





# TABLE OF CONTENTS

<b><u>Section</u></b>	<b><u>Page</u></b>
Introduction	1
District Facilities Program óA Perspective	2
Executive Summary	4
Kp fgrgpfgpVRgthq to cpegCwfkq tuiTgrqtv	6
Compliance with Ballot Language	7

Scope, Process and Monitoring of Participation by Local Firms	67
Effectiveness of the Communication Channels among All Stakeholders within the Bond Program	69
Survey Results	74
Overall Bond Program	75
Appendix A óMeasure B Bond Language	78
Appendix B óMeasure D Bond Language	80
Appendix C óReference Documents	83
Appendix D óDistrict Status Regarding Findings and Recommendations	85

## **INTRODUCTION**

On March 5, 2002, the West Contra Costa Unified School District submitted for voter approval Measure D, a measure to authorize the sale of \$300 million in bonds to improve school facilities. The measure was approved by 71.6 percent of the voters. Since the bond measure was placed on the ballot in accordance with Proposition 39, it required 55 percent of the vote for passage.

Article XIII of the California State Constitution requires an annual independent performance audit of

**DISTRICT FACILITIES PROGRAM 6A PERSPECTIVE**

While the scope of the annual performance audit report is limited to Measure M and Measure D, it is

Based on a 2004-05 total assessed valuation of \$19.7 billion, the Y gvEqvtc'EqucWpklgf'Uejqqn'F kvteva"fgdv'ho kv' is as follows:

<b>Percent</b>	<b>Debt Limit</b>
2.5	\$492 million
3.0	\$590 million

<sup>2</sup> Certificates of Participation (COPs) are loans, not a source of funds. COPs are repaid over time from collected developer fees.

<sup>3</sup> Developer fees are imposed on residential additions and commercial projects (Level 1) and new residential construction (Level 2). Total revenues include interest earnings.

## EXECUTIVE SUMMARY

This annual audit, conducted between May 2005 and November 2005, includes an examination of the

District and Professional Services Staffing Plan for the Bond Program  
Master Architect/Engineer Plan  
Standard Construction Documents  
Design and Construction Schedules  
Design and Construction Costs Budgets  
District Policies and Guidelines for Facilities Program  
Bidding and Procurement Procedures  
Change Order and Claim Avoidance Procedures  
Payment Procedures  
Best Practices in Procurement



It appears that the District has taken significant steps to address the findings presented in the prior annual performance audits and midyear reports. As a result, TSS has observed substantial improvements in the processes, procedures and controls in many areas.

The readers of this report are encouraged to review the report of the independent financial auditors in

KPFGRGPF GPV'RGTHQ TO CPEG'CWFKVOT d'UTGROTV

**Board of Education  
West Contra Costa Unified School District  
Richmond, CA 94804**



The ballot language contained in Measure D is presented in full in Appendix B. The essence of the language appears in the excerpt below.

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the West Contra Costa Unified School District shall be authorized to issue and sell bonds of up to \$300,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified í

While the Measure D ballot focused on secondary school projects, the bond language was broad enough to cover the following three categories of projects for all schools:

I. All School Sites

Security and Health/Safety Improvements

On April 19, 2003, the Board of Education merged the two separate oversight committees for Measure M and Measure D into one body, with the caveat that the new committee would use the more stringent Proposition 39 requirements.

As of June 30, 2005, the District has expended \$97,045,630 (32.3 percent) of the \$300 million Measure D bonds. All of the expenditures for Measure D were for projects within the scope of its ballot language. TSS finds the West Contra Costa Unified School District in compliance with the language contained in Resolution 42-0102.

## FACILITIES PROGRAM HISTORY/STATUS

and decisions that resulted in the increased scopes and costs for projects, this report documents the events that have taken place from July 1, 2004, through June 30, 2005. Major actions of the Board of Education are listed in the table below.

### **Chronology of Facilities Events since July 1, 2004.**

DATE	ACTION	AMOUNT
July 7, 2004	Approval of Staff Secretary to the Engineering Officer (bond funded position).	
July 7, 2004	Approval of contract for Downer site work and portables. (4 bids)	\$260,218
July 7, 2004	Approval of contract for Hanna Ranch & Chavez site work and playground projects. (1 bid)	\$755,115
July 7, 2004	Approval of contract for site work and utilities for portables at Portola Middle to house Kensington students during construction. (3 bids)	\$869,000
July 7, 2004	Approval of Measure M-1B testing and inspection contract.	\$132,975
August 4, 2004	Approval of Campus Safety Technician (bond funded position).	\$100,000
August 4, 2004	Approval of contract for Measure D projects site survey work.	\$106,340
August 4, 2004	Ratification of Approved August 63 404.84T7o8tu7(o)-5.9(r)-257.3(M)-2.spe	

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
December 15, 2004	School Redistricting óProposed Changes. (Close El Sobrante in June 2005 and consolidate with Murphy; close Seaview in June 2005 and consolidate with Shannon and Collins; close Fairmont in June 2005 and consolidate with Harding.)	
January 5, 2005	Increase in Level 2 Developer Fees from \$3.88 per square foot to \$4.03 per square foot.	
January 5, 2005	Ratification and approval of January 2005 negotiated change orders for Measure M-1A and M-1B and Measure D Pinole Valley High School track.	\$1,776,191
January 5, 2005	Approval of General Contractor Prequalification Program for Measure D-1A projects and Downer Elementary.	
January 5, 2005	Notice of Completion óSeven (7) Measure M-1B Temporary Housing Projects (Portables).	
January 5, 2005	Approval of E-Rate consulting services.	\$58,520
January 19, 2005	Approval of contract for Geotechnical consulting for Measure D-1A projects and Downer Elementary.	\$113,000
January 19, 2005	Proposed use of developer fees for various projects.	
February 2, 2005	LqkpvO ggwp i "qhDqctf "qhGfwecvqp "cpf 'EkkjgpuøDqpf 'Qxgtuki jv' Committee.	
February 9, 2005	Ratification and approval of February 2005 negotiated change orders for Measure M-1A and M-1B projects.	\$878,887
February 9, 2005	Approval of site work for temporary housing at El Cerrito High School (7 bids)	\$3,444,000
February 9, 2005	Board ratification of Measure D-1B project architects (AORs), DeAnza High School.	\$637,675
February 9, 2005	Board adjustment of contracts for Measure D-1A project architects, Portola and Helms.	\$421,369
February 9, 2005	Notice of Completion óKensington Temporary Housing Project (Portables).	
February 15, 2005		

<b>DATE</b>	<b>ACTION</b>	<b>AMOUNT</b>
April 25, 2005	Approval of contract for El Cerrito High School demolition (5 bids)	\$2,068,429
May 4, 2005	Ratification and approval of April 2005 negotiated change orders for Measure M-1A, M-1B and D-1A projects	\$1,789,082
May 4, 2005	Appointment of one (1) new member and one (1) new alternate and reappointment of three (3) current members)	
May 4, 2005	Public hearing and adoption of proposed Hercules Middle School site Preliminary Environmental Assessment Report (former Wastewater Treatment Plant 612 acres).	
May 18, 2005	Approval of District/City of Pinole Joint Use Agreement for Pinole Middle School gymnasium and fields. Contributions: City - \$2,000,000, State/District - \$3,500,000	
May 18, 2005		



The Board of Education approved the Facilities Master Plan on October 18, 2000, prior to any Board action or direction on construction quality standards, grade-level configuration, school/site sizes (minimum and maximum), potential school closures/consolidation, replacement vs. modernization threshold, the impact of project labor agreements, local bidding climate, and so forth. The Facilities Master Plan provides useful information on the age and conditions of existing schools, inventory of sites and facilities, the need for new schools, replacement needs of some schools and modernization/renovation needs. The identified need of approximately \$500 million for new construction and modernization . "jqy gxgt."wpfgtucvqf"vjg"Flutkewu"cewcn'pggfuoVjg

To provide direction to the WLC/SGI team and future project architects, the Board considered various construction quality standards to apply to Measure M projects. At its meeting of May 15, 2002, the Board was presented with a number of options ranging from \$181 million, the estimated total revenues for Measure M including interest, to \$465 million. These options appear in the table below.

Options (Quality Standards)	Measure M Estimated Expenditures in millions of dollars (\$1,000,000s)
1 Modernization Standard (\$100/square foot)	181
1A Base Standard (\$145/square foot)	246
1B Base Standard (\$145/square foot)	319
<b>1C Base Standard (\$145/square foot)</b>	<b>345</b>
2A Reconstruction Standard (\$175/square foot)	387
2B Reconstruction Standard (\$175/square foot)	440
2C Reconstruction Standard (\$175/square foot)	465

The Board of Education selected Option 1C (\$345 million), at that time estimated to be sufficient to complete the first eighteen (18) elementary schools. The Board knew that work at twenty-one (21) schools would have to wait for future funding through Measure D or other future funding sources.

Before the adoption of Option 1C standards on May 15, 2002, the Board was aware that additional revenues were needed. The Board authorized Measure D, a \$300 million measure on November 28, 2001, which passed on March 5, 2002. While the primary purpose of Measure D was to address secondary school facilities needs, the bond language allowed funds to be used on elementary school projects as well.

After the adoption of the Option 1C standards and the passage of Measure D, projects were phased into M-1A, nine (9) schools; M-1B, nine (9) schools; and D-1, five (5) schools. The District adjusted the project budgets to reflect Option 1C quality standards, and the WLC/SGI contract was amended to incorporate the new budgets.

