



Meeting Minutes

Planning and Operations

1130 Fifth Avenue
Chula Vista, CA 91911

Project # 572-8100.00

Tel: Fax:

SUHSD Program Management\SGI

Bond Oversight Committee Meeting 23

Date	Start	End	Next Meeting	Next Time	Prepared By	Company
6/11/2011	09:00 AM	11:35 AM	7/14/2011	05:45 PM	Monica McGovern	SUHSD Program Management\SGI
Location	Next Location		General Notes			

Attended By

- SUHSD Program Management\SGI - Jeff Scogin
- Citizens' Bond Oversight Committee - Debra Discar-Espe
- Citizens' Bond Oversight Committee - Lourdes Valdez
- Sweetwater Union High School District - Paul Woods
- SUHSD Program Management\SGI - Monica McGovern
- SUHSD Program Management\SGI - Bradley Johnson
- Citizens' Bond Oversight Committee - Bernardo Vasquez
- SUHSD Program Management\SGI - Justin Devers
- SUHSD Program Management\SGI - Bryan Ehm
- SUHSD Program Management\SGI - Devonna Almagro
- SUHSD Program Management\SGI - Jaime Ortiz
- SUHSD Program Management\SGI - Joel Hermosillo
- SUHSD Program Management\SGI - Justin Devers
- SUHSD Program Management\SGI - Rafael Parra
- Citizens' Bond Oversight Committee - Dency Souval
- Citizens' Bond Oversight Committee - Maria Arroya
- Citizens' Bond Oversight Committee - David Butler
- Citizens' Bond Oversight Committee - Guillermo Camarena

Non-Attendees

Item	Meeting Item Description	Resp	Status	Due Date	Compl'd	Cls'd
1. Call to Order						

003-001

Attendance:

- Debra Discar-Espe - Present
- Lourdes Valdez - Present
- Dency Souval - Present
- Bernardo Vasquez - Present
- David Butler - Present
- Maria G. Arroyo - Present
- Guillermo Camarena - Present

Monica McGovern (GSGI) No

Item	Meeting Item Description	Resp	Status	Due Date	Compl'd	Cls'd
2. Approval of Meeting Minutes						

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Minutes

003-003	A. The Committee discussed the meeting minutes of March 22, 2011. The Minutes were adopted unanimously.	Debra Discar-Espe (CBOC)				No
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Item	Meeting Item Description	Resp	Status	Due Date	Compl'd	Cls'd
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3. Public Comment

Public comments

003-006	A. Debra Discar-Espe asked if there were any public comments. There were none.	Debra Discar-Espe (CBOC)				No
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4. Report from CBOC Chair

Report from the CBOC Chair

003-008	4. Report from CBOC Chair					
	A. Debbie Espe informed the committee members that the SUHSD Board of Trustees approved having a more detailed, in depth performance audit performed. Paul Woods explained that the audit would probably be completed in the fall.					
	B. D.E. stated that the Vice-Chair on the CBOC was vacant, and an election for the position will be held at the next meeting.					
	C. David Butler, Guillermo Camarena and Maria G. Arroyo introduced themselves to the CBOC members and talked about their backgrounds.	Debra Discar-Espe (CBOC)				No

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5. Committee Updates

Change order report

022-003	A. Jaime Ortiz stated that this change order report will be presented at all formal CBOC meetings going forward, as well as posting it to our website.					
	B. J.O. then went over the details of the report. Guillermo Camarena asked J.O. if the contract amount was hard costs only, or hard costs and soft costs combined? J.O. explained that the amount is only hard costs. Bernardo Vasquez asked about the meaning of "Errors and Omissions". J.O. explained that it is information that wasn't on the documents when the contractor was bidding the project. Dency Souval asked what the biggest category represented. J.O. stated that the category is the Owner Requested changes (or improvements). Paul Woods used the installation of smart boards as an example of an Owner requested change.					
	C. J.O. explained to the members that the cumulative 4.36% change order rate for Prop O is not out of the ordinary when compared to other school construction programs in the county.					
	D. Dency Souval asked if we provide anyone with expertise at the site council meetings to help parents understand the process. J.O. explained that the District, an architect team and the construction management team are there to advise them on the implications during the scope definition process.					

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	D.S. asked if that would add to the change orders. J.O. told her that the change orders are created once you have the scope defined and are making changes to the existing construction contracts; the school site process takes place before any construction contracts are signed.					
	E. David Butler asked who is bearing the liability for the Errors and Omissions change orders? Is the architect bearing some of the cost of the changes? J.O. answered that we are having conversations with the architects at the end of the jobs.					
		Jaime Ortiz				No

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6. Committee Updates

School Facilities Bond Program Report

022-004 A. Jaime Ortiz directed the CBOC members to the School Facilities Bond Program report in their binders. Debbie Espe asked Jaime to discuss the communication between the San Diego Tax Payers Association and the Board President. J.O. explained that the report came out and the Board President met with the Taxpayer's Association to discuss the report. As a result of that meeting, the District decided to perform a more comprehensive performance audit, in order to identify any potential areas of improvement.

