senior OSM Director, Bond Program Manager, project directors for Grant High School and Benson High School, and all construction manager positions were staffed with external consultants.

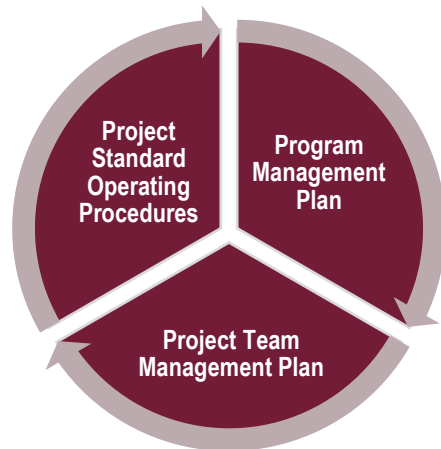


## Not all Delivery Guidelines and Important Project Specific Management Plans were Finalized

With the complexity of construction projects subject to a wide range of factors influencing their outcome, managing capital projects must have critical policies and procedures to guide consistent project implementation. Ideally, management plans and procedures should be formalized at the outset of a program or during early capital program planning to define and guide the work ahead.<sup>20</sup>

In-line with industry leading practice, OSM developed formal program and project delivery tools after the 2012 Bond passed. Serving as guiding principles to achieve the program's goals, the bond program delivery framework included a program management plan (PMP), standard operating procedures (SOPs), and a project specific project team management plan (PTMP) as shown in Exhibit 9. However, not all of these documents were updated or finalized as of May 2019.

EXHIBIT 9. BOND PROGRAM DELIVERY FRAMEWORK



Source: Auditor-generated based on review of existing data.

As discussed later in this section, the past lack of stability at the PPS executive leadership level due to turnover since the passage of the 2017 Bond has strained staff resources available to complete needed project administrative tasks such as establishing functioning bond management plans. Given the multitude of external and internal project team members to coordinate and manage, a fully developed and established program delivery framework is needed to help achieve greater uniformity and build schools as envisioned. As the project owner, OSM should place greater emphasis on completing and implementing project plans, and ensure protocols and directives are followed by all project teams.

### Project Management Plan Generally Aligned with Leading Practices, but Needs to be Updated

Based on our high-level review, OSM's 2017 PMP contained elements suggested by industry leading practices as well as included discussion on governance structure, definitions for project team roles and responsibilities, description of the program and related projects, methodologies for calculating escalation,

<sup>20</sup> The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.10-12.



requirement for a risk management plan, establishment of key performance metrics to be captured, and monthly project report instructions. A PMP is extremely important as “one of the mainstays of program management and defines the vision, implementation strategy, schedule, and budget criteria, and the policies, procedures, and standards for the program”.<sup>21</sup> As a “living document”, a PMP must be regularly updated throughout the life of the program to account for changing conditions to ensure most contemporaneous reference and continuous guidance for project teams.

In October 2013, OSM’s first PMP was completed establishing standards and protocols for managing the 2012 Bond projects and subsequent bonds. Updates to the PMP occurred annually in 2014 and 2015, with the latest PMP completed in October 2017. While the PMP evolved over time to include many key elements suggested by industry practice as discussed in prior bond performance audits, OSM was challenged keeping the PMP current through annual updates. According to interviews conducted with bond program leadership, this was in part due to a 2018-identified need for a complete restructure of the PMP to better address and communicate requirements and expected practices for project teams. As a result, the 2018 PMP update was still underway in June 2019 and not estimated for completion until late 2019.

### **Not all Project Specific Team Management Plans Were Completed**

At the project level, best practices suggest using a project team management plan (PTMP) outlining strategies for fulfilling the requirements for specific projects to establish “the scope, budget, schedule, environmental conditions, and the basic systems to be utilized.” At the “day-to-day” level, specific project standard operating procedures should “define the team responsibilities, levels of authority, communication protocol, and the systems, methods, and procedures for project execution.”<sup>22</sup> We found that, in line with leading practice, OSM required its project managers to prepare a baseline PTMP prior to the start of project design and update the plan at key project milestone stages to address changing conditions.<sup>23</sup>

However, as of June 2019, a baseline PTMP had only been established for the Kellogg Middle School project, while the PTMPs for the three high school projects were still in a draft outline format only addressing high-level PTMP elements such as overall description of the project, Design Standards to be followed, and planned project milestones. With construction imminently starting at Madison High School this summer, Lincoln High School completing design, and Benson High School entering the design phase, the lack of completed baseline PTMPs increases risks of work not performed in a consistent or predictable manner. Further, the delayed timeline defeats the primary purpose of a PTMP as defined by OSM “to ensure the individual Bond projects are constructed on schedule, within budget, and with the quality standards established by the District.”<sup>24</sup>

Moreover, the prior 2012 Bond performance audit issued in 2017 found similar issues with PTMPs for the 2012 capital school projects. The audit particularly noted that while OSM agreed that key elements of the

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<sup>21</sup> The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.101.

<sup>22</sup> The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.10, 12.

<sup>23</sup> PPS Project Standard Operating Procedures, 2017, p.39.

<sup>24</sup> PPS Project Team Management Plan, 2017, p.5.

PTMP be developed prior to the start of design, only a partial draft PTMP was in place at the time the Grant High School project completed design in early 2017.<sup>25</sup>

## **Stronger Document Management is Needed**

Effectively managing and controlling the flow of information related to project delivery and all project activities is critical. Inconsistent or conflicting information can lead to confusion, project delays, and uneconomical decisions. Tracking and preserving accurate project documentation allows project managers to better gauge status and progress, have the data to make informed decisions on cost and schedule, and be more accountable to stakeholders and the general public. Further, strong and reliable records protect OSM from heightened risk of claims filed by contractors, disputes over work, and cost overages.

While auditors found certain 2017 Bond project documentation expected on large scale capital projects, we also found instances of inconsistent and unorganized project documents across multiple systems used for project management in addition to system access issues. Because these practices can potentially cause project issues such as those described above, OSM needs to formally determine, record, and communicate how bond project documents will be consistently managed, stored, and protected throughout the bond program's life cycle in accordance with leading practices.

- **Formal Document Management Policies were not Always Observed by Project Teams**

Best practices suggest that entities involved with delivering large capital programs must make early decisions on how to capture, archive, and distribute project documents.<sup>26</sup> While OSM's Standard Operating Procedures (SOPs) outlined protocols for maintaining and storing draft and final project documents and how documents should be labeled to ensure consistency across projects, those protocols were not consistently followed.

Specifically, the SOP prescribes the use of the e-Builder system as the main document management system that includes a standard filing structure for all projects such as Folder A holds all administrative Folder B contains design documents, and Folder C holds permitting data. However, our review of these e-Builder folders found that their use was inconsistent—some project teams maintained certain documents as required, while other project team folders had no content.

- **Project Documents Were Maintained In Multiple Systems**

For the most part, OSM maintained critical project documentation suggested by industry leading practices to allow managers to effectively deliver the bond projects as promised. These documents included master plan design documents, cost estimates, change order support, and schedules.

Yet, OSM project teams used a variety of systems to manage and store project data and documents. These included e-Builder project management system, web-based work tools, and file storage systems that allowed synchronization of files. While it is not unusual to use more than one system to handle the

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<sup>25</sup> 2012 Bond Performance Audit, June 2017, p.57.

<sup>26</sup> The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.103.

tremendous amount of data generated on large, complex capital projects, it is a riskier practice that can result in project managers using outdated documents and data to make critical project decisions.

While the OSM SOP designated the e-Builder system as the official system for managing project documents, project teams worked on and stored the same type of documents in different systems depending on individual preferences. For example, as shown in Exhibit 10, cost estimates were stored in four different systems depending on the project. When asked where current in-process project documents were located, project managers were generally in alignment that two main systems were used—e-Builder and the X-Drive. However, there was no consensus on where the final version of the documents should be stored.

This practice conflicts with industry leading practices suggesting that “reporting progress, schedule, cost, scope changes, and quality compliance must be achieved in a standard electronic format available to every entity engaged in the program.”<sup>27</sup> Increased risks from not using standard locations or defined systems for maintaining project documents include project managers making decisions using outdated information, additional staff time and resources used to locate key documents, and potential repeated work if a document cannot be located and has to be recreated. Therefore, OSM should designate official systems of record, remind and train project teams to follow established protocols, as well as develop standard tools for accessing and managing documents for the bond program as a whole.

**EXHIBIT 10. SYSTEMS USED TO STORE KEY PROJECT RECORDS**

Document	e-Builder (A)	X-Drive (B)	Google Drive (C)	Personal Drive (D)	Blue Beam (E)	Smartsheet (F)	Other (G)
Cost Estimates	✓	✓		✓	✓		
Budgets and Expenditures	✓						
Schedules <sup>(H)</sup>	✓	✓		✓	✓	✓	✓
Project Team Meeting Minutes	✓	✓				✓	✓
Change Orders	✓	✓		✓			
Deviation Logs	✓	✓	✓			✓	
Lessons Learned	✓			✓			

Source: Auditor-generated based on survey of project team members and audit observations.

Notes: <sup>(A)</sup> e-Builder is a construction program management solution that manages capital program cost, schedule, and documents. <sup>(B)</sup> Located on the PPS network, the X-Drive is OSM’s main shared drive. <sup>(C)</sup> Google drive is a cloud-based file storage system which allows users to store, synchronize, and share files. <sup>(D)</sup> Located on the PPS network, the personal drive, including email folders can only be accessed by the individual for which the drive is set-up. <sup>(E)</sup> Blue Beam is a software that allows editing of PDF documents. <sup>(F)</sup> Smartsheet is a web-based document, task, and workflow management software. <sup>(G)</sup> Other systems include informal physical files, handwritten meeting notes, or OneDrive (another cloud-based file storage and sharing platform). <sup>(H)</sup> Program and project schedules are generated by external consultants using the Primavera scheduling software that can be downloaded into PDF files which are stored in the various systems shown.

<sup>27</sup> The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.103.

- **Not All Key Team Members Had Access to Systems Used To Manage Projects**

Like many public sector owners, PPS hired several experts from an external firm to provide program management and construction management services for the 2012 and 2017 Bond projects.<sup>28</sup> As key project team members, these external staff helped manage, plan, design, and execute projects and were involved with nearly every project activity such as budgeting, cost estimating, value engineering, invoice review, and quality control among other activities. Although the external consultants were responsible for critical project functions, they did not always have access to systems used by PPS staff to most efficiently manage projects.

As previously shown in Exhibit 10, many key documents were stored on the PPS' internal X-Drive to which consultants functioning in project manager or construction manager roles could not always gain access since access required PPS-owned computers which was not provided. To address the issue, some OSM staff maintained data in multiple systems to provide these external consultants access to needed project documents. However, this practice increases the risk that documents are not regularly or appropriately updated on the multiple systems and project team members could inadvertently make decisions using erroneous or outdated information. Inconsistent information or multiple versions of documents make project management unnecessarily cumbersome and difficult to identify official, most recent, or final records. Thus, OSM could consider providing computers for use by external project management consultants or identify and use a standard and accessible system for storing capital project documents where the full OSM team, including hired project consultants, have access to critical project data.

- **Project Documents Were Not Always Easy to Locate**

With the use of multiple systems, obtaining data was a challenge for auditors in addition to project management staff as users had to locate records across various systems. Moreover, some information was not clearly marked as draft or final leading to confusion with version control. When requesting information from OSM or independently searching for data in systems where we had access, records were not always easy to locate. Similar project documents were located within different system folders and files making it challenging to locate most recent versions.

For instance, auditors and OSM staff could not easily locate basic bond financial information such as original budgets, actual expenditures, or estimated costs to complete projects within the e-Builder system, the Bond programs' key information management system. Moreover, a seemingly straightforward inquiry of how voter-approved budgets for individual bond components track with current budgets and expenses resulted in a very time-consuming exercise for both OSM staff to produce from e-Builder as well as auditors to verify and ensure amounts were accurate and logical.

Additionally, key project documents were scattered among a variety of systems, and several versions of documents existed making it difficult to determine which was accurate or approved. In one example, when the auditors requested the Bond Program Management Plan (PMP), OSM initially provided us with a draft version of the document and, several months later, a final version of the PMP was

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<sup>28</sup> Heery International Inc. provides a variety of critical program and project functions for the 2012 and 2017 Bond projects.

discovered. This confusion also adds challenges for project managers, construction managers, and OSM leadership to manage costs and scope when they may not be using the most recent data available or are operating with an outdated version of a document.

Without using the defined formal system and common framework with accessible locations for project documents, there is greater project risk of inefficiencies from staff time searching for up-to-date documents, making erroneous decisions based on outdated information, potential repeated work needed if a document cannot be located, and possible inaccurate reporting to the Board and public if outdated information is used. Likewise, impediments to locating key project data and background information hinder effective and efficient management and review of projects, especially in the event of staff turnover.

Thus, as part of its current efforts to update the PMP and SOPs, OSM should develop a plan to work with project teams, ensure established document filing structures are followed, and train staff on the systems to be used. This should involve identifying critical project documentation to be maintained—such as cost estimates, schedules, project development team meetings, change orders, and deviation logs—and creating a standard numbering system to ensure consistency and availability of important project data.

### **Certain Design Phase Activities Aligned with Best Practices, although More Structure is Needed**

With most of the 2017 school bond capital projects generally in early project delivery stages, auditors focused on processes and practices related to project planning and design where details on an individual school's renovation are conceptualized.<sup>29</sup> Specifically, we performed a high-level review of Education Specifications (Ed Specs) establishing building design characteristics and Design Standards detailing materials and systems to be incorporated into school buildings as these were critical tools used in project development. Because activities during the design phase refine master planning concepts into specific building details, decisions made during this critical stage greatly impact a school's desired educational programs and must be appropriately considered, vetted, and memorialized.<sup>30</sup>

OSM employed several best practices and spent great effort vetting design decisions and seeking buy-in on variances from Ed Specs and Design Standards, although practices related to tracking and memorializing design deviations and informing project teams on proposed changes to Ed Specs and Design Standards could be improved to ensure Bond projects are managed and delivered in a consistent manner. Additional clarification and guidance for project teams on the types of deviations to escalate to the appropriate stakeholders would also be beneficial.

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<sup>29</sup> Kellogg Middle School is the first project to enter construction in the summer of 2019. Subsequent audits will review construction-related practices.

<sup>30</sup> According to the Construction Management Association of America (CMAA) Construction Management Standards of Practice, 2015, p.156, the design phase includes schematic, preliminary, and final design stages that implement local Design Standards or facility specifications into construction documents.

