Meeting Minutes October 17, 2018

Portland Public Schools Bond Accountability Committee (BAC) Location: BESC Main Office Wy'East

PORTLAND PUBLIC SCHOOLS
Office of School Modernization
501 North Dixon Street • Portland, OR 97227

Members present:

Not present:

Guest present:

PPS

Blaine Grover confirms: Yes, we are bringing the subs on early to help refine the project schedule and budget as well as securing the subs early in a busy market.

Kevin Spellman asks: Any stakeholder impacts for the budget?

Jessie Steiger responds: Stakeholders don't really seem to be asking for anything too outrageous. Maintenance seems to be the one with the most needs, who we have been working closely with to get buy in and feedback. Mainly, we are trying to go with finishes and materials that are first and foremost durable, long lasting, and easier to maintain over time. For the big asks, such as a large greenhouse, there is no budget for, but we have created placeholders in the design for a greenhouse if funds become available at some point in the future.

Kevin Spellman asks: When are DD's due to be done?

Jessie Steiger responds: Targeting that deliverable for November.

Dick Steinbrugge asks: What is the program contingency?

Dan Jung clarifies: Just under 15 percent.

Kevin Spellman asks: I am wondering if you anticipate any difficulties due to the added work load from overseeing FAM? I am very concerned about its effect on the bond programs.

Dan Jung replies: Actually, I see this as a potential positive. FAM and OSM do work closely together on many things and I think this is an opportunity to put some processes in place that will help grow this dynamic.

Scott Perala adds: Between Dan, Marina, and myself, we are reorganizing who will be lead on many of our stakeholder engagement and involvement, projects, and of course leadership and the board.

Kevin Spellman asks: Are there concerns about cost allocations?

Dan Jung replies: I have already brought this up to Claire, so she is aware of this.

Kevin Spellman: I recommend you make sure to keep administrative costs separated.

Tenzin Gonta asks: Do you have any idea how long the interim period will be?

Dan Jung replies: I assume that it will be 1-6 months, but they have already posted the job and I heard had some pretty good applicants.

Kevin Spellman states: I am happy that we are trying different things. This is a positive! Have there been any updates to the analysis that was provided at the last BAC?

Marina Cresswell replies: There have been no further updates to that analysis.

Dan Jung adds: We found that the further we broke down the cost comparison to other markets and projects, the less actual value the data had for what we are trying to accomplish.

Kevin Spellman adds: Understood, and that's a legitimate concern. However, the fact remains that no one can show comparable budgets to those that have been approved for both Madison and Lincoln. We still need to know why. Is our pricing methodology different? Are the standards for PPS construction so much higher than others? What is the explanation?

Tom Peterson asks: How have things been going with Lincoln and the City?

Scott Perala replies: BORA has been engaging heavily with the city, which has a lot of requirements for Central City construction, especially with parking and design. They have been able to get some allowances for some requirements, but they continue to try and refine as much as possible to come to a functional agreement. Board members have also offered to step in on these discussions as well.

Jessie Steiger adds: We have had similar issues with approval and improvements/construction on 82nd Avenue, which is technically a highway, so our dealings have been with ODOT.

Cheryl Twete states: I suggest a strategy of helping the city understand the impact of these design requirements.

Kevin Spellman asks: The budget is showing yellow, but since there is a 200-million-dollar hole should it not be red?

Dan Jung replies: It could be red. We can change that.

Dan Jung replies: He will review final billings then, similar to the performance audits, OSM will provide a final response.

Kevin Spellman asks: Will his cost audits qualify as the annual audit function for 2017 required in the bonds? Seems like we need a determination on this.

Kevin Spellman asks: How is the PMP coming along?

Scott Perala responds: Should have the draft completed by January.

Kevin Spellman asks: How are we "rediscovering" eBuilder?

Scott Perala replies: They are coming to do new systems training and work on bringing staff up to speed on new systems and processes. The goal is to take as much advantage of this tool as possible.

IV.

- *OSM provided an update on RooseveIt. Highlights included:*
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Scott Perala replies: We are having challenges with subcontractor pricing and availability. The air handlers have been a recent challenge. We have now for the 3rd time been told that there is yet another issue with product availability and we get bumped to the bottom of the list again. Brian and the team are all working on getting this resolved ASAP, but this is now a primary focus..

Kevin Spellman asks: At our last meeting, Brian Oylear said they were comfortable with the remaining contingency. Would he say the same thing today?

Scott Perala: No. He would not say that today. The volatile subcontractor market has eroded his confidence. A number of large (and late) cost claims have been submitted. The team is working on reviewing.

- *OSM provided an update on Kellogg. Highlights included:*

Kevin Spellman asks? Has the budget increase been approved by the board?

Dan Jung replies: Yes, it has.

- *OSM provided an update on Lincoln. Highlights included:*

- *OSM provided an update on Benson. Highlights included:*

Kevin Spellman observes: The passage of the 2012 Bond triggered the creation of High School education specifications while at the same time designing the schools. This had negative cost

consequences. It seems that a similar process on Middle School education specifications was undergone for Kellogg with similar cost consequences. Now it seems that we are repeating ourselves on Benson with an incomplete District CET Plan.

Dan Jung replies: Currently we have the website and we update that as projects and activities get completed, and we update on what will be done as those projects become active, but not anything for long term specifics. There is a plan, but we try to communicate what we know is for sure.

Kevin Spellman adds: It would be great to improve that communication.

Kevin adjourned the meeting at 8:34 PM.