B. J.O. then discussed the different delivery methods the Taxpayer's Association used as for their comparison. He stated that they found that the design-bid-build delivery method typically they had good savings but the change order rate is high, and they are not always delivered on time. The multi-prime delivery method had smaller savings, smaller change order rate and typically delivered on time. The lease/leaseback method had the largest savings, the lowest change order rate and typically delivered on time. Our projects have followed this trend.

C. J.O. then talked about the procurement practices that were compared in the report. We received the highest score of all of the bond programs. He added that in the future in order to improve our RFQ process we are going to outline in the bid package how to request an RFQ debriefing.

D. J.O. next referred to the section where they looked at the District's review of Lease/Leaseback projects, and explained that they looked at whether they had a Board policy on how they determined which delivery process they used. No other Districts had this; they had a chart where they suggest which delivery methods to use. We may send this to our Board to create a policy to use in the future. They then examined whether we have a competitive procurement process, which we do, and whether we have a selection panel formed to select the Lease/Leaseback contractor, which we do as well.

E. J.O. discussed the section of the report where the Taxpayers Association reviewed transparency. Some of the measures they included in their criteria were whether the projects had Committee by-laws, member information, meeting minutes and agendas posted, annual reports, performance audits, and financial audits posted. They did mark off 2 sections- project descriptions and project progress; but we do have both of these available on our website. Every project is identified along with the scope on our website, and they can see the progress on the webcam feeds for every project in real time. D.E. asked if the project progress on the website is going to be made more easily available. J.O. stated that we are currently working on a new, easier to navigate website layout.

Jaime Ortiz No

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6. Status Update on Bond Implementation

a. Project Status Reports

003-012 A. Jaime Ortiz asked if there were any questions on the project status report that was sent out ahead

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	of time to the CBOC.					
	B. Dency Souval asked about the inspection for asbestos she saw on the website. Jaime Oriz explained that there is still some asbestos located in some of the older buildings, so before we can do any work on them or demolish them, we are required to do asbestos abatement.					
	C. The CBOC reviewed the provided schedule update. J.O. stated to the Committee that we are currently moving the furniture into SUH and the project is coming to a close. The ribbon cutting is coming up and we will be sending out the dates to the members. We are also working on removing the interim housing administration and library portables. We are also working on the welding building, it is 65% complete.					
	D. J.O. then told the members that we are critically delayed at SOH. We have issued a Notice of Intent to terminate the current contractor, who is also at SOM. We are taking action to resolve the issues and get the two projects back on track.					
	E. J.O. stated that we are virtually complete at National City Middle. The furniture is being delivered and the Smart boards are being installed. The ribbon cutting is upcoming.					
	F. J.O. then went through the slides of the individual projects.					
	G. Guillermo Camarena asked if we were still holding the retention for the SOH and SOM projects. For members of the public, J.O. explained that retention is a 10% withholding of funds until the end of the project to insure the timely completion of the project. G.C. asked is we had issued a notice of substantial completion? J.O. told him we have not. G.C. asked how far behind schedule was the contractor. J.O. told him severely behind; they were supposed to be finished by the beginning of this year. J.O. explained that we have a second contractor at SOM to help complete some of the remaining work at the site. G.C. asked what kind of contract they were hired under. J.O. explained it was a hard bid contract.					
	H. J.O. told the members that we were selected by the CMAA as the Best Project for \$25M and Under for the Chula Vista High theater project.					
	I. Bernardo Vasquez asked how the original project budgets were established. J. O. explained that the original overall project budgets were established by the Board of Trustees at the beginning of the projects. We needed to distribute that budget to the individual line items. We looked at the Districts average historical spending per project. We based the original budget on those average percentages. Typically the budget is 70% hard costs and 30% soft costs. B.V. asked if there is a cap on how much fees can increase from the original to current or a cap on total fees to total budget. J.O. explained that it depends on the individual contracts with the different consultants. J.O. stated there is a cap on Program Management fees. B.V. stated that the four fees that he saw consistently going up were design, program, construction testing and construction inspection. He asked why, if the cost of construction is flat, some fees are doubling. J.O. explained that the project budget has increased from the original budget. B.V. used Mar Vista High School as his example; he noted that the design architect and program management increased, as well as construction testing and inspection fees. J.O. explained the design fees and the program management fees are not contingent on what the actual construction costs come out to be; they are based on the budget. If the construction costs come in under budget, it doesn't mean that it took less time to design and manage the project. The fees are based on the original budget. Debbie Espe asked what would cause design and program management fees to increase? J.O. explained that a reason design service fees might increase could be due to additional changes we ask the architect to design, and they get a percentage of the change we request. Or if there is a schedule extension, the architect will incur additional administration costs. We ask the architect to help us process certain paperwork, which only they can sign off on. We haven't had a change in the program management fees since the start of the SGI contract. The only change was the termination of the original contract due to the split of the joint venture; a new contract					