## Ed Specs Square Footage Generally Aligned with Other School Districts Reviewed

As an important tool in building design, PPS' Ed Specs provide building design characteristics such as number and types of classroom space and square footage to support programs and curriculum.<sup>31</sup> When compared to other Oregon school districts, we found PPS Ed Specs were generally aligned with neighboring Beaverton and North Clackamas School Districts with programs separated into similar categories of core academics, arts, athletics, educational support, and building support. Additionally, PPS' High School Ed Specs' square footage and student capacity for these areas also generally aligned with the other districts as shown in Exhibit 11.

**EXHIBIT 11. COMPARABLE DISTRICT HIGH SCHOOL ED SPECS FOR KEY AREA PROGRAM SQUARE FOOTAGE**

Area Program	PPS	North Clackamas	Beaverton
Core Academics	63,660	64,720	96,750
Arts	21,150	32,255	32,640
Athletics	35,580	44,265	50,050
Education Support	67,400	55,195	52,502
Building Support	5,900	2,245	13,860
<b>TOTAL</b>	<b>193,690</b>	<b>198,680</b>	<b>245,802</b>
Student Capacity	1,700	1,800	2,200

Source: PPS High School Ed Specs, Beaverton High School Ed Specs, North Clackamas High School Ed Specs.

Note: Because each school district's Ed Specs are organized differently with similar program areas captured in different categories, auditors adjusted certain line items within program areas between the districts allowing for a more illustrative comparison.

Although the five main program categories are the same between the various school Ed Specs, individual items within each category can vary based on the unique needs of the particular district. For example, PPS invested heavily in makerspace areas with Ed Specs recommending 1,200 square feet, whereas North Clackamas School District preferred makerspace areas of only 650 square feet.<sup>32</sup> By contrast, Beaverton School District preferred extra square footage and space for electives such as business and marketing, computer applications, and journalism and web design.

## Project Teams Routinely Sought Design Input from a Diverse Set of Stakeholders

Throughout the lifecycle of a school capital improvement project, OSM appropriately engaged a diverse set of stakeholders to garner feedback on specific design elements and assist in developing schools reflecting the needs of students, teachers, parents, and community members.<sup>33</sup> Specifically, for each of the four schools included in the 2017 Bond, OSM developed and followed a Stakeholder Engagement Plan to help OSM get input and school facilities meet the needs of people who will occupy, use, and maintain the buildings. For example, during planning for the Madison High School modernization process, OSM held

<sup>31</sup> PPS had separate Ed Specs for high schools, middle schools, and elementary schools.

<sup>32</sup> Makerspace allows students to experiment, discover, model, construct, and design with the support of tools and technology not found in typical classrooms.

<sup>33</sup> Stakeholders include internal PPS leadership, Design Advisory Groups, Steering Committee, and Student Support Services to name a few.



42 stakeholder and design review meetings between December 2017 and June 2018, each focused on a single program area such as performing arts, special education, or custodial services.

Additionally, during the design phase of each project, OSM project teams met with a Design Advisory Group (DAG) comprised of PPS and school staff, students, parents, and community members to ensure a diverse set of input was represented for building design.<sup>34</sup> For instance, the DAG for the Lincoln High School project met eight times between February 1, 2018 and March 14, 2019 with meeting minutes posted on the PPS website. In addition to meeting with the DAG, OSM project teams held design workshops and open houses to obtain public input and facilitated discussion of specific issues or considerations.

### **Design Standards and Ed Specs Deviations were Tracked, although Enhancements Could be Made**

While PPS followed best practices and utilized Ed Specs and Design Standards, each school project is unique and designs may vary or deviate from those requirements for site-specific reasons. To track these deviations, each OSM project team maintained a customized deviation log with varying fields of information. This practice could be enhanced by using a standardized approach for the type of data captured in the logs.

For instance, while each capital school project deviation log generally contained information on Ed Specs or Design Standards section impacted, description of the proposed deviation, and comments on the deviation, certain fields were not uniformly captured across the logs included savings estimates and project stage when the deviation was submitted for review. Further, while the log entries were generally supported, it was not always apparent whether the deviations were actually approved or not as these fields were not consistently completed on the logs. This missing information could be particularly challenging if there is project team turnover where new project managers would not know status of a proposed deviation and desired changes could more easily be missed during construction. Thus, OSM could enhance its practice ensuring standard information is included on all logs and approvals are documented and tracked.

### **Proposed Changes to Ed Specs and Design Standards May Not Always Be Accessible to Project Teams**

PPS modernizes its district schools following guidelines prescribed in district Ed Specs and Design Standards. Both are 'living' documents that were regularly updated based on 2012 Bond project experience, district priorities, and best practices—as aligned with other educational entities.<sup>35</sup>

In between official updates to Design Standards and Ed Specs, proposed changes that need to be made were tracked by the Facilities and Asset Management department and maintained in individual staff email folders or physical paper copies that were not always accessible to project teams. No formalized tracking list or central shared location was available to OSM project teams to consider the proposed design standard changes. Given that Ed Specs were last updated in 2017 and updates on approved Design Standards may occur infrequently, project teams that are currently designing Bond projects may be unaware of potential changes to these guiding documents given the location where the data is stored which could lead to same change requests being submitted by multiple project teams. Establishing a tracking

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<sup>34</sup> DAG charter suggests stakeholders include teachers, students, parents, middle school cluster parents, neighborhood associations, business associations, cultural associations, potential program and/or capital partners, alumni, the school principal, and school board representatives.

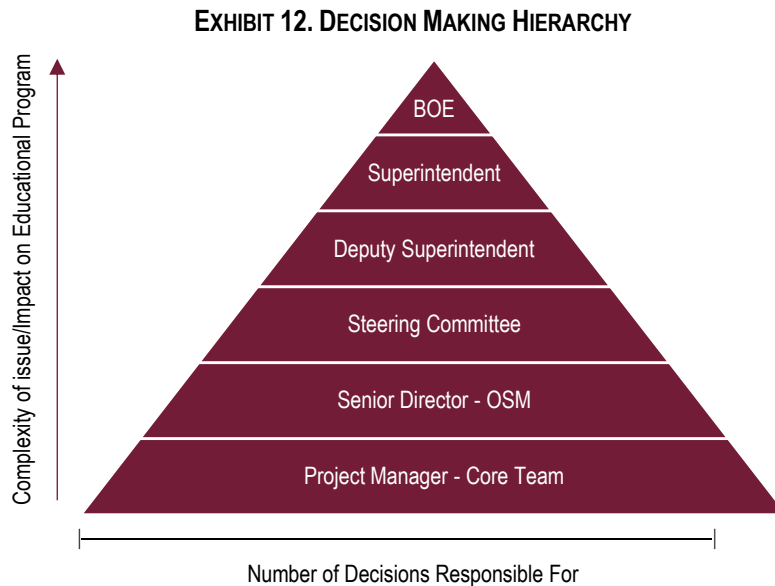
<sup>35</sup> Consistent with other educational facilities such as California Department of Education Facilities Planning Division AAV Educational Specifications Chapter 3 that states "district goals should be reexamined and updated before a new educational specifications document is developed."

mechanism for proposed changes that is available to all project teams, or would ensure a greater awareness of proposed changes to Ed Specs and Design Standards and eliminate redundant efforts to make the same changes.

### Value Engineering was Well Employed, but Further Clarification is Needed for Vetting Decisions

Another type of activity during design, known as value engineering, is specifically directed at analyzing building features, systems, equipment, and material selections to optimize quality, performance, value, and cost-containment.<sup>36</sup> At OSM, these value engineering activities were completed during design and before the start of construction in alignment with best practices. For the 2017 Bond, OSM employed a beneficial value engineering process; yet, the process needs clarification and consistency for documenting deviations and ensuring project teams understand the type of project decisions to bring forward for input of leadership.

For each of the 2017 Bond projects, OSM assembled a Steering Committee to provide input to project teams on various design decisions that typically included the OSM Senior Director, PPS Chief of Staff, PPS Chief Academic Officer, and the Deputy Superintendent, among others. According to project teams, the committee’s purpose is to provide guidance for issues that may not rise to the level of needing input from the Superintendent or Board. While the OSM Senior Director issued a memo in September 2018 explaining the decision-making hierarchy to the Bond Accountability Committee as shown in Exhibit 12, the type of information or decisions that should be elevated to the Steering Committee was not described. Informally, project teams told us they take decisions impacting programs, operations, or maintenance to the Steering Committee, while decisions with significant impacts on programs, project costs, or project delivery were directed to the Board.



Source: Memorandum from OSM Senior Director to Bond Accountability Committee, September 25, 2018.

<sup>36</sup>The Construction Management Association of America (CMAA), Construction Management Standards of Practice, 2015, p.30 states that value engineering is used for the purpose of optimizing value in project designs. It is best completed during the initial preliminary design stage.



Absent clear direction on what decisions should be elevated beyond the project team, there is a risk that decisions related to Ed Spec, Design Standards, or value engineering deviation decisions made by the project teams may not be fully vetted with buy-in to ensure end-user impacts are considered.

### **Good Practices Captured in Lessons Learned Can be Further Enhanced**

With the passage of the first bond program in 2012, OSM project teams set out to capture lessons learned for each of its capital projects in its efforts on continuous improvement. The resulting lessons learned documents and lists within the e-Builder system are important tools to carry-forward efficient and effective practices, while eliminating or mitigating risks of repeating past issues on the future 2017 Bond projects. However, there are opportunities to enhance the tracking and sharing of these lessons between project teams.

Some lessons learned logs were captured and maintained in the e-Builder system—although there were some limitations with data tracked. Specifically, lessons learned were tracked in the system by individual project with a quick description of the lesson learned and the date it was input into the system. With some of these logs comprised of hundreds of lines of lessons learned, this tracking could be enhanced by classifying each lesson learned into standard categories to allow other project team members to more easily find and understand lessons that might be needed on their projects.

For instance, categorizing the lessons learned into fields related to project phase—such as design, construction, or closeout—or project area such as structural, electrical, or concrete, would make it easier for project teams to find and incorporate the lessons into future projects. Further, since not all OSM staff can view projects within the e-Builder system unless they were assigned access to a particular project containing the lessons learned logs, risks are increased that a project team could be unaware of past project issues and would repeat the past mistakes. Adding standard categories in the e-Builder system would allow OSM to summarize lessons learned and regularly distribute or discuss with team members across projects.

Additionally, lessons learned were also tracked in documents maintained on project team members' individual computers or in physical binders. Similar to the issues identified with logs in the e-Builder system, maintaining individual logs not accessible to other project teams or not categorized for ease of use adds risk to project delivery processes

### **Turnover May have Hindered OSM's Ability to Develop Consistent Bond Management Framework**

Research suggests that high turnover among leadership in public agencies can have several consequences including reductions in workforce resources available to complete key agency tasks as well as the loss of human capital, agency expertise, and institutional memory necessary for successfully

implementing programs. Moreover, such turnover can negatively impact an agency’s ability to fulfill long-term commitments, including municipal bond programs and commitments made to voters.<sup>37</sup>

While employee turnover cannot be completely avoided, we found frequent changes in PPS leadership and promotions or transfers to other departments created OSM workload problems with existing staff assuming additional roles and taking on more responsibilities. An even greater challenge with recurring turnover stems from institutional knowledge being lost and direction at the leadership level frequently changing causing potential shifts in priorities and focus—impacting not only educational matters, but also goals for large capital programs dependent on stable direction for building facilities to meet current and future student needs. Turnover, combined with still in-progress updates to formal program management policies and practices as discussed throughout this section, increases the risk of Bond projects not being efficiently and consistently managed or delivered.

**Significant Executive Leadership Turnover Impacted Ability to set a Consistent Tone and Overall Approach to Bond Program Management**

While turnover rates rose since 2011, there was substantial turnover at the executive leadership and senior management levels during the 2017 Bond development and subsequent implementation period. Specifically, between February 2017 and December 2018, there were several PPS executive positions that turned over 2.5 times, on average, over an approximate two-year period, as shown in Exhibit 13.

**EXHIBIT 13. PPS EXECUTIVE LEADERSHIP TURNOVER SINCE FEBRUARY 2017**

Leadership Position	Current Individual in Place Since	Times Turned Over since February 2017
Superintendent	October 2017	3x
Deputy Chief Executive Officer <sup>(A)</sup>	July 2018	1x
Chief Operating Officer	January 2019	2x
Chief Financial Officer <sup>(B)</sup>	December 2018	4x
Chief Technology Officer	January 2019	4x
Chief Human Resources Officer	August 2018	2x

Source: Turnover data provided by PPS Human Resources.

Note: <sup>(A)</sup> The Deputy Chief Executive Officer position was eliminated and replaced with a Deputy of Finance and Operations. <sup>(B)</sup> Two of the four turnovers were PPS-hired contractors who served as interim Chief Financial Officer.

With nearly the entire executive management level rotating multiple times within several months, senior OSM staff and contracted consultants managed the bond program without the benefit of continuous, consistent support by PPS executive leadership. In past large-scale capital program performance audits we have conducted, we found that stable, long-tenured executive leadership supporting bond activities and staff responsible for delivery of successful bond programs provided the best chance for positive outcomes. Although there were recent hires and promotions to these key leadership positions within PPS, it is too early to fully assess the impact of those changes. However, based on discussions with project teams, there seemed to be a shared positive outlook for future stability and direction.

<sup>37</sup> “Turnover at the Top: Causes and Consequences of Leadership Change in Public Agencies”, James C. Clinger, Department of Political Science and Sociology, Murray State University, Kentucky, USA. January 2016.

Similarly, there were critical leadership turnover within OSM that included the elimination of the OSM Chief position, the creation of a new position for a Director of Construction, and turnover at the Senior Director and Program Manager level. With all these changes, none of the key OSM personnel present at the time the bond passed in May 2017 were in their same position as of May 2019, thus further straining efforts to provide more stability and consistency in how projects are managed and delivered. Further, the Roosevelt High School project experienced approximately 10 individuals in the role of project manager or construction manager since June 2013 increasing the risk of missing or unclear project communications and confusion about whether key design details were reviewed, approved, or implemented.

Without stable staffing on projects and formalized project management protocols to oversee and manage project activity, critical project details can be missed and project inefficiencies can translate into cost overages.

