

Sweetwater Union High School District
District Responses to Proposition O Performance Audit
Prepared by: District's Internal Audit Department

Special Thanks to Mr. Eric Hall &
The District's Planning & Construction Department

Sweetwater Union High School District Proposition O Performance Audit

Summary of Recommendations and District Responses

Management Performance

Programming Phase

Findings:

1. Efforts were extended by bond program managers to include campus level staff in the programming meetings to obtain input on the campus facility needs and design preferences.
2. Due to staff turnover and the time lapse between planning and construction, requests for changes in construction design and priorities occurred. Bond program managers were reluctant to agree to changes recommended by the District because of the input on costs, change orders, and the schedule.

Recommendations:

1. District wide standards should be developed to provide continuity across periods of time as staff changes occur. Bond program managers should continue to provide the District senior staff and the board with an opportunity to address issues that may occur in the time between when projects are planned and when they are constructed.
2. The District should consider the development of an additional budgetary contingency in the program and project specifically for the purpose of “owner directed changes”.

District Response:

A Chief Facilities Executive position was posted on May 9, 2012. The District has screened all application materials submitted and is in the process of scheduling interviews. Once hired, The Chief Facilities Executive will further define and document responsibilities, standards and procedures for facility projects.

Although it is common for staff turnover to occur between the design phase and the construction phase, the District continues to include campus level staff in programming meetings. At the conclusion of Phase I of Proposition O staff will evaluate the contingency amount for owner directed changes.

Project Design Phase

Findings:

1. Efforts were extended to seek the input and advice of the District's M&O staff regarding the choice of materials, equipment, and systems that had performed well, and for which skilled staff, materials, and supplies are available for use in the District.
2. The decision to spend bond dollars to replace older existing structures was sound. Language in the bond measure was specific as to the use of bond funds to reconstruct older buildings.

Recommendations:

1. The District and program managers should continue to dialogue and collaborate on the use of materials, products and techniques that may be advantageous to the maintenance and operations of the District during these times of limited resources.
2. The District should evaluate the use of materials, advanced energy saving devices, and systems to determine if cost savings are realized.

District Response:

The District's planning and construction department and the maintenance department will continue to discuss the choice of materials, equipment, and systems selected during modernization. In addition, as energy code standards increase the District will evaluate the cost effectiveness of building green as a standard.

Selection of Professional Services Firms and Contractors

Competitive Selection Process

Selection of Program Manager

Findings:

1. A QBS process was utilized in the selection of the Gilbane/SGI program management team. Questionnaires, questions, interview panels and criteria were utilized by the District in ranking competing firms. Gilbane/SGI was ranked number one in this process. Of the three firms recommended for consideration, it was not evident to whom the committee advanced the recommendation for final selection of Gilbane/SGI, i.e. if the firm was recommended to the superintendent or the board or both.

Recommendations:

1. The District should continue to utilize a QBS process to select program managers.

District Response:

The District is now solely responsible for oversight of Proposition O. The District and staff from the San Diego County Office of Education are completing projects from the original bond issue. In the future, when additional bond sales occur, the District will continue to utilize a QBS process and will maintain all records associated with the selection process.

Selection of Architect

Findings:

1. The District selected 6 architect firms for Proposition O bond program design services. EH&A inquired about the selection process and because the process was conducted prior to 2006, EH&A was not able to verify how the selection process was administered and if a QBS process was utilized.

Recommendations:

1. The District should continue to utilize a QBS process to select architects.

District Response:

In the future, when additional bond sales occur, the District will utilize a QBS process and will maintain all records associated with the selection process.

Selection of Design-Bid-Build Contractors

Findings:

1. The prequalification process was used and improved with time as the Proposition O program progressed. The District purchasing staff was involved in the prequalification and bid and award process. As the program progressed, contractor references were more thoroughly researched.

Recommendations:

1. District staff should continue to be involved in the bid and award process and utilize a rigorous pre-qualification process for construction contractors. Prequalification of construction contractors is critical in slower economic climates because districts are likely to have inexperienced contractors with limited school construction experience submit price-competitive bids. These firms may have little to no experience working in an environment with highly prescriptive and continuously inspected work.

District Response:

The pre-qualification process varies from traditional bidding as it creates a list of construction service providers who are qualified to perform the proposed work at a performance level that meets the owner's expectations. The District has continued this process and will only select those to be considered or allowed to bid on projects that have completed the pre-qualification process. In addition, the District has lowered the threshold for pre-qualification from \$5 million to \$1 million and is in the process of updating pre-qualification materials.