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	<p>was instituted. B.V. then asked why the project management fee was going down while the program management fees went up. J.O. explained that two fees are not related. The program management line item is the current fee; the project management fee will stay on the report for record keeping purposes, but it is static as we are not charging to that line item anymore. The Program management is not increasing month after month; it increased only once a year ago due to the new contract.</p> <p>J. David Butler asked J.O. to address the construction testing budget line item. J.O. explained that number was based on the original budget developed 4 years ago prior to having the testing firms on board or knowing the scope of work; it was a starting point. When we established the original budgets, we didn't know what we were going to build at the school sites. D.B. said that during the process, it jumped up to \$250,000. So they contracted an hourly rate? So essentially you are paying the cost of the work? J.O. told him that was correct.</p>	Jaime Ortiz (GSGI)				No
b. Design progress						
022-005	<p>A. Jaime Ortiz told the CBOC members that the plans for National City Middle Phase 2 and Montgomery Middle are currently in DSA for review and approval. We expect DSA approval toward the end of this month for Montgomery Middle, and hopefully into construction soon after.</p>	Jaime Ortiz				No
d. Accomplishments to date						
022-006	<p>A. Jaime Ortiz told the Committee that we have provided Prop O presentations to PTA's and school site & school council committees at Hilltop High, Mar Vista High, Southwest High, Montgomery Middle, Montgomery High School. We also attended the Montgomery Middle School 40th Anniversary celebration. Devonna Almagro gave a presentation to the National City Council on the progress of Sweetwater High and the upcoming ribbon cutting ceremony, as well as the National City Rotary and Chamber of Commerce.</p>	Jaime Ortiz				No
e. Board Items report						
016-003	<p>A. A list of the items that the Board of Trustees have approved since the last meeting was presented. There were no questions.</p> <p>B. Jaime Ortiz distributed a chart outlining the Prop O staffing plan, that the Committee has previously requested. David Butler asked what a "Project Specialist" and a "Facilities Specialist". Paul Woods explained that they assist the 2 District project managers, and the Facilities Specialist handles the joint use and facilities use areas. Debbie Espe asked who the Senior Administrative Assistant was; Paul explained that it is his secretary.</p>	Jaime Ortiz (GSGI)				No
f. Discussion on Sweetwater Union High School District Audit Report - FY 2010						
021-001	<p>A. Jeff Scogin passed out copies of the 2009/2010 Annual Report. He pointed out the items required by Prop 39. There were no questions on the layout of the report.</p> <p>B. Jeff then explained that we will be moving forward with distributing the report in the San Diego Union Tribune as requested previously by the CBOC. We are modifying the report to make it fit in an 11 X 17" format, but the letters and audit information will not change. It will be going out after it is approved by the BOT. It will also be put up on the website, and copies be mailed to local business organizations.</p>					

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	C. Devonna Almagro added that we also distribute the report at various back-to-school nights .					
		CBOC				No
		Members				

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7. Committee Member Reports

Committee Member Reports

019-001 A. Debbie Espe asked if there were any Committee member reports. There were no reports.

B. Jeff Scogin told the members that we would be sending out an email in the next week or so with their Prop O account addresses which will automatically forward to their personal accounts.

C. Devonna Almagro gave the dates of the upcoming ribbon cutting ceremonies: Hilltop High is July 12th 10:00am - 12:00pm, National City Middle School is July 13th, 4:00pm - 7:00pm with a 3:30pm reception, and Sweetwater High School on Saturday August 6th from 4:00 - 8:00pm with a reception at 3:30pm. Jaime Ortiz noted to the members that at SUH, like at the CVH ceremony, due to the large scale of the event and the higher cost involved, Prop O funds do not pay for 100% of the ribbon cutting ceremonies; Prop O pays the cost of a typical groundbreaking, and we share the balance with the contractor, architect, SGI and in the case of Sweetwater, also the City.

D. Debbie Espe reviewed the requested items for next meeting: the Errors and Omissions breakdown, the election of the Vice Chair, and the change order report (start posting), and the email addresses . J.O. asked for clarification on the Errors and Omissions report; what would they like to see? More detail? David Butler told him to take one school as an example and do a breakdown.

CBOC
Members

No

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9. Meeting Adjourned

Adjourn

008-010 Meeting adjourned at 11:35pm.

Debra Discar-
Espe (CBOC)

No

Cc:	Company Name	Contact Name	Copies	Notes
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End Comments

The minutes written above represent our understanding of all items discussed in the meeting. These minutes shall stand as the correct and complete record of the meeting unless corrections, discrepancies or additional items are brought to the attention of the writer within 48 hours of receiving these minutes.