## Recommendations

To refine and better standardize the bond program delivery framework and document management practices, OSM should work with PPS leadership and other PPS departments to:

6. Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.
7. Formally communicate, clarify, and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage by considering the following:
  - Identifying the documents each project should maintain during each phase of project development;
  - Determining a standard location and specific systems to be used for in-progress and final versions of capital project documents where key project team members of the OSM team, as well as non-PPS employees, have access;
  - Establishing a new or refining the existing standard hierarchy across projects detailing the specific folders to be used as well as expected contents of each folder; and
  - Developing a uniform naming and numbering convention for each document across all capital projects.
8. Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented.
9. Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location.

10. Supplement the “Decision-Making Hierarchy” process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice for value engineering deviations—as well as Ed Spec and Design Standards deviations.
11. Better document lessons learned by:
  - Categorizing lessons learned log items into separate subcategory sections allowing project managers to more easily identify relevant items; and
  - Summarizing lessons learned and regularly distribute or discuss items with project teams.

## Appendix A: Auditee Response

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### PORTLAND PUBLIC SCHOOLS

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**Date:** September 19, 2019

**To:** Cathy Brady, Principal  
Sjoberg, Evashenk Consulting

**From:** Marina Cresswell, Senior Director  
Office of School Modernization

**Subject:** Performance Audit – Fiscal year 2018/2019  
Phase 2 Report  
Staff Response

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Portland Public Schools (PPS) and the Office of School Modernization (OSM) have received and reviewed Sjoberg, Evashenk Consulting (SEC) 2018/2019 June 2019 Draft Audit Report titled “Performance Audit – Fiscal Year 2018/2019, Phase 2 Report: 2017 Bond Program” (the Draft Report).

PPS appreciates the time and effort SEC has put into the Phase 2 completion of this fiscal year’s audit. Given that the audit occurred during a lengthy transition of OSM program management staffing, the Draft Report provides a timely focus on policies, procedures and training related to program management. As noted throughout the Draft Report, OSM has generally effective processes and controls in place, that align with best practices. The Draft Report provides thoughtful and well-considered recommendations that will refine and standardize these processes. In recognition of the value of SEC’s observations, OSM has already begun the process of implementing several of these recommendations.

Based on our review of the Draft Report, PPS has prepared responses to each of your 11 recommendations. Each response contains one of the following statements:

- Concur – Goal is to implement the recommendation by June 30, 2020
- Concur with Comment – Goal is to implement the recommendation by June 30, 2020 with qualifying comments
- Nonconcur – Recommendation may not be implemented with comments to explain
- Completed – Recommendation has been implemented

The following table presents a tabulated summary of PPS’s responses.

#	Abbreviated Recommendation	Dept	Response
1	Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendations noted in prior audits of 2012 Bond projects.	OSM	Concur
2	Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and Bond Accountability Committee.	Ops/BOE	Completed
3	Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E – in addition to other cost components – including variations or deviations from stated methodology.	OSM	Concur
4	Implement the new cash flow planning process as intended at the start of Fiscal Year 2019-2020, and update cash flows regularly.	OSM	Concur with Comment
5	Immediately allocate and concentrate efforts on completing overdue Fiscal Year 2018-2019 reconciliations between the e-Builder construction management system and the PeopleSoft financial system, as well as ensure future reconciliations are regularly performed in a timely manner.	OSM	Concur
6	Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.	OSM	Concur
7	Formally communicate, clarify, and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage.	OSM	Concur

8	Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented.	OSM	Concur with Comment
9	Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location.	FAM	Concur with Comment
10	Supplement the “Decision-Making Hierarchy” process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice for value engineering deviations—as well as Ed Spec and Design Standards deviations.	OSM	Concur with Comment
11	Better document lessons learned by: categorizing lessons learned log items into separate subcategory section allowing project managers to more easily identify relevant items; and summarizing lessons learned and regularly distribute or discuss items with project teams.	OSM	Concur

Attached is our specific response to each of your recommendations. Please contact me if you have any questions or comments. Thank you again for your hard work and efforts to identify areas for improvement.

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**Recommendation 1 (p. 13)**

Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendations noted in prior audits of 2012 Bond projects. This plan, at the minimum, should identify:

- PPS’s position with regard to the recommendation (agree/disagree);
- How PPS will implement the recommendations (as stated, implement differently, or reasons for not implementing);
- Target implementation dates;
- Process owners (staff responsible for addressing recommendations);
- Actions taken to address issues and recommendations noted; and
- Protocols for communicating status updates to the Bond Accountability and/or the Board.

**Staff Response:**           **Concur**



**Recommendation 2 (p. 15)**

Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and Bond Accountability Committee.

**Staff Response: Completed**

Board Resolution 5780, Authorizing Benson Campus Master Plan as Part of the 2017 Capital Bond Program, lays out the strategy for completing the Benson project through a future capital bond campaign in 2020 or, failing a referral or pass in 2020, use of a Full Faith and Credit Bond.

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**Recommendation 3 (p. 22)**

Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E – in addition to other cost components – including variations or deviations from stated methodology.

**Staff Response: Concur**

PPS prioritizes a transparent and replicable estimating methodology. As noted in the Draft Report, the “vast majority of cost components were supported by underlying documentation for all capital school projects.” OSM will revise its Standard Operating Procedure on cost estimating to specifically require written documentation supporting cost estimates, in addition to continuing to direct project management staff in best practices.

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**Recommendation 4 (p. 22)**

Implement the new cash flow planning process as intended at the start of Fiscal Year 2019-2020, and update cash flows regularly.

**Staff Response: Concur with Comment**

OSM has completed implementation of a standardized, monthly, project cash flow planning process for the large capital projects using e-Builder. Implementation is in progress with Health and Safety projects. Due to the minimal changes that occur in a month’s span, program management cash flow planning has historically been performed on a quarterly basis, and will remain on that timeline.

---

**Recommendation 5 (p. 22)**

Immediately allocate and concentrate efforts on completing overdue Fiscal Year 2018-2019 reconciliations between the e-Builder construction management system and the PeopleSoft financial system, as well as ensure future reconciliations are regularly performed in a timely manner.

**Staff Response: Concur**



OSM has completed the hiring of an additional financial analyst. Reconciliations for Fiscal Year 2018-2019 are now complete through April 2019, and focused efforts to bring reconciliations up to date are ongoing. OSM has implemented a change in e-Builder that will allow future reconciliations to proceed more quickly, and continues to look at options to create automated integration between PeopleSoft and e-Builder.

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**Recommendation 6 (p. 35)**

Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.

**Staff Response: Concur**

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**Recommendation 7 (p. 35)**

Formally communicate, clarify, and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage by considering the following:

- Identifying the documents each project should maintain during each phase of project development;
- Determining a standard location and specific systems to be used for in-progress and final versions of capital project documents where key project team members of the OSM team, including non-PPS employees, have access;
- Establishing a new or refining the existing standard hierarchy across projects detailing the specific folders to be used as well as expected contents of each folder; and
- Developing a uniform naming and numbering convention for each document across all capital projects.

**Staff Response: Concur**

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**Recommendation 8 (p. 35)**

Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented.

**Staff Response: Concur with Comment**

OSM concurs with this recommendation and intends to standardize design deviation logs in future projects. As noted in the Draft Report, each capital project team is already utilizing design deviation logs. OSM will look to update those logs with additional information where possible.

**Recommendation 9 (p. 35)**

Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location.

**Staff Response: Concur with Comment**

OSM agrees that being able to access information on proposed changes to Education Specifications (Ed Specs) and Design Standards would provide greater awareness to those potential changes. As a point of note, capital projects only incorporate Ed Specs and Design Standards that have been approved as of the 100% Design Development milestone of the project. Proposed changes are not incorporated until they have been approved.

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**Recommendation 10 (p. 36)**

Supplement the “Decision-Making Hierarchy” process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice for value engineering deviations—as well as Ed Spec and Design Standards deviations.

**Staff Response: Concur with Comment**

OSM concurs with this recommendation and will provide written general guidance to project teams on the types of decisions that should be elevated for leadership input. As per standard practice, OSM management will continue to provide regular, detailed oversight of projects through coordinated monthly review of Project Status Updates via e-Builder and monthly team meetings. As part of that oversight, OSM management will continue to assist teams in determining which decisions need to be elevated for higher-level input.

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**Recommendation 11 (p. 36)**

Better document lessons learned by: categorizing lessons learned log items into separate subcategory section allowing project managers to more easily identify relevant items; and summarizing lessons learned and regularly distribute or discuss items with project teams.

**Staff Response: Concur**

OSM concurs with this recommendation. OSM also utilizes bi-monthly project team meetings for regular discussion of lessons learned. Historically, lessons learned have also been incorporated into the Program Management Plan (PMP) and Standard Operating Procedures (SOPs). With changes in progress to the structure of the PMP and SOPs, OSM will look to create a stand-alone lessons learned document as part of the above recommendation.

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# PORTLAND PUBLIC SCHOOLS

## 2017 BOND PROGRAM PERFORMANCE AUDIT - PHASE II FISCAL YEAR 2018/2019

NOVEMBER 21, 2019

Presented by:  
Catherine Brady  
Lien Luu

# FIRM BACKGROUND & AUDIT STANDARDS

- **Hired in October 2018 to conduct Annual Performance Audits of School Bond Program**
- **Sjoberg Evashenk Consulting (SEC) Background**
- **Generally Accepted Government Auditing Standards (GAGAS, “Yellow Book”)**
- **Approach to Annual Audit Scope Development**

# PERFORMANCE AUDIT SCOPE

## ■ **First 2017 Bond Audit Done in 2 Phases:**

- **Phase 1 : Development of \$790 million Bond amount.**
  - Cost Estimation Methodology for Pre-Bond Budgets.
  - Report presented to Board of Education on April 15, 2019 and Bond Accountability Committee on April 17, 2019.
  
- **Phase 2 :**
  - Status of 2012 and 2017 Bonds.
  - Cost Estimation and Financial Management.
  - Bond Program Delivery Framework and Document Management.

# SECTION 1: 2012 BOND PROJECTS WERE DELIVERED AS PROMISED

## Key Results

- OSM secured nearly \$116 million in additional funding to offset unexpected costs.
- OSM needs to address project management issues noted in prior bond audits.

## Recommendations

- Develop a written plan for establishing and prioritizing corrective actions needed to address project delivery issues related to change orders, contractor invoices, and other recommendations noted in prior audits of 2012 Bond projects.



## SECTION 2: MOST 2017 BOND PROJECTS ARE ON-SCHEDULE, BUT WILL COST MORE TO COMPLETE

### Key Results

- Approximately \$280 million of additional funding is needed to build schools promised.
- Increased construction costs and low initial bond budget estimates resulted in insufficient funding available to complete Benson High School.

### Recommendations

- Develop a written plan or strategy for identifying and incorporating additional funding options if future bond funds are not available and regularly communicate and discuss progress with the Board and Bond Accountability Committee.

# SECTION 3: COST ESTIMATION PRACTICES IMPROVED AND FINANCIAL MANAGEMENT WAS SOUND, ALTHOUGH SMALL ENHANCEMENTS WOULD STRENGTHEN PROCESSES

## Key Results

- Capital project cost estimation followed an established methodology, but documentation of variances needs improvement.

## Recommendations

- Ensure cost estimates are fully documented with underlying support and rationale used for soft costs and FF&E—in addition to other cost components—including variations or deviations from stated methodology.

## SECTION 3 (CONTINUED): COST ESTIMATION PRACTICES IMPROVED AND FINANCIAL MANAGEMENT WAS SOUND, ALTHOUGH SMALL ENHANCEMENTS WOULD STRENGTHEN PROCESSES

### Key Results

- New bond cash flow processes will better align with project needs, once implemented.
- Bond fund investments appeared well-managed.
- Backlogged reconciliations increase risk that expenditures are not within budget.

### Key Results

- Implement the new cash flow planning process as intended at the start of FY 19/20, and update cash flows regularly.
- Immediately allocate efforts on completing overdue FY 18/19 reconciliations between e-Builder and PeopleSoft.

# SECTION 4: BOND PROGRAM DELIVERY FRAMEWORK AND DOCUMENT MANAGEMENT PRACTICES SHOULD BE STANDARDIZED AND FORMALLY IMPLEMENTED

## Key Results

- Project teams focused on transparency and accountability, vetted design decisions, and sought stakeholder buy-in.
- Not all delivery guidelines and important project specific management plans were finalized.

## Recommendations

- Update and re-issue the PMP, in addition to individual school PTMPs, as well as consider developing quick tools, guides, and checklists to help project teams implement the protocols identified in the PMP and PTMPs.

# SECTION 4 (CONTINUED): BOND PROGRAM DELIVERY FRAMEWORK AND DOCUMENT MANAGEMENT PRACTICES SHOULD BE STANDARDIZED AND FORMALLY IMPLEMENTED

## Key Results

- Stronger document management is needed:
  - Project documents were maintained in multiple systems;
  - Not all key team members had access to systems; and
  - Project documents were not always easy to locate.

## Recommendations

- Formally communicate, clarify, and train OSM project teams and individuals involved with project delivery on existing document management protocols including requirements and expectations for usage.

# SECTION 4 (CONTINUED): BOND PROGRAM DELIVERY FRAMEWORK AND DOCUMENT MANAGEMENT PRACTICES SHOULD BE STANDARDIZED AND FORMALLY IMPLEMENTED

## Key Results

- Certain design phase activities aligned with best practices, although more structure is needed:
- Design standards and Ed Specs deviations were tracked, although enhancements could be made.
- Proposed changes to Ed Specs and Design Standards may not always be accessible to project teams.

## Recommendations

- Standardize design deviation logs by identifying consistent information to be maintained for each project and ensure approvals are documented.
- Establish a tracking mechanism to store proposed changes to Ed Specs and Design Standards in an accessible location.

# SECTION 4 (CONTINUED): BOND PROGRAM DELIVERY FRAMEWORK AND DOCUMENT MANAGEMENT PRACTICES SHOULD BE STANDARDIZED AND FORMALLY IMPLEMENTED

## Key Results

- Value engineering was well employed, but further clarification is needed for vetting decisions.
- Good practices captured in lessons learned can be further enhanced.

## Recommendations

- Supplement the “Decision-Making Hierarchy” process with written guidance on what decisions to bring forward and elevate beyond the project team as well as train project teams on standard practice.
- Better document lessons learned by:
  - Categorizing lessons learned log items into separate subcategories
  - Summarizing and regularly distribute or discuss items with project teams.

