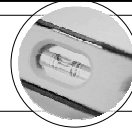




CALIFORNIA'S
COALITION
for ADEQUATE
SCHOOL HOUSING

www.cashnet.org



School Construction Project Liabilities and Protections

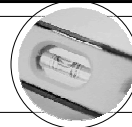
Tom Silva, Coordinator Facilities
Planning

San Diego County Office of Education on Assignment to the
San Ysidro School District



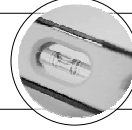
CALIFORNIA'S
COALITION
for ADEQUATE
SCHOOL HOUSING

www.cashnet.org



Brief Bio – Tom Silva

- 28 Years of Public Sector Public Capital Projects
 - 6 years with local cities
 - 22 years with school district projects
 - 14 years as a Director
 - 7 years as a County Office representative to districts

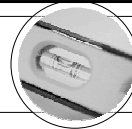


Experience In:

- Needs Assessment
- Intergovernmental Relations
- Master Planning
- Funding
- Project Delivery
- Close Out

Friday, December 12, 2008: Ontario
Airport Marriott

3

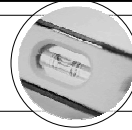


Four Areas of Emphasis

- Cart Before the Horse?
- Shallow End or Deep End of the Pool?
- What Do I Do Now?
- Are We There Yet?

Friday, December 12, 2008: Ontario
Airport Marriott

4

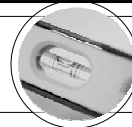


Cart Before the Horse?

- Proper sequencing will save time and money
- Proper sequencing builds credibility
 - With other agencies, local and state
 - With the school board
 - With other departments

Friday, December 12, 2008: Ontario
Airport Marriott

5

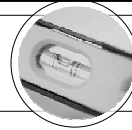


Cart Before the Horse?

- What is sequencing?
 - Get state agencies involved early
 - C.D.E. review of site
 - D.O.T. approval if within 2 nautical miles of airport before site acquisition
 - O.P.S.C. staff consultation about desire for project and evaluation of funding options

Friday, December 12, 2008: Ontario
Airport Marriott

6

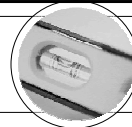


Cart Before the Horse?

- What is sequencing?
 - Get local agencies involved early
 - What does the city or county engineering department expect for roads, sidewalks, street lighting?
 - Are there design criteria to be considered?
 - What assessment districts are out there that you should know about?

Friday, December 12, 2008: Ontario
Airport Marriott

7

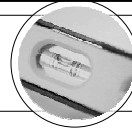


Cart Before the Horse?

- Helpful hints before you start
 - Assign a Project Tracking Generator Number before your architect gets to DSA
 - OPSC website has a Project Tracking Generator Number web page
 - Need to know your district's code and password
 - Develop a general project budget
 - SAB 506 format provides a good overview

Friday, December 12, 2008: Ontario
Airport Marriott

8

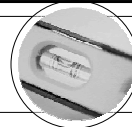


Elements of Project Budget

- SAB 506 Format Includes
 - Site Acquisition & Related Cost Estimates
 - Planning Cost Estimates (Arch. & Eng.)
 - Construction Cost Estimates
 - Tests Lab Cost Estimates
 - Inspection Estimates
 - Technology & Furniture Fixtures and Equipment Est.
 - Contingency

