

2004 COMMUNITY BOND OVERSIGHT COMMITTEE
Meeting Summary
February 22, 2005

Committee Members in Attendance

Mark Boyden
Jimmy Castro
Donetta Goodall
Staley Gray
Gerald Guerra
Morris Hoover
Ana Martinez
Carolyn Merritt
Mary Ann Neely
Leroy Nellis
Jim Recek
Steve Rogers
David Stevens
Vince Torres
Thomas Walker
Gerard Washington
Horace Willis
Peck Young

Staff Members in Attendance

Randy Baldwin
Norman Barker
Andrew Clements
Linda Courtney
Craig Estes
Mark Harris
Deborah James
Pat Rossett
Scott Rouse
Farshad Shahsavary
Brad Shaver
Curt Shaw
Tony Silva
Larry Throm
Paul Turner
Terry Wadsworth

Agenda

- I. Call to Order
- II. Introductions
- III. Review of Committee Charge and Policy Governance Overview
- IV. CBOC Expectations and Processes
- V. 2004 Bond Program Overview
 - o Components of the Bond Program
 - o Bond Implementation Schedule
 - o Selection of Architects and Engineers
 - o Selection of Construction Managers at-Risk
- VI. Approval of CBOC Meeting Schedule
- VII. Agenda Items for Next Meeting

I. Call to Order

The CBOC tri-chairs called the meeting to order.

II. Individual Introductions

Each of the 18 members present and AISD staff were given the opportunity to make introductory remarks by providing his/her name and affiliation and defining his/her role on the committee.

III. Committee Charge and Policy Governance Overview

AISD Board President, Doyle Valdez reviewed the charge of the committee and elaborated on each point. The charge of the committee will be to advise the Superintendent and report to the Board on matters as follows:

- Review and evaluate information on all projects and expenditures of bond funds from staff reports/updates on the timelines and progress of the 2004 Bond Program;
- Design, with staff assistance, electronic surveys that assess key campus stakeholders' levels of satisfaction with the quality of work and rating of customer service i.e., courtesy, knowledge and helpfulness for the bond project workers;
- Review and evaluate the survey results and any corrective action resulting there from;
- Review and evaluate any proposed changes to the individual project scope of work to the voter-approved 2004 Bond Program;
- Conduct public hearings at campuses on substantive proposed changes to the voter-approved bond program prior to Board action;
- Report orally and in writing to the Superintendent and the Board on the 2004 Bond Program in January, May and September of each year, including, but not limited to:
 - Overall economics: and budget status;
 - Individual projects: scope, schedule, quality, and economics;
 - Survey results;
 - Construction management practices;
 - Any proposed substantive changes;
 - Environmental stewardship;
 - HUB utilization and;
 - Other issues/comments
- Review and evaluate new construction and renovation projects against specific criteria contained in Board Policy EL-16, Facilities: The superintendent shall not fail to assure the availability of physical facilities that support the accomplishment of the Board's Results policies, that are safe, effectively used and properly maintained; the Committee will specifically review performance related to: 1.a; 1.e; 2; 3; 8; 10.a; and 11.

President Valdez also reviewed the following operating procedures with the CBOC.

- Members of the committee may be removed when any of the following may apply – in the opinion of the three co-chairs:
 - A member has three or more cumulative absences;
 - A member's conduct becomes sufficiently disruptive of the work of the committee; or
 - A conflict of interest exists.
- The Board of Trustees may then vote to remove any committee member upon the recommendation of the three co-chairs.
- The Board Officers will determine any replacement members.

