

WEST CONTRA COST  
ED SCHOOL DISTRICT

# **West Contra Costa Unified School District**

## **BOARD OF EDUCATION**

**December 31, 2009**

<b>Madeline Kronenberg</b>	<b>President</b>
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**Dr. Bruce Harter, Superintendent of Schools**

**Bill Fay, Associate Superintendent for Operations**

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## **INTRODUCTION**

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a bond measure to authorize the sale of \$300 million in bonds to improve school facilities. The measure was approved by 71.6 percent of the voters. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

Subsequently, on November 8, 2005, the West Contra Costa Unified School District submitted for voter approval another bond measure, Measure J to authorize the sale of \$400 million in bonds to improve school facilities. The Measure J was approved by 56.85 percent of the vote. Because the

## **EXECUTIVE SUMMARY**

This midyear report, prepared between February 2010 and April 2010, includes a review of the following aspects of the District's facilities program:

- Compliance with Ballot Language
- District and Professional Services Staffing Plan for the Bond Program
- District Policies and Guidelines for Facilities Program
- Master Architect/Engineer Plan
- Program Management
- Design and Construction Schedules
- Design and Construction Cost Budgets
- Bidding and Procurement Procedures
- Change Order and Claim Avoidance Procedures
- Payment Procedures
- Best Practices in Procurement
- Delivered Quality Control Program
- Participation by Local Firms
- Effectiveness of Communication with the Bond Program

During the development of the last annual audit, through the examination of numerous documents, interviews with personnel involved in the facilities program and the evaluation of related facilities documentation, assessments were made and conclusions were reached. These assessments and conclusions were summarized in the annual report.

Subsequently, in accordance with the scope of its assignment, Total School Solutions reviewed and examined the documentation and processes pertaining to the period of July 1, 2009, through December 31, 2009, to prepare a midyear report on the status of the facilities program. This report has been developed by applying the same methodologies utilized during the development of the annual report. The scope of this midyear review includes a follow-up on the annual report, including the findings and recommendations outlined in the annual report, and an evaluation on the status of implementation of the actions specified in the District responses.

The scope of the performance audit was defined by the management of the District. Total School Solutions performed the annual audit and prepared this midyear report of Measure D and Measure J funded projects within the District's defined scope. Any known significant weaknesses and substantial noncompliance items have been reported to the management of the District.

The midyear report provides the opportunity for the District Board, its management and its independent Citizen's Bond Oversight Committee to assess corrective actions and improvements needed in processes and procedures in their formative stages. The midyear report also serves as a mechanism for management to ensure that the annual audit report's suggestions and recommendations are implemented in a timely manner to reap the benefits of those recommendations and related District actions in the current year.

Although the midyear report mainly serves as a follow-up on the previous fiscal year's annual audit and focuses on issues identified through the assessment and examination of data from that audit, the review team has also reviewed and analyzed data in the subsequent six-month period from July 1, 2009, through December 31, 2009. This examination of more recent data is conducted in an effort to identify any areas that need the attention of District management. The midyear report provides an update of the District's effort in improving systems and controls related to the overall facilities program.

A more detailed and comprehensive discussion of the activities for the 2009-10 fiscal year, their results and their effect on the overall bond program will be presented in the annual performance audit report for fiscal year 2009-10.

## **DISTRICT FACILITIES PROGRAM – A PERSPECTIVE**

While the scope of this December 31, 2009 midyear report is limited to Measures D and J funds, it is useful to review the history of the District's facilities program to place the current program into a more complex context.

The financial status of the District's facilities program, documented in the audits and financial reports for the past nine fiscal years, is presented in the following "Facilities Program-Financial Status" table and the accompanying "Facilities Program-Funding Resources" table. For a more detailed presentation of accounting activity, refer to the "District Accounting Funds" section following this summary as well as detailed data presented throughout this report.

From the Facilities Program tables, several trends may be noticed: 1) the outstanding bonds total has increased significantly as authorized bonds have been sold; 2) annual developer fee revenues have decreased significantly, from a high of \$10.5 million in 2003-04 to a low of \$0.8 million in 2008-09; 3) developer fee balances have decreased significantly, from a high of \$34.2 million in 2005-06 to the June 30, 2009 balance of \$4.9 million; 4) state match funds of \$19.6 million were received in 2008-09.

As of June 30, 2009, the District had a remaining authorization for the sale of \$210 million in bonds. As discussed later in this section, the District applied for, and was granted, a waiver that increased its bonding capacity limit from 2.5 to 3.5 percent of the assessed valuation. As a consequence of that waiver, the Board of Education, on July 8, 2009, authorized the sale of not-to-exceed \$160 million in Measure J bonds. Then, on July 29, 2009, the Board of Education authorized the refunding of up to \$80 million of outstanding general obligation bonds to shift obligations coming due in the next several years to later in the repayment period, thereby creating additional bonding capacity for the issuance of new bonds. As a result of these actions, the District issued \$105 million of Measure J bonds in September 2009, leaving a remaining authorization for the future sale of \$105 million in Measure J bonds.

On August 19, 2009, the Board authorized the administration to submit a state application for Qualified School Construction Bonds (QSCB) in the amount of \$25 million (non-interest bearing bonds), for which the District obtained approval. On November 4, 2009, the Board authorized the issuance of up to \$25 million of QSCB bonds and \$5 million of Measure J bonds. However, this sale had not occurred as of December 31, 2009.

### Facilities Program – Financial Status

Source	Fiscal Year (as of June 30 for each Fiscal Year)								
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Bonds Outstanding <sup>1</sup>	\$54,340,000	\$122,450,000	\$216,455,000	\$315,155,000	\$380,634,377	\$544,027,483	\$536,503,517	\$527,016,427	\$636,220,230
Developer Fees Revenues <sup>2</sup>	6,060,815	2,749,539	9,094,400	10,498,724	7,759,844	8,813,402	4,840,067	2,373,524	812,727
Developer Fees Ending Balance	3,526,019	1,293,876	8,928,225	21,037,513	27,533,708	34,162,499	10,730,179	4,909,598	4,869,292
State School Facilities Program New Construction Revenues <sup>3</sup>	None	None	12,841,930	None	None	None	None	None	None
State School Facilities Program Modernization and Joint-Use Revenues <sup>3</sup>	None	None	\$3,494,161	\$10,159,327	\$13,090,449	None	\$1,500,000	None	19,601,592

<sup>1</sup> Bonds authorized, sold and outstanding include the bond measures listed below. The sold column is for all bonds sold through June 30, 2009. Bonds outstanding include adjustments for refunding of prior bond issues and repayment of principal. At its meeting of June 4, 2008, the Board of Education authorized the sale of \$120 million of Measure J bonds. The issuance of \$120 million in bonds, plus the prior issuance for \$70 million, leaves a remaining authorization of \$210 million as of June 30, 2009.

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



### Facilities Program – Funding Resources

<b>Bond Measure (Passage Date)</b>	<b>Authorized</b>	<b>Sold (June 30, 2009)</b>	<b>Outstanding (June 30, 2006)</b>	<b>Outstanding (June 30, 2007)</b>	<b>Outstanding (June 30, 2008)</b>	<b>Outstanding (June 30, 2009)</b>
Measure E (June 2, 1998)	\$40 million	\$40 million	\$33.2 million	\$32.1 million	\$30.8 million	\$29.5 million
Measure M (November 7, 2000)	150 million	150 million	145.9 million	142.8 million	139.6 million	136.3 million
Measure D (March 5, 2002)	300 million	300 million	294.9 million	291.6 million	287.1 million	282.2million
Measure J (November 8, 2005)	400 million	190 million	70 million	70.0 million	69.4 million	188.2 million
<b>Total</b>	<b>\$890 million</b>	<b>\$680 million</b>	<b>\$544.0 million</b>	<b>\$536.5 million</b>	<b>\$526.9 million</b>	<b>\$636.2 million</b>



**CAPITAL FACILITES FUNDS**

<b>Fiscal Year Ending June 30, 2008</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School Facilities Fund<sup>4</sup></b>	<b>Fund 40 Special Reserves Capital Outlay Fund<sup>5</sup></b>	<b>Totals</b>
Beginning Balance	\$4,061,837	\$191,878,162	\$10,730,179	\$4,853,474	\$998,210	\$212,521,862
Revenues	1,418,355	5,764,674	2,373,524	192,995	3,079,414	12,828,962
Expenditures	2,295,424	128,252,880	8,194,105	(17,716)	432,939	139,157,632
Transfers Net	1,339,820	(2,539,820)	0	0	(12,093)	(1,212,093)
Source	0	0	0	0	0	0
Net Change	462,751	(125,028,026)	(5,820,581)	210,711	2,634,385	(127,540,763)
<b>Ending Balance</b>	<b>\$4,524,588</b>	<b>\$66,850,136</b>	<b>\$4,909,598</b>	<b>\$5,064,185</b>	<b>\$3,632,592</b>	<b>\$84,981,099</b>

**CAPITAL FACILITES FUNDS**

<b>Fiscal Year Ending June 30, 2009</b>	<b>Fund 14 Deferred Maint. Fund<sup>1</sup></b>	<b>Fund 21 Building Fund<sup>2</sup></b>	<b>Fund 25 Capital Facilities Fund<sup>3</sup></b>	<b>Fund 35 County School</b>
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## **Proposition 39 Bond Sale Limitations**

Proposition 39, passed by California voters on November 7, 2000, Assembly Bill 1908, which became law on June 27, 2000, and Assembly Bill 2659, which became law on September 22, 2000, established limitations on bonds that may be issued.

1. Education Code Section 15106

“Any unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. However, the 2.5 percent limitation may be waived by the California Board of Education if a school district demonstrates sufficient justification for a waiver.

2. Education Code Section 15270

“The tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, shall not exceed sixty dollars (\$60) per one hundred thousand dollars (\$100,000) of taxable property.”

On July 10, 2002, the Board of Education of the West Contra Costa Unified School District authorized the administration to submit a waiver request to the California State Board of Education (SBE) to increase the District’s bonding limit from 2.5 percent to 3.0 percent of assessed valuation (A/V). At the SBE meeting of November 13-14, 2002, the SBE approved the waiver request for Measures E, M, and D only.

Resolution No. 25-0506 ordering the Measure J bond election stated that “no series of bonds may be issued unless the District shall have received a waiver from the State Board of Education of the District’s statutory debt limit, if required.” At their meeting of January 21, 2009, the Board of Education authorized the administration to submit a waiver request to the SBE to increase the District’s Measure J bonding limit to 3.5 percent of A/V. The SBE approved the District’s waiver request at its meeting of May 6-7, 2009, which enabled the District to issue \$105 million of its remaining authorization of \$210 million Measure J bonds.

In a January 13, 2010 report prepared by the District’s financial advisor, it was reported that the 2009-10 tax rates per \$100,000 of A/V for Measures M, D and J were the following:

Measure M	\$55.20
Measure D	\$58.10
Measure J	\$59.00

All three bond measures current

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## **Investment of Bond Proceeds**

The proceeds from bond sales are invested in various instruments and earn interest until expenditures are made. The District's financial audit<sup>1</sup> for the fiscal year ended June 30, 2008, reported the following cash investments:

Pooled Funds (Cash in County Treasury)	\$132,750,171
Cash with Fiscal Agent	\$13,781,962
Investments-Local Agency Investment Fund (LAIF)	\$41,116,379

<sup>1</sup> West Contra Costa Unified School District, Financial Statements with Supplementary Information for the Year Ended June 30, 2008, Perry-Smith, LLP, Accountants, December 11, 2008.



- De Anza High School and Delta High School
- Gompers High School
- North Campus High School
- Vista Alternative High School
- Middle College High School

As required by Proposition 39, the District established a Citizens' Bond Oversight Committee. On April 19, 2003, the Board of Education merged the Measure M and Measure D oversight committees into one body, with the caveat that the new committee would use the more stringent requirements for oversight set forth in Proposition 39.

Based on the Capital Assets Management Plan dated January 27, 2010, the District had expended \$251.3 million (73.8 percent) of the reported Measure D budget which was \$340.5 million. All of the expenditures of Measure D funds during the reporting period were for projects within the scope of the ballot language. TSS finds the West Contra Costa Unified

## II. School Projects

- Complete Remaining Elementary School Projects
- Complete Remaining Secondary School Projects
- Reconstruction Projects
  - a. Health and Life Safety Improvements
  - b. Systems Upgrades
  - c. Technology Improvements
  - d. Instructional Technology Improvements
  
- Specific Sites Listed for Reconstruction or New Construction
  - De Anza High School
  - Kennedy High School
  - Pinole Valley High School
  - Richmond High School
  - Castro Elementary School
  - Coronado Elementary School
  - Dover Elementary School
  - Fairmont Elementary School
  - Ford Elementary School
  - Grant Elementary School
  - Highland Elementary School
  - King Elementary School
  - Lake Elementary School
  - Nystrom Elementary School
  - Ohlone Elementary School
  - Valley View Elementary School
  - 5



## FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District’s facilities program and the chronology of events and/or decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place since July 1, 2009. For a discussion of prior Board agenda items and actions, refer to earlier annual and midyear reports. Major actions of the Board of Education are listed in the table below.