The District administration and the Board recognized that, as the facilities program approached the construction stage, proper program management to facilitate construction was needed. Accordingly, the Board authorized a total of eight (8) new District employees; hired project architects for phases M-1A and M-1B and onsite DSA inspectors; approved a project labor agreement, a labor compliance program and leases for one hundred twelve (112) interim-use portables; prequalified general contractors; and employed the services of a materials testing laboratory.

Construction contracts for the nine (9) Measure M-1A schools were awarded in June and July 2003. The status of the Phase 1A projects is presented in Table 4 in this section. As additional information became available, the District had to increase the budgets for M-1A projects. The original Option 1C standard budget of \$83.1 million of June 15, 2002, was adjusted to \$91 million on September 18, 2002; to \$113.2 million in September 2004; and to \$120.7 million in August 2005, based on awarded contracts, change orders and other costs.



Overall, the prequalification process was as follows:

<b>Processes</b>	<b>Number of Firms</b>
Prequalification	32
Firms Submitting Bids	12
Firms Awarded Seventeen (17) Contracts	7

While the prequalification process excludes unqualified construction contractors, the process does not ensure a high number of bidders.

Phase D-1A projects are still in ifi L I v \_ \_ \_ n k

**Table 1. Measure M-**

**Table 3. Measure D-1A Projects. Total Estimated Costs. (Construction and Soft Costs).**

<b>School</b>	<b>Year Built</b>	<b>Capital Projects Cost Estimates<sup>1</sup></b>	<b>Capital Projects Cost Estimates<sup>2</sup></b>
De Anza High <sup>3</sup>	1955	\$2,708,630	\$3,445,442
El Cerrito High	1938	97,145,328	94,939,606
Helms Middle	1953	52,559,865	52,554,633
Pinole Middle	1966	36,859,208	37,664,549
Portola Middle	1950	34,140,175	35,641,470
<b>Total</b>		\$223,413,205	\$224,245,702

<sup>1</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, September 13, 2004.

<sup>2</sup> Budgets from Capital Assets Management Plan/Reconciliation Report, August 24, 2005.

<sup>3</sup> Reduced in scope to planning only.





**Table 5. Measure M-1B. Budget, Contracts and Schedule.**

<b>School</b>	<b>Bayview</b>	<b>Ellerhorst</b>	<b>Kensington</b>	<b>Mira Vista</b>	<b>Murphy</b>	<b>Sheldon</b>	<b>Tara Hills</b>	<b>Washington</b>	<b>Total Phase M-1B</b>
Budget (August 24, 2005)									



**Table 6. Measure D-1A. Budget, Contracts and Schedule.**

**School**                      **El Cerrito High**

**MEASURE D AND MEASURE M EXPENDITURE REPORTS**

**MEASURE D**

To ensure a comprehensive performance audit, Total School Solutions (TSS) reviewed all Measure D projects, and selected several for more extensive examination. As of June 30, 2005, thirty-two (32) percent of total Measure D bond funds authorized have been spent.

**Measure D Bond Issuance and Expenditures as of June 30, 2005.**

Total bond authorization	\$300,000,000
Total bond issues as of June 30, 2005 (Series A, B and C)	\$200,000,000
Expenditures through June 30, 2005	\$97,045,630
	(32 percent of total authorization)

**Measure D Expenditures Report.**

<b>Audit Projects</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>Total</b>
Bayview Elementary (M-1B)		\$	\$	\$8,247,067	\$8,247,067
Downer Elementary (M-1B)				553,216	553,216
Ellerhorst Elementary (M-1B)			301,424	5,853,517	6,154,941
Harding Elementary (M-1A)				68,487	68,487
Kensington Elementary (M-1B)				10,816,546	10,816,546
Transition Learning Center (D-1B)		157,132	(52,521)		104,611
Lincoln Elementary (M-1A)				441,818	441,818
Madera Elementary (M-1A)				45,833	45,833
Mira Vista Elementary (M-1B)				6,979,274	6,979,274
Montalvin Elementary (M-1A)				91,024	91,024
Peres Elementary (M-1A)				16,771	16,771
Riverside Elementary (M-1A)				72,798	72,798
Shannon Elementary (M-2B)				44,997	44,997
Sheldon Elementary (M-1B)				8,854,372	8,854,372
Stewart Elementary (M-1A)				1,956	1,956
Tara Hills Elementary (M-1B)				6,386,284	6,386,284
Verde Elementary (M-1A)				47,906	47,906
Vista Hills			3,852	17,093	20,945
Washington Elementary (M-1B)				8,074,869	8,074,869
Harbour Way Elementary (D-2A)		151,969	(55,232)		96,737
Adams Middle (D-1B)		364,207	64,374	168,354	596,935
Crespi Middle (D-2)		350,859	56,655	17,572	425,086
Lovonya DeJean Middle (D-1A/B)		1,556,544	217,777	(1,774,321)	0
Helms Middle (D-1A)		473,858	1,254,346	1,506,975	3,235,180

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<b>Audit Projects</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>Total</b>
Hercules Middle (D-1B)	60	620,973	3,001		624,033

## Measure M Expenditures Report.

<b>Audit Projects <sup>1,2</sup></b>	<b>2000-01 and 2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>Total</b>
Bayview Elementary (1B)	\$101,179	\$203,031	\$1,681,995	\$1,397,074	\$3,383,279
Chavez Elementary (3)	3,504	60,208	55,142	360,567	479,421
Castro Elementary (2A)	88,836	280,872	24,486	26,178	



## STATE NEW CONSTRUCTION ELIGIBILITY

As reported in the performance audit report for the period ending June 30, 2004, new construction eligibility was established based on CBEDS enrollment data for the 2002-03 school year (SAB 50-01, 50-02 and 50-03). Based on those data, new construction eligibility existed within the Hercules and Pinole Valley high school attendance areas. The individual and combined eligibilities of the Hercules/Pinole Valley attendance areas, at that time, are presented in the table below.

### **New Construction Eligibility: Hercules/Pinole Valley Attendance Areas (2002-03 CBEDS)**

<b>Attendance Area</b>	<b>Eligibility</b>				
	<b>K-6</b>	<b>7-8</b>	<b>9-12</b>	<b>Non-Severe</b>	<b>Severe</b>
Hercules	856	52	1,570	60	19
Pinole Valley	(831)	(70)	201	23	53
<b>Total</b>	<b>25</b>	<b>(18)</b>	<b>1,771</b>	<b>83</b>	<b>72</b>
Hercules/Pinole (Combined)	19	(83)	2,146	78	23

Eligibility forms SAB 50-01, 50-02 and 50-03 were updated based on 2003-04 CBEDS enrollment data, resulting in the following adjustment to eligibility:

### **New Construction Eligibility: Hercules Attendance Area (2003-04 CBEDS)**

<b>Attendance Area</b>	<b>Eligibility</b>				
	<b>K-6</b>	<b>7-8</b>	<b>9-12</b>	<b>Non-Severe</b>	<b>Severe</b>
Hercules	(415)	222	1,008	15	5

The District submitted new forms on August 19, 2004, which were approved by the SAB on January 26, 2005.

The data above show that eligibility no longer exists within the Pinole Valley High School attendance area and that eligibility has declined in the Hercules High School attendance area. It should be noted that eligibility for one grade group may be used for a project in another grade group. The state grant assigned to the eligibility for the original grade group determines the actual state grant.

New construction eligibility must be calculated based on current CBEDS enrollment data (October of each year) at the time a district files an application for a new construction project (SAB 50-04). That filing cannot occur until a project has completed the California Environmental Quality Act (CEQA) process and has obtained clearance from the Department of Toxic Substances Control (DTSC), approval from the Division of State Architect (DSA), and approval from the California Department of Education (CDE).

The District has been working with the city of Hercules to identify and obtain sites for a new elementary school and a new middle school. The status of the two sites under consideration is described below.



## STATE MODERNIZATION STATUS

This section highlights the current status of the modernization of the sixty-five (65) existing campuses in the District.

Eligibility for a modernization project is established when form SAB 50-03 is filed with the state, and the State Allocation Board (SAB) approves the application. A school district designs and submits a project to the Division of State Architect (DSA) and the California Department of Education (CDE). The district awaits both the approval of the SAB and the approval of the UCSD, which establishes funding for a project. If necessary, a district may have to file a revised SAB 50-03 to reflect the most recent enrollment data. After a project has been bid, the district files form SAB 50-05 to request a release of state funds for the project.

Twenty-six (26) elementary school projects that have completed the SAB 50-03, SAB 50-04 and SAB 50-05 processes to date include nine (9) Quick-Start projects, nine (9) Phase M-1A projects, and eight (8) Phase M-1B for which the District has respectively received \$3,863,449, \$9,943,161, and \$12,282,748. In addition, the District received \$65,579 from the state for rehabilitation work at Lincoln. Except for program management and master architect services at numerous schools, most available Measure M bond funds have been allocated to these twenty-six (26) elementary school projects and no future projects are planned at the remaining sixteen (16) elementary schools at this time.

Secondary schools to be funded under Measure D are still in the architectural design stage; none of these projects has reached the SAB 50-04 filing stage at this time.

The tables below summarize Quick-Start, Phase M-1A and Phase M-1B projects.