AISD Board Vice President, Ave Wahrmond, reviewed the board governance model, *Policy Governance Austin Style*. The presentation focused on:

- Definition of Policy Governance –

- Theory and model of board governance that focuses Board work on policy decisions, not operational issues.
- Board adopts a set of broad policies based on values and focusing on end results.
- These policies direct the Superintendent, who acts as the chief executive officer.
- Advantages of Policy Governance Model
 - Allows Board to take AISD to higher levels of stability and performance.
 - Board focuses on what students will need to know and what the community values.
 - Board members focus more on the “big picture”.
 - Allows Board to focus on values, results policies and student achievement.
 - Provides clear framework for monitoring the Administration’s progress in meeting the Board’s expectations for student achievement as established in its Results Policies.
 - Clarifies the roles and responsibilities that are necessary for achieving the Board’s vision for all AISD students.
 - Provides a clear process for Board communication with the Austin community and the Superintendent.
- Policy governance nomenclature
- Review of Executive Limitations
- Charge of the CBOC in Relation to EL-16 Facilities

AISD Board Secretary, Patricia Whiteside, reviewed the components of “Executive Limitations 16: Facilities” that pertain to the CBOC’s charge.

1. Fail to develop a long-term facilities plan to establish priorities for construction, renovation and maintenance projects. In setting those priorities, the Superintendent shall not fail to:
 - a. Assign highest priority to the correction of unsafe and significantly overcrowded conditions.
 - e. Disclose assumptions on which the plan is developed, including growth patterns and capacity, and the financial and human capital impact individual projects will have on other parts of the organization.
2. Fail to use facilities efficiently and effectively, including establishing an annual cycle of review of student demographic information and trends, including the impact on student attendance zones and school capacity, and recommendations arising from the analysis of these data.
3. Fail to proactively seek cooperative arrangements with other public and private entities to ensure efficient planning and use of facilities and services.
8. Recommend land acquisition without first determining by means including independent third-party verification of growth patterns, comparative costs, construction and transportation factors and any extraordinary contingency costs due to potential environmental, natural and man-made risks.
10. Fail to adequately manage the cost and schedule of school construction work, including the authorization of construction change orders for:

- a. School Bond Program projects that exceed the available project and program contingencies established for such change order work;
 - b. Annual Maintenance and Operations (M&O) funded projects that exceed twenty-five percent (25%) of the original construction contract amount, except as approved otherwise by the Board of Trustees.
11. Fail to survey primary site users on their level of satisfaction with completed bond and plant improvement projects and maintenance projects or work.

IV. CBOC Expectations and Processes

The schedule did not allow sufficient time for this agenda item. It will be discussed at the next meeting of the CBOC on March 22, 2005.

V. 2004 Bond Program Overview

Components of the Bond Program

- Paul Turner, Executive Director of Facilities, overviewed the five propositions of the 2004 Bond Program and addressed member questions:
 - Proposition 1: Relief for Overcrowded Schools
 - Proposition 2: Academic Enhancement and Buildings and Infrastructure, Environmental Design Features and Technology
 - Proposition 3: Safety and Security, Districtwide Facilities and Environmental Health
 - Proposition 4: Athletics and Physical Education Including Joint-Use Facility Projects with the City of Austin
 - Proposition 5: Relief for Overcrowding and Partial Funding for a Districtwide Performing Arts Center
 - Proposition 6: Contractual Obligations
- Member comments and questions related to the components of the bond program included:
 - Status or progress on raising funds for the other portion of the funding for the Performing Arts Center. *Response: This effort is still in progress. Staff will update the CBOC as soon as the information is available.*
 - Will AISD have competition for labor and materials from other school districts that are implementing a bond programs? *Response: Attention has been given in the project schedule to distribute the work over the duration of the bond program. Staff will monitor the amount of work put into the marketplace to determine if adjustments are needed.*
 - Had the transfer of the contractual obligations occurred? *Response: Yes.*

Bond Implementation Schedule

- Curt Shaw, Director of AISD Construction Management, reviewed the schedule and process for determining the placement of projects in the schedule with members.
- Member comments and questions related to the bond program implementation schedule included:
 - Availability of project managers to speak at campus meetings. *Response: Campuses can make this request and both construction management staff and the architect/engineer team can be available for these meetings.*