### **Chronology of Facilities Board Agenda items since July 1, 2009.<sup>1</sup>**

DATE	ACTION	AMOUNT
July 08, 2009 (Consent Item # C.6)	Notice of Completion. - Bid D06081, El Cerrito High School Administration/ Theater Building	
July 08, 2009 (Consent Item # C.8)	Ratification and Approval of Engineering Services Contracts.	\$236,672
July 08, 2009 (Consent Item # C.9)	Ratification and Approval of Negotiated Change Orders.	\$40,607.20
July 08, 2009 (Consent Item # C.10)	Approval of Award of Contract for the Chavez Elementary School Waterproofing & Windows Repair Project to the lowest responsive, responsible bidder, Streamline Builders; \$258,000. Only one bid was received and no other bids were received. (Consent Item # C.10)	



DATE	ACTION	AMOUNT
July 29, 2009 (Report Item # D.3)	Report on the Status of Measure J, Series “C” Bond Sales.	
July 29, 2009 (Action Item # F.2)	Adoption of Resolution No. 21-0910 Authorizing the Issuance and Sale of up to \$80,000,000, a refunding of the district’s existing general obligation bonds. By issuing refunding bonds, the district can shift existing obligations coming due in the next several years to later in the repayment period, thereby creating additional capacity to pay interest on the Measure J, Series C Bonds. The Bonds will be sold by negotiated sale by Piper Jaffray & Co., as senior managing underwriter, and Siebert Brandford Shank & Co., LLC and Stone & Youngberg LLC, as co-managers. <sup>1</sup>	\$8

DATE	ACTION	AMOUNT
August 19, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects	
September 2, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer’s Report – Verbal Presentation - Construction Status Reports – Current Construction Projects	
September 16, 2009 (Consent Item # C.5)	Approval of Notices of Completion. - Bid J068161 - Pinole Middle School Demolition - Hazmat - Bid J068115 – Pinole Middle School Utility Installation of Interim Kitchen - Bid J068113 – De Anza High School Utilities, Gymnasium and Site Work - Bid J068124 – Kennedy High School Painting of Exterior Walls - Bid J068151 – Dover Elementary School Site Work Phase II, - Bid E068178 – Coronado Elementary School Plumbing/Countertops, - Bid E068169 – Coronado Elementary School Fence & Gate Replacement - Bid E068175 – Coronado Elementary School Ceiling Tile Replacement - Bid E068153 – Coronado Elementary School Portable Replacement - Bid J06810 – Montalvin Elementary School Trash Enclosure. - Bid J068118 – Mira Vista Elementary School Lower Play Yard Repair.	
September 16, 2009 (Consent Item # C.6)	Approval of Award of Contract for Kennedy High School Gym Locker Room Hot Water System project to the lowest responsive responsible bidder, ERA Construction in the amount of \$171,544. Four contractors submitted their bids on September 3, 2009 (Measure J).	\$171,544
September 16, 2009 (Consent Item # C.7)	Approval of Award of Contract for Kennedy High School Restroom Renovations project to the lowest responsive responsible bidder, JDS Builders in the amount of \$1,570,000. Thirteen contractors submitted their bids on September 1, 2009 (Measure J).	\$1,570,000
September 16, 2009 (Consent Item # C.8)	Approval of Award of Contract for Ford Elementary School New Campus project to the lowest responsive responsible bidder, Alten Construction in the amount of \$16,734,206. Fifteen contractors submitted their bids on September 3, 2009 (Measure J).	\$16,734,206
September 16, 2009 (Consent Item # C.9)	Approval of Ratification of Staff Action Amending Approved Contract for Construction to Award Alternate # 1 to the Contractor, O. C. Jones in the net amount of \$92,000. (Emergency Repair Program).	\$92,000
September 16, 2009 (Consent Item # C.10)	Approval of Award of Contract for Kennedy High School Fire Alarm project to the lowest responsive responsible bidder, Emard Electric in the amount of \$516,500. Five contractors submitted their bids on August 25, 2009 (Measure J)	\$516,500
September 16, 2009 (Consent Item # C.11)	Approval of Award of Contract for Pinole Middle School Building A Modernization project to the lowest responsive responsible bidder, Alpha Bay Builders in the amount of \$9,570,735. Seventeen contractors submitted their bids on August 25, 2009 (Measure J).	\$9,570,735
September 16, 2009 (Consent Item # C.12)		

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
October 7, 2009 (Consent Item # C.8)	Ratification and approval of Engineering Services Contracts.	\$80,006
October 7, 2009 (Consent Item # C.9)	Ratification and approval of. Negotiated Change Orders.	\$97,027.39
October 7, 2009 (Consent Item # C.11)	Approval of Award of Contract for De Anza High School Baseball Field Renovation project to the lowest responsive responsible bidder, Bay Cities Paving and Grading in the amount of \$1,350,000. Ten contractors submitted their bids on August 4, 2009 (Measure J).	\$1,350,000
October 7, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; <ul style="list-style-type: none"> <li>- Engineering Officer’s Report – Verbal Presentation</li> <li>- Construction Status Reports – Current Construction Projects</li> </ul>	
October 21, 2009	Joint Board of Education and Citizen’s Bond Oversight Committee Meeting; B. Bond Program Update. <ol style="list-style-type: none"> <li>1. Presentation of Coronado Site Master Plan</li> <li>2. Presentation of Portola Middle School at the Castro Site Master Plan</li> </ol> C. CBOC Membership	
October 21, 2009 (Consent Item # C.5)	Approval of Notice of Completion; <ul style="list-style-type: none"> <li>- Bid J068173, Exterior Painting at De Anza High School (Field House),</li> <li>- Sheldon Elementary School and Kennedy High School.</li> </ul>	
October 21, 2009 (Consent Item # C.13)	Ratification and approval of Engineering Services Contracts.	\$8,200
October 21, 2009 (Consent Item # C.14)	Ratification and approval of. Negotiated Change Orders.	\$59,771.17
October 21, 2009 (Consent Item # C.15)	Approval of Contract for the Supply of Furniture, Set Up and Installation at Helms Middle School to Young Office Solutions in the amount of	

DATE	ACTION	AMOUNT
November 4, 2009 (Consent Item # C.9)	Approval of Award of Contract for Richmond High school Surveillance Camera System project to the lowest responsive responsible bidder, Walsh Electronic Systems in the amount of \$338,988. Five contractors submitted their bids on November 3, 2009 (Measure J).	\$338,898
November 4, 2009 (Action Item # F.2)	Adoption of Resolution No. 46-0910 authorizing the issuance of not to exceed \$30,000,000 of the District's general obligation bonds. The resolution authorizes staff to sell up to \$25,000,000 in Qualified Schools Construction Bonds (QSCB) under the American Reinvestment and Recovery Act (ARRA) of 2009 and \$5,000,000 of District general obligation bonds which shall be issued on behalf of the District by Contra Costa County. (Measure J and D).	\$30,000,000
November 4, 2009 (Discussion Item #G.1)	Status Reports – Facilities Planning and Construction; - Engineering Officer's Report – Verbal Presentation - Construction Status Reports – Current Construction Projects -	
November 18, 2009 (Consent Item # C.7)	Approval of Notices of Completion. - Bid J068186 – Crespi Play Yard Resurfacing - Bid J068164 – De Anza High School Portable Utility Installation - Bid J068170 – Coronado Window Replacement	
November 18, 2009 (Consent Item # C.14)	Ratification and approval of Engineering Services Contracts.	\$53,000
November 18, 2009 (Consent Item # C.15)	Ratification and approval of. Negotiated Change Orders.	(\$58,327)
November 18, 2009 (Consent Item # C.16)	Adoption of Resolution No. 51-0910, Authori0(r)-1(uct)4(i)4(r)-2gori04(on )oFsi6(5(7)-)751id	

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**DATE****ACTION****AMOUNT**

December 9, 2009  
(Discussion Item #G.2)

Status Reports – Facilities Planning and Construction;  
- Engineering Officer's Repo

The Board of Education approved a facilities master plan on October 18, 2000, which was updated in a report dated June 26, 2006. Subsequently, the administratio



A comparison of the January 17, 2007 and July 30, 2008 budgets displays the following adjustments to the revenue sources:

<b>Board Approved Bond Budget M, D and J Revenue Source</b>			
<b>Revenue Source</b>	<b>Board Approval January 17, 2007</b>	<b>Board Approval July 30, 2008</b>	<b>Change</b>
New Bonds	\$850,000,000	\$850,000,000	
Interest Income	27,000,000	32,634,266	\$5,634,266
Developer Fees	38,285,566	38,285,566	
State Funds/Interest	122,576,319	107,358,821	(15,217,498)
E-Rate	3,301,804	3,301,804	
FEMA (Riverside)	1,000,000	1,000,000	
County (Verde)	900,000	900,000	
Joint Use	7,250,000	7,250,000	
Deferred Maintenance	1,200,000	1,200,000	
Charter		2,600,000	2,600,000
<b>Totals</b>	<b>\$1,051,513,689</b>	<b>\$1,044,530,457</b>	<b>(\$6,983,232)</b>

As indicated above, the identified revenue adjustments include an increase in interest income and charter school categories and a decrease in state funds.

On August 26, 2009, staff presented to the CBOC a draft of the updated budgets for Measures M, D and J with adjusted allocations and revenues. Further adjustments to the August 26, 2009 budget draft were presented in the January 27, 2010 CAMP report as follows:

<b>Revenue Sources – Adjusted Budget (Draft), CAMP, January 27, 2010</b>				
<b>Revenue Source</b>	<b>M</b>	<b>D</b>	<b>J</b>	<b>Total</b>
New Bonds	\$150,000,000	\$300,000,000	\$400,000,000	\$850,000,000
Interest Income	4,967,794	13,666,472	3,250,000	21,884,266

### **Bond Budget - M, D and J Revenue Source**

<b>Revenue Source</b>	<b>Board Approval July 30, 2008</b>	<b>Adjusted Budget (Draft) January 27, 2010</b>	<b>Change</b>
New Bonds	\$850,000,000	\$850,000,000	
Interest Income	32,634,266	21,884,266	(\$10,750,000)
Developer Fees	38,285,566	27,785,566	(\$10,500,000)
State Funds/Interest	107,358,821	107,358,821	
E-Rate	3,301,804	3,301,804	
FEMA (Riverside)	1,000,000	1,000,000	
County (Verde)	900,000	900,000	
Joint Use	7,250,000	7,250,000	
Deferred Maintenance	1,200,000	1,200,000	
Charter	2,600,000		(2,600,000)
<b>Totals</b>	<b>\$1,044,530,457</b>		

- Passage of Proposition 1D (November 2007), a \$7.3 billion State wide school facilities bond measure and resulting construction.
- Economic recession in late 2007 which created the trend of declining construction costs starting in the mid-2008 thru the current period.

To demonstrate the impact of construction costs during the past few years on the District’s facilities program, the Class B Construction Cost Index is presented below:

<b>Class B Construction Cost Index<sup>1</sup></b>	<b>Index Change</b>	<b>10 Western States Percent Increase</b>	<b>8 CA Cities Percent Increase</b>
January 2002 – January 2003	1.43-1.46	2.10	1.85
January 2003 – January 2004	1.46-1.51	3.42	5.45
January 2004 – January 2005	1.51-1.68	11.263	12.07
January 2005 – January 2006	1.68-1.74	3.657	4.62
January 2006 – January 2007	1.74-1.88	8.05	6.62
January 2007 – January 2008	1.88-1.94	3.219	2.07
January 2008 – January 2009	1.94-2.09	7.73	6.00
January 2009 – January 2010	2.09-1.96	(6.22)	(6.74)

<sup>1</sup> Source: Office of Public School Construction website.

From the date that Measure D passed (March 5, 2002) to January 2009, the Class B Construction Cost Index increased from 1.43 to 2.09 – an increase of 46 percent. From the date that Measure J passed (November 8, 2005) to January 2009, the Class B Construction Index increased from 1.74 to 2.09 – an increase of 20 percent. During the period from January 2009 to -- January 2010, the Cost Index decreased 6.22 percent. (Note: The SAB on January 27, 2010, reduced state grant amounts by 6.74 percent based on the “8 California Cities Class B” construction cost index instead of the “10 Western States Class B” index).