# QUESTIONS

**Sjoberg Evashenk appreciates the cooperation and assistance from PPS and its external consultants.**

**Questions?**





# **School Improvement Bond Update**

## **Bond Accountability Committee**

### **Meeting**

**October 30, 2019**



## Agenda

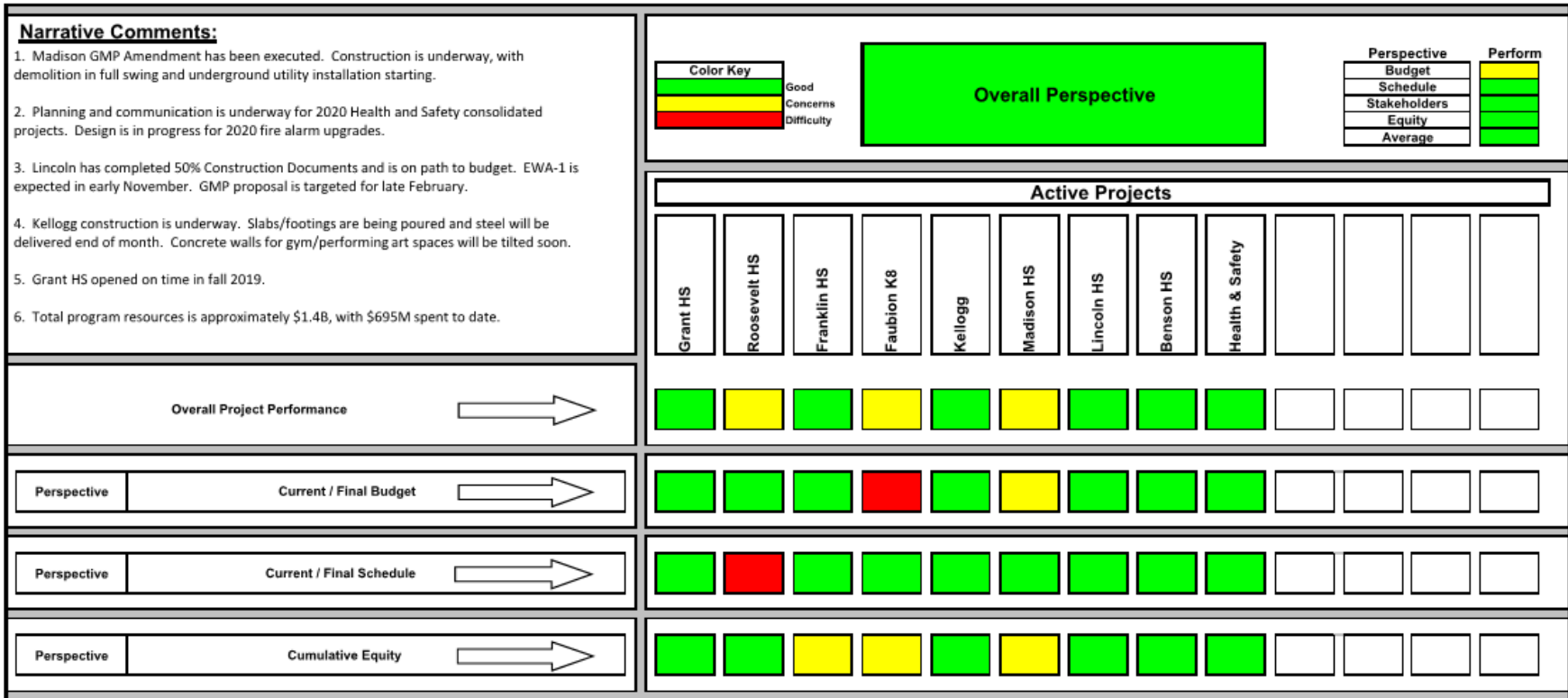
- **Welcome & Introductions** 5:30 pm
- **Public Comments** 5:35 – 5:45 pm
- **Balanced Scorecard** 5:45 – 6:15 pm
- **Program Update** 6:15 – 6:30 pm
- **Special Presentation: Lincoln** 6:30 – 7:00 pm
- **Special Presentation: Benson** 7:00 – 7:30 pm
- **Project Updates** 7:30 – 8:15 pm
- **Questions** 8:15 – 8:30 pm
- **Wrap-Up and Adjourn**



# Public Comment

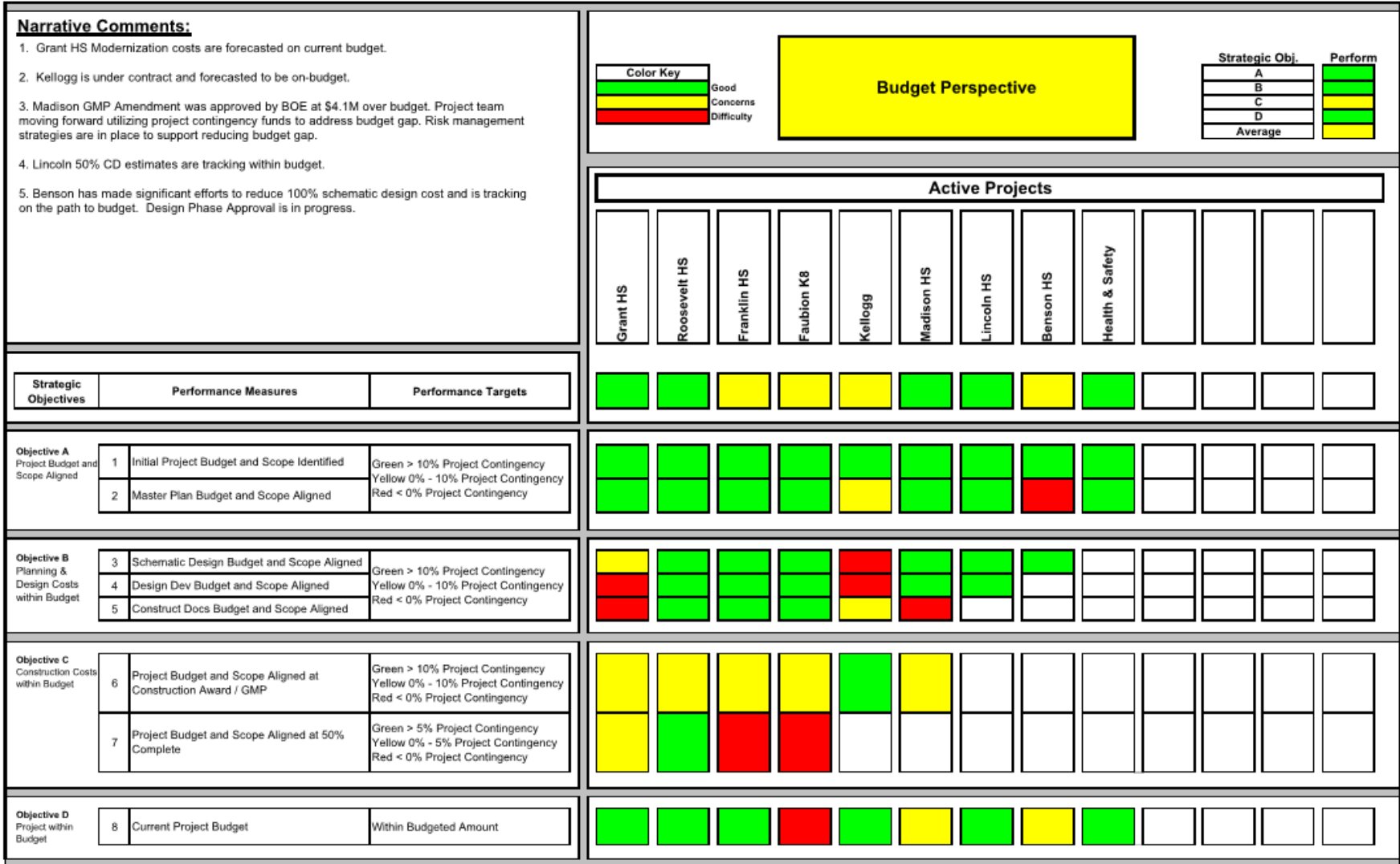


# Balanced Scorecard - Overall





# Balanced Scorecard - Budget





# Budget Update:

Combined Project Cost Summary Report for Capital Improvement Bond Program

Report Run Date: 10.01.2019

Project Name	Original Budget	Approved Budget Changes	Current Budget	Current Commitments	Estimate At Completion	Variance	Actuals Approved
<b>2012 Bond</b>							
Franklin HS Modernization	81,585,655	31,899,040 <sup>1</sup>	113,484,695	113,391,196	113,484,695	-	112,333,439
Multiple Sites - Teen Parent-Playgrounds - 4833 - FY19	-	170,000 <sup>2</sup>	170,000	160,130	170,000	-	250
Grant HS Modernization	88,336,829	70,457,431 <sup>3</sup>	158,794,260	158,103,368	158,794,260	-	150,551,500
Grant - GHS Grant Bowl Improvements - 4919 - FY19	-	250,000 <sup>4</sup>	250,000	132,970	250,000	-	-
Roosevelt HS Modernization	68,418,695	33,467,919 <sup>5</sup>	101,886,614	100,254,680	101,886,614	-	98,548,548
Roosevelt - Modulars-relocated and store - 4435 - FY17	-	186,749 <sup>6</sup>	186,749	186,749	186,749	-	186,749
Faubion Add-Ons - 4918 - DA004 - FY19	-	125,000 <sup>7</sup>	125,000	118,271	125,000	-	105,023
Faubion Replacement	27,035,537	22,875,014 <sup>8</sup>	49,910,551	49,703,543	49,910,551	-	49,697,026
Improvement Project 2013	9,467,471	2,495,668 <sup>9</sup>	11,963,139	11,963,139	11,963,139	-	11,963,139
Improvement Project 2014	13,620,121	4,191,667 <sup>10</sup>	17,811,788	17,811,788	17,811,788	-	17,811,788
Improvement Project 2015	13,521,066	102,076 <sup>11</sup>	13,623,142	13,497,438	13,497,438	(125,704)	13,497,438
Improvement Project 2015 - Maplewood	-	1,518,698 <sup>12</sup>	1,518,698	1,518,698	1,518,698	-	1,518,698
Improvement Project 2015 - SCI	-	2,057,687 <sup>13</sup>	2,057,687	2,057,686	2,057,686	(1)	2,057,686
Improvement Project 2016	15,274,437	1,386,346 <sup>14</sup>	16,660,783	16,468,882	16,468,977	(191,806)	16,405,180
GROUP 3 (IP 2017)	6,796,707	15,356,629 <sup>15</sup>	22,153,336	21,984,946	22,153,336	-	21,448,143
Improvement Project 2018	9,062,119	(9,062,119) <sup>16</sup>	-	-	-	-	-
Improvement Project 2019	-	- <sup>17</sup>	-	-	-	-	-
Master Planning - Benson HS	191,667	206,975 <sup>18</sup>	398,642	398,642	398,642	-	398,642
Master Planning - Cleveland HS	191,667	(191,667) <sup>19</sup>	-	-	-	-	-
Master Planning - Jefferson HS	191,667	(191,667) <sup>20</sup>	-	-	-	-	-
Master Planning - Lincoln HS	191,667	165,427 <sup>21</sup>	357,094	357,094	357,094	-	357,094
Master Planning - Madison HS	191,667	132,413 <sup>22</sup>	324,080	324,070	324,070	(9)	324,070
Master Planning - Wilson HS	191,667	(191,667) <sup>23</sup>	-	-	-	-	-
Marshall Swing Site - Bond 2012	-	4,070,103 <sup>24</sup>	4,070,103	4,070,103	4,070,103	-	4,070,103
Tubman Swing Site - Bond 2012	-	1,164,776 <sup>25</sup>	1,164,776	1,164,776	1,164,776	-	1,164,776
Swing Sites & Transportation	9,550,000	(9,550,000) <sup>26</sup>	-	-	-	-	-
Educational Specification	-	275,168 <sup>27</sup>	275,168	275,168	275,168	-	275,168
Debt Repayment	45,000,000	-	45,000,000	45,000,000	45,000,000	-	45,000,000
2012 Bond Program	93,181,361	(56,391,185) <sup>28</sup>	36,790,175	31,343,273	32,635,332	(4,154,844)	25,670,799
	<b>482,000,000</b>	<b>116,976,480</b>	<b>598,976,480</b>	<b>590,286,611</b>	<b>594,504,116</b>	<b>(4,472,364)</b>	<b>573,385,259</b>
Additional Funding Resource (if/When Needed)	-	10,000,000 <sup>*</sup>	10,000,000	-	-	(10,000,000)	-
	<b>482,000,000</b>	<b>126,976,480</b>	<b>608,976,480</b>	<b>590,286,611</b>	<b>594,504,116</b>	<b>(14,472,364)</b>	<b>573,385,259</b>

\* In February 2017 OSM was directed to proceed with design and construction of Grant HS under the direction an additional \$10M would be made available to OSM if/when needed.



