

School Board Workshop - Bond Oversight Committee
Briefing for FY18 Q1
Quarter Ended September 30, 2017

The Quarterly Report consists of an Introduction and the following eight sections:

- Section 1 ---Technology School Board Broward County (SBBC) Schools;
- Section 2 --- Technology Charter Schools;
- Section 3 --- Music & Art Equipment;
- Section 4 --- Athletics;
- Section 5 --- Facilities & Construction;
- Section 6 --- Budget Activity;
- Section 7 --- Supplier Diversity Outreach Program;
- Section 8 --- Communications.

SECTION 1 --- TECHNOLOGY / SBBC SCHOOLS

None

SECTION 2 --- TECHNOLOGY / CHARTER SCHOOLS

None

SECTION 3 --- MUSIC & ART EQUIPMENT

None

SECTION 4 --- ATHLETICS

TRACK PROJECTS

RECOMMENDATION 1

Florida TaxWatch recommends the District brief the Committee on the reasons for the delays in completing the remaining seven track resurfacing projects. Further, the Committee should make clear its expectation that future Athletics Reports include explanations for any project that is delayed.

RESPONSE:

Delays in completing the remaining seven (7) track projects were a result of the need for extended negotiations, the outcome of which resulted in cost savings. These items have been resolved and coordination with the vendor to schedule the work in an efficient manner is actively underway. The remaining seven tracks are on target for completion by the end of first quarter (Q1) 2018. The District looks forward to reporting the noteworthy progress made in the next BOC report.

RECOMMENDATION 2

Florida TaxWatch recommends the District revisit the Park Trails Elementary School change order and make changes to the "Financially Active Projects Detail Schedule for Quarter Ended September 30, 2017" section in the "SMART Program Budget Activity Report" (Section 6) and the School Spotlight as needed to more accurately reflect the status and funding of these projects.

RESPONSE:

The Budget Activity expenditures for two completed track projects was mistakenly not included in the FY18 Q1 BOC Report due to an error in the reporting database. The error has been corrected and the expenditures for the two completed projects will be included in future BOC quarterly reports.

- Pioneer Middle School – Track Resurfacing
Status = Complete
Total Expenditures = \$45,111
- Seminole Middle School – Track Resurfacing
Status = Complete
Total Expenditures = \$45,100

WEIGHT ROOM PROJECTS

RECOMMENDATION 3

Florida TaxWatch recommends that schedules for completing the weight room projects at Boyd Anderson, Flanagan, Coral Springs, and Northeast high schools be included in the next quarterly report.

RESPONSE:

The above listed weight room school schedules were included in the Athletics portion of the quarterly report. Coral Springs High School can be found on page 99, Boyd Anderson High School is on page 104, Charles Flanagan High School is on page 107 and Northeast High School is on page 123. We will continue to include all thirty weight room school schedules in all future reporting. Please contact Shawn Cerra, Director of Athletics and Student Activities, at 754-321-2550 if you have any additional questions or concerns.

SECTION 5 --- FACILITIES CONSTRUCTION CHANGE ORDERS

RECOMMENDATION 4

Florida TaxWatch recommends the District brief the Committee on the need for these change orders, and what the District is doing to contain costs and mitigate future cost increases.

The District reports \$178,694 in change orders approved during the quarter for the following:

- Blanche Ely High School --- a change order for the building demolition and re-roofing of building 4 increased the forecasted cost to complete from \$129,557 to \$144,641.
- Park Trails Elementary School – a change order for extending water service increased the forecasted cost to complete from \$692,860 to \$736,247.

- Riverglades Elementary School – a change order for the new 24 classroom addition increased the forecasted cost to complete from \$5,187,000 to \$5,358,490.

RESPONSE:

Below is an overview addressing the change orders at the three schools identified in Recommendation 4,

- **Blanche Ely High School:** The change orders for Blanche Ely reflect costs to address unforeseen conditions that impacted the ability to complete the re-roofing of building 4.

Change Order Item 1: During relocation of the piping and mechanical components necessary to re-roof the building, the contractor needed to prepare and submit signed and sealed shop drawings for the temporary and permanent mechanical supports as well as install these supports.

Change Order Item 2: The new roof joists required to re-roof the building were deeper than the existing joists and required permanent relocation of water lines, conduits, and electrical feeders to eliminate interference and provide clearance with the new joists.

- **Riverglades Elementary School** - The 24-classroom addition is not a SMART project and should not have been included in the SMART reporting for the quarter.
- **Park Trails Elementary School** - The 3 modular classrooms at Park Trails Elementary School are not part of the SMART Program and should not have been included in the SMART reporting for the quarter.

With the overall nature of the SMART Program improvements primarily focusing on existing building system replacements, the original scope of work may be subject to change orders due to unforeseen conditions. This is typical and to be expected given the nature of this type of renovation work. For this reason, a change order allowance is allocated to each project. To mitigate the number of change orders, design consultants have been using destructive and non-destructive testing to further validate and define actual scope requirements during the design process. When a change proposal has been generated by the contractor, the first step is to have the Designer of Record confirm that the request is valid and not covered in the construction documents. When confirmation is received that the proposal is valid, the Change Order price is evaluated by the Project Manager and Atkins to confirm pricing is reasonable and fair. Change order requests that significantly impact the overall budget are then brought forth to the Board for consideration and approval.