Selection of Lease-Leaseback Contractors

Findings:

1. EH&A reviewed the selection process for LLB contractors and determined that a rigorous selection process was used for 2 of the 3 selected contractors. The firms selected for the Sweetwater High School and the Chula Vista High School projects were Sundt (ranked second) and Turner (ranked seventh), respectively.
2. The third LLB firm selected by the District for its Proposition O bond construction was Swinerton. Swinerton had ranked first for both the Chula Vista and Sweetwater High School project competitions for an LLB contractor, yet was not selected for these projects. Swinerton was selected to replace SMC for the Montgomery High School project. Documentation of the separate formal selection process for the Montgomery High School project or the rationale for the selection of Swinerton was unavailable.

Recommendations:

1. The District should continue to utilize a QBS process to select consultants, architects, engineers, LLB contractors and other professionals.
2. The District should develop a board policy governing the selection of consultants and other professionals and define the Qualifications Based Selection process to be utilized. This policy should include the involvement of the school community, the establishment of selection criteria, the role of the panelists, including District staff and the board. This process should specify ranking process, the advisory or binding nature of the recommendations of committee members, and the degree of flexibility allowed in selecting any firm from the list regardless of ranking.

District Response:

In the future, when additional bond sales occur, the District will utilize a QBS process for consultants, architects, engineers, LLB contractors and other professionals and will maintain all records associated with the selection process.

A Chief Facilities Executive position was posted on May 9, 2012. The District has screened all application materials submitted and is in the process of scheduling interviews. Once hired, the Chief Facilities Executive and District staff will revise current policy on the selection of consultants and other professionals to provide a more detailed definition of the Qualification Based Selection process.

Division of State Architect Memorandum of Understanding

Findings:

1. The District, its program manager, and DSA engaged in a collaborative and proactive plan to reduce the amount of time necessary for construction plan review and approval. Time for approval of projects through DSA was reduced by an average of 242 days or 51%.

Recommendations:

1. The District is to be complimented on a sound and active plan to reduce the number of days for project review and approval by DSA and should continue this effective collaboration and outreach for future projects.

District Response:

The District appreciates the comment and continues this collaboration and outreach for future projects. The next scheduled meeting with DSA will occur in July 2012.

Leadership in Energy and Environmental Design Certification

Findings:

1. Under the direction of the District, the bond program managers employed the services of Solterra to assist in developing work practices and documentation to earn LEED points. The architect fee to design to LEED standards was included in the original fee.
2. The District achieved success in its design of facilities to LEED standards. The program is achieving national recognition for its accomplishment and is on target to obtain Gold or Platinum certifications on 16 separate buildings.

Recommendations:

1. The District is to be complimented on its commitment to energy and environmental design standards. The environmental efficient design and use of sustainable materials and supplies is noteworthy. The District should continue Leadership in Energy and Environmental Design (LEED efforts) on future projects.
2. Although the LEED program is likely to bring significant savings in the operational costs of the District's facilities, it is important that the operational costs are reviewed, analyzed and compared to other District facilities in an effort to measure actual savings.

District Response:

All construction is done using energy efficient design. The District continues in its commitment for energy efficient design standards in order to reduce energy and utility expenses. The District continues to evaluate the cost of benefits of actual LEED certification compared to using energy design standards without formal certification.

Oversight of Payments and Contractors

Findings:

- 1. A detailed process was followed for the approval of payments for contractors, program managers, and other vendors. Processing time for invoices and payments requests averaged 21 days in the time period that was tested. A desktop barcode system was used to track invoices and generate information on payment status.
- 2. The payment process used on Phase I of the Proposition O program was efficient and contained effective controls.

Recommendations:

- 1. The District should continue to operate on a short time line for processing invoices ad payment requests to ensure that the district respects its contractors and is an “owner of choice” among the contractor community. The District should continue to use the ePROVE bar code system to track the progress of payments and the Prolog system to process invoices promptly.
- 2. With the suspension of the program manager, the District should adapt the current payment process continuing to require multiple approvals from parties in the field and office.

District Response:

The District appreciates the comments and continues to utilize the Prolog tracking system. The District has adapted the payment processes and continues to require multiple approvals.