The District implemented a “Prequalification of General Contractors” process for Measure D and Measure J funded projects. At the Board meetings of June 28, 2006 and March 5, 2008, general contracting firms were prequalified for General Contractor prequalification process for construction projects as follows:

**General Contractor Prequalification Process**

	<b>Measure D (June 28, 2006)</b>	<b>Measure J (March 5, 2008)</b>
Firms Responding	23	25
Firms Prequalified	21	24

The District also conducted a prequalification process for Architect of Record (AOR) for Measure J projects. The results of that process were presented to the Board on August 16, 2006, as follows:

**Architect Prequalification Process (August 16, 2006)**

Firms prequalified	22
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In addition to the above pre-qualification processes for general contractors and architects, the District more recently conducted the following pre-qualifications:

- Major Projects – Measure J March 25, 2009
- Small Projects – Measure J April 24, 2009
- Small Specialty Projects August 2009

The “Notice to Prospective Bidders” for the above three pre-qualification processes was thorough, ensuring that firms were meeting the criteria for bidding the published projects.

## BUDGET AND EXPENDITURE REPORTS FOR MEASURES D AND J

### MEASURE D

The budgeted and invoiced amounts contained in the tables below were extracted from the Capital Assets Management Plan Report (CAMP), Number 45, dated January 27, 2010 which is a working document because, at the time data were compiled, the report had not been approved by the Board. (Note: The CAMP report dated March 24, 2010 presented an updated budget (\$340,331,680) based on bid savings and related factors. Invoiced amounts remained unchanged from the January 27, 2010 CAMP report.)

#### Measure D Budgets and Invoiced Amounts - Summary

<u>Program Category</u>	<u>Budget</u>	<u>Invoiced</u>
MS/HS Major Renovation – New Schools, Phase 1A	\$308,084,637	\$223,673,453
Additional Bond Funded Projects	9,030,903	9,014,185
Site survey Projects, Phase 2A-3	4,805,068	4,796,803
Network/Telecom Technology E-Rate Projects	5,934,718	2,383,639
Furniture & Equipment	4,279,254	3,014,349
Program Coordination & Contingency	8,402,918	8,402,918
<b>Program Totals</b>	<b>\$340,537,498</b>	<b>\$251,285,347</b> <b>(73.8%)</b>

#### Middle School/High School Major Renovation and New Schools, Phase 1A

<u>School</u>	<u>Site No.</u>	<u>Project Description</u>	<u>Budget</u>	<u>Invoiced</u>
Helms Middle	210	New School	\$74,990,607	\$65,002,622
Pinole Middle	212	Renovation and New Construction	49,821,143	37,621,901
Portola Middle	214	New School	60,000,000	4,145,570
El Cerrito High	354	New School	123,272,887	116,903,360
<b>Totals</b>			<b>\$308,084,637</b>	<b>\$223,673,453</b>

#### Additional Bond Funded Projects

<u>School</u>	<u>Site No.</u>	<u>Project Description</u>	<u>Budget</u>	<u>Invoiced</u>
Kennedy High	360	Track and Field	\$3,181,061	\$3,181,061
Pinole Valley High	362	Track and Field	1,666,943	1,657,106
Richmond High	364	Track and Field	4,182,898	4,176,018
<b>Totals</b>			<b>\$9,030,903</b>	<b>\$9,014,185</b>

**Site Survey Projects, Phase 2A-3**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
Transitions LC	131	Site Survey	\$118,020	\$118,020
Harbour Way	191	Site Survey	121,639	121,639
Adams Middle	202	Site Survey	487,018	487,018
Crespi Middle	206	Site Survey	399,139	399,139
Hercules Middle	211	Site Survey	74,527	74,527
Gompers High	358	Site Survey	532,994	532,994
Kennedy High	360	Site Survey	644,818	644,818
Pinole Valley High	362	Site Survey	701,445	687,058
Richmond High	364	Site Survey	641,600	647,430
Vista High	373	Site Survey	36,044	36,045
North Campus	374	Site Survey	125,032	125,032
Hercules High	376	Site Survey	431,052	431,346
Delta	391	Site Survey	152,564	152,564
Kappa	393	Site Survey	109,809	109,809
Omega	395	Site Survey	118,638	118,638
Sigma	396	Site Survey	110,728	110,728
<b>Totals</b>			<b>\$4,805,068</b>	<b>\$4,796,803</b>

**Network/Telecom Technology E-Rate Projects**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
Adams Middle	202	E-Rate	\$203,064	\$203,064
Crespi Middle	206	E-Rate	47,106	47,106
DeJean Middle	208	E-Rate	214,532	214,532
Helms Middle	210	E-Rate	1,140,986	269,580
Hercules Middle	211	E-Rate	6,623	6,623
Pinole Middle	212	E-Rate	900,324	47,537
Portola Middle	214	E-Rate	1,051,795	151,795
DeAnza High	352	E-Rate	124,320	124,320
El Cerrito High	354	E-Rate	1,087,682	160,831
Gompers	358	E-Rate	183,109	182,918
Kennedy High	360	E-Rate	546,974	546,974
Pinole Valley High	362	E-Rate	59,855	59,855
Richmond High	364	E-Rate	235,812	235,967
North Campus	374	E-Rate	76,630	76,630
Hercules High	376	E-Rate	3,028	3,028
Program		E-Rate	52,877	52,878
<b>Totals</b>			<b>\$5,934,718</b>	<b>\$2,383,639</b>

**Furniture and Equipment**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
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**Additional Bond Funded Projects (Charter Schools)**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
Richmond College Prep (Charter)	512	Site Work	\$2,418,763	\$2,298,313
Leadership Public Schools (Charter at Nystrom)	544	Site Work	3,447,727	2,907,992
<b>Totals</b>			<b>\$5,866,490</b>	<b>\$5,206,305</b>

**Network Telecom Technology Projects**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
Totals all sites (7 sites)		Network-Technology Equipment	\$7,800,000	\$3,238,307

**Furniture and Equipment**

<b>School</b>	<b>Site No.</b>	<b>Project Description</b>	<b>Budget</b>	<b>Invoiced</b>
Dover Elementary	115	Furniture		

**STATE SCHOOL FACILITY PROGRAM**

## **Projected State Grant Amounts**

In addition to the receipt of \$60,687,459 from the State as of December 31, 2009, the District anticipates the receipt of an additional \$56,574,348 in State funds, assuming that all planned projects are completed as scheduled from projected total revenue sources. The additional State funding includes the following categories:

### **Anticipated State Funding**

<b>Schools/Categories</b>	<b>State Grant Amount</b>
Kennedy High School	\$5,147,407
Richmond High School	4,000,000
Pinole Middle School	3,179,932
Portola Middle School(at Castro)	1,514,268
Portola Middle School(Reconstruction Hardship)	12,000,000
Dover Elementary School <sup>1</sup>	3,758,166
Ford Elementary School <sup>1</sup>	3,311,123
King Elementary School	2,635,560
<b>Subtotal</b>	<b>\$35,546,456</b>
Additional State Funding	21,027,892
DeAnza High School	
Nystrom Elementary School	
Ohlone Elementary School	
Joint-Use Projects	
State Grant Inflationary Adjustments	
State Grants Interest Earnings	
<b>Total</b>	<b>\$56,574,348</b>

<sup>1</sup> OPSC/SAB, in a report dated July 31, 2009, set the state grant amounts to be received as shown.

## **Midyear Update**

Applications are on file with OPSC/SAB for the following projects:

<b>State Program</b>	<b>SAB#</b>	<b>School</b>	<b>Students</b>
New Construction	50/02-001	El Cerrito High	18 Severe
Overcrowding Relief	56/05-001	Dover Elementary	233 K-6
Modernization	57/00-031	Dover Elementary	541 K-6, 10 Severe
Modernization	57/00-032	Ford Elementary	500 K-6
Modernization	57/00-033	King Elementary	538 K-6, 17 Severe
Overcrowding Relief Grant		Ford Elementary	

In addition to the above projects on file, the District has been awarded grants for three High Performance School projects, which are discussed elsewhere in this midyear report.

State grant amounts for the above projects will be determined when SAB approvals are made.

## STATE NEW CONSTRUCTION STATUS

As of December 31, 2009, the District has SAB-approved new construction eligibility by high school attendance area as follows (OPSC internet site as of February 8, 2010):

<u>High School Area</u>	<u>7-8</u>	<u>9-12</u>	<u>Non-Severe</u>	<u>Severe</u>
01			10	
02				58
03			54	7
04		124	182	10
05		1,033		6
06	222	1,008	15	5

The District utilized new construction eligibility in the El Cerrito High School attendance area to file an application to construct severely-handicapped facilities for 18 students. That application was approved by the SAB on June 24, 2009, and was placed on the “unfunded” list. It is anticipated that the state grant amount of \$561,000 will be received in the 2009-10 fiscal year.

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

### New School Site

Over the past several years, the District worked cooperatively with the City of Hercules to identify and acquire a suitable property for a new school. However, because of declining enrollment, the District conclude

## **STATE MODERNIZATION STATUS**

This section provides information on the current status of the modernization funding for existing campuses in the District that have not yet been modernized.

Eligibility for a modernization project is establ

**Existing Campuses. Elementary Schools - Updated December 31, 2009**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>2</sup>
108	Cameron (Spec. Ed)	K-6							
109	6		d			(		.	

**Existing Campuses - Middle Schools - Updated December 31, 2009**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>2</sup>
202	Adams (1957)	6-8		000	03/22/00	1,059			
206	Crespi (1964)	7-8		000	03/22/00	1,053			
208	Lovonya DeJean (2003)	6-8		N/A	New school Not eligible				
210	Helms (1953) (1991)	6-8	D(1A)	029	07/26/00	619	07/23/08	11/04/08	\$3,781,072
211	Hercules Middle (2000)	6-8		N/A	New school Not eligible				
212	Pinole Middle (1966)	7-8	D(1A)	000	07/26/00	934			
214	Portola Middle (1950)	6-8	D(1A)	000	07/26/00	440			
<b>Middle Schools</b>									

**Existing Campuses - High Schools - Updated December 31, 2009**

No.	Existing Campus	Grade	Bond (Phase) <sup>0</sup>	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>2</sup>
352	De Anza (1955)	9-12	J(3)	000	07/26/00	1,495			
391	Delta Continuation	9-12							
354	El Cerrito (1938)	9-12	D(1A)	030	03/22/00	1,332	12/10/08	05/11/09	\$10,985,587 (60%)
376	Hercules High (2000)	9-12		N/A	New school Not eligible				
360	Kennedy (1965)	9-12	J(3)	000	03/22/00	1,158			
393	Kappa Continuation	9-12	J(3)						
362	Pinole Valley (1968)	9-12	J(3)	000	07/26/00	2,087			
396	Sigma Continuation	9-12	J(3)						
364	Richmond (1946)	9-12	J(3)	000	03/22/00	1,764			
395	Omega Continuation	9-12	J(3)						
<b>High Schools</b>									

**Existing Campuses - Alternative Schools. Updated December 31, 2009**

No.	Existing Campus	Grade	Bond (Phase) <sup>1</sup>	SAB# <sup>2</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05)	SAB Grant Amount (%) <sup>3</sup>
358	Gompers (1934)	9-12		000	7/26/00	261			
369	Middle College	9-12							
373	Vista High	K-12							
374	North Campus	9-12		000	3/22/00	123			
408	Adult Education-Serra								
102	Adult Education-Alvarado								
<b>Alternative Schools</b>									

<sup>1</sup> When the “Bond (Phase)” column is blank, the school has not been assigned as a project. Note: D=Measure D; J=Measure J.

<sup>2</sup> A “000” indicates that form SAB 50-03 had previously been filed to establish eligibility, but the applications were rescinded when the projects did not move forward. A project number is assigned when form SAB 50-04 is filed, which requires DSA approved plans and CDE approval. A blank indicates that the status is unknown or that eligibility has not been established.

<sup>3</sup> The State grant amount is 60 percent of the total State modernization budget for project applications (SAB 50-04) filed after April 29, 2002. (Applications filed before April 29, 2002, receive 80 percent in Stat0 Td[ S ta.)-34ttchi84Ecfunds.fi



## **COMPLIANCE WITH STATE LAW, GUIDELINES AND DISTRICT POLICY**

### **Process Utilized**

TSS examined standard bid documents, project manuals, applicable State of California laws and regulations, District policies, reports and other relevant documentation related to the District's bond program. Interviews with key District staff were also held to obtain additional information regarding District practices.

### **Background**

- *Document 001500, Bid Documents, Bid Bond:* A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.
- *Document 003300, Bid Documents, Bidders Certifications and Affidavits, Non-collusion Affidavit*

The items below are best practices which are included in the District's contract documents. They are not required by state law or for state funding.

- *Document 001100: Instructions to Bidders*
- *Document 005100: Notice of Award*
- *Document 005200: Notice to Proceed*
- *Document 005300: Agreement*
- *Document 005400 Escrow of Bid Documentation*

<sup>1</sup> Proof of District compliance was established through a review of the bid documents for the “Nystrom Elementary School-Modernization, New Multi-purpose Building” dated November 12, 2009. In addition to the document numbers cited, Document 007000, “General Conditions (GC)” included Articles I-XXVII, which further clarified contractor duties and responsibilities. Additionally, bid documents for “Kennedy High School Restroom Improvements” dated August 2009 were reviewed for compliance, and full compliance was noted.