RECOMMENDATION 5

Florida TaxWatch recommends the District revisit the Park Trails Elementary School change order and make changes to the "Financially Active Projects Detail Schedule for Quarter Ended September 30, 2017" section in the "SMART Program Budget Activity Report" (Section 6) and the School Spotlight as needed to accurately reflect the status and funding of these projects.

RESPONSE:

The 3 modular classrooms at Park Trails Elementary School are not part of the SMART Program.

AMENDMENTS

RECOMMENDATION 6

Florida TaxWatch recommends the District brief the Committee on the need for these amendments, and what the District is doing to mitigate future cost increases.

RESPONSE:

The amendments in question reflect funding allocations needed for the work to progress to the next level of the Construction Management at Risk (CMAR) process. Original funding in contractor agreements were for pre-construction services. As the projects move towards the next phase of implementation, Guaranteed Maximum Price 1 (GMP), additional budgeted funds are allocated to cover the implementation costs, including general conditions and hard costs. The contract amendments reported in the quarterly report were misinterpreted to be an increase in budget. Rather they represent a portion of the overall ADEFP budget for that school. The approach of releasing funds systematically and in a phased manner is customary with a CMAR delivery method. This approach is being applied to these projects as intended and planned. The District will be clear in communicating the purpose of such amendments in future reports.

RECOMMENDATION 7

Florida TaxWatch recommends that the District revisit these projects and make changes to the "Financially Active Projects Detail Schedule for Quarter Ended September 30, 2017" section in the "SMART Program Budget Activity Report" (Section 6) and the School Spotlights as needed to more accurately reflect the status and funding of these projects.

RESPONSE:

The contract amendments reported in the quarterly report were misinterpreted to be an increase in budget. Rather they represent a portion of the overall ADEFP budget for that school. The District will be clear in communicating the purpose of such amendments in future reports.

SECTION 6 --- BUDGET ACTIVITY COMPLETED PROJECTS

RECOMMENDATION 8

Florida TaxWatch recommends the District revisit the status of the HVAC improvements at the Dr. Martin Luther King, Jr., Montessori Academy and make changes to the "Financially Active Projects Detail Schedule for Quarter Ended September 30, 2017" section in the "SMART Program Budget Activity Report" (Section 6) and the School Spotlight as needed to more accurately reflect the status and funding of this project.

RESPONSE:

The primary renovation project for Dr. Martin Luther King, Jr., Montessori Academy includes HVAC work that was completed outside of the general contract. The chiller replacement was completed by the District's Physical Plant Operations department (PPO) as an emergency replacement. The chiller replacement is part of the primary renovations and will be reflected accordingly in future BOC quarterly reports. This will keep the school spotlight and the financially active details in synch.

SECTION 7 --- SUPPLIER DIVERSITY OUTREACH

RECOMMENDATION 9

Florida TaxWatch recommends the District explain the apparent loss of 70 active certified S/M/WBE firms since the end of the last quarter.

RESPONSE:

The District's Supplier Diversity Outreach Program (SDOP) identifies and certifies qualified Small/Minority/Women Business Enterprises (S/M/WBE) to engage in competitive solicitations that are available throughout the District. The Q1 BOC Report reflects a decrease of 70 Minority/Women Business Enterprise (M/WBE) Certified Companies from the Q4 BOC Report. The decrease in the number of Certified M/WBE firms is primarily due to the new Policy 3330 SDOP "Significant Business Presence" (SBP) Certification requirement. To meet the SBP requirement, a business must be located/headquartered in the market area of Palm Beach, Broward, or Miami-Dade County for a least one year. Staff notified the certified businesses located outside of the Tri-County of the Policy 3330 SBP requirement and provided those businesses an opportunity for validation. Those businesses that did not meet the requirement or did not respond were removed from the program.

RECOMMENDATION 10

Florida TaxWatch recommends the District step up its efforts to award purchase orders to women-owned firms.

RESPONSE:

The District's SDOP strives for continuous improvement by ensuring participation of women-owned firms in procurement and contracting activities. The Q1 Cumulative Spend Up to FY 18 of the BOC Report indicates the Total Minority Spend for WBEs as less than 1%. However, the Report's Introduction shows that there was an M/WBE Participation Commitment of \$4.2 million (includes primes and subcontractors). Of the \$4.2 million, \$2 million or 48% was committed to Women-Owned Firms: \$1,523,510 commitment to Minority Women Business Enterprise and \$496,187 commitment to Women Business Enterprise. It is important to note that once these projects become active, the commitments to primes will convert to purchase order spend. Equally important, it is our goal to build capacity in the subcontractors/subconsultants to become primes in the future.

RECOMMENDATION 11

As part of its ongoing outreach efforts, the District should continue to step up its efforts to recruit and retain qualified S/M/WBEs for all SMART Program categories.

RESPONSE:

The District's SDOP has recently completed and is implementing its Communication Plan that is inclusive of targeting existing certified firms. SDOP assists existing certified firms to actively seek to do business with the District. As a part of the marketing outreach, SDOP continues to build awareness of the program, share the benefits to certification, provides information on up-coming

procurement opportunities, and assists businesses navigate through the procurement process. SDOP continues to be effective partners with businesses and community stakeholders to provide quality customer service. It is our goal to build capacity of contractors and consultants by creating increased opportunities for underutilized business to do business with SBBC.

SECTION 8 --- COMMUNICATIONS

None