Personnel and Staffing

Findings:

- 1. Extensive staff resources were employed by the program manager to oversee the Proposition O program. Limited District staff resources were allocated to the Proposition O bond program. Consequently the District was not as involved in the Proposition O program compared to the involvement of the program manager and other outside consultants. This was evidenced by the calculation (see Cost Performance section) that showed the District staff resources accounted for less than .05% of the soft costs for the Phase I projects. This imbalance led to a high degree of trust and reliance on an outside third party contractor to manage significant Proposition O resources.

Recommendation:

- 1. To increase the District’s involvement in the Proposition O program, a chief facility executive should be employed to oversee the entire program and the program manager. The District should employ more of its own facilities management staff and “owner’s representatives” dedicated, allocated and paid for by the bond program to monitor, oversee, and manage the Proposition O program. The reorganizing should include a

mix of internal resources and District staff and will improve efficiencies, with fewer staff members assigned and paid for by the program manager and more staff employed directly by the District.

District Response:

A Chief Facilities Executive position was posted on May 9, 2012. The District has screened all application materials submitted and is in the process of scheduling interviews. Requirement highlights include, but are not limited to, "technical engineering design and specifications; organization, administration and Human Resources management, including supervision, training and performance evaluation; budget development and administration; strategic planning, general management principles, and project management and complex facilities operation and maintenance programs. Specific knowledge is required to read and interpret building construction plans and specifications, and work from drawings and blueprints; prepare work sketches; and to implement the use of computer software programs, hardware, and other technology pertinent to areas of specialization, laws and regulations pertinent to financial management of school building and maintenance programs, and district collective bargaining agreements".

The District has increased internal staff in order to manage the bond program. Staff consists of the Director of Planning and Construction, Five Project Managers (two from SDCOE), and four facilities specialists who oversee each project from beginning to end.

Labor Compliance Program

Finding:

1. Labor compliance services were awarded on a competitive basis and contractors were compliant with labor compliance program requirements. Only one enforcement activity occurred, resulting in a payment of \$46.44 for the underpayment of wages. Given the size of the Proposition O bond program this activity and correction is minimal.

Recommendation:

1. The District should continue to monitor and comply with labor compliance regulations and requirements by employing the services of competent third party administrators who are well suited and qualified to perform in this capacity. The District should continue to monitor the wages and benefits paid to contractors and their employees and continue to respond quickly and favorably to any discrepancies found in salary and benefits.

District Response:

During Phase I, the District utilized third party labor compliance firms. State law has recently changed and now requires the District to utilize the services of the Department of Industrial Relations for labor compliance on new projects. The District will continue to utilize a third party (Solis Group) to close out the current projects and in the future, may use third party firms to interactively assist with the Department of Industrial Relations.

Procurement Practices

Finding:

1. Computerized control systems used by the program managers and the District to track costs and manage program documents are robust, accurate and professionally maintained. Purchasing staff were actively involved in the bid and award process and developed procedures to avoid bid protests. Effective collaboration occurred between the District purchasing staff and SGI staff.

Recommendation:

1. The purchasing department should maintain its current staffing level, and continue using its current control systems and procedures to track costs and manage program documents.

District Response:

The District has continued use of the Prolog tracking system as well as maintaining the purchasing department's current staffing level.

Program Controls and Record Keeping

Finding:

1. State of the art accounting and document control systems are in place. The District utilizes the TrueCourse system and Gilbane/SGI used the Prolog system. The document control system used by the District and the Gilbane/SGI and SGI teams is Laserfiche. The amount of data managed for the Proposition O was voluminous. Prompt responses to EH&A requests for information verifies that information is readily availability and that the systems were kept updated.

Recommendation:

1. Although automated recording keeping systems are costly to purchase maintain, it is recommended that the District protects its investment in those systems by obtaining timely upgrades and maintenance.

District Response:

The District appreciates your comment and is committed to maintaining all systems and associated documentation. This includes upgrades when available. The Department of Information Technology will continue to maintain back-up systems.

Cost Performance

Professional Services – Architect Fees

Finding:

1. The District selected a group of architects and created a pool of 6 firms for the Proposition O work. A base fee of 8% of hard construction costs was negotiated with these firms. These fees were below the going rate and lead to pressure for contract amendments that negated the low base fee. The fees for architectural services increased over time to 11.8%. The low initial fee may have caused the pool of architects to shrink from six to three times.

