Report overview/summary of activity

This reporting period covers the Bond Accountability Committee (BAC) meeting held on May 3 and the June 7, BAC work session. The BAC has made a lot of progress on understanding the bond program, and continues to work with the Bond staff team (“Bond team”) on the methodologies for reporting key metrics going forward. The Bond team has been receptive of these processes and suggestions from the BAC, but the BAC believes that there needs to be improvement from both the Bond team and the School Board on communication, transparency, setting priorities and a general sense of urgency. In addition, given that the next BAC meeting is not until September and a large amount of progress should be made over this summer, it is important that the BAC receive regular updates on Bond projects. Therefore, the BAC requests that it receive weekly updates and decisions from the Bond team moving forward. **District Response:** The Bond Team will send executive updates weekly.

Recent Accomplishments

While the BAC is charged with providing a critical lens for the Bond team's work, we also want to acknowledge significant progress to ensure we have a complete picture of the work being done by the District in service to our students and parents.

- Lakeridge Junior High (LRJ)
  - 50% schematic design, 85% cost estimates will begin on June 27.
  - Ed Specs draft is complete and currently being reviewed by District.
  - Student focus groups were held and will help inform the school's design
  - Two design charrettes have provided the community opportunities to envision the school's design and impact on the neighborhood
• Secure vestibules: Board approved First Cascade. The next step is to finalize the
GMP and begin procurement of materials.

• Safety consultant: The RFP is complete and will be released.

• Upland/Oak Creek: Dowa has been hired. Invasive testing will begin during the
month of June to gain further understanding of the extent of damage from water
intrusion.

• Permitting process: The bond team met with the City on May 16 to review all
anticipated bond projects and timelines associated with the permitting and review
process. Both the City and the District are committed to meeting the timelines
presented.

Concerns

1) The first concern of the BAC is the Bond team’s immediate need to find a
qualified long-term replacement project manager (PM) to lead the two largest and
most complex projects of the Bond in LRJ and Oak Creek/Uplands. The BAC
recommends that the permanent PM for these two projects be selected from a
qualified Construction Management company, since both of these projects are at
critical points and additional turnover will adversely impact progress. District
Response: CBRE | Heery is currently review staffing options for District review.
Several candidates are being vetted in order to provide the candidate that is the
best fit for the program.

2) Considerable delay in progress and three time increase in the budget for the
security vestibules projects. Given that these projects are the first Bond projects,
it is important that these projects are completed on time and at a cost that is
understood by the community in order to avoid loss of community support.
Communication from the School Board and Bond team as to the delay and the
scope and cost increases at upcoming community meetings will be critical.
District Response: The scope of the secure vestibules has evolved as design has
proceeded, this has been reported to BAC and documented in the May BAC
report as one of the topics included in the 8-page program budget development
and cost management document that was included in the May BAC report.

Several key points include:

- The initial scope was based on minor architectural upgrades. As scope evolved, components beyond will be funded appropriately from the tech infrastructure budget and from the safety and security bond components.
- The original project architect was unable to staff the project and a new design team needed to be hired.
- The Bond Team worked to expedite the completion of design and a contractor was procured for construction services.
- The Bond Team anticipates that a number of the vestibules will be completed this summer with some activities continuing at a number of sites into the school year.

3) There is a lot of summer Bond related activity occurring, with (i) design moving forward on LRJ, Uplands/Oak Creek, Westridge, River Grove, and Lake Oswego Junior (LOJ), (ii) contractor selections for LRJ, Uplands/Oak Creek, and Westridge, and (iii) construction work on the summer of 2018 projects.

4) The BAC continues to question the reality of the summer 2018 schedules, especially with the budget and permitting challenges, and the aggressive schedule for LRJ. The BAC is requesting an updated, detailed project schedule (including a detailed project schedule for each project as such schedule becomes available from the individual project team) for each of the security vestibules, LRJ, and Uplands/Oak Creek projects, understanding that most of this detail probably will not be available until a contractor is selected for each of these projects. District Response: We agree. Note that a preliminary schedule for vestibules has recently been submitted to the project team, LRJ detailed schedule is being finalized, baseline schedules are being developed for Uplands and Oak Creek. We will be providing this information in a separate communication to the BAC.