### State Allocation Board Modernization Funding for Measure M-1A Projects.

SAB # 57/	School	SAB Fund Release Date	SAB Grant Amount	District Match Requirement
10	Verde Elementary	9/02/03	\$1,161,510	\$774,340
		5/09/05	18,584	12,390
11	Peres Elementary	9/25/03	1,448,206	1,086,084
		5/09/05	20,273	13,515
12	Stewart Elementary	9/25/03	1,128,998	752,665
		5/09/05	18,064	12,043
13	Montalvin Elementary	10/2/03	303,687	202,458
		5/09/05	9,600	6,400
14	Madera Elementary	9/02/03	1,197,753	798,502
		5/09/05	19,164	12,776
15	Lincoln Elementary	9/25/03	320,804	213,869
		5/09/05	9,600	6,400
16	Riverside Elementary	9/25/03	1,172,709	781,806
		5/09/05	18,763	12,509
17	Hercules Elementary	9/25/03	1,129,032	752,688
		5/09/05	18,065	12,043
19	Harding Elementary	9/25/03	1,927,340	1,337,429
		5/09/05	21,009	14,006
	<b>Total</b>		<b>\$9,943,161</b> <b>(60%)</b>	<b>\$6,801,923</b> <b>(40%)</b>

### State Allocation Board Modernization Funding for Measure M-1B Projects.

SAB # 57/	School	SAB Fund Release Date	SAB Grant Amount	District Match Requirement
18	Murphy Elementary	10/14/04	\$1,575,213	\$1,109,008
		5/09/05	20,359	13,572
20	Ellerhorst Elementary	10/14/04	1,333,337	888,891
		5/09/05	19,533	13,023
21	Tara Hills Elementary	10/14/04	1,481,926	987,951
		5/09/05	19,905	13,270
22	Sheldon Elementary	10/14/04	321,711	214,474
		5/09/05	9,600	6,400
23	Kensington Elementary	10/14/04	1,255,505	837,003
		5/09/05	19,339	12,892
24	Bayview Elementary	10/18/04	2,513,112	1,675,408
		5/09/05	21,962	14,641
25	Mira Vista Elementary	10/14/04	1,508,020	1,078,603
		5/09/05	20,245	13,496
26	Washington Elementary	10/14/04	2,141,769	1,427,846
		5/09/05	21,213	14,141
	<b>Total</b>		<b>\$12,282,748</b> <b>(60%)</b>	<b>\$8,320,619</b> <b>(40%)</b>

**State Allocation Board Rehabilitation Funding**

<b>SAB # 58/</b>	<b>School</b>	<b>SAB Fund Release Date</b>	<b>SAB Grant Amount</b>	<b>District Match Requirement</b>
01	Lincoln Elementary		\$654,579 (100%)	\$ 0 (0%)
<b>Grand Total</b>			<b>\$26,743,937</b>	<b>\$17,731,976</b>

**Existing Campuses. Elementary Schools. Updated June 30, 2005.**

<b>No.</b>	<b>Existing Campus</b>	<b>Grade</b>	<b>Bond (Phase)</b>	<b>SAB#<sup>1</sup></b>	<b>SAB Eligibility Approval (50-03)</b>	<b>Eligibility Enrollment</b>	<b>SAB Project Approval (50-04)</b>	<b>SAB Fund Release (50-05)<sup>2</sup></b>	<b>SAB Grant Amount (%)<sup>3</sup></b>
104	Bayview (1952)	K-6	M(1B)	024	07/26/00	585	09/22/04	10/18/04 05/09/05	\$2,513,112 (60%) 21,962
108									

No.	Existing Campus	Grade	Bond (Phase)	SAB# <sup>1</sup>	SAB Eligibility Approval (50-03)	Eligibility Enrollment	SAB Project Approval (50-04)	SAB Fund Release (50-05) <sup>2</sup>	SAB Grant Amount (%) <sup>3</sup>
135	Lincoln (1948) (1994)	K-5	M(1A)	015 58/001 <sup>1a</sup>	07/26/00	61	08/27/03	09/25/03 05/09/05	\$320,804 (60%) 9,600
137	Madera (1955)	K-5	M(1A)	014	07/26/00	350	07/23/03	05/03/05 05/26/05	654,579 (100%)
139	Mira Vista (1949)	K-6	M(1B)	025	07/26/00	366	08/25/04	09/02/03 05/09/05	\$1,197,753 (60%) 19,164
140	Montalvin (1965) (1994)	K-6	M(1A)	013	02/23/00	75	08/27/03	10/14/04 05/09/05	\$1,508,020 (60%) 20,245
142	Murphy (1952)	K-6	M(1B)	018	03/22/00	425	08/04/04	10/02/03 05/09/05	\$303,687 (60%) 9,600
144	Nystrom (1942) (1994)	K-5	M(Q,2A)	003	03/22/00	205	04/23/03	10/14/04 05/09/05	\$1,575,213 (60%) 20,359
146	Ohlone (1970) <sup>4</sup>	K-5	M(3)	000					
145	Olinda (1957) <sup>4</sup>	K-6	M(2A)	000					
147	Peres (1948) <sup>3</sup>	K-6	M(1A)	011	07/26/00	422	08/27/03	09/25/03 05/09/05	\$1,448,206 (60%) 20,273
150	Riverside (1940)	K-6	M(1A)	016	03/22/00	283	08/27/03	09/25/03 05/09/05	\$1,172,709 (60%) 18,763
152	Seaview (1972) <sup>4</sup>	K-6	M(3)	000					
154	Shannon (1967) <sup>4</sup>	K-6	M(2B)	000					
155	Sheldon (1951) (1994)	K-6	M(1B)	022	07/26/00	99	08/25/04	10/14/04 05/09/05	\$321,711 (60%) 9,600
157	Stege (1943)	K-5	M(2A)	N/A	Not eligible				
158	Stewart (1963) (1994)	K-8	M(1A)	012	03/22/00	408	08/27/03	09/25/03 05/09/05	\$1,128,998 (60%) 18,064
159	Tara Hil Tw /Tl n()-4.3(1)-5.9(9)-5.9(5)-5.9(1			321.35 229.91	Tm	[(N/-11.9(A)]TJ	ET	Q .8()-4.3(1)-5.9(9)-5.9(4)-5 Tm	[(T)-15.4(a







**BIFURCATION OF THE MASTER ARCHITECT AGREEMENT**

During the first performance audit, Total School Solutions (TSS) found that the master architect agreement had created some operational difficulties. The finding notes:

The scope of services provided by the bond program manger (The Seville Group, Inc.), the master architect (WLC) and the project architects overlap to some extent, contributing to a duplication of effort and confusion regarding areas of responsibility and accountability.

The District responded by noting the following:

The Master Architect contract with WCCUSD, by design, has overlap with the Architects of Record (AOR) in several key areas such as Schematic Design and oversight of the construction documents. Kp"cf fkkqp."vjg"F kvtkev."UI K'cpf"Y NE "ctg"ewttgpwn( "gp icilpi "kp"c"oTgerki po gpv" R tqeguö"q "gxcnwcvg"vj gkt"rgthq to cpeg"q "fcvg"cpf "q"eqpukfgt'ej cpi gu'q"lvtgco rke and improve



<b>Category</b>	<b>FTE<sup>1</sup></b>
Construction Management (Other) Amanco, RGM, Van Pelt	3.0
Master Architect (WLC)	9.0
Design Phase Management (Measure D1-A) Don Todd Associates	3.0
<b>Subtotal</b>	<b>15.0</b>
<b>TOTAL Full-Time Equivalent</b>	<b>45.4</b>

<sup>1</sup> FTE stands for full-time equivalent, 1.0 FTE is a full-time employee.

The approximate costs over a five (5) to six (6) year period for the above FTE for Measure M-1A/2A and Measure D-1A follow:

<b>Category</b>	<b>Five (5) to Six (6) Year Cost in Millions of Dollars (\$1,000,000s)</b>
-----------------	--

<b>Budget Category</b>	<b>M-1A Budget</b>	<b>M-1B Budget<sup>1</sup></b>	<b>D-1A Budget</b>
Specialty Consultants	821,470 (0.7%)	851,827 (0.6%)	898,953 (0.4%)
Other			

## **BOND PROGRAM MANAGEMENT COST COMPARISON**

TSS was asked, as a part of this review, to compare the costs currently being incurred for program management with the costs experienced in other similar school district construction programs. In order to properly inform the reader, it is necessary to point out several factors:

Different districts utilize the same position title for different functions.

Different districts utilize different names or position titles for the certain functions.

There are few, if any, school districts currently engaged in construction programs as large as the one the West Contra Costa Unified School District is engaged in except Los Angeles Unified

It must be noted that the existing management structure was developed when virtually no support structure already existed. The few District administrative staff members available at that time were new to the District. Also, there had been no active District facilities program of any kind for a number of years. Furthermore, the District desired schedules which, were aggressive and consequently costlier. Therefore, in the opinion of TSS, the current arrangement and related costs do not appear to be unreasonable

### **BOND FINANCE OFFICE**

TSS performed an analysis of the duties associated with personnel paid from the bond funds. Currently, the bond program funds three (3) fiscal services positions from 50 percent to 100 percent, as follows:

- The Director of Fiscal Services óCapital Projects (funded at 50 percent from bond funds);
- The Senior Director of Bond Finance (funded at 75 percent from bond funds);
- The Principal Accountant óBond Fund (funded at 100 percent from bond funds)

### **Finding**

Difficulties with fiscal aspects persist, as reported in earlier performance audits; and midyear reports and other sections of this report, particularly with respect to vendor payment delays, accounting reconciliation between the District and SGI systems, and duplication of work due to several SGI personnel and several District personnel assigned to various accounting functions.