Recommendation:

1. The District should negotiate a fair and equitable fee structure and a well-defined scope of services for architects. Once established, all firms should adhere to the established fee structure for the established scope of services with an effort to reduce amendments or change orders.

District Response:

The District has implemented the negotiation of a fixed fee contract which includes professional services for most construction change orders. This eliminates the need to amend architectural contracts every time costs change due to construction change orders.

Program Management Fees – Expenditures

Findings:

1. Some board agenda items for interim and permanent agreements and amendments for the program manager do not specifically reference not-to-exceed fee amounts and do not adequately explain the financial commitment of the district.
2. Most contracts documents and board agenda items are not specific about the authorization and costs of reimbursable expenses and do not adequately explain these costs to the District.
3. Board agenda items stating the terms, conditions, and fiscal impact did not reference the critical document that governs the program manager's fees and generates costs to the district, the program manager's staffing plan.
4. The board agenda items for the permanent Gilbane/SGL agreement included contradictory information relative to the reimbursable amounts allowed.
5. The District monitored the program management invoices, contracts and amendments, against amounts authorized; however the amounts authorized did not correlate with the contract amounts in board agenda material and program manager contracts.
6. Calculating the amount of the program managers fees as a percentage of \$180 million as the total value of the first bond sale and applying the 9% or the most recent lower amount of 8.6% to this total value of work does not provide the district with a measure of

efficiency or accountability in progress performance per project, phase, stage or percentage of project completion. Compensating the program manager strictly based upon a staffing plan of those individuals who have worked in any given month makes it difficult to measure efficiencies and control program and construction management costs.

Recommendations:

1. All board items relative to Proposition O expenses should adequately explain the financial commitment of the District, and be specific about amounts and caps. Board documents should be consistent with the contracts and should be prepared under the direction of the chief facility executive with input from the District finance, purchasing and contracts officials. All contracts for the Proposition O program should be prepared by District legal counsel.
2. Program management contracts should be developed similar to architect or construction contracts with fee structures tied to a percentage of completion or short term milestones. These short term guidelines can be established on a phase or stage or program, projects and/or construction.
3. Future contracts for program management services should be specific regarding the reimbursable amounts and percentages if applicable. The total amount authorized should be clearly defined and consistent in all documents, including the board agenda items and the contracts and amendments.
4. The District should employ a contracts administrator, reporting to the chief facility executive. The contracts administrator should provide oversight and scrutiny of all contracts, monitor and approve payments, and work closely with members of the facilities and planning department to assist in negotiating contracts. All contracts and payment applications should include documentation linked to a percentage of completion or phases and stages of work.
5. The District should conduct a further audit to review all program management contracts, board approved materials, amendments, authorizations, subcontracts and/or other documents that may impact or be related to the fee caps and the amount of funds expended for program management services.

District Response:

The District is in the final stages of Phase I for Proposition O. Once this Phase is completed, the Chief Facilities Executive and staff will conduct a further review of board approved materials, amendments, authorizations, subcontracts and/or other documents. In addition, District staff has added additional explanations to board items to provide additional clarification for the board and the community. In the future, when bond sales occur, the District will reevaluate the use of a program management firm.

Construction Costs

Selection of Delivery Method

Finding:

1. The District used DBB on six of the nine major projects, and LLB on two projects. On one project a DBB contractor was replaced with an LLB contractor.

Recommendations:

1. The District should continue to explore construction delivery methods and select and utilize the method that is the most cost efficient, using metrics provided in this report. The methods should be recommended by the chief facility executive based upon the District's experience and ability to manage the project.
2. The District should utilize best practices for the delivery of construction as identified in this performance audit, as well as those outlined in the Association of California Construction Managers Project Delivery Handbook: A Guide to California School and Community College Facility Delivery (2011).

District Response:

The District is continuing use of different delivery methods as appropriate dependent upon the project. The District will primarily utilize DBB for small projects and currently has one LLB project under construction (MOM). At the end of Phase I, the Chief Facilities Executive and District staff will evaluate the differences in projects utilizing different delivery methods.

Hard Cost/Soft Cost Ratio

Findings:

1. EH&A calculated the hard-soft cost ratio as 73% hard costs and 23% soft costs for all projects and delivery methods. This achievement exceeds the goal as specified in the program manager's contracts and the generally accepted industry standard of expending 70% or more of the project costs on hard construction costs.
2. EH&A calculated the hard-soft cost ratio as 69% hard costs and 31% for the DBB delivery method and 78% hard costs and 23% soft costs for the LLB delivery method.
3. District soft costs amount to 2.8% of the overall soft costs for the program. The Proposition O program has been managed mostly by program managers, not staff employed by the District.