Friday, December 12, 2008: Ontario
Airport Marriott

9

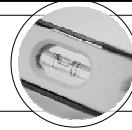


San Ysidro School District Project Estimate Template: Patterned after SAB 50-06

CATEGORY	DESCRIPTION	OBJECT CODE	UNIT	COST	QTY	COST ES	TOTAL
A. Site	Purchase Price of Property	6110		\$	-		
	Acres:						
	Cost/Acre:	6110					
	ER/CEQA:	6150		\$	-		
	DTS C Phase 1, 2, or 3	6173		\$	-		
	DTS C Processing Fee	6173		\$	-		
	Appraisals	6120		\$	-		
	Escrow/Title	6130		\$	-		
	Surveys	6140		\$	-		
	Site Costs Subtotal			\$	-		
B. Plans	Architect's Fee	6210		\$	-		
	Preliminary Tests	6240		\$	-		
	DSAC/DL Plan Check	6220/6230		\$	-		
	Energy Fee Analysis	6235		\$	-		
	Plans Costs Subtotal			\$	-		
C. Construction	Construction	6260		\$	-		
	Utility Services	6274		\$	-		
	Office Development	6260		\$	-		
	Service Site Development	6260		\$	-		
	General Site Development	6260		\$	-		
	Technology	6274		\$	-		
	Unconventional Energy	6274		\$	-		
	Construction Subtotal			\$	-		
D. Tests	3% of Const Subtotal						
	Soils & Materials Testing Lab	6280		\$	-		
	Ground Rod Testing	6290		\$	-		
	Testing Subtotal			\$	-		
E. Inspection	3% of Const Subtotal						
	DSA On-Site Inspector	6290		\$	-		
	DSA In-Plant Insp (new rels)	6290		\$	-		
	Inspection Subtotal			\$	-		
F. Furniture, Equipment & Technology		6400		\$	-		
	7% of Const Subtotal (5%+2%)						
	FF & E Subtotal			\$	-		

Friday, December 12, 2008: Ontario
Airport Marriott

10

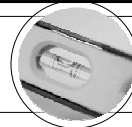


Cart Before the Horse?

- Helpful hints once you've started
 - DTSC Involvement
 - Phase I Environmental Site Assessment is required if project not exempt of CEQA
 - Phase I is good to have even if project is exempt
 - Lead & Asbestos Survey is necessary if project involves existing structures

Friday, December 12, 2008: Ontario
Airport Marriott

11

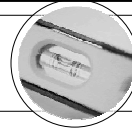


Cart Before the Horse?

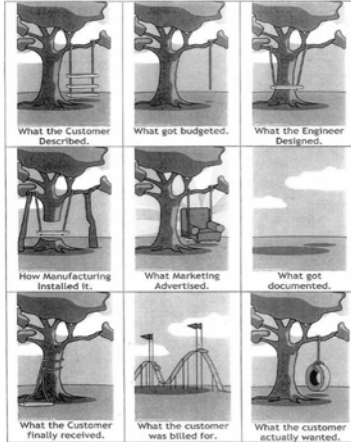
- Helpful hints once you've started
 - Get your Phase 1 started early
 - 6-8 weeks needed for report development
 - 12 – 14 weeks needed for DTSC review and approval of Phase 1

Friday, December 12, 2008: Ontario
Airport Marriott

12



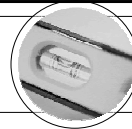
Cart Before the Horse?



- Articulate Clients Wants
 - Programming & Planning
 - Education Specifications
 - Design Development
 - Conceptual Sketches
 - Construction Documents
- Document Everything
- Crosscheck with Budget

Friday, December 12, 2008: Ontario
Airport Marriott

13

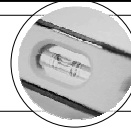


Cart Before the Horse?

- Phases of the project once it becomes “real”
 - DSA review and approval
 - CDE review & approval
 - DTSC approval
 - Construction
 - Project close out – Local, DSA & OPSC

Friday, December 12, 2008: Ontario
Airport Marriott

14

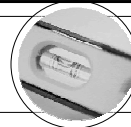


Cart Before the Horse?

- KEY Points to remember
 - Do not start project without DSA approval letter
 - If state funding is involved, there are regular reporting requirements
 - Expenditure report and back up at 12 months
 - Expenditure report and back up at 18 months

Friday, December 12, 2008: Ontario
Airport Marriott

15



Substantial Progress & Audit Guide

*Working together to improve the
educational environment for California's children*

School Facility Program Substantial Progress and Expenditure Audit Guide

A guide to assist with program reporting requirements

May 2008

State of California
Arnold C. Aronson, Governor

State and Consumer Services Agency
Randy Blain, Secretary

Department of General Services
Bill Bask, Director
Bill Sanchez, Chief Deputy Director

State Education Board
Office of Public School Construction
Shel Cook, Executive Officer - SACS/SPC
Lori Morgan, Deputy Executive Officer - SACS/SPC

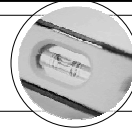
Prepared on behalf of the
State Education Board

By the
Office of Public School Construction
1100 K Street, Suite 400
Sacramento, CA 95811

916.483.1200 fax
916.483.1326 TDD
www.opsc.state.ca.us

Friday, December 12, 2008: Ontario
Airport Marriott

16



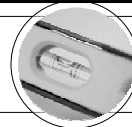
Shallow End or Deep End?