### **Recommendations**

It is recommended the District consider reorganizing functions, as necessary, to improve internal controls and accounting of funds for District projects. Such reorganization should also provide better control of all accounting functions related to the bondact

**District Response**

The policy of the Bond Finance Office has always been that all payments will be made within 7 to 10 day u'q t'ucvfg "c" fkgtpv/y c{ "dkp" d{ "Y gfpugfc{ "qwd{ "Y gfpugfc{ "ö0"C "ucvkecn'cpcn{uku" of the data shows that this has been the case for over two years. While there are delays in issuing vendor payments, the cause of these delays are not in the Bond Finance Office.

The Bond Finance Office is responsible for maintaining the official general ledger of the District. UI K'o ckpckpu" c" ugrctcvg" i gpgtcn' rfg i gt" y j k e j " o wu' dg" tgeqpekrf" y kj " vj g" F kvtkvau" qhhekn" record. This has been done as of June 30, 2004 and was to be completed on a quarterly basis chngt" vj ku" rqlp0" "V j g" UI K" eqpvtqm" i tqwr" j cu" ceegu" vq" vj g" F kvtkvau" hpcpekn" u{ ugo " cp f" ku" currently working on the reconciliation for the year ending June 30, 2005.

There are little to no designed duplications in services performed by SGI and Bond Finance staff. The SGI staff is under contract to prepare and maintain project budgets, prepare purchase requisitions and process invoices for payment. The District prepares the Purchase Orders as requested and reviews and countersigns transaction submittals for budgets, requisitions and invoice payments. The Bond Finance department does not initiate transactions for bond program funds but does perform oversight review and audit processes on all transaction submitted by SGI for processing.

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## MASTER ARCHITECT/ENGINEER PLAN

### Background

In 2002, the West Contra Costa Unified School District contracted for bond management services through one comprehensive joint contract with Wolf Lang Christopher Architects (WLC) and the Seville Group, Inc. (SGI). The services included overall conceptual development to construction contract management services.

In significant California school construction programs, various participants typically fulfill a number of roles. Significant functions or roles generally include the following:

- Owner
- Architect
- Contractor
- Construction Manager

School districts usually contract with individuals, firms or agents for services associated with the general functions listed above. This separation of responsibilities allows for a set of checks and balances based on the relationships of the separate entities performing their respective functions.

The master architect contract combined all of the elements above except for the contractor. Program management design services and construction management services were, to various degrees, provided under this one contract. This mechanism potentially delivered the advantage of continuity. However, this arrangement also had an inherent flaw in that it runs contrary to the concept of checks and balances typical of more traditional construction programs. Although the master architect contract was creative and potentially productive, this contractual arrangement had the potential for difficulty without the appropriate checks and balances in place.

The annual performance report in 2003 found that the master architect arrangement could create the impression that the bond management team functions in a District staff role. This potential for confusion of roles placed the master architect in a number of difficult situations, including (1) providing services beyond the scope of the contract without payment, (2) declining to provide services, or (3) providing additional services for additional fees. It was recommended that District staff and the leadership of the bond management team meet regularly to review work in progress, planned work and the scope of provided services. The District responded to this finding by strengthening in-house staff to assume more significant and effective effort in this regard was to create and fill the position of District Engineering Officer.

The 2003 report also found that the two architectural firms under one contract have created, or have the potential of creating, uncertainty in the division of roles, duties and responsibilities. The report contained a finding indicating that a conflict of interest is created when one firm reviews the work of its partner.

In the 2004 annual performance audit report, it was noted that the District and bond management team had undertaken a thorough review of the master architect contract and initiated a process to bifurcate the contract into two separate contracts.

## **STANDARD CONSTRUCTION DOCUMENTS**

### **Process Utilized**

The bond management team provided the audit team with copies of the Master Architect/Engineer Plan, Quality Control Program, and a sample of the construction documents utilized in the projects. The audit team conducted interviews with District staff and members of the bond management team. These interviews covered a number of topics, including the process utilized in the development of standard construction documents.

### **Background**



## **DESIGN AND CONSTRUCTION SCHEDULES**

The bond management team is commended for staying on track to meet the scheduled completion date of December 2005 for the reconstruction of 17 schools. The successful adherence to the schedule is indicative of an effective team effort which has produced the intended results.

### **Findings**

There are no findings in this section.

## DESIGN AND CONSTRUCTION COST BUDGETS

### Process Utilized

Construction of the Phase M-1A and M-1B projects were nearly completed and/or substantially completed during the time period covered in this report. The bond management team provided Total School Solutions (TSS) with project budgets for review.

TSS conducted interviews with District staff and members of the bond management team. These interviews included a variety of topics, including project costs and budgets. For documentation of the design and construction schedules and budgets for projects in Phases M-1A, M-1B and D-1A, refer to tables 4, 5 and 6, respectively, presented on pages 19-21.

### Background

California public school districts are permitted to develop building standards based on individual educational, aesthetic and fiscal needs. The California Department of Education (CDE) reviews and approves projects based on a set of criteria that includes toxics review, minimum classroom size,

Although accomplished after the end of the current reporting period, on November 8, 2005, District voters approved Measure J, which will provide an additional \$400,000,000 for continuance of planned new schools and the modernization of existing schools. However, while this is a significant positive step based on the current list of projects and cost estimates, the District will need an additional \$400 - \$500 million plus escalation increases to complete its entire program.

The District Engineering Officer has done a thorough job of including all known cost variables and updating budgets to reflect the changing construction and bidding environment. Periodic reviews and updates of the design and construction cost budgets ensure that adequate funding is identified and made available before the award of contracts.

Refer to tables 4, 5 and 6, on pages 19-21, for a comparison of budgets and costs.

### **Commendations**

The District is commended for its development of Program Summary, Program Budget and Project Budget documentation for Phase M-1A and Phase M-1B programs. This documentation provides an easily understood snapshot of the budget status of each project and the program totals. These reports also display totals for approved change orders and potential change orders, thereby providing a reasonable indication of true project status and costs. The presentation of this

**DISTRICT POLICIES AND GUIDELINES FOR FACILITIES PROGRAM**

In the Annual Performance Audit for the 2002-03 fiscal year, Total School Solutions (TSS) found the current policies and regulations do not reflect recent changes in law. TSS recommended that the District utilize model policy and procedure documents developed by the California School Board Association (CSBA), the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO) or policies and procedures developed by other school districts to update existing board policies and administrative regulations and, as appropriate, to develop new ones related to the facilities program for the West Contra Costa Unified School District.

The District noted that it concurred with the finding. District staff was assigned to work on policies and guidelines that impact or define work on the bond facilities program. Outside legal counsel was also assisting the District in updating board policies and administrative regulations.

**Annual Audit Report 2004-05**

TSS has previously recommended that the District revise its policy and procedure regarding change orders to address cumulative change orders rather than individual change order basis. The District has approved a new policy limiting change orders on a cumulative basis rather than individual change order basis. The District has approved a new policy limiting change orders on a cumulative basis rather than individual change order basis.

At the meeting of the Board of Education on January 5, 2005, a new proposed administrative regulation was adopted regarding change orders. The District has approved a new policy limiting change orders on a cumulative basis rather than individual change order basis.

## BIDDING AND PROCUREMENT PROCEDURES

### Process Utilized

In the process of this examination, TSS reviewed and analyzed purchasing documents and payment documentation for new construction and modernization projects. Interviews with various staff members were held.

### Background

No major construction bids were conducted during the period of July 1, 2004, to June 30, 2005. Several construction projects were initiated during the July and August months to take advantage of the summer schedule. A review was made of procurement practices and smaller bids conducted within this audit period.

The District made several furniture purchases for schools undergoing modernization. Purchasing was able to obtain a schedule of negotiated bids performed by the California Department of General Services and U.S. Communities.

### Commendations

Because of staffing shortages in purchasing, the facilities department and the bond management team initiated and conducted bids of non-major construction projects. The District is commended for following all legal requirements and procedures from the advertising of the bid to the receiving and award of contracts in spite of this shift.

The District is commended for converting interim housing relocatable leases from annual to monthly agreements. Typically, the District contracts for relocatables on an annual lease and annual payment basis. This is an economical approach when multi-year projects are planned. However, as projects near completion, conversion of these agreements to a month by month arrangement allows cancellation to be timed with project completion. This produces a cash savings to the District.

The District is commended for working with staff to build consensus on furniture and equipment selections. To establish standards for furniture and equipment, purchasing department organized a vendor show and invited teachers and administrators to enable a selection of preferred brands and models. The show was successful and helped provide consensus in choosing standards.

Staff is commended for releasing a Request for Proposal (RFP) for Design Services of Furniture and Equipment to seek competitive bids for this work. The District approached four companies with this RFP, and two responded. While the response was small, the effort appears to save the District money; the lower (responsible) bidder was 22 percent lower in cost than the other bidder.

**Findings**

The District needs to ensure that its practice of requiring two or three quotes for materials or services greater than \$2,000 is observed. The bond management team can assist with this practice by attaching copies of all quotes received to the requisition form (for the public record).

Purchase orders that u

The range of prices for furniture and equipment referenced in the findings relates to the quality and brand differences within the industry. Staff continues to refine the District Standards for furnishings and equipment to ensure that bids always reflect the same items and quality.



**CHANGE ORDER AND CLAIM AVOIDANCE PROCEDURES**



**District Response**

The District is in general agreement that scope additions or modifications may be a concern when executed using the Change Order process during construction. However, it is often impossible for staff and consultants to fully understand what the total project at a site might need to involve until construction is underway. At that point, with a Contractor on site, it is often less time-consuming and less expensive for additions to a project to be made through the Change Order process. While the work is not put out to bid, it is often the case that District staff and SGI Construction Managers will insist upon multiple quotes and engage in intensive negotiations for work added as part of a Change Order.

