

AGENDA OF THE MEASURE BB OVERSIGHT COMMITTEE

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 S. Peck Ave., Manhattan Beach, CA 90266
January 9, 2012
7:00 p.m.

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Committee meeting room, to access written documents being discussed at the Committee meeting, or to otherwise participate at Committee meetings, please contact the Board Secretary, Nancy Bogart, at 310-318-7345, ext. 5902, for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Committee meeting and to provide any required accommodations, auxiliary aids or services.

Writings related to a Committee meeting agenda item that are distributed to at least a majority of Committee members less than 72 hours before a noticed meeting, and that are public records not otherwise exempt from disclosure, will be available for inspection at the District office, 325 S. Peck Avenue, Manhattan Beach, CA 90266. Such writings may also be available on the District's website. (Government Code §54957.5 (b)).

A. CALL TO ORDER

1. Call to Order
2. Pledge of Allegiance

B. ANNOUNCEMENTS AND COMMUNICATIONS

1. Public Comment Regarding Agenda
The purpose of this section is to permit any person in the audience to make a statement to the Committee on items on the Agenda. Persons are limited to three (3) minutes for their communication, unless the Committee deems otherwise. The Chairman will conclude the Public Comment after a reasonable length of time and proceed with the Agenda. The Chairman may, at its discretion, permit statements on items not on the Agenda, but pertaining to the District, if appropriate and not an impediment to the efficiency and orderliness of the meeting; however, no action shall be taken on any item not appearing on the Agenda.

C. PRESENTATION/DISCUSSION

1. District Presentations:
 - a. Measure BB expenditures
 - b. Budget Status
 - c. Contract commitments
 - d. Major activities since last Quarterly Report (March 31, 2011)
 - e. Update on MBAF Efforts

D. COMMITTEE BUSINESS

Pg 1 - 7

1. Approval of May 21, 2011 and October 10, 2011 Bond Oversight Committee minutes.
2. Confirmation of reappointment of Committee members whose terms expire in December 2011, including District review of potential disconnect between Committee terms as described in the By Laws as compared to the Education Code.
3. Committee Organization – election of officers.
4. Review of materials presented on the website. (Mr. Reppucci will work with Ms. Robinson and the District to review and update.)

E. PUBLIC COMMENTS

As a courtesy, please complete the Public Comment card and give it to the Recorder before the beginning of this meeting. You will have three (3) minutes to speak.

F. ITEMS FOR FUTURE MEETINGS

G. ADJOURNMENT

**MINUTES OF THE MEASURE BB OVERSIGHT COMMITTEE
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 S. Peck Ave., Manhattan Beach, CA 90266
May 2, 2011
7:00 p.m.**

The Members of the Measure BB Bond Oversight Committee held its regularly scheduled meeting on Monday, May 2, 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, Kathleen Paralusz, Noel Palm (absent), Rod Spackman (absent), Tim Flake, Gary Osterhout, Robert Daviduk, Kimberly Robinson (absent), Jim Sepanek, and Rachel Vandenberg.
- District Personnel** Steve Romines
- Board of Trustees** Ida VanderPoorte
- Call to Order** The meeting was called to order by Mr. Lear at 7:05 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 of Budget to Actuals and Timelines
- Steve Romines presented expenditures to date. Mr. Flake suggested that information be presented in the same format being used for the Committee's quarterly report.
- Mr. Romines reported the following issues remain outstanding with the Department of the State Architect (DSA), and are now affecting the construction schedule:
- a. Sprinklers in cafeteria
 - b. Undergrounding of existing utility conduits
 - c. Fire/life safety concerns regarding open corridors that have been incorporated into the new Science building design for sustainability purposes
 - d. Path of travel within existing campus for ADA accessibility
- Committee Business** 1. Construction Management Services
- Ms. Vandenberg recommended that the District bring on board a construction manager / owner's representative to support the District in providing oversight for the Lease-Lease Back contractor (Developer). This sentiment was supported by Mr. Flake and Mr. Reppucci, possibly as a part-time role to provide advisory services to the District. Mr. Sepanek questioned whether this might be a redundant or extra cost. Mr. Kling suggested that this role could be key to help review Guaranteed Maximum Price (GMP) as submitted by the

Developer.