- What is the Shallow End?
 - Partial Involvement
 - Passing Interest
 - “Ankle Deep” Knowledge
- What is wrong?
 - Can't provide useful problem solving

Friday, December 12, 2008: Ontario
Airport Marriott

17



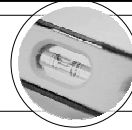
Shallow End or Deep End?



- Jump in and get to know your project by
 - Participate actively in programming and planning
 - Read the plans and specs
 - Participate in the construction meetings

Friday, December 12, 2008: Ontario
Airport Marriott

18



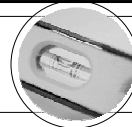
Shallow End or Deep End?



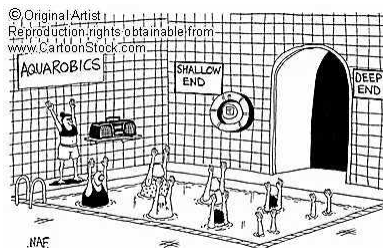
- Don't get in over your head
 - Know your role in the team
 - Don't practice outside your area of expertise
 - Know when to ask for help

Friday, December 12, 2008: Ontario
Airport Marriott

19



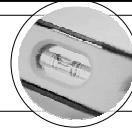
Shallow End or Deep End?



- Recognize that your project belongs to the District
 - Others will have differing opinions of their role in the project
 - Respect their opinions
 - Everyone is important

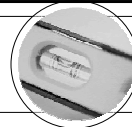
Friday, December 12, 2008: Ontario
Airport Marriott

20



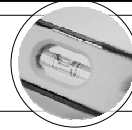
What do I do now?

- The project is through DSA and a contract awarded
 - Get Organized
 - Set up a project payment log
 - Include budget number
 - Include Base Contract Award
 - Include line item for potential 10% Change Orders



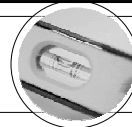
What do I do now?

- Get Organized
 - Set up centralized departmental files for
 - Agreements and supporting documents
 - 20 day preliminary notices
 - Correspondence In and correspondence Out
 - Meeting minutes; RFI's; Change Orders
 - Maintain a project binder for your personal use



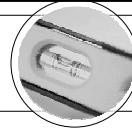
What do I do now?

- Get Organized
 - Set up internal controls so you can track the flow of money
 - Clarify with internal finance how important it is for timely payments to be made
 - Clarify how invoices, warrant receipts, and board items need to be retained for audit support
 - If possible keep copies in your office files



What do I do now?

- What could go wrong?
 - Establish formal lines of communication
 - District project manager is the only one with authority to direct changes
 - Project architect and district rep must be a team
 - Maintain a good rapport with team, but don't forget about formal processes
 - RFI's; Information Bulletins; Proposal Requests

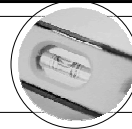


What do I do now?

- What could go wrong?
 - Persons with presumed authority can be costly
 - Principals with “wish list” items may go directly to the contractor
 - Faculty or administrative staff
 - Board members visits to site should be just that, a visit and not a directive for the contractor to change scope

Friday, December 12, 2008: Ontario
Airport Marriott

25

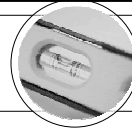


What do I do now?

- What could go wrong?
 - Control scope creep by maintaining good communication
 - Regular updates to the board
 - At San Ysidro we have monthly construction updates at board meetings
 - We provide Weekly Activity Reports to the board
 - Inform other departments of the status of the project

Friday, December 12, 2008: Ontario
Airport Marriott

26

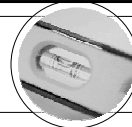


What do I do now?

- What could go wrong? Security
 - If there is limited exposure to school children the construction team should be fingerprinted
 - The construction team should check in with the admin office when on campus
 - Temporary facilities: portable toilets
 - Maintain temporary fencing or solid barriers

Friday, December 12, 2008: Ontario
Airport Marriott

27

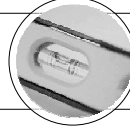


What do I do now?

- What could go wrong? Payment Applications
 - Make sure that the contractor uses a spread sheet similar to the standard AIA payment application
 - Are all the proper signatures on the payment application before it gets to the District?

Friday, December 12, 2008: Ontario
Airport Marriott

28

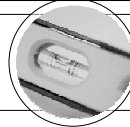


What do I do now?