The ability of the District to adjust scope during construction is an important tool to ensure a complete project and to be able to respond to unanticipated needs that arise during construction. The specific four examples cited are really a good example of the complexity of the process.

North end parking at Montalvin: Added per Board direction as an important scope to complete an appropriate project scope. Originally priced as an alternate at bid, not accepted. However, eventual pricing was same as bid price. So this work was competitively bid.

Addition of landscaping at Madera: During construction, community concerns regarding site landscaping work resulted in addition of landscape and changes to original layout ô allowed District to meet neighbor concerns in a timely fashion.

Tree removal and landscaping at Kensington: Bulk of tree removal, 50+ trees was in the original contract, not added. Some additional work ô landscape screening--was added in response to neighbors concerns regarding impacts of the new building on homeowners.

Re-site relocatables at Stewart: This work should have been anticipated during design, but was not properly communicated from site staff to architect.

The District concurs that more time and resources need to be allotted for pre-bid reviews, constructability reviews, utility location assessments, and environmental reviews. Current projects are being reviewed much more intensively in the areas referenced.

V jg'F kvtlev'f qgu"t gswktg'vj cvO clpvgpcpeg.Kph to cvqp Vgej pqr i { .cpf'vjg'R tpekr cn'õuki p"qhh" on a project before the plans are approved. Current contracts have continued to strengthen



One of the sampled invoices showed several handwritten corrections. The calculations were incorrect and had to be corrected by the construction manager, which prolonged the payment process.

Not all construction invoices had the unconditional waiver release upon progress payment. Consistency should be required for all payments.

### **Recommendations**

It is recommended that effort be made to reduce the timeline for a budget transfer, which is currently an average of two (2) weeks. By shortening the time for a budget transfer, the payment process can be shortened. Currently, the budget transfer requires approval at four levels. The average line item budget transfer is forty (40) transactions per month, it is recommended that instead of having the Associate Superintendent approve every transaction, a monthly summary should be submitted for review, thereby reducing the levels of approval and shortening the timeline.

It is recommended that effort be made to reduce the timeline for payments. When payments are not timely, vendors and contractors are more likely to factor a higher margin when bidding for projects. Timely payments also encourage bids from high-quality contractors. Late payments may result in service and interest charges.

It is recommended that file documents should be better organized to prevent missing documents and invoices.

It is recommended that no payments of change orders be made until the Board ratifies the change order amount. While it may be necessary to give staff authority to approve change orders to prevent further expense to the project, release of public funds should not occur until Board action is taken.

It is recommended that incorrect contractor invoices be rejected and be sent back for resubmittal. Information presented should be clear and accurate. Contractors should be asked to submit invoices that reflect the true value of their work. Clear and accurate invoices shorten the timeline for payment.

Refer to the section in this report titled "Findings" for more information on these issues.

The District is committed to making timely payments to contractors and other vendors. Procedures included in the approval and payment processes have been made that have reduced the time it takes to process payment. Additional changes in processes prior to final processing

## **BEST PRACTICES IN PROCUREMENT**

### **Process Utilized**

District staff was interviewed; documentation was reviewed; and processes were observed in the course of work. To clarify issues or questions, subsequent interviews were held.

### **Background**





The bid for Playground Renovation at Hannah Ranch and Cesar Chavez Elementary School was significantly delayed by the contractor. The bid was opened on June 23, 2004, and the Board approved the contract on July 7, 2004. A Notice to Proceed was issued on July 21, 2004. The forty-five day project should have been completed before the new school year started. Instead, it was ninety-eight percent complete during the first week of February. When a contractor fails to perform, the bid document provides relief in form of liquidated damages. Further, it may be necessary to report such performance to surety companies. This practice will eventually eliminate nonperforming or underperforming contractors. A further review was made of other construction timelines and the additional construction days approved for certain projects.

Extension of construction days could not only delay the use of school facilities but if caused by the District, may result in the District

### **Recommendations**

It is recommended that the District track credits from contractors. Credits can be easily overlooked and should be tracked and claimed with the next payment due.

It is recommended that, before any commitment of funds is made toward reconstruction, closures or redistricting decisions should be considered.

It is recommended that the District verify with their legal counsel the validity of accepting certified payroll records without original signatures.

It is recommended that District enforce contract conditions for nonperforming /underperforming contractors. When work delays caused by the contractor affect the use of facilities, liquidated damages should be imposed. To encourage performance, contractors should be reminded of possible claims against their bond. Because bonding is needed to bid on public projects, contractors understand the impact of a report to their surety firm.

### **District Responses**

The District does track credits and often backcharges contractors for repair or warranty work when it is required to be completed by the District. However, in the Modtech case mentioned, it should be noted that the District did not hold a contract with this firm. This company was directly retained by the State of California Portable Classroom Program. The District was without recourse in a situation which required immediate action in order to open school.

The District has always used updated demographic information as the basis for considerations regarding redistricting or boundary changes. As an example, the most recent redistricting changes being implemented in the District have resulted in modifications to proposed enrollments at Downer, Helms, and Portola. These updated enrollment projections have been

Signatures of submitting contractors are still required. The process of accepting a photocopy of the form which contains the original signature and still maintains all legal requirements for the submission.

Construction delays are a significant issue for all public agencies. The District always enforces contract conditions related to time, however, it is unrealistic to consider assessing liquidated damages or engaging surety on a project unless there is a clear responsibility of the Contractor for the delay. In all of the referenced cases, the delays noted and time extensions granted were as a result of: unforeseen conditions at the site; scope added by the District; clarifications to the documents; DSA-required additional work. The specific issue of Hanna Ranch/Chavez delay is related to long-lead time fabrication requirements for DSA pre-approved shade structures. This lead time was not built into the schedule proposed by the architect and approved by the District at the time of bid.

## QUALITY CONTROL PROGRAM

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The weaknesses encountered during Phase 1A project design and bidding were not experienced again with the development of revised cost estimates for Phase 2A projects, based on the full knowledge of Option 1C standards. Additionally, the District was better served in the projects bid subsequent to the initial M-1A projects to the extent that the bond team did a more effective job of document development and bid sequence.

## ***II. Procurement Quality Control***

While the Pre-construction Quality Control Process was mostly done by the master architect, the Procurement Quality Control Process was under the purview of the bond manager. Because the Procurement Quality Control process is in place and followed, satisfactory outcomes have resulted.

## ***III. Construction Quality Control***

The Construction Quality Control process is implemented by the bond program manager and the master architect, as documented in the Program Management Plan (revised on May 12, 2003), and appears to be complete and comprehensive. It is followed and satisfactory outcomes have resulted.

As stated at the beginning of this section, TSS reports on the process and not the outcomes. For this reporting period Total School Solutions was asked, for the first time to report on a sample basis on the quality outcomes of one (1) project. Please refer to the new section titled "Delivered Quality Review"

**DELIVERED QUALITY REVIEW**

**Process Utilized**

## **Commendation**

## **SCOPE, PROCESS AND MONITORING OF PARTICIPATION BY LOCAL FIRMS**

### **Process Utilized**

In the process of this examination, Total School Solutions (TSS) discussed the matter with the members of the Board of Education, examined the contract for local capacity building and made observations regarding the processes of assisting local firms in participating in vjg'F lvtew'hcekkg'r tq i tco 0

### **Background**

The Board of Education has recognized the importance of using local services. In entering into the Project Labor Agreement, one of the purposes identified by the board is the following:

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**EFFECTIVENESS OF THE COMMUNICATION CHANNELS AMONG ALL  
STAKEHOLDERS WITHIN THE BOND PROGRAM**

**Process Utilized**

Total School Solutions (TSS) interviewed personnel in facilities, purchasing and fiscal services  
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All five board members, the bond oversight committee audit-subcommittee and key personnel on the  
bond management team were also interviewed. The communication channels and public outreach were

## **Survey**

A survey was conducted of the individuals connected with the bond program including the Independent Ekl group Bond Oversight Committee, the school board, cabinet members, site administrators, SSC chairpersons, PTA presidents, and the general parent community. A total of 19% of surveyed individuals responded. This low response rate was consistent among all groups with the exception of the Bond Oversight Committee and the school board. Survey responses among individual groups were generally closely aligned indicating a fair sampling of the opinions of that certain

## **Commendations**

The District is commended for cont

**District Response**

The District concurs with the findings and recommendations. Staff is working diligently to improve all aspects of communications and public relations for the Bond Program. The communication process for the bond program is being developed with long-range goals in order to be more proactive within our district. District Staff and Consultant are working closely to develop a more effective process for consistent communication outreach. We are putting together steps to work with each City on updates that will be distributed through their website or newsletter. The following are some areas that will be implemented for the year:

- Work closely with the Cities to consistently feed them updated information on the Bond program
- To create and distribute Newsletters twice a year to the entire school district community
- Develop visual information to distribute to parents and staff of effective schools
- Distribute newsletter to non-bond and bond staff on updates of the bond schools and the bond programs
- Schedule will be developed to show what will be accomplished for the year.

**Findings**

It appears that many members failed to recognize the full scope of their charge which, among other things, includes the responsibility of the committee as a whole as well as the individual members of the committee to facilitate the dissemination of information about the facilities program to the community at large.

Although the CBOC has established a Public Outreach Subcommittee, there appears to be a continuing need to engage the committee and individual members in the role of information conduit as intended by Proposition 39.