In response to a question by Mr. Daviduk, Mr. Romines reported that the quality of construction will be verified by the Architect and the DSA Inspector. Mr. Lilligren pointed out that DSA is likely to focus on specific areas of interest to them and may overlook quality of materials. Ms. Vandenberg noted that the Developer can appropriately provide quality control, but that quality assurance is the responsibility of the District or its representative.

Ms. Paralusz suggested that the construction manager should have a regular role in the project progress, not simply “as needed.”

As a result of the discussion, the Committee made the following recommendation to the Board:

The Bond Oversight Committee recommends consideration of an independent third party to act as owner’s representative on a regular basis. Rationale: Bernards’ role has changes; it now has quality control responsibilities, but not quality assurance responsibilities and simultaneous responsibility may constitute a conflict of interest on Bernard’s behalf. Additionally, the District would benefit from independent oversight of financial reporting prepared by Bernards. Financial Impact: unknown.

2. Review and Comment on Lease-Lease Back Documents

Mr. Osterhout noted that, while he is not an expert in this type of contract, it generally looked good to him. He suggested that the District not delete any of the currently drafted provisions, but just need to fill in the blanks. Ms. Paralusz concurred that the required boilerplate contractual terms are there.

Mr. Lear questioned why there is no arbitration clause in the agreement.

Mr. Reppucci asked who holds the contingency funds. He suggested that the process for drawing down the contingency should be better defined. With respect to change control, Mr. Reppucci further noted that it would be appropriate that corrections to schedule “shall” be incorporated, rather than “considered.”

Ms Paralusz noted that the District cannot impair the Developer’s ability to delivery on the contract but should have the ability to hold Developer to the tenets of the contract.

The Committee also discussed and requested clarification of the verbiage of the “COR.”

Public Comments

None

Items for Future Meetings

The following items will be discussed at the next meeting:

1. Approval of April 11, 2011 meeting minutes

2. Next Quarterly Report

3. Update on Manhattan Beach Athletic Foundation efforts

The next regularly scheduled Committee meeting will be held in July 2011 unless otherwise noticed.

Adjournment

Ms. Paralusz moved to adjourn the meeting at 8:36 pm, seconded by Mr. Daviduk and unanimously approved by the Bond Oversight Committee.

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

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

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

District Personnel Steve Romines, Rick Bagly

Board of Trustees none

Call to Order The meeting was called to order by Mr. Lear at 7:06 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 of Budget to Actuals and Timelines

Mr. Romines welcomed Rick Bagby to the District its new Assistant Superintendent, replacing Mr. Romines who retired from this role effective September 1, 2011. Mr. Romines has been brought on board by the District to serve as project manager for the bond measure construction.

Mr. Lear asked Mr. Romines about the process for his selection in this new role. Mr. Romines responded that his prior experience in working on Lease-Lease Back contracts, three in total, was a major factor.

Ms. Vandenberg questioned whether Mr. Romines had concerns about the different role he would assume as day-to-day project manager with responsibility for construction oversight and control as compared to his previous administrative roles. Mr. Romines acknowledged that he will need to recognize when additional expertise may be required. Mr. Romines' involvement is limited to \$30,020 per rules imposed on teachers' retirement.

Mr. Romines presented "revised budget" versus "cost to date" for pre-construction project elements. He noted that while the note under Professional Services indicates that this work is complete, more DSA costs are expected to be incurred under this line item. Mr. Lilligren requested that future expenditure presentations include an estimated cost at completion for each line in addition to the percent expended as currently presented.

Mr. Flake expressed concern that, while it is useful to see the detailed cost information as included in the District report, the budget and expenditure information that has been provided to the Committee doesn't provide a clear or complete picture of the budget status. It is not possible to tell where the budget actually stands.