- What could go wrong? Payment Applications
 - Establish internal controls for reviewing and approving payment applications
 - Consider a two step review process prior to sending pay app to Accounts Payable, for example
 - Project Manager receives pay app and verifies content
 - Assistant Superintendent authorizes payment

Friday, December 12, 2008: Ontario
Airport Marriott

29

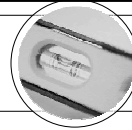


What do I do now?

- What could go wrong? Payment Applications
 - Pay close attention to change orders invoiced in the pay apps
 - If District is not fiscally independent, then County Office will be responsible for verification of payment application validity
 - Invoice change orders may require board approval

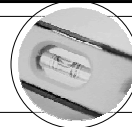
Friday, December 12, 2008: Ontario
Airport Marriott

30



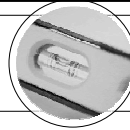
What do I do now?

- What could go wrong? Stop Notices
 - Stop Notices are a part of doing business
 - Mechanics liens are not applicable in public works projects
 - Stop Notices are the public sector equivalent
 - The District has a contract with the contractor and not his subcontractors or suppliers



What do I do now?

- What could go wrong? Stop Notices
 - The District is a “stake” holder in a stop notice dispute. It should be impartial in addressing stop notice issues
 - Step 1: verify if filer of stop notice is a listed sub in the bid
 - Step 2: if not a listed sub, is there a 20-day letter on file?



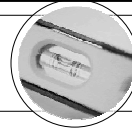
What do I do now?

- What could go wrong? Stop Notices
 - Step 3: If there is a 20 day preliminary notice on file? Was it filed within 20 days of the delivery of services or goods on the job?
 - Step 4: If yes to Steps 1 thru 3, contact legal counsel and get them involved. They can keep the process impartial



What do I do now?

- What could go wrong? Stop Notices
 - Helpful hint
 - Consider preparing a Stop Notice Log
 - If a primary subcontractor has filed a stop notice there is a good chance that his suppliers may also file
 - If more than two stop notices are filed on a project, definitely prepare a stop notice log

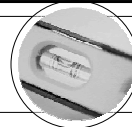


Are We There Yet?

- What could go wrong? Impatient Clients
 - The principal, staff, board want the project done before school starts regardless of the contract language
 - Is there a way to provide partial acceptance without compromising student and staff safety?
 - If no, strongly resist the urge to move in

Friday, December 12, 2008: Ontario
Airport Marriott

35

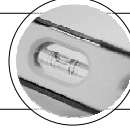


Are We There Yet?

- What could go wrong? Impatient Clients
 - If yes, see if the contractor is at a point where a punch list can be established
 - Follow the project specs for the development of a punch list
 - Develop a timeline for the completion of all punch list items

Friday, December 12, 2008: Ontario
Airport Marriott

36

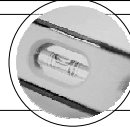


Are We There Yet?

- What could go wrong? Impatient Clients
 - If necessary, establish a cost for items on the punch list
 - Verify that all the operations and product materials manuals have been given to the district
 - Verify that the required training of staff was done

Friday, December 12, 2008: Ontario
Airport Marriott

37

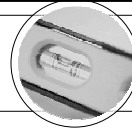


Are We There Yet?

- What could go wrong? DSA Close Out
 - Verify that all the proper DSA forms have been completed and submitted to the state architect
 - KEEP A COPY IN DISTRICT CENTRAL RECORDS FOR FUTURE REFERENCE
 - Confirm who completes the Notice of Completion: District? Architect?

Friday, December 12, 2008: Ontario
Airport Marriott

38

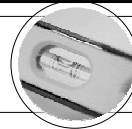


Are We There Yet?

- What could go wrong? District Close Out
 - Take the Notice of Completion and any outstanding change orders to the District board for approval
 - Record original Notice of Completion within ten (10) working days after board approval
 - Record at County Recorders Office
 - Keep a conformed copy
 - File project with District insurance provide

Friday, December 12, 2008: Ontario
Airport Marriott

39



Are We There Yet?

- What could go wrong? OPSC Close Out
 - Prepare a Detailed List of Project Expenditures and an SAB 50-06
 - SAB 184A is the Detailed List of Project Expenditures
 - SAB 50-06 is a summary of the 184A
- **KEEP COPIES OF WHAT WAS SENT**

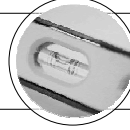
Friday, December 12, 2008: Ontario
Airport Marriott

40



CALIFORNIA'S
COALITION
for ADEQUATE
SCHOOL HOUSING

www.cashnet.org



School Construction Project Liabilities and Protections

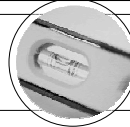
THANK YOU

QUESTIONS?