**Recommendation**

It is recommended that training should be provided to the CBOC informing them of their role and requesting active engagement of the committee members in public awareness and information proc

**District Response**

The District concurs with the findings and recommendation. It should be noted that there was substantial participation of CBOC members in the communications and public relations efforts related to the successful passage of the Measure J Bond in November 2005. This outreach effort may present a model for participation of CBOC members in continuing to engage the community

**Finding**

C 'hgy 'o go dgtu'qh'vjg'Ekk|gpuø'Dqpf'Qxgtuki jv'Ego o kwgg'eqo rnc|pgf'vjcv'he District did not always provide the bond oversight committee with information in a timely fashion.

## **Recommendation**

It is recommended that the District ensure that it gives the oversight committee the information it  
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## SURVEY RESULTS

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<b>Survey Questions</b>	<b>Bond Oversight Committee</b>	<b>Board of Education</b>	<b>Cabinet</b>	<b>Principals</b>	<b>PTA</b>	<b>SSC</b>	<b>Parents</b>
Since March of 2002 have you seen any articles in the local newspaper(s) regarding the purpose of Measure M and /or D and expenditure of their funds?	38%	100%	100%	33%	75%	33%	66%
Do you believe that Measure D funds are being spent on the projects identified in the measure ballot language?	56%	80%	100%	83%	25%	33%	33%

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## OVERALL BOND PROGRAM

During the process of this performance audit, Total School Solutions (TSS) has made certain determinations about the overall bond program through interviews with appropriate and related individuals, a review of pertinent documentation and processes, and observations of relationships and interactions. Although these observations are not specifically related to any particular component of the audit, the audit team believes that these issues have a significant impact on the overall bond program and, as such, must be reported to the management of the District.

### Observations

In comparison with the previous audit, which was completed for the period ending on June 30, 2004, the audit team observed and noticed significant improvements in many areas in the

It appears that the independent performance audits have helped the bond management team refine and improve its processes. The performance audit team believes that the District has benefited from the improvements which have been implemented over the last two years.

The bond management team has developed excellent written practices and procedure documents essential in implementing and managing a successful building program have been outlined in great detail. The District management and the bond management team have made significant efforts to implement these processes and procedures. The District may want to consider using these written procedures as a resource in revising its outdated board policies and administrative procedures.

The District Engineering Officer has successfully completed a process to bifurcate the contract the district had with SGI and WLC.

There continue to be significant problems in streamlining communications between the SGI staff and the District fiscal services staff.

There also remain some communication difficulties between different departments in the District.

The Proposition 39 required independent financial audit of Measure D for Fiscal year 2003-04 had not been completed as of September 2005.

The District has successfully pursued and obtained voter authorization to issue \$400 million in bonds (Measure J) to partly help address the funding shortfall in the facilities program.

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## **Findings**

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The communication program in regard to the community at large and the parent groups needs attention of the District board and the administration as outlined in a previous section of this report.

Currently, the document control system resides with SGI. Normally, that is an internal District staff function. The prevailing communication issues might be mainly due to the fact that non-District staff is performing this function. Also, the District could avoid significant costs (through overhead and markup alone) by transferring this function to the District staff.

There continue to be significant delays in processing payments to the vendors and contractors as outlined in a previous section of this report.

The District appears to be non-compliant with the requirement of Article XIII of the State constitution, amended by Proposition 39, which requires an independent financial audit, in addition to an independent performance audit, of the Proposition 39 bond funds annually.

## **Recommendations**

The District should develop steps to institute improvements in the relationships and communication among the relevant SGI staff and the staff from the District fiscal services department.

The District should consider restructuring the system as it pertains to the document controls. Having this system transferred to internal District staff may result in substantial improvements in the process, as well as some financial savings.

The District should obtain an independent financial audit for 2003-04 and 2004-05 fiscal year of Measure D funds.

## **District Responses**

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# **APPENDIX A**

NOTICE OF ELECTION AND THE NOTICE  
FIXING AUGUST 15, 2000 AS FINAL DATE TO SUBMIT ARGUMENTS  
ON THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT BOND MEASURE  
AT ELECTION ON TUESDAY, NOVEMBER 7, 2000

NOTICE IS HEREBY GIVEN that a Bond Measure Election will be held in West Contra Costa Unified School District, Tuesday, November 7, 2000.

NOTICE IS ALSO HERBY GIVEN by the County Clerk of Contra Costa court, Pursuant to Elections Code Section 9502 that the above date is hereby fixed as the final date on which arguments for and against the following measure appearing on the ballot may be submitted to the County Clerk at 524 Main Street, Martinez, California 94553, for printing and distribution to the voters as provided by law.

**To improve the learning climate for children and relieve overcrowding by improving elementary schools through building classrooms, repairing and renovating bathrooms, electrical, plumbing, heating and ventilation systems, leaking roofs and fire safety systems, improving technology, making seismic upgrades, and replacing deteriorating portable classrooms and buildings, shall the West Contra Costa Unified School District issue \$150,000,000 in bonds at authorized rates, to renovate, acquire, construct and modernize school f**

## **APPENDIX B**



Special Bond Proceeds Account; Annual Report to Board



## **REFERENCE DOCUMENTS**

### **Measures M & D Ballot Language**

Bond Measure M óBallot Language. November 7, 2000.

Bond Measure D óBallot Language. March 5, 2002.

### **Audit Reports**

WCCUSD Audit Reports, Fiscal Years 2000-01 through 2004-05.

WCCUSD Bond Financial Audit Report, Fiscal Years 2000-01 through 2002-03.

### **Measures M and D Budget/Expenditure Reports**

WCCUSD Measures M and D Expenditure Reports through



# **APPENDIX D**

**DISTRICT STATU16(82T)-246(8R)116(8ET)-2.9G8(A)2.0(R)2.0(D)2.0(N)-82.9GNDN**

**WE**

**MEASURE D AND MEASURE M  
PERFORMANCE AUDIT  
JUNE 30, 2003**

**DISTRICT STATUS REGARDING  
FINDINGS AND RECOMMENDATIONS  
AS OF NOVEMBER 15, 2005**

**TOTAL SCHOOL SOLUTIONS  
2969 VISTA GRANDE  
FAIRFIELD, CA 94534**





## BOND MANAGEMENT PLAN

### Finding/Recommendation (Page 25)

The scope of services provided by the bond program manager (The Seville Group, Inc.), the master architect (WLC) and the project architects overlap to some extent, contributing to a duplication of effort and confusion regarding areas of responsibility and accountability. The District should review the contract with the bond management team and identify overlapping areas in order to eliminate any duplication of efforts.

### District Status

The District has fully complied with this recommendation. The District, SGI and WLC reviewed their respective roles and responsibilities, culminating in separate contracts being executed in December 2004. In addition, the District added bond management employees,



### **District Status**

The District has fully complied with this recommendation. The finding cited was based on M-1A projects bid during the audit period up to June 30, 2003. The District subsequently updated its standard construction documents for M-1B projects bid between April and June 2004, with significantly improved control over the bidding process and quantity of addenda. As reported in the performance audit for 2004-05, the M-1B projects adhered closely to construction schedules and experienced significantly reduced numbers and costs for change orders (14.1 percent for M-1A projects versus 5.4 percent to date for M-1B projects).

### **Finding/ Recommendation (Pages 28-29)**

Two architectural firms under one contract also create a conflict of interest when one of the firms reviews the work of its partner. This managerial arrangement in the bond management team can weaken the normal system of checks and balances usually found in school facilities projects. SGI should not participate in the constructability review process when WLC functions as the architect of record. In this case, the District should engage an independent architect to conduct the constructability review, and SGI should credit the District the full value of the independent review.

### **District Status**

This finding and recommendation have been fully resolved with the bifurcation of the SGI and WLC contracts in December 2004.





## DESIGN AND CONSTRUCTION SCHEDULES

### Finding/ Recommendation (Pages 33-34)

The Measure M and Measure D master schedule indicates that bidding for the first nine (9) elementary schools (Phase 1A) would occur by April 2003, with mobilization in June 2003 and commencement of construction by the end of June 2003. Bid results indicate that this timeline was not adhered to. The bond management team should publish updated schedules to reflect adjustments necessary in the process. The bidding process of future projects should be initiated earlier, making allowances for variances and unexpected delays in the bidding and construction processes while adhering to the published schedule to the extent possible. Updated schedules should be forwarded to all parties affected by these schedule changes.

### District Status

The District has fully complied with this recommendation in the bidding process for M-1B projects, which occurred on schedule between April and June 2004, with few problems. The M-1B bidding process had fewer addenda, fewer (and lower cost) alternates, and, to date, significantly fewer change orders. Additionally, all eight (8) M-1B projects were issued notices to proceed by July 7, 2004, five (5) projects were completed by the fall of 2005, and the remaining three (3) projects are on track to be completed by January 2006 within one (1) to two (2) months of their original schedule.



## **COMPLIANCE WITH STATE FUNDING FORMULAS**

### **Finding/ Recommendation (Page 43)**

Facilities project files are not maintained in a central location and appear to be in disarray. For this reason, information needed for the performance audit was not readily accessible. It was necessary to identify specific data needs and request the necessary documents from District staff or the WLC/SGI team. It is recommended that the District, in conjunction with the WLC/SGI team, develop a central filing system to ensure that all documents are properly categorized, filed and controlled. (It should be noted that during the period of this performance audit, the Facilities Operations Center was undergoing a major renovation.