Recommendations:

1. The District and its program managers should continue efforts to reduce soft costs and allow projects to benefit from more resources allocated to actual construction.
2. The District and its program managers should evaluate the difference in the projects and delivery methods and identify the factors and efficiencies impacting the hard-soft cost ratio.

District Response:

The District is now solely responsible for Proposition O Oversight which will significantly reduce soft costs related to program management fees which lends itself to maximizing hard costs. The Chief Facilities Executive and District staff will evaluate the differences in projects utilizing different delivery methods.

Change Orders

1. A detailed and organized process for managing change orders is in place. The change order records were reviewed in the Laser fiche system for the Chula Vista High School, Hilltop High School and Southwest Middle School projects with a special focus on the change order records for the prime contractor, architect, and inspector. All appropriate documentation exists including numerous levels of approvals by various individuals. Evidence of false change order requests was not found in any of the instances where we tested the records.
2. The board items reviewed regarding change orders communicated the appropriate information regarding costs, analysis of the reason for the change, and the fiscal impact.

Recommendations:

1. The District should improve communication at the board level to increase the community's understanding of the need, costs, and fiscal impact of the changes in projects.
2. The District should continue to maintain accurate and thorough records and adhere to the practice and policies in place to govern the change order process.
3. The District should consider adopting a Resolution of Futility, allowing a contractor to exceed the 10% change order limit, providing circumstances warrant and legal counsel approves.

District Response:

The District is committed to improving communication to the board and the community regarding change orders. District staff has increased the language in board items to provide more detailed explanations and will continue to maintain accurate and thorough records. Although change orders are standard in the construction industry as a legal means for changing contracts, the Chief Facilities Executive and supporting staff will strictly adhere to the practice and policies in place governing the change order process. Furthermore, the Chief Facilities Executive will continue to evaluate cost effectiveness in regards to a resolution of futility, deductive change orders or rebidding.

Impact of Delivery Methods on Costs

Findings:

1. The average change order percentage for all projects was determined to be 5.4% at or below industry standards. The 10% change order cap was exceeded on the Hilltop Middle School project, a DBB contract.
2. For DBB projects, the average change order rate was 9.6%, and hard construction cost was \$306/sq. ft.
3. For LLB projects, the average change order rate was 2.8% and the average hard construction cost was \$382/sq. ft.
4. In the total cost analysis, EH&A found the average total cost to deliver these projects was \$479/sq. ft. using the DBB method and \$531/sq. ft. using the LLB method.
5. The District benefited from efficiencies with the DBB method. If this method of delivery had been used for the LLB projects, the District may have been able to build 5% - 10% more in additional construction projects.

Recommendations:

1. A long term analysis should be conducted to determine if delivery method is a factor in the manner in which facilities age, specifically reviewing the building and systems maintenance, repair and replacement history.
2. The \$306 average hard cost per square foot on DDB projects should be used as a primary metric in determining future construction performance for that delivery method.
3. The \$382 average hard cost per square foot on LLB projects should be used as a primary metric in determining future construction performance for that delivery method.
4. The \$510 average total cost per square foot on all projects should be used as the primary metric in determining future construction performance.
5. If the District continues to utilize LLB on projects in the future, a detailed and rigorously transparent process should be developed for the selection of LLB contractors following the prescribed QBS process outlined and recommended in other sections of this report.
6. Future bids for construction work contemplated by the District at costs per square foot below the metrics provided in this report should be reviewed critically and if approved change orders should be anticipated and additional amounts should be budgeted for contingencies and management oversight.

District Response:

The District does not believe the choice of delivery methods was the primary reason for increased costs, but rather occurred due to the severe economic downturn. Since the audit, the average change order rate has decreased to 4.81%. After the conclusion of Phase I, The Chief Facilities Executive and District staff will compare costs for the delivery methods, DBB and LLB and will update average hard costs described in the recommendations.