- The efforts of the construction management staff have been proactive and cooperative. Campuses are pleased with this participation. How will this information be shared with the greater community? *Response: This will be done by the campus. Information will be provided to the individual campuses, and they will distribute the information through their established processes, e.g., weekly folders, newsletters, etc. Also, information will be communicated through a variety of media at the district level.*
- The construction management staff needs to communicate parameters to all campuses to give everyone the opportunity to be involved in the project and not limit involvement to the CTF. *Response: The role of the CTF is to represent the various campus stakeholders and to maintain two-way communication with its constituents. The CTF will also provide written affirmation to the Board of Trustees regarding the design for renovations and additions.*
- Is the District taking advantage of the various programs offered by Austin Energy? *Response: The District has worked with Don Judd of Austin Energy and is also developing a Request for Qualifications (RFQ) for firms that provide building sustainability services.*
- Several members requested clarification regarding the project and program contingencies. *Response: Construction Management staff will provide sample budgetary information at the next meeting.*

Selection of Architects and Engineers

- Committee members were provided a list of the various architects and engineers selected to provide design services for Phase I of the 2004 Bond Program.

Selection of Construction Managers at-Risk

- Eleven of the projects in Phase I of the program were selected to use the Construction Manager at-Risk construction delivery method.
- For each project, the construction manager-at-risk is required to work closely with the design professionals to provide constructability reviews, cost estimating, and scheduling and phasing input during the design phases of the project.
- At an agreed-upon time during the latter stages of the consultant Architect/Engineer's development of the project's construction documents, the construction manager-at-risk will provide AISD with a guaranteed maximum price (GMP) for the construction of the project.
- The District chose this delivery method because it allows us to:
 - Separate work and start portions of the work early.
 - Procure long-lead items early in the process
- Member comments and questions related to the construction manager at-risk delivery method included:
 - Request for maps of sites for new schools. *Response: This information will be provided at next meeting.*
 - Are there any performance incentives or initiatives for the construction managers at-risk or a third party review of the work? *Response: If any savings are realized, the companies receive 50% of the savings. The*

architects/engineers will be involved throughout the entire construction process and will ensure the intent of the plans is being carried out. The AISD project managers will also provide an oversight role in the field. Contractor will also provide a one-year warranty on the work.

- *Are there any penalties in the contract and a one-year warranty is insufficient? Response: There is a liquidated damages clause in the contract if the contract extends beyond the contract date. Special conditions, for example, roofs, extend beyond the one-year warranty to 20 years.*
- *When is the construction manager at-risk delivery method not the correct delivery method? Response: For simplistic, straightforward projects, like roof replacements, there is no need to have a construction manager involved in the design process and incur the additional cost. The competitive sealed proposal delivery method allows the District to look at firms other than the lowest bid firm.*
- *The southwest environmental issue is part of the Bond Program. What standards will you follow? Response: Water-quality issues will be carefully considered. District staff has met with the city manager to outline procedures for building new schools and is revising its Land Development Standards Agreement to specify the impervious cover requirements expected of the school district. The percentage of impervious cover that is permitted varies from site to site; dependent on whether this percentage is determined by the district's Land Development Standards Agreement or a developer's agreement for donated sites. Each site must be examined separately to determine the allowable impervious cover percentages.*
- *Is there money in the Bond Program for purchase of additional property to meet impervious cover requirements? Response: Additional money is contained in the program contingency.*
- *Is the ROCIP (Rolling Owner-Controlled Insurance Program) being used in this program? Response: Because of the mixed reviews in the 1996 Bond Program, the District chose not to use it. Contractors provide their own insurance and the District ensures that their programs meet the District's expectations for general insurance coverage.*

VI. Approval of CBOC Meeting Schedule

Members asked staff to develop a meeting schedule for the fourth Tuesday of the month and provide it at the next meeting.

VII. Agenda Items for Next Meeting

- Committee Expectations and Processes