# Budget Update:

2017 Bond							
Benson HS Modernization	202,000,000	(123,297,500) <sup>29</sup>	78,702,500	27,690,402	357,728,000	279,025,500	3,794,640
Kellogg Replacement	45,000,000	14,800,000 <sup>30</sup>	59,800,000	52,098,406	59,800,000	-	9,431,948
Lincoln HS Replacement	187,000,000	55,500,000 <sup>31</sup>	242,500,000	17,364,206	242,500,000	-	9,614,549
Madison HS Modernization	146,000,000	55,502,500 <sup>32</sup>	201,502,500	183,826,715	201,502,500	-	23,963,270
	<b>580,000,000</b>	<b>2,505,000</b>	<b>582,505,000</b>	<b>280,979,730</b>	<b>861,530,500</b>	<b>279,025,500</b>	<b>46,804,406</b>
Benson HS Modernization: Pre-Design - Pre-Bond	-	561,725 <sup>23</sup>	561,725	561,725	561,725	-	561,725
Kellogg Replacement: Pre-Design - Pre-Bond	-	385,873 <sup>34</sup>	385,873	385,873	385,873	-	385,873
Lincoln HS Modernization: Pre-Design - Pre-Bond	-	378,557 <sup>35</sup>	378,557	378,557	378,557	-	378,557
Madison HS Modernization: Pre-Design - Pre-Bond	-	274,297 <sup>36</sup>	274,297	274,297	274,297	-	274,297
Cleveland HS Modernization-Pre-Design - Pre-Bond - 4964 - FY19	-	128,500 <sup>37</sup>	128,500	128,400	128,500	-	-
Jefferson HS Modernization-Pre-Design - Pre-Bond - 4965 - FY19	-	128,500 <sup>38</sup>	128,500	128,000	128,500	-	-
Wilson HS Modernization-Pre Design - Pre-Bond - 4966 - FY19	-	128,500 <sup>39</sup>	128,500	128,400	128,500	-	-
2017 Bond Program: Pre-Design - Pre-Bond	-	81,323 <sup>40</sup>	81,323	81,323	81,323	-	81,323
2017 Bond Program	210,000,000	(87,665,373) <sup>41</sup>	122,334,627	31,130,496	100,089,589	(22,245,038)	12,518,924
	<b>210,000,000</b>	<b>(85,598,098)</b>	<b>124,401,902</b>	<b>33,197,071</b>	<b>102,156,864</b>	<b>(22,245,038)</b>	<b>14,200,699</b>
Chapman - Re-Roof and Fire Sprinkler System Installation	-	2,842,000 <sup>42</sup>	2,842,000	574,266	2,842,000	-	365,013
GROUP 2 - Fire Alarm / Sprinkler	-	8,533,136 <sup>45</sup>	8,533,136	4,125,881	8,533,136	-	1,908,939
GROUP 4 - ASBESTOS	-	3,033,661 <sup>44</sup>	3,033,661	1,486,081	3,033,661	-	1,401,120
Harrison Park - Copy Room-Abate Asbestos Tile - 4664 - FY18	-	10,185 <sup>46</sup>	10,185	10,185	10,185	-	10,185
Harrison Park - K Classrooms-Abate Asbestos from floor tiles	-	24,009 <sup>46</sup>	24,009	24,009	24,009	-	24,009
Hayhurst - SRGP-Bond - 5028 - FY19	-	4,423,500 <sup>47</sup>	4,423,500	3,766,662	4,423,500	-	1,751,250
Hosford - Wood Shop Floor-Asbestos - 4573 - FY18	-	41,523 <sup>48</sup>	41,523	41,523	41,523	-	41,523
Jackson - Health & Safety Improvements-Bond - 5030 - FY19	-	6,521,000 <sup>49</sup>	6,521,000	5,907,602	6,521,000	-	2,856,293
Jefferson - Camera-Pull Stations - 4528 - FY17	-	30,859 <sup>50</sup>	30,859	30,859	30,859	-	30,859
Jefferson - Fire Sprinkler Upgrades-Bond - 5053 - FY19	-	1,147,966 <sup>51</sup>	1,147,966	1,118,416	1,147,966	-	976,361
Lee - Roof Repair - 4497 - FY18	-	97,000 <sup>52</sup>	97,000	97,000	97,000	-	97,000
Lent - Radon Mitigation - 4344 - FY17	-	59,512 <sup>55</sup>	59,512	59,512	59,512	-	59,512
Multi-2018-4675-Bond-Security-PKG1 FY18-19	-	3,062,749 <sup>54</sup>	3,062,749	1,805,678	3,062,749	-	247,356
Multi-2018-5025-Bond-Security-PKG2-FY19	-	2,962,599 <sup>55</sup>	2,962,599	1,841,526	2,962,599	-	97,696
Multi-2018-5026-Bond-Security-PKG3-FY19	-	2,962,600 <sup>56</sup>	2,962,600	26,152	2,962,600	-	1,862
Multiple Site - Lead Paint Remediation	-	-	-	-	-	-	-
Multiple Sites - 2018-2019 Middle School Conversions - 4586-FY18	-	32,540,735 <sup>57</sup>	32,540,735	32,003,657	32,540,735	-	31,798,847
Multiple Sites - Asbestos Bond Projects-2018-19 - 4923 - FY19	-	1,400,000 <sup>58</sup>	1,400,000	1,380,619	1,400,000	-	1,074,116
Multiple Sites - Asbestos Bond Projects-2019-20 - 4924 - FY20	-	-	-	-	-	-	-
Multiple Sites - Asbestos Bond Projects-2020-21 - 4925 - FY21	-	-	-	-	-	-	-
Multiple Sites - Day CPM Management Services - 4610 - FY18	-	1,977,243 <sup>59</sup>	1,977,243	1,975,804	1,977,243	-	1,404,237
Multiple Sites - Fire Alarm Equipment Purchase - FY15/16/17/18 - X0114	-	507,151 <sup>60</sup>	507,151	383,606	507,151	-	383,606
Multiple Sites - Floor Replacement-Bond Compensible - 4565 - FY18	-	124,841 <sup>61</sup>	124,841	124,841	124,841	-	124,841
Multiple Sites - Health & Safety Group 1 Design - 5153 - FY20	-	919,568 <sup>62</sup>	919,568	780,971	919,568	-	-
Multiple Sites - Health & Safety Group 2 Design - 5154 - FY20	-	1,137,400 <sup>63</sup>	1,137,400	969,000	1,137,400	-	-
Multiple Sites - Lead in Water Repairs - 4517 - FY17	-	7,129,460 <sup>64</sup>	7,129,460	2,471,633	7,129,460	-	1,980,069
Multiple Sites - Lead Paint Abatement - BOND	-	10,050,000 <sup>65</sup>	10,050,000	44,303	10,050,000	-	27,268
Multiple Sites - Lead Paint Abatement - Emergency Declaration	-	1,273,500 <sup>66</sup>	1,273,500	1,273,500	1,273,500	-	1,273,500
Multiple Sites - Lead Paint Abatement - Fund 423 - 4493 - FY17	-	577,003 <sup>67</sup>	577,003	577,003	577,003	-	577,003
Multiple Sites - Radon Mitigation - 4609 - FY18	-	113,354 <sup>68</sup>	113,354	113,354	113,354	-	113,354
Rigler - Health & Safety Improvements-Bond - 5029 - FY19	-	8,158,000 <sup>69</sup>	8,158,000	7,498,310	8,158,000	-	4,924,751
Sitton - Health & Safety Improvements-Bond - 5027 - FY19	-	7,433,000 <sup>70</sup>	7,433,000	6,788,924	7,433,000	-	6,306,957
Tubman - Roof Repairs - 4584 - OSM - FY18	-	11,740 <sup>71</sup>	11,740	9,980	11,740	-	9,980
Woodstock - Hallway-Abate and replace floor tiles - 4738 - FY18	-	8,614 <sup>72</sup>	8,614	8,614	8,614	-	8,614
	<b>790,000,000</b>	<b>26,020,810</b>	<b>816,020,810</b>	<b>391,496,272</b>	<b>1,072,801,272</b>	<b>256,780,462</b>	<b>120,881,227</b>
	<b>1,272,000,000</b>	<b>142,997,291</b> ***	<b>1,414,997,290</b> ***	<b>981,782,883</b>	<b>1,667,305,388</b>	<b>252,308,098</b> ***	<b>694,266,485</b>

\*\*\* Totals exclude additional \$10M for 2012 bond (footnoted above)



# Budget Update:

## 2012 Program Costs Summary

10.01.2019

	Original Budget	Approved Budget Changes	Current Budget	Estimate At Completion	Forecasted Over/(Under)	Actuals Approved
Bond Management	15,117,563	11,626,560 <sup>1</sup>	26,744,123	21,971,358	(4,772,765)	21,260,780
Bond Issuance Costs	3,000,000	(921,346) <sup>2</sup>	2,078,654	2,056,501	(22,153)	2,067,450
PBOT IGA	5,000,000	-	5,000,000	5,000,000	-	-
OCIP	-	2,857,473 <sup>3</sup>	2,857,473	2,857,473	-	2,342,568
Escalation	45,000,000	(45,000,000) <sup>4</sup>	-	-	-	-
Fund 424	-	0 <sup>5</sup>	-	-	-	-
Bond Premium	-	- <sup>6</sup>	-	-	-	-
Contingency - QSM	5,063,798	(4,953,872) <sup>7</sup>	109,926	750,000	640,074	-
Contingency - BOE Reserves	20,000,000	(20,000,000) <sup>8</sup>	-	-	-	-
Additional Criteria Financing (FHS/RHS)	-	- <sup>9</sup>	-	-	-	-
Future Interest Earnings	-	-	-	-	-	-
	<b>93,181,361</b>	<b>(56,391,185)</b>	<b>36,790,175</b>	<b>32,635,332</b>	<b>(4,154,844)</b>	<b>25,670,799</b>





# Budget Update:

## 2017 Program Costs Summary

10.01.2019

	Original Budget	Approved Budget Changes	Current Budget	Estimate At Completion	Variance	Actuals Approved
Bond Management	40,000,000	11,920,110 <sup>1</sup>	51,920,110	52,434,825	514,715	7,470,034
Bond Issuance Costs	-	2,159,753 <sup>2</sup>	2,159,753	5,000,000	2,840,247	2,159,753
OCIP	-	3,000,000 <sup>3</sup>	3,000,000	5,000,000	2,000,000	2,889,137
Escalation	-	-	-	-	-	-
Contingency - OSM	20,000,000	(2,427,479) <sup>4</sup>	17,572,521	17,572,521	-	-
Bond Premium	-	- <sup>5</sup>	-	-	-	-
Corporate Receipts Tax (SSA)			-	4,400,000	4,400,000	
Future Interest Earnings				(32,000,000)	(32,000,000)	
	<b>60,000,000</b>	<b>14,652,384</b>	<b>74,652,384</b>	<b>52,407,346</b>	<b>(22,245,038)</b>	<b>12,518,924</b>
ACCESSIBILITY - UNALLOCATED BUDGET	10,000,000	(9,558,440) <sup>6</sup>	441,560	441,560	-	-
ASBESTOS - UNALLOCATED BUDGET	12,000,000	(6,686,740) <sup>7</sup>	5,313,260	5,313,260	-	-
FIRE ALARM/SPRINKLER - UNALLOCATED BUDGET	25,849,990	(16,123,409) <sup>8</sup>	9,726,581	9,726,581	-	-
LEAD PAINT - UNALLOCATED BUDGET	16,623,936	(12,833,349) <sup>9</sup>	3,790,587	3,790,587	-	-
RADON - UNALLOCATED BUDGET	1,126,125	(261,236) <sup>10</sup>	864,889	864,889	-	-
ROOFS - UNALLOCATED BUDGET	50,907,949	(46,264,915) <sup>11</sup>	4,643,034	4,643,034	-	-
SECURITY - UNALLOCATED BUDGET	5,000,000	(5,000,000) <sup>12</sup>	-	-	-	-
WATER FIXTURES/PIPES - UNALLOCATED BUDGET	28,492,000	(8,867,447) <sup>13</sup>	19,624,553	19,624,553	-	-
OSCIM GRANT - UNALLOCATED BUDGET	-	3,277,779 <sup>14</sup>	3,277,779	3,277,779	-	-
	<b>150,000,000</b>	<b>(102,317,757)</b>	<b>47,682,243</b>	<b>47,682,243</b>	<b>-</b>	<b>-</b>
	<b>210,000,000</b>	<b>(87,665,373)</b>	<b>122,334,627</b>	<b>100,089,589</b>	<b>(22,245,038)</b>	<b>12,518,924</b>



# Balanced Scorecard - Equity

**Narrative Comments:**

1. Overall OSM is tracking a cumulative 17.65%, down .26% since last quarter for consultants and contractors together. Current breakdown by certification type is as follows:

	Cumulative	Previous 12 Months
MBE:	5.71%	8.99%
WBE:	8.52%	6.62%
SDVBE:	<.01%	<.01%
ESB:	2.47%	3.69%
N-C:	0.96%	0.34%

N-C = Non-Certified (counted for credit from a Certified Business that "graduated" out or did not reapply).

2. OSM continues to exceed the 20% apprenticeable trade hours goal (currently 24%, same as last quarter).

3. OSM met all student engagement goals in 2019. OSM is in process of tabulating all summer CRIE's and internships for 2019.

**Color Key**

	Good
	Concerns
	Difficulty

Equity Perspective

**Strategic Obj.**

	A
	B
	C
	Average

Active Projects

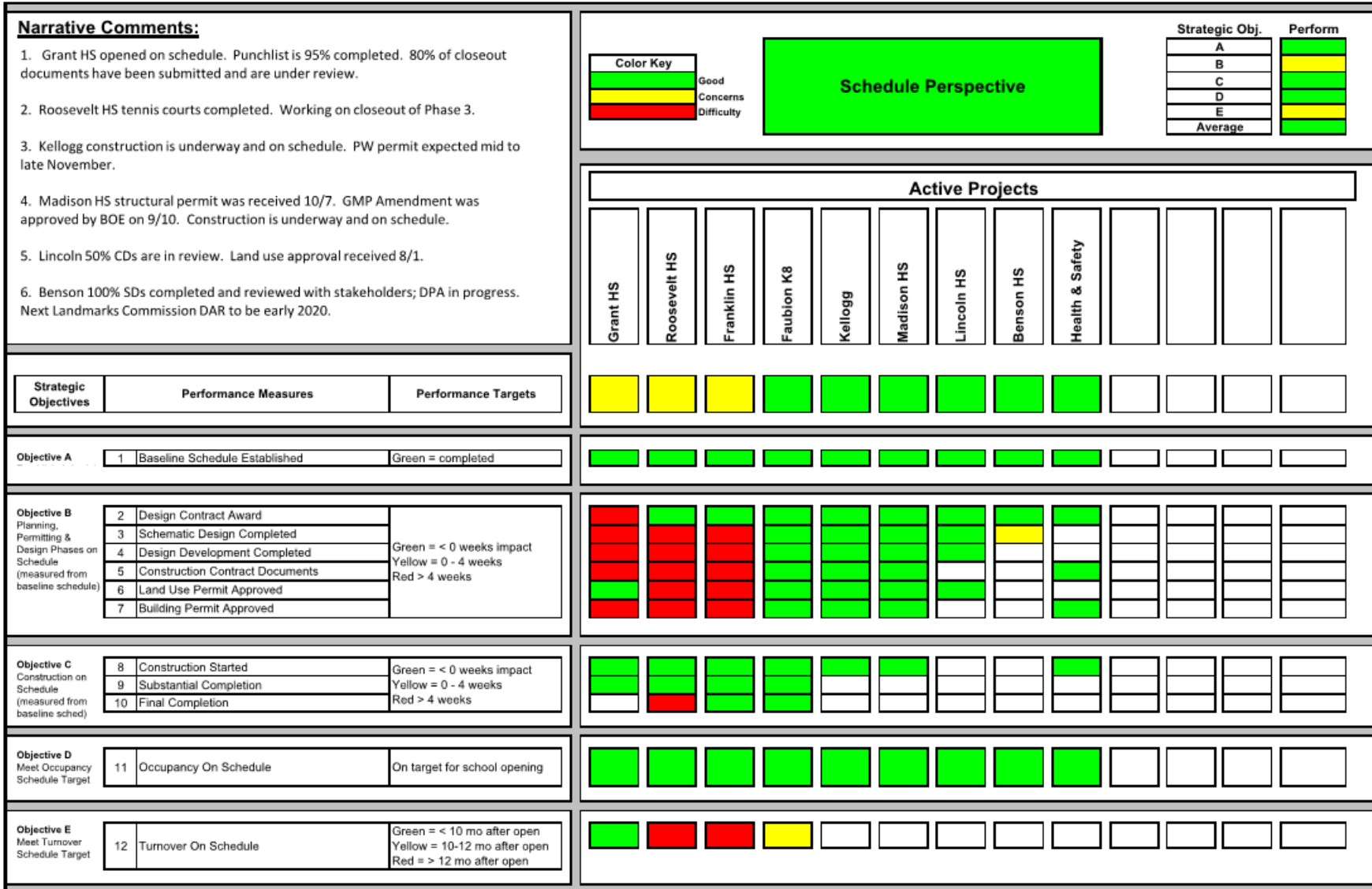
Grant HS	Roosevelt HS	Franklin HS	Faubion K8	Kellogg	Madison HS	Lincoln HS	Benson HS	Health & Safety				