PM/CM Staffing Costs

Findings:

1. Time cards were maintained for each program member. The number of SGI staff specified in the contract documents called for 20 staff members. Staff numbers increased beyond what was originally planned.
2. A ratio of 2 managers (one “project manager” and one “project engineer”) per project was reduced to 1.5 managers per project upon the SGI succession of the program management agreement. This change represented a field staff reduction of 25%.
3. Comparing the changes in volume of construction work managed by SGI with the volume managed the previous year, SGI field personnel managed 14% less volume during the time the staff was reduced by 25%.

Recommendations:

1. The District should maintain records showing the program management staffing plan and monitor the staffing in relationship to the approval and authorization of payments.
2. Changes in the number of staff assigned to the program should be monitored and agreements amended to reflect the number of staff authorized.

District Response:

District staff is now solely responsible for Proposition O Oversight. In the future, if the District utilizes a program management firm, the District will have control over the staffing plan and the monitoring of associated costs.

Program Schedule Review

Findings:

1. Although significant time was saved during the DSA plan review stage, the projects required more time in other phases than originally planned. A comparison of the original baseline schedule produced in April 2008 with the as-built schedule produced in September 2011 shows that the schedule exceeded the baseline schedule by approximately six and a half months.
2. If the baseline schedule dates had been met, the PM fees for the work performed and costs for other services and consultants would have been reduced.

Recommendations:

1. The District should monitor schedules on a regular basis with the input of the board and the community.
2. The District should continue to work to prevent the schedules from protracting so as to avoid additional costs.

District Response:

The District along with the Chief Facilities Executive will strive to create more realistic project schedules. In addition, the Chief Facilities Executive will update the CBOC, board and community regarding variations with baseline schedules.

Deviation from the Budget

Budget Growth Rate

Findings:

1. The District and SGI maintained separate accounting records and tracking of project budgets.
2. The SGI budgets were higher than the District budgets because the availability of funds included state funding as well as Proposition O funds.
3. Original budgets were revised as the projects moved through the design and programming stages.
4. Budget allocations for all projects varied between -2% and +122% for projects between the original budget amount established by the District in 2008 and the allocations revised in December 2011.
5. An average change rate of 40% for project budget projections occurred between 2008 and 2011.
6. The final anticipated growth for all projects, based on estimated costs to complete made by the District in December 2011, is 23%.

Recommendations:

1. The District should work to restrain project budget growth and to include contingency allocations for each project and for the overall program.
2. Funds that are added to expand scope on one campus are funds that are not available for projects on other campuses. The allocation and reallocation of funds should be carefully considered and discussed under the leadership of the chief facilities executive and determined by the board.
3. The changes in budgets and budget growth should continue to be reviewed with the independent Citizens' Bond Oversight Committee (CBOC).
4. The chief facility executive should facilitate an inclusive and transparent process to systematically prioritize project needs for each campus, to allocate resources when available.
5. Budget allocations should be discussed with the CBOC, and the District should continue to regularly review the recommendations for changes in budgets and allocations by staff.

District Response:

The district will align project budgets to available funding rather than anticipated state funding. Staff will make recommendations to the board and the superintendent regarding allocations of

any additional funds. The Chief Facilities Executive will continue to update the CBOC regarding budget or budgetary changes and will continue to address this issue.

Communication Performance

Public Outreach

Findings:

1. The program manager subcontracted with a public relations firm to assist with public outreach. Considerable resources have been expended toward this effort.
2. The outreach efforts were professional and robust and provided a positive flow of information to the community.
3. The web site is updated regularly and comprehensive and is easy to navigate.
4. The ground breaking and ribbon cutting ceremonies were well organized and are considered a component of the public relations outreach for the Proposition O program.

Recommendations:

1. The District should develop an outreach program coordinated by the communications department and re-evaluate the best mix of an in-house and outsourced public relations services.
2. A QBS process should be issued if the District chooses to outsource future public relations services.
3. A key component of the new outreach efforts should be a focus on steps taken by the District to rebuild the community's confidence in the Proposition O program. The outreach effort should include active solicitation of community input and reports to the community on the District's response to the community's suggestions. The new outreach coordinator should be a capable ombudsman.
4. The District's communication department could be assigned the function of public outreach for the Proposition O program and employ its own spokesperson. The District will be able to save considerable resources and increase internal capacity by employing a spokesperson and outreach coordinator.

