Facilitator: Mike Theriault, Vice Chair

Committee Members Present: Yakuh Askew, Nancy Mayeda
Walter Haub, Monica Pressley
Craig Issod, Jim Quadra, Chair
Brian Liles, Mike Theriault, Vice Chair

Committee Members Not Present: Lourdes Garcia, Nan McGuire

Interested Parties Present: Leonard Tom, Richard Pio Roda
David Goldin

Minutes prepared by: Susan Ortega-Resurreccion

1. Mike Theriault initially presided over the meeting; Jim Quadra came a bit later.

2. Roll call. A quorum is present for this meeting.

3. Approval of Minutes of August 22, 2013 meeting.
   The minutes were unanimously approved by the CBOC members present at the meeting.

4. Public Comment – None.

5. Greening Program: Green schoolyard report by Nan McGuire.
   None.

6. Program Status Reports from:
   - Chair, Vice Chair Comments - None.

   - David Goldin – Program overview and key current highlights.
   David reported that the board approved the Project Labor Agreement (PLA). It has been sent to the Construction Building Trades Council for signatures. David will sign for the District and Mike Theriault for the Building Trades Council. In the interim, 2 projects will be bid as PLA projects in anticipation of the fully signed PLA.

   Leonard is putting two things in place: 1) State mandated pre-qualification of general contractors and major sub-contractors, and 2) implementation of the Local Hire Policy. Prequalification is a complicated process, involving outreach and detailed follow up. A number of workshops will be held to get people to understand what it takes to bid on our projects. We are in the process of trying to hire a Local Hire Coordinator. The Board is anxious for data on this although not much will be available until next summer. Implementation of the construction intern program is really important to a couple of the commissioners.

   Two projects were recently bid in the $5M - $7M range. Bids came in on target. That is a complete flip from last summer when bids were grossly over budget. We are not sure of the reason or the trend, but it may be because the District is the only one in the Bay Area that is bidding projects of substantial size at this time.
Walter asked if estimator prices are higher. David replied that we were looking at that. 10% is being added to estimates for what is called “current market factor”. Eight projects will be bid out on the first 3-4 months of the next year. Craig asked if it makes sense to bid earlier than later. David replied that bids are going out as early as possible. Leonard added that projects have to have fully approved drawings before they can be bid out. David commented that he and Leonard had expressed to the team the need to accelerate the 2011 Bond Program. Time is now serious money. Projects are being reviewed and design schedules are being tightened. This coming summer promises to be a busy summer. Willie Brown MS has broken ground and is pretty much on track. Richard Carranza has launched a new initiative for 2025 planning, with a focus on technology.

Mike added comment on the PLA approval process. It may take up to about 3 months for full execution as there are 29 required signatures from business managers whose offices are scattered all over the Bay Area.

A question was raised about SOTA at 135 Van Ness and the choice of Mark Cavagnero as the architect. David replied that studies for SOTA have been paid with developer fees and SOTA reserve funds, not Bond funds. Cavagnero is the architect who did SF Jazz Center, the Legion of Honor, Oakland Art museum and is working on major symphony works of art all over the country. SOTA at 135 Van Ness is a $220M project (up from $175M 5 years ago). What’s changed? The Superintendent and school board will have a resolution to confirm this project. The next step is to take the Board resolution to the mayor and the Board of Supervisors. We’re going to see if we can build a public-private partnership. This will revitalize an entire city block in downtown and will be a really incredible project.

A question was asked about the need to do SOTA at McAteer. David replied that SOTA at 135 Van Ness is a very long term project and something should be done for current SOTA students. There’s a probable scenario that includes SOTA in another G.O. Bond in 2016 or 2017. That Bond measure may include another elementary school in the Bayview and a kitchen/food service initiative. In addition, there may be other district buildings where we need to go back to do more work.

Craig expressed concern about spending Bond funds for SOTA at 135 Van Ness Ave. and asked that the committee be informed if any of the Bond funds would be so expended. David stated that the 2003 Bond requires that the $15M can only be sold for SOTA at 135 Van Ness. Craig was concerned that it could be used for pre-development expenses. David replied there is a $9M SOTA restricted reserve fund for that purpose.

Craig suggested restricting the use of Bond funds to construction. David asked Craig to read through the bond language and have a discussion next time. In addition, David said that he and Leonard have no intention of selling those Bonds at the moment.

A question was asked about Nourse Auditorium. David replied that Sydney Goldstein of City Arts and Lectures rented the auditorium for 3 years, with a 3-year option, and District has the right to take it back at any time. She raised $1.5M to rehab the auditorium and has brought publicity and attention to the site.

Jim asked if Richard PioRoda can do quick analysis of the bond language to satisfy the committee’s concerns. That could be in the agenda for the next meeting. Leonard pointed out that the 2006 Bond, which has $15M for SOTA, is not restricted regarding location of the school. He had already budgeted $13.5M of the $15M for SOTA at the McAteer campus. The committee’s concern is that Bond funds do not end up like Treasure Island or Willie Brown K-8, funds were spent on design but the projects were not built.

Leonard reported about the 2006 Bond project at 300 Seneca (Leadership HS Charter). The bid for the modernization portion came in under budget. The other piece of good news is that the State Allocation Board (SAB) funding of a $1.8M planning grant. Status of the remainder of the $7.5M grant is still unclear. $10.5M of the 2006 Bond has been budgeted for a combined total of $18M for this project. David added that this
project is a partnership between the District and Leadership Charter. If the charter is revoked, the District will take the building back.