Strategic Objectives	Performance Measures	Performance Targets
<b>Objective A</b> Meets Aspirational Certified	1 Consultants - % of payments made to Certified owned	Green: Certified >18% Yellow: Certified >10% Red: Certified <10%
	2 Contractors - % of payments made to Certified owned	
	3 Project Overall - % of payments made to Certified owned	
<b>Objective B</b> apprenticeable trade participation	4 Contractors % of labor hours/apprenticeable trade	Green: participation >20% Yellow: participation >10% Red: participation <10%
<b>Objective C</b> Meets student participation	5 Tier 1 - Group Activities EG: career fairs, guest speakers	Green: students > 500 Yellow: students > 100 Red: students < 100
	6 Tier 2 - 1-on-1, Short-Term Activities EG: job shadows, mock interviews	Green: students > 50 Yellow: students > 20 Red: students < 20
	7 Tier 3 - 1-on-1, Long-Term Activities EG: internships	Green: students > 10 Yellow: students > 5 Red: students < 5

	2013	2014	2015	2016	2017	2018	2019	2020

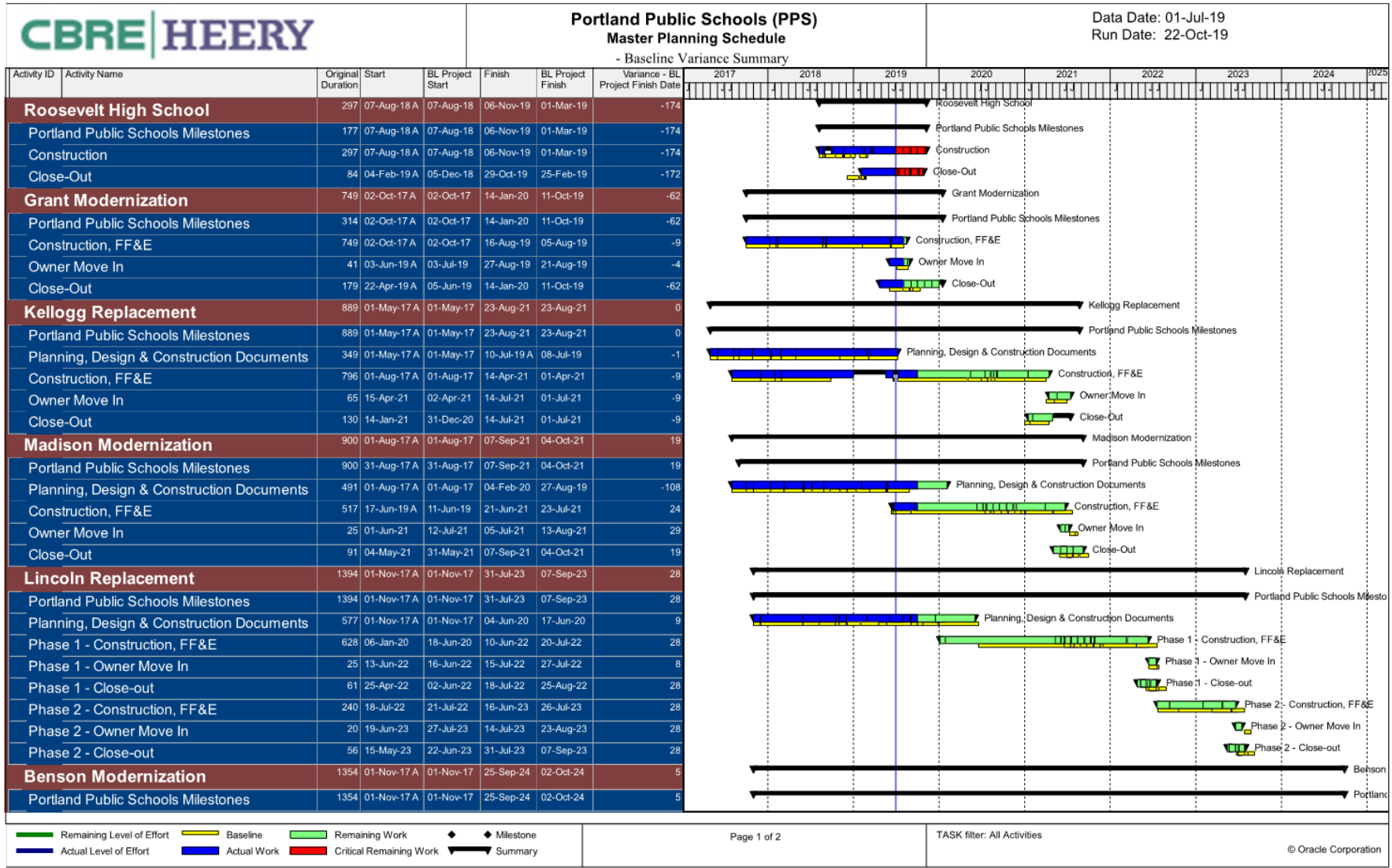


# Balanced Scorecard - Schedule





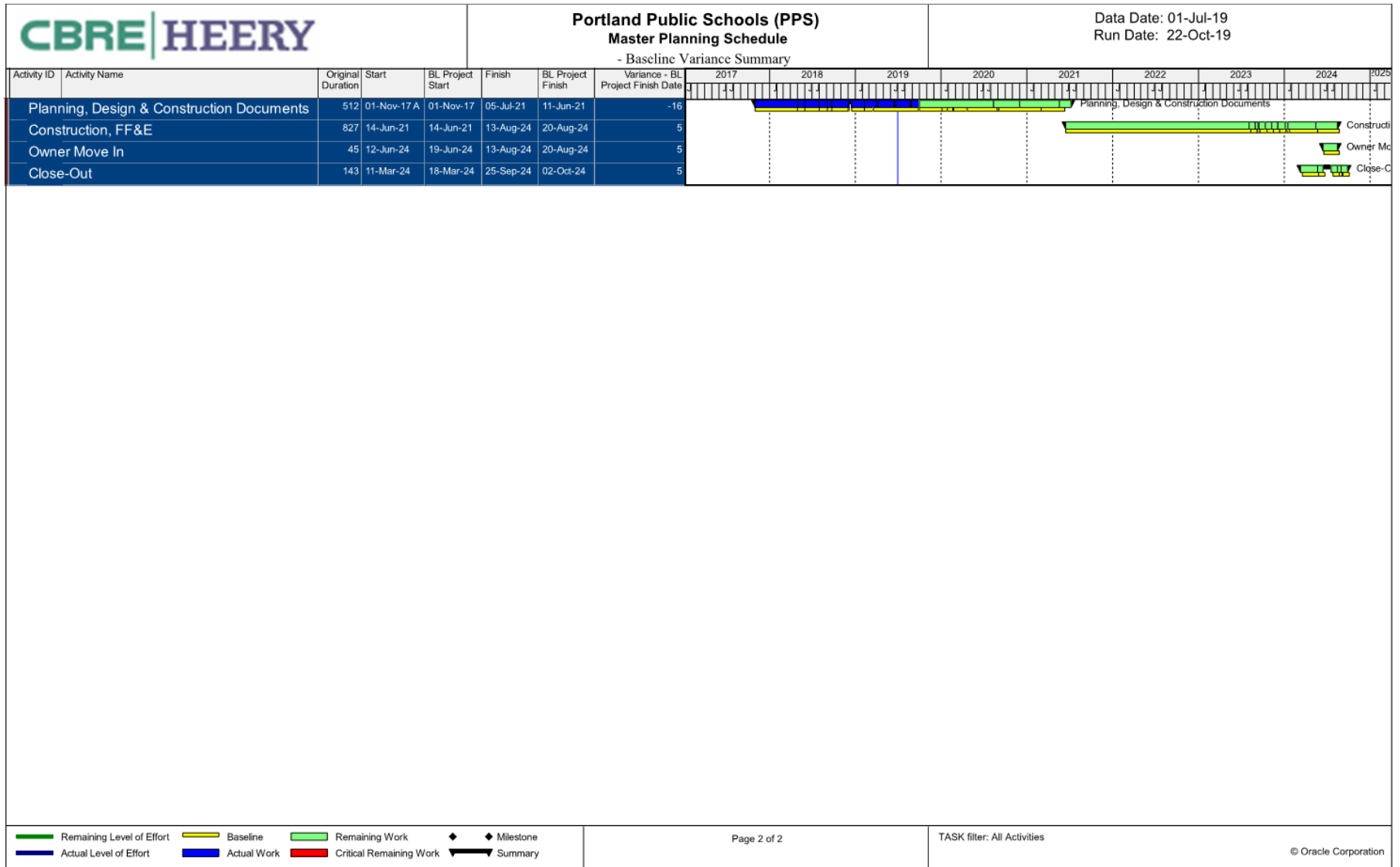
# Schedule Updates – Modernization Projects



█ Remaining Level of Effort   
 █ Baseline   
 █ Remaining Work   
 ◆ Milestone  
█ Actual Level of Effort   
 █ Actual Work   
 █ Critical Remaining Work   
 ▼ Summary



# Schedule Updates – Modernization Projects





# Schedule Updates – Health & Safety Projects

CBRE   HEERY		Portland Public Schools (PPS) Master Planning Schedule - Health and Safety Asb/Fire/Lead/ Water		Data Date: 01-Jul-19 Run Date: 22-Oct-19																															
Activity ID	Activity Name	Original Duration	Start	Finish	2018			2019												2020			2021												
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep				
<b>Asbestos Remediation</b>					Asbestos Remediation																														
	Portland Public Schools Milestones	712	15-Dec-18 A	24-Jun-21	Portland Public Schools Milestones																														
	Asbestos Remediation: 2019	204	15-Dec-18 A	13-Dec-19	Asbestos Remediation: 2019																														
	Asbestos Remediation: 2020	195	16-Dec-19	18-Sep-20	Asbestos Remediation: 2020																														
	Asbestos Remediation: 2021	195	21-Sep-20	24-Jun-21	Asbestos Remediation: 2021																														
<b>Roofing Replacement</b>					Roofing Replacement																														
	Portland Public Schools Milestones	518	15-Dec-18 A	21-Sep-20	Portland Public Schools Milestones																														
	Roofing Replacement: 2019	400	03-Sep-18 A	21-Sep-20	Roofing Replacement: 2019																														
	Roofing Replacement: 2020	291	03-Jun-19 A	21-Aug-20	Roofing Replacement: 2020																														
<b>Fire Alarm</b>					Fire Alarm																														
	Portland Public Schools Milestones	429	15-Dec-18 A	15-May-20	Portland Public Schools Milestones																														
	Fire Alarm: 2019 - Package 1	244	03-Sep-18 A	12-Feb-20	Fire Alarm: 2019 - Package 1																														
	Fire Alarm: 2019 - Package 2	217	03-Sep-18 A	03-Jan-20	Fire Alarm: 2019 - Package 2																														
	Fire Alarm: 2020 North - Package 1	158	01-Oct-19	15-May-20	Fire Alarm: 2020 North - Package 1																														
	Fire Alarm: 2020 North - Package 2	158	01-Oct-19	15-May-20	Fire Alarm: 2020 North - Package 2																														
	Fire Alarm: 2020 South - Package 3	158	01-Oct-19	15-May-20	Fire Alarm: 2020 South - Package 3																														
	Fire Alarm: 2020 South - Package 4	158	01-Oct-19	15-May-20	Fire Alarm: 2020 South - Package 4																														
<b>Security Upgrades</b>					Security Upgrades																														
	Portland Public Schools Milestones	409	03-Dec-18 A	17-Apr-20	Portland Public Schools Milestones																														
	Security Upgrades: 2019 - Priority 1	256	03-Dec-18 A	28-Feb-20	Security Upgrades: 2019 - Priority 1																														
	Security Upgrades 2019 - Priority 2	281	03-Dec-18 A	03-Apr-20	Security Upgrades 2019 - Priority 2																														
	Security Upgrades 2019 - Priority 3	280	03-Dec-18 A	17-Apr-20	Security Upgrades 2019 - Priority 3																														
<b>Water Program</b>					Water Program																														
	Portland Public Schools Milestones	628	04-Feb-19 A	26-Feb-21	Portland Public Schools Milestones																														
	Pre-Pilot Project	138	04-Feb-19 A	09-Sep-19	Pre-Pilot Project																														
	Fixture Repair Package-1	176	13-Mar-19 A	01-Nov-19	Fixture Repair Package-1																														
	Fixture Repair Package-2	132	13-Mar-19 A	01-Nov-19	Fixture Repair Package-2																														
	Pilot Program	204	04-Mar-19 A	19-Feb-20	Pilot Program																														
	Pilot Program District Wide Implementation	261	20-Feb-20	26-Feb-21	Pilot Program District Wide Implementation																														

█ Remaining Level of Effort   
 █ Primary Baseline   
 █ Remaining Work   
 ◆ Milestone  
█ Actual Level of Effort   
 █ Actual Work   
 █ Critical Remaining Work   
 ◀ Summary



## Accomplishments

- Bond performance audit – Ph 2 report completed
  - Year 1, Ph 2 – final report completed
  - Year 2 – kick-off completed
- Updated PMP draft completed and under review by OSM Management
- SOP Updates process rolled out and underway

## Next Steps

- Turnover and financial closeout of 2012 Bond projects
- Additional staffing
  - CM for Security projects
  - Benson staffing under review
- Ensure updated eBuilder project cost forecasts

## Challenges & Opportunities

- Staffing
  - Director of Construction
  - eBuilder Administrator
- Market conditions – subcontractor attitudes towards work and pricing
- Timely completion and turnover of projects
- Corporate Receipts Tax / SSA: \$4.4M estimated total program cost



# Special Presentation: Lincoln





# Special Presentation: Benson



# Project Updates



## Accomplishments

- HVAC System Commissioning Completed
- Punch-List Work Completed
- Tennis Courts and Site Work Completed
- Landscape Work Completed

## Next Steps

- Finalize Outstanding Change Orders
- Complete Project Close Out
- Allocate Remaining Project Funds to Window Project
- A/E Design Contract for Window Project
- Teen Parent Play Area Project / RFP out for bids
- Phase IV Strategic Plan Project

## Challenges & Opportunities

- Contractors lack of detailed back up documentation for large change orders holding up close out



## Accomplishments

- School opened on-schedule on Aug. 28<sup>th</sup>.
  - Students population is 1875.
- TCO was achieved on July 29<sup>th</sup>.
- Certificate of Occupancy was received on Aug. 27<sup>th</sup>.
- We're down to 43 remaining punchlist items.
- There are only 66 open GMPCA's to negotiate.
- 94% of the close-out submittals have been received.
- The final audit is underway.