Ms. Vandenberg had questions about the various supporting engineering and consulting services. Mr. Romines responded that this was work above and beyond the design scope under the Architect's contract, primarily related to redesign of the parking and related site improvements in lieu of moving the tennis courts.

Mr. Flake requested that a summary budget status report be presented by the District at the next meeting. Ms. Vandenberg requested that a list of contractual commitments also be provided at the next meeting.

Mr. Reppucci asked when the Guaranteed Maximum Price (GMP) would be set, as that will be the majority of the budget. He suggested that the GMP should be broken down by major project elements for comparison to prior budgets.

Ms. Vandenberg emphasized that importance of developing a budget reporting process before construction starts. Mr. Osterhout further noted that the Committee needs consistent reporting in order to gain a real understanding of project status – the District has provided different information in different formats at each meeting. This has created gaps in information.

Mr. Romines reported that the GMP deadline is October 19, 2011. The tentative date to close off the upper parking lot to allow the Developer to set up trailers and perform pre-construction activities is Saturday, October 18, 2011.

The following cost detail information were discussed:

- Ms. Vandenberg questioned prior year costs (FY08-09) that were transferred into the bond program and not included in previous cost reports. This included some legal costs.
- Mr. Osterhout asked about Bernards costs that were incurred after the CM contract was terminated on March 31, 2011. Mr. Romines responded that this was work performed on a time-and-materials basis to support District staff with DSA approval efforts.

The District and the Committee agreed that Mr. Flake will work with Mr. Bagley to develop a budget status format for presentation at subsequent meetings.

2. DSA Approval

Final approval of the construction documents was received from DSA in August. In response to question from Mr. Lilligren, Mr. Romines reported that the estimated cost impact of changes required by DSA were \$80K for path of travel improvements around the finger buildings and \$525K for fire shutters

added to the new science building.

3. Lease-Lease Back Contract

Mr. Romines reported that the latest draft of the LLB contract incorporates several rounds of comments, including from legal counsel, DSA, and prior input from the Committee.

The only highlighted change to the contract is the addition of an owner-controlled insurance program (OCIP), which is expected to save the District money over the Developer purchasing its own project-specific insurance policy. Additionally, the OCIP requires that the Developer attend weekly safety meetings conducted by the insurer, which is expected to improve site safety and minimize safety liability.

Ms. Vandenberg asked for clarification on the role of the Project Inspectors. Mr. Romines responded that the two full-time DSA inspectors will serve as Inspectors of Record (IOR). Additionally, the IORs will have the ability to call upon testing and evaluation services to verify material quality and workmanship. Mr. Lilligren reiterated his concern from an earlier Committee meeting that the District have someone beyond DSA to verify that materials are of the quality expected and included in the GMP. Ms. Vandenberg noted that the LLB contract gives the Architect this authority on behalf of the District. Mr. Romines stated that the Architect will have a continuing role during construction.

Committee Business

1. Approval of April 11, 2011 Meeting Minutes

Mr. Flake moved to approve the minutes as written. The motion was seconded by Mr. Sepanek and unanimously approved by the Committee.

Public Comments

None

Items for Future Meetings

The following items will be discussed at the next meeting:

1. Approval of May 2, 2011 meeting minutes

2. District presentation of Budget Status

3. District presentation of Contract Commitments

4. District presentation of Major Activities since last Quarterly Report (March 31, 2011)

5. Confirmation of reappointment of Committee members whose terms expire in December 2011, including District review of potential disconnect between Committee terms as described in the By Laws as compared to the Education Code.

6. Committee Organization – election of officers

7. Review of materials presented on the website. Mr. Reppucci will work with Ms. Robinson and the District to review and update.

Adjournment

Ms. Vandenberg moved to adjourn the meeting at 8:25 pm, seconded by Mr. Lilligren and unanimously approved by the Bond Oversight Committee.