5) The BAC was also made aware that the addition of a pool to the LRJ site creates both financial and schedule challenges for the program and the current LRJ project. Therefore, the BAC agrees with the Bond team’s recommendation for a pool located separately from the current LRJ building, as a separate building
either onsite or at another feasible location, in part to separate the LRJ project from the pool project and limit further delay on the LRJ project due to lack of decision regarding the pool project. The BAC also recommends the School Board continue to explore other funding options outside of program reserves at this time and even look at possible alternative procurement methods like Design Build options with the current proposed budget for construction of a new pool.

District Response: Noted.

6) The BAC notes that recent estimates furnished to the BAC and the School Board for pool concepts were missing certain estimated costs, such as soft costs and off-site costs. Updated estimates furnished to the BAC and the School Board for the pool project should include (i) all estimated design and construction costs of each proposed pool facility (i.e., including soft costs and off-site costs) so that the true estimated costs of any proposed pool facility are in front of the BAC and the School Board, and (ii) detail and clarity as to the scope of each proposed pool facility. District Response: The estimates provided an understanding of detailed hard costs for various types of pool facilities. At a conceptual level and based on the current cost model, 30% would be added to the totals for soft costs.

7) The BAC recommends that the School Board work to focus priorities on Bond projects and ensure that the School Board, the BAC and the Bond team are aligned on these projects, especially since some of the projects appear to be over budget and the schedule materially delayed. Tough decisions will need to be made quickly and some contingency may need to be spent in order to execute those projects successfully. With this in mind, the BAC recommends that the overall Bond budget be tightened and reconciled regularly so that the School Board understands what funds are available (or lacking) and can make informed decisions. It is understandable that early estimates are general in nature; however, at this stage in the Bond projects process, budgets should be more developed. District Response: All active projects budgets have been reviewed and refined. This effort will continue during the month of June to arrive at
baseline budgets. The Bond Team is concurrently creating an assumed escalation methodology that will detail potential shortfalls based on the scoping created from the 2014/15 facilities condition assessment.

New Items

1) Replacement PM for Lakeridge Jr. High and Oak Creek
   a. The BAC recommends the Bond team permanently augment this position from a qualified Construction Management company. District Response: CBRE | Heery is currently working on options for District review.

2) Security Vestibules Projects
   a. The BAC has schedule concerns and budget concerns related to these projects being executed this summer, particularly given that a contractor and designer were just selected for these projects, and construction of these projects must occur when students are not in the relevant school. District Response: The Bond Team anticipates that a number of the vestibules will be completed this summer with some activities continuing at a number of sites into the school year. Bond staff will be working with staff and contractors to keep clear separation from construction activities and building occupants. Remaining work for the vestibules may occur in off hours and potentially during school hours depending on the site.
   b. The BAC would like to understand (i) how the original budget compares to the original scope of these projects, and (ii) what scope is being added to these projects and the associated cost impacts. District Response: Original budgets were based on a limited scope, which included minor architectural upgrades to existing vestibules. As noted in the Bond Team’s May report, the vestibule design concepts evolved to include additional safety and security goals such as lock down integration, high impact glass, and technology components including camera infrastructure and the required cabling for security functions.
c. The BAC would like to know if there is surplus funding from the Safety/Security Improvements and Technology Infrastructure budgets that can cover these additional costs. If not, the BAC recommends that the School Board look at program reserves and contingency to fund these high priority projects. **District Response:** The goal is to look to both safety and security project budgets, and also tech components to fund budget shortage for the vestibules. The Team has known and has reported that portion of the budget would be funded by technology and safety and security, and we are currently reviewing the scope to determine the amount of weight each component will carry.

d. Finally, the BAC recommends completing as much scope related to these projects as possible this summer if all of them cannot be achieved. The security vestibules are the first Bond projects, and the community is focused on the timing and cost of completing these projects. Any and all progress (along with clear explanations of delays and cost increases) should be communicated to the community at upcoming community meetings. **District Response:** The Bond Team agrees and are working toward that goal.