## Challenges

- Paging/bell system issues.
- DDC HVAC controls programming issues.
- Overruns in GR's and GC's.

## Next Steps

- Complete the commissioning process.
- Complete the punchlist and warranty items.
- Financially close-out the project.
- Officially turn-over the project to PPS in eBuilder.
- Complete the final audit and submit the report.
- The Estimate at Completion is \$158.8 M.

## Safety Update

- 12 recordable incidents and 0 reportables.
- 688,545 total manhours.
- Our final incident Rate is 3.49.



## Accomplishments

- Projects Completing Construction**
  - **Roofs - 3 Full-Scale Projects**
  - **Seismic - 1 Full Interior Seismic Retrofit**
  - **ADA - 2 Elevators and Additional ADA Work**
  - **Fire / Life Safety**
    - **7 Fire Alarm Upgrades Completing**
    - **1 Sprinkler Upgrade Completed**
  - **Asbestos - 6 Large-Scale Projects Completed**
  - **Security Upgrades Group 1: 26 schools**
  - **Security Upgrades Group 2: 31 schools**
  - **Lead Water**
    - **Pilot Project – 6 schools Completed**
    - **DWS repairs – 200 fixtures**
  - **Lead Paint Stabilization - Ongoing**

## Next Steps

- Contract Execution for Group 3 Security projects – 30 schools**
- Design for Summer 2020 projects (5 Roofing / ADA Projects)**
- Fire / Life Safety**
  - **Fire Alarm Upgrades Design On Going - 18 schools**
- IDIQ for Lead Paint Stabilization – Re-Bid**
- Hiring additional PPS Painters for Lead Paint work**

## Challenges & Opportunities

- Termination of Fernwood contractor**
  - Mediation on-going**
- Contractor availability / Escalation of construction costs**
- Communication for summer 2020 project transition started**
- Stakeholder engagement for 2020 projects started**



# Kellogg MS Replacement



## Accomplishments

- Contractor has begun and is proceeding with major construction activities, including the installation of foundations and tilt walls
- ODOT issued approval for School Speed Zone on Powell at 69<sup>th</sup> street crossing

## Next Steps

- Tilt concrete walls will be completed and erected at gym and performing arts wing
- Roof trusses will arrive to allow the gym structure to be enclosed
- Steel will arrive at site to start framing for commons, with 3-story learning suites to begin toward the end of the year

## Challenges & Opportunities

- Later start of construction in June/July following 2-month delay caused by revised music/performing arts wing; OSM team has worked with contractor to provide opportunities for their crew to work overtime to stay on schedule ahead of wet weather
- Public works permitting is running about a month behind schedule due to combined ODOT & PBOT coordination on Powell; permitting is at 90% review phase, all comments have been responded to, now waiting for final agency review and approval; City has installed water main connection, allowing contractor to proceed with on-site infrastructure work
- Planning for opening of new school would benefit from selection of KMS planning principal as soon as possible/practical; with anticipated hiring of planning principal in July, 2020, OSM team has prepared draft budget and planning outline for PPS leadership to use as a starting template in anticipation of KMS opening for students in Fall, 2021





# Kellogg MS Replacement

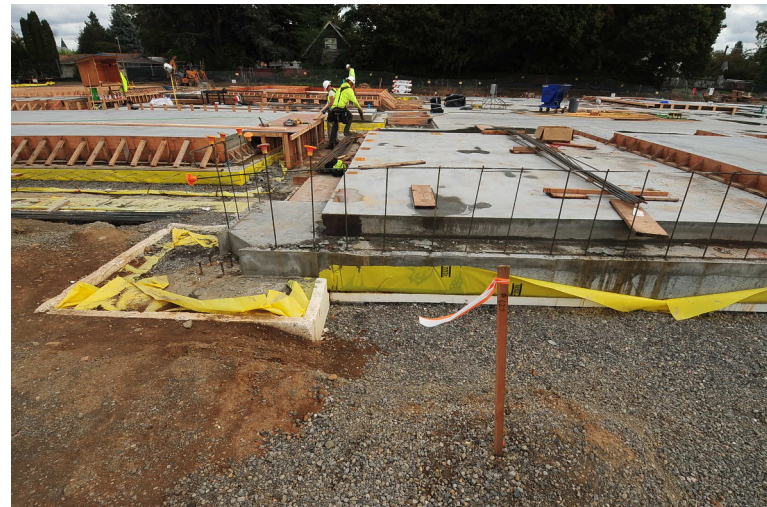


October 2019





# Kellogg MS Replacement







# Kellogg MS Replacement





## Accomplishments

- Gross building demo and abatement nearly complete
- Phase II structural permit received
- Phase III building permit submitted
- GMP approved by BOE
- Steel shop drawings nearly complete

## Next Steps

- Foundations in new construction areas
- Design validation with stakeholders
- Submittals and shop drawings

## Challenges & Opportunities

- Drywell decommissioning
- Tieback conflicts / soil conditions
- Pursuing several VE options \$200-500k

## Safety

- 0 recordable incidents and 0 reportables.
- 70,662 manhours to date. Incident Rate is 0.0.
- Recent Incidents:
  - None





# Madison HS Modernization

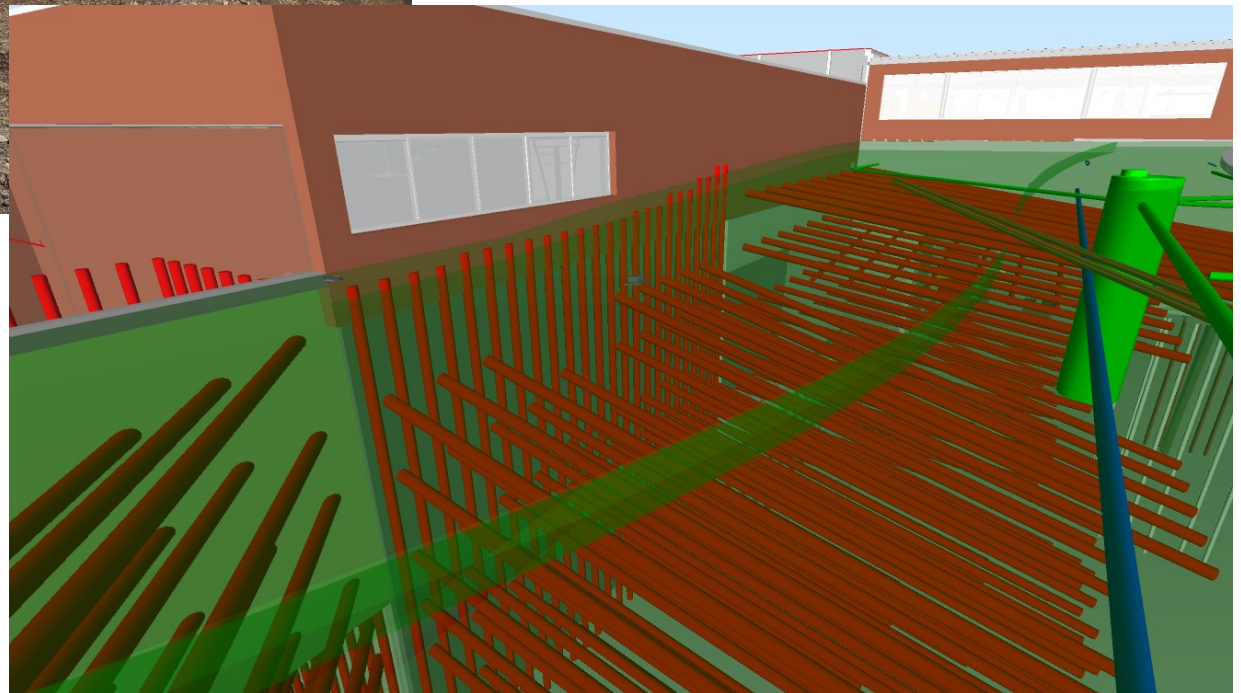


October 2019





# Madison HS Modernization







# Madison HS Modernization



October 2019





# Madison HS Modernization





## Accomplishments

- Land Use approved by Portland Design Commission
- 50% CD milestone completed
- Project is under budget at 50% CD Estimate
- Permit Package 1 submitted for review with BDS
- Trade partners selected for Mechanical, Plumbing, Electrical, Drywall & Stud Framing
- First bid package for footings and foundations issued

## Next Steps

- Construction Contract Amendment for Early Work starting in January 2020
- Completion of Construction Documents scheduled for December 13<sup>th</sup>, 2019
- Submission of 60% Public Works design documents.
- Development of GMP proposal

## Challenges & Opportunities

- Continued site due diligence testing for existing utility locations and soils conditions.
- Video inspection of Tanner Creek drainage pipe determined the facility is in good condition.
- Starting community stakeholder engagement regarding upcoming construction activities.
- Potential partnerships with PSU and the MAC are no longer active.



## Accomplishments

- CMGC Contract Approval
- Stakeholder Review of 100% SD Documents complete
- BOE Resolution approval for BHS and MPG
- VE Summit and continued budget revisions. Path to Budget for SD complete
- Historic Landmarks Commission (HLC) DAR #1
- Completed GC procurement plan for BHS, MPG, Swing Sites
- Summer 2019 investigation complete
- Completed DAG #1 for MPG
- Schematic Design Open House & Student DAG Grant construction tour
- Benson Tech DAG engagement & project updates
- Steering Committee approval for auxiliary shop building at Marshall

## Next Steps

- Complete investigation work at BHS
- Continue discussions with PPR regarding south driveway/Buckman field connection
- Complete DAR #2 with the HLC. Submit for HLC Design Review.
- 50% DD Package for BHS
- SD and DD Packages complete for Swing Sites
- RFQ process for selection of the GC at Marshall
- Obtain approval and implement PPS staffing plan
- Stakeholder and DAG engagement for MPG
- FF&E Scope Development
- CTE equipment planning & consolidation

## Challenges & Opportunities

- Compressed timing of swing site build out at Marshall & move-in
- Coordination of work needed in 2020 with De La Salle HS at Kenton
- Early co-location on site to advance knowledge of the site, and be efficient in the design development process
- Continue student engagement
- Developing scope of work for improvements required around Buckman Field
- Opportunity to engage Alumni and community partners in the design process / Planning and messaging for relocation to swing sites for 3 year construction period





## BAC Discussion

## Questions

## Next Board Presentation

Date: 11/21/19, School Improvement Bond Subcommittee

## Next BAC Meeting

Date: January 2020

Place: TBD

# Meeting Minutes | October 30<sup>th</sup>, 2019



Portland Public Schools Bond Accountability Committee  
(BAC) Location: Grant High School Library

PORTLAND PUBLIC SCHOOLS  
Office of School Modernization  
501 North Dixon Street • Portland, OR 97227

---

*Members present:* Karen Weylandt, Cheryl Twete, Kevin Spellman, Dick Steinbrugge, Tom Peterson

*Not present:* Tenzin Gonta

*Board members present:* Director Andrew Scott, Director Scott Bailey

*Guests present:* Ken Fisher, Michael Nash, Baruti Artharee, Brian Price, Erin Storlie, Brad Nile, Joe Echeverri, Janna Stacey

*PPS/OSM staff present:* Marina Cresswell, Darren Lee, Scott Perala, Dan Jung, Derek Henderson, Darwin Dittmar, Chad Hepner, Natasha Grannis, Bryce Gardner, Steve Effros, Jessie Steiger, Brian Oylear, Steve Simonson, Erik Gerding, Cynthia Le

*Next meeting:* All 2020 Meetings TBD. Derek to send out polling for dates ASAP.  
(Polling due 11/1/2019)

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## I. Welcome & Introductions

Kevin Spellman calls meeting to order at 5:35 pm. Introductions are made around the room.

## II. Public Comment

- Baruti Artharee offers overview of Safeguard Security's historical work on PPS Bond Projects and highlights the success and productive working partnership of Safeguard's ongoing work with PPS, highlighting specifically the Grant Modernization project and the partnership with Anderson Colas Construction as well as PPS. Mr. Artharee looks forward to ongoing work with the district and looks forward to continuing to build the best possible working relationship with PPS Bond Projects and all stakeholders involved.
- No other public comment submitted.

## III. Balanced Scorecard

### Balanced Scorecard: Overall

- OSM notes the Overall balanced scorecard has been updated to reflect Current/Final Budget (instead of average Budget ratings over life of projects) and Current/Final Schedule (instead of average Schedule ratings over life of projects).

## Balanced Scorecard: Budget; Budget Updates

- OSM notes that Franklin HS Modernization budget is now showing as fully utilized at completion. OSM is reserving funds for any lingering clean-up of issues post turnover. Most identified issues are minor, however OSM is monitoring some apparent exterior concrete settlement. As all post-turnover issues will be addressed through separate contracts, funds for these issues are being moved to separate eBuilder projects. This will allow OSM to close out the Franklin HS Modernization project and complete the needed evaluation of the alternative procurement process.
- OSM notes that Roosevelt HS Modernization is also now showing as fully utilized at completion. OSM is reserving funds for window repairs/replacement, and forecasting an additional potential need in 2012 Bond contingency.
- OSM notes that the \$11.4M in CET funds approved by Board resolution 5737 has been moved back into 2017 bond funds and added to the Benson HS Modernization budget, as previously approved.
- OSM notes that the Madison HS Modernization Estimate at Completion is showing as on budget, per previous discussions with BAC that Madison's contingency would be absorbing the amount of GMP over the allotted GMP budget. OSM also noted that a Madison Risk Update has been provided in the handouts.
- OSM notes that the 2012 Bond budgets are in the process of being cleaned up, preparatory to closeout of the 2012 Bond program. Currently OSM shows \$4,472,364 in savings in the 2012 Bond program overall; those numbers will continue to fluctuate somewhat as OSM continues working towards closeout of the program.
- OSM provides rough numbers for FY19 interest earnings of \$2M for 2012 Bond and \$10.4M for 2017 Bond. These rough numbers will not be finalized until after the CAFR is completed in December 2019. OSM will show final numbers in the January 2020 BAC report.
- OSM notes that the 2017 forecast includes \$4.4M in program costs due to the corporate receipts tax that will fund the Student Success Act. As these costs were unforeseen at the conception of the 2017 Bond program and the setting of approved budgets for the 2017 modernization projects, OSM is showing them as a separate line for tracking purposes and noting that they will come from 2017 Bond program contingency (not project contingency).