## **COMPLIANCE WITH DISTRICT POLICIES AND GUIDELINES**

### **Finding/ Recommendation (Page 46)**

Due to ever-evolving state statutes and local changes, it is important for District policies and procedures to be updated regularly. The current policies and regulations do not reflect recent changes in law. It is recommended that the District utilize model policy and procedure documents developed by the California School Board Association (CSBA), the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO) or policies and procedures developed by other school

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Findings (Page 48)**

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It is recommended that the District spread bid openings out to avoid competition among its own projects. The concentrated schedule of bid openings creates competition among the limited resources and may be discouraged from submitting bids or may use a higher bid amount to cover uncertainties involved in preparing multiple bid packages.

**District Status**

The District has substantially complied with the recommendations, as discussed in the





It is recommended that future projects include a thorough examination of hazardous materials to avoid unexpected but preventable costs associated with overlooked hazardous material discoveries.

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## **PROCEDURES FOR CLAIM AVOIDANCE**

### **Findings (Pages 56-57)**

A few architects reported that the District vacillated with some of the specifications causing changes to the bid documents. Project architects had to redo some of the schematic drawings already provided by the master architect. Some issues reported by the project architects include different ground specifications requiring new topographic surveys, re-shooting grades, and re-engineering of mechanical specifications, among other things.

Bid documents were not completed in a timely manner by the District and were made available through the addendum process. There were numerous addenda released for some of the projects. Interviewed architects claimed to struggle with incorporating the boilerplate into the bid documents. A few architects felt that four months for design development was inadequate. This complaint is not uncommon by the project architects dealing with high intensity and expedited processes. Numerous bids were opened within days of each other, potentially decreasing the pool of bidders.

The timeline for the prequalification process is inadequate to perform a thorough verification of information. Also, bidders who may feel intimidated by the timeline and the number of addenda might find preparing answers to prequalifications tedious. In the current market, where demand exceeds the supply of good contractors, contractors can forgo bids. Because of the litigious environment, the prequalification process can only

**Recommendations (Pages 57-58)**

It is recommended that the bond management team make every effort to understand the

It is recommended that the bond management team continue to require AutoCAD for drawings, so the District can update drawings in the future to reflect the modifications made prior to the next modernization and minimize occurrence of unforeseen events in the future construction projects.

It is recommended that the bond management team extend the five (5) day prequalification timeline to ten (10) days. The extended time will provide staff adequate time to ensure that prospective bidders are scrutinized thoroughly.

It is recommended that a clear delineation of roles and responsibilities be established to avoid redundancy and omissions.

It is recommended that further training be conducted in the PS2 system in an effort to move toward uniformity in



It is recommended that the District take steps to improve communication between the purchasing and facilities departments. Instituting a monthly reconciliation meeting between these two departments should be considered.

### **District Status**

The District has made some progress in complying with the recommendations, but additional effort is needed to ensure that timely payments of invoices are made while proper controls are maintained. Procedures have been developed to ensure that backup material is included with purchase orders. Internal weekly meetings are held to review the status of purchase orders and invoices. Because the District and SGI use two different accounting systems, regular meetings are held to reconcile the accounts.

## **BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES**

### **Findings (Pages 63-64)**

It has been found that confirming purchase orders were issued by the bond management team, which might not have had a previous review or approval from the purchasing department. Confirming purchase orders can be effective in cases where time is of essence, and a proper mechanism of accounting for pre-approved costs is in place. Without proper controls in place, confirming purchase orders may not be the best choice. Accounts payables staff reports that confirming purchase orders hinders its ability to process payments in a timely fashion.

The use of numerous addenda in bids already released to the public may cause confusion on the part of the bidders, especially if the addenda change critical components of the

## **District Status**

The District has made substantial progress in complying with the recommendations. Legal language in bid documents was updated to reflect new contract requirements before bidding M-1B projects. All M-1B architectural plans were completed and stamped by DSA before bidding, resulting in greatly reduced addenda during the bidding process. The District bidding process was changed from a two-step blind bid to a low base-bid method. By including a broader scope of work within the base bid, the District reduced the number of bid alternates.

A potential conflict between Board Policy 3310 (c) and Public Contract Code 20118.4 discussed in earlier sections has been resolved with the District's legal counsel.



**SCOPE, PROCESS AND MONITORING OF PARTICIPATION BY LOCAL FIRMS**

**Finding/ Recommendation (Page 73)**

There is no consistent, ongoing review process in place to monitor and review the share of work assigned to local firms. Despite the legal issues involved in public contracts, progress has been made in allocating work to local contractors, consultants and vendors. Without a consistent oversight mechanism, these gains might be lost. It is recommended that the District consider establishing a process to provide continual monitoring of the processes that enhance local vendor participation in the school facilities improvement projects.

**District Status**

The District has made substantial progress in complying with the recommendation. The District hired Davillier-Sloan, Inc. (DSI) to administer the Labor Compliance Program and to oversee a local program to ascertain which services local vendors and the labor pool can provide. The District also formed a Local Advisory Committee consisting of local community stakeholder groups. Additionally, the bond management team provided training and guidance to local firms interested in bidding on public works projects. To establish a list of potential local firms, DSI reviewed 6,000 local firms, selected 3,500 that might be interested in bidding on public works projects. The letters yielded 160 responses in 14 categories of services.

The combined effort of the District, bond management team, and consultant resulted in a comprehensive program to identify local capacity and provide opportunities for local firms and employees to participate. As reported in the performance audit for 2004-2007.

## EFFECTIVENESS OF THE COMMUNICATION CHANNELS AMONG ALL STAKEHOLDERS WITHIN THE BOND PROGRAM

### Findings (Page 77)

The principals of the schools not currently undergoing modernization have an inadequate level of awareness about the facilities program, nor does it appear that this group is satisfied with the overall public outreach campaign.

The community, in general, does not appear to be adequately informed of the rationale of board decisions and their impacts on the facilities program, including increased project scopes and budgets.

A few civic leaders, including some city officials, do not appear to be knowledgeable and well informed about school facilities issues that local city governments face as a result of city-approved residential growth.

The communication between the bond management team (specifically SGI staff) and District departments needs improvement. The set of information sent to the departments for processing must be timely, accurate and complete.

### Recommendations (Page 77)

It is recommended that the District consider conducting a comprehensive information r tq i tco "vq 'mggr "cm'r tpekr cnu"lphq to gf "qh"vj g"F kvtlew u"hcckkkgu"ko r tqxgo gpv u0C "y gm" informed principal is likely to educate and inform his or her respective school community more effectively than centralized efforts to do the same.

The District should consider conducting a parent outreach campaign directly through school newsletters or direct mailing. The District should also consider making presentations to school site councils and soliciting school site council and PTA officers to assist in reaching out to their parent communities.

The District should take measures to inform the community of the chronology of events and decisions that have resulted in the increased scope and costs for almost every project. A question/answer format may be an effective tool in disseminating this information within the broader school community.

The District should consider conducting informational workshops and seminars to educate and inform stakeholders and decision-makers who can significantly impact the planning, financing or construction of school facilities.

The bond management team should obtain clarification on the expectations of the accounting, finance and purchasing departments and provide the necessary documentation to facilitate the processing of payments to contractors and vendors.

## District Status

The District has made some progress toward compliance with the recommendations. The District has hired Craig Communications to perform a comprehensive public outreach campaign at numerous District schools, which has included informational meetings, sometimes includes bond program information. In addition to a District website, the District maintains websites on the bond program and the bond oversight committee. The Committee once or twice a year. The District continues to conduct presentations with city agencies and communities to inform them of facilities plans and progress.

The results of a survey conducted by TSS indicated that those closest to the bond program – Board members, District administration, school principals and parents in schools undergoing planning or construction – continue to report the highest and





## **District Status**

The District has made substantial progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, and Measure D on March 5, 2002, the bond management program has evolved into a mature structure. The completion of the F kvtlevu" T gcrki po gpv" Rtqeguu including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with, the audit team has improved. While there are some weaknesses and problems to be addressed and improved upon interdepartmental and District/consultant communications, payment procedures, change order process, etc., as discussed throughout this document such weaknesses and problems are not substantial in

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**MEASURE D AND MEASURE M**

**PERFORMANCE AUDIT**

**JUNE 30, 2004**

**DISTRICT STATUS REGARDING  
FINDINGS AND RECOMMENDATIONS  
AS OF NOVEMBER 15, 2005**

**TOTAL SCHOOL SOLUTIONS  
2969 VISTA GRANDE  
FAIRFIELD, CA 94534**

## TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Facilities Program History/Status	1
State New Construction Eligibility	2
District and Professional Services Staffing Plan for the Bond Program	3
Master Architect/Engineer Plan	6
District Policies and Guidelines for Facilities Program	7
Bidding and Procurement Procedures	8
Change Order Procedures	10
Procedures for Claim Avoidance	11
Payment Procedures	13
Best Practices in Procurement	18
Technology/E-Rate in the Facilities Program	20
Effectiveness of the Communication Channels among All Stakeholders within the Bond Program	24
Overall Bond Program	27



## FACILITIES PROGRAM HISTORY/STATUS

### Recommendation (Page 17)

In light of actions and directions of the Board of Education since January 1, 2000 including recent discussions regarding redistricting and possible school closures it is recommended that the board consider authorizing an update to the Facilities Master Plan to more accurately reflect current and future unmet needs and associated costs to carry out the facilities program.

### District Status

The District has made significant progress in complying with this recommendation. A School Redistricting Study, an important component of a Facilities Master Plan, was completed by a District consultant and discussed at Board study sessions on November 4, 2004, November 29, 2004, and December 15, 2004. To date, a Board decision has been made to close Seaview Elementary and a committee has been formed to consider a possible grade configuration change in some schools to serve students in grades K-8.