District Response:

The District's Grants and Communications department is now solely responsible for all communications in regards to all District activities including Proposition O. Since the departure of the program manager and public relations firm, Grants & Communication's role with Proposition O Public Relations has included:

- ✓ Administration, update and maintenance of Proposition O Website
- ✓ Planning, coordination and media outreach for Proposition O project dedications – e.g. SOM administrative offices, library, classrooms; Montgomery High Media Center & Classrooms.
- ✓ May 2012 Wrote feature article for "Building Blocks" magazine, Office of Public School Construction Newsletter

- ✓ Publicizing vacancies on Proposition O Citizens' Bond Oversight Committee

The departure of the program management and public relations firms occurred near completion of Phase I of Proposition O construction. As a result, there was much less need for related public relations activities. However, once Phase II begins, the Grants & Communications Office will ramp up public relations activities to increase public awareness, understanding and support of Proposition O projects.

Citizen's Bond Oversight Committee

CBOC and General Compliance

Finding:

1. The CBOC was established in a timely fashion and continues to meet on a regular basis.

Recommendation:

1. The CBOC should continue to meet on a regular basis and review documents and status reports to ensure that projects and expenditures continue to meet the requirements of Proposition 39 and the ballot measure and board resolution authorizing and outlining expenditures for district's Proposition O bond program.

District Response:

The CBOC continues to meet on a monthly basis except for December. The District has expanded its reporting to the CBOC. The CBOC's purpose will remain to actively review and report on the proper expenditure of Proposition O Bond Proceeds.

CBOC Support Costs

Finding:

1. The CBOC is administered by the program manager with support from the District.

Recommendation:

1. The District's chief facility executive should support the education and function of the CBOC and work with the fiscal, purchasing and contracts specialists produce user friendly reports and documents providing greater understanding and increased transparency in the Proposition O program.

District Response:

District staff is now solely supporting the CBOC. Once hired, The Chief Facilities Executive will be administering the CBOC. The Chief Facilities Executive and district staff will provide resources as needed by the CBOC.

Sweetwater CBOC Perspective

Finding:

1. The CBOC consists of a dedicated group of community members who seek to understand a complex and labor intensive program.

Recommendation:

1. The CBOC should play a critical role in increasing the community's confidence in the Proposition O program.

District Response:

The District and the CBOC shall continue to maintain a collaborative relationship. The CBOC is represented by respected members of the community which will assist in strengthening community relations.

Performance Metrics for CBOC Oversight

Finding:

1. The CBOC is seeking additional information and metrics to focus on performance, scope, schedule and budget for projects.

Recommendation:

1. The CBOC should be administered by the District's chief facility executive with support from District staff and an outside independent consultant if necessary. The program manager should be available at CBOC meetings to be a resource.

District Response:

Once hired, The Chief Facilities Executive will be administering the CBOC. In addition, district staff, including the Director of Planning and Construction, the District's Chief Financial Officer and support staff will continue to collaborate and provide input as needed to the CBOC.

Transparency

Findings:

1. In its statement of February 12, 2012, the board confirmed its interest to not influence the selection of vendors.
2. The District is interested in improving the transparency and in standardizing procedures regarding the QBS process governing the merit based selection of consultants and contractors.

Recommendation:

1. The District should work with its legal counsel and develop a policy for board consideration, restricting all gifts and donations from consultants and contractors. The policy should define gifts and donations to District staff and board members and should address a restriction or a ban on gifts and donations before, during and after a contract period.
2. The contracts administrator should assist in overseeing this policy on gifts and donations to employees and board members and the requirement should be included in the contractor pre-qualifications check list.

District Response:

The District is in the process of revising language to current Board Policy 9270 (Conflict of Interest Code) to further clarify gifts and donations to District staff and board members. A draft of this revision will first be reviewed by legal counsel. Once finalized the revised board policy will be presented to the Board of Trustees. Once approved, the pre-qualification materials will include this updated information.

Staff Surveys

Findings:

1. A survey was sent to 32 school site level staff, to obtain information on the satisfaction levels regarding the projects constructions form Proposition O funds.
2. The survey was returned by 5 of the individuals who were surveyed (16% response rate).
3. The responses were positive from three of the respondents and two respondents questioned the status of the project at Southwest High School.

Recommendation:

1. The District should obtain a larger sample of those surveyed by EH&A, and follow up with those that did not reply regarding satisfaction with the facilities funded from Proposition O.

District Response:

Upon completion of Phase I of Proposition O, the Chief Facilities Executive will evaluate the efficacy of the EH&A survey and will follow-up with site staff.