3) Updated Program Level Project Schedules

a. Every schedule needs to indicate design and permitting milestones specific to each project. If an architect is on board the architect needs to indicate when the milestones will be met. For example, LRJ permitting review should reflect dates for the following milestones: Pre-application Conference, Neighborhood Meeting, Completeness Review by Staff, Notice of Public Hearing, Adoption of Findings, Appeal Period, Building Permit Review, Permit Issuance. **District Response:** The Bond Team will provide fully detailed schedules for active projects to BAC. A program summary schedule has previously been provided.

b. Each report delivered to the BAC should include detailed project schedules for each project as such schedules become available from the individual project team.
4) Updated Design and Construction Schedule for Oak Creek/Uplands
   a. The BAC wants to understand what is driving the $2M in additional seismic scope and roof replacement and why it was not originally planned as part of this project. District Response: The long term planned facility use has changed at Uplands. It is now anticipated to be used as a school potentially for the next five to ten years.
   b. Since a designer has been selected for this project, the BAC requests a detailed design schedule clearly defining destructive testing, design, review, public comment, permitting, demolition, construction, and move in activities. District Response: In progress.
   c. The BAC also recommends hiring a construction manager/general contractor (CM/GC) as soon as possible for this project to help assess the revised proposed budget and schedule. District Response: In progress and currently being addressed by the program manager. We anticipate that a CM/GC firm will be on board near the end of July.

5) 10-Plex (6 @ LOJ and 4 @ Lake Grove)
   a. The BAC is concerned with the status of permits and budget, particularly given that the trailers at LOJ must be relocated. District Response: The Bond Team has examined this process critically and agree that permitting for this project is behind schedule. The Bond Team does not believe the modulars will be in place for the start of the school year in August. The Team's current estimate for project completion in mid-October. This delay will not significantly affect the programs at LOJH or the aftercare program and Lake Grove. Both principals and the community school director have worked with their staff to develop alternate plans for this possibility. Randy Miller has taken over all aspects of management of this project including design, permitting, and construction.

Updates to Previous BAC Report Items:

1) Continued LRJ Schedule concerns.
a. The BAC continues to be concerned with the current LRJ schedule; this schedule is quite aggressive, considering the current durations for public input, design, and City Design review schedules. The BAC confirms its opinion that realistic scheduling and progress on this project should be the Bond team’s and School Board’s highest priority. District Response: The program schedule has been provided and we will send highly detailed schedules as requested.

b. The BAC is requesting a detailed construction schedule clearly identifying design, review, public comment, permitting, demolition, construction, and move in activities. District Response: The program schedule has been provided and we will send highly detailed schedules as requested.

2) Swimming Pool

a. The BAC agrees with the Bond team’s recommendation for a pool located separately from the current LRJ building, either on- or off-site.

b. The BAC also recommends that the School Board continue to explore other funding options and not spend any program reserves at this time and even look at possible alternative procurement methods like Design Build options with the current proposed budget. The Bond Team does not believe that utilizing a project delivery method such as Design-Build will result in a financially viable project. The present budgetary allocation of $7 million is insufficient to build even the smaller of the option under consideration. Nonetheless, the Bond Team will review the pros and cons with regards to Design-Build as an option for the pool.

c. Updated estimates furnished to the BAC and the School Board for the pool project should include (i) all estimated design and construction costs of each proposed pool facility (i.e., including soft costs and off-site costs) so that the true estimated costs of any proposed pool facility are in front of the BAC and the School Board, and (ii) detail and clarity as to the scope of each proposed pool facility. District Response: At this conceptual level, we would anticipate 25-30% be added to the estimates, which would be adequate.

