

**MINUTES TO BE APPROVED OF THE MEASURE BB OVERSIGHT COMMITTEE
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 S. Peck Ave., Manhattan Beach, CA 90266
January 10, 2011
7:00 p.m.**

The Members of the Measure BB Bond Oversight Committee held its regularly scheduled meeting on Monday, January 10, 2011, at 325 S. Peck Avenue, Manhattan Beach, California. The following were present:

Members of the Committee Ed Lear, George Reppucci, Michael Kling, Tim Lilligren (absent), Kathleen Paralusz, Rachel Vandenberg(absent), Noel Palm, Rod Spackman (absent), Tim Flake, Gary Osterhout, Robert Daviduk (absent), Kimberly Robinson & Jim Sepanek.

District Personnel Steve Romines

Board of Trustees Ida VanderPoorte

Call to Order The meeting was called to order by Mr. Lear at 7:02 p.m.

Pledge of Allegiance The Pledge of Allegiance was led by Mr. Lear.

Announcements and Communications No public comments were made.

Presentation 1. Presentation By Bernards (Construction Management Services)

Mr. Jack Hall, Presented status report #4 (January 2011) for the Mira Costa High School Expansion and Modernization project. Mr. Hall reviewed the budget details provided in the report and confirmed that the project is still on budget.

Mr. Hall reported that one date changed regarding schedule, that 100% of the construction documents were completed and submitted to DSA on November 3, 2010 (previously scheduled for October). Mr. Hall reported that the DSA has already begun its review and provided some comments to the documents. Mr. Reppucci asked what the term “constructibility review” meant and Mr. Hall responded that the term refers to whether what has been designed can actually be built. Mr. Hall also indicated that the constructability review may involve some cost but the primary focus is to ensure there are no design flaws that can and should be fixed before construction begins.

Mr. Hall then discussed the financials and reported that the only change to was to the Billed To Date to add soft costs. Mr. Osterhaut asked how we capture unfixed costs and do we know if we are overbudget? Mr. Hall replied that we have fixed costs for the consultant contracts and as a result, the soft costs are on budget. Mr. Hall also reported that Bernards has anticipated what it believes will be all of the soft costs and included them in the budget.

Mr. Hall reported that in the Pending Change Orders column, once a Change Order is approved it moves out of the Pending Change Orders column and to

the Approved Change Orders column and the reference shifts from “Projected” to “Complete”. Mr. Reppucci asked whether Change Orders would be validated with a level of detail sufficient for the Bond Oversight Committee to review and evaluate. Mr. Hall responded that yes, the Change Orders would include sufficient detail.

Mr. Hall confirmed there will be an RFQ/RFP process to hire contractors. Mr. Flake asked how many contractors Bernards anticipates hiring and Mr. Hall responded that the current estimate is 30-35 contractors. Mr. Hall also reported that once a contract is awarded, each contract will be listed separately on the Financials spreadsheet.

Ms. VanderPoorte reported that the School Board has directed Mr. Romines to phase out Bernards as the Construction Manager and retain Bernards as the General Contractor. Mr. Reppucci requested that the Bond Oversight Committee receive a presentation on lease/lease-back scenarios at the next meeting. Mr. Romines and Ms. VanderPoorte explained that MBUSD is assessing whether to enter into a lease/lease-back scenario, where Bernards would own the buildings and MBUSD would lease them back until the last lease payment, after which the School District would own the buildings. Mr. Romines and Ms. VanderPoorte also stated that the lease/lease-back has some advantages, mostly to remain on budget and as Mr. Reppucci pointed out a maximum set price to be paid. Mr. Hall added that the lease/lease-back also provides increased confidence in the selection of subcontractors being hired. Specifically, he explained that it eliminates the need to accept the lowest bid and inadvertently end up over-budget. He cited the example of when a more qualified contractor with a higher bid may have fewer changes and subsequently ends up being more overall affordable than the lowest bidder.

Committee Business

Mr. Flake briefly provided an overview of the MBUSD Measure BB Oversight Committee Quarterly Report Dated September 13, 2010, including the incorporation of changes since the Committee’s last report. Mr. Reppucci objected to a reference to “construction documents” in Section V.5 as specific to the documents presented to DSA. The Committee members agreed to strike the provision and refer instead to status reports provided by Bernards. Ms. Paralusz recommended changing the DSA submission date from October 18, 2010 to the actual date reported by Bernards of November 3, 2010. Ms. Paralusz also recommended that the School Board amend the Committee’s bylaws to reflect that the Committee will complete a quarterly report if there are three successive monthly meetings or else periodically if the Committee does not have three successive meetings or much activity to report. The Committee also agreed to a reporting date of September 30, 2010. Mr. Osterhout moved to adopt the Quarterly Report as amended (changes to paragraphs 2 and 5 and the September 30, 2010 date). Mr. Reppucci seconded and the Quarterly Report was unanimously approved by the Bond Oversight Committee.

Mr. Osterhout moved to approve the minutes of the October 11, 2010 and Mr. Osterhout seconded. Ms. Paralusz abstained from voting because she was absent from that meeting. The remaining Committee members approved

the minutes by unanimous consent.

Public Comments

No members of the public provided comments.

Items for Future Meetings

Mr. Lear requested input from Committee members on items for future meetings.

Discussion of Audit findings. The Audit will be complete and presented to the School Board on January 19, 2011

Preparation of the next Quarterly Report

Discussion of DSA findings, which are expected in March 2011

The next regularly scheduled meeting will be held March 14, 2011.

Adjournment

Mr. Osterhout moved to adjourn the meeting at 8:07 pm, seconded by Mr. Reppucci and unanimously approved by the Bond Oversight Committee.