### **Prevailing Wage Law/Labor Compliance Program**

In California, contractors and subcontractors on public works projects must comply with the California Prevailing Wage Law (Labor Code 1720 et seq.). This law stipulates that workers must be paid the prevailing hourly wages and fringe benefits, as specified by the State Department of Industrial Relations, for the region where a construction project is located.

Traditionally, a school district ensures that the Prevailing Wage Law is complied with by requiring contractors and subcontractors to maintain certified payroll records for each worker.

In 2002, enactment of AB 1506 created the Labor Compliance Program (LCP), which added an additional requirement for school district construction projects that received State funding from Proposition 47 (2002) and Proposition 55 (2004). AB 1506 was intended to ensure that contractors and subcontractors complied with the prevailing wage law. Under AB 1506, a school district must provide assurances in writing, that it, or a third-party contractor, will enforce the required LCP, transmit that information to the State Allocation Board (SAB) and take all appropriate measures throughout the construction project to verify compliance.

In November 2007, Proposition 1D passed without the requirement of a LCP. Subsequent legislation that would have reinstated LCP (SB 18, 2007) for Proposition 1D funding was vetoed by the Governor.

On February 20, 2009, SBX2 9 was signed into law which re-established the LCP for school district facility construction projects that receive State bond funds. Previous LCP program, required school districts to provide LCP services directly, or through third-party providers. SBX2 9 requires the Department of Industrial Relations (DIR) to directly enforce prevailing wage requirements. Funding for this process would be provided by a fee from the School Facilities Program equal to 0.25 percent of the State funding. This fee would be provided directly to the DIR for enforcement of labor compliance. (Note: The SAB grant amounts will be increased accordingly.) School districts that have an approved in-house LCP at the time the new regulations are established may apply for an exemption from the new fee. If a school district contracts with a third-party LCP provider, such services may not be eligible for this exemption.

Regardless of whether a school district is required to have a LCP for state-funded projects, it must fully comply with the prevailing wage law. To ensure compliance with the law, a school district should develop and implement policies and procedures to be applied to all construction projects, regardless of the source of funding.

The District currently contracts with a third party provider for labor compliance services to review contractor certified payrolls and ensure that construction projects comply with the District's Labor Compliance Program, the prevailing wage law and, if

It is pointed out, that in keeping with the intent of the third paragraph of the above stated purpose, the District developed a Local Capacity Building Program (LCBP) that is discussed in the “Bidding and Procurement Procedures section.”

**District Policy**

At the Board of Education meeting of February 8, 2006, the Board voted to establish a policy subcommittee to analyze, review and revise policies, as needed.

At the Board meeting of October 3, 2007, the District policy statement *Series 3000: Business* was presented for a first reading. On February 6, 2008, Series 3000 policies were approved.

At the Board meeting of November 7, 2007, the District policy statement *Series 7000: Facilities* was presented for a first reading. On January 9, 2008, Series 7000 policies were approved.

The Series 7000 policies represent typical school district facility policies and conform to the standard templates recommended by the California School Boards Association. Board Policy 7214.2 and the related Administrative Regulations provide specific language regarding the role of the Citizens’ Bond Oversight Committee (CBOC), including the purpose of the committee, the committee’s duties, the committee composition and the selection process for the committee. These policies and regulations provide the necessary guidelines for appointments to the CBOC and provide committee members with a clear scope of their duties and authority.

The District’s Board Policy 7115, *Educational Facilities Design Standards*, includes the Collaborative for High Performance Schools (CHPS), 2006 criteria, as a standard for all schools. According to the CHPS web site:

“The mission of the Collaborative for High Performance Schools is to facilitate the design, construction and operation of high performance schools: environments that are not only energy and resource efficient, but also healthy, comfortable, well lit, and containing the amenities for a quality education.”

In addition, these standards form the basis for the High Performance Grant Program in the State’s School Facilities Program. This program provides additional funding for the high performance elements in the projects.

Policies from *Series 3000: Business* (select items) and *Series 7000: Facilities* are presented below:

**Series 3000 – Business & Non-Instructional Operations (Select Items)**

<b>BP</b>	<b>Description</b>	<b>Date of Adoption</b>
BP 3111	Deferred Maintenance Funds	2/6/08
BP 3280	Sale, Lease, Rental of District-owned Real Property	2/6/08
AP 3280	Sale, Lease, Rental of District-owned Real Property	10/6/08
BP 3300	Expenditures and Purchases	2/6/08
BP 3311	Bids	2/6/08
AP 3311	Bids	10/6/08
BP 3312	Contracts	2/6/08

<b>BP</b>	<b>Description</b>	<b>Date of Adoption</b>
BP 3314	Payment for Goods and Services	2/6/08
AP 3314	Payment for Goods and Services	10/6/08
BP 3320	Claims and Actions Against the District	2/6/08
AP 3320	Claims and Actions Against the District	10/6/08
BP 3400	Management of District Assets/Accounts	2/6/08
AP 3400	Management of District Assets/Accounts	10/6/08
BP 3430	Investing	2/6/08
AP 3430	Investing	10/6/08
BP 3460	Financial Reports and Accountability	2/6/08
AP 3460	Financial Reports and Accountability	10/6/08
BP 3517	Facilities Inspection	2/6/08

**Series 7000 – Facilities**

<b>BP</b>	<b>Description</b>	<b>Date of Adoption</b>	<b>Most Recent Date of Revision</b>
BP 7000	Concepts and Roles in New Construction	1/9/08	10/07
BP 7100	Facilities Master Plan	1/9/08	8/07

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

The governance and management of the District's bond program have evolved over time to address the changing needs, functions, and funding of the District's facilities program. This section provides information on the changes in the administration of the facilities program between July 1, 2009 and December 31, 2009.

### FACILITIES STAFFING FOR THE BOND PROGRAM

The table below lists District staff and the funding allocations for the bond program for fiscal year 2008-09. Since the June 30, 2009 annual report, the Accountant II position has been eliminated.

#### District Staffing for the Facilities Bond Program (Source: District records)

District Staff Position	Other Funds Percent	Bond Fund Percent	Object Code
<b>Bond Finance Office</b>			
Sr. Director of Bond Finance	25	75	2310
Principal Accountant	0	100	2410
Senior Budget Control Clerk	0	100	2410
Senior Account Clerk <sup>2</sup>	50	50	2410
<b>Bond Finance Office Subtotal</b>	<b>.75 FTE<sup>1</sup></b>	<b>3.25 FTE<sup>1</sup></b>	
<b>Bond Management Office</b>			
Associate Superintendent of Operations	50	50	2130
District Engineering Officer	10	90	2310
Staff Secretary <sup>2</sup>	0	100	2410
Facilities Planning Spec. – Classified <sup>2</sup>	0	100	2410
Director of Bond Facilities <sup>2</sup>	10	90	2310
Bond Regional Facility Project Manager <sup>2</sup>	10	90	2310
Bond Regional Facility Project Manager	10	90	2310
Bond Network Planner <sup>2</sup>	10	90	2310
<b>Bond Management Office Subtotal</b>	<b>1.0 FTE<sup>1</sup></b>	<b>7.0 FTE<sup>1</sup></b>	
<b>Total for Management and Finance</b>	<b>1.75 FTE<sup>1</sup></b>	<b>10.25 FTE<sup>1</sup></b>	

<sup>1</sup>FTE means 1 full time equivalent.

<sup>2</sup> Vacant positions as of December 31, 2009.

The annual compensation costs for the positions charged to the Bond Fund as noted above were \$1,060,474 for the 2008-09 year. This is a \$123,690 decrease from the 2007-08 year. In 2008-09, there were a total of 4.8 FTE vacant of the 10.75 FTE charged to the Bond Program. As of December 31, 2009, there were a total of 6.0 FTE vacant; this accounts for 5.2 FTE of the 10.25 FTE positions charged to the Bond Program.

The facilities-related personnel (full-time equivalent or FTE) assigned to the program as of December 31, 2009, including the internal staff and project and construction management personnel, are presented in the table below. These numbers exclude the design manager, architects/engineers of record, project specialty consultants, inspectors, the communication consultant, the outreach consultant, and the labor compliance consultant.

<b>Category</b>	<b>FTE<sup>1</sup></b>
District Staff	
Bond Finance Office	3.25
Bond Management Office	7.00
<b>Subtotal</b>	<b>10.25</b>
Bond Program Manager (SGI)	
Program/Project Management	5.33
Design Management	0
Construction Management	10.50
Other (Network Admin., PS2 Coordinator, Master Scheduler, Receptionist) <sup>2</sup>	4.00
<b>Subtotal</b>	<b>19.83</b>
<b>TOTAL Full-Time Equivalent Positions</b>	<b>30.08</b>

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

<sup>2</sup> 1 FTE Scheduler position was been added in October, 2009. The numbers do not include the Cost Estimator added between January and March 2010, after the midyear review reporting deadline of December 31, 2009.

### **Midyear Update**

At the end of the 2008-09 fiscal year, there were three District employees assigned to the Facilities and Operations Center. Two of these are Bond Regional Facilities Program Managers, whose primary duties are project management. This leaves only the District Engineering Officer to conduct the day to day management of the entire bond program, resulting in some responsibility being delegated to outside consultants such as SGI.

In the 2008-09 annual report, TSS recommended that the District consider assigning additional staff to provide adequate oversight of the program. Internal staff are critical for maintaining a system of checks and balances within a bond program of this size and scope. For example, during this reporting period, it was observed that some invoices for bond related expenses were processed by SGI staff rather than District staff, due to lack of available District personnel.





## **PROGRAM MANAGEMENT**

The most significant change affecting the cost of the program management structure was the bifurcation of the program management and construction management services that occurred in 2004. Prior to this change, program management services were included with the construction management services. The bifurcation resulted in an increase of \$642,337 or 3.45 percent in the total cost for the CM and PM fees. This increase is partially offset by a decrease of \$321,613 or 7.47 percent, in the Master Architect fees. Overall, there was a slight increase in soft costs for the Measure M and D projects and a 1.4 percent increase in soft costs for the Measure J projects. Measure J Design Manager fees increased by 469 percent from \$434,033 in 2006-07 to \$2,389,520 in 2007-08. Staff has reported that, in the 2006-07 report, all projects assigned to the Design Manager had not yet been identified. The increase in 2007-08 was due to the assignment of additional projects. There were no further increases observed during the 2008-09 year.

<b>PHASE</b>	<b>Design Phase Manager</b>	<b>Architect</b>	<b>Program Manager</b>	<b>Construction Manager</b>	<b>Master Architect</b>
Maintain log of all meetings	X		X		
Project Schedule	X	X	X		
Preliminary Cost Estimates			X		
<b>DESIGN</b>					

29-4826( )-4887(X )JTJ653006 0 Td( )5T6.287 0 Td( )TjET70.98 635.22 0.48562 Xef271.02 683.22 0.48562 ref271.02 683.22 0.4

During the process of developing project and program schedules, the Design Phase Manager, the Architect of Record, the Program Manager and the District staff all create schedules which, for the sample projects included in this review, had not been coordinated. It was not clear who had the ultimate responsibility for maintaining or enforcing the project schedules. For some services, more than one entity providing the same service can act as an appropriate check and balance to ensure accuracy. However, the agreements did not indicate who has the primary responsibility for program schedules and who provides the verification. These duplications of services can lead to confusion and inefficiencies in the process.

The District staff has made significant progress toward correcting the problem of duplication of effort. The role of the Master Architect has been reduced to “as needed” on an hourly basis, thus removing one layer of redundancy. The Program Manager (SGI) has been instructed in the past year to assume responsibility for coordinating the efforts of all those involved to avoid duplication and streamline the process.

Additionally, the program manager has developed a Bond Program Master Schedule within the past year. This schedule has been built based on each individual project’s schedule. This document allows bond staff to be able to work from the same schedule.

### **Board Subcommittee on Facilities**

In the 2008-09 annual report, TSS commented on the role of Board Members on the Facilities Subcommittee at the request of the District’s CBOC Audit Subcommittee. The Board of Education appoints two of its members to serve on a “Subcommittee on Facilities” that regularly meets to discuss facilities issues. The District’s website provides meeting schedules, agendas and minutes of the subcommittee’s activities.

Because the Subcommittee addresses facilities issues in greater detail than is generally possible at Board meetings, it is not unusual for subcommittee members to request detailed information to assist them in their appointed duties. While this may appear to be micro-management to those who do not participate in the process, it is an appropriate exercise of oversight.

When an individual Board member acts beyond his/her role on the Board or Subcommittee, such acts are considered to be those of a citizen, carrying the same rights as any citizen to be fully informed of the activities of its school district. It is up to each individual Board member to determine the degree of involvement believed necessary to be an effective trustee of the district resources.

### **Midyear Update**

In the 2008-09 annual report, TSS recommended that the District and Program Manager take steps to ensure adherence to the master schedule by all bond program participants. The District concurred and fixed the responsibility for schedule compliance on SGI’s Program Manager. It is anticipated that work in this area will improve with the return of a full-time (from part-time) Program Manager. Within the last six months, the 0.33 FTE Program Manager provided through SGI was increased to full-time through the promotion of the Deputy Program Manager/Pre-construction into that role.