3) Project Level Management
a. The BAC realizes the Bond team management is still in the early stages, but budget and schedule concerns are starting to come into play on most projects and initial projects are already experiencing material delay. The BAC wants to make sure the Bond team and School Board are aligned on priorities and will be transparent and display a sense of urgency on all projects. **District Response:**

With recent staffing changes and scope changes (siting of the pool, hardening of vestibules, etc.), the Bond Team is working to complete all of the projects that were promised in the bond measure with the available funding. To that end, the Board has recently affirmed the priorities it has previously espoused.

**Follow up Items from BAC Report #2**

1) Replacement PM for Lakeridge Jr. High and Oak Creek – Bond team. **District Response:** Noted above. Effort is underway.

2) Updated detailed construction schedule and explanation of scope and cost increases for Security Vestibules projects – Bond team. **District Response:** Bond Team will provide a more detailed schedule as requested. The Bond Team will report budget alignment in the next reporting period.

3) Weekly communication reporting – Bond team. **District Response:** The Bond Team will send weekly executive updates.

4) Updated Conceptual Program schedule that includes appropriate durations clearly identifying design, review, public comment, permitting, demolition, construction, and move in activities – Bond team. **District Response:** The program schedule was provided and captures the major components of the projects. This high-level schedule is typical of the reporting provided to an oversight group. We will be providing schedules with the level of detailed described above as requested by the BAC.

5) Updated detailed Design and Construction Schedule for Uplands/Oak Creek – Bond team. **District Response:** Same as above.

6) Path forward for projects either with budget or schedule challenges – School Board. **District Response:** The Bond Management team continues to look for opportunities.
within the available funding to align scope(s) with budget(s). We are taking deep dives into all projects and will be reporting strategies in progress and also providing recommendations to fund any major budget shortfalls.

**Follow up Items from BAC Report # 1**

1) Update LRJ Spending Plan – Bond team  
   a) Item Outstanding – Bond team to publish this in August report. **District Response:** We are unclear exactly what the BAC looking for, but we will continue to seek clarification by working collaboratively to meet the request.

2) Provide detailed summary of current Pre-Bond costs charged against “Program Costs” – Bond team  
   a) Item Outstanding – BAC recommends two members of the BAC sit down with Bond team for internal review and discussion. **District Response:** The Bond Team has sent information regarding pre-bond costs, which were discussed during the last BAC meeting. We suggest that BAC members meet with Stuart Ketzler and Randy Miller for further discussions.

3) Develop detailed monthly staffing/spending plan for the life of the Bond pertaining to “Program Costs.” – Bond team. **District Response:** This information, which has been provided, includes details for staffing. The Bond Team continues to define the program costs by project as it typically relates to district-wide efforts.  
   a) Item Outstanding – BAC will forward a proposed plan to document

4) Develop “Bond Cost Management and Cost Control Plan” – Bond team  
   a) Item Outstanding – Bond team will have Program Management plan finalized by the end of the 3rd quarter. **District Response:** Cost Management and cost control protocol was provided to the BAC in May. As the program management plan (PMP) continues to be developed, this information is included.

5) Develop “Program Contingency Summary” – Bond team  
   a) Item Outstanding – BAC will forward a proposed plan to document. **District Response:** The Bond Management Team does not understand what the BAC is
looking for, but we will continue to seek clarification by working collaboratively to fulfill the request.

Closed Items

1) Publish new LRJ Design/Construction Schedule – Bond team
   a) Updated conceptual schedule published in latest report

2) Develop plan for swimming pool(s) with current Bond funds allocated – School Board
   a) The BAC agrees with the Bond team’s recommendation for a pool located separately from the current LRJ building.

Committee Members

Jeff Fisher – Chair, Bruce Brown, Jennifer Dale, Kirsten Day, Scott Emmett, Don Irving, Tom Michie, John Wallin