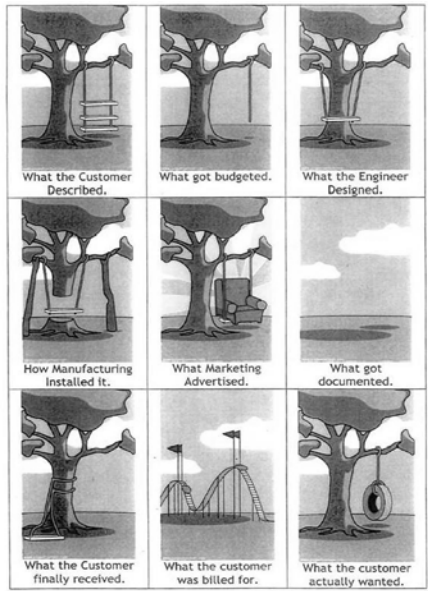
CALIFORNIA'S
COALITION
for ADEQUATE
SCHOOL HOUSING

www.cashnet.org



School Construction Project Liabilities and Protections

Large Copies of Graphics



Friday, December 12, 2008: Ontario
Airport Marriott

43

San Ysidro School District Project Estimate Template: Patterned after SAB 50-06						
CATEGORY	DESCRIPTION	OBJECT CODE	UNIT COST	QTY	COST EST	TOTAL
A. Site	Purchase Price of Property	6110			\$ -	
	Acres:					
	Cost/Acre:	6110				
	ER/CDEGA:	6150			\$ -	
	DTSC Phase 1; 2; or 3	6173			\$ -	
	DTSC Processing Fee	6173			\$ -	
	Appraisals	6130			\$ -	
	Escrow/Title	6130			\$ -	
	Surveys	6140			\$ -	
	Site Costs Subtotal				\$ -	
B. Plans	Architects' Fee	6210			\$ -	
	Preliminary Tests	6240			\$ -	
	DSA/CDE Plan Check	6220/6230			\$ -	
	Energy Fee Analysis	6235			\$ -	
	Plans Costs Subtotal				\$ -	
C. Construction	Construction	6260			\$ -	
	Utility Services	6274			\$ -	
	Off-Site Development	6260			\$ -	
	Service Site Development	6260			\$ -	
	General Site Development	6260			\$ -	
	Technology	6274			\$ -	
	Unconventional Energy	6274			\$ -	
	Construction Subtotal				\$ -	
D. Tests	3% of Const. Subtotal				\$ -	
	Soils & Materials Testing Lab	6280			\$ -	
	Ground Heat Testing	6280			\$ -	
Testing Subtotal				\$ -		
E. Inspection	3% of Const. Subtotal				\$ -	
	DSA On-Site Inspector	6290			\$ -	
	DSA In-Plant Insp (new rels)	6290			\$ -	
	Inspection Subtotal				\$ -	
F. Furniture, Equipment & Technology	6400				\$ -	
	3% of Const. Subtotal (2% + 2%)				\$ -	
FF&E Subtotal				\$ -		
G. Contingency	10% of Construction Subtotal				\$ -	
	Contingency Subtotal				\$ -	
Total Estimated Cost					\$ -	
A+B+C+D+E+F+G					\$ -	

Friday, December 12, 2008: Ontario
Airport Marriott

44

*Working together to improve the
educational environment for California's children*

School Facility Program Substantial Progress and Expenditure Audit Guide

A guide to assist with program reporting requirements

May 2008

State of California
Arnold Schwarzenegger, Governor
State and Consumer Services Agency
Rosario Marin, Secretary
Department of General Services
Will Bush, Director
Will Semmes, Chief Deputy Director
State Allocation Board
Office of Public School Construction
Rob Cook, Executive Officer - SAB/OPSC
Lori Morgan, Deputy Executive Officer - SAB/OPSC

Prepared on behalf of the
State Allocation Board

by the
Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

916.443.3160 Tel
916.443.5526 Fax
www.opsc.dgs.ca.gov

Friday, December 12, 2008: Ontario
Airport Marriott

45



Friday, December 12, 2008: Ontario
Airport Marriott

46