To further improve adherence to schedules, the District hired a full time Master Scheduler in October 2009 as a sub-consultant under the SGI contract. The Master Scheduler is responsible for coordinating with the SGI Program Management team to consolidate project planning, design, construction and move-in schedules into one coordinated Master Schedule for remaining bond projects. The Master Schedule will allow for better tracking of projects and provide managers a tool for evaluating schedule changes. SGI is planning to also input project cost estimates into the Master Schedule to help the District forecast bond cash flow requirements. It is noted that the incumbent in this position does not have any direct authority over the other program Construction Managers or Project Engineers, thus ultimate schedule adherence may still reside with the Program Manager.

During the six months covered by this mid-year review, WLC's role as Master Architect has continued to be minimal. Many of the responsibilities have been consolidated under SGI's Program Manager, providing for a much more effective program management structure. However, the District reports that Design Management and oversight work needs to be strengthened. For example, construction design flaws on some recent construction projects indicate that a better constructability review process, design management, or feedback system would have served the district better.

It is recommended that the District and Program Manager takes steps to hold the Project Architects and/or Design teams more accountable for design flaws or the District may consider hiring additional District bond management st

## MASTER ARCHITECT/ENGINEER PLAN

### Background

In 2002, the West Contra Costa Unified School District contracted for bond management services through one comprehensive joint contract with WLC Architects and the Seville Group, Inc. (SGI). The contracted services included a full spectrum of facilities construction and planning related work from overall initial conceptual development through construction contract management services.

Typically, in California school construction programs, various participants fulfill a few well-defined and distinct roles. Significant functions or roles generally include the following:

- § Owner
- § Architect
- § Contractor
- § Construction Manager

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

The master architect contract mentioned in the first paragraph combined all of the elements noted above except for the contractor. Program management design services and construction management services were, to various degrees, provided under this one contract. This mechanism potentially delivered the advantage of continuity. However, this arrangement also had an inherent flaw in that it was contrary to the concept of checks and balances typical of more traditional construction programs.

The annual performance audit report in 2003 found that the master architect arrangement could create the impression that the bond management team functions in a District t A rement -1./0.0006 Thcu

The 2005 annual performance audit noted that the bifurcation of the contract had been completed.

The 2007 performance audit report indicated that the reorganization appeared to be more functional. The role of WLC as Master Architect was significantly clearer. The roles of the architects of record for the various projects were well defined. Similarly, SGI's role as manager of construction management services, including providing CM services for certain projects and coordination of other construction management providers for all projects, was better defined. District staff reported that the role of the master architect had been significantly reduced and was now limited to minor projects, including the review of designs from other architects for conformity to the program standards. This chan

For the details associated with the above summary refer to the “Meeting Seismic and Geotechnical Challenges in West County Schools” presented to the Board of Education on January 7, 2009.

### **Midyear Update**

The services of WLC Architects as the District’s Master Architect continue, but on a limited time and materials basis. The scope of their work has been limited to the review of schematic designs for conformance with established District standards. This minimal involvement by WLC has eliminated the overlap in services with the Program Manager that had been occurring.

Despite their limited role as Master Architect, WLC continues to provide services to the District as the Project Architect on certain construction projects. For example, within the past year, WLC Architects served as the lead Architect for the El Cerrito High School improvements. WLC’s provided the construction bid documents and oversaw the design team, civil, mechanical, electrical and structural engineers and other design consultants. As Project Architect, WLC assisted with the construction bidding, review of construction change orders, Requests for



## **DESIGN AND CONSTRUCTION SCHEDULES**

### **Process Utilized**

Total School Solutions (TSS) reviewed and analyzed documents, schedules and systems related to construction design and schedule in the course of this examination.

### **Background**

The bond management team has developed documentation systems that include schedules for the Measure M, D and J programs. Design and construction of Measure M, Phase 1A and Phase 1B facilities program construction projects were substantially completed during the fiscal year 2006-07. The current program master schedule includes timelines and schedules for the remaining projects funded under Measure D and J bonds from fiscal year 2009-10 through 2013-14.

District staff, program and construction management staff, architects and consultants meet regularly to review progress, issues, schedules and the status of bond program projects in the various stages of design and construction. Staff communicates the status of projects and the overall progress of the program to the Board of Trustees and the Citizens Bond Oversight Committee (CBOC) once a month during regular Board of Trustees meetings through the “Engineering Officer’s Report” and the “Construction Status Reports”. These reports include verbal presentations, narrative descriptions of construction progress and pictures of essential project activities.

### **Measure D Projects**

The Measure D facilities construction program includes major renovation and new construction projects at Pinole Middle School, construction of two new middle schools, Helms and Portola, and construction of El Cerrito High School. The program also includes upgrades to track and field facilities at three high schools, technology upgrades at fifteen middle and high schools, and furnishing of furniture and equipment to four middle schools. Status of major projects at the end of this reporting period is as follows:

Pinole Middle School



The Facilities Subcommittee's recommendation to start the planning process for the demolition of Gompers High School and Adams Middle School due to severe deterioration and known seismic deficiencies was approved by the Board of Education on June 3, 2009. Cost estimates and timelines will be developed for the demolition of both schools which could include the relocation of the Continuation High School, warehouse and maintenance facilities.

The updated schedule of active remaining projects and planned projects in the Measure D and the Measure J Bond Program is shown in the following table, "Measure D and J Bond Program Schedules". The table also includes the status of projects as of December 30, 2009, in the various stages of planning, design, DSA approval and bidding planned to occur during 2007-2009 and construction, including project completion occurring during 2008-2012.



## **Midyear Update**

The analysis of scheduling responsibilities based on contracts, agreements and actual delivery of services conducted in the previous reports revealed that there is duplication of effort in scheduling and a lack of specific assigned responsibility for primary schedule controls, maintenance, and distribution. The District recognized the problem and directed SGI to employ a bond program scheduler who would be assigned the primary responsibility of developing the overall program schedule and ensuring that it was maintained, communicated and adhered to by all parties involved.

- On October 2009, the District hired a Scheduler through the SGI program management contract. The Scheduler assumed specific responsibility for the development and maintenance of the overall program master schedule. The new Scheduler meets with the District staff, program and construction management staff, architects and consultants in order to obtain input and updates the master schedule. New information and data requiring schedule adjustments that impact the critical milestones of project timelines in the master schedule are coordinated through the program manager and the District's Engineering Officer. Recommended changes and adjustments to the master schedule are submitted to the Facilities Sub-Committee for review and approval.

In regards to the development and control of the master schedule, the Scheduler is assigned the responsibility of uploading approved project/construction budgets and actual costs into the master schedule. Once a budget and cost-loaded master schedule is fully developed, staff anticipates that the Scheduler will be able to maintain and provide real time information on program cash flow that will improve the District's program control and management.

- According to staff, the District is in the process of hiring for the vacant position of Director of Facilities. When in place, the nt. ponsibilito m

## **DESIGN AND CONSTRUCTION COST BUDGET**

### **Process Utilized**

TSS conducted interviews with the District staff and members of the bond management team. These interviews covered a variety of topics, including project costs and budgets. Available documentation on the project bidding and contract award processes were also reviewed and analyzed. The bond management team provided TSS with project budgets for review.

### **Background**

California public school districts are permitted to develop building standards based on their individual and unique educational, aesthetic and fiscal needs. The California Department of Education (CDE) reviews and approves projects based criteria set in the Title 5 Regulations, California Code of Regulations. These regulations include, review for toxic substances, educational adequacy, compliance with the California Environmental Quality Act (CEQA) and other standards. The Division of the State Architect (DSA) reviews and approves projects based on conformance with the California Building Code, Title 24, California Code of Regulations, with requirements related to structural (seismic) integrity, fire and life safety, and the accessibility for the disabled. The Office of Public School Construction (OPSC) approves projects based on established district eligibility for funding, CDE approval and DSA approval. All of these required approvals are based on “minimum standards” criteria established by these agencies. There are no existing State standards or minimum requirements in many areas such as technology, architectural style, aesthetics, specialty educational space (e.g., art, science, and industrial shop areas) and other similar features. Local communities determine these standards or requirements based on local educational programmatic needs, available funds and individual site conditions.

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

Through actions of the Board of Education, the West Contra Costa Unified School District originally established standards known as “Option 1C Standards” to guide its projects. These standards result in individual project budgets which are significantly higher than the budgets that would be based solely on the SFP formula. Subsequent to the adoption of the Option 1C Standard the District has taken actions that resulted in exceeding this standard (see “Option 1C” Standard section below). It appears that the Board of Education anticipates generating additional local revenues to balance the program budget. It is expected that these funds will become available through local sources, including the authorization and issuance of additional local general obligation bonds.

Forecast revenue and expenditure data beginning January 20, 2010, through the forecast completion of the bond program in the year 2013-14, is summarized in the following tables - “Measure D & J Bond Program Revenue and Expenditures”.

**MEASURE D & J BOND PROGRAM REVENUE AND EXPENDITURES**<sup>1</sup>

**REVENUE**

<b>FUNDS</b>	<b>Beginning Balance Jan. 20, 2010</b> <sup>1</sup>	<b>Forecast Revenue 2010-2014</b>	<b>Cash Flow Update</b>
Bond Sales	179,446,565		\$179,446,565
State/Local Funding (Already received awaiting fund transfers)	5,295,817		\$5,295,817
Measure J Bonds (With Approved Waiver)	0	105,000,000	\$105,000,000
Interest Reconciliation Fund Transfers	15,803,043		\$15,803,043
El Cerrito High School (State Allocation #2)	0	561,563	\$561,563
Pinole Middle School (Modernization)	0	3,179,932	\$3,179,932
Portola Middle School (Modernization)	0	2,197,279	\$2,197,279
Current Eligibility State Funds (Elementary Phase 1))	0	10,377,191	\$10,377,191
Projected State Funding (Secondary School)	0	15,064,985	\$15,064,985
Developer Fee Income	0	\$0	\$0
Projected Interest Income	0	3,250,000	\$3,250,000
State Fund Interest	0	1,283,442	\$1,283,442
Potential Joint-Use Community Projects Revenue	0	3,000,000	\$3,000,000
Portola Middle School Reconstruction Hardship	0	12,000,000	\$12,000,000
Projected Additional State Funding	0	6,500,000	\$6,500,000

**Total**

**EXPENDITURES**

<b>PROJECTS</b>	<b>Expenditures To Date June 30, 2009</b>	<b>Forecast Expenditures 2009-2014</b>
<b>Measure D Bond</b>		
Additional Bond Funded Projects	312,648	7,264,207
Verde Elementary School	107,662	1,025,846
Helms Middle School	65,002,621	9,587,467
Pinole Middle School	37,621,901	12,910,531
Portola Middle School	4,145,570	55,854,430
El Cerrito High School	116,903,361	5,169,606
Furniture & Equipment	3,014,349	1,938,548
Technology	3,291,620	2,652,787
<b>Total</b>	<b>\$230,399,732</b>	<b>\$96,403,422</b>
<b>Measure J Bond</b>		
De Anza High School	\$23,761,311	\$113,174,700
Kennedy High School	3,127,502	8,786,310
Richmond High School	6,982,841	2,147,916
Dover Elementary School	9,782,345	22,246,203
Ford Elementary School	6,475,155	21,044,085
King Elementary School	9,256,353	14,474,731
Nystrom Elementary School	3,266,436	26,279,111
Ohlone Elementary School	2,037,266	33,024,806
Coronado Elementary School	226,533	2,648,467

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During the subsequent years a number of variables influenced the construction costs. Those variables include, but are not limited to, the following items

The above listed items made adherence to the dollar per square foot amount standard increasingly difficult. In addition to these items, there were decisions made by the District that caused an evolution of the standard in use. Examples include:

- Addition of kitchens (subsequent to planning and, in some cases, construction);
- Project labor agreement;
- Addition of playgrounds (subsequent to planning and, in some cases, construction);
- Migration from a modernization program to a full replacement program;
- Key decisions that were often scope driven and not budget driven;
- Comparatively high quality construction standards; and
- x

The current Measure J projects scheduled for construction are dependent on the above cash flow/assessed valuation discussion and realizing “bid savings” on some projects in order to free budgeted money for the other projects. Again, caution must be exercised to assure obligations do not exceed available resources.

### **Midyear Update**

- Based on the outcome of bids conducted during this review period, it appears that the trend of declining construction costs has continued. Most of the projects received bids lower than the construction estimates. Additionally the bidder participation averaged in double digits with as many as 18 bidders for a single bid. The current bidding climate helps improve the District’s chances of completing more of the construction projects included in the Measure D and J bond project lists. Although several recent economic reports state that the current recession could end soon, it is believed that construction costs could remain at the current levels for a few more years.
- The District plans to employ, through the SGI program management contract, an engineering/estimating firm to provide estimating services for the facilities construction program. The firm will perform the following functions for the program management team:
  1. Preparation of cost and budget estimates for major Measure D and J projects. This function will be performed by the estimators “off-site” or at the subcontractor’s home offices. The firm will replace Javier Silva & Associates and will work in tandem with Don Todd & Associates, the Design Phase Manager, in the preparation of project cost and budget estimates.
  2. Preparation of construction estimates for minor projects and change order costs. This function will be performed “on-site” by an employee of the estimating firm assigned to the SGI program management team at the Facilities Operations Construction Office.

