

Minutes for the Bond Oversight Committee Meeting North

November 8, 2004

Aptos High School Career Center
100 Mariner Way
Aptos, CA 95003

5:00 PM – 7:00 PM

Attending Members:

Michael Barsi - Nancy Bensen - Tere Carrubba – Fred Fischer – Marc Kirby
Doug Maher - Bruce Mathias - T. James Miller - Barbara Palmer - Christine Quinn
Mary Reed - Michael Theriot

Absentee Members:

Vic Marani

South/Central Bond Committee Liaison:

Rodney Brooks

Non-committee members attending:

Terry McHenry – Gary Woods - Rhea DeHart - Sharon Gray – Evie Volpa - Diane Burbank – Brian Rasmussen – Laura Norton - Darlene Insley

Chair Member Barbara Palmer welcomed everyone and introduced our new North Zone Assistant Superintendent, Gary Woods to the Committee. Then she asked the Committee members and visitors to introduce themselves.

Barbara then asked that the Committee take a few minutes to read over the Amended minutes for approval. The Amended minutes were moved for approval by Nancy Bensen and were seconded by Mary Reed and approved.

The meeting then addressed the thirty-nine page résumé document Doug Maher put together for consultants to perform the third party estimate of the bond work.

Doug opened his summary by stating that it was his opinion that the \$5,000.00 originally talked about for this work will not allow the Committee the proper information that they were looking for. Waszink has two options, A and B. Option A would basically be the same services performed by BMR and Hanscomb F&G now

and would probably cost closer to \$6,000. However, Option B would probably run on the high side of \$12,000.00.

Doug explained that all of these Consultants have done schools and would be familiar with the prevailing wage aspect of this project in terms of how they put their budget together.

He then went through all four of the consultants and discussed each one of their advantages and disadvantages and mentioned he felt comfortable about the lower bid from Cromb. He felt Cromb would provide the Committee with the information needed.

The question came up whether the consultants knew that the Committee was only looking for an organization to do a third party review and not for Architectural estimating. Doug assured the Committee that yes, they all were aware of this aspect. At this time, Doug suggested December 13th as a presentation date.

There were several items discussed at this time such as, time frame, estimators and their responsibilities, line items, steel costs and projections. Independent vs. collaborative estimates and reconciliation costs. Whether the Committee wants to spend the extra money to have the estimator come to a meeting and present the estimate to the Committee or save the money and have them e-mail the estimate to the Committee. Another issue raised was, did the Committee want BCA to stop construction while the estimate is being prepared or to proceed and correct if necessary? It was decided to continue with construction.

The discussion went back to the Cost Estimating Consultants, their proposals, projects that they have done in the past, what are their fees, have they ever done any Performing Arts/Gymnasium Centers? Where were they based? Did anyone know their work? The Committee asked Doug who he favored. Doug seemed to feel very comfortable with Cromb Associates and that it would be his recommendation. He feels they are pretty thorough in what they are providing.

The question was asked about what other projects BCA has worked on in the District other than this project?

Brian explained that BCA is the architect that is working on the Arthur Road Campus conversion, the former Alianza campus, a state funded modernization project. (Middle School conversion concurrently) They are also the architects on three other modernization projects partial campuses, one is Aptos Junior, one is Rolling Hills Middle and one is at Pajaro Middle School. The Arthur Road project is the only one under construction at the present time.

Going back to the Estimators, the question was raised regarding the probability of the estimate locking in the bid and that an estimate is an art, not a science, means that it's just another opinion. Everyone voted to have Doug contact Cromb Associates to do the estimate.

The discussion came up that several items have be cut from the school because of lack of funds. Some of the items being cut from the school are landscaping for the Promenade, music shelf for the stage, portable bleachers, new tables and chairs for the cafeteria, open lockers and benches for one team room and a specialized wall for the Hall of Fame. The question was posed what else would be cut due to the cost of the estimator?

A question was directed to Doug regarding Cromb Associates asking what he felt they would be getting by hiring Cromb Associates. Doug responded by explaining that the Committee would be getting a second and fresh opinion, a person putting a budget together from drawings he hasn't seen before, that will tell us whether we have a problem or not early in the game, in time to respond to and deal with the problem.

The question was then asked if it was legal for the Committee to spend the Bond money on hiring an Estimator. Does the Committee have this power? Terry was asked to answer and he stated, "Technically no, although it is an appropriate cost for Bond Funds to do a second or a third party estimate. As far as the law and the legal interpretation, the Committee does not have the authority to do that. You have the authority to ask that it be done and we have the authority to do it, which is what we have proposed to do." Terry went on to explain that the Committee can vote to recommend but does not have the authority to spend the money. If the Committee recommends for all the reasons discussed and understands the impact on the project, the District will concur that it is a good idea and will follow the recommendation to have a third party estimator by asking for approval by the Board.

A discussion began regarding the hiring of the third Estimator, whether it was it was a good idea. A question was asked what items the Committee would cut from the project to offset the hiring of the Estimator. The Committee felt that Diane Burbank might get another committee together to decide on what would be eliminated from the project, that it would be too much for the Committee to get involved with. The next question asked was, who did the last Peer Review on LPA?

Brian explained that BMR did the Peer Review in January with comments back to LPA regarding unit pricing on steel among other items they thought LPA needed to re-evaluate and LPA sent a comment back suggesting that BMR didn't know what they were doing.

Discussion regarding the importance of getting a third party estimator continued. Barbara announced that the Committee will recommend to the Board to spend the money to hire a third party estimator. Barbara then asked the individual Committee members if they were all in favor. The Committee was in favor except for Christine Quinn. Christine was told that there was no guarantee, but that the Committee wants to be able to tell people that they tried to avoid what happened earlier.

Barbara then asked to go on with the agenda.

Terry began the next item regarding Performance Audits, where he briefly explained that based on last weeks meeting, he contacted and interviewed two independent contract managers last week and expects proposals from both of them later this week. He would like to have the proposals by the next meeting. He went on to say, what we want is a proposal that says we are appropriately spending Bond money on Bond projects. However, we don't just want a one liner stating that fact. What we want is:

1. Something that states the process we are going through.
2. That the work we are doing is necessary.
3. That the cost we are paying for it is reasonable.
4. We are spending Bond Money on Bond Projects.

The two people interviewed both do this kind of Performance Audits. This comes out of the General Fund money.

Terry then explained to the Committee how the LPA Payment structure for the Aptos Bond Projects Phase I and II was set up and how the two phases were actually happening concurrently and that LPA had completed 50% to 65% of the total construction documents for the project. Out of the \$270,000 construction document allocation, we have paid about \$80,000 to \$100,000.00 for the grading documents which are used, the rest of that is for building documents which we are not going to use.

LPA has changed the original Master Plan for the project. The new plan has the buildings face another way and did a lot of grading in the parking lot and had to move the play fields which added a lot of money to the project. However it went through this Committee, and a lot of other committees, and finally went to the Board. We all finally decided that we wanted that design. Unfortunately it brought the cost of the site up significantly. It technically was within budget but it did take most of the contingency money in order to do that.

Next meeting will be December 13, 2004.

The time will be from 5:00 pm to 7:00 pm.

Barbara thanked everyone for coming.

The meeting was adjourned at 7:15

*See Bylaws - Sections 3.4, 3.5 and 4.