### OSM/BAC Discussion:

*The BAC inquires about the BOE School Improvement Bond Committee's discussion of uses for the 2012 Bond program savings. The BAC notes that there were IP projects in 2012 that were planned but did not get completed due to funding, and those projects should be considered when the Bond Committee reviews potential uses of the savings.*

*The BAC discusses the PBOT IGA regarding money set aside for safe routes to schools. OSM and COO Dan Jung note that the agreement set aside 5 million dollars to create and/or improve safe routes to schools as needed by 2012 Bond modernization projects. Any leftover would be used to fund PBOT projects creating and/or improving safe routes to school on 2012 Bond sites. OSM notes that the exact sites/projects are still being confirmed with PBOT.*

*The BAC inquires about the additional need forecasted for OCIP in the 2017 Program budget. OSM explains that the current OCIP does not include the Benson HS Modernization project, due to project timelines. OCIP for Benson will be acquired as the project gets closer to construction, so the forecast includes those costs.*

### **Balanced Scorecard: Equity**

- OSM explains reporting discrepancy from last meeting. Equity breakdown was reflecting the makeup of only the certified businesses, so a breakdown by subset of the 17+%. The scorecard has been changed to show the equity breakdown as a percentage of total payments.
- OSM notes a change to the reporting for equity, reflected in this report. Certification breakdown will now show both cumulative (over the life of the bond program) and last 12 months percentages. It is anticipated the addition of the rolling 12-month data will allow for better understanding of current trends and needs.

### **Balanced Scorecard: Schedule**

- OSM notes an addition to the report to track turnover at project end. Green designates turnover completion by the end of opening school year. Yellow indicates turnover completion by the end of the following summer, and Red indicates completion at the end of the following school year. OSM is focusing more on successful turnover as part of its internal metrics, and would like to add this metric to the scorecard for higher visibility at the BAC level.

## **IV. Program Update**

- The Bond Program Performance Audit with Sjoberg Evashenk Consulting (SEC) has completed Year 1. Year 2 kickoff has happened and is well underway, with a visit happening next week.
- OSM notes the updated Performance Audit Tracker has been added to the BAC handouts. Year 1, phases 1 and 2, audit recommendations have been added to the tracker, as well as notes regarding completion. OSM has also put in place an Audit Implementation Team, led by OSM Program Manager Scott Perala, to ensure that recommendations are being implemented in a timely manner.
- OSM notes a draft Program Management Plan is being reviewed by program management staff prior to sending out to staff. In addition, Standard Operating Procedures are being updated and/or created every week, with review and pre-training occurring as part of biweekly Project Teams meetings.
- Staffing Update
  - Director of Construction is still vacant. OSM continues to work on ways to attract applicants. Darren Lee continues as OSM's interim in this role. His support and expertise has been crucial for the program overall, especially during this transitional period.
  - E-Builder Tech Lead is still in recruitment as well. The position was originally advertised under a classification that PPS Human Resources has chosen to retire. OSM is reviewing an alternate classification to resume active recruiting for the position.
  - OSM is adding a contracted Construction Manager to the Secure Schools program. As the program affects most school sites, it requires more construction management time to get to all of the impacted sites on a regular basis.
  - A detailed staffing review is currently planned for December. OSM anticipates reporting out to the BAC at the January meeting.

## V. Special Presentation: Benson HS Modernization Update

- Review of Benson complexity of schedules for different phases. 3 considerations:
  - Benson Polytechnic HS
  - Multiple Pathways to Graduation
  - Swing Sites
- Value Engineering
  - No reduction in educational programming
- Swing Sites
  - Swing to Marshall and Kenton
- Multiple Pathways to Graduation
  - Beginning DAG process next week
- Benson Approach
  - Extended pre-construction
  - Utilization of lessons learned on previous projects
  - Increased strategic destructive testing and sampling
  - Target Value Design (Building juncture example, avoid what happened at Grant)
  - Increased structural testing and analysis
  - Anticipation and planning for unforeseen conditions

### OSM/BAC Discussion:

*There is discussion regarding funding sources for completion of the project in regards to a potential ballot measure. The BAC notes, in response to a question from Director Scott, that the Board has indicated in a resolution that PPS will pursue a Full Faith and Credit Bond in the event that funding for completion of Benson is not passed in a timely manner through a bond measure.*

*A question is asked about the project team's analysis of the costs of window replacement versus window restoration. Bassetti Architects indicates that window restoration was determined to be the cheapest option for Benson.*

*There is general discussion regarding swing site schedules and preparation, and a review of the plans and schedule.*

## VI. Special Presentation: Lincoln HS Replacement Update

- Budget
  - On budget
  - Target-value engineering process highly successful
- Risks
  - Mainly underground issues
- Next Steps
  - Open House
  - Groundbreaking
  - GMP
  - Continued budget refinement

OSM/BAC Discussion:

*A question is asked regarding the plan for setting the GMP. OSM clarifies that the GMP will be set at nearly 100 percent construction documents. It is believed that the contract states GMP will be set at an earlier percentage of construction documents, however the LHS project team has made the decision to push the GMP later in order to reduce risk due to buyouts.*

## **VII. Project Updates**

### **ROOSEVELT MODERNIZATION**

- Accomplishments
  - HVAC System Commissioning Completed
  - Punch-List Work Completed
  - Tennis Courts and Site Work Completed
  - Landscape Work Completed
- Next Steps
  - Finalize Outstanding Change Orders
  - Complete Project Close Out
  - Allocate Remaining Project Funds to Window Project
  - A/E Design Contract for Window Project
  - Teen Parent Play Area Project / RFP out for bids
  - Phase IV Strategic Plan Project
- Challenges and Opportunities
  - Contractor lack of detailed back up documentation for large change orders holding up close out

OSM/BAC Discussion:

*Community engagement for the Roosevelt HS Phase IV project has begun with a significant push next week in community meetings. Funding for the project is discussed, and clarification that the Board of Education will be confirming the funding source for the project once feedback from the community has been received on the proposed educational programming for the space.*

### **GRANT MODERNIZATION**

- Accomplishments:
  - School opened on-schedule on Aug. 28th.
  - Student population is 1875.
  - TCO was achieved on July 29th.
  - Certificate of Occupancy was received on Aug. 27th.
  - We're down to 43 remaining punch list items.
  - There are only 66 open GMPCA's to negotiate.
  - 94% of the close-out submittals have been received.

- The final audit is underway.
- Next Steps:
  - Complete the commissioning process.
  - Complete the punchlist and warranty items.
  - Financially close-out the project.
  - Officially turn-over the project to PPS in eBuilder.
  - Complete the final audit and submit the report.
  - The Estimate at Completion is \$158.8 M.
- Challenges:
  - Paging/bell system issues.
  - DDC HVAC controls programming issues.
  - Overruns in GR's and GC's.
- Safety Update:
  - 12 recordable incidents and 0 reportables.
  - 688,545 total manhours.
  - Our final incident Rate is 3.49.

OSM/BAC Discussion:

*BAC thanks OSM staff for the tour of Grant HS prior to the meeting.*

*OSM clarifies that the final commissioning is still incomplete because the contractor has been behind in getting the final programming done. Once that is done, then the final commissioning can take place.*

**HEALTH AND SAFETY**

- Accomplishments
  - Projects Completing Construction
  - Roofs - 3 Full-Scale Projects
  - Seismic - 1 Full Interior Seismic Retrofit
  - ADA - 2 Elevators and Additional ADA Work
  - Fire / Life Safety
  - 7 Fire Alarm Upgrades Completing
  - 1 Sprinkler Upgrade Completed
  - Asbestos - 6 Large-Scale Projects Completed
  - Security Upgrades Group 1: 26 schools
  - Security Upgrades Group 2: 31 schools
  - Lead Water
  - Pilot Project – 6 schools Completed
  - DWS repairs – 200 fixtures
  - Lead Paint Stabilization - Ongoing
- Next Steps
  - Contract Execution for Group 3 Security projects – 30 schools
  - Design for Summer 2020 projects (5 Roofing / ADA Projects)
  - Fire / Life Safety
  - Fire Alarm Upgrades Design On Going - 18 schools
  - IDIQ for Lead Paint Stabilization – Re-Bid

- Hiring additional PPS Painters for Lead Paint work
- Challenges and Opportunities
  - Termination of Fernwood contractor
  - Mediation on-going
  - Contractor availability / Escalation of construction costs
  - Communication for summer 2020 project transition started
  - Stakeholder engagement for 2020 projects started

## KELLOGG

- Accomplishments
  - Contractor has begun and is proceeding with major construction activities, including the installation of foundations and tilt walls
  - ODOT issued approval for School Speed Zone on Powell at 69th street crossing
- Next Steps
  - Tilt concrete walls will be completed and erected at gym and performing arts wing
  - Roof trusses will arrive to allow the gym structure to be enclosed
  - Steel will arrive at site to start framing for commons, with 3-story learning suites to begin toward the end of the year
- Challenges and Opportunities
  - Later start of construction in June/July following 2-month delay caused by revised music/performing arts wing; OSM team has worked with contractor to provide opportunities for their crew to work overtime to stay on schedule ahead of wet weather
  - Public works permitting is running about a month behind schedule due to combined ODOT & PBOT coordination on Powell; permitting is at 90% review phase, all comments have been responded to, now waiting for final agency review and approval; City has installed water main connection, allowing contractor to proceed with on-site infrastructure work
  - Planning for opening of new school would benefit from selection of KMS planning principal as soon as possible/practical; with anticipated hiring of planning principal in July, 2020, OSM team has prepared draft budget and planning outline for PPS leadership to use as a starting template in anticipation of KMS opening for students in Fall, 2021

## MADISON

- Accomplishments
  - Gross building demo and abatement nearly complete
  - Phase II structural permit received
  - Phase III building permit submitted
  - GMP approved by BOE
  - Steel shop drawings nearly complete
- Next Steps
  - Foundations in new construction areas
  - Design validation with stakeholders
  - Submittals and shop drawings
- Challenges and Opportunities



- Drywell decommissioning
- Tieback conflicts / soil conditions
- Pursuing several VE options \$200-500k
- Safety Update:
  - 0 recordable incidents and 0 reportables.
  - 70,662 worker hours to date. Incident Rate is 0.0.
  - Recent Incidents: None

OSM/BAC Discussion:

*OSM reminds the BAC that a Madison Risk Update has been included in the meeting packet. OSM notes that OSM anticipates having a more detailed risk update from the Madison project team at the January 2020 BAC meeting. At that point, the project will have completed its high-risk groundwork, and will be able to report more confidently on remaining risks to the budget and schedule.*

**LINCOLN**

- Accomplishments
  - Land Use approved by Portland Design Commission
  - 50% CD milestone completed
  - Project is under budget at 50% CD Estimate
  - Permit Package 1 submitted for review with BDS
  - Trade partners selected for Mechanical, Plumbing, Electrical, Drywall & Stud Framing
  - First bid package for footings and foundations issued
- Next Steps
  - Construction Contract Amendment for Early Work starting in January 2020
  - Completion of Construction Documents scheduled for December 13th, 2019
  - Submission of 60% Public Works design documents.
  - Development of GMP proposal
- Challenges and Opportunities
  - Continued site due diligence testing for existing utility locations and soils conditions.
  - Video inspection of Tanner Creek drainage pipe determined the facility is in good condition.
  - Starting community stakeholder engagement regarding upcoming construction activities.
  - Potential partnerships with PSU and the MAC are no longer active.

**BENSON**

- Accomplishments
  - CMGC Contract Approval
  - Stakeholder Review of 100% SD Documents complete
  - BOE Resolution approval for BHS and MPG
  - VE Summit and continued budget revisions. Path to Budget for SD complete
  - Historic Landmarks Commission (HLC) DAR #1
  - Completed GC procurement plan for BHS, MPG, Swing Sites
  - Summer 2019 investigation complete

- Completed DAG #1 for MPG
- Schematic Design Open House & Student DAG Grant construction tour
- Benson Tech DAG engagement & project updates
- Steering Committee approval for auxiliary shop building at Marshall
- Next Steps
  - Complete investigation work at BHS
  - Continue discussions with PPR regarding south driveway/Buckman field connection
  - Complete DAR #2 with the HLC. Submit for HLC Design Review.
  - 50% DD Package for BHS
  - SD and DD Packages complete for Swing Sites
  - RFQ process for selection of the GC at Marshall
  - Obtain approval and implement PPS staffing plan
  - Stakeholder and DAG engagement for MPG
  - FF&E Scope Development
  - CTE equipment planning & consolidation
- Challenges and Opportunities
  - Compressed timing of swing site build out at Marshall & move-in
  - Coordination of work needed in 2020 with De La Salle HS at Kenton
  - Early co-location on site to advance knowledge of the site, and be efficient in the design development process
  - Continue student engagement
  - Developing scope of work for improvements required around Buckman Field
  - Opportunity to engage Alumni and community partners in the design process / Planning and messaging for relocation to swing sites for 3 year construction period

## VIII. Questions

### OSM/BAC Discussion:

*The BAC discusses the amendment to the BAC Charter to review and provide advice on cost estimating process and risk management strategies related to bond development. The BAC sets a time with staff to discuss the revised role and how materials will be presented for this future review.*

*The potential 2020 Bond ballot measure and current status of planning is discussed. Dan Jung provides an update that PPS is still in the information-gathering phase. PPS is working on prioritization of a series of items including, but not limited to, SPED, capacity, and the Conceptual Master Plan process for Jefferson, Cleveland and Wilson.*

### OSM ACTION ITEMS

- OSM to poll committee for 2020 meeting dates. Due 11/1/2019.
- OSM to verify date for BOE quarterly update from BAC/OSM.

## IX. Adjournment

*Kevin adjourned the meeting at 8:20 PM.*