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**DISTRICT AND PROFESSIONAL SERVICES STAFFING PLAN**  
**FOR THE BOND PROGRAM**

**Finding/ Recommendation (Page 41)**

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## **District Status**

The District has made progress in complying with these recommendations. Program Management staff has been trained on Bi-tech on several different occasions and has been working on a reconciliation of the systems. Reconciliation at the macro level has been completed, in which the PPACS system, which operates predominantly off of purchase

**MASTER ARCHITECT/ENGINEER PLAN**





## **BIDDING AND PROCUREMENT PROCEDURES**

### **Finding/ Recommendation (Page 56)**

The last addendum for the Washington Elementary School bid was issued five days prior to the bid opening. This addendum involved several mechanical drawings for ductwork, which, if interpreted incorrectly, could be costly. Knowing this risk, contractors tend to inflate prices due to inadequate review time. Although the law allows addenda to be sent 72 hours prior to bid opening, it is recommended that the District consider providing additional time to bidders when addenda involve more extensive technical analyses and changes. The District can avoid unnecessarily high bid prices by allowing sufficient time

**Finding/ Recommendation (Page 57)**

Even though the bond management team has developed a filing system, methodology and guide, the filing system does not appear to have been implemented. In researching files, TSS repeatedly found that documents had not been filed in the system. It is recommended that bid documents, contracts and all other pertinent project information be filed and organized in an accessible and centralized storage area. Indices and other identifying tools should be utilized to assist in document retrieval. Organized archives will help the District prepare for required audit reports for the Office of Public School Construction (OPSC). Improper filings with OPSC could result in unwarranted financial sanctions.

**District Status**

The District has made significant progress in complying with this recommendation. The District reported that Measure M and D project documents for Phases 1-A and 1-B have been completed, and compilation of Measure M Quick Start project files is in process.

**Finding/ Recommendation (Page 58)**

At Madera Elementary School, the hazardous materials abatement contractor was slow to respond and caused the project to fall behind schedule. However, there is no evidence that adequate measures were taken to hold the contractor accountable. It is recommended that staff enforce the terms and conditions in the bid document. The language protects the District and, if monitored, reduces claims and time delays.

**District Status**

The District has fully complied with this recommendation. In the June 30, 2004, audit report, it was noted that the contractor was slow to respond and caused the project to fall behind schedule. However, there is no evidence that adequate measures were taken to hold the contractor accountable. It is recommended that staff enforce the terms and conditions in the bid document. The language protects the District and, if monitored, reduces claims and time delays. The District also reported that there is an elaborate seven-step process to be completed before a contractor can commence work.



## PROCEDURES FOR CLAIM AVOIDANCE

### Finding/ Recommendation (Pages 62-63)

The District has a practice of generally conducting two (2) pre-bid meetings which can give rise to disputes and claims of unfair advantage. Unless the instructions for the pre-bid meetings are taped or read, the District should limit the pre-bid meetings to one. It is possible that some information may be omitted in one meeting but mentioned in another. Bidders may perceive an unfair advantage from attending one meeting but not the other, regardless of whether that perception is valid. There have been instances in other school districts where bidders have perceived an unfair advantage from attending one meeting but not the other, the District handled its pre-bid meetings. The District should take all possible measures to minimize bid protests because they can cause delays and can increase project costs and/or claims.

### District Status

The District satisfactorily responded to the recommendation by stressing the current bidding climate:

The District has held two pre-bid meetings as an accommodation to our bidders. We realize that many Bay Area school districts are currently renovating schools and our bidders who will be available to investigate the needs of the District.

The District should reconsider the recommendation if the bidding climate becomes less intense.

### Finding/ Recommendation (Page 63)

It appears as though a thorough evaluation and assessment of the condition of existing school buildings were inadequate. The hazardous materials studies should reveal many of the problems the District found at school sites. There were discoveries of problems after the District awarded contracts and released Notices to Proceed. The District and bond management team should be sure that

- (2) In order to assure that the environmental consultants are properly coordinating with the Architects, the Bond Management Team has instituted a series of Architectural/Environmental coordination meetings that commence during design development and continue through the completion of Construction Documents (primarily because the drawings and designs continue to change throughout the process until the time of bid). This process has greatly reduced the amount of coordination problems that could have occurred during the Phase 1B projects.
- (3) The environmental documents have been designed to force the Contractor and his Sub-contractor to coordinate the construction work required with the required abatement. The environmental documents identify all of the materials discovered during the field verification process. The environmental consultants understand that it is their responsibility to thoroughly field verify the existing conditions. This does not guarantee that unforeseen conditions will not occur, but that this methodology greatly reduced the number of surprises that were discovered during construction for the Phase 1B projects.

The Dis vkev' cnuq" tgrq tygf" vjcv' õvchh" jcu" lætgcugf" vjg" co qwpv' qh" o qpkq tki " cpf" coordination to improve the thoroughness of the field verifications and coordination with the Architects. Evidence to date indicates that the Phase 1A projects had \$796,830 (19 REQØ) in potential change orders attributed to unforeseen environmental conditions. The Rj cug"3D"r tq lgeu"j cxg"









**Findings/ Recommendation (Page 69)**

A typical request for construction progress payment requires eight signatures, excluding the signature of the contractor. The signature is sometimes as short as the same day or as long as twenty-one (21) days. From the data analysis, the turnaround time for all invoice signatures ranged from the same day to as many as ninety (90) days, with an average of eight (8) days and a median of seven (7) days. It took more than 14 days to secure the business office signatures for 120 payments

## **District Status**

The District is striving to comply with the recommendations. The Bond Team and District  
F

## **BEST PRACTICES IN PROCUREMENT**

### **Finding/ Recommendation (Page 73)**

The District took three (3) months to issue a Notice to Proceed. The effect of such an allowance is costly in the current market. Steel and concrete prices rose throughout the 2003-04 fiscal year and appear as though they will continue to increase. Contractors tend to inflate bid prices to anticipate price increases that may occur three months following the Notice to Proceed. It is important to award and start construction as quickly as possible. It is recommended that the District issue Notices to Proceed in a timely fashion. In anticipation of steel and concrete price increases, the District should investigate whether it is worthwhile to order and store materials, especially in the case of new construction where there is adequate storage space. The savings against future price increases will be significant.

**Additional Recommendations (Page 74)**

It is recommended that t

## **TECHNOLOGY/E-RATE IN THE FACILITIES PROGRAM**

### **Findings (Page 77)**

The facilities and technology departments do not appear to be as well coordinated as they could be on the technology aspects of the facilities program.

Communication between both departments appears to have been lacking in the early stages of the facilities program. Communications, messages and comments about different installations, for example, failed to get to the other party at different points in time.

### **Recommendations (Page 77)**

It is recommended that the District designate one person, consultant or employee, to serve as the liaison between facilities and technology rather than one person from both departments. This person should have some authority on technology-related decisions.

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Staffing impacts on the technology department are a real consideration and the Bond Program always attempts to develop infrastructure projects which allow for the limited MIS staffing level.

**Finding/ Recommendation (Page 79)**

While the California Department of Education (CDE) approved the District's plan to implement the California State Standards for Technology Education, the plan does not align with the California State Standards for Technology Education. The plan does not address the standards for technology education, and it does not provide a clear path for implementation. The plan also does not address the standards for technology education, and it does not provide a clear path for implementation. It is recommended that the District revise the plan to align with the California State Standards for Technology Education.

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**EFFECTIVENESS OF THE COMMUNICATION CHANNELS AMONG ALL  
STAKEHOLDERS WITHIN THE BOND PROGRAM**

**Findings (Page 87)**

While the structure and kinds of information available on the bond program website, [www.wccusdbondprogram.com](http://www.wccusdbondprogram.com), is extensive, the website does not appear to be updated in c"tgiwrt"qt"do gr{ "hcujkp0Hqt"gzco rrg."vjg"dqpf"r tqi tco "y gdukgøu"r tqhkg'hq t'Nkpeqrp" Elementary School has not been updated since January 2003. (During the midyear report,



**District Status**

The District has made significant progress toward compliance with the recommendations. In the June 30, 2004, audit report, the District reported the following progress and plans:

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## **District Status**

The District has made some progress toward compliance with the recommendations. The



## **District Status**

The District has made significant progress in complying with the recommendations. Since the passage of Measure M on November 7, 2000, and Measure D on March 5, 2002, the bond management program has evolved into a mature structure. The completion of the F k u t e v u " T g c r k i p o g p v " R t q e g u u ô including the addition of District bond personnel, the bifurcation of the original WLC/SGI contract, and the addition of a number of specialty consultants ô has resulted in an effective bond management structure and team. After the initial performance audit period with attendant communication/cooperation difficulties, the responsiveness to, and the cooperation with, the audit team has improved. While there remain weaknesses and problems to be addressed and improved upon ô most notably fiscal control issues between the District and SGI, payment procedures, the document control system and the communication process, as discussed throughout this document and the 2004-05 audit report ô such weaknesses and problems are not substantial in comparison to the changes the District has made to improve the delivery of the facilities program.

Because the District has identified facilities needs beyond the scopes and funding of Measure M and Measure D, the current management structure should serve the District well for many years to come as the District constructs and modernizes funded projects. The challenge to the District will be its ability to maintain a cost-effective, cohesive facilities management team as the District addresses future facilities needs and expends available funding for its program. The passage of Measure J, a \$400 million Proposition 39 bond on November 8, 2005, should enable the District to maintain continuity with its management team.