With the addition of an estimator to the program management team, the District anticipates improvement in the cost control aspects of the program through better cost analysis and monitoring of construction costs. Additionally, project cost and budget estimates for major projects will be uploaded into the Master Schedule as well as the actual costs and expenditures of the projects. The District staff anticipates that with a budget and cost loaded master schedule, the Scheduler will be able to maintain and provide information on program cash flow concurrent with the master schedule and improve the District’s program control and management.

- District plans further refinement of the bond program control and oversight by filling the vacant position of Director of Facilities and assigning the office responsibility for bond program control which includes the planning, design, estimating and scheduling phases of the program to this position. Once the Director of Facilities is in place, the Chief Engineering Officer will only focus on and be responsible for the construction phase of the program which encompasses construction management, communication, field supervision and coordination of construction projects.

- During this review period, TSS heard inquiries from some CBOC members regarding the process of updating (increasing or reducing) project budgets and the addition or removal of projects from the bond project list. Budget adjustments and changes to the projects listed in the bond program require Board's approval. Although the Engineering Officer's Reports and Construction Status Reports presented to the Board on a monthly basis include information about the projects, financial activities and budgets, these documents are presented for information only and do not call for a Board action to review and approve. Preparation of recommendations by staff and presentation to the Board for review and approval is the recommended process for updating budgets and project lists.

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Process Utilized**

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

The review consisted of the following:

- Verification that bids were advertised in accordance with public contract code;
- Verification of bid results and board approval;
- Project files include contract documents, notice of award, notice to proceed and other pertinent documentation.

### **Background**

The District's Board Policy 3311; Bids, adopted February 6, 2008, states, "The district shall purchase equipment, supplies and services using competitive bidding when required by law and in accordance with statutory requirements for bidding and bidding procedures. In those circumstances where the law does not require competitive bidding, the Governing Board may request that a contract be competitively bid if the Board determines that it is in the best interest of the district to do so. To assist the District in determining whether bidders are responsible, the Board may require prequalification procedures as allowed by law and specified in administrative regulation."

Administrative Regulation 3311; Advertised/Competitive Bids, adopted October 6, 2008 states the District shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111, 22002). The District shall also seek competitive bids through advertisements for contracts exceeding the amount specified in law (effective January 1, 2009 – December 31, 2009, the bid threshold was increased to \$76,700) for the purchase of equipment, materials, or supplies to be furnished, sold or leased to the District (Contract Code 20111; Government Code 53060).

The administrative regulation specifically addresses the following issues:

- Instructions and Procedures for Advertised Bids
- Bids Not Required
- Sole Sourcing
- Pre-qualification Procedure
- Protests by Bidders

As a condition of bidding construction work on certain District facilities

On March 5, 2009, the District published a notice to bidders regarding pre-qualifying for Major Projects – Measure J Program. As a condition of bidding work authorized under Measure J, and in accordance with Public Contract Code 20111.5e the District requires General Building Contractors to complete a pre-qualification statement, including financial statement. Contractors are pre-qualified for one calendar year following the initial date of the pre-qualification.

The notice of the required pre-qualification is also included in individual project bid advertisements, with instructions on where to get the forms and a notation that they are due 5 days prior to bid.

In 2008-09, the District expanded its pre-qualification process into three categories, (1) major projects ranging in cost between \$3 million and \$85 million, (2) small projects with costs up to \$1 million and (3) small specialty projects costs up to \$3 million.

The Facilities staff prepares the pre-qualification documents. Staff from SGI is responsible for reviewing the pre-qualification statements, checking references and scoring.



**Bid Schedule and Results – Measure J Projects  
July 2009 – December 2009**

Site	Project Description	Bid Number	Bid Opening	No. Bids	High	Low	Variance	Board Approval	Contract Awarded	Contract Amount
Various Sites	Play Yard Improvements	W068181	7/02/2009	3	\$1,967,973	\$1,481,889	(\$486,084)	8/19/09	Goldspring Const.	\$1,481,889
De Anza High School	Baseball Field Improvements	J068184	8/04/2009	10	\$1,706,712	\$1,350,000	(\$356,712)	10/7/09	Bay Cities Grading	\$1,350,000
Kennedy High School	Fire Alarm Replacement	J068190	8/25/2009	5	\$810,642	\$516,500	(\$294,142)	9/16/09	Emard Electric	\$516,500
Pinole Middle School	Modernization Phase 2	J068116	8/25/2009	17	\$13,835,000	\$9,570,735	(\$4,264,265)	9/16/09	Alpha Bay Builders	\$9,570,735
Kennedy High School	Restroom Improvements	J068191	9/01/2009	13	\$2,025,501	\$1,570,000	(\$455,501)	9/16/09	JDS Builders Group	\$1,570,000
Kennedy High School	Domestic Water Heater Replacement	J068194	9/03/2009	4	\$209,000	\$171,544	(\$37,456)	9/16/09	ERA Construction	\$171,544
Ford Elementary School	New School Building	J068158	9/03/2009	15	\$18,558,569	\$16,734,206	(\$1,824,363)	9/16/09	Alten Construction	\$16,734,206

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The following bids were reviewed and analyzed for completeness and compliance:

**De Anza High School Baseball Field Improvements – J068184**

The notice to bidders was advertised on June 28, 2009 and July 5, 2009, in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least fourteen days between the first bid publication and bid opening, as required by law. The bids were opened on August 4, 2009. Ten bids were received. The table below summarizes the outcome of these bids.

<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>
<b>Bay Cities Paving</b>	<b>\$1,350,000</b>
Ghilotti Bros	\$1,426,690
AHI	\$1,462,492
Team Ghilotti Inc.	\$1,493,377
AJF / BHM	\$1,496,690
Valley Crest	\$1,507,000
Evans Brothers	\$1,536,988
Maguire Hester	\$1,595,900
Cleary Brothers Landscape	\$1,663,000
MPC	\$1,706,712

Bay Cities Paving was the low bidder. The estimated budget for this project was \$2,000,000. The Notice of Award was issued on October 9, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on October 21, 2009.

Evidence of the following documents was provided:

- Agreement
- Escrow Bid Documents
- Performance Bond
- Payment Bond
- Insurance Certificates and Endorsements
- Workers' Compensation Certification
- Prevailing Wage and Related Labor Requirements Certification
- Drug-Free Workplace Certification
- Hazardous Materials Certification
- Lead-Based Materials Certification
- Criminal Background Investigation/Fingerprinting Certification

## Kennedy High School Restroom Improvements – #J068191

The notice to bidders was advertised on August 2, 2009 and August 9, 2009 in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on September 1, 2009. Twelve bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Contractor</u>	<u>Base Bid</u>
<b>JDS Builders Group</b>	<b>\$1,570,000</b>	Albay Const.	\$1,697,000
<b>Evra Const.</b>	<b>\$1,570,000</b>	John Plane Const.	\$1,725,000
DL Faulk Const.	\$1,609,000	Alten Const.	\$1,826,955
BRCO Contractors	\$1,659,000	JW & Sons	\$1,936,900
Bay Const. Co.	\$1,675,000	IMR Contractors	\$2,025,501
Cal-Pacific	\$1,676,000		
BHM Construction	\$1,686,524		

JDS Builders Group and Evra Construction were tied as lowest responsive, responsible bidders. On September 9, 2009, a coin toss was held to determine “by lot which bid shall be accepted”, in accordance with Public contract code Section 20117. With the District’s Board approval, the winner of the coin toss, JDS Builders Group was declared the lowest responsive, responsible bidder. The estimated budget for this project was \$2,300,000. The Notice of Award was issued on September 18, 2009. Upon receipt of the required documentation, the Notice to Proceed was issued on October 1, 2009. Evidence of the required bid documents was provided.

## Pinole Middle School Modernization, Phase II - Bid # J068116

The notice to bidders was advertised on July 19, 2009 and July 26, 2009 in the West County Times. The notice to bidders was advertised on two separate occasions, seven days apart; there were at least 14 days between the first bid publication and bid opening, as required by law. The bids were opened on August 25, 2009. Seventeen bids were received. The table below summarizes the outcome of these bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Contractor</u>	<u>Base Bid</u>
<b>Alpha Bay Builders</b>	<b>\$9,570,735</b>	JW & Sons	\$10,521,000
Alten Construction	\$9,743,000	WA Thomas	\$10,722,000
Wright Construction	\$9,769,000	Ralph Larsen	\$10,724,000
Zovich & Sons	\$10,099,000	Cal Pacific	\$10,767,000
Mid State Const.	\$10,294,000	Jeff Luchetti	\$10,799,000
Bollo Construction	\$10,356,850	West Coast Const.	\$10,866,000
West Bay Builders	\$10,365,000	Albay Const.	\$11,165,000
John Plane Const.	\$10,456,000	Best Contracting	\$13,835,000
BRCO Const.	\$10,487,000		

A protest was received from the second low bidder regarding issues relating to subcontractor listings. The protest and responses from the low bidder were reviewed by legal counsel who made a determination that there were no legal grounds to declare low bidder non-responsiveness. Alpha Bay Builders remained the lowest responsive, re

## **Midyear Update**

- During the July – December 2009 period, the District continued the process of reviewing, checking references and scoring pre-qualification statement submittals for general contractors in the categories of Major Projects and Small Projects for Measure J projects. The current list of prequalified contractors provided by staff included the dates of prequalification and project category.
- Review of projects bid and awarded during this review period show evidence that the procurement method was in accordance with Public Contract Code 20112. All legal notices were published on two separate occasions, 7 days apart.
- Bid turnout and results on publicly bid projects during the July – December 2009 period continued to be highly favorable to the facilities construction program. The observed economic climate and slow down of public and private works projects resulted in high bidder participation and bid amounts coming in at an average of 30 percent below the estimated construction budgets. For more detailed information regarding project estimates and bid results refer to the section, Design and Construction Cost Budgets of this report. The significant number of general contractors have been prequalified to bid on Measure J projects, 46 for major projects and 37 for small projects. The fact that many of these contractors are already working within the area with equipment readily available at many of the District's school campuses has certainly contributed to the higher participation on these publicly bid projects.

## **CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES**

### **Process Utilized**

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the Facilities and Construction Management Team. Information provided from the July – December 2009 Board of Education meeting agendas and minutes related to the bond program was used in the review.

### **Background**

Change orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Because small repairs are made over time and the changes are not reflected in the District's archived drawings, the architects may miss such information until the incompatibility is discovered during construction. At other times, problematic site conditions are not discovered until a wall or floor is uncovered. Typically, change orders for modernization cannot be avoided because of the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous materials or other unknown conditions – all of which contribute to the need for authorizing change orders for additional work. The industry-wide percentage for change orders<sup>1</sup> for modernization or facility improvement projects generally ranges from seven percent to eight percent of the original contract amount. (The change order percentage for new construction tends to be three percent to four percent.)

Most change orders are triggered by a Request for Information (RFI) – a request for clarification in the drawings or specifications which is reviewed and responded to by the architect and/or project engineers. Change orders could also be triggered by the owner's request for change in scope. The architect's response or directive determines whether additional or alternative work is necessary. If it is determined that additional work or a reduction/deletion in work is necessary, the contractor submits a Proposed Change Order (PCO), for the additional cost, a reduction in cost and/or time extension based on the determination. The Project Manager (PM) reviews the proposal with the Project Inspector and the Architect of Record (AOR). If accepted, a change directive is issued. The increase or decrease in contract price may be determined at the District's discretion through the acceptance of a PCO flat fee, through unit prices in the original bid, or by utilizing a time-and-materials methodology as agreed upon by the District and the contractor. At times, this process may go through several cycles due to a disagreement over price.

The District bids contracts for some bond program projects with predetermined amounts as "Allowances." These allowances are included in the contracts for the purpose of setting aside funds within the contract itself to be used for unforeseen conditions and known but indeterminate items, including anticipated concealed problems such as hazardous materials. The District authorizes the use of and approves cost items to be charged to, the allowances. Unused allowances are credited back to the District.

<sup>1</sup> An article published in the American School and University Magazine, on November 1, 2005, recommended carrying 2 to 5 percent contingency for change orders. An even higher contingency is recommended for renovations or to accommodate difficult site conditions.

The following tables entitled, “Change Orders: Bond Program Projects”, summarize the change orders generated for Measure D and J projects from start of construction through December 31 2009.

**Change Orders: Bond Program Projects**

**Measure D**

<b>Measure D Projects</b>	<b>Construction Contract</b>	<b>% Complete</b>	<b>Total Approved Change Orders</b>	<b>Total Adjusted Contract Amount</b>	<b>Change Order %</b>
El Cerrito HS Temp Housing	\$3,444,000	99.99%	\$354,297	\$3,798,297	10.29%
El Cerrito HS Demolition	2,078,125	99.74%	-126,962	1,951,163	-6.11%
El Cerrito HS Storm Drain	292,562	100.00%	2,704	295,266	0.92%
El Cerrito HS Modular Building	4,654,800	99.34%			





**Change Order Analysis (July 2008 thru December 2009)**

<b>Project/ (Contractor)</b>	<b>Unforeseen</b>	<b>DSA and Other Co</b>	<b>Architect</b>	<b>Owner Requested Changes</b>
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- “Architect Design Issues” accounted for 44.95 percent of the overall cost of change orders generated for the projects examined. These changes include additions, deletions and revisions in the work triggered by document coordination, disagreements regarding interpretation (e.g., dimensions, elevations, locations, etc.) and errors and omissions in the various sections or details of the contract drawings and specifications.
- “Owner Requested Changes” constitute 27.66 percent of the all change orders. These changes include substitutions or upgrades to specified materials or products like windows, floor or wall finishes. Districts also add to or delete from the scope of work during the course of construction. The District may also call for weekend and overtime work in order to recover time-schedule and meet completion targets.
- “Unforeseen Conditions” accounted for 24.78 percent of the cost of change orders generated during this period. The disposal of soil contaminated with hazardous materials (asbestos, petroleum products, etc.), hazardous demolition debris and equipment were the most common unforeseen conditions encountered during this period.
- “DSA and Other Code Revisions” at 2.61 percent are changes and additional installations directed by the DSA field engineer or other agencies (e.g. Health Department, City, etc.) in order to comply with revisions to structural, safety and other codes.

### **Contractor Claims:**

At Pinole Middle School New Gym Classroom Building Project, a change order request was submitted for additional compensation due to delays and inefficiencies in the project, allegedly caused by design issues, encountered during the course of construction. The change order request was submitted by the general contractor, West Coast Contractors (\$676,347) and two sub-contractors; Del Monte Electric (\$145,220) and Cal-Air (\$62,000). The issues were analyzed by a delay consultant, hired by legal counsel, and the District rejected all claims. Del Monte Electric and Cal-Air withdrew/released their claims. West Coast Contractors has filed a Government Code claim. The District Board rejected the claim. The Contractor has requested mediation. The District is working with the Architect and CM to respond.

At Helms Middle School New Campus Construction Project, the general contractor West Bay



redone via a change order thrice, is one example of incidents that could have been prevented by the proposed committee review and approval process.

- “Architect/Design Issues” (44.95 percent) was the most prevalent reason for change orders in the projects reviewed during this review period. According to staff, when the number and costs of change orders due to architect’s errors and omissions is beyond the prevailing Standard of Care, staff makes efforts to recoup these costs. In the past, the District has initiated several claim actions against architects and successfully recovered costs related to errors and omissions on projects. Additionally, the District retained the services of a delay claims analyst to evaluate and review delayed projects in order to recover costs attributed to contractors and architects contract performance.

## **PAYMENT PROCEDURES**

### **Process Utilized**

In the process of this examination, numerous purchasing and payment documents pertaining to expenditures funded through Measure J were reviewed. Interviews were held with District staff and program management staff from SGI.

The review consisted of the following:

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**Sample**

One-hundred-sixteen invoices to

This review consisted of the following: verification of required approvals and backup documentation; determination that expenditures were in accordance with ballot language from Measure J; verification that the invoice amount and the amount paid correlated; and a review of the timeline from the time invoices were received to the date of warrant issuance. All of the payments had the required approvals and backup documentation; 109 of the invoices were paid within thirty-days and seven of the invoices were paid after 30 days. The delays appear to be due to, change order requiring approval, payment for retention (typically retention payments require additional processing time), insufficient balance on the purchase order which necessitated an increase, and work performed prior to a purchase order requisition being initiated.

The results from this sample of invoices and payments continue to show improvement in regard to payment time (the time between receiving an invoice and processing payments). During the review, it was observed that one purchase order was created after the receipt of an invoice. It is District's policy that work or purchases may not be authorized unless a purchase order has been approved.

Interested members of the community can check on-line to see the contractors and/or vendors that have been paid for the week ( for bond funded projects). This information can be viewed by going on the Bond Program link on the District's homepage where the payment information can be found at the Bond Projects Status menu under Paid Contractor Invoices. In addition, information regarding the status of a purchase order may also be obtained at the Bond Projects Status menu under Purchase Order Status. This information is updated weekly on each Wednesday.

**BEST PRACTICES IN PROCUREMENT**



The District purchased a multi-site irrigation central control system for \$64,376.66. This system allows for multi-site irrigation applications and can be controlled and monitored centrally. Since this is a proprietary system, it was not necessary for the District to solicit multiple quotes. The District's standards for equipment, products and materials for construction and adoption of findings required by public contract code specific to sole source specifications were adhered to through Board Resolution 17-0607 on September 20, 2006.

Additional cabinetry for musical equipment at El Cerrito High School was purchased for \$64,422.23 without going through an informal request for proposal/bid process. This cabinetry was a specified product under the original construction contract; however, the original specifications did not include several necessary pieces. The additional pieces were purchased directly from the vendor in order to match the existing installation.

It was noted in the 2008-09 annual performance audit that the Purchasing Department should have a more active role in the oversight of the procurement of equipment and/or supplies funded through bond proceeds. Beside ensuring the District receives maximum value for items purchased and the procurement methods are in alignment with BP 3300 and Public Contract Code, it would also provide some relief to the Facilities Department, which is currently operating with minimal staff. The District concurred with this recommendation at the time, but it does not appear that any adjustment has been made with regard to the involvement of the Purchasing Department

## **DELIVERED QUALITY CONTROL PROGRAM**

### **Process Utilized**

The Total School Solutions audit team was asked to review the process utilized by the District to define the level of quality for each project and then track that defined quality through construction to ensure that what is delivered in the final project is of the same quality level as originally specified. The Pinole Middle School New Classroom and Gymnasium project was identified as the specific focus of this review for the 2008-09 audit period. A sample of products and systems was developed for this analysis. This sample included:

- Custom Wood Casework
- Roofing Systems
- Classroom Window Systems
- Carpet Glue-Down
- HVAC Units
- Lighting Control Devices

Members of the District staff, the Architect of Record, the Program Manager, the Design Manager, and the Construction Manager were interviewed. The focus of the interviews was to determine what information was delivered to the design team at the beginning of design process, how that information was tracked and verified through the design and construction document process, and, what controls were put in place to ensure that the products/systems that were specified were included in the project during construction.

This section evaluates the standards that were in



TSS found that most of the products specified and delivered on the project met the District's established standards. In one case, however, the system incorporated into the construction documents failed to meet the standards. On September 20, 2006, the Board adopted project standards indicating that only DeVac windows by MonRay were to be used. The Pinole Middle School began construction in late November 2006, after the Board approval of the standards. Contrary to the Board adopted standards, the Pinole Middle School project included 3 window manufacturers, in addition to DeVac. Another system was submitted and the District incurred additional costs to change to the Board approved DeVac system during construction.

### **Midyear Update**

In the 2008-09 annual report, TSS recommended that the District develop a formal process for updating the District's standards. TSS further recommended that standards be updated and incorporated into a project scope no later than at the end of the schematic design phase. Changes made to the standards and applied to a project subsequent to this timeframe could lead to increased document preparation costs, delays in project approvals and costly change orders during construction. Changes needed late in the process should be justified by demonstrated significant impact on the long term quality, sustainability and maintainability of the project.

Since the 2008-09 annual report, the District has initiated the process of updating the District Design Standards. The District is currently planning to utilize the Collaborative for High Performance Schools (CHPS) standards for all remaining major Measure J projects including new construction at De Anza High School, Ford Elementary School, Dover Elementary School, King Elementary School, Nystrom Elementary School and Ohlone Elementary School. Elements from the CHPS standards will be incorporated into the revised District standards. Such elements include using dual glazed windows instead of the DeVac windows, using linoleum in lieu of VCT flooring, using cork instead of vinyl tackboard for wall coverings, using drip irrigation instead of spray irrigation for new landscaping, installing synthetic turf as opposed to grass on athletic fields, omitting in-room HVAC closets for noise reduction, and specifying low flush toilets.

In the 2008-09 annual report, TSS also recommended that a better process for monitoring conformance or deviation from the standards be set in place. This includes conformance to the Bond Program Quality Control Manual's identified processes for making changes during project design and construction and, subsequently, better documentation of those changes and decisions. At the time of the annual report, the District staff stated that they were refocusing the Design Manager to this task.

The District is currently working on an internal reorganization within the Facilities Management Office that will potentially allow for better review/control of projects and adherence to design standards. The District intends to fill the vacant Director of Bond Facilities position and is currently updating the job description for this position. The Director of Bond Facilities position will be a lateral position to the District Engineering Officer. The existing duties of the District Engineering Officer will be divided up between the two positions. The District Engineering Officer will retain oversight of the projects during construction, including oversight of contract work done by SGI's Deputy Program Director/Construction Manager. The Director of Bond Facilities position will be in charge of planning and design, including oversight of contract work done by SGI's Program Manager, SGI's Controls Manager team and the new Estimator and Master Scheduler positions.

The District is also actively engaged in developing a better process for controlling costs and the numbers of change orders. The District's Associate Superintendent of Operations has proposed the formation of a Change Order committee consisting of the District Engineering Officer, Director of Bond Facilities (position currently vacant), Director of Maintenance & Operations and the Cost Estimator. The Cost Estimator is a new position that





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

### **Process Utilized**

During the process of this review, Total School Solutions (TSS) interviewed personnel and other parties involved in the District's facilities program. A few members of the school board, the audit-subcommittee and key personnel on the bond management team were also interviewed. The communication channels and public outreach were among the topics of discussion in those interviews.

### **Background**

To facilitate communication regarding the West Contra Costa Unified School District's facilities program, the District provides information about the District and the facilities program on three separate websites:

- West Contra Costa Unified School District: [www.wccusd.k12.ca.us](http://www.wccusd.k12.ca.us)
- Bond Oversight Committee: [www.wccusd-bond-oversight.com](http://www.wccusd-bond-oversight.com)
- Bond Program: [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com)

To facilitate access to bond information and the oversight committee, the District's website provides links to the Bond Oversight Committee and Bond Program websites.

A review of the school district, bond committee and bond program websites indicated that information about the bond and facility construction programs was current, and included relevant information, including a variety of project pictures of ongoing and upcoming projects, community meeting dates and schedules, and meeting minutes.

### **Midyear Update**

In the 2008-09 annual performance audit, it was noted that due to budget reductions the District has discontinued the publication of the *WCCUSD Reporter* and no longer employs a District Information Officer. While these decisions have been made for budgetary reasons, they have left the Bond Program with virtually no community outreach mechanism other than the above noted websites. Public outreach is a key component for any successful bond program. It is important to keep the community informed during each phase of the program. Outreach to the community regarding the status of projects, including priorities, project timelines and updates are important for the District to consistently undertake to manage information and expectations about the Bond Program.

The District staff could convene CBOC meetings throughout the community at various school sites to attract attendance from specific school community areas. This may cause some logistical issues for the CBOC, but, if feasible, these meetings could be scheduled at a time that would be prior to or just after regularly scheduled parent meetings on school campuses. The locations for these meetings should be based on District focus on communities in which outreach and information about the program is specifically needed. The school site staff could promote these meetings to parent and staff groups to encourage participation and the CBOC and District staff could use these opportunities to together feedback from the community, while providing important information about the Bond Program.



District staff may also want to consider providing school site administrators with a regular written update for their use at staff meetings and parent group meetings and for possible inclusion in the school site newsletters and/or listservs. These updates can be a useful method for providing information to the school community.



While Section 15282(a) is unambiguous regarding “two consecutive terms,” it is silent in regard to the number of terms a member may actually serve. For example, it appears that a member could serve two consecutive terms, leave the committee for a period of time and then again serve two terms under the language in the code. Section 15282(b) is likewise unambiguous regarding eligibility for membership. It is clear that an employee, such as a substitute teacher, could not legally serve on the committee.

### **District Management Support of CBOC**

Education Code Section 15280(a) states that a CBOC shall be provided with “any necessary technical assistance and...administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens’ oversight committee.”

The CBOC By-laws reiterate the above code language and further states: “The Associate Superintendent of Operations will serve as a resource to the Committee. He/she shall assign such other District staff and professional service providers as needed to assist the Committee in carrying out its duties.”

To carry out the above requirement specified in code and the by-laws, District staff and its consultants regularly provide materials to the CBOC and attend its meetings to enable the Committee to fulfill its purpose. This is the appropriate level of support that management should provide to the Committee.

### **CBOC Website**

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# **APPENDIX A**

## **MEASURE D BOND LANGUAGE**

**BOND MEASURE D**  
**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT**

“To complete repairing all of our schools, improve classroom safety and relieve overcrowding through such projects as: building additional classrooms; making seismic upgrades; repairing and renovating bathrooms, electrical, plumbing, heating and ventilation systems, leaking roofs, and fire safety systems; shall the West Contra Costa Unified School District issue \$300 million in bonds at authorized interest rates, to renovate, acquire, construct and modernize school facilities, and appoint a citizens’ oversight committee to monitor that funds are spent accordingly?”

**FULL TEXT OF BOND MEASURE D**

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the West Contra Costa Unified School District shall be authorized to issue and sell bonds of up to \$300,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of West Contra Costa County may be assured that their money will be spent wisely to address specific facilities needs of the West Contra Costa Unified School District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Education has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the West Contra Costa Unified School District at each campus and facility, and to determine which projects to finance from a local bond at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in Exhibit A.

Independent Citizens’ Oversight Committee. The Board of Education shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Education.

Annual Performance Audits. The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits. The Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities aneensgh

to be filed with the Board no later than January 1 of each year, commencing January 1, 2003, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

#### BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

The Bond Project List, which is an integral part of this proposition, lists the specific projects the West Contra Costa Unified School District proposes to finance with proceeds of the bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed at a particular school site. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Education cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

#### FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to Government Code Section 53410.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than 30 years from the date borne by that bond.

**TAX RATE STATEMENT IN CONNECTION WITH  
BOND MEASURE D**

An election will be held in the West Contra Costa Unified School District (the "District") on March 5, 2002, to authorize the sale of up to \$300,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in 7 series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 1.22 cents per \$100 (\$12.20 per \$100,000) of assessed valuation in fiscal year 2002-03.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.94 cents per \$100 (\$59.40 per \$100,000) of assessed valuation in fiscal year 2010-11.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6.00 cents per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2015-16: The tax rate is expected to remain the same in each year.]

Voters should note that estimated tax rate is based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, *not* on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: November 30, 2001.

Gloria Johnson, Superintendent  
West Contra Costa Unified School District

**Exhibit A**

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT  
BOND PROJECT LIST**

**SECTION I**

**PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES**



- Create, renovate and/or improve kitchen areas, including replacement of specialized equipment and furnishings.
- Renovate, upgrade or install



Furnishing/Equipping	Replace fold down tables in cafeteria. Install or replace whiteboards, tackboards and counters.
<b>PROJECT TYPE</b>	<b>Helms Middle School</b> 2500 Road 20, San Pablo, CA 94806-5010 <b>Project List</b>
	Projects as appropriate from the “All School Sites” list.
Major Building Systems	Improve/replace roof and skylights.
Improvements/Rehabilitation	Improve/replace glass block walls. Improve/replace floor surfaces. Improve/replace ceilings. Repaint locker rooms. Replace carpet. Improve and paint interior walls.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace two portable classrooms.
Site and Grounds Improvements	Revise parking and traffic circulation. Improve/replace fence.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
<b>PROJECT TYPE</b>	<b>Hercules Middle/High School</b> 1900 Refugio Valley Road, Hercules, CA <b>Project List</b>
	Projects as appropriate from the “All School Sites” list.
Major Building Systems	Add additional buildings or portables to address overcrowding.



Furnishing/Equipping	Install or replace whiteboards, tackboards and counters. Improve/replace hydraulic lift in auto shop. Replace pullout bleachers in gymnasium. Replace science lab tables.
<b>PROJECT TYPE</b>	<b>Kennedy High School and Kappa High School</b> 4300 Cutting Boulevard, Richmond, CA 94804-3399 <b>Project List</b>
	Projects as appropriate from the "All School Sites" list.
Major Building Systems	Replace lighting.
Improvements/Rehabilitation	Replace carpet in classrooms. Improve/replace floor surfaces. Replace interior doors in 200 wing. Replace sinks in science labs. Improve and paint interior walls. Improve/replace ceilings. Replace cabinets at base of stage. Paint acoustic tiles in band room. Resurface stage in cafeteria.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately six (6) portable classrooms.
Site and Grounds Improvements	Improve/replace fence.
Furnishing/Equipping	Replace bleachers in gymnasium. Replace tables in cafeteria. Replace stage curtains in cafeteria. Replace folding partition in classrooms 804 and 805. Install or replace whiteboards, tackboards and counters.
<b>PROJECT TYPE</b>	<b>Richmond High School and Omega High School</b> 1250 23 <sup>rd</sup> . Street, Richmond, CA 94804-1091 <b>Project List</b>
	Projects as appropriate from the "All School Sites" list
Improvements/Rehabilitation	Improve/replace ceilings. Renovate locker rooms. Replace exterior doors in 300 and 400 wings. Improve/replace floor surfaces. Improve and paint interior walls. Replace carpet. Replace locks on classroom doors. Renovate all science labs. Renovate 700 wing. Add water fountains in gymnasium.
Construction/Renovation of Classroom and Instructional Facilities	Demolish and replace approximately four (4) portable classrooms. Add storage areas. Improve/add staff rooms and teacher work rooms. Add flexible teaching areas. Renovate classroom 508 into auto shop.
Site and Grounds Improvements	Improve parking and traffic circulation.



<b>PROJECT TYPE</b>	<b>Gompers High School</b> 1157 9 <sup>th</sup> . Street, Richmond, CA 94801-3597 <b>Project List</b>
	Projects as appropriate from the “All School Sites” list.
Improvements/Rehabilitation	Improve or add ventilation/cooling system to computer lab. Replace outdoor and indoor water fountains. Improve/replace floors and carpet. Add sinks to Stop-Drop classrooms. Improve/replace interior and exterior doors and locks. Add new partition walls in classroom 615. Improve and paint interior walls. Improve/replace ceilings.
Construction/Renovation of Classroom and Instructional Facilities	Add science lab. Add lunch area for students. Add area for bicycle parking.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.
<b>PROJECT TYPE</b>	<b>North Campus High School and Transition Learning Center</b> 2465 Dolan Way, San Pablo, CA 94806-1644 <b>Project List</b>
	Projects as appropriate from the “All School Sites” list.
Security and Health/Safety Improvements	Improve fences and gates to alleviate security issues.
Improvements/Rehabilitation	Remodel offices. Add weather protection for walkways and doors. Improve and paint interior walls. Improve/replace ceiling tiles. Replace carpet.
Construction/Renovation of Classroom and Instructional Facilities	Add multi-purpose room. Add cafeteria. Add library. Move/add time-out room. Add flexible teaching areas, counseling, and conference rooms.
Site and Grounds Improvements	Add play structures/playgrounds. Improve site circulation. Add bicycle parking to site. Resolve parking inadequacy.
School Support Facilities	Add storage space. Add restrooms for students and staff.
Furnishing/Equipping	Install or replace whiteboards, tackboards and counters.

**PROJECT TYPE**

**Vista Alte**



# **APPENDIX B**

## **MEASURE J BOND LANGUAGE**



the West Contra Costa Unified School District on November 8, 2005, for the purpose of submitting to the registered voters of the District the following proposition:

### **BOND AUTHORIZATION**

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the West Contra Costa Unified School District shall be authorized to issue and sell bonds of up to \$400,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below.

### **ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the West Contra Costa Unified School District may be assured that their money will be spent wisely to address specific facilities needs of the West Contra Costa Unified School District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at section 15264 *et seq.* of the California Education Code).

*Evaluation of Needs.* The Board of Education has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the West Contra Costa Unified School District, and to determine which projects to finance from a local bond at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in Exhibit A.

*Independent Citizens' Oversight Committee.* The Board of Education shall establish an independent Citizens' Oversight Committee (section 15278 *et seq.* of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board of Education.

*Annual Performance Audits.* The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

*Annual Financial Audits.* The Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

*Special Bond Proceeds Account; Annual Report to Board.* Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board no later than January 1 of each year, commencing January 1, 2007, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

## **BOND PROJECT LIST**

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition. The Bond Project List, which is an integral part of this proposition, lists the specific projects the West Contra Costa Unified School District proposes to finance with proceeds of the Bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Education cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

### **FURTHER SPECIFICATIONS**

*No Administrator Salaries.* Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

*Single Purpose.* All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to section 53410 of the California Government Code.

*Other Terms of the Bonds.* When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be

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requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

“The above statement is an impartial analysis of Measure J. If you desire a copy of the measure, please call the Contra Costa County Registrar of Voters at (925) 646-4166 and a copy will be mailed at no cost to you.”

*Section 4. State Matching Funds.* The District hereby requests that the Registrar of Voters include the following statement in the ballot pamphlet, pursuant to section 15122.5 of the California Education Code:

“Approval of Measure J does not guarantee that the proposed project or projects in the West Contra Costa Unified School District that are the subject of bonds under Measure J will be funded beyond the local revenues generated by Measure J. The District’s proposal for the project or projects assumes the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.”

*Section 5. Required Vote.* Pursuant to section 18 of Article XVI and section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least 55% of those voters voting on the proposition.

*Section 6. Request to County Officers to Conduct Election.* The Registrar of Voters of the County is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

*Section 7. Consolidation Requirement; Canvass.* (a) Pursuant to section 15266(a) of the California Education Code, the election shall be consolidated with the statewide election on November 8, 2005. (b) The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, pursuant to section 10411 of the California Elections Code.

*Section 8. Delivery of Order of Election to County Officers.* The Clerk of the Board of Education of the District is hereby directed to deliver, no later than August 12, 2005 (which date is not fewer than 88 days prior to the date set for the election), one copy of this Resolution to the Registrar of Voters of the County together with the Tax Rate Statement (attached hereto as Exhibit B), completed and signed by the Superintendent, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County.

*Section 9. Ballot Arguments.* The members of the Board are hereby authorized, but not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the Registrar of Voters.

*Section 10. Further Authorization.* The members of this Board, the Superintendent, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution.

*Section 11. Effective Date.* This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, July 13, 2005, by the following vote:

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:  
APPROVED:

President of the Board of Education of the West Contra Costa Unified School District

Attest:

Clerk of the Board of Education of the West Contra Costa Unified School District

**CLERK'S CERTIFICATE**

I, Clerk of the Board of Education of the West Contra Costa Unified School District, of the County of Contra Costa, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Education of the District duly and regularly held at the regular meeting place thereof on July 13, 2005, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present.

The resolution was adopted by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

At least 24 hours before the time of said meeting, a written notice and agenda of the meeting was mailed and received by or personally delivered to each member of the Board of Education not having waived notice thereof, and to each local newspaper of general circulation, radio, and television station requesting such notice in writing, and was posted in a location freely accessible to members of the public, and a brief description of the resolution appeared on said agenda.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 13<sup>th</sup> day of July, 2005.

Clerk of the Board of Education  
West Contra Costa Unified School District

**EXHIBIT A**

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT  
BOND PROJECT LIST**

**SECTION I**

**PROJECTS TO BE COMPLETED AT ALL SCHOOL SITES (AS NEEDED)**

- Renovate, improve or replace roofs.
- Re-finish and/or improve exterior and interior surfaces, including walls, ceilings, and floors.
- Upgrade, improve, install and/or replace indoor lighting systems.
- Provide furnishings and equipment for improved or newly constructed classrooms and administrative facilities.
- Replace worn/broken/obsolete instructional and administrative furniture and equipment, as well as site furnishings and equipment.
- Purchase, rent, or construct temporary classrooms and equipment (including portable buildings) as needed to house students displaced during construction.
- Construct new school facilities, as necessary, to accommodate students displaced by school closures or consolidations.
- Acquire any of the facilities on the Bond Project List through temporary lease or lease purchase arrangements, or execute purchase options under a lease for any of these authorized facilities.
- Renovate current elementary schools into a K-8 configuration as appropriate.
- Move furniture, equipment and supplies, as necessary, because of school closures or changes in grading configuration.
- As to any major renovation project, replace such facility if doing so would be economically advantageous.

### **Special Education Facilities**

- Renovate existing or construct new school facilities designed to meet requirements of student with special needs.

### **Property**

- Purchase property, including existing structures, as necessary for future school sites.

### **Sitework**

- Complete site work, including sitework in connection with new construction or installation or removal of relocatable classrooms.
- Improve or replace athletic fields, equipment rooms, lighting, and scoreboards.
- Improve, resurface, re-stripe and/or replace damaged asphalt and concrete surfaces.
- Improve or replace storm drain and site drainage systems.

## **SECTION II ELEMENTARY SCHOOL PROJECTS**

- Complete any remaining Election of November 7, 2000, Measure M, projects. All Elementary Schools may include projects, as necessary, from Section I.

## **SECONDARY SCHOOL PROJECTS**

- Complete any remaining Election of March 5, 2002, Measure D, projects. All Secondary Schools may include projects, as necessary, from Section I.





**EXHIBIT B**  
**TAX RATE STATEMENT**

# **APPENDIX C**

## **REFERENCE DOCUMENTS**