Leonard reported on a major commitment in 2006 funds: SOTA at McAteer Campus. A project assessment has been completed. $13.5M is budgeted ($1.5M more than previously presented to the CBOC). We can commit up to $15M on this project.

Leonard stated that those were the two large commitments for the remaining 2006 funds. We are continuing to fund the lock-set replacement project with the first elementary school completed. David added that these are known as “Columbine locks”. If we are building new school, this has to be done. Leonard added that these locks will be incorporated in the modernization projects and that $1.2M is budgeted. Walter and Monica commented that these are expensive locks. David provided information on how the lockset works.

Leonard said that as of the August financial report, the 2006 programwide contingency is somewhere in the range of $2.5M. Projects are coming to financial closure and there are still “go-back” projects at 2006 sites.

Walter asked about the use of developer fees. David replied that these go to growth-related projects, such as a new classroom building at Lowell. He added that the only project so far that has comingled developer fees with Bond funds is the modular building at Monroe ES. Leonard had trouble committing full Bond funding to this project so David committed a couple of million dollars of developer fees to the project.

There are 51 projects listed in the 2011 Bond, plus Mission Bay ES which has $15M budget. At the moment, it doesn’t seem likely that will go forward. David commented that it’s not dedicated money so it can be used on anything. He added that from the 51 projects you subtract 4 projects that are in the list but never funded, leaving 47 projects. Two projects which have been cancelled. San Miguel ES is 300 Seneca, which is being funded with 2006 funds. Florence Martin Center is being leased out to non-school entity. Recently, I defunded 3 projects: Washington HS Seismic, Enola Maxwell MS, and McLaren ES. There are various reasons why we believe that the time not good right now to make any commitments to those sites. Leonard distinguished between “cancelled” and “defunded”. Defunded projects can be reinstated if resources become available in the future. David added that our strategy is to apply for State grants (we are eligible for over $50M) in case the State goes back to the ballot with another statewide G.O. bond in the next year or two.

Leonard reported that of the 25 sites where design actually started, nine sites have completed design, obtained DSA approved, and have been bid out. 11 of the 25 sites are currently in design, 7 of those 11 are scheduled to go out to bid by June of next year. Recently we have made commitments to 5 additional sites, so those projects are in their project assessment phase. Results of the project assessments are expected within the next 2-3 months. 14 sites have construction contracts initiated; 8 of which were for modernization projects which are sizeable and 6 have been for miscellaneous work mostly under $1M. David addressed Walter’s question on the projects under assessment: Visitacion Valley MS, Visitacion Valley ES, Revere, Webster, and Longfellow.

Leonard handed out another report that listed 21 sites where we have actually completed project assessments. This was requested at the last meeting by Craig. It showed we have approved a 15% increase over the original collective construction budget. Some of the larger changes are at Sunnyside, Peabody, Monroe, Gordon Lau, James Lick, Ida B. Wells and SOTA at McAteer campus. Walter commented that some were between 14% and 45%. David mentioned that Fixed Budget Limit at SOTA was increased using 2006 funds. The project scope at Monroe, Peabody, and Sunnyside changed dramatically because we did not realize how overly impacted those three sites were.

Walter asked about the $1M increase at Willie Brown MS, which had not even broken ground. David replied that a significant change order ($600K) was due to unforeseen conditions discovered during site excavation. There were 3 or 4 houses on site before the old school was built.
Craig asked if cost estimates are reflecting the effects of local hire or the new PLA. David replied that of the three projects bid in the last 2 months, Leadership HS @300 Seneca was covered under the 2006 PLA and without local hire and it came in okay. The Peabody project went significantly over budget at $6.6M. Peabody is the first for both PLA and local hire. A second project which was both local hire and PLA came in right on target, so there’s no trend.

Craig asked if there is going to be any way of knowing how local hire will impact bids. Leonard replied that it will be very difficult, partly because of the State prequalification requirement and the extent that contractors are discouraged from bidding due to State prequal as opposed to local hire. Craig asked how they can determine if there is an increase in the bid costs. David replied that we will know when we see more limited interest in bidding projects.

Walter asked Mike about prequal, if he has found another school district that has the prequal in place if it affected the number of contractors. Mike replied that he had not had conversations with his colleagues and he only has the 7 by 7 mile of San Francisco. Walter commented that he had a couple of experiences with prequal and the effect is negative. Leonard stated that administratively an announcement was sent out that starting January 1st the District will be applying the state’s prequalification requirements for all projects that are eligible for state funding. In our case, 12 projects in the 2011 Bond. The deadline for contractors to submit applications for review is November 8. It’s likely this deadline will be extended. The approach is to have a list in effect on January 1st and open up the list again on June 30 so those that did not get in on Jan 1 will have opportunity to apply. Walter asked the prequalification time period. Leonard replied 1 year. Jim suggested that at some point maybe it’s worthwhile to do some method of feedback. David agreed. Craig commented that it’s going to mix in with other variables. Jim asked of the 21 projects, is the District (decision makers) communicating about the viability of these projects. David replied affirmatively. The kindergarten classrooms are full for the first time in a long time, including Malcolm X. It will be interesting to see the bids for the 12 projects that are eligible for State funds.

7. Proposed Schedule and Agenda for Next Meeting.
   Proposed Agenda for next meeting:
   1) Application of bond money for SOTA.
   2) Discussion of audit reports.
   3) Discussion of local hire.

8. Adjournment.
   Meeting was